



# HALF-YEAR FINANCIAL REPORT 2019

MBB SE, Berlin

## MBB in figures

Half year (unaudited)	2019 adjusted* IFRS	2018 adjusted* IFRS	Δ 2019 / 2018
<b>Earnings figures</b>	<b>€k</b>	<b>€k</b>	<b>%</b>
<b>Revenue</b>	<b>251,395</b>	<b>240,233</b>	4.6
Operating performance	251,657	241,071	4.4
Total performance	263,060	246,871	6.6
Cost of materials	-159,972	-151,418	5.6
Staff costs	-63,596	-56,715	12.1
EBITDA	24,207	26,593	-9.0
<i>EBITDA margin</i>	<i>9.6%</i>	<i>11.0%</i>	
EBIT	16,303	20,271	-19.6
<i>EBIT margin</i>	<i>6.5%</i>	<i>8.4%</i>	
EBT	15,641	19,574	-20.1
<i>EBT margin</i>	<i>6.2%</i>	<i>8.1%</i>	
<b>Consolidated net profit after non-controlling interests</b>	<b>5,200</b>	<b>6,773</b>	-23.2
eps in €	0.84	1.03	-18.4
<b>Unadjusted consolidated net profit after after non-controlling interests</b>	<b>4,941</b>	<b>6,396</b>	-22.7
Number of shares in circulation	5,941	6,587	
eps before adjustments in €	0.80	0.97	-17.5
<b>Figures from the statement of financial position</b>	<b>30 Jun €k</b>	<b>31 Dec €k</b>	<b>%</b>
Non-current assets	258,355	217,487	18.8
Current assets	414,346	508,170	-18.5
thereof cash and equivalents**	292,760	376,204	-22.2
Issued capital (share capital)	5,941	6,587	-9.8
Other equity	442,252	492,705	-10.2
Total equity	448,193	499,292	-10.2
<i>Equity ratio</i>	<i>66.6%</i>	<i>68.8%</i>	
Non-current liabilities	96,252	78,132	23.2
Current liabilities	128,256	148,233	-13.5
<b>Total assets</b>	<b>672,701</b>	<b>725,657</b>	-7.3
Net debt (-) or net cash (+)**	217,412	312,325	-30.4
<b>Employees</b>	<b>2,232</b>	<b>2,184</b>	<b>2.2</b>

\* Adjustments relate to the amortisation of assets capitalised in the context of purchase price allocation and, in 2018, the expenses for the termination of the contract with a member of the Executive Board of Aumann AG.

\*\* This figure includes physical gold reserves and securities.

## Contents

MBB in figures	1
Contents	2
Welcome note from the Executive Management	3
Interim Group management report	4
Business and economic conditions	4
Business development	4
Results of operations, financial position and net assets	5
Segment performance	6
Employees	7
Report on risks and opportunities	7
Supplementary report	7
Outlook	7
IFRS half-year consolidated financial statements for 2019	8
Notes to the interim consolidated financial statements	15
Accounting	15
Accounting policies	15
Segment reporting	15
Dividend	16
Changes in contingent liabilities	16
Related party transactions	16
Review	16
Responsibility statement	16
Financial calendar	17
Contact	17
Legal notice	17

## Welcome note from the Executive Management

Dear Shareholders,

In the first half of 2019, MBB completed two successful acquisitions and managed to grow its revenues by 5% despite growing trade tensions and economic challenges. Even though the performance of MBB's share price failed to live up to expectations, MBB's shareholders still participated in the company's success through an extensive share buyback and dividend. Owing to the lower profitability of its subsidiaries with automotive exposure, the group's EBITDA margin was 1.4 percentage points down on the previous year's level.

The operating performance of DTS was especially successful in the first half-year. As a leading provider of IT security products and services, DTS benefited significantly from the sharp growth in attention this topic is garnering from German SME companies. DTS's revenues grew by 22% year-on-year to €30 million in the first half of the year, while EBITDA margin rose even more quickly to 15%. DTS further sharpened its strategic profile with the successful acquisition of the IT security software developer ISL in February 2019.

The recovery in profitability in the Industrial Production segment is also very positive news. While the companies in the segment had been exposed to significant increases in raw material prices in 2018, EBITDA was already 2.4 times higher than in the same period of the previous year at €4.1 million in the first half of 2019. While CT Formpolster was able to grow its revenue by 10%, the other companies in the segment grew at a slower rate. As a whole, the revenue of the segment grew to €55 million, which represents a 5% increase compared to the previous year.

In the Technical Applications segment, Aumann increasingly felt the slowdown of the automotive market in the first half of the year. The uncertainty among auto manufacturers regarding future sales has led to strong investment restraint. In turn, this led to disappointing order intake at Aumann. Aumann's EBIT margin also fell short of expectations being at 9%. By contrast, Delignit's revenue grew by 10% thanks to a new series order in the recreational vehicles segment. However, the start of serial production for the new contract meant lower profitability than in the previous year.

