Half-yearly financial report
January 1 to June 30, 2022
Dräger Group

Dräger. Technology for Life®

THE DRÄGER GROUP OVER THE PAST FIVE YEARS

		2022	2021	2020	2019	Six months 2018
Order intake	€ million	1,647.6	1,477.4	2,291.4	1,320.4	1,273.8
Net sales	€ million	1,302.4	1,633.4	1,428.4	1,235.9	1,115.8
Gross profit	€ million	526.3	802.1	671.1	524.3	473.7
Gross profit / Net sales	%	40.4	49.1	47.0	42.4	42.5
EBITDA [1, 2, 4]	€ million	-41.8	273.3	162.3	47.7	5.9
EBIT [2, 3, 4]	€ million	-111.7	209.2	101.6	-12.2	-36.6
EBIT [2, 3, 4] / Net sales [4]	%	-8.6	12.8	7.1	-1.0	-3.3
Interest result	€ million	-8.2	-12.2	-20.4	-8.9	-6.2
Income taxes	€ million	42.1	-57.2	-27.5	6.5	13.4
Net profit	€ million	-77.9	139.8	53.7	-14.6	-29.3
Earnings per share on full distribution [5]						
per preferred share	€	-4.13	6.50	2.24	-0.82	-1.59
per common share	€	-4.16	6.47	2.21	-0.85	-1.62
DVA [4, 6, 7]	€ million	-150.4	402.9	81.4	-8.1	13.8
Equity [4, 8]	€ million	1,326.3	1,210.7	870.2	1,034.8	1,023.0
Equity ratio [4, 8]	%	44.9	38.2	30.0	41.9	44.6
Capital employed [2, 4, 8, 9, 10]	€ million	1,590.0	1,466.1	1,466.0	1,448.5	1,299.0
EBIT [3, 6] / Capital employed [2, 8, 9, 10] (ROCE) [4]	%	-3.1	34.4	12.3	6.0	7.7
Net financial debt [2, 4, 8, 11, 12, 13]	€ million	257.0	147.6	494.1	171.2	78.8
Headcount as at June 30		16,043	15,795	15,177	14,671	14,042

[1] EBITDA = Earnings before net interest result, income taxes, depreciation and amortization

[2] For effects of the first-time application of IFRS 16 on the figures as at June 30, 2019, see table on page 13 of our Half-yearly financial report 2019.

[3] EBIT = Earnings before net interest result and income taxes

[4] The first-time application of IFRS 16 in fiscal year 2019 impacts this key figure. Therefore, comparability is limited.

[5] Based on an imputed actual full distribution of earnings attributable to shareholders

[6] Value of the last twelve months

[7] Dräger Value Added = EBIT less cost of capital of average invested capital

[8] Value as at reporting date

[9] Capital employed = Total assets less deferred tax assets, securities, cash and cash equivalents, non-interest bearing liabilities and other non-operating items

[10] Due to the redefinition of capital employed in December 2019, the figures for 2019 have been adjusted.

[11] Including EUR 40.1 million in money market funds as at June 30, 2022, in which Dräger invested cash and cash equivalents with a short-term investment horizon (June 30, 2021: EUR 49.9 million)

[12] Including the remaining payment obligation from the termination of the series D participation certificates of EUR 206.3 million as at June 30, 2022 (June 30, 2021: EUR 201.4 million)

[13] Including the payment obligation of EUR 449.5 million from the termination of the participation certificates as at June 30, 2020

Possible rounding differences in this financial report may lead to slight discrepancies.

This half-yearly financial report has been set up in German and English language. In case of any discrepancy between the German and English version, the German version shall prevail.

Dear Shareholders, dear Employees, dear Readers,

The first half of 2022 has taught us three things. First of all: The COVID-19 pandemic is not over. Infection rates remain high, and experts are warning of the emergence of new virus variants. Strict lockdowns have been imposed in major cities in China and continue to leave a mark on global supply chains. Maintaining normal operations was also not always possible here in Germany, particularly in the healthcare sector.

Our second lesson was that, unfortunately, war is still possible in Europe, as shown by the Russian attack on Ukraine. The conflict has not had much of an economic impact on our business. Our operations in Russia are very small and our direct reliance on Russian energy and commodities is extremely low. A well-diversified business model that absorbs the effects of geopolitical risks is also a benefit to us in this regard. However, the war has affected us greatly on a human level. World hunger also makes us humble that we have food on our table every day.

The third lesson is a positive message: demand for our ›Technology for Life‹ remains high even in uncertain times. Our order intake was much higher in the first half of 2022 than it was in the same period in the prior year and significantly exceeded our expectations, even though demand in these quarters is usually weaker than in the second half of the year and our business with COVID-19-related products has normalized. There are also no signs of market saturation; our ventilators continue to prove popular.

Both of our operating segments, the medical division and the safety division, contributed to the positive order intake in the first half of the year. Our core market of Europe and the Africa, Asia, and Australia region were the driving forces behind this growth, with order intake rising by around 20 % in the latter. In other words, the positive first-quarter trend continued into the second quarter.

Our income was unable to keep pace with the strong order intake performance. With demand related to the COVID-19 pandemic falling away, we expected income to decline compared to the prior year, especially as our business was additionally impacted by the limited availability of intermediate products and lockdowns in China. Our net sales were down considerably on prior-year figures in the first six months of 2022.

The decline in net sales also triggered a substantial fall in earnings. The decrease in gross profit was largely the result of lower net sales compared to the prior-year period, when business was driven by pandemic-related volume effects. A change in the product mix and the rising costs of electronic components and logistics continued to adversely affect gross profit. Unlike costs, the price increases that we have made have not yet had an impact on profit or loss.

Despite all of the challenges, we remain confident in our outlook. The number of orders remains high, and we expect the supply situation to ease in the second half of the year. This should give us tailwind to achieve our annual targets. Our strategic focus remains on reinforcing and strengthening our future sustainability, which is why we are investing in renewing our medical division product portfolio and expanding our specific sales skills. We are also planning to buy back the remaining participation certificates in January 2023 to increase the appeal of Dräger shares.

I would like to express my gratitude for the trust and loyalty you have shown as our shareholders. I would also like to thank the Supervisory Board for maintaining such a constructive working relationship. Especially, I would like to thank all of our employees, who are committed to turning technology into ›Technology for Life‹, day in, day out—ensuring that we can fulfill our responsibility to provide for society.

Best regards,

Stefan Dräger

Stefan Dräger

The Dräger shares

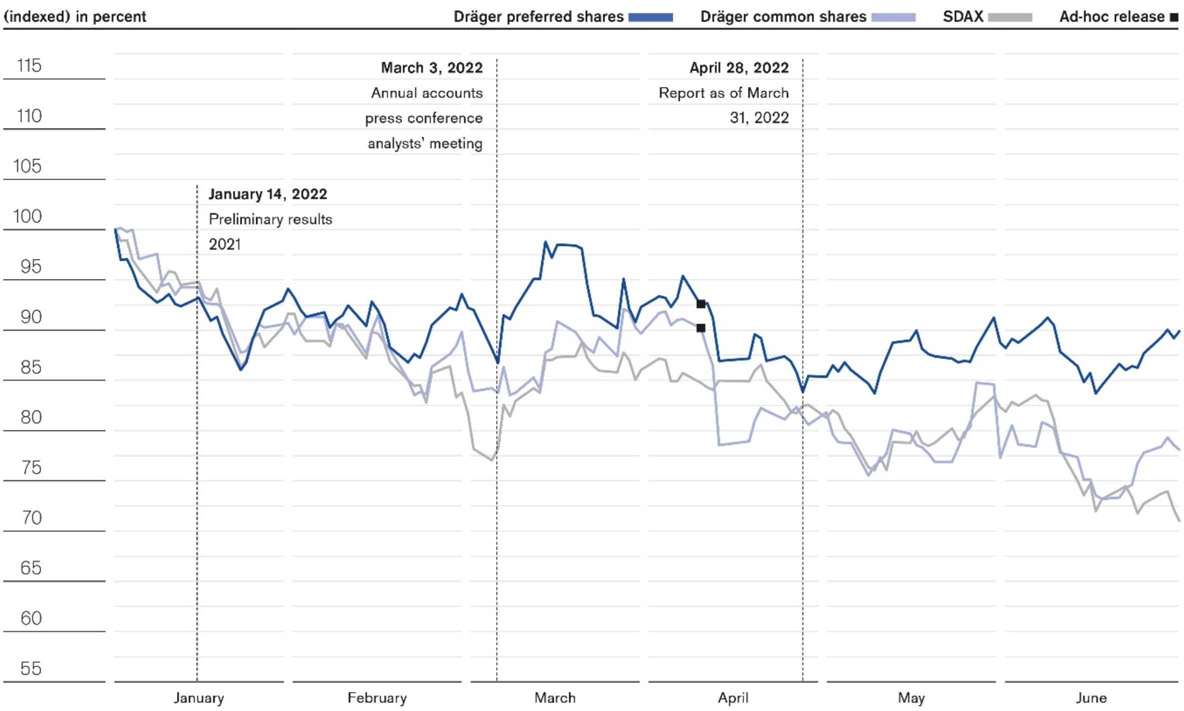
The first half of 2022 saw extremely unsettled capital markets and declines in the share prices of many companies. Dräger shares performed better than the market as a whole. Common share performance was slightly ahead of the benchmark, while the preferred shares outperformed the comparison index by a large margin.

However, the general bear market trend meant that Dräger shares also lost considerable value. Common shares were trading at EUR 42.25 on the reporting date of June 30, 2022, down around 22 % on the closing price for 2021. Preferred shares stood at EUR 49.65 on the reporting date, which equated to a fall in value of approximately 10 % since the end of 2021. In the same period, the SDAX declined by just under 28 % to roughly 11,881 points.

Dräger shares declined in value significantly in the first few trading weeks of 2022, before recovering slightly from the end of January onwards. Prices tumbled once again in mid-February, shortly before Russian troops invaded Ukraine. March brought with it further recovery, with preferred shares rising back up to roughly the level at which they started the year. The price of Dräger shares declined considerably once again following the publication of preliminary figures for the first quarter and the confirmation of the forecast for the year in mid-April. Common shares continued on their downward trend until the end of June, while the preferred shares began trading sideways.

Capital markets were dominated by fears of recession and interest rate hikes in the first half of 2022. The start of the conflict in Ukraine caused stock markets around the world to nosedive. The DAX fell to below 13,000 points for a while in March. From March onwards, stock markets remained under pressure from rising inflation, ongoing supply chain issues, and a deteriorating global economic outlook. The tightening up of monetary policy also created additional uncertainty. The U.S. Federal Reserve raised interest rates three times in the first half of 2022, and the European Central Bank also announced a reversal in its interest rate policy on June 9. The DAX fell to under 13,000 points in response to the news.

PERFORMANCE OF THE DRÄGER SHARES



DRÄGER SHARES – BASIC FIGURES

	Common shares	Preferred shares
International Securities Identification Number (ISIN)	555060 / DE0005550602	555063 / DE0005550636
Ticker symbol / Reuters / Bloomberg	DRW / DRWG.DE / DRW8	DRW3 / DRWG_p.DE / DRW3
Main stock exchange	Frankfurt/Xetra	Frankfurt/Xetra
Market segment	Prime Standard	Prime Standard
Index	-	SDAX
Initial listing	2010	1979

DRÄGER SHARES INDICATORS

	Six months 2022	Six months 2021
Common shares		
No. of shares as at the reporting date	10,160,000	10,160,000
High (in €)	54.20	78.80
Low (in €)	39.60	60.20
Share price on the reporting date (in €)	42.25	78.40
Average daily trading volume [1]	5,641	10,033
Undiluted / diluted earnings per common share on full distribution (in €) [2]	-4.16	6.47
Preferred shares		
No. of shares as at the reporting date	8,600,000	8,600,000
High (in €)	55.25	82.20
Low (in €)	46.25	61.60
Share price on the reporting date (in €)	49.65	79.80
Average daily trading volume [1]	28,526	57,120
Undiluted / diluted earnings per preferred share on full distribution (in €) [2]	-4.13	6.50
Market capitalization (in € thousand)	856,250	1,482,824

[1] All German stock exchanges (source: designated sponsors)
[2] Based on an imputed actual full distribution of earnings attributable to shareholders

Interim Management Report of the Dräger Group for the first half of 2022

General economic conditions

UKRAINE CONFLICT DAMPENS ECONOMIC RECOVERY

After showing signs of recovery from the COVID-19 pandemic at the beginning of 2022, the economic conditions worsened significantly during the remainder of the first half of the year. In February, the war in Ukraine began, resulting in extensive economic sanctions being imposed on Russia. Eurozone inflation climbed to new records following the outbreak of war, and ongoing supply bottlenecks also proved problematic.

In light of these developments, the International Monetary Fund (IMF) lowered its global economic growth forecast in April 2022. Now the IMF expects growth of 3.6 % in both 2022 and 2023 (2021: 6.1 %), 0.8 and 0.2 percentage points lower respectively than the January 2022 forecasts.

