

**6-MO
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PORT
2019**

Manz AG at a glance

2019 Financial Calendar

November 12, 2019
November 25–27, 2019

Publication of 2019 9-Month Report
2019 German Equity Forum

Overview of consolidated net profits

(in million euros)	Jan. 1 to June 30, 2019	Jan. 1 to June 30, 2018	Change in %
Revenues	132.8	144.4	-8.0
Overall performance	136.7	147.7	-7.4
EBITDA	5.7	-0.5	n/a
EBITDA margin (in %)	4.2%	n/a	n/a
EBIT	-3.4	-4.5	n/a
EBIT margin (in %)	n/a	n/a	n/a
EBT	-4.7	-5.3	n/a
Consolidated net profit (loss)	-5.5	-6.3	n/a
Earnings per share (in euros)	-0.7	-0.8	n/a
Cash flow from operating activities	-36.0	-29.8	n/a
Cash flow from investing activities	-3.6	-7.9	n/a
Cash flow from financing activities	15.8	11.1	42.4

	June 30, 2019	Dec. 31, 2018	Change in %
Total assets	349.5	345.7	1.1
Equity	143.6	150.0	-4.3
Equity ratio (in %)	41.1	43.4	-2.3pp
Financial liabilities	61.0	43.3	40.7
Liquid funds	27.4	51.0	-46.3
Net debt	33.5	-7.7	n/a

MANZ AG MISSION STATEMENT

With many years of expertise in automation, laser processing, vision and metrology, wet chemistry, and roll-to-roll processes, we as a high-tech equipment manufacturing company offer manufacturers and their suppliers innovative production solutions in the areas of photovoltaics, electronics and lithium-ion battery technology. Our product portfolio includes both customer-specific developments and single machines and modules that can be linked together to form individual system solutions. We are involved in customer projects from a very early stage, and thus contribute significantly to the success of our customers with high quality, needs-oriented solutions.

In addition to the CIGS*fab* turnkey production line in the Solar segment, we focus specifically on the automotive industry in the Electronics and Energy Storage segments. With our efficient and competitive lithium-ion battery manufacturing equipment – from cell to the finished pack – and automated assembly lines for cell contacting systems, we are an important industry partner for the conversion from the classic to the electric powertrain.

WE ACT IN A SUSTAINABLE MANNER. IN ALL AREAS. TO ALL CHALLENGES.

Opening up opportunities. Enabling further education. Accepting social responsibility. Pushing innovation. Conserving resources.

Sustainability is more than just a slogan at Manz. We have therefore decided to put the spotlight on sustainability also on this year's reporting and appropriately summarize our diverse activities around environmental issues, employee concerns, social concerns, respect for human rights and fight against corruption and bribery in a separate sustainability report.

This report with interesting facts and backgrounds concerning the key topics for us can be found on our website.

For the sake of better readability, we consistently avoid gender-differentiating formulations (e.g. „his/her“ or “he/she”). The corresponding terms apply to all genders for the purposes of equal rights. This is done solely for editorial purposes and does not imply a judgment of any kind.

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**HIST
ORY OF
MANZ
AG**

1987 Company founded by
Dieter Manz

Shipped the first automation solution
for the FPD industry to Asia

1994

2000 Shipped the first automation system for a completely
automated production line for crystalline solar cells

Entered the thin-film market with equipment
for mechanically scribing solar panels

2005

2006 IPO on the Entry Standard market
of the Frankfurt Stock Exchange

Entered the market for
lithium-ion batteries

2009

2012 Acquired the CIGS innovation line from Würth Solar
Opened facility for solar and display production
systems in Suzhou, China

Acquisition of mechanical engineering division of
Kemet Electronics Italy (formerly Arcotronics) for
enlargement of technology portfolio in Battery division

2014

2016 Shanghai Electric becomes strategic
anchor investor of Manz AG

Manz successfully expands market position in
automotive industry with major order for automated
assembly of cell contacting system

2018

TO
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MANZ AG STOCK

CHANGE IN SHARE PRICE (JANUARY 1, 2019 – JUNE 30, 2019)

Manz AG shares started the 2019 fiscal year on January 2 with a closing price (XETRA) of 21.65 euros. It reached its low for the year at 21.65 euros on the first day of trading. After this, the share price rose until it reached its annual high of 27.95 euros on April 17, 2019. In the further course of the year, there was a corridor between 24.75 euros and 27.95 euros, which lasted until June 14. After an interim low of 22.00 euros, the share closed at 23.45 euros on June 28, 2019. This corresponds to a market capitalization of around 181.6 million euros and a price increase of 8.31 % over the first six months of 2019.

The benchmark indices developed as follows during the period under review:
TecDAX +16.68 %; SOX +25.2 %; SOLEX +45.39 %; PV30 Global +33.25 %

Chart Showing Manz AG Stock (XETRA, in EUR)



STOCK KEY DATA AND PERFORMANCE INDICATORS

Stock key data and performance indicators

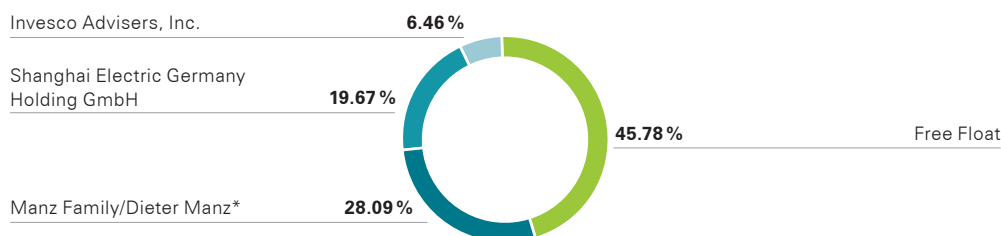
German Securities Identification Number	A0JQ5U
ISIN	DE000A0JQ5U3
Ticker symbol	M5Z
Trading segment	Regulated market (Prime Standard)
Share types	Bearer shares with no par value (no-par-value shares) with a pro rata amount of the share capital of 1.00 euros each
Capital stock	7,744,088 euros
IPO	September 22, 2006
Opening price	19.00 euros
Share price at the beginning of the reporting period*	21.65 euros
Share price at the end of the reporting period*	23.45 euros
Change (in percent)	8.31 %
Period high*	27.95 euros
Period low*	21.65 euros

* In each case, closing prices on German Stock Exchange AG's XETRA trading system

SHAREHOLDER STRUCTURE

At 45.78 % as of the reference date of June 30, 2019, Manz AG has a large number of shares in free float and has a wide shareholder base. Shanghai Electric Germany Holding GmbH owns 19.67 % of the shares as of the reference date. Dieter Manz, founder and member of the Supervisory Board of Manz AG, and his family hold a total of 28.09 % of the shares in the company. In addition, Invesco Advisers, Inc. holds a 6.46 % stake.

Shareholder Structure



* Dieter Manz 12.32%, Ulrike Manz 5.44%, Stephan Manz 5.16%, Laura Manz 5.16%

2019 ANNUAL MEETING OF SHAREHOLDERS

The 2019 Manz AG Annual General Meeting took place at the Filharmonie in Filderstadt, Germany, on July 2, 2019. A total of 209 shareholders attended and heard the report of the Managing Board on the development of business in the year 2018 and the outlook for the 2019 fiscal year. A total of 60.4% of capital stock with voting rights was represented (previous year: 59.3%); all of the items on the agenda were adopted. Detailed voting results can be found at any time on the company's website www.manz.com under Investor Relations/Annual General Meeting.

2019 Financial Calendar

November 12, 2019

Publication of the 3rd quarter 2019 quarterly report

November 25–27, 2019

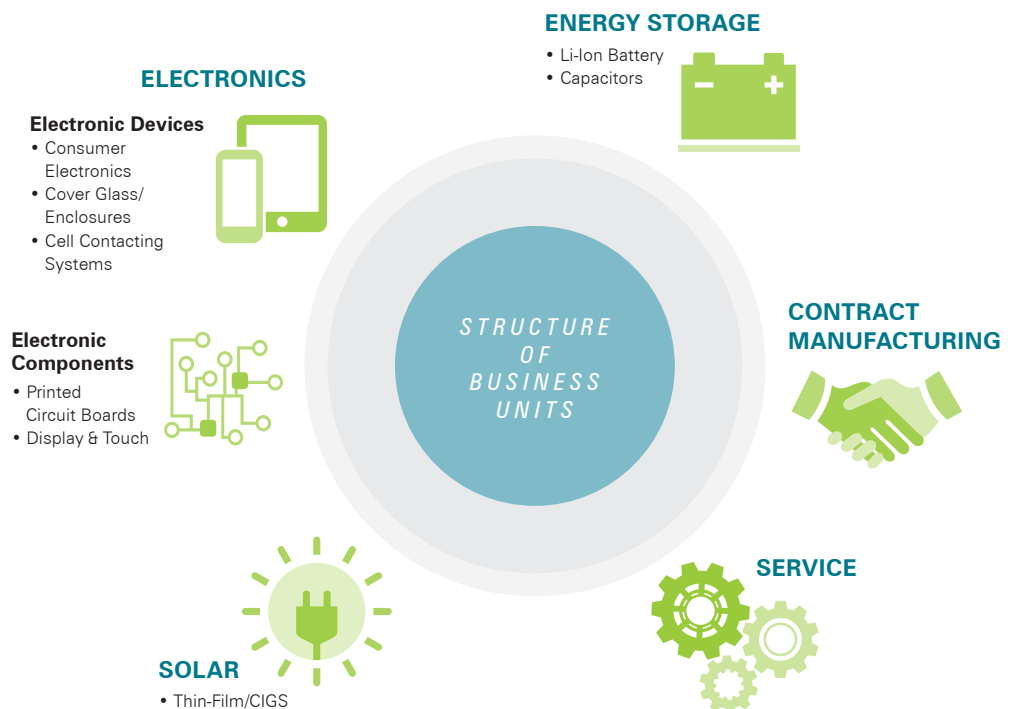
2019 German Equity Forum

GRO
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BASIC INFORMATION ON THE GROUP