The highlight at MBB in the last few months was without a doubt the successful acquisition of Friedrich Vorwerk. The company is a leading provider in the field of pipeline and plant engineering for gas and power grids. Vorwerk is benefiting from an increased need for investment in Germany's energy infrastructure, in particular as a result of the necessity of laying high-voltage lines underground. The acquisition of 60% of its shares has allowed MBB to usher in a new generation among the group's shareholders. If Vorwerk had already been a part of the Group in the past financial years, MBB would have generated consolidated revenue of around €600 million with an EBITDA margin in excess of 10% and a headcount of over 3,000.

Thanks to the rising number of acquisition opportunities in the German SME market and in view of our extensive net cash of €217 million at the end of the first half-year (€200 million of which at the level of the MBB SE holding company), we are confident of continuing our growth both organically and by acquiring new companies.

Yours,

The Executive Management of MBB



Dr Christof Nesemeier  
Chief Executive Officer



Dr Constantin Mang  
Chief Investment Officer



Klaus Seidel  
Chief Operating Officer

## Interim Group management report

MBB SE is a medium-sized, family-owned company that forms the MBB Group together with its subsidiaries.

### Business and economic conditions

The global economic climate in the first half of 2019 was divided into a predominantly positive first quarter followed by a relatively weak second quarter. The first quarter was characterised by a remarkable recovery on the stock and financial markets, together with GDP growth in the US, China and Europe. However, the surprisingly strong performance at the start of the year tailed off noticeably in the second half of the year, driven in particular by the reignition of the trade conflict between China and the US, hence no significant acceleration in growth is anticipated in the second half of the year either.

Against the backdrop of the smouldering trade conflict between the US, China and the European Union, which has led to losses in the German export sector in particular, and the rampant uncertainty over what happens next with Brexit, the German Institute for Economic Research (DIW) has lowered its growth forecast for the year as a whole from 1.6% to 1.0%. Thus, alongside Italy, Germany is expected to have the slowest economic growth in the European Union this year.

Developments on the sub-markets relevant to MBB were mixed. According to figures from the German Association of the Automotive Industry (VDA), 3.1% fewer cars were registered in the European Union compared to the first half of the previous year. New registrations in China fell by as much as 14.0%, and in the US 1.9%. However, the trend towards electric vehicles is continuing. For example, registration figures for electric vehicles in Germany were 80% higher in the first half of the year compared to the prior year, though the overall level is still low (1.7% of new vehicle registrations). New registrations of commercial vehicles in Europe climbed by 5.8% year-on-year in the first half of the year, according to figures from the European Automobile Manufacturers' Association (ACEA). On the key European markets, Germany reported growth of 13.9%, the UK 10.2% and France 6.9%.

According to figures from the German Association for Information Technology, Telecommunications and New Media (Bitkom), the German IT market is still very robust. While the market volume expanded by 3.1% to €86.2 billion in 2018, Bitkom is forecasting further growth of approximately 3.2% to €93.6 billion for 2019. In particular, the main drivers of this growth are IT security (9.0%) and software (6.3%).

Incoming orders at Aumann were well below expectations. Above all, this development was because of the decline in vehicle sales in the passenger car segment and the resulting investment restraint among manufacturers and suppliers.

### Business development

In the first six months of 2019, MBB achieved revenue growth of 4.6% year-on-year to €251.4 million (previous year: €240.2 million). However, EBITDA fell by 9.0% compared to the previous year to €24.2 million in the same period (previous year: €26.6 million). The EBITDA margin was down to 9.6% in the first half of 2019 after 11.0% in the same period of the previous year. The MBB Group had 2,232 employees as at the end of the reporting period.

All segments of the MBB Group increased their revenue in the first half of 2019, with particularly strong growth in Industrial Production and Trade & Services. Driving this trend were strong revenue growth rates at DTS (21.9%), Delignit (10.0%) and CT Formpolster (9.6%). Whilst DTS benefited from the acquisition of ISL in the first quarter and the growing demand for IT security solutions in the German SME sector, Delignit's revenues rose due to a new series orders in the motorhome sector and further major orders for equipment systems for light commercial vehicles. At just 0.1%, Aumann reported the lowest revenue growth, but was able to significantly increase the e-mobility segment's share from 36.6% in the previous year to 42.4%.

In February 2019, DTS acquired 66% of the shares in ISL Internet Sicherheitslösungen GmbH (ISL), thereby intensifying its current strategic focus as an IT security provider. ISL is a leading German software developer for network access control, a core area of IT security. Well-known companies from industry and retail as well as banks, public authorities and research institutions rely on software developed by ISL to protect their IT infrastructure against undetected intrusion by unauthorised devices and internal attacks. ISL will further accelerate DTS's revenue and earnings growth in the second half of the year.