INTEREST RATES HIKED TO COMBAT INFLATION

Given the high rate of inflation, several central banks tightened up their monetary policy in the first half of 2022 and initiated an interest rate turnaround. The U.S. Federal Reserve increased the interest rate by 0.25 percentage points in March, marking the first rate hike since the start of the COVID-19 pandemic. It raised the interest rate by a further 0.5 and 0.75 percentage points in May and June respectively, putting the rate range at between 1.50 % and 1.75 % at the end of June.

In June, the European Central Bank (ECB) called an end to its multibillion-euro bond-buying program, effective from July 1, 2022. It also announced that it would be increasing interest rates in July for the first time in 11 years, by 0.25 percentage points. The ECB raised prospects of a further, and even larger, rate hike in September if the medium-term inflation outlook were to remain unchanged or deteriorate.

INFLATION RATE AT RECORD LEVEL, EURO REMAINS UNDER PRESSURE

Inflation rates, which were already high, jumped even further following the outbreak of war in Ukraine. In the eurozone, the inflation rate reached a new record of 8.6 % in June, significantly above the pre-war rate from January 2022 (5.1 %) and several times higher than the figure recorded in June 2021 (1.9 %). In Germany, inflation was 7.6 % in June 2022 according to preliminary figures. Despite being substantially higher than the rates reported in January 2022 (4.9 %) and in June 2021 (2.3 %), that number was 0.3 percentage points lower than the May 2022 figure (7.9 %).

The euro continued to lose value against the U.S. dollar in the first six months of 2022. On June 30, 2022, the currency was trading at roughly USD 1.05, down some 8 % on the price at the end of 2021. The euro also lost value against the Swiss franc and currencies in important emerging economies such as China, India, and Brazil. Against the British pound and the Japanese yen, the euro's value increased.

MARKET AND INDUSTRY PERFORMANCE

With the economic effects of the COVID-19 pandemic beginning to abate, the global economy started showing the first signs of recovery at the beginning of the year. The outbreak of war in Ukraine exacerbated disruption in global value chains and ramped up inflationary pressure. Prices for energy and commodities have increased significantly and burdened the global economy. This is having a variety of effects on our markets and industries.

Medical division

To our knowledge, the European medical industry developed positively in the first half of 2022. In light of the COVID-19 pandemic, EU countries are increasing investment in their healthcare systems. Aid packages such as the multibillion-euro “EU4Health” program are aimed at making healthcare more crisis-resistant in the future. The rising investments are having a positive effect on national healthcare markets. One example is Italy, where public and private demand for medical technology has increased. The Spanish government is looking to invest more than EUR 1 billion in the procurement of state-of-the-art medical technology. In France, digital health solutions for hospitals, medical practices, and nursing homes are seeing widespread expansion buoyed by government subsidization. The U.K. is also attempting to rectify the lack of capacity in its public health system with billions of pounds in investments.

Development of the U.S. medical technology market was cautiously positive. Demand for medical technology in the U.S. remains high, but there are major limitations on market growth owing to the rising cost pressure. Digital health, particularly telemedicine, saw substantial growth during the COVID-19 pandemic. In Brazil, the Omicron variant continued to have an ongoing negative impact on healthcare sector capacity in the first half of 2022. Public and private investment activities were limited, but demand for COVID-19 diagnostics and telemedicine was high.

In the Africa, Asia, and Australia region, the market for medical technology developed positively to our knowledge. That is certainly true of the most important healthcare markets on the Arabian Peninsula: the United Arab Emirates (U.A.E.) is making major investment in the expansion of its hospital sector, resulting in a corresponding upswing in the medical technology market. Increased government revenues bolstered by rising oil prices also saw Saudi Arabia ramp up its investment in the medical technology industry. In South Africa, demand for medical technology was up, particularly driven by the private hospital sector. Australia, too, is investing billions in the expansion of its healthcare infrastructure. The focus in the Chinese healthcare sector remains on cutting costs and improving efficiency, and the country continues to show strongly protectionist tendencies. In the price-sensitive Indian market, demand for medical technology increased with public spending and the development of digital health solutions proving to be the main growth drivers.

Safety division

Development in the European safety technology sector was subdued in the first half of 2022, according to our assessment. The European chemical industry was forced to curb its production, with supply bottlenecks and high prices for energy and commodities curtailing growth. These problems were exacerbated by the war in Ukraine.

The development of the U.S. safety technology sector was only marginally positive. The U.S. chemical industry developed at a relatively slow pace at the start of 2022, with supply-side issues and high commodity prices also impacting chemical companies in the country. In Brazil, the market for chemical products grew, but investment activities stagnated. The association of Brazilian chemical companies complained of a lack of investment security due to the government’s decision to stop subsidizing the industry and the lack of a long-term industry policy. The U.S. oil and gas industry benefited from rising commodity prices, but companies were unable to ramp up their production to the extent requested by the government. This was partly due to a lack of investment in new technologies in the past three years.

In the Africa, Asia, and Australia region, development varied from industry to industry. The Chinese chemical industry showed a high level of momentum. In Japan, the chemical industry recorded moderate recovery, with rising costs for commodities and intermediate products dampening growth. Other Asian economies also reported relatively sluggish development. The oil and gas industry on the Arabian Peninsula benefited from rising prices for commodities. The South African mining industry performed well, with the war in Ukraine driving global market prices for South African commodity exports—such as gold, iron ore, platinum-group metals, and coal—to new highs. Price increases also had a positive impact on iron ore and gold mining in Australia.

The fire service market kept pace with overall economic development in all three regions according to our information.

OVERALL ASSESSMENT OF THE UNDERLYING CONDITIONS

All in all, economic conditions became more challenging in the first half of 2022. The war in Ukraine exacerbated existing problems, such as high inflation and ongoing supply chain problems. The COVID-19 pandemic remains a risk factor as well.

The medical technology market developed positively overall in the first half of 2022 due to consistently high demand. The safety technology market was more susceptible to the aggravated economic conditions and developed very differently from industry to industry and region to region, depending particularly on commodity prices.

Business performance of the Dräger Group

BUSINESS PERFORMANCE OF THE DRÄGER GROUP

		Second quarter			Six months		
		2022	2021	Change in %	2022	2021	Change in %
Order intake	**€ million**	**821.9**	**737.6**	**+11.4**	**1,647.6**	**1,477.4**	**+11.5**
Net sales	**€ million**	**652.9**	**841.3**	**-22.4**	**1,302.4**	**1,633.4**	**-20.3**
Gross profit	**€ million**	**251.9**	**389.2**	**-35.3**	**526.3**	**802.1**	**-34.4**
Gross profit / Net sales	%	38.6	46.3		40.4	49.1	
EBITDA [1]	**€ million**	**-40.6**	**112.8**	**> -100**	**-41.8**	**273.3**	**> -100**
EBIT [2]	**€ million**	**-76.6**	**80.3**	**> -100**	**-111.7**	**209.2**	**> -100**
EBIT [2] / Net sales	%	-11.7	9.5		-8.6	12.8	
Net profit	**€ million**	**-50.8**	**57.0**	**> -100**	**-77.9**	**139.8**	**> -100**
Earnings per share on full distribution [3]							
per preferred share	€	-2.71	2.66	> -100	-4.13	6.50	> -100
per common share	€	-2.72	2.65	> -100	-4.16	6.47	> -100
DVA [4, 5]	€ million	-150.4	402.9	> -100	-150.4	402.9	> -100
Research and development costs	€ million	85.3	77.4	+10.2	167.1	149.1	+12.1
Equity ratio [6]	%	44.9	38.2		44.9	38.2	
Cash flow from operating activities	€ million	-189.9	96.2	> -100	-214.8	172.3	> -100
Net financial debt [6, 7, 8]	€ million	257.0	147.6	+74.2	257.0	147.6	+74.2
Investments	€ million	27.6	58.5	-52.8	56.1	96.4	-41.8
Capital employed [6, 9]	€ million	1,590.0	1,466.1	+8.4	1,590.0	1,466.1	+8.4
Net working capital [6, 10]	€ million	727.6	630.9	+15.3	727.6	630.9	+15.3
EBIT [2, 4] / Capital employed [6, 9] (ROCE)	%	-3.1	34.4		-3.1	34.4	
Net financial debt [6, 7, 8] / EBITDA [1, 4]	Factor	2.43	0.23		2.43	0.23	
Gearing [7, 8, 11]	Factor	0.19	0.12		0.19	0.12	
Headcount as at June 30		16,043	15,795	+1.6	16,043	15,795	+1.6

[1] EBITDA = Earnings before net interest result, income taxes, depreciation and amortization
[2] EBIT = Earnings before net interest result and income taxes
[3] Based on an imputed actual full distribution of earnings attributable to shareholders
[4] Value of the last twelve months
[5] Dräger Value Added = EBIT less cost of capital of average invested capital
[6] Value as at reporting date
[7] Including EUR 40.1 million in money market funds as at June 30, 2022, in which Dräger invested cash and cash equivalents with a short-term investment horizon (June 30, 2021: EUR 49.9 million)
[8] Including the remaining payment obligation from the termination of the series D participation certificates of EUR 206.3 million as at June 30, 2022 (June 30, 2021: EUR 201.4 million)
[9] Capital employed = Total assets less deferred tax assets, securities, cash and cash equivalents, non-interest bearing liabilities and other non-operating items
[10] Net working capital = Trade receivables and inventories less trade payables, customer prepayments, short-term operating provisions and other short-term operating items
[11] Gearing = Net financial debt / equity

ORDER INTAKE

Our order intake was up by 8.9 % year on year (net of currency effects) in the first half of 2022, exceeding our expectations by a significant margin. We benefited from our broad product range. Although demand for Corona-related products such as ventilators and respiratory protection masks fell markedly in the reporting period, this decline was more than absorbed by higher order intake for other products, including hospital infrastructure, anesthesia devices, respiratory and personal protection products, and gas detection systems.

The Africa, Asia, and Australia region was the primary driver of growth for order intake, recording an increase of 20.2 %. Demand in Europe also climbed noticeably. The Americas region recorded a slight decline in order intake (net of currency effects). Order intake also rose significantly year on year in the second quarter, climbing by 7.6 % (net of currency effects). Europe as well as Africa, Asia, and Australia were the main driving forces behind this growth.

In the medical division, order intake was up by 5.9 % (net of currency effects) in the first half of the year, particularly as a result of a considerable increase in demand in the Africa, Asia, and Australia region. In Europe, order intake rose slightly, while the Americas region recorded a slight decline. Second-quarter order intake increased by 1.3 % (net of currency effects). Demand decreased somewhat in the Americas region but increased in the other two regions.

In the safety division, order intake climbed by 13.8 % in the first half of the year (net of currency effects). Europe recorded significant growth, but demand in Africa, Asia and Australia also increased significantly by almost a quarter. The volume of new orders in the Americas region declined slightly. In the second quarter, order intake was up by 18.1 % (net of currency effects). Lower demand in the Americas was offset by growth of over 20 % in Europe. In addition, order intake in the Africa, Asia, and Australia region increased by almost one-third.

ORDER INTAKE

	Second quarter				Six months			
in € million	2022	2021	Change in %	Net of currency effects in %	2022	2021	Change in %	Net of currency effects in %
Medical division	488.9	462.5	+5.7	+1.3	996.8	914.4	+9.0	+5.9
Safety division	333.0	275.1	+21.0	+18.1	650.8	563.0	+15.6	+13.8
Total	**821.9**	**737.6**	**+11.4**	**+7.6**	**1,647.6**	**1,477.4**	**+11.5**	**+8.9**
thereof Europe	432.8	395.8	+9.3	+9.8	869.1	815.4	+6.6	+8.0
thereof Germany	179.5	159.4	+12.6	+12.6	360.3	318.3	+13.2	+13.2
thereof Americas	161.2	148.8	+8.3	-3.3	316.0	296.7	+6.5	-2.6
thereof Africa, Asia, and Australia	228.0	193.0	+18.1	+11.3	462.5	365.4	+26.6	+20.2

NET SALES

In the first half of 2022, our net sales declined by 22.2 % (net of currency effect) from the record-breaking figure of the prior-year period. Net sales involving Corona-related products, such as ventilators and respiratory protection masks, which had been the main contributors to net sales until the end of 2021, declined year on year in line with expectations. In addition, the limited availability of intermediate products and lockdowns in China restricted the potential for net sales to be generated from the high order intake.

Net sales were also down in the second quarter, falling by 24.7 % (net of currency effects). This was due to the substantial decrease in net sales across all three regions and both segments, although the decline in the medical division was much more pronounced than in the safety division.