BUSINESS MODEL AND STRATEGY

Founded in 1987, Manz AG is a global high-tech equipment manufacturing company. Its business activities consist of five segments: Solar, Electronics, Energy Storage, Contract Manufacturing, and Service. With many years of expertise in automation, laser processing, vision and metrology, wet chemistry, and roll-to-roll processes, the company offers manufacturers and their suppliers in various industries a broad portfolio of innovative products. In addition to customized production solutions, this also includes individual machines and modules that can be intelligently linked together to form complete, individual system solutions. The company also offers a comprehensive range of services around Manz AG's core technological competencies: From simulation and factory planning to process and prototype development, customer training, and after-sales service. Manz AG is a sought-after development partner for industry and, as such, a trailblazer for future technologies.



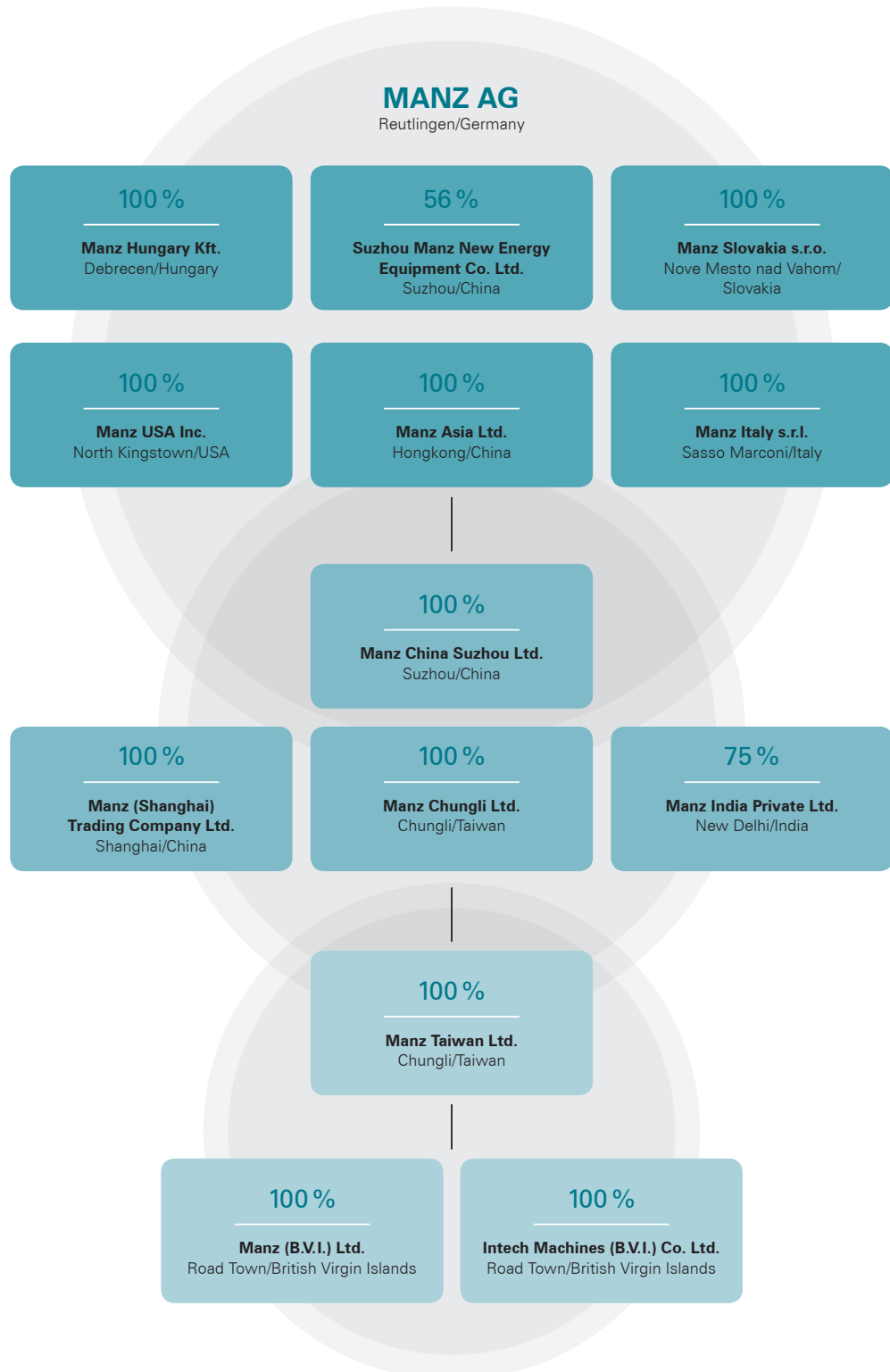
The core of the company's strategy is to make use of the technology portfolio across all industries and regions. This cross-segment exchange of technology and expertise not only offers a high level of flexibility in the realization of individual customer solutions, but also the possibility of generating internal synergies and making economic use of them.

Manz AG maintains business relationships with manufacturers and their suppliers, particularly in the solar, consumer electronics, displays and printed circuit board, automatic and energy storage sectors. As a high-tech equipment manufacturing company, Manz operates internationally and has development and production sites in Germany, Slovakia, Hungary, Italy, China and Taiwan as well as further sales and service branches in India and the USA. Manz AG has long-standing customer relationships and a strong presence, above all in Asia, which is a key region for the company's target industries: more than 650 employees at its locations in Taiwan, and China offer excellent access to this growth market.

Manz AG's business model offers a sustainable increase in competitiveness combined with profit-oriented growth. The strategic cooperation in the solar sector with Shanghai Electric Group and China Energy Investment Corporation Limited (formerly Shenhua Group) ensures stability. With a strong focus on the development, production and marketing of modules and fully linked, individual system solutions and equipment, as well as the expansion of the worldwide customer base, we increase our competitiveness and profitability. The cross-regional use of technology expertise and its standardization beyond industry boundaries significantly reduces development effort and time and continuously creates new unique selling points. Additional growth opportunities arise from individual development projects for customer-specific pilot lines.

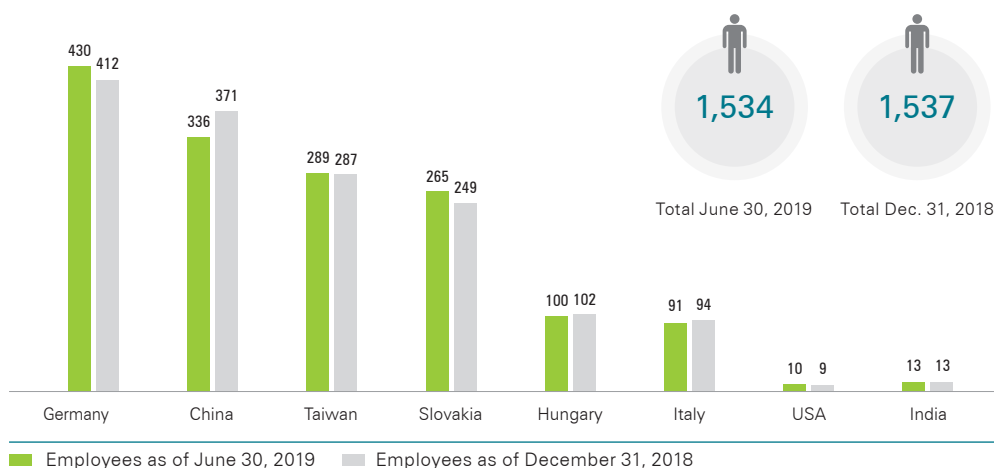
In addition, continuous targeted organizational, procedural and process improvements in all areas of the Group contribute to further increasing the competitiveness and profitability of the company.

