



# Impulses

6-MONTH REPORT 2017

# Manz AG at a glance

## 2017 Financial Calendar

**November 14, 2017**  
**November 27–29, 2017**

Publication of 2017 9-Month Report  
 2017 German Equity Forum

## Overview of consolidated net profits

(in million euros)	Jan. 1 to June 30, 2017	Jan. 1 to June 30, 2016	Change in %
Revenues	119.6	124.0	-3.5%
Gross revenue for the period	126.7	126.6	+0.1%
EBITDA	12.4	-4.5	n/a
EBITDA margin (in %)	9.8	n/a	n/a
EBIT	7.0	-11.7	n/a
EBIT margin (in %)	5.5	n/a	n/a
EBT	5.6	-14.1	n/a
Consolidated net profit (loss)	4.7	-17.0	n/a
Earnings per share (in euros)	0.61	-2.84	n/a
Cash flow from operating activities	39.6	-23.3	n/a
Cash flow from investing activities	19.4	-4.6	n/a
Cash flow from financing activities	-21.5	59.6	n/a

	June 30, 2017	Dec. 31, 2016	Change in %
Total assets	339.0	312.1	+8.6%
Equity	169.9	165.1	+2.9%
Equity ratio (in %)	50.1	52.9	-2.8 PP
Financial liabilities	32.9	54.4	-39.5%
Liquid funds	92.9	55.7	+66.8%
Net debt	-60.0	-1.3	n/a

## MANZ AG MISSION STATEMENT

As a high-tech equipment manufacturer, our goal is to develop equipment and systems for fast-growing industries around the world. With our claim “passion for efficiency,” we are making a service promise to offer our customers – companies in fast-growing future markets – increasingly efficient production equipment. Global proximity to customers and extensive technological expertise are the foundation of our company, and they enable us to continually optimize our range of products in line with industry requirements. This makes the Manz Group an important innovation leader – for breakthroughs in key technologies, such as the production of sustainable energy and stationary power storage, displays and devices for global communication needs, and e-mobility. On the basis of our extensive expertise in the technology sectors automation, laser processing, printing and coating, measurement technology, wet chemistry, and roll-to-roll, there are application opportunities for our solutions in numerous industries. Currently we are concentrating our research and development activities on production systems for our strategic business segments Electronics, Solar and Energy Storage.

### WE SET THE PACE FOR BRINGING NEW TECHNOLOGIES FORWARD

More powerful displays, printed circuit boards, and other core components for smartphones, laptops and tablet computers; more efficient lithium-ion batteries for stationary energy storage, e-mobility, and consumer electronics; and solar modules with continually increasing efficiency: With our production systems, we are creating vital impulses so that new technologies and products can become quickly established and inexpensively produced.

We focus on fast-growing markets where product life cycles are short and continuous innovation is a must. With highly flexible development processes and our cross-industry technology transfer, we can pro-actively work in markets with constantly changing conditions and can thus create clear competitive advantages for our customers.



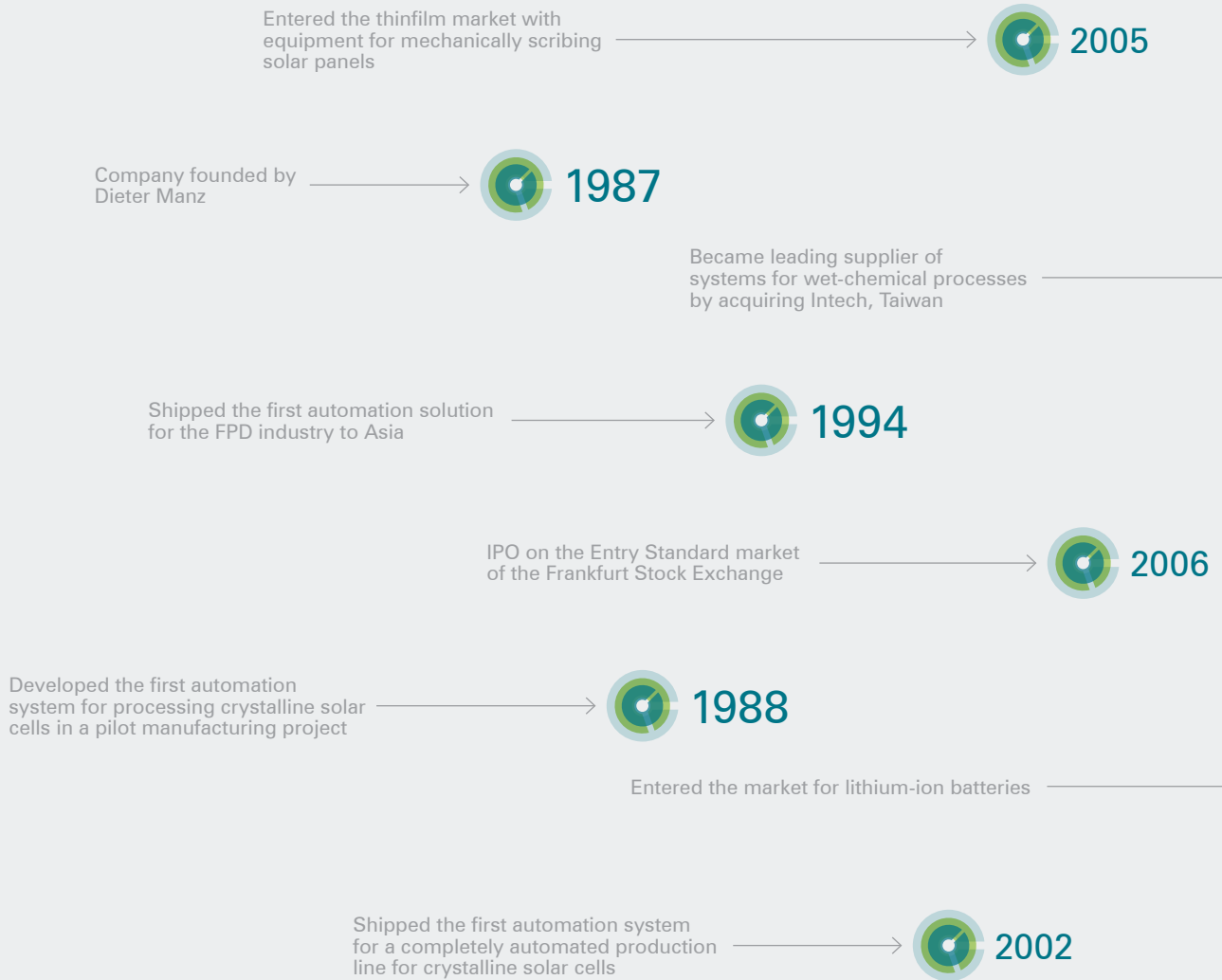
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