NET SALES

	Second quarter				Six months			
in € million	2022	2021	Change in %	Net of currency effects in %	2022	2021	Change in %	Net of currency effects in %
Medical division	392.0	527.5	-25.7	-28.0	777.2	1,035.5	-24.9	-26.9
Safety division	260.9	313.8	-16.9	-19.1	525.2	597.9	-12.2	-14.0
Total	**652.9**	**841.3**	**-22.4**	**-24.7**	**1,302.4**	**1,633.4**	**-20.3**	**-22.2**
thereof Europe	352.5	477.4	-26.2	-25.3	718.9	933.4	-23.0	-22.3
thereof Germany	145.3	192.2	-24.4	-24.4	279.7	375.1	-25.4	-25.4
thereof Americas	135.8	164.1	-17.3	-26.2	263.5	315.6	-16.5	-23.9
thereof Africa, Asia, and Australia	164.7	199.8	-17.6	-21.9	320.0	384.4	-16.8	-20.4

EARNINGS

Gross profit fell by EUR 275.8 million to EUR 526.3 million in the first half of 2022 (6 months 2021: EUR 802.1 million). This decline was largely the result of lower net sales compared to the prior-year period, when business was driven by high pandemic-related volume effects. A poorer product and country mix coupled with higher purchasing prices for electronic components continued to have an adverse impact on the gross margin in the first half of the year. All told, the gross margin of 40.4 % was significantly lower than the prior year, despite positive currency effects (6 months 2021: 49.1 %).

Gross profit and the gross profit margin decreased in both segments, although the decline in the medical division was more significant.

At EUR 251.9 million, gross profit fell substantially in the second quarter compared to the prior-year period (second quarter 2021: EUR 389.2 million). The gross margin also declined significantly year on year, by 7.7 percentage points to 38.6 %. The gross margin was also impacted in the second quarter by lower net sales and increased procurement expenses, factors that impacted both the medical division and the safety division.

Functional costs rose by 5.9 % in the first half of 2022 (net of currency effects; 7.9 % in nominal terms). This was mainly due to increased costs for sales and research and development (R&D), as well as higher freight costs. The increase in functional costs affected both segments to about the same extent. In the second quarter, functional costs rose by 4.3 % (net of currency effects; 6.7 % in nominal terms). Both divisions were affected here too.

Group research and development costs climbed by 8.9 % (net of currency effects; 12.1 % in nominal terms). The ratio of R&D costs to net sales (R&D ratio) also increased as a result of the decline in net sales, to 12.8 % (6 months 2021: 9.1 %).

The other financial result improved by EUR 1.5 million to EUR -1.2 million (6 months 2021: EUR -2.7 million), primarily due to higher currency-related valuation gains.

Group earnings before interest and taxes (EBIT) amounted to EUR -111.7 million in the first half of the year, significantly lower than the prior-year figure (6 months 2021: EUR 209.2 million). The EBIT margin slipped to -8.6 % (6 months 2021: 12.8 %). In the second quarter, EBIT stood at EUR -76.6 million and was therefore down significantly on the strong prior-year quarter (6 months 2021: EUR 80.3 million). The EBIT margin for the second quarter stood at -11.7 % (second quarter 2021: 9.5 %).

Interest expenses declined by EUR 4.0 million to EUR -8.2 million (6 months 2021: EUR -12.2 million). The change in interest result was due to the interest effect of the termination of the participation certificates. The tax rate was 35.1 % in the first six months of 2022 (6 months 2021: 29.0 %). The increase in the tax rate was due to income from the reversal of tax provisions from mutual agreement procedures and a higher income tax refund for prior years. Earnings after income taxes amounted to EUR -77.9 million, EUR 217.6 million lower than the prior-year figure (6 months 2021: EUR 139.8 million).

INVESTMENTS

In the first half of 2022, investment volume came to EUR 56.1 million, a decline of 41.8 % compared to the prior year (6 months 2021: EUR 96.4 million). The first half of the prior year mainly featured investments in expanding FFP mask production capacities.

Dräger invested EUR 38.6 million in property, plant and equipment (6 months 2021: EUR 56.9 million), EUR 4.3 million in intangible assets (6 months 2021: EUR 19.0 million), and EUR 13.2 million in capitalized right-of-use assets pursuant to IFRS 16 (6 months 2021: EUR 20.5 million). Depreciation and amortization amounted to EUR 69.9 million in the first half of 2022 (6 months 2021: EUR 64.2 million). Investment volume amounted to 80 % of depreciation and amortization, leading to a net decrease in fixed assets of EUR 13.9 million.

CASH FLOW STATEMENT[1]

In the first six months of fiscal year 2022, the Dräger Group recorded cash outflow from operating activities of EUR 214.8 million (6 months 2021: cash inflow of EUR 172.3 million). This trend was largely due to the negative result adjusted for tax effects. Cash outflow for the increase in inventories, which rose by EUR 46.4 million to EUR 102.7 million, and the lower cash inflow from the reduction in trade receivables, which declined by EUR 43.5 million to EUR 96.4 million, also resulted in cash outflow. The rise in other liabilities lead to cash inflow of EUR 27.4 million, which contrasts with the decline in the prior year that resulted in cash outflow of EUR 29.2 million.

Cash inflow from investing activities stood at EUR 39.4 million in the first six months of the fiscal year (6 months 2021: cash inflow of EUR 33.4 million). This cash inflow primarily resulted from the net reversal of financial assets of EUR 82.5 million (6 months 2021: EUR 88.5 million net). Cash outflow of EUR 43.1 million was reported for investments in intangible assets and property, plant and equipment (6 months 2021: EUR 50.2 million).

Cash outflow from financing activities was EUR 214.1 million lower than in the prior-year figure of EUR 36.9 million. In the first six months of 2021, cash outflow was primarily affected by the EUR 258.0 million paid out to the holders of terminated series A and K participation certificates and to the holders of series D participation certificates, who had agreed to the early repayment. In the first half of 2022, cash outflow from the repayment of lease liabilities remained on a par with the prior year at EUR 21.8 million. Bank loans and current account liabilities were reduced by a total of EUR 11.3 million.

Cash and cash equivalents as at June 30, 2022, amounted to EUR 241.9 million (June 30, 2021: EUR 445.7 million) and exclusively consisted of cash and cash equivalents. Of this amount, EUR 5.3 million (December 31, 2021: EUR 6.3 million) was subject to restrictions regarding use.

Financial management

BORROWING

A master loan agreement with bilateral credit lines of EUR 415.0 million with a term until November 2026 exists in order to secure working capital financing. These credit lines were utilized as sureties in Germany and abroad and occasionally as cash facilities. As at June 30, 2022, there were also promissory note loans totaling EUR 100.0 million and a long-term investment loan commitment from the European Investment Bank (EIB) amounting to EUR 50.0 million.

The termination of the series D participation certificates resulted in a payment obligation for the remaining participation certificates of EUR 208.8 million as of January 2, 2023.

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[1] Due to the elimination of exchange rate effects, the underlying changes recognized in the cash flow statement cannot be directly reconciled with the items of the published balance sheet.

NET ASSETS

The Dräger Group's equity increased by EUR 65.8 million to EUR 1,326.3 million in the first six months of 2022. The equity ratio came to 44.9 %, which was significantly higher than the figure of 39.7 % as at December 31, 2021. The increase in equity was mainly due to the adjustment to calculation parameters for pension provisions. The increase in the discounting rate from 1.2 % to 3.4 % in Germany lowered pension provisions by EUR 181.6 million. The net amount of this adjustment of EUR 124.5 million after deferred tax liabilities increased reserves from retained earnings recognized directly in equity. The negative result in the reporting period lowered total equity. Aside from the increase in equity, the shortening of the balance sheet by EUR 224.3 million to EUR 2,954.0 million had a positive impact on the equity ratio.

On the assets side, non-current assets decreased by EUR 46.7 million, primarily as a result of the reduction in deferred tax assets for temporary differences by EUR 53.5 million.

Investments in associates rose by EUR 12.7 million as a result of the acquisition of additional shares in MultiSensor Scientific Inc., Somerville, USA, and GWA Hygiene GmbH, Stralsund, Germany.

Current assets fell by EUR 177.6 million. This was primarily due to the reduction in cash and cash equivalents by EUR 203.8 million, a decrease of EUR 96.1 million in trade receivables, and the sale of short-term money market funds in the amount of EUR 89.4 million. By contrast, inventories climbed by EUR 119.4 million.

Besides higher equity (EUR +65.8 million), the changes on the liabilities side primarily resulted from the reduction in non-current liabilities by EUR 396.2 million and the EUR 106.1 million increase in current liabilities.

The fall in non-current liabilities was mainly due to the reclassification of other financial liabilities from the participation certificate buyback into current liabilities (EUR 203.8 million) and the reduction in non-current provisions for pensions and similar obligations by EUR 178.1 million.

The rise in current liabilities came as a result of the reclassification of liabilities from the participation certificate buyback and the rise in contract liabilities as defined by IFRS 15 (EUR 41.6 million). Current provisions decreased by EUR 64.0 million,

DRÄGER VALUE ADDED

Dräger's value-based management figure, Dräger Value Added (DVA), declined by EUR 553.3 million to EUR -150.4 million year on year in the 12 months to June 30, 2022 (12 months to June 30, 2021: EUR 402.9 million). Rolling EBIT fell by EUR -553.4 million year on year. Capital costs were EUR 0.8 million lower than in the prior year due to a slight decrease in the average capital employed (-0.1 %).

Average current assets increased marginally, whereas net sales declined significantly. As a result, days working capital (coverage of current assets) increased year on year by 13.8 days to 109.1 days.

Business performance of the medical division

BUSINESS PERFORMANCE OF THE MEDICAL DIVISION

		Second quarter				Six months			
		2022	2021	Change in %	Net of currency effects in %	2022	2021	Change in %	Net of currency effects in %
Order intake	**€ million**	**488.9**	**462.5**	**+5.7**	**+1.3**	**996.8**	**914.4**	**+9.0**	**+5.9**
thereof Germany	€ million	103.6	97.3	+6.4	+6.4	197.7	178.1	+11.0	+11.0
Net sales	**€ million**	**392.0**	**527.5**	**-25.7**	**-28.0**	**777.2**	**1,035.5**	**-24.9**	**-26.9**
thereof Germany	€ million	84.0	123.1	-31.7	-31.7	162.8	244.3	-33.3	-33.3
EBITDA [1]	**€ million**	**-33.4**	**63.4**	**> -100,0**		**-46.7**	**176.1**	**> -100,0**	
EBIT [2]	**€ million**	**-50.2**	**47.8**	**> -100,0**		**-80.3**	**145.4**	**> -100,0**	
EBIT [2] / Net sales	%	-12.8	9.1			-10.3	14.0		
Capital employed [3, 4]	€ million	926.6	867.6	+6.8		926.6	867.6	+6.8	
EBIT[2, 5]/Capital employed[3, 4](ROCE)	%	-3.7	45.7			-3.7	45.7		
DVA [5, 6]	€ million	-93.2	335.4	> -100,0		-93.2	335.4	> -100,0	

[1] EBITDA = Earnings before net interest result, income taxes, depreciation and amortization
[2] EBIT = Earnings before net interest result and income taxes
[3] Capital Employed = Total assets less deferred tax assets, securities, cash and cash equivalents, non-interest bearing liabilities and other non-operating items
[4] Value as at reporting date
[5] Value of the last twelve months
[6] Dräger Value Added = EBIT less cost of capital of average invested capital

ORDER INTAKE

Order intake in the medical division rose by 5.9 % in the first half of the year, exceeding our expectations.

The main drivers of growth were products from the hospital infrastructure, anesthesiology, thermoregulation, and hospital consumables business. Higher demand was also reported for patient monitoring and service. The number of ventilator orders fell substantially in line with expectations as COVID-related business returned to normal. Demand for data management solutions was also down.

In Europe, order intake increased by 2.6 % (net of currency effects) in the first half of the year, primarily as a result of disproportionately high growth in Germany. Demand in the Americas region declined by a small margin. There was a marked rise in order intake in the Africa, Asia, and Australia region. However, the second-quarter increase in this region was considerably lower, with order intake slightly above the prior-year level, as in Europe. In the Americas region, demand remained relatively stable compared to the prior-year quarter.

In absolute terms, the strongest increase in orders in the first half of the year was recorded in Germany, followed by Kuwait, Türkiye, Saudi Arabia, and Egypt. The highest decline in order intake was seen in Russia, followed by the U.K., Canada, Poland, and Peru.

ORDER INTAKE

	Second quarter				Six months			
in € million	2022	2021	Change in %	Net of currency effects in %	2022	2021	Change in %	Net of currency effects in %
Europe	234.2	231.1	+1.3	+1.1	471.7	465.3	+1.4	+2.6
thereof Germany	103.6	97.3	+6.4	+6.4	197.7	178.1	+11.0	+11.0
Americas	106.9	95.4	+12.0	-0.1	209.0	195.3	+7.0	-2.3
Africa, Asia, and Australia	147.8	136.0	+8.7	+2.6	316.1	253.8	+24.5	+18.3
Total	**488.9**	**462.5**	**+5.7**	**+1.3**	**996.8**	**914.4**	**+9.0**	**+5.9**

NET SALES

Net sales in the medical division decreased by 26.9 % (net of currency effects) in the first half of the year. In the second quarter, they decreased by 28.0 % (net of currency effects). All three regions were responsible for this development in roughly equal measure in both reporting periods.