GROUP STRUCTURE AND HOLDINGS



LOCATIONS AND EMPLOYEES

Employees by country



CONTROL SYSTEM AND PERFORMANCE INDICATORS

Manz AG is organized for the purpose of corporate management by product and service segments at Group level and consists of the five business segments Solar, Electronics, Energy Storage, Contract Manufacturing, and Service. In order to decide on the allocation of resources and control the profitability of the divisions, they are monitored separately by management. The Managing Board is informed about business performance in the individual segments on a regular basis by means of detailed reports and regular management meetings. As a result, it is possible for the respective Managing Board to control the company in a timely manner.

Manz AG's key performance indicators continue to be sales, earnings before interest, taxes, depreciation and amortization (EBITDA) and earnings before interest and taxes (EBIT). Further performance indicators are the equity rate and liquidity.

Manz AG's financial management system is centrally organized. To minimize risks and leverage Group-wide optimization potential, the company bundles decisions on financing, cash investments and currency hedges of subsidiaries within the Group. In this context, the company follows value-based financing principles in order to secure its liquidity at all times, limit financial risks, and optimize the cost of capital. In addition, Manz strives for a well-balanced debt maturity profile. Further information on the management of the individual financial risks can be found in the notes to the consolidated financial statements under „Reporting on financial instruments“.

Locations and Employees



LOCATIONS

- | | | |
|--|--|---|
| 1 Germany
Reutlingen, Tübingen
Production, Sales & Service | 4 Italy
Sasso Marconi
Production, Sales & Service | 7 China
Shanghai, Suzhou, Hongkong
Production, Sales & Service |
| 2 Hungary
Debrecen
Production & Service | 5 USA
North Kingstown, Cupertino
Sales & Service | 8 India
New Delhi
Sales & Service |
| 3 Slovakia
Nove Mesto nad Vahom
Production, Sales & Service | 6 Taiwan
Chungli
Production, Sales & Service | |

RESEARCH AND DEVELOPMENT

With its more than 500 engineers, technicians and scientists at its development sites, Manz AG focuses on the development of efficient and innovative manufacturing, assembly and handling technologies, integrated in modularized individual machines, facilities, and linked system solutions. The Manz AG comprehensive "R&D Council" achieves internal cross-segment integration of competencies. This leads to the realization of synergy and economies of scale as well as the development of additional revenues potential. In addition, Manz AG maintains numerous cooperative agreements with well-known research institutes, universities and colleges.

Manz AG had a total R&D ratio of in the reporting period of 5.9% (previous year: 4.5%). If only the capitalized development costs are taken into consideration, the R&D ratio amounts to 1.3% (previous year: 1.7%). Investments in R&D amounting to 8.0 million euros are above the previous year level of 7.9 million euros.

Scheduled depreciation on activated development services of 2.2 million euros (previous year: 1.6 million euros) was charged in the reporting period 2019. There were no unscheduled depreciations. The company will also continue to place a clear emphasis on R&D activities in future.

Manz AG strives for an annual rate of R&D to sales of 5% on average in order to provide sustained and long-term consolidation of its positive technological positioning and its innovations in the relevant target markets.

KNOWLEDGE EDGE EDUCATION INTEGRATION

The best possible qualification for us is the key to sustainable success. Against this background, we maintain a variety of programs and initiatives for the further qualification of our employees. We also

want to establish the professional development opportunities of our global employees in a more diverse manner with the promotion of the international, internal job market.



Dual



Education is an investment in the future

Dual training and dual studies are very important to Manz AG. The internationalization of the dual training concept is also of great importance to us as a globally operating company. For example, at the location in Slovakia, in close cooperation with the German training department, a successful commercial/technical training structure based on the German model has been established.



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Qualification means you never stop learning

Lifelong learning is an essential part of our sustainability strategy. We offer a broad range of training and further education measures, as well as subject-specific qualification measures, as part of the Manz Academy. In 2018, a total of 32,132 hours of training were held. On average, each employee received 20.9 hours of training in 2018.



"The top tier" is also further developed

"Future Leadership@Manz" is a new program for the management level in the company, in the framework of which a common, cross-location understanding of leadership is developed.

BUSINESS REPORT

MACROECONOMIC ENVIRONMENT AND INDUSTRY-RELATED CONDITIONS

Economic market environment

According to the Kiel Institute for the World Economy (IfW), the outlook for the global economy in 2019 is continuing to deteriorate. Although the global economy is still growing at a good pace overall, the growth forecasts had to be adjusted downwards. According to the IfW experts, the strong acceleration in growth at the beginning of 2019 was only a temporary effect. The trade dispute between the USA and China as well as the only moderately developing economic power in the emerging markets are therefore having a negative impact on world trade and thus on the global economy. For the year 2019 as a whole, the IfW forecasts an increase in global gross domestic product (GDP) of 3.2% (previous year: 3.7%), in the USA 2.4% (previous year: 2.9%) is expected. The IfW experts expect GDP growth of 6.2% for China (previous year: 6.5%), 1.5% for the European Union (previous year: 2.0%) and 0.7% for Germany (previous year: 1.5%).

Engineering industry

The German Engineering Federation (Verband Deutscher Maschinen- und Anlagenbau VDMA) expects sales in the German mechanical engineering sector to decline by -2% in 2019, while sales in 2018 were still positive at 3%. On the other hand, the Chinese market, which is important for Manz, is showing a positive trend with forecast sales growth of 5% for 2019, although this is also below the previous year's figure of 8% growth.

Core segment sectors

According to the VDMA business climate survey conducted in April 2019, German manufacturers of PV production equipment are much more cautious about Manz AG's key customer segments than they were last year, expecting an average revenues decline of -6.8% for 2019 (September 2018: 4.2%). With regard to newly installed capacity, IHS Markit once again expects a significant increase of 129 GW in 2019 (2018: 104 GW).

German manufacturers of electronics production are also suffering from a downturn in sentiment in the electronics sector. While expectations in October 2018 were still at 6.4% sales growth according to the VDMA, this figure was adjusted to 1% in April. IHS Markit expects a slight year-on-year increase of 1.7% in 2019 in the global market for LCD and AMOLED displays, following a market correction and the associated decline in revenues in the past year. The share of revenues is shifting slightly in favor of the AMOLED displays, for which a revenues share of 21% is expected in 2019 (2018: 18%). The revenues share of LCD displays in the market as a whole is therefore decreasing slightly from 81% in 2018

to 77%. According to Prismark, global printed circuit boards revenues should grow by 2.1% in 2019 compared to the previous year (2018: 3.8%). VDMA is again expecting an increase of more than 20% for the year 2019 for the added value of the mechanical engineers around the electronic power train.

According to the VDMA member survey of March 2019, German manufacturers expect revenues in the Energy Storage segment to increase by 12% compared with 22% in September of the previous year. Global demand for lithium-ion batteries is also expected to grow strongly after several very dynamic years. This market is likely to be influenced by the strong development of automotive applications and to have a corresponding dynamic in 2019.

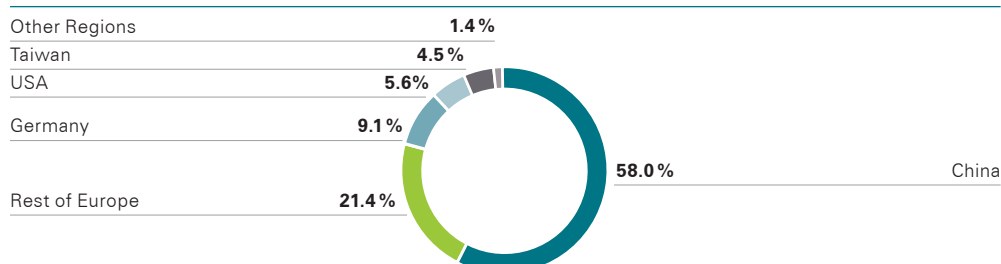
ANALYSIS OF THE ASSET, FINANCIAL AND PROFITABILITY POSITIONS OF THE GROUP

Profitability Positions

Revenues in the first six months of 2019 amounted to 132.8 million euros compared to 144.4 million euros in the previous year. The slight decline of 8.0% can be attributed to the fact that in the Energy Storage segment the award of major contracts expected in the second quarter is still delayed. At 56.0 million euros, the revenues contribution of the second quarter was consequently below that of the first quarter of 2019 (76.8 million euros) and 26.2% below the revenues of the second quarter of the previous year at 75.9 million euros.

Changes in inventories of finished goods and work in progress amounted to 2.2 million euros in the first half of 2019 (previous year: 0.4 million euros). At 1.7 million euros, own work capitalized was below the previous year's level (2.9 million euros) and is mainly attributable to product development activities in the Electronics and Energy Storage segments. This resulted in a total output of 136.7 million euros (previous year: 147.7 million euros). Other operating income was 5.1 million euros (previous year: 2.4 million euros). The increase is mainly attributable to grants for research projects.