On 13 March 2019, the Board of MBB SE resolved to exercise the authorisation granted by the Annual General Meeting on 28 June 2018 to purchase treasury shares and to purchase up to 646,775 treasury shares over-the-counter in the period from 18 March 2019 up to and including 2 April 2019 by way of a voluntary public buyback offer to all shareholders. MBB announced on 5 April 2019 that a total of 646,024

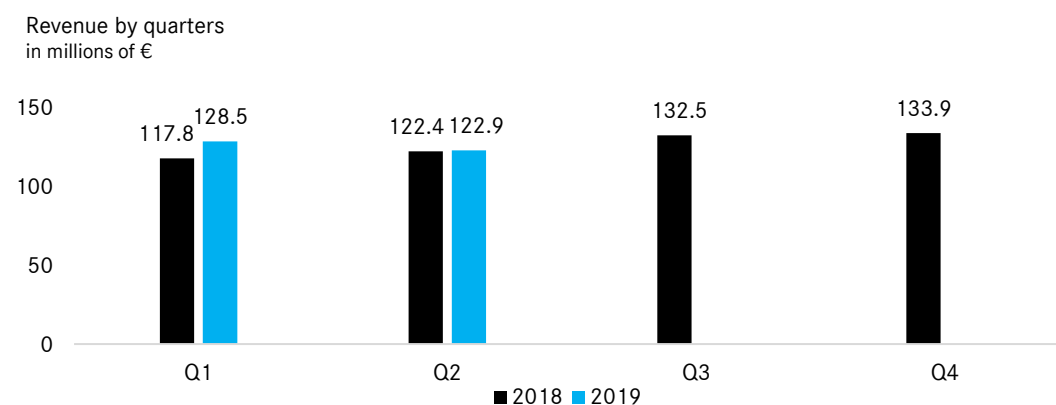
shares, representing 9.79% of the share capital of the company, were bought back at a price of €96.00 per share. The offer was wound up on 9 April 2019. After it was wound up, all treasury shares held by the company, 659,249 in total, were retired in a capital reduction. Following the retirement of the shares and the implementation of the capital reduction, the share capital of MBB SE amounts to €5,940,751 and is divided into 5,940,751 bearer shares, each representing a notional amount of the share capital of €1. The Group's liquidity decreased by €62.1 million as a result of the settlement of the public buyback offer.

The Board and Executive Management of MBB SE wish for the shareholders to participate appropriately in the company's success in addition to the public buyback offer. At the Annual General Meeting they therefore proposed a dividend of €0.69 per entitled share, corresponding to an increase in the basic dividend of around 5% as against the previous year. The Annual General Meeting approved the company's proposal by a large majority and the dividend was paid out on 31 May 2019.

On 20 June 2019, MBB signed an agreement to acquire 60% of the shares in Friedrich Vorwerk KG (GmbH & Co.) and its subsidiaries (referred to hereinafter as "Vorwerk"). Vorwerk is a leading provider in the field of pipeline and plant engineering for gas and power grids. The group, founded by Friedrich Vorwerk in Tostedt in 1962, generated profitable consolidated revenue in excess of €100 million with more than 750 employees at nine locations in 2018. Vorwerk benefits from a growing need for investment in Germany's gas and power grids. According to the latest estimates by the German Federal Network Agency, investments of more than €6 billion will be needed in Germany's gas network in the coming years. Furthermore, the construction of several thousand kilometres of electricity grid is needed on account of the energy transition. As a large share of these lines will have to be underground, grid operators are forecasting investment of more than €60 billion between now and 2030. Vorwerk is one of the few companies on the German market with the necessary expertise and experience in major underground pipeline construction projects. The transaction was initially subject to the approval of the German Federal Cartel Office and was closed on 30 July 2019.

## Results of operations, financial position and net assets

The results of operations, financial position and net assets are still on track. At €251.4 million, the consolidated revenue of the MBB Group is 4.6% higher year-on-year after the first six months of the financial year 2019 (€240.2 million).



The other operating income of €11.4 million (previous year: €5.8 million) includes income from the reversal of provisions of €5.0 million, income from capitalised development costs of €2.8 million, income from securities of €1.4 million and other income of €2.2 million. Own work capitalised relates to development costs recognised at Aumann AG.

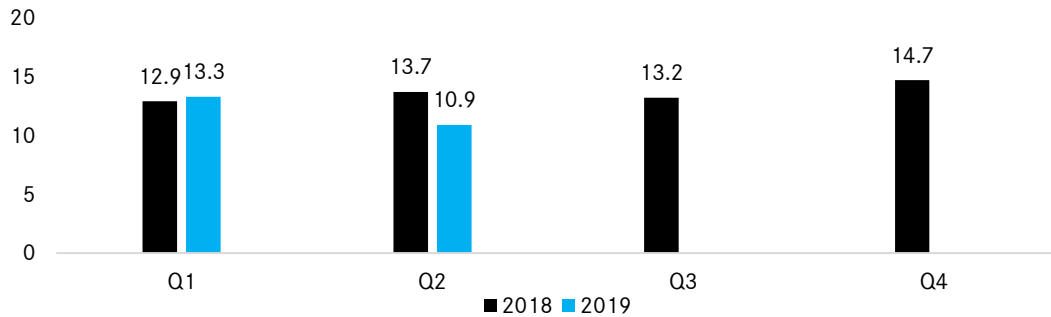
The ratio of the cost of materials to the total operating performance of €251.7 million (previous year: €241.1 million) rose slightly from 62.8% in the previous year to 63.6% in the first six months, while the staff costs ratio climbed from 23.5% to 25.3%.