NET SALES

	Second quarter				Six months			
in € million	2022	2021	Change in %	Net of currency effects in %	2022	2021	Change in %	Net of currency effects in %
Europe	194.6	273.4	-28.8	-27.8	393.9	543.3	-27.5	-26.7
thereof Germany	84.0	123.1	-31.7	-31.7	162.8	244.3	-33.3	-33.3
Americas	86.2	109.8	-21.5	-30.0	170.6	215.9	-21.0	-28.0
Africa, Asia, and Australia	111.2	144.3	-23.0	-26.9	212.7	276.2	-23.0	-26.2
Total	**392.0**	**527.5**	**-25.7**	**-28.0**	**777.2**	**1,035.5**	**-24.9**	**-26.9**

EARNINGS

Net sales in the medical division declined by 39.1 % in the first half of 2022. The substantial decrease in net sales was the main factor at play here. The gross margin slipped by 9.3 percentage points due to an unfavorable product and country mix, higher purchasing costs (including for electronics components), and a rise in manufacturing costs. Gross profit was down by 36.3 % in the second quarter. The gross margin fell by 6.4 percentage points. Significantly lower profitability from the country and product mix also had a detrimental effect here. Lower expenses for quality measures were offset by increased spending for the procurement of materials.

Functional costs were up year on year by 5.5 % in the first half of 2022 (net of currency effects; 7.5 % in nominal terms), predominantly as a result of increased costs for research and development and freight. Functional costs rose by 4.2 % (net of currency effects; 6.6 % in nominal terms) in the second quarter.

EBIT in the medical division stood at EUR -80.3 million in the first half of 2022 (6 months 2021: EUR 145.4 million), with the EBIT margin falling from 14.0 % to -10.3 %. In the second quarter, EBIT came to EUR -50.2 million (second quarter 2021: EUR 47.8 million). The EBIT margin stood at -12.8 % (second quarter 2021: 9.1 %).

Dräger Value Added decreased by EUR 428.5 million to EUR -93.2 million year on year as at June 30, 2022 (12 months to June 30, 2021: EUR 335.4 million). Rolling EBIT fell by EUR 430.9 million year on year, while cost of capital declined by EUR 2.4 million.

Business performance of the safety division

BUSINESS PERFORMANCE OF THE SAFETY DIVISION

		Second quarter				Six months			
		2022	2021	Change in %	Net of currency effects in %	2022	2021	Change in %	Net of currency effects in %
Order intake	**€ million**	**333.0**	**275.1**	**+21.0**	**+18.1**	**650.8**	**563.0**	**+15.6**	**+13.8**
thereof Germany	€ million	76.0	62.1	+22.4	+22.3	162.5	140.2	+15.9	+15.9
Net sales	**€ million**	**260.9**	**313.8**	**-16.9**	**-19.1**	**525.2**	**597.9**	**-12.2**	**-14.0**
thereof Germany	€ million	61.3	69.2	-11.4	-11.4	116.8	130.8	-10.7	-10.7
EBITDA [1]	**€ million**	**-7.2**	**49.4**	**> -100,0**		**4.9**	**97.2**	**-95.0**	
EBIT [2]	**€ million**	**-26.4**	**32.5**	**> -100,0**		**-31.4**	**63.8**	**> -100,0**	
EBIT [2] / Net sales	%	-10.1	10.3			-6.0	10.7		
Capital employed [3, 4]	€ million	663.4	598.5	10.8		663.4	598.5	10.8	
EBIT[2, 5]/Capital employed[3, 4](ROCE)	%	-2.3	17.9			-2.3	17.9		
DVA [5, 6]	€ million	-57.2	67.6	> -100,0		-57.2	67.6	> -100,0	

[1] EBITDA = Earnings before net interest result, income taxes, depreciation and amortization
[2] EBIT = Earnings before net interest result and income taxes
[3] Capital Employed = Total assets less deferred tax assets, securities, cash and cash equivalents, non-interest bearing liabilities and other non-operating items
[4] Value as at reporting date
[5] Value of the last twelve months
[6] Dräger Value Added = EBIT less cost of capital of average invested capital

ORDER INTAKE

Order performance also exceeded expectations in the safety division in the first half of 2022. Order intake rose by 13.8 % (net of currency effects) year on year.

The main drivers of growth were respiratory and personal protection products, gas detection devices, and occupational health and safety equipment. Demand for services and engineered solutions also increased. Order intake for alcohol and drug testing devices fell by a considerable margin. Business involving light respiratory protection also declined significantly as COVID-related business normalized.

The Africa, Asia, and Australia region recorded the largest increase in orders, with a rise of almost 25 % (net of currency effects). Demand in Europe also increased significantly. The volume of new orders in the Americas region declined slightly. Second-quarter order intake increased by 18.1 % net of currency effects. Orders in the Africa, Asia, and Australia region were up by almost one-third and by over one-fifth in Europe. In the Americas region, demand declined compared to the prior year.

In absolute terms, the strongest increase in orders in the first half of the year was recorded in Germany, followed by China, Türkiye, Australia, France, and India. The U.S. posted the largest decline in order intake, followed by Hong Kong, Sweden, Angola, New Zealand, and Russia.

ORDER INTAKE

in € million	Second quarter 2022	2021	Change in %	Net of currency effects in %	Six months 2022	2021	Change in %	Net of currency effects in %
Europe	198.6	164.7	+20.5	+22.1	397.3	350.1	+13.5	+15.3
thereof Germany	76.0	62.1	+22.4	+22.3	162.5	140.2	+15.9	+15.9
Americas	54.3	53.4	+1.6	-9.0	107.0	101.4	+5.5	-3.3
Africa, Asia, and Australia	80.1	57.0	+40.7	+32.1	146.5	111.5	+31.3	+24.6
Total	**333.0**	**275.1**	**+21.0**	**+18.1**	**650.8**	**563.0**	**+15.6**	**+13.8**

NET SALES

Net sales dipped by 14.0 % year on year in the first half of the 2022, and by 19.1 % year on year in the second quarter (net of currency effects). All regions contributed to this trend in both reporting periods. In the Africa, Asia, and Australia region, the decline in order intake was significantly lower than in Europe and the Americas.

NET SALES

in € million	Second quarter 2022	2021	Change in %	Net of currency effects in %	Six months 2022	2021	Change in %	Net of currency effects in %
Europe	157.8	204.0	-22.6	-22.0	324.9	390.0	-16.7	-16.1
thereof Germany	61.3	69.2	-11.4	-11.4	116.8	130.8	-10.7	-10.7
Americas	49.6	54.3	-8.7	-18.5	93.0	99.6	-6.7	-15.0
Africa, Asia, and Australia	53.5	55.5	-3.7	-9.1	107.3	108.2	-0.8	-5.7
Total	**260.9**	**313.8**	**-16.9**	**-19.1**	**525.2**	**597.9**	**-12.2**	**-14.0**

EARNINGS

In the safety division, net sales decreased by a significant margin in the first half of the year; the gross margin fell by 7.7 percentage points. These two effects caused gross profit to decrease by 26.1 %. The gross margin was impacted by lower profitability from an unfavorable product and country mix, higher expenses for the purchase of electronics components, and a rise in scrapping costs. In the second quarter, gross profit was down by 33.7 % and the gross margin by 9.8 percentage points, partly due to a decline in demand for FFP masks.

Functional costs were up year on year by 6.7 % in the first half of 2022 (net of currency effects; 8.6 % in nominal terms). This was primarily caused by rising sales and logistics costs. In the second quarter, functional costs rose by 4.5 % (net of currency effects; 6.7 % in nominal terms). Higher costs for sales activities in the different regions had a negative impact on functional costs.

EBIT in the safety division amounted to EUR -31.4 million in the first half of 2022 (6 months 2021: EUR 63.8 million). The EBIT margin came to -6.0 % (6 months 2021: 10.7 %). In the second quarter, EBIT stood at EUR -26.4 million (second quarter 2021: EUR 32.5 million), and the EBIT margin was -10.1 % (second quarter 2021: 10.3 %).

Dräger Value Added decreased by EUR 124.8 million year on year to EUR -57.2 million as at June 30, 2022 (12 months to June 30, 2021: EUR 67.6 million). Rolling EBIT fell by EUR 122.5 million year on year. Capital costs climbed by EUR 2.3 million on account of the higher capital employed.

CHANGED CONDITIONS AFTER THE CLOSING OF THE INTERIM REPORTING PERIOD

There were no significant changes between the end of the first six months of 2022 and the time this interim financial report was prepared.

Research and development

In the first half of 2022, we invested EUR 167.1 million in research and development (R&D), which was more than in the same period of the prior year (6 months 2021: EUR 149.1 million). The R&D expenses amounted to 12.8 % of net sales in the first six months of the reporting year (6 months 2021: 9.1 %).

MEDICAL DIVISION

The focal point of R&D in the medical division remains expanding our product portfolio in the area of intensive care and in the operating room, with activities centered on developing system solutions.

In the first half of 2022, we added two modules to our ›Hospital Capacity Board‹ (›HCB‹), a web application that monitors intensive care bed capacity levels. The new modules increase transparency and efficiency in hospitals and support staff in their decision-making. The new ›Hospital Analytics‹ module now makes it possible to retrospectively analyze how many beds were used over a specific period and the reasons why. The module can also be used to track the historic development of infection rates at ward level. The second module consists of the integration of an FHIR interface. Fast Healthcare Interoperability Resources (FHIR) is an international communication standard that supports the exchange of data between software systems in the healthcare sector. The interface enables hospital information systems or patient data management systems such as the ›Integrated Care Manager‹ to be integrated with the ›HCB‹, with the result that key information can be centralized.

Furthermore, we launched the second release of our ›Alarm History Analytics‹ application—a data-driven solution that enables the in-depth analysis of alarms in acute care units, thereby making an important contribution to optimizing process flows, staff planning, and efficiency. The new release features an enhanced user interface and therefore offers even greater clarity. In addition, the data basis has been expanded to include several relevant key parameters. For instance, the application also records the number of alarms per minute per bed over the period of a day.

The ›OR Companion‹ is also new. This software enables users in hospitals to view the status of all networked anesthesia devices in our ›Perseus A500‹ and ›Atlan‹ product families, thereby increasing transparency and efficiency in operating-room management. The optional ›Self-Test Tracker‹ also displays the anesthesia devices that have failed their system tests, how to restore serviceability, how much gas is escaping per device, and how long a device has been connected. As a result, the upgrade helps to optimize clinical workflows, protect patients, and achieve high levels of machine availability.

Since February 2022, we have been producing 13 different breathing system filters and heat and moisture exchangers (HMEs) for respiratory care and anesthesiology at a fully automated facility. This means we are now able to offer a portfolio of German-engineered breathing system filters made at our Lübeck location. Dräger’s new filters and HMEs provide protection against cross-infection and prevent the respiratory tract from drying out. They are suitable for use with different patient groups and are compatible with Dräger ventilation and anesthesia devices. They also feature a number of design elements, such as different color coding and special product labels, that make it easier to monitor change intervals, thereby increasing safety. We have received the Red Dot Design Award for this innovative design.

The launch of the ›HI-Flow Star Kit Aquapor A‹ warmed breathing tube system has expanded our ›HI-Flow Star‹ portfolio for nasal oxygen supply. To date, this portfolio has included our nasal cannula (patient interface) and our ›Valve Kit‹, as well as the tube system for the ›MR850‹ humidifier from Fisher & Paykel Healthcare. The ›HI-Flow Star Kit Aquapor A‹ enables the application of high-flow oxygen therapy using Dräger’s own ›Aquapor H300‹ humidifier. The advantage of high-flow oxygen therapy over Venturi-based systems is that it can deliver more oxygen, help patients to recover faster, and avoid the need for invasive treatment. The ›Aquapor H300‹ ensures that patients who require mechanical breathing support are supplied with optimally conditioned breathing gas.

Furthermore, we introduced the second generation of our ›MonoLead‹ ECG lead-wire set, rounding out our comprehensive ECG lead-wire portfolio. ›MonoLead‹ is a tangleproof one-wire solution that eliminates the tangled clutter that frequently occurs with traditional multilead sets. It is also compatible with our Dräger patient monitors. Thanks to the specially shielded cables, the new ›MonoLead‹ generation delivers a particularly high level of signal quality. An anti-kink sleeve ensures added durability and an optimized hygienic design. As a result, ›MonoLead‹ simplifies workflows and improves patient healthcare.

SAFETY DIVISION

The focus of innovation in the safety division is on expanding the Dräger product portfolio and developing systems to deliver complete solutions for customers.