Revenues by Regions January 1 to June 30, 2019



Material costs amounted to 84.4 million euros (previous year: 94.5 million euros); the material cost ratio was 61.7 % (previous year: 64.0%). The decline is primarily attributable to the material-intensive pilot projects in the Energy Storage segment in the prior-year period. At 36.8 million euros, personnel expenses in the first half of 2019 were slightly higher than in the previous year (35.6 million euros). The personnel expense ratio rose to 26.9% (previous year: 24.1 %).

At 18.0 million euros, other operating expenses were slightly down on the previous year (19.4 million euros). This improvement is partly due to the first-time application of IFRS 16. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to 5.7 million euros, compared with EBITDA of –0.5 million euros in the previous year. In the second quarter of 2019, Manz AG generated EBITDA of 0.6 million euros (Q2 2018: 1.1 million euros). Depreciation of 9.1 million euros was significantly above the previous year's level of 4.0 million euros. The increase can primarily be attributed to the application of the amendment to IFRS 15 and 16, which means that in the first case the contract initiation costs and in the second the rights of use from leasing and rental agreements must be recorded in the balance sheet and depreciated accordingly.

At –3.4 million euros, earnings before interest and taxes (EBIT) in the first half of 2019 were slightly better than the previous year's level (–4.5 million euros). At –4.1 million euros, EBIT in the second quarter of 2019 deteriorated significantly compared with the first quarter of 2019 (Q1 2019: 0.6 million euros) due to the lack of incoming orders in the Energy Storage segment and further delays in the completion of buildings in connection with the CIGS projects in China.

Financial expenses amounted to –1.2 million euros in the first half of 2019, compared with –0.9 million euros in the previous year. After the deduction of taxes on income, Manz AG's consolidated net result in the first half of 2019 was –5.5 million euros (previous year: –6.3 million euros). Based on a weighted average of 7,744,088 shares, this results in undiluted earnings per share of –0.69 euros (previous year undiluted: –0.80 euros).

Consolidated Net Assets

The balance sheet total as of June 30, 2019 increased slightly from 345.7 million euros as of December 31, 2018 to 349.5 million euros.

On the assets side of the balance sheet, non-current assets at 150.6 million euros as of June 30, 2019 were above the level of the 2018 balance sheet date (128.7 million euros). The increase is mainly due to significantly higher property, plant and equipment of 49.9 million euros (December 31, 2018: 29.2 million euros). The increase is the result of the application of IFRS 16 concerning rights of use from leasing and rental agreements. At 198.9 million euros as of June 30, 2019, current assets were below the figure of 217.0 million euros as of the 2018 balance sheet date. While inventories increased to 54.7 million euros as of the

reporting date (December 31, 2018: 49.4 million euros), liquid funds decreased significantly to 27.4 million euros (December 31, 2018: 51.0 million euros).

On the liabilities side of the balance sheet, equity amounted to 143.6 million euros (December 31, 2018: 150.0 million euros), the decline being due to the decrease in retained earnings as a result of the negative consolidated result. This resulted in an equity ratio of 41.1 % (December 31, 2018: 43.4 %) with an increased balance sheet total. Non-current liabilities increased from 15.7 million euros as of December 31, 2018 to 34.3 million euros as of June 30, 2019. The reason for the significant increase is the first-time recognition of non-current financial liabilities from leasing in accordance with IFRS 16. This item amounts to 17.8 million euros (December 31, 2018: 0 euros).

Current liabilities decreased to 171.6 euros million as of June 30, 2019 (December 31, 2018: 180.0 million euros). Current financial liabilities amounted to 59.2 million euros as of June 30, 2019 (December 31, 2018: 42.2 million euros). The reason for the increase is an increased demand for working capital in the project management. In accordance with IFRS 16, current financial liabilities arising from leasing amounting to 4.1 million euros (December 31, 2018: 0 euros) are reported for the first time. Trade payables at the end of the 2019 reporting period amounted to 57.9 million euros at the reporting date (December 31, 2018: 69.7 million euros). The company had contractual liabilities of 23.1 million euros as of June 30, 2019 (December 31, 2018: 42.3 million euros). As of June 30, 2019, other current provisions amounted to 13.2 million euros, compared with 12.0 million euros at the end of 2018. Other current liabilities amounted to 13.9 million euros (December 31, 2018: 13.5 million euros).

Consolidated Financial Position

The cash flow from operating activities is based on net losses of –5.5 million euros. The decrease in contractual liabilities results in a corresponding outflow of funds. Cash flow from operating activities totaled –36.0 million euros for the first half of 2019.

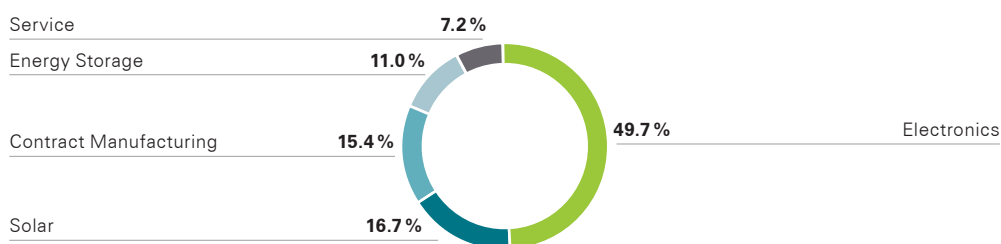
Cash flow from investing activities amounted to –3.6 million euros in the 2019 reporting period. The cash outflow resulted primarily from investments in intangible assets and property, plant and equipment as well as changes in restricted cash.

Cash flow from financing activities in the first half of 2019 amounted to 15.8 million euros and resulted primarily from the change in current financial liabilities for working capital financing. Taking exchange rate changes into account, Manz AG thus had liquid funds of 27.4 million euros as of June 30, 2019 (December 31, 2018: 51.0 million euros). Unused bank lines of credit amounted to 14.2 million euros as of the 2019 balance sheet date (December 31, 2018: 14.6 million euros).

Net debt amounted to 33.5 million euros with a bank balance of 27.4 million euros.

SEGMENT REPORTING

Revenues by Business Units January 1 to June 30, 2019



Solar

As a result of the progress made in the handling of major CIGS orders from strategic cooperation with Chinese partners, revenues declined as expected. On the customer side, a further postponement of the completion dates for the buildings led to further delays in the start of installation. In this connection, the possible award of follow-up contracts will also be further delayed.

In the first half of 2019, Manz AG generated around 22.1 million euros or 16.7% of the Manz Group's total revenues in the Solar segment (previous year: 69.3 million euros or 48.0%). Due to the lower level of revenues, segment EBIT amounted to 2.2 million euros in the first half of 2019, compared with 6.5 million euros in the prior-year period.

Electronics

In the Electronics segment, Manz AG recorded a revival in orders during the first half of 2019. Among others, a display manufacturer from China could be won as a new customer for wet chemical plants. This new customer placed a first order with a volume of 16 million USD for systems for the production of the latest generation 10.5 displays. In the field of assembly automation, Manz is also processing an order for systems for the manufacture of cell contact systems for electric cars. Contacting systems are integrated into the electrical energy storage system in order to allow series or parallel switching of lithium-ion battery cells or to complete voltage measurements in each cell and temperature measurements in the module.

In the first half of 2019, Manz AG generated 66.0 million euros or 49.7% of the Manz Group's total revenues in the Electronics segment (previous year: 30.3 million euros or 21.0%). Based on the higher revenues level, segment EBIT improved from -8.1 million euros in the previous year to -4.7 million euros in the reporting period.

Energy Storage

The development of business in the Energy Storage segment has been significantly influenced by the fact that the award of major orders expected in the second quarter is still delayed.

Accordingly, segment sales in the first half of 2019 amounted to 14.6 million euros or 11.0% of the Manz Group's total revenues (previous year: 13.8 million euros or 9.6%). The segment EBIT amounted to –6.5 million euros in the reporting period, compared with –6.2 million euros in the previous year.

Contract Manufacturing

During the 2019 reporting period, Manz AG generated 20.5 million euros or 15.4% of total revenues in the Contract Manufacturing segment (previous year: 20.5 million euros or 14.2%). The segment EBIT amounted to 4.2 million euros compared to 0.9 million euros in the previous year. The significant improvement is in part attributable to an insurance claim from last year's fire.

Service

In the service business, Manz generated 9.6 million euros or 7.2% of the Manz Group's total revenues (previous year: 10.4 million euros or 7.2%). The segment EBIT amounted to 1.1 million euros compared to 2.7 million euros in the previous year.

SUPPLEMENTARY REPORT

With effect from July 1, 2019, the Company's Supervisory Board appointed Jürgen Knie (49) as Chief Operating Officer (COO). Mr. Knie is responsible for purchasing, production and commissioning, as well as the Contract Manufacturing and Service segments. Previously, Jürgen Knie had been Managing Director of Manz Slovakia s.r.o. since 2010. In this role, he was also responsible for the development of the Contract Manufacturing segment, laying the foundation for Talus Manufacturing in Taiwan. Jürgen Knie continues to be a member of the board of Talus Manufacturing Ltd.