A settlement was reached on a dispute concerning a receivable from a former member of Executive Management that was still pending as at the end of the 2018 financial year, giving rise to a one-time expense of €0.4 million in the first half of the year.

Other operating expenses amounted to €15.3 million, and included maintenance expenses, legal and consulting costs, advertising costs, insurance premiums, travel expenses and costs of third-party services in particular. The adoption of IFRS 16 resulted in a reduction in rental and leasing expenses of €1.3 million in the first half of the year.

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation) was €24.2 million in the first half of the 2019 financial year after €26.6 million in the same period of the previous year. The adjustment merely relates to extraordinary expenses in 2018. There were no adjustments at EBITDA level in the current financial year.

EBITDA by quarters  
in millions of €



Adjusted depreciation and amortisation climbed by €1.6 million as against the previous year to €7.9 million (previous year: €6.3 million). Additional depreciation of €1.2 million was incurred in the first half of 2019 as a result of the application of IFRS 16. These figures have been adjusted for depreciation and amortisation on assets of €0.7 million capitalised in connection with the purchase price allocation for USK and the provisional purchase price allocation for ISL.

This results in adjusted EBIT (earnings before interest and taxes) of €16.3 million (previous year: €20.3 million).

Taking into account net finance costs of minus €0.7 million, adjusted EBT (earnings before taxes) amounts to €15.6 million (previous year: €19.6 million). Adjusted consolidated net profit after non-controlling interests totals €5.2 million (previous year: €6.8 million) or €0.84 (previous year: €1.03) per share in the first half of 2019.

The equity amounts to €448.2 million as at 30 June 2019 (31 December 2018: €499.3 million). Based on total consolidated assets of €672.7 million (31 December 2018: €725.7 million), the equity ratio is 66.6% as at the end of the reporting period after 68.8% as at 31 December 2018. The reduction of €51.1 million essentially results from the public buyback offer (€62.1 million) and the recognition of a put option from the acquisition of ISL (€4.9 million). Equity was further reduced by dividend payments to shareholders of MBB SE (€4.1 million) and non-controlling interests (€2.2 million), while benefiting from the positive effects of consolidated net profit and other comprehensive income.

The MBB Group had cash funds (including securities and physical gold reserves) of €292.8 million as at 30 June 2019 (31 December 2018: €376.2 million), €200.5 million of which is attributable to MBB SE. The deduction of consolidated financial liabilities of €75.3 million (31 December 2018: €63.9 million) resulted in a net cash position for the MBB Group of €217.4 million as against €312.3 million as at 31 December 2018. The rise in financial liabilities essentially results from the purchase price financing for the acquisition of ISL, the adoption of IFRS 16 and the first-time recognition of lease liabilities of €6.6 million this entailed.

## Segment performance

The following segments are reported:

- Technical Applications
- Industrial Production
- Trade & services

Revenue in the Technical Applications segment matched the previous year's level while EBIT declined slightly. In the first half of 2019, the segment's external revenue amounts to €165.8 million (previous year: €162.7 million) with EBITDA of €16.3 million (previous year: €19.9 million) and EBIT of €12.8 million

(previous year: €16.2 million). In particular, Aumann's EBIT margin was down on account of weaker margins on orders and lower capacity utilisation due to market circumstances. Start of production of a new series order put pressure on Delignit's profitability.

Revenue rose moderately in the Industrial Production segment. The segment's external revenue for the period from 1 January to 30 June 2019 amounts to €55.2 million after €52.5 million in the same period of 2018. After a weak previous year, the segment's EBITDA grew substantially year-on-year to €4.1 million (€1.7 million). Segment EBIT was significantly higher than in the previous year at €2.0 million (€-0.7 million).

External revenue in the Trading & Services segment increased appreciably once again to €30.6 million (previous year: €25.2 million) on account of the strong demand for IT security products and services in the German SME sector. ISL, the software company acquired in February, has generated revenue of €1.2 million since it was acquired. At €4.5 million, the segment's EBITDA significantly outperformed the figure for the same period of the previous year (€2.8 million). Segment EBIT was slightly higher year-on-year at €1.5 million (€1.4 million).

## Employees

The number of people employed by the MBB Group increased by 2.2% from 2,184 as at 31 December 2018 to 2,232 as at 30 June 2019. The MBB Group is also currently training 156 apprentices and employees in dual study programmes.

## Report on risks and opportunities

The risks and opportunities for the business development of the MBB Group are described in the Group management report for the 2018 financial year, which is available on our website [www.mbb.com](http://www.mbb.com). There have been no significant changes in the risks and opportunities presented since 31 December 2018. MBB SE's risk management system is suitable for identifying risks early on and taking immediate action.