In the first half of 2022, we expanded our portfolio of products in the personal protective equipment sector by launching the ›SPC 4700‹ continuously ventilated protective suit. Despite being highly resistant to chemicals, the new suit material is very soft and makes little noise. The suit is worn together with the ›CVA 0700‹ ventilation vest, which provides the wearer with a continuous supply of breathing air and a pleasant, cooling airflow. This significantly increases comfort for the wearer, especially for older workers. The combination of suit and vest is exempt in Germany from both the prescribed wearing time for respiratory protective devices and G26 occupational health check-ups. This check-up is not required if the protective equipment weighs less than 3 kilograms and works without breathing resistance— something that also enhances production processes by reducing the number of breaks that are needed. In addition, the system reduces the number of protective suits used. The combination can also be used in explosive hazard areas and can be easily supplemented by other Dräger systems.

A further innovation is the ›X-node‹, a wireless measurement and analysis system for continuously monitoring different gas concentrations. As a result, the equipment helps our customers protect staff, prevent future damage to production equipment, and optimize production processes. At the same time, the ›X-node‹ measures the ambient temperature, relative humidity, and air pressure. For this reason, the device is also suitable for testing the quality of indoor air. The measurement readings can be transferred in real time to a database via a LoRa network and to smartphones via Bluetooth. Conversely, users can access the ›X-node‹ via smartphone and, for example, configure threshold levels or make adjustments. The ›X-node‹ is powered by a battery with a service life of up to 12 months. The battery is charged via a micro-USB interface. The measuring head can be positioned flexibly in a wide range of locations. The ›X-node‹ has an IP65 enclosure rating and is therefore also suitable for use outdoors.

By launching the ›BG ProAir‹, Dräger has brought a new closed-circuit breathing apparatus to market that protects fire service rescue workers and mine rescue teams during long-duration deployments. The ›BG ProAir‹ continuously supplies the wearer with positive pressure—even as their breathing rate increases—to prevent hazardous substances in the ambient air from entering the sealed breathing system. The weight of the apparatus is evenly distributed, making it easy and comfortable to wear during longer deployments. Various cooling options and reduced breathing resistance make breathing easier. A built-in Bluetooth® module makes it possible to connect the ›BG ProAir‹ with computers or other external devices to download data or perform configuration, for example. In addition, the ›BG ProAir‹ helps monitor the respirator and absorber by using integrated data telemetry and RFID. Quick release connectors enable swift (dis)assembly and cleaning. No tools are needed for maintenance.

The next generation of our ›Quaestor‹ test equipment was also launched in the first half of the year. The ›Quaestor 6000/8000‹ replaces the ›Quaestor 5000/7000‹ and is even easier to operate and maintain than the previous model thanks to its lighter weight, narrower width, and redesigned LED light. The basic functions remain unchanged, since the new model series also enables users to test full-face masks, chemical protection suits, and self-contained breathing apparatus for functionality and leak tightness. All static and dynamic tests of the 6000 series take place semi-automatically as a combination of personal handling and automated control. This makes the 6000 series particularly suitable for smaller respiratory protection workshops with moderate test volumes. The ›Quaestor 8000‹ enables users to carry out tests fully automatically and test closed-circuit breathing apparatus, safety valves, and diving apparatus. Both series support their users with software, enhancing the convenience and efficiency of the testing process.

The ›DrugCheck 3000 6-Panel OXY‹ is a further innovation. This rapid oral fluid-based drug test that has been designed specifically to detect oxycodone is available exclusively in Australia for the time being, where it is one of a small number of officially approved screening tests. The ›DrugCheck 3000 6-Panel OXY‹ is designed to help customers mitigate the growing abuse of oxycodone in everyday life, thereby ensuring safety in the workplace. As well as oxycodone, the device can also detect other commonly abused substances, such as cocaine, cannabis, opiates, methamphetamine, and amphetamine. As with the ›DrugCheck 3000‹ standard version already available in other countries, the ›DrugCheck 3000 6-Panel OXY‹ provides customers with straightforward, hygienic, and reliable test results. The device does not need a power supply and can therefore be used everywhere.

Personnel

As at June 30, 2022, the Dräger Group employed 16,043 persons worldwide, 248 more than in the prior year (June 30, 2021: 15,795); this equates to a 1.6 % rise in headcount. In Germany, the number of persons working for the Dräger Group increased by 71 year on year, while the number of persons working abroad grew by 177. As at June 30, 2022, 53.7 % of employees were working outside of Germany.

In Germany, the number of employees increased in particular in Research and Development by 65. In sales-related functions, Dräger employed 30 more persons that in the same period of the prior year. The number of employees in General Administration and Quality also grew by 45 and 10, respectively. In Production, Purchasing, and Logistics, Dräger employed 79 persons less than in the first half of 2021.

The increase in personnel abroad largely pertained to sales-related functions. We hired 143 new employees in Sales, Service, and Marketing. This increase was mainly distributed among our sites in Asia and Europe. We also expanded our Research and Development workforce by hiring 58 new employees. We reduced the headcount in Production by 80 employees year on year.

Of the 16,043 employees worldwide, 58.8 % (June 30, 2021: 58.6 %) worked in Sales, Marketing, and Service; 18.9 % (June 30, 2021: 20.2 %) worked in Production, Quality Assurance, Logistics, and Purchasing; 10.7 % (June 30, 2021: 10.1 %) worked in Research and Development; and 11.5 % (June 30, 2021: 11.0 %) worked in General Administration.

Personnel expenses within the Group rose by 2.0 % year on year (-0.5 % net of currency effects) to EUR 633.3 million. The rise in personnel costs is mainly due to exchange rate effects. Adjusted for exchange rate effects, personnel expenses declined slightly as a result of reduced profit participation and pension expenses. Net of currency effects, the cost per employee increased by an average of 1.1 % (in nominal terms: 2.3 %) due to higher wage and salary expenses abroad caused by exchange rate effects. The personnel cost ratio came to 48.6 % in the first half of 2022 (6 months 2021: 38.0 %).

WORKFORCE TREND

		June 30, 2022	December 31, 2021	June 30, 2021
Germany		7,428	7,432	7,357
Other countries		8,615	8,468	8,438
Dräger Group total		**16,043**	**15,900**	**15,795**
Turnover of employees (Basis: average of the past 12 months)	%	7.3	7.1	5.6
Sick days of work days in Germany (Basis: average of the past 12 months)	%	6.3	5.4	5.0
Temporary staff in Germany (incl. short-term project employment)		564	361	636

PERSONNEL EXPENSES [1]

in € thousand	Six months 2022	Six months 2021
Wages and salaries	517,977	506,673
Social security contributions and related employee benefits	97,156	94,571
Pension expenses	18,162	19,487
	633,295	**620,732**

[1] Personnel expenses include the remuneration of the members of the Executive Board of the general partner Drägerwerk Verwaltungs AG, Lübeck.

RISKS TO FUTURE DEVELOPMENT

The material risks to our net assets, financial position, and results of operations, as well as the structure of our risk management system, are outlined in the annual report for fiscal year 2021 on pages 53 et seq. The annual report may be downloaded online at www.draeger.com.

In the reporting period, the following significant changes arose for the forecast period in addition to those presented in the 2021 annual report.

The Russian war of aggression against Ukraine and the resulting sanctions are affecting Dräger's business in the Russian Federation. This may lead to a possible cessation of all operations and associated earnings. The impact of a potential energy crisis in Europe and the associated risk of closures of divisions at our safety business customers pose an additional risk for Dräger.

Dräger has not currently identified any individual or aggregated risks that could have a material impact on the company's continued existence as a going concern.

Outlook

FUTURE MARKET ENVIRONMENT

In 2022 and 2023, the global economy is expected to recover more slowly from the effects of the COVID-19 pandemic than in 2021. After global gross domestic product (GDP) expanded by 6.1 % last year, the International Monetary Fund (IMF) expects GDP growth to be 3.6 % in both 2022 and 2023, or 0.8 and 0.2 percentage points lower respectively than the January 2022 forecasts.

The IMF states that risks to economic development have risen significantly and are exceptionally high. The reason for this is primarily the war in Ukraine, which could cause persistently high commodity prices and inflation rates. In addition, the IMF warns that the spread of new coronavirus variants could trigger further lockdowns in China and exacerbate current supply chain problems. The IMF views the accelerated tightening of monetary policy as an additional risk. This means that new key interest rate hikes could further limit many countries' options when it comes to monetary policy.

The IMF believes that greater multilateral cooperation is needed in order to bring the war in Ukraine to a peaceful resolution, contain the COVID-19 pandemic, and help economically hard-hit countries. At the same time, national governments need to remain focused on extending financial support to people in need and invest in healthcare systems. The IMF urges central banks to weigh future monetary policy decisions carefully and to give comprehensible reasons for making them. Moreover, the IMF believes it is important to focus on achieving longer-term goals, such as reducing greenhouse gas emissions and strengthening supply chains.

IMF FORECAST FROM APRIL 2022 ON GROSS DOMESTIC PRODUCT (GDP) GROWTH

in %	2021	2022	2023
Global economy	6.1	3.6	3.6
U.S.	5.7	3.7	2.3
Eurozone	5.3	2.8	2.3
Germany	2.8	2.1	2.7
China	8.1	4.4	5.1

The Bundesbank expects GDP to grow by 1.9 % in Germany this year, having lowered its December 2021 outlook by 2.3 percentage points. The Bundesbank joins the IMF in noting the exceptionally high risks posed by the war in Ukraine. For 2023, the Bundesbank expects GDP in Germany to increase by 2.4 %.

FUTURE MARKET AND SEGMENT SITUATION

Medical division

We expect to see positive development for the medical technology market in Europe. The COVID-19 pandemic has made it clear that Europe's healthcare systems are in need of modernization, which is why EU member states are increasing their investments. Both EU aid programs and national aid packages and schemes are set to boost investment in healthcare. One of the topics being focused on is digital health, with the coronavirus having highlighted the benefits of digital healthcare solutions. However, long-term developments, such as demographic changes and the increasing prevalence of chronic diseases, are also driving demand for innovative healthcare solutions such as remote patient monitoring.

We expect moderately positive development in the Americas region. Supply bottlenecks and mounting healthcare costs will continue to set tight limits on the U.S. medical technology market in the future. Digital healthcare solutions, however, offer enormous potential. Market recovery has stalled in Brazil, and the ongoing surge in Omicron infections there will continue to weigh on the market for the remainder of 2022.

We regard future development in the Africa, Asia, and Australia region favorably, albeit with reservations. In China, we expect protectionist tendencies to continue to prevail in the future, which will hamper access for non-Chinese suppliers. The medical technology market is set to grow in India, and sales prospects for German medical technology manufacturers remain favorable. We also expect positive development in Japan, where the push for modernization will pick up again in 2022. The focus of investments in the healthcare market in Asia will be on digital health solutions. Australia is expected to see a steady increase in demand for medical technology in the years ahead. The medical technology market in South Africa is expected to develop at a moderate pace.

Safety division

Uncertain development is expected for the European safety technology segment. While the European chemical industry continues to benefit to a considerable extent from the lifting of COVID-19 restrictions, the sector is facing increasing pressure owing to tougher macroeconomic conditions, which are mainly the result of the war in Ukraine. It is difficult to gauge how the European oil and gas sector will develop going forward in the light of the sixth package of sanctions adopted by the EU against Russia. The main component of the package of sanctions is a ban on all Russian seaborne oil imports. In the short term, this could lead to a shortage on the global oil markets and cause prices to rise further.

Heterogeneous development is expected for the American safety technology segment. In the U.S., supply chain disruptions and high commodity prices will continue to weigh on chemical companies in the future. The oil and gas industry in the U.S. is expected to develop favorably. Despite the U.S. government’s plans to expand renewables on a huge scale, electricity generated from natural gas is expected to play a key role as a transitional technology for many years to come. In Brazil, the mining industry is benefiting from high commodity prices combined with a favorable exchange rate for exports, and small to mid-scale investment projects are planned for the years ahead.

Depending on the industry, heterogeneous development is also expected in the Africa, Asia, and Australia region. Higher energy prices and a slowdown in the overall economy are having a negative impact on the outlook for China’s chemical industry for 2022 as a whole. Growth is set to remain moderate in Japan too. We expect the region’s oil and gas industry to develop positively. Australian companies, for example, are planning major projects worth billions. The mining industry in the region will continue to grow in the further course of 2022, partly due to the rise in commodity prices brought about by the war in Ukraine.

According to our information, the fire service market in all three regions will keep pace with overall economic development.

FUTURE SITUATION OF THE COMPANY

The following section should be read in conjunction with the “Outlook” section in the management report of the 2021 annual report (page 67 et seq.), which describes our expectations for 2022 in detail. The following table provides an overview of the expectations regarding the development of various forecast figures. The forecast horizon is the fiscal year.