REPORT ON OPPORTUNITIES AND RISKS

No significant changes have arisen compared with the opportunities and risks presented in the 2018 Annual Report.

FORECAST REPORT

EXPECTED DEVELOPMENT OF THE GROUP AND SEGMENTS

On the basis of the available data, the Managing Board continues to assess the outlook for the industry in the three strategic segments Electronics, Solar and Energy Storage as positive. Based on an order intake of 78 million euros in the first half of 2019 and an order backlog of 157 million euros as of June 30, 2019, the Managing Board continues to expect an improved revenues and earnings development in the second half of 2019. In view of the delay in awarding the major contracts expected in the second quarter in the Energy Storage segment and the further postponement on the part of the customer of the completion of the buildings in connection with the CIGS contracts in the Solar segment, Manz AG's Managing Board has adjusted its revenues forecast for the 2019 financial year. The Managing Board now expects sales to be slightly below previous year level. However, the earnings forecast of an EBIT margin in the low single-digit percentage range was confirmed.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements, which are based on the current assumptions and forecasts of Manz AG's Managing Board. Such statements are subject to both risks and uncertainties. These and other factors could cause the actual results, financial position, developments or performance of the Company to differ materially from the estimates given here. Our company assumes no obligation to update these forward-looking statements or adapt them to future events or developments.

RESE ARCHIN NOVATI ONTECH NOLOGY

Over 500 engineers, technicians, and scientifically trained employees, as well as numerous partnerships with renowned universities, colleges, and institutes, demonstrate the importance of research and development at Manz. We not only ensure

the sustainable development of our company with continuous innovation, but we also make a significant contribution to the success of our customers with our high-quality, demand-oriented products and services.



CON
SOLIDADA
TEDINTE
RIMFINAN
CIALSTATA
TEMENT

35	CONSOLIDATED INCOME STATEMENT
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CONSOLIDATED INCOME STATEMENT

1. Half Year (in EUR tsd.)
2nd Quarter (in EUR tsd.)

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Revenues	132,785	144,357	56,004	75,879
Inventory changes, finished and unfinished goods	2,209	439	1,286	-1,405
Work performed by the entity and capitalized	1,743	2,904	798	1,589
Total operating revenues	136,737	147,700	58,087	76,063
Other operating income	5,143	2,414	3,889	1,463
Cost of materials	-84,372	-94,549	-35,826	-48,124
Personnel expenses	-36,801	-35,640	-18,257	-17,523
Other operating expenses	-18,026	-19,396	-8,847	-8,819
Share of profit (loss) of associates	3,023	-1,018	1,520	-1,991
EBITDA	5,703	-488	566	1,068
Amortization/depreciation	-9,134	-3,994	-4,644	-2,052
Result of operating activities (EBIT)	-3,431	-4,482	-4,078	-984
Finance income	30	54	15	47
Finance costs	-1,248	-890	-671	-468
Earnings before taxes (EBT)	-4,650	-5,318	-4,734	-1,406
Income taxes	-810	-954	-416	-330
Consolidated net profit/loss	-5,460	-6,272	-5,150	-1,736
attributable to non-controlling interests	-129	-100	-69	-61
attributable to shareholders of Manz AG	-5,331	-6,171	-5,081	-1,675
Weighted average number of shares	7,744,088	7,744,088	7,744,088	7,744,088
Earnings per share (diluted = undiluted) in euros per share	-0,69	-0,80	-0,66	-0,22

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1. Half Year (in EUR tsd.)		2nd Quarter (in EUR tsd.)	
	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Consolidated profit or loss	-5,460	-6,272	-5,150	-1,736
Difference resulting from currency translation	-1,452	266	-1,988	1
Cash flow hedges	2	7	1	5
Tax effect resulting from components not recognized in profit/loss	0	-2	0	-2
Total of expenditures and income recorded directly in equity capital with future reclassification with tax effect	-1,450	271	-1,988	4
Tax effect resulting from components not recognized in profit/loss	57	-41	29	-20
Revaluation of defined benefit pension plans	-248	178	-124	88
Total of expenditures and income recorded directly in equity capital without future reclassification with tax effect	-191	137	-96	68
Group comprehensive income	-7,101	-5,863	-7,233	-1,665
attributable to non-controlling interests	-125	-91	-80	-54
attributable to shareholders of Manz AG	-6,977	-5,772	-7,154	-1,610

CONSOLIDATED BALANCE SHEET

ASSETS (in EUR tsd.)

	June 30, 2019	Dec. 31, 2018
Non-current assets		
Intangible assets	60,134	62,328
Property, plant and equipment	49,874	29,160
Investment in an associated companies	14,722	11,763
Financial assets	20,006	20,006
Other non-current assets	510	523
Deferred tax assets	5,402	4,913
	150,649	128,693
Current assets		
Inventories	54,653	49,368
Trade receivables	30,592	30,138
Contract assets	53,787	51,029
Current income tax receivables	19	443
Derivative financial instruments	11	2
Other current assets	32,383	35,038
Cash and cash equivalents	27,414	51,006
	198,861	217,024
Total assets	349,510	345,717

CONSOLIDATED BALANCE SHEET

SHAREHOLDERS' EQUITY AND LIABILITIES (in EUR tsd.)

	June 30, 2019	Dec. 31, 2018
Equity		
Issued capital	7,744	7,744
Capital reserves	79,329	78,626
Retained earnings	39,107	44,438
Accumulated other comprehensive income	17,050	18,696
Shareholders of Manz AG	143,229	149,503
Non-controlling interests	346	471
	143,575	149,974
Non-current liabilities		
Non-current financial liabilities	1,793	1,138
Non-current financial liabilities from leases	17,843	0
Pension provisions	6,828	7,051
Other non-current provisions	2,928	3,114
Other non-current liabilities	14	55
Deferred tax liabilities	4,906	4,371
	34,313	15,729
Current liabilities		
Current financial liabilities	59,167	42,173
Current financial liabilities from leases	4,100	0
Trade payables	57,878	69,683
Contract liabilities	23,092	42,285
Current income tax liabilities	262	384
Other current provisions	13,189	12,034
Derivative financial instruments	1	2
Other current liabilities	13,932	13,453
	171,622	180,014
Total liabilities	349,510	345,717

CONSOLIDATED STATEMENT OF CASH FLOWS

(in EUR tsd.)

	Jan. 1 to June 30, 2019	Jan. 1 to June 30, 2018
Consolidated net profit/loss	-5,460	-6,272
Amortization/depreciation	9,134	3,994
Increase (+)/decrease (-) of pension provisions and other non-current provisions	-408	115
Interest income (-) and expenses (+)	1,218	836
Taxes on income and earnings	810	954
Other non-cash income (-) and expenses (+)	97	119
Gains (-)/losses (+) from disposal of assets	17	395
Share of profit/loss of an associated company	-3,023	1,018
Increase (-)/decrease (+) in inventories, trade receivables, contract assets and other assets	-7,676	-33,863
Increase (+)/decrease (-) in trade payables, contract liabilities and other liabilities	-28,947	5,646
Received (+)/Paid income taxes (-)	-510	-1,947
Interest paid	-1,248	-890
Interest received	30	54
Cash flow from operating activities	-35,964	-29,842
Cash receipts from the sale of fixed assets	522	117
Cash payments for the investments in intangible assets and property, plant and equipment	-2,823	-5,192
Investments in financial assets	-1,341	-2,804
Cash flow from investing activities	-3,642	-7,879
Cash receipts from the assumption of non-current financial liabilities	666	1,417
Cash payments for the repayment of non-current financial liabilities	0	-412
Cash receipts from the assumption of current financial liabilities	19,462	10,142
Cash payments for the repayment of current financial liabilities	-2,468	0
Purchase of treasury shares	-1	-78
Cash payment for the repayment of financial leases	-1,892	0
Cash flow from financing activities	15,767	11,069
Cash and cash equivalents at the end of the period		
Net change in cash funds (subtotal 1-3)	-23,839	-26,652
Effect of exchange rate movements on cash and cash equivalents	-10	114
Credit risk allowance on bank deposit	257	0
Cash and cash equivalents on January 1, 2019	51,006	47,846
Cash and cash equivalents on June 30, 2019	27,414	21,308
Composition of cash and cash equivalents		
Cash and cash equivalents	27,414	21,308
Cash and cash equivalents on June 30, 2019	27,414	21,308

CONSOLIDATED STATEMENT OF CHANGES TO EQUITY

(in EUR tsd.)