## Supplementary report

On 30 July 2019, MBB completed the acquisition of 60% of the shares in Friedrich Vorwerk KG (GmbH & Co.) and its subsidiaries. The purchase price allocation had not yet been completed at the time this half-year report was published. Increases in total assets and earnings are anticipated, though these cannot yet be quantified on account of the pending IFRS implementation in particular. If Vorwerk had already been a part of the Group in the past financial years, MBB would have generated consolidated revenue of more than €600 million with an EBITDA margin in excess of 10% and a headcount of over 3,000.

Aumann AG, in which MBB SE holds 38%, issued a cautious reassessment of its revenue and earnings guidance for the 2019 financial year on 10 July 2019. The repeated postponements of contract awards of significant volumes led to a disappointing order intake of around €85 million in the first half of the year. In light of this, Aumann is now forecasting revenue of between €240 and €260 million for the current financial year. Aumann's adjusted EBIT is projected to be up to €22 million, though management feels the figure could drop to €16 million subject to ongoing market developments.

## Outlook

In light of current business performance, the Executive Management is now forecasting total revenue of €530 million with an EBITDA margin of 9% to 11% at MBB for the 2019 financial year. The forecast takes into account the revised guidance published by Aumann, and the planned first-time consolidation of the Vorwerk Group as of 1 August 2019. The forecast is subject to elevated uncertainty on account of the Vorwerk Group's acquisition statement of financial position as at 1 August 2019, which is not yet ready, and the range of fluctuation in Aumann's projected earnings.

The Executive Management estimates that the currently 3,000 MBB employees will generate annualized revenue of €600 million with an EBITDA margin of 9% to 11% for the year.

The Executive Management considers the equity ratio of 66% and the net liquidity of more than €200 million to be an excellent foundation for growth in the current market environment, both organically and through acquisitions of new companies, while also ensuring that it is able to act at all times – even in the event of new global crises.

Berlin, 23 August 2019

The Executive Management of MBB SE



## IFRS half-year consolidated financial statements for 2019

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan - 30 Jun 2019	1 Jan - 30 Jun 2018
	€k	€k
<b>Revenue</b>	<b>251,395</b>	<b>240,233</b>
Increase (+) / decrease (-) in finished goods and work in progress	262	838
<b>Operating performance</b>	<b>251,657</b>	<b>241,071</b>
Other operating income	11,403	5,800
<b>Total performance</b>	<b>263,060</b>	<b>246,871</b>
Cost of raw materials and supplies	-122,437	-119,970
Cost of purchased services	-37,535	-31,448
<b>Cost of materials</b>	<b>-159,972</b>	<b>-151,418</b>
Wages and salaries	-51,096	-45,523
Social security and pension costs	-12,500	-11,568
<b>Staff costs</b>	<b>-63,596</b>	<b>-57,091</b>
Other operating expenses	-15,285	-12,144
<b>Earnings before interest, taxes, depreciation, and amortisation (EBITDA)</b>	<b>24,207</b>	<b>26,218</b>
Amortisation and depreciation expense	-8,614	-7,367
<b>Earnings before interest and taxes (EBIT)</b>	<b>15,593</b>	<b>18,851</b>
Other interest and similar income	399	197
Interest and similar expenses	-1,061	-894
<b>Net finance costs</b>	<b>-662</b>	<b>-697</b>
<b>Earnings before taxes (EBT)</b>	<b>14,931</b>	<b>18,154</b>
Income tax expense	-4,645	-4,890
Other taxes	-210	-196
<b>Profit or loss for the period</b>	<b>10,076</b>	<b>13,068</b>
Non-controlling interests	-5,135	-6,672
<b>Consolidated net profit</b>	<b>4,941</b>	<b>6,396</b>
Earnings per share (in €)	0.80	0.97

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan - 30 Jun 2019 €k	1 Jan - 30 Jun 2018 €k
<b>Consolidated net profit before adjustments</b>	<b>4,941</b>	<b>6,396</b>
Non-controlling interests	5,135	6,672
<b>Profit or loss for the period</b>	<b>10,076</b>	<b>13,068</b>
Items that may be subsequently reclassified to profit and loss		
Fair value changes securities and gold	698	-47
Currency translation differences	258	-765
Items that may not be subsequently reclassified to profit and loss		
Fair Value changes shares	9,360	284
<b>Other comprehensive income after taxes</b>	<b>10,316</b>	<b>-528</b>
<b>Comprehensive income for the reporting period</b>	<b>20,392</b>	<b>12,540</b>
thereof attributable to:		
- Shareholders of the parent company	14,589	5,830
- Non-controlling interests	5,803	6,710