EXPECTATIONS FOR FISCAL YEAR 2022

	Results achieved for fiscal year 2021	Forecast for fiscal year 2022 (last published in the first quarter)	Current forecast
Net sales (net of currency effects)	-1.8 %	-5.0 to -9.0 %	Lower end
EBIT margin	8.2 %	1.0 to 4.0 %[1]	Lower end
DVA	EUR 171.8 million	EUR -70 to +25 million	Lower end
Other forecast figures:			
Gross margin	46.3 %	44.0 to 46.0 %	Lower end
Research and development costs	EUR 328.6 million	EUR 320 to 335 million	Confirmed
Interest result	EUR -35.0 million	EUR -17 to -23 million	Confirmed
Days working capital (DWC)	99.7 days	100 to 105 days	Confirmed
Investment volume[2]	EUR 130.1 million	EUR 120 to 140 million	Confirmed
Net financial debt	EUR -24.0 million	Improvement	Confirmed

[1] Based on exchange rates at the start of the year 2022
[2] Excluding company acquisitions and the capitalization of right-of-use assets pursuant to IFRS 16

In terms of net sales and earnings, business performance in the year to date has been weaker than originally expected. By contrast, order intake has exceeded our expectations, although demand in the first half of the year is usually lower than in the second half.

In our November 2021 forecast, we had expected a decline in net sales of between 5.0 % and 9.0 %, an EBIT margin of between 1.0 % and 4.0 %, Dräger Value Added of between EUR -70 and EUR +25 million, and a gross margin of between 44.0 % and 46.0 % for 2022. In the light of increasing difficulties in obtaining supplies of electronic components, we refined this forecast in April 2022. Consequently, we now consider the lower end of the respective ranges to be probable.

We confirm the other forecast figures. Therefore, we continue to expect R&D costs of between EUR 320 and EUR 335 million and a year-on-year improvement in the interest result to between EUR -17 and EUR -23 million. In addition, we continue to expect days working capital (DWC) of between 100 and 105 days, which would correspond to a slight increase on the prior-year level. We continue to expect investment volume of between EUR 120 million and EUR 140 million, after the prior year's value was approximately in the middle of this range. Moreover, we confirm our expectation that net financial debt will see an improvement year on year.

The forecast is made on the assumption that the economic environment will not deteriorate any further and, in particular, that the supply situation will ease in the second half of the year.

DRÄGER MANAGEMENT ESTIMATE

The economic environment has deteriorated significantly due to the war in Ukraine. It is difficult to assess how the conflict will develop and what the potential repercussions will be. At the same time, the COVID-19 pandemic is still ongoing. For this reason, any forecasts we make regarding our business development remain subject to a high degree of uncertainty.

Based on a high backlog of orders and an expected easing of the supply chain situation, we expect business performance to improve significantly in the second half of the year.

FORWARD-LOOKING STATEMENTS

This interim management report contains forward-looking statements. The statements are based on the current expectations, presumptions, and forecasts of the Executive Board of Drägerwerk Verwaltungs AG, as well as the information available to it to date. The forward-looking statements do not provide any guarantee of the future developments and results contained therein. Rather, the future developments and results are dependent on a number of factors; they entail various risks and uncertainties and are based on assumptions that could prove to be incorrect. Dräger does not assume any responsibility for updating the forward-looking statements made in this report.

Lübeck, July 27, 2022

The general partner
Drägerwerk Verwaltungs AG
represented by its Executive Board

Stefan Dräger
Rainer Klug
Gert-Hartwig Lescow
Dr. Reiner Piske
Anton Schrofner

Interim Financial Statements of the Dräger Group as of June 30, 2022

CONSOLIDATED INCOME STATEMENT OF THE DRÄGER GROUP

in € thousand	Notes	Second quarter 2022	Second quarter 2021	Six months 2022	Six months 2021
Net sales		652,913	841,296	1,302,401	1,633,358
Cost of sales		-401,028	-452,112	-776,140	-831,258
Gross profit		**251,885**	**389,184**	**526,261**	**802,100**
Research and development costs		-85,334	-77,424	-167,066	-149,073
Marketing and selling expenses		-177,456	-165,412	-345,199	-322,067
General administrative costs		-65,018	-66,681	-127,437	-120,551
Impairment losses on financial assets and contract assets		-425	213	-528	-882
Other operating income		546	2,320	3,721	2,872
Other operating expenses		-104	-351	-292	-568
Functional expenses		**-327,790**	**-307,335**	**-636,802**	**-590,268**
Result from net exposure from monetary items		-583	-661	-985	-947
Result from other investments		52	-	58	21
Other financial result		-174	-909	-262	-1,727
Financial result (before interest result)	**5**	**-705**	**-1,571**	**-1,189**	**-2,654**
EBIT [1]		**-76,610**	**80,278**	**-111,730**	**209,178**
Interest result	5	-3,723	-4,404	-8,246	-12,245
Earnings before income taxes		**-80,333**	**75,874**	**-119,976**	**196,933**
Income taxes	6	29,541	-18,905	42,125	-57,165
Earnings after income taxes		**-50,792**	**56,969**	**-77,851**	**139,768**
Earnings after income taxes		**-50,792**	**56,969**	**-77,851**	**139,768**
Earnings to non-controlling interests		130	-175	-18	112
Earnings attributable to shareholders and holders of participation certificates		-50,922	57,143	-77,833	139,657
Undiluted/diluted earnings per share on full distribution [2]					
per preferred share (in €)		-2.71	2.66	-4.13	6.50
per common share (in €)		-2.72	2.65	-4.16	6.47

[1] EBIT = Earnings before net interest result and income taxes

[2] The dividend premium of EUR 0.06 on preferred shares is recognized pro rata on a quarterly basis.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE DRÄGER GROUP

in € thousand	Six months 2022	Six months 2021
Earnings after income taxes	**-77,851**	**139,768**
Items that cannot be reclassified into the income statement		
Remeasurements of defined benefit pension plans	181,551	50,461
Deferred taxes on remeasurements of defined benefit pension plans	-57,091	-15,875
Items that may be reclassified into the income statement in the future		
Currency translation adjustment for foreign subsidiaries	22,400	12,252
Changes in the fair value of the cash flow hedge reserve recognized directly in equity	947	-8,568
Deferred taxes on changes in the fair value of the cash flow hedge reserve recognized directly in equity	-298	2,709
Other comprehensive income (after taxes)	**147,509**	**40,979**
Total comprehensive income	**69,658**	**180,747**
of which attributable to non-controlling interests	91	236
thereof earnings attributable to shareholders and holders of participation certificates	69,567	180,511

CONSOLIDATED BALANCE SHEET OF THE DRÄGER GROUP

in € thousand	Notes	June 30, 2022	December 31, 2021
Assets			
Intangible assets	7	355,912	354,136
Property, plant and equipment	7	478,517	481,554
Right-of-use assets	7	109,559	115,435
Investments in associates		19,011	6,321
Non-current trade receivables	9	2,596	2,604
Other non-current financial assets	10	21,578	26,104
Deferred tax assets		145,671	195,202
Other non-current assets	11	7,020	5,203
Non-current assets		**1,139,864**	**1,186,560**
Inventories	8	736,124	616,761
Trade receivables	9	512,893	608,943
Contract assets	9	63,316	48,384
Other current financial assets	10	82,140	163,804
Cash and cash equivalents		241,933	445,746
Current income tax refund claims		41,024	38,446
Other current assets	11	136,695	69,619
Current assets		**1,814,124**	**1,991,703**
Total assets		**2,953,988**	**3,178,263**

CONSOLIDATED BALANCE SHEET OF THE DRÄGER GROUP

in € thousand	Notes	June 30, 2022	December 31, 2021
Equity and liabilities			
Capital stock		48,026	48,026
Capital reserves		307,035	307,035
Reserves retained from earnings, including group result		967,916	924,970
Other comprehensive income		2,820	-20,120
Non-controlling interests		495	584
Equity		**1,326,291**	**1,260,494**
Provisions for pensions and similar obligations		179,803	357,884
Non-current personnel provisions		34,656	37,092
Other non-current provisions	12	38,762	38,748
Non-current note loans		100,000	100,000
Non-current liabilities to banks		79,958	84,841
Other non-current financial liabilities	13	93,583	302,511
Non-current income tax liabilities		9,033	9,016
Deferred tax liabilities		4,662	5,431
Other non-current liabilities	14	46,202	47,339
Non-current liabilities		**586,658**	**982,862**
Current personnel provisions		75,473	135,882
Other current provisions	12	142,931	146,544
Current liabilities to banks		36,660	41,058
Trade payables		185,686	223,979
Other current financial liabilities	13	322,667	110,961
Current income tax liabilities		26,997	56,805
Other current liabilities	14	250,625	219,678
Current liabilities		**1,041,039**	**934,907**
Total equity and liabilities		**2,953,988**	**3,178,263**

CONSOLIDATED CASH FLOW STATEMENT OF THE DRÄGER GROUP

	in € thousand	Second quarter 2022	Second quarter 2021	Six months 2022	Six months 2021
	Operating activities				
	Earnings after income taxes	-50,792	56,968	-77,851	139,768
+	Write-down / Write-up of non-current assets	36,093	32,497	70,016	64,156
+	Interest result	3,723	4,404	8,246	12,245
+/-	Income taxes	-29,541	18,905	-42,125	57,165
-	Decrease in provisions	-39,676	-9,764	-71,357	-42,050
+/-	Other non-cash expenses / income	-4,015	1,090	-9,194	-381
+/-	Loss / Gain from the disposal of non-current assets	39	-1,624	-135	-1,644
+/-	Decrease / Increase in inventories	-54,318	10,071	-102,729	-56,316
-	Increase in leased equipment	-1,870	-2,716	-4,540	-5,543
+	Decrease in trade receivables	11,506	59,798	96,441	139,990
+/-	Decrease / Increase in other assets	10,076	14,926	-32,247	-38,380
-	Decrease in trade payables	-3,112	-16,473	-33,067	-41,903
+/-	Increase / Decrease in other liabilities	-36,337	-60,194	27,409	-29,197
+	Dividends received	52	-	58	21
-	Cash outflow for income taxes	-28,143	-8,221	-36,219	-15,121
-	Cash outflow for interest	-4,344	-3,970	-9,020	-11,776
+	Cash inflow from interest	787	530	1,482	1,268
	Cash inflow / outflow from operating activities	**-189,873**	**96,226**	**-214,834**	**172,300**
	Investing activities				
-	Cash outflow for investments in intangible assets	-900	-1,691	-4,692	-2,920
-	Cash outflow for investments in property, plant and equipment	-14,436	-24,542	-39,441	-51,761
+	Cash inflow from disposals of property, plant and equipment	382	3,302	1,054	4,482
-	Cash outflow for investments in financial assets [1]	-5,230	-50,814	-56,461	-50,815
+	Cash inflow from the disposal of financial assets [1]	89,406	89,276	138,962	139,357
-	Cash outflow for the acquisition of subsidiaries	-	-4,910	-	-4,910
	Cash inflow from investing activities	**69,222**	**10,621**	**39,422**	**33,432**
	Financing activities				
-	Distribution of dividends (including payments to participation capital holders)	-3,681	-3,840	-3,681	-3,840
-	Cash outflow from the purchase of participation certficates	-	-	-	-258,034
+	Cash provided by raising loans	-	5,435	-	107,920
-	Cash used to redeem loans	-2,381	-3,520	-5,103	-66,155
-	Net balance of other liabilities to banks	-10,441	-1,020	-6,176	-9,416
-	Repayment of lease liabilities	-10,734	-10,445	-21,806	-21,512
-	Profit distributed to non-controlling interests	-180	-	-180	-
	Cash outflow from financing activities	**-27,417**	**-13,391**	**-36,946**	**-251,038**
	Change in cash and cash equivalents in the fiscal year	**-148,068**	**93,456**	**-212,358**	**-45,306**
+/-	Effect of exchange rates on cash and cash equivalents	5,053	-175	8,544	3,666
+	Cash and cash equivalents at the beginning of the reporting period	384,948	362,409	445,746	497,330
	Cash and cash equivalents on reporting date	**241,933**	**455,690**	**241,933**	**455,690**

[1] These items include the purchase and sale of money market funds in which Dräger has a current investment.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF THE DRÄGER GROUP

				Total other comprehensive income					
in € thousand	Capital stock	Capital reserves	Reserves retained from earnings incl. group result	Currency translation differences	Cash flow hedge reserves	Total other comprehensive income	Total equity of shareholder Drägerwerk AG & Co. KGaA	Non-controlling interests	Equity
January 1, 2021	**48,026**	**307,035**	**716,468**	**-37,598**	**-1,031**	**-38,629**	**1,032,899**	**911**	**1,033,810**
Earnings after income taxes	-	-	139,657	-	-	0	139,657	112	139,768
Other comprehensive income	-	-	34,586	12,128	-5,860	6,268	40,854	124	40,979
Total comprehensive income	**0**	**0**	**174,243**	**12,128**	**-5,860**	**6,268**	**180,511**	**236**	**180,747**
Distributions (including payments to participation certificates holders)	-	-	-3,840	-	-	0	-3,840	-	-3,840
June 30, 2021	**48,026**	**307,035**	**886,871**	**-25,471**	**-6,891**	**-32,362**	**1,209,570**	**1,147**	**1,210,717**
January 1, 2022	**48,026**	**307,035**	**924,970**	**-11,833**	**-8,287**	**-20,120**	**1,259,910**	**584**	**1,260,494**
Earnings after income taxes	-	-	-77,833	-	-	0	-77,833	-18	-77,851
Other comprehensive income	-	-	124,460	22,291	649	22,940	147,400	109	147,509
Total comprehensive income	**0**	**0**	**46,627**	**22,291**	**649**	**22,940**	**69,567**	**91**	**69,658**
Distributions (including payments to participation certificates holders)	-	-	-3,681	-	-	0	-3,681	-180	-3,861
June 30, 2022	**48,026**	**307,035**	**967,916**	**10,458**	**-7,638**	**2,820**	**1,325,796**	**495**	**1,326,291**

Notes of the Dräger Group as of June 30, 2022 (condensed)

1 BASIS OF PREPARATION OF THE INTERIM GROUP FINANCIAL STATEMENTS

Drägerwerk AG & Co. KGaA, Lübeck, Germany, ("Dräger") prepared its Group financial statements for fiscal year 2021 in accordance with the International Financial Reporting Standards (IFRS) as defined by the International Accounting Standards Boards (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). In fiscal year 2022, the interim financial statements of the Dräger Group have therefore also been prepared in accordance with IFRS, and the interim report in compliance with IAS 34 as well as German Accounting Standard No. 16 (GAS 16—Interim Financial Reporting) of the German Accounting Standards Committee (GASC).