	Issued capital	Capital reserves	Treasury shares	Retained earnings	Other comprehensive income					Accumulated other comprehensive income	Equity attributable to share-holders of Manz AG	Non-controlling interests	Total equity
					Components which are not transferred to profit or loss		Components which may be transferred to profit or loss						
					Remeasurement of pensions	Fair value through profit or loss	Cashflow hedges	Investment accounted for using the equity method	Currency translation				
As of Jan. 1, 2018	7,744	98,917	0	32,330	-2,315	-475	-14	-100	23,055	20,151	159,142	738	159,880
Effects of changing of accounting rules	0	0	0	-133	0	0	0	0	0	0	-133	0	-133
Consolidated net profit/loss	0	0	0	-6,171	0	0	0	0	0	0	-6,171	-100	-6,272
Other comprehensive income	0	0	0	0	137	0	5	0	257	399	399	9	408
Consolidated income statement	0	0	0	-6,171	137	0	5	0	257	399	-5,772	-91	-5,863
Purchase of treasury shares	0	0	-78	0	0	0	0	0	0	0	-78	0	-78
Use of treasury shares	0	0	78	0	0	0	0	0	0	0	78	0	78
Share-based payment	0	-119	0	0	0	0	0	0	0	0	-119	0	-119
As of June 30, 2018	7,744	98,798	0	26,026	-2,178	-475	-9	-100	23,312	20,550	153,118	647	153,765

CONSOLIDATED STATEMENT OF CHANGES TO EQUITY

(in EUR tsd.)

	Issued capital	Capital reserves	Treasury shares	Retained earnings	Other comprehensive income					Accumulated other comprehensive income	Equity attributable to share-holders of Manz AG	Non-controlling interests	Total equity
					Components which are not transferred to profit or loss		Components which may be transferred to profit or loss						
					Remeasurement of pensions	Fair value through profit or loss	Cashflow hedges	Investment accounted for using the equity method	Currency translation				
As of Jan. 1, 2019	7,744	78,626	0	44,438	-2,209	-3,004	-2	-130	24,041	18,696	149,503	471	149,974
Consolidated net profit/loss	0	0	0	-5,331	0	0	0	0	0	0	-5,331	-129	-5,460
Other comprehensive income	0	0	0	0	-191	0	1	0	-1,457	-1,646	-1,646	5	-1,641
Consolidated income statement	0	0	0	-5,331	-191	0	1	0	-1,457	-1,646	-6,977	-125	-7,101
Purchase of treasury shares	0	0	-1	0	0	0	0	0	0	0	-1	0	-1
Use of treasury shares	0	0	1	0	0	0	0	0	0	0	1	0	1
Share-based payment	0	703	0	0	0	0	0	0	0	0	703	0	703
As of June 30, 2019	7,744	79,329	0	39,107	-2,400	-3,004	-1	-130	22,584	17,050	143,229	346	143,575

NOTES (ABRIDGED)

GENERAL DISCLOSURES

Manz AG has its headquarters at Steigaeckerstrasse 5 in 72768 Reutlingen, Germany. Manz AG and its subsidiaries („Manz Group“ or „Manz“) have many years of expertise in automation, laser processing, vision and metrology, wet chemistry, and roll-to-roll processes. Manz AG shares are traded on the regulated market (Prime Standard segment) of the Frankfurt Stock Exchange.

Pursuant to Section 37w(115) of the Securities Trading Act (WpHG), the interim consolidated financial statements as of June 30, 2019 have been prepared in condensed form in accordance with the International Financial Reporting Standards (IFRS) – including IAS 34 – of the International Accounting Standards Board (IASB), London, which are endorsed by the European Union, and the Interpretations of the IFRS Interpretations Committee in effect on the balance sheet date. Standards and interpretations that have not yet taken effect have not been applied. The present interim consolidated financial statements and the interim group management report have not been subject to an audit or an audit review in accordance with Section 317 of the Commercial Code.

The interim consolidated financial statements are prepared in euros. Unless otherwise stated, the information is given in thousands of euros.

ACCOUNTING AND VALUATION PRINCIPLES

The accounting policies applied to the condensed consolidated interim financial statements as of June 30, 2019, as well as the calculation methods and input parameters used to measure fair value are essentially the same as those of the consolidated financial statements as of December 31, 2018. A detailed description of these policies was published in the notes to the consolidated financial statements in the Annual Report 2018.

In deviation from this, IFRS 16 Leases will be applied for the first time from the financial year 2019. In accordance with the transitional provisions of IFRS 16, the modified retrospective method was applied, so that the figures for the comparable period were not adjusted.

The lessee's current, off-balance sheet operating leases were recorded through the initial application of the new accounting standard as right-of-use-assets under property, plant and equipment and as financial liabilities arising from leases.

The payment obligations of the previous rental leasing agreements were discounted as of January 1, 2019 at the marginal interest rate and recognized as financial liabilities arising from leases. This is offset by the capitalization of the corresponding right-of-use-assets. The average marginal interest rate was 3.9%. The right-of-use-assets as of January 1, 2019 were measured at the amount of the financial liabilities arising from leases, adjusted for lease installments payable in advance. Manz leases buildings, vehicles and information technology.

The accountancy options had been elected for short-term leases and leases for low-value assets.

Reconciliation of financial liabilities arising from leases

(in EUR tsd.)	January 1, 2019
Operating lease obligations at December 31, 2018	29,407
Accountancy options for short-term leases	-524
Accountancy options for low-value assets	-75
Gross lease liabilities at January 1, 2019	28,808
Discounting	-3,841
Financial liabilities from leases as of January 1, 2019	24,967

As shown below, the right-of-use-assets are shown in the balance sheet under property, plant and equipment and the liabilities under non-current and current financial liabilities respectively.

Presentation of leasing facts according to IFRS 16 in the balance sheet

(in EUR tsd.)	June 30, 2019
Non-current assets	
Property, plant, and equipment	
Right-of-use-assets – Buildings	20,875
Right-of-use-assets – Vehicles	913
Right-of-use-assets – IT equipment	19
	21,807
Non-current liabilities	
Non-current financial liabilities from leases	17,843
Current liabilities	
Current financial liabilities from leases	4,100

Presentation of leasing facts according to IFRS 16 in the income statement

(in EUR tsd.)	June 30, 2019
Other operating expenses	
Expenses for short-term leases	411
Expenses for low-value assets from leases	23
Expenses from variable lease payments	128
	562
Amortization/depreciation	
Amortization of right-of-use-assets	1,960
Finance costs	
Interest cost from financial liabilities from leases	430

CONSOLIDATION RANGE

Manz AG's consolidated interim financial statements include all the companies whose financial and operating policy Manz AG can either directly or indirectly determine („controlling relationship“). In addition to Manz AG, the group of consolidated companies includes 13 fully consolidated subsidiaries:

Adjustment of previous year's figures

Talus Manufacturing Ltd, Chungli, Taiwan, was founded in 2015. Manz holds 80.5% of the voting rights and shares in Talus, a partner holds 19.5%. Due to the provisions of the articles of incorporation, all significant decisions regarding business activities must be unanimous. The partner also has a purchase option. As part of an adjustment, Manz retrospectively deconsolidated Talus Manufacturing Ltd., which had previously been fully consolidated. Control has not existed since the first-time consolidation date in fiscal year 2015. Talus has therefore been accounted for using the equity method since the 2018 consolidated financial statements because of its significant influence.

Consolidated Income Statement

(in EUR tsd.)	Jan. 1, to June 30, 2018 published	Adjustment	Jan. 1, to June 30, 2018 adjusted
Revenues	173,532	29,175	144,357
Inventory changes, finished and unfinished goods	1,972	1,533	439
Work performed by the entity and capitalized	2,904	0	2,904
Total operating revenues	178,408	-30,708	147,700
Other operating income	2,436	22	2,414
Cost of materials	-121,113	-26,564	-94,549
Personnel expenses	-37,812	-2,172	-35,640
Other operating expenses	-22,657	-3,261	-19,396
Share of profit (loss) of associates	0	1,018	-1,018
EBITDA	-738	-250	-488
Amortization/depreciation	-4,325	-331	-3,994
Result of operating activities (EBIT)	-5,063	-581	-4,482
Finance income	112	58	54
Finance costs	-901	-11	-890
Earnings before taxes (EBT)	-5,852	-534	-5,318
Income taxes	-667	287	-954
Consolidated net profit/loss	-6,518	246	-6,272
attributable to non-controlling interests	-350	-250	-100
attributable to shareholders of Manz AG	-6,168	3	-6,171
Weighted average number of shares	7,744,088		7,744,088
Earnings per share (diluted = undiluted) in euros per share	-0.80		-0.80