IFRS consolidated statement of comprehensive income (unaudited)	1 April - 30 Jun 2019 €k	1 April - 30 Jun 2018 €k
<b>Revenue</b>	<b>122,930</b>	<b>122,394</b>
Increase (+) / decrease (-) in finished goods and work in progress	1,460	-1,135
<b>Operating performance</b>	<b>124,390</b>	<b>121,259</b>
Other operating income	9,060	4,009
<b>Total performance</b>	<b>133,450</b>	<b>125,268</b>
Cost of raw materials and supplies	-62,205	-62,219
Cost of purchased services	-21,064	-14,437
<b>Cost of materials</b>	<b>-83,269</b>	<b>-76,656</b>
Wages and salaries	-25,517	-23,504
Social security and pension costs	-6,195	-6,052
<b>Staff costs</b>	<b>-31,712</b>	<b>-29,556</b>
Other operating expenses	-7,551	-5,718
<b>Earnings before interest, taxes, depreciation, and amortisation (EBITDA)</b>	<b>10,918</b>	<b>13,338</b>
Amortisation and depreciation expense	-4,346	-3,827
<b>Earnings before interest and taxes (EBIT)</b>	<b>6,572</b>	<b>9,511</b>
Other interest and similar income	222	123
Interest and similar expenses	-500	-410
<b>Net finance costs</b>	<b>-278</b>	<b>-287</b>
<b>Earnings before taxes (EBT)</b>	<b>6,294</b>	<b>9,224</b>
Income tax expense	-2,035	-2,584
Other taxes	-103	-89
<b>Profit or loss for the period</b>	<b>4,156</b>	<b>6,551</b>
Non-controlling interests	-1,986	-3,508
<b>Consolidated net profit</b>	<b>2,170</b>	<b>3,043</b>
Earnings per share (in €)	0.37	0.46

Statement of financial position	30 Jun 2019	31 Dec 2018
Assets (IFRS)	unaudited	audited
	€k	€k
<b>Non-current assets</b>		
Concessions, industrial property rights and similar rights	19,939	10,526
Goodwill	44,449	40,300
Advance payments and assets under development	854	549
<b>Intangible assets</b>	<b>65,242</b>	<b>51,375</b>
Land and buildings		
including buildings on third-party land	59,525	55,508
Technical equipment and machinery	28,104	26,307
Other equipment, operating and office equipment	13,059	11,317
Advance payments and assets under development	4,110	5,351
<b>Property, plant and equipment</b>	<b>104,798</b>	<b>98,483</b>
Investment securities	79,461	59,459
Other loans	1,115	1,198
<b>Financial assets</b>	<b>80,576</b>	<b>60,657</b>
<b>Deferred tax assets</b>	<b>7,739</b>	<b>6,972</b>
	<b>258,355</b>	<b>217,487</b>
<b>Current assets</b>		
Raw materials and supplies	15,886	12,404
Work in progress	8,521	6,269
Finished goods	10,607	13,154
Advance payments	7,016	4,715
<b>Inventories</b>	<b>42,030</b>	<b>36,542</b>
Trade receivables	41,844	39,551
Contract assets	105,380	99,622
Other current assets	11,793	15,710
<b>Trade receivables and other current assets</b>	<b>159,017</b>	<b>154,883</b>
Gold and commodities	3,188	2,879
Securities	3,380	6,350
<b>Available-for-sale financial assets</b>	<b>6,568</b>	<b>9,229</b>
Cash in hand	19	16
Bank balances	206,712	307,500
<b>Cash in hand, bank balances</b>	<b>206,731</b>	<b>307,516</b>
	<b>414,346</b>	<b>508,170</b>
<b>Total assets</b>	<b>672,701</b>	<b>725,657</b>

Statement of financial position Equity and liabilities (IFRS)	30 Jun 2019 unaudited €k	31 Dec 2018 audited €k
<b>Equity</b>		
Issued capital	5,941	6,587
Capital reserve	233,304	294,722
Legal reserve	61	61
Retained earnings	77,996	72,400
Non-controlling interests	130,891	125,522
	<b>448,193</b>	<b>499,292</b>
<b>Non-current liabilities</b>		
Liabilities to banks	41,710	36,554
Other liabilities	6,767	1,456
Lease liabilities	6,194	2,431
Pension provisions	23,381	23,511
Other provisions	6,226	6,400
Deferred tax liabilities	11,974	7,780
	<b>96,252</b>	<b>78,132</b>
<b>Current liabilities</b>		
Liabilities to banks	23,151	22,197
Contract liabilities	12,348	21,186
Trade payables	46,933	52,565
Other liabilities	9,653	13,405
Lease liabilities	4,294	2,697
Provisions with the nature of a liability	20,148	18,987
Tax provisions	1,780	2,755
Other provisions	9,949	14,441
	<b>128,256</b>	<b>148,233</b>
<b>Total equity and liabilities</b>	<b>672,701</b>	<b>725,657</b>