The interim report should be read in connection with the disclosures in the Dräger IFRS annual report as at December 31, 2021. It was not audited or reviewed by an auditor.

The interim report was prepared in euros. Unless otherwise stated, all figures were disclosed in thousands of euros (EUR thousand); as a result, differences may occur due to rounding.

2 ACCOUNTING POLICIES

Basically, the same accounting principles were applied in preparing the interim financial statements and calculating the comparative figures as in the Group financial statements for 2021. A detailed description of these methods is published in the notes to the Group financial statements in the 2021 annual report in Note 7.

The annual report may also be downloaded online at www.draeger.com.

In preparing the interim financial statements, the Group opted to present condensed financial statements with selected explanatory notes. In general, greater use was made of estimates in determining carrying values than at fiscal year-end.

Accruals and deferrals were recognized where claims or obligations partially arose in the period under review.

The financial statements and comparative figures of economically independent foreign subsidiaries operating in a hyperinflationary environment and reporting in a currency of a hyperinflationary economy are remeasured by Dräger. Türkiye meets and even exceeds the criteria required for a hyperinflationary economy for balance sheet dates ending on or after June 30, 2022. The financial statements of our sales and service companies in Türkiye will be remeasured for the consolidated financial statements as at December 31, 2022.

The following new standards and amendments to existing standards published by the IASB, which have already been adopted in EU law, are to be applied for the first time in fiscal year 2022, in the event that transactions fall within the respective scopes of application:

- The IASB has made minor changes to the following standards that did not have a material influence on Dräger's Group financial statements:
  - IFRS 3 "Business Combinations": The amendments to IFRS 3 update the standard to refer to the changed conceptual framework.
  - IAS 16 "Property, Plant and Equipment": As a result of the amendment to IAS 16, it is no longer permissible to deduct from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating. Instead, an entity recognizes the proceeds from selling such items in profit or loss.

- IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”: The amendments to IAS 37 specify that the “cost of fulfilling a contract” comprises only the costs that relate directly to the contract (e.g., direct labor, materials, or the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

– Annual Improvements 2018–2020: The amendments result in minor improvements to IFRS 1, IFRS 9, IFRS 16, and IAS 41.

Further new mandatory standards or amendments of standards that apply only to fiscal years beginning on or after January 1, 2023, and/or that have not yet been endorsed, as well as their impact, can be found in the Dräger IFRS annual report as at December 31, 2021.

3 CHANGES IN THE SCOPE OF CONSOLIDATION

In April 2022, Dräger set up a company in Vilnius, Lithuania, called QuaDigi UAB, which develops software solutions that are used in Dräger products. The company’s fully paid-up capital amounts to EUR 10,000.

In June 2022, Dräger founded Draeger Ghana Ltd in Accra, Ghana, a sales and service company. The company’s capital, which is not yet paid-up, will amount to USD 1.0 million.

Dräger acquired 24.01 % of the shares in GWA Hygiene GmbH, Stralsund, Germany, in January 2022. GWA Hygiene GmbH develops and produces tools and software for the automated collection and analysis of data in the industrial and healthcare sectors, with the aim of improving hygiene standards and optimizing workflows. The company is included in the Group financial statements as an associate using the equity method.

In June 2022, Dräger acquired additional shares in MultiSensor Scientific Inc., Somerville, USA, increasing the stake from 36.03 % to 57.97 %. Some of those new shares were issued as non-voting shares. Dräger holds 48.66 % of the company’s voting rights and therefore exerts a considerable influence on the company but still does not control it. Accordingly, the company continues to be included in the Group financial statements as an associate using the equity method.

4 SEGMENT REPORT

BUSINESS PERFORMANCE OF THE SEGMENTS

							Six months
		Medical division		Safety division		Dräger Group	
		2022	2021	2022	2021	2022	2021
Order intake	**€ million**	**996.8**	**914.4**	**650.8**	**563.0**	**1,647.6**	**1,477.4**
Europe	€ million	471.7	465.3	397.3	350.1	869.1	815.4
thereof Germany	€ million	197.7	178.1	162.5	140.2	360.3	318.3
Americas	€ million	209.0	195.3	107.0	101.4	316.0	296.7
Africa, Asia, and Australia	€ million	316.1	253.8	146.5	111.5	462.5	365.4
Net Sales	**€ million**	**777.2**	**1,035.5**	**525.2**	**597.9**	**1,302.4**	**1,633.4**
Europe	€ million	393.9	543.3	324.9	390.0	718.9	933.4
thereof Germany	€ million	162.8	244.3	116.8	130.8	279.7	375.1
Americas	€ million	170.6	215.9	93.0	99.6	263.5	315.6
Africa, Asia, and Australia	€ million	212.7	276.2	107.3	108.2	320.0	384.4
EBITDA [1]	**€ million**	**-46.7**	**176.1**	**4.9**	**97.2**	**-41.8**	**273.3**
Depreciation/Amortization	€ million	-33.6	-30.7	-36.3	-33.5	-69.9	-64.2
EBIT [2]	**€ million**	**-80.3**	**145.4**	**-31.4**	**63.8**	**-111.7**	**209.2**
Capital employed [3, 4]	€ million	926.6	867.6	663.4	598.5	1,590.0	1,466.1
EBIT [2] / Net sales	%	-10.3	14.0	-6.0	10.7	-8.6	12.8
EBIT [2, 5] / Capital employed [3, 4] (ROCE)	%	-3.7	45.7	-2.3	17.9	-3.1	34.4
DVA [5, 6]	€ million	-93.2	335.4	-57.2	67.6	-150.4	402.9

[1] EBITDA = Earnings before net interest result, income taxes, depreciation and amortization

[2] EBIT = Earnings before net interest result and income taxes

[3] Capital employed = Total assets less deferred tax assets, securities, cash and cash equivalents, non-interest bearing liabilities and other non-operating items

[4] Value as at reporting date

[5] Value of the last twelve months

[6] Dräger Value Added = EBIT less cost of capital of average invested capital

The key figures from the segment report are as follows:

EBIT

in € million	Six months 2022	Six months 2021
Net profit	-77.9	139.8
+ Interest result	8.2	12.2
+ Income taxes	-42.1	57.2
EBIT	**-111.7**	**209.2**

CAPITAL EMPLOYED

in € million	June 30, 2022	June 30, 2021
Total assets	2,954.0	3,166.2
- Deferred tax assets	-145.7	-220.1
- Cash and cash equivalents	-241.9	-455.7
- Non-interest bearing liabilites	-976.4	-1,024.3
Capital employed	**1,590.0**	**1,466.1**

DVA

in € million	June 30, 2022	June 30, 2021
EBIT (of the last 12 months)	-49.2	504.1
- Cost of capital (basis: average of capital employed in the past 12 months)	-101.1	-101.2
DVA	**-150.4**	**402.9**

The business performance of the individual segments is detailed in the management report accompanying these interim financial statements.

Services rendered between the segments follow the arm's length principle.

5 FINANCIAL RESULT

FINANCIAL RESULT (BEFORE INTEREST RESULT)

in € thousand	Six months 2022	Six months 2021
Financial result (before interest result)	**-1,189**	**-2,654**
Interest and similar income	2,801	1,509
Interest and similar expenses	-11,047	-13,754
Interest result	**-8,246**	**-12,245**

Interest and similar expenses include the compounding of the payment obligation to holders of participation certificates of EUR 2,491 thousand (6 months 2021: EUR 6,418 thousand). In the prior year, they also included the effect from the early repayment of part of the series D participation certificates.

6 INCOME TAXES

Income taxes for the first half of 2022 were calculated on the basis of an anticipated Group tax rate, excluding effects from the prior year, of 33.5 % (6 months 2021: 29.4 %).

7 INTANGIBLE ASSETS / PROPERTY, PLANT AND EQUIPMENT / RIGHT-OF-USE ASSETS

INTANGIBLE ASSETS / PROPERTY, PLANT AND EQUIPMENT / RIGHT-OF-USE ASSETS

in € thousand	Carrying amount January 1, 2022	Additions	Disposals / other changes	Depreciation / amortization	Carrying amount June 30, 2022
Intangible assets	354,136	4,364	1,374	-3,961	355,912
Property, plant and equipment	481,554	38,476	3,225	-44,738	478,517
Right-of-use assets	115,435	13,216	2,138	-21,230	109,559
from land and buildings	84,964	5,052	1,896	-11,117	80,795
from other plant, factory and office equipment	30,440	8,164	259	-10,100	28,763
from leased assets	31	-	-18	-13	0

Pursuant to IAS 36, checks were performed as at the half-year reporting date to establish whether there are any indications that assets may be impaired, known as triggering events. No depreciation was required as a result of the war waged against Ukraine by Russia and delivery capability due to the limited availability of intermediate products. The asset impairment tests performed for cash-generating units due to the increased capital costs led to the following need for impairment for the first half of 2022 for three cash-generating units in the safety division:

RECOGNIZED NEED FOR IMPAIRMENT

Cash-generating unit in € thousand		Discount rate June 30, 2022	Discount rate December 31, 2021	Value in use	Recognized need for impairment loss
Draeger Medical Systems, Inc., Telford	Safety Division	8.8 %	7.8 %	10,223	889
Dräger Manufactoring Czech s.r.o., Klášterec nad Ohri	Safety Division	10.5 %	8.5 %	16,946	702
Dräger-Simsa S.A., Santiago	Safety Division	10.9 %	9.4 %	1,083	158
				28,252	**1,749**

Of the impairments, EUR 1,047 thousand were attributable to the Americas region and EUR 702 thousand to the Europe region. In the same period of the previous year, there was no need for impairment due to the lack of triggering events.

Impairments and reversals of impairments were recognized on property, plant and equipment, in particular factory and office equipment. The value in use was calculated on the basis of a future performance indicator, which is based on the discounting of future surpluses taken from the operational five-year plan for the respective cash-generating unit. The assessment corresponds to level 3 of the measurement hierarchy.

In view of IAS 36.105, the recoverable amount of Dräger assets is based on the assumption of resale, with the result that the calculated impairment requirement in the current and previous fiscal years was not recognized in full.

8 INVENTORIES

INVENTORIES

in € thousand	June 30, 2022	December 31, 2021
Finished goods and merchandise	414,284	339,408
Work in progress	90,709	69,741
Raw materials, consumables and supplies	222,938	200,781
Prepayments made	8,193	6,832
	736,124	**616,761**

9 TRADE RECEIVABLES AND CONTRACT ASSETS

TRADE RECEIVABLES AND CONTRACT ASSETS

			June 30, 2022			December 31, 2021
in € thousand	Current	Non-current	Total	Current	Non-current	Total
Trade receivables	554,719	2,596	557,315	650,224	2,604	652,828
Contract assets	63,386	-	63,386	48,440	-	48,440
less risk provisions	-41,897	-	-41,897	-41,337	-	-41,337
	576,209	**2,596**	**578,805**	**657,327**	**2,604**	**659,931**

10 OTHER FINANCIAL ASSETS

The decline in current financial assets in the first half of 2022 was mainly due to the sale of money market funds in the amount of EUR 138,957 thousand and the purchase of new money market funds in the amount of EUR 49,549 thousand.

11 OTHER ASSETS

OTHER ASSETS

			June 30, 2022			December 31, 2021
in € thousand	Current	Non-current	Total	Current	Non-current	Total
Prepaid expenses	50,182	-	50,182	32,605	-	32,605
Other tax refund claims	45,636	-	45,636	34,890	-	34,890
Income tax deferrals	39,040	-	39,040	-	-	0
Receivables from investment grants	548	-	548	1,048	-	1,048
Fund assets from pension plans	-	674	674	-	-	0
Sundry	1,290	6,346	7,636	1,077	5,203	6,281
	136,695	**7,020**	**143,715**	**69,619**	**5,203**	**74,822**

The increase in prepaid expenses is largely attributable to deferred expenses in the current reporting period. Other tax refund claims primarily included VAT claims. Income tax deferrals were recognized for the negative result of the first half of 2022. Fund assets relating to pension plans contain the available excess of plan assets. The increase in sundry other current assets was due to reporting date effects.