Consolidated Statement of Comprehensive Income

(in EUR tsd.)	Jan. 1, to June 30, 2018 published	Adjustment	Jan. 1, to June 30, 2018 adjusted
Consolidated profit or loss	-6,518	246	-6,272
Difference resulting from currency translation	119	147	266
Cash flow hedges	7	0	7
Tax effect resulting from components not recognized in profit/loss	-2	0	-2
Total of expenditures and income recorded directly in equity capital with future reclassification with tax effect	124	147	271
Revaluation of defined benefit pension plans	178	0	178
Tax effect resulting from components not recognized in profit/loss	-41	0	-41
Total of expenditures and income recorded directly in equity capital without future reclassification with tax effect	137	0	137
Group comprehensive income	-6,257	394	-5,863
attributable to non-controlling interests	-336	245	-91
attributable to shareholders of Manz AG	-5,921	149	-5,772

Consolidated statement of cash flows

(in EUR tsd.)	June 30, 2018 published	Adjustment	June 30, 2018 adjusted
Consolidated net profit/loss	-6,518	246	-6,272
Amortization/depreciation	4,325	-331	3,994
Increase (+)/decrease (-) in pension provisions and other non-current provisions	115		115
Interest income (-) and expenses (+)	789	47	836
Taxes on income and earnings	667	287	954
Other non-cash income (-) and expenses (+)	119		119
Gains (-)/losses (+) from disposals of assets	395		395
Share in the results of associated companies	0	1,018	1,018
Increase (-)/decrease (+) in inventories, trade receivables, and contract assets and other assets	-39,847	5,984	-33,863
Increase (+)/ decrease (-) in trade payables, contract liabilities and other liabilities	9,130	-3,484	5,646
Received (+)/Paid income taxes (-)	-2,111	164	-1,947
Interest paid	-901	11	-890
Interest received	112	-58	54
Cash flow from operating activities	-33,726	3,884	-29,842
Cash receipts from the sale of fixed assets	117	0	117
Payments for investments in intangible fixed assets and property, plant and equipment	-6,547	1,355	-5,192
Investments in financial assets	-2,804	0	-2,804
Cash flow from investing activities	-9,234	1,355	-7,879
Cash receipts from the assumption of non-current financial liabilities	1,417	0	1,417
Cash payments for the repayment of non-current financial liabilities	-412	0	-412
Cash receipts from the assumption of current financial liabilities	11,831	-1,689	10,142
Purchase of treasury shares	-78	0	-78
Cash flow from financing activities	12,757	-1,689	11,069
Cash and cash equivalents at the end of the period			
Net change in cash funds (subtotal 1-3)	-30,203	3,551	-26,652
Effect of exchange rate movements on cash and cash equivalents	124	-10	114
Cash and cash equivalents at January 1, 2018	55,575	-7,729	47,846
Cash and cash equivalents at June 30, 2018	25,496	-4,188	21,308
Composition of cash and cash equivalents			
Cash and cash equivalents	25,496	-4,188	21.308
Cash and cash equivalents at June 30, 2018	25,496	-4,188	21.308

EXPLANATIONS OF INDIVIDUAL ITEMS IN THE INCOME STATEMENT

REVENUES

(in EUR tsd.)	June 30, 2019	June 30, 2018
Revenues with period reference	124,116	138,359
Revenues with a time reference	8,669	5,998
	132,785	144,357

OTHER OPERATING INCOME

(in EUR tsd.)	June 30, 2019	June 30, 2018
Income from the reversal of provisions	1,583	120
Subsidies	1,042	286
Exchange rate gains	653	949
Changes to valuation allowances on receivables	588	254
Other	1,277	805
	5,143	2,414

COST OF MATERIALS

(in EUR tsd.)	June 30, 2019	June 30, 2018
Cost of raw materials, consumables, and supplies, and of purchased merchandise	73,889	86,523
Cost of purchased services	10,483	8,026
	84,372	94,549

OTHER OPERATING EXPENSES

(in EUR tsd.)	June 30, 2019	June 30, 2018
Advertising and travel expenses	3,458	3,052
Outgoing freight	2,390	1,564
Other personnel-related expenses	1,629	828
Research-related (project-based) other operating expenses	652	2,995
Rent and leasing	562	2,408
Value adjustments on financial assets	315	316
Exchange rate losses	39	0
Other	8,981	8,233
	18,026	19,396

AMORTIZATION/DEPRECIATION

(in EUR tsd.)	June 30, 2019	June 30, 2018
Fixed assets	4,509	3,994
Right-of-use-assets	1,960	0
Non-current costs for obtaining a contract	1,050	0
Current costs for obtaining a contract	1,615	0
	9,134	3,994

EXPLANATIONS OF INDIVIDUAL ITEMS IN THE BALANCE SHEET

INTANGIBLE ASSETS

(in EUR tsd.)	June 30, 2019	Dec. 31, 2018
Licenses, software, and similar rights	5,395	5,608
Capitalized development costs	19,036	19,764
Goodwill	34,309	34,495
Prepayments	44	61
Non-current costs for obtaining a contract	1,350	2,400
	60,134	62,328

PROPERTY, PLANT, AND EQUIPMENT

(in EUR tsd.)	June 30, 2019	Dec. 31, 2018
Land and buildings	17,560	18,071
Technical equipment and machinery	4,751	5,105
Other equipment, operating and office equipment	5,605	5,877
Right-of-use-assets	21,807	0
Prepayments	151	108
	49,874	29,160

INVENTORIES

(in EUR tsd.)	June 30, 2019	Dec. 31, 2018
Raw materials, consumables, and supplies	16,352	18,813
Unfinished goods, services in progress	11,086	7,658
Finished goods and merchandise	10,752	11,990
Prepayments	16,463	10,907
	54,653	49,368

TRADE ACCOUNTS RECEIVABLE

(in EUR tsd.)	June 30, 2019	Dec. 31, 2018
Trade receivables from third parties	30,529	30,041
Trade receivables from associated companies	63	97
	30,592	30,138

CONTRACT ASSETS

(in EUR tsd.)	June 30, 2019	Dec. 31, 2018
Manufacturing costs, including profit or loss on the construction contracts	360,003	298,624
Minus advance payments received	-306,216	-247,595
	53,787	51,029

OTHER CURRENT ASSETS

(in EUR tsd.)	June 30, 2019	Dec. 31, 2018
Restricted cash	22,308	20,967
Tax receivables (not income and income taxes)	2,452	4,396
Other deferrals (primarily insurance policies)	2,091	1,119
Current costs for obtaining a contract	1,755	2,677
Receivables for employees	345	420
Other	3,432	5,459
	32,383	35,038

EQUITY

In the first six months of 2019, the Manz Group purchased 38 treasury shares at an average price of 26.30 EUR per share (market value of 1 euros), which were transferred to employees in the context of jubilee benefits and project sharing.

Capital reserves comprise primarily of contributions from shareholders pursuant to Section 272(2), No. 1 of the Commercial Code, minus financing costs after taxes. Furthermore, this also includes the value of share-based compensation granted to management (including the Managing Board) as a salary component in the form of equity instruments (Performance Share Plan). The increase in the capital reserve of 703 thousand euros in the first six months of 2018 relates to the allocation from share-based compensation (Manz Performance Share Plan).

TRADE PAYABLES

(in EUR tsd.)	June 30, 2019	Dec. 31, 2018
Trade payables to third parties	57,871	69,660
Trade payables associated	7	23
	57,878	69,683

ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS

The following table shows the reconciliation of balance sheet items to the categories of financial instruments, divided according to the carrying amounts and fair values of the financial instruments.

Trade receivables, contract assets, other current assets, cash and cash equivalents, trade payables and the majority of other liabilities within the scope of IFRS 7 have short remaining terms. Thus it is assumed, the carrying amounts of these financial instruments match to their market values.

Assets as of June 30, 2019

(in EUR tsd.)	Carrying amounts by measurement category					Carrying amount as of June 30, 2019
	Fair value	Carrying amount	Equity instruments at fair value through other comprehensive income	Designated hedge fund instruments	Not in scope of IFRS 7, IAS 9	
Investments	20,006	–	20,006	–	–	20,006
Other non-current assets	510	510	–	–	–	510
Trade receivables from third parties	30,529	30,529	–	–	–	30,529
Trade receivables from associated companies	63	63	–	–	–	63
Derivative financial instruments	11	–	–	11	–	11
Other current assets	32,383	28,176	–	–	4,207	32,383
Cash and cash equivalents	27,414	27,414	–	–	–	27,414
	110,916	86,692	20,006	11	4,207	110,916

Liabilities as of June 30, 2019

(in EUR tsd.)	Carrying amounts by measurement category					Carrying amount as of June 30, 2019
	Fair value	Fair Value through profit or loss	Carrying amount	Designated hedging instruments (cash flow hedges)	Not in scope of IFRS 7, IAS 9	
Financial liabilities	60,960	–	60,960	–	–	60,960
Financial liabilities from leases	21,943	–	21,943	–	–	21,943
Liabilities to third parties from delivery of goods and services	57,871	–	57,871	–	–	57,871
Liabilities to associated companies from goods and services	7	–	7	–	–	7
Derivative financial instruments	1	–	–	1	–	1
Other liabilities	13,946	3,000	2,704	–	8,242	13,946
	154,728	3,000	143,485	1	8,242	154,728