Consolidated statement of cash flows (unaudited)	1 Jan - 30 Jun 2019	1 Jan - 30 Jun 2018
	€k	€k
<b>1. Cash flow from operating activities</b>		
<b>Earnings before interest and taxes (EBIT)</b>	<b>15,593</b>	<b>18,851</b>
<b>Adjustments for non-cash transactions</b>		
Write-downs on non-current assets	8,614	7,367
Increase (+) / decrease (-) in provisions	-4,822	-1,816
Gains (+) / losses (-) from disposal of non-current assets	-398	0
Other non-cash expenses / income	150	-611
	<b>3,544</b>	<b>4,940</b>
<b>Change in working capital:</b>		
Increase (-) / decrease (+) in inventories, trade receivables and other assets	-9,271	-4,194
Decrease (-) / increase (+) in trade payables and other liabilities	-19,218	-15,931
	<b>-28,489</b>	<b>-20,125</b>
Income taxes paid	-4,054	-1,400
Interest received	399	197
	<b>-3,655</b>	<b>-1,203</b>
<b>Cash flow from operating activities</b>	<b>-13,007</b>	<b>2,463</b>
<b>2. Cash flow from investing activities</b>		
Investments (-) / divestments (+) intangible assets	-3,528	-1,909
Investments (-) / divestments (+) property, plant and equipment	-5,968	-8,742
Investments (-) / divestments (+) financial assets	-6,978	-11,695
Acquisition of ISL (less costs)	-6,468	0
<b>Cash flow from investing activities</b>	<b>-22,942</b>	<b>-22,346</b>
<b>3. Cash flow from financing activities</b>		
Replacement Aumann Shares (less cost)	0	102,117
Repayment of capital to shareholders	-62,082	0
Profit distribution to shareholders	-4,099	0
Payments to Non-Controlling Interests	-2,212	-2,113
Proceeds from borrowing financial loans	14,716	2,435
Repayments of financial loans	-8,781	-2,658
Finance lease payments	-1,321	588
Interest payments	-1,040	-804
<b>Cash flow from financing activities</b>	<b>-64,819</b>	<b>99,565</b>
<b>Cash and cash equivalents at end of period</b>		
Change in cash and cash equivalents (Subtotal 1-3)	-100,768	79,682
Effects of changes in foreign exchange rates (non-cash)	-16	-22
Cash and cash equivalents at start of reporting period	307,515	233,816
<b>Cash and cash equivalents at end of period</b>	<b>206,731</b>	<b>313,476</b>
<b>Composition of cash and cash equivalents</b>		
Cash in hand	19	16
Bank balances	206,712	313,460
<b>Reconciliation to liquidity reserve on 30 Jun</b>		
	2019	2018
Cash and cash equivalents at end of period	206,731	313,476
Gold	3,188	2,761
Securities	82,841	54,568
<b>Liquidity reserve on 30 Jun</b>	<b>292,760</b>	<b>370,805</b>

Statement of changes in consolidated equity (unaudited)												
	Issued capital	Capital reserve	Legal reserve	Currency translation difference	Fair Value Changes	Retained earnings Pension reserve	Other reserve	Generated consolidated equity	Share of shareholders of MBB SE	Non-controlling interests	Consolidated equity	
	€k	€k	€k	€k	€k	€k	€k	€k	€k	€k	€k	
<b>1 Jan 2018</b>	<b>6,587</b>	<b>214,333</b>	<b>61</b>	<b>-47</b>	<b>2,287</b>	<b>-2,271</b>	<b>0</b>	<b>68,050</b>	<b>289,000</b>	<b>96,018</b>	<b>385,018</b>	
Payments to shareholders	0	0	0	0	0	0	0	-8,695	-8,695	-2,234	-10,929	
<b>Subtotal</b>	<b>6,587</b>	<b>214,333</b>	<b>61</b>	<b>-47</b>	<b>2,287</b>	<b>-2,271</b>	<b>0</b>	<b>59,355</b>	<b>280,305</b>	<b>93,784</b>	<b>374,089</b>	
Amounts recognised in other comprehensive income	0	0	0	0	-2,157	497	0	0	-1,660	-297	-1,957	
Currency translation difference	0	0	0	-656	0	0	0	0	-656	-1	-657	
Consolidated net profit	0	0	0	0	0	0	0	15,392	15,392	11,854	27,246	
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-656</b>	<b>-2,157</b>	<b>497</b>	<b>0</b>	<b>15,392</b>	<b>13,076</b>	<b>11,556</b>	<b>24,632</b>	
Aumann equity transaction	0	80,389	0	0	0	0	0	0	80,389	20,182	100,571	
<b>31 Dec 2018</b>	<b>6,587</b>	<b>294,722</b>	<b>61</b>	<b>-703</b>	<b>130</b>	<b>-1,774</b>	<b>0</b>	<b>74,747</b>	<b>373,770</b>	<b>125,522</b>	<b>499,292</b>	
Payments to shareholders	0	0	0	0	0	0	0	-4,099	-4,099	-2,212	-6,311	
<b>Subtotal</b>	<b>6,587</b>	<b>294,722</b>	<b>61</b>	<b>-703</b>	<b>130</b>	<b>-1,774</b>	<b>0</b>	<b>70,648</b>	<b>369,671</b>	<b>123,310</b>	<b>492,981</b>	
Amounts recognised in other comprehensive income	0	0	0	0	9,391	0	0	0	9,391	667	10,058	
Currency translation difference	0	0	0	257	0	0	0	0	257	1	258	
Consolidated net profit	0	0	0	0	0	0	0	4,941	4,941	5,135	10,076	
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>257</b>	<b>9,391</b>	<b>0</b>	<b>0</b>	<b>4,941</b>	<b>14,589</b>	<b>5,803</b>	<b>20,392</b>	
Put Option	0	0	0	0	0	0	-4,894	0	-4,894	0	-4,894	
Share buy back	-646	-61,418	0	0	0	0	0	0	-62,064	0	-62,064	
Acquisition ISL	0	0	0	0	0	0	0	0	0	1,778	1,778	
<b>30 Jun 2019</b>	<b>5,941</b>	<b>233,304</b>	<b>61</b>	<b>-446</b>	<b>9,521</b>	<b>-1,774</b>	<b>-4,894</b>	<b>75,589</b>	<b>317,302</b>	<b>130,891</b>	<b>448,193</b>	