12 OTHER PROVISIONS

Other provisions as at June 30, 2022, also included monthly accruals and mainly consisted of provisions for outstanding invoices of EUR 73,434 thousand (December 31, 2021: EUR 62,600 thousand) and warranty provisions of EUR 52,962 thousand (December 31, 2021: EUR 59,901 thousand).

13 OTHER FINANCIAL LIABILITIES

Besides the discounted payment obligations from the termination of series D participation certificates in the amount of EUR 206,316 thousand (other current financial liabilities), other financial liabilities primarily include non-current lease liabilities to be recognized in accordance with IFRS 16 of EUR 80,447 thousand (December 31, 2021: EUR 84,970 thousand) and current lease liabilities amounting to EUR 35,635 thousand (December 31, 2021: EUR 37,137 thousand).

14 OTHER LIABILITIES

OTHER LIABILITIES

			June 30, 2022			December 31, 2021
in € thousand	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Contractual liabilities	173,137	39,887	213,023	131,562	41,025	172,587
Deferred other income	1,419	6,054	7,473	147	6,054	6,200
Other tax liabilities	33,618	-	33,618	43,841	-	43,841
Other liabilities to employees and for social security	40,783	-	40,783	38,247	-	38,247
Remaining other liabilities	1,667	261	1,928	5,882	261	6,142
	250,625	**46,202**	**296,826**	**219,678**	**47,339**	**267,017**

Contract liabilities include accrued net sales of EUR 125,755 thousand (December 31, 2021: EUR 112,602 thousand) and prepayments received of EUR 87,269 thousand (December 31, 2021: EUR 59,985 thousand).

15 FINANCIAL INSTRUMENTS

In the following table, the carrying values of financial assets and liabilities not regularly recognized at fair value are compared with their fair values.

FINANCIAL INSTRUMENTS - ASSETS 2022

					June 30, 2022
	Carrying amount				Fair value
in € thousand		Level 1	Level 2	Level 3	Total
Financial assets – at amortized cost					
Trade receivables [1]	515,489	-	-	-	515,489
Contract assets [1]	63,316	-	-	-	63,316
Other financial assets	38,088	-	38,088	-	38,088
Cash and cash equivalents [1]	241,933	-	-	-	241,933
	858,825	**0**	**38,088**	**0**	**858,825**
Financial assets – recognized directly in equity in other comprehensive income					
Derivatives (with hedging relation)	3,513	-	3,513	-	3,513
	3,513	**0**	**3,513**	**0**	**3,513**
Financial assets – at fair value through profit and loss					
Derivatives (without hedging relation)	9,382	-	9,382	-	9,382
Equity instruments	12,130	-	-	12,130	12,130
Debt instruments	40,604	40,604	-	-	40,604
	62,116	**40,604**	**9,382**	**12,130**	**62,116**
	924,455	**40,604**	**50,983**	**12,130**	**924,455**

[1] The valuation of these financial instruments is not assigned to any fair value level.

FINANCIAL INSTRUMENTS - ASSETS 2021

					December 31, 2021
	Carrying amount				Fair value
in € thousand		Level 1	Level 2	Level 3	Total
Financial assets – at amortized cost					
Trade receivables [1]	611,547	-	-	-	611,547
Contract assets [1]	48,384	-	-	-	48,384
Other financial assets	46,902	-	46,903	-	46,903
Cash and cash equivalents [1]	445,746	-	-	-	445,746
	1,152,579	**0**	**46,903**	**0**	**1,152,580**
Financial assets – recognized directly in equity in other comprehensive income					
Derivatives (with hedging relation)	2,549	-	2,549	-	2,549
	2,549	**0**	**2,549**	**0**	**2,549**
Financial assets – at fair value through profit and loss					
Derivatives (without hedging relation)	2,616	-	2,616	-	2,616
Equity instruments	7,170	-	-	7,170	7,170
Debt instruments	130,672	130,672	-	-	130,672
	140,457	**130,672**	**2,616**	**7,170**	**140,457**
	1,295,585	**130,672**	**52,068**	**7,170**	**1,295,586**

[1] The valuation of these financial instruments is not assigned to any fair value level.

FINANCIAL INSTRUMENTS - EQUITY AND LIABILITIES 2022

					June 30, 2022
	Carrying amount				Fair value
in € thousand		Level 1	Level 2	Level 3	Total
Financial liabilities – at amortized cost					
Trade payables [1]	185,686	-	-	-	185,686
Loans and liabilities to banks	216,618	-	197,913	-	197,913
Other financial liabilities	385,345	-	385,917	-	385,917
	787,649	**0**	**583,830**	**0**	**769,516**
Financial liabilities – recognized directly in equity in other comprehensive income					
Derivatives (with hedging relation)	25,397	-	25,397	-	25,397
	25,397	**0**	**25,397**	**0**	**25,397**
Financial liabilities – at fair value through profit and loss					
Derivatives (without hedging relation)	5,508	-	5,508	-	5,508
	5,508	**0**	**5,508**	**0**	**5,508**
	818,554	**0**	**614,735**	**0**	**800,421**

[1] The valuation of these financial instruments is not assigned to any fair value level.

FINANCIAL INSTRUMENTS - EQUITY AND LIABILITIES 2021

					December 31, 2021
	Carrying amount				Fair value
in € thousand		Level 1	Level 2	Level 3	Total
Financial liabilities – at amortized cost					
Trade payables [1]	223,979	-	-	-	223,979
Loans and liabilities to banks	225,899	-	213,674	-	213,674
Other financial liabilities	389,720	-	390,293	-	390,293
	839,598	**0**	**603,967**	**0**	**827,945**
Financial liabilities – recognized directly in equity in other comprehensive income					
Derivatives (with hedging relation)	20,106	-	20,106	-	20,106
	20,106	**0**	**20,106**	**0**	**20,106**
Financial liabilities – at fair value through profit and loss					
Derivatives (without hedging relation)	3,646	-	3,646	-	3,646
	3,646	**0**	**3,646**	**0**	**3,646**
	863,350	**0**	**627,719**	**0**	**851,697**

[1] The valuation of these financial instruments is not assigned to any fair value level.

Level 1:
Fair value is measured using prices in active markets for identical financial assets or financial liabilities. The fair values of non-current securities are based on current stock market prices.

Level 2:
Fair value is measured using largely observable input factors that can be directly (i.e., price) or indirectly (i.e., derived from prices) observed for financial assets or financial liabilities; these do not include any listed prices taken into consideration in level 1.

Dräger applies the discounted cash flow method when measuring derivatives. Expected cash flows are determined on the basis of secured prices and/or interest rates and the observable closing rates and/or interest rates, which are then discounted using an interest rate that takes into account Dräger’s company-specific risks.

The fair values of level 2 financial assets and liabilities measured at amortized cost are determined using the discounted cash flow method by replacing the interest rates used in the initial calculation of non-current financial assets and liabilities with interest rates derived from current company-related interest rate curves on the balance sheet date. As at December 31, 2021, lease liabilities were measured at the interest rates valid at this point in time. As there were no material changes in these interest rates and no material changes in leases in the last six months, the difference between the fair values of the lease liabilities and their carrying amounts was not recalculated.

Level 3:
Fair value is measured using factors not based on observable market data for the measurement of financial assets and financial liabilities (unobservable input factors). These are already classified as level 3 when there is an unobservable input factor present that significantly influences the measurement. Within the Dräger Group, only equity instruments are allocated to level 3. When measuring equity instruments, Dräger applies the discounted cash flow method including all material parameters.

No significant reclassifications between the levels were carried out in the past two fiscal years.

16 RELATED-PARTY TRANSACTIONS

Services were rendered for Stefan Dräger and companies and persons related to Stefan Dräger, the Dräger-Stiftung, and the Dräger-Familienstiftung (Dräger Foundation and Dräger Family Foundation) totaling EUR 3 thousand (6 months 2021: EUR 4 thousand) in the first half of 2022. Receivables in this respect amounted to EUR 1 thousand as at June 30, 2022 (June 30, 2021: EUR 1 thousand).

There were no services rendered for working groups in the first half of 2022 (6 months 2021: EUR 11 thousand). There were no receivables from services rendered as at June 30, 2022 (June 30, 2021: EUR 11 thousand).

Group companies rendered rental services and other services totaling EUR 61 thousand (6 months 2021: EUR 61 thousand) for associate MAPRA Assekuranzkontor GmbH in the first half of 2022. This resulted in receivables in the amount of EUR 1 thousand as at June 30, 2022 (June 30, 2021: EUR 1 thousand). There were no liabilities as at either reporting date.

In fiscal year 2020, Dräger Safety AG & Co. KGaA granted associate Focus Field Solutions Inc., St. Johns, Canada, a convertible loan amounting to CAD 1.5 million, which was disbursed in three tranches in fiscal years 2020 and 2021 (approximately EUR 1.0 million). The interest rate is 5.5 %, and the interest is due at the point at which the loan is converted on December 31, 2023. There were no liabilities to Focus Field Solutions Inc., St. Johns, Canada, as at June 30, 2022. Expenses for services rendered by Focus Field Solutions Inc., St. Johns, Canada, amounted to EUR 414 thousand in the first half of 2022 (June 30, 2021: EUR 9 thousand).

A convertible loan of EUR 2.0 million was granted by Dräger Safety AG & Co. KGaA to associate MultiSensor Scientific Inc., Somerville, USA, in fiscal year 2021. The loan was disbursed in four tranches of EUR 500 thousand each. The first three tranches totaling EUR 1.5 million were disbursed in fiscal year 2021. The last tranche of EUR 500 thousand was disbursed in the first quarter of 2022. The interest rate is 5.8 %, and the agreed-upon due date of the interest is at the point at which the loan is converted on June 30, 2024. The loan plus the accrued interest was converted into equity shares in the first half of 2022. No receivables or liabilities in relation to MultiSensor Scientific Inc., Somerville, USA, existed as at the reporting date. No services were provided in the first half of 2022 either.

Services totaling EUR 3 thousand were purchased from associate GWA Hygiene GmbH, Stralsund, Germany, in the first half of 2022, resulting in liabilities totaling EUR 3 thousand as at June 30, 2022.

The remuneration of the employee representatives on the Supervisory Board for work performed in addition to the Supervisory Board activities was concluded at arm’s length terms and conditions. Overall, remuneration is of immaterial importance for the Dräger Group.

Drägerwerk Verwaltungs AG is the general partner of Drägerwerk AG & Co. KGaA (ultimate parent company of the Dräger Group) and holds 0 % of the capital. Only a few transactions are conducted with the general partner, as it only exercises administrative functions. The general partner is entitled to compensation for all expenses incurred in association with the management of Drägerwerk AG & Co. KGaA, including the contractually agreed remuneration for its executive bodies. These expenses comprise the remuneration of the Executive Board, the remuneration of its Supervisory Board, liability remuneration, and other expenses.

Liabilities to Drägerwerk Verwaltungs AG amounted to EUR 7,507 thousand as at June 30, 2022 (June 30, 2021: EUR 5,150 thousand). Expenses for Drägerwerk Verwaltungs AG services amounted to EUR 1,146 thousand in the first half of 2022 (6 months 2021: EUR 6,769 thousand—the prior-year figure has been adjusted). Services in the amount of EUR 9 thousand were rendered for Drägerwerk Verwaltungs AG in the first half of 2022. Receivables amounted to EUR 4 thousand as at the reporting date.

All transactions with related parties were conducted at arm’s length terms and conditions.

17 SUBSEQUENT EVENTS

There were no significant changes between the end of the first six months of 2022 and the time this interim financial report was prepared.

Lübeck, July 27, 2022

The general partner
Drägerwerk Verwaltungs AG,
represented by its Executive Board

Stefan Dräger
Rainer Klug
Gert-Hartwig Lescow
Dr. Reiner Piske
Anton Schrofner

MANAGEMENT COMPLIANCE STATEMENT

We confirm to the best of our knowledge that, in accordance with the applicable financial reporting framework, the Group interim financial statements give a true and fair view of the net assets, financial position, and results of operations of the Group, the Group interim management report presents business performance including business results and the situation of the Group so as to give a true and fair view, and that the material opportunities and risks relating to the Group's development in the remainder of the fiscal year have been described.

Lübeck, July 27, 2022

The general partner
Drägerwerk Verwaltungs AG,
represented by its Executive Board

Stefan Dräger
Rainer Klug
Gert-Hartwig Lescow
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Anton Schrofner

FINANCIAL CALENDAR

Report as of June 30, 2022, conference call	July 28, 2022
Report as of September 30, 2022, conference call	October 27, 2022

Legal Note:
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