Assets as of December 31, 2018

(in EUR tsd.)	Carrying amounts by measurement category					Carrying amount as of Dec. 31, 2018
	Fair value	Carrying amount	Equity instruments at fair value through other comprehensive income	Designated hedge fund instruments	Not in scope of IFRS 7, IAS 9	
Investments	20,006	–	20,006	–	–	20,006
Other non-current assets	523	523	–	–	–	523
Trade receivables from third parties	30,041	30,041	–	–	–	30,041
Trade receivables from associated companies	97	97	–	–	–	97
Derivative financial instruments	2	–	–	2	–	2
Other current assets	35,038	27,965	–	–	7,073	35,038
Cash and cash equivalents	51,006	51,006	–	–	–	51,006
	136,713	109,632	20,006	2	7,073	136,713

Liabilities as of December 31, 2018

(in EUR tsd.)	Carrying amounts by measurement category					Carrying amount as of Dec. 31, 2018
	Fair value	Fair value through profit or loss	Carrying amount	Designated hedging instruments (cash flow hedges)	Not in scope of IFRS 7, IAS 9	
Financial liabilities	43,311	–	43,311	–	–	43,311
Financial liabilities from leases	–	–	–	–	–	0
Liabilities to third parties from delivery of goods and services	69,660	–	69,660	–	–	69,660
Liabilities to associated companies from goods and services	23	–	23	–	–	23
Derivative financial instruments	2	–	–	2	–	2
Other liabilities	13,508	3,106	2,863	–	7,539	13,508
	126,504	3,106	115,857	2	7,539	126,504

VALUATION CLASSES

The Group uses the following hierarchy to determine and present the fair market values of financial instruments for each measurement method:

Level 1: (unadjusted) prices for identical assets or liabilities quoted on active markets.

Level 2: input data that is observable either directly (i.e., as prices) or indirectly (i.e., derived from prices) for the asset or liability and that does not represent any quoted price as described in Level 1.

Level 3: input data that is not based on observable market data for the measurement of the asset or liability (unobservable input data).

The financial assets and liabilities recognized by Manz at fair market value break down as follows in the fair market value hierarchy levels:

ASSIGNED TO FAIR MARKET VALUE HIERARCHY STEPS

(in EUR tsd.)	June 30, 2019	Fair value hierarchy		
		Level 1	Level 2	Level 3
Assets at fair value – affecting net income				
Derivatives with on-balance-sheet hedging relationship	11	–	11	–
Assets at fair value – not affecting net income				
Investments	20,006	–	–	20,006
Liabilities at fair value – affecting net income				
Contingent purchase price liabilities	3,000	–	–	3,000
Liabilities at fair value – not affecting net income				
Derivatives with on-balance-sheet hedging relationship	1	–	1	–

(in EUR tsd.)	Dec. 31, 2018	Fair value hierarchy		
		Level 1	Level 2	Level 3
Assets at fair value – affecting net income				
Derivatives with on-balance-sheet hedging relationship	2	–	2	–
Assets at fair value – not affecting net income				
Investments	20,006	–	–	20,006
Liabilities at fair value – affecting net income				
Contingent purchase price liabilities	3,106	–	–	3,106
Liabilities at fair value – not affecting net income				
Derivatives with on-balance-sheet hedging relationship	2	–	2	–

The fair value of the contingent purchase price installment from the acquisition of Kleo Halbleitertechnik GmbH classified in level 3 of the measurement hierarchy decreased by 106 thousand euros as of June 30, 2019 (Previous year increase: 3 thousand euros). The calculation is based on contractual agreements and internal company planning data.

CONTINGENT LIABILITIES AND OTHER FINANCIAL COMMITMENTS

The other financial obligations and contingent liabilities as well as relationships to related companies and persons in the reporting period essentially correspond to those as of December 31, 2018, with the exception of the minimum lease payments from leasing agreements, which are now presented in accordance with IFRS 16.

In addition, there are contingent liabilities of EUR 720 thousand as of June 30, 2019.

SEGMENT REPORTING FOR DIVISIONS

June 30, 2019

(in EUR tsd.)

	Solar	Electronics	Energy Storage	Contract Manufacturing	Service	Consolidation	Group
Revenues with third parties							
Jan. 1 to June 30, 2019	22,122	65,975	14,597	20,491	9,600	0	132,785
Jan. 1 to June 30, 2018	69,341	30,323	13,812	20,453	10,428	0	144,357
Revenues with other segments							
Jan. 1 to June 30, 2019	0	-243	0	0	0	243	0
Jan. 1 to June 30, 2018	0	2,758	0	0	0	-2,758	0
Total revenues							
Jan. 1 to June 30, 2019	22,122	65,732	14,597	20,491	9,600	243	132,785
Jan. 1 to June 30, 2018	69,341	33,082	13,812	20,453	10,428	-2,758	144,357
Share of profit (loss) of an associate							
Jan. 1 to June 30, 2019	0	0	0	3,023	0	0	3,023
Jan. 1 to June 30, 2018	0	0	0	-1,018	0	0	-1,018
EBITDA							
Jan. 1 to June 30, 2019	4,292	-439	-4,466	4,599	1,454	263	5,703
Jan. 1 to June 30, 2018	7,056	-6,455	-4,783	1,105	2,858	-269	-488
Depreciation							
Jan. 1 to June 30, 2019	2,106	4,238	2,031	413	346	0	9,134
Jan. 1 to June 30, 2018	525	1,655	1,453	251	110	-1	3,994
EBIT							
Jan. 1 to June 30, 2019	2,186	-4,677	-6,497	4,186	1,108	263	-3,431
Jan. 1 to June 30, 2018	6,532	-8,110	-6,236	853	2,748	-268	-4,482
Finance costs							
Jan. 1 to June 30, 2019	-158	-498	-219	-135	-208	0	-1,218
Jan. 1 to June 30, 2018	-286	-212	-197	-138	-2	0	-836
Earnings before taxes (EBT)							
Jan. 1 to June 30, 2019	2,027	-5,175	-6,716	4,051	900	263	-4,650
Jan. 1 to June 30, 2018	6,246	-8,322	-6,433	715	2,745	-268	-5,318
Income taxes							
Jan. 1 to June 30, 2019	-228	36	-25	-172	-422	0	-810
Jan. 1 to June 30, 2018	-633	-226	190	-241	-45	0	-954
Consolidated profit or loss							
Jan. 1 to June 30, 2019	1,800	-5,139	-6,741	3,879	478	263	-5,460
Jan. 1 to June 30, 2018	5,613	-8,548	-6,243	474	2,701	-268	-6,272

SEGMENT REPORTING FOR REGIONS

June 30, 2019

(in EUR tsd.)	Revenues
Germany	
Jan. 1 to June 30, 2019	12,013
Jan. 1 to June 30, 2018	16,085
Rest of Europe	
Jan. 1 to June 30, 2019	28,371
Jan. 1 to June 30, 2018	20,728
China	
Jan. 1 to June 30, 2019	77,055
Jan. 1 to June 30, 2018	91,067
Taiwan	
Jan. 1 to June 30, 2019	5,962
Jan. 1 to June 30, 2018	13,182
Rest of Asia	
Jan. 1 to June 30, 2019	1,882
Jan. 1 to June 30, 2018	2,072
USA	
Jan. 1 to June 30, 2019	7,488
Jan. 1 to June 30, 2018	967
Other Regions	
Jan. 1 to June 30, 2019	13
Jan. 1 to June 30, 2018	256
Group	
Jan. 1 to June 30, 2019	132,785
Jan. 1 to June 30, 2018	144,357

The Manz Group has five business segments - Solar, Electronics, Energy Storage, Contract Manufacturing and Service as well as a presence in international markets. This structure is consistent with the business activity of Manz. Therefore, it is the basic principle of our corporate management.

RELATED PARTY DISCLOSURES

Jürgen Knie, the former Managing Director of Manz Slovakia s.r.o., was appointed to the Managing Board as Chief Operating Officer (COO) with effect from July 1, 2019. In addition, related party disclosures are corresponding to the disclosures at December 31, 2018.

EVENTS AFTER THE REPORTING PERIOD

There were not any events of particular importance after the reporting period.

FURTHER DISCLOSURES

EMPLOYEES

As of June 30, 2019, the Manz Group had an average of 1,564 employees (June 30, 2018: 1,571 employees).

MANAGING BOARD

Martin Drasch, Dipl.-Ing. (FH), CEO

Manfred Hochleitner, Dipl.-Math., Chief Financial Officer

Jürgen Knie, Dipl.-Wirt.-Ing. (FH), Chief Operations Officer (from July 1, 2019)

DECLARATION BY THE LEGAL REPRESENTATIVES

We declare that to the best of our knowledge and according to the applicable accounting standards for interim reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Reutlingen, August 9, 2019

The Managing Board of Manz AG

IMPRINT

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