## Notes to the interim consolidated financial statements

### Accounting

The interim financial report of the MBB Group for the period 1 January to 30 June 2019 was prepared on the basis of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted in the EU. It was prepared in accordance with IAS 34.

### Accounting policies

The accounting policies adopted are the same as those applied in preparing the consolidated financial statements as at 31 December 2018. The preparation of the financial statements is influenced by accounting policies and assumptions and estimates affecting the amount and reporting of recognised assets, liabilities, contingent liabilities and income and expense items. Matters relating to revenue are deferred intra-year.

### Segment reporting

The management of the MBB Group defines the segments as reported in the interim Group management report.

1 Jan - 30 Jun 2019 (unaudited)	Technical Applications	Industrial Production	Trade & Services	Recon- ciliation	Group
	€k	€k	€k	€k	€k
Revenue from third parties	165,779	55,235	30,381	0	251,395
Other segments	1	45	184	-230	0
<b>Total revenue</b>	<b>165,780</b>	<b>55,280</b>	<b>30,565</b>	<b>-230</b>	<b>251,395</b>
<b>Earnings (EBIT)</b>	<b>12,807</b>	<b>2,029</b>	<b>1,546</b>	<b>-789</b>	<b>15,593</b>
Amortisation and depreciation	3,479	2,091	2,932	112	8,614
Investments	6,344	759	2,371		
<b>Segment assets</b>	<b>270,120</b>	<b>64,619</b>	<b>33,238</b>		
<b>Segment liabilities</b>	<b>95,811</b>	<b>18,113</b>	<b>14,877</b>		

1 Jan - 30 Jun 2018 (unaudited)	Technical Applications	Industrial Production	Trade & Services	Recon- ciliation	Group
	€k	€k	€k	€k	€k
Revenue from third parties	162,727	52,547	24,959	0	240,233
Other segments	6	61	116	-183	0
<b>Total revenue</b>	<b>162,733</b>	<b>52,608</b>	<b>25,075</b>	<b>-183</b>	<b>240,233</b>
<b>Earnings (EBIT)</b>	<b>16,243</b>	<b>-717</b>	<b>1,424</b>	<b>1,900</b>	<b>18,850</b>
Amortisation and depreciation	3,624	2,393	1,328	22	7,367
Investments	1,956	4,519	3,220		
<b>Segment assets</b>	<b>244,212</b>	<b>64,871</b>	<b>14,497</b>		
<b>Segment liabilities</b>	<b>107,740</b>	<b>18,273</b>	<b>6,639</b>		

Segment liabilities do not include any liabilities for taxes, finance lease liabilities or liabilities to banks.



**Dividend**

On 28 May 2019, the Annual General Meeting of MBB SE resolved a dividend of €4.1 million (€0.69 per entitled share) for the 2018 financial year. The dividend was paid out on 31 May 2019.

**Changes in contingent liabilities**

There were no changes in contingent liabilities as against 31 December 2018.

**Related party transactions**

Business transactions between consolidated Group companies and unconsolidated Group companies are conducted at arm's-length conditions.

**Review**

The condensed interim consolidated financial statements as at 30 June 2019 and the interim Group management report were neither audited in accordance with section 317 of the German Commercial Code (HGB) nor reviewed by an auditor.

**Responsibility statement**

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the results of operations, financial position and net assets 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.

Berlin, 23 August 2019

The Executive Management of MBB SE

## Financial calendar

### Commerzbank Sector Conference

Frankfurt/Main

28 August 2019

### Berenberg/Goldman Sachs Conference

Munich

24 September 2019

### Quarterly Report Q3/2019

15 November 2019

### Analyst Conference

#### German Equity Forum

Frankfurt/Main

25 - 27 November 2019

### End of financial year

31 December 2019

We would also like to inform you of our **MBB newsletter**, which you can subscribe to at [www.mbb.com/newsletter](http://www.mbb.com/newsletter). We also offer an **RSS feed** that can be found at [www.mbb.com/rss](http://www.mbb.com/rss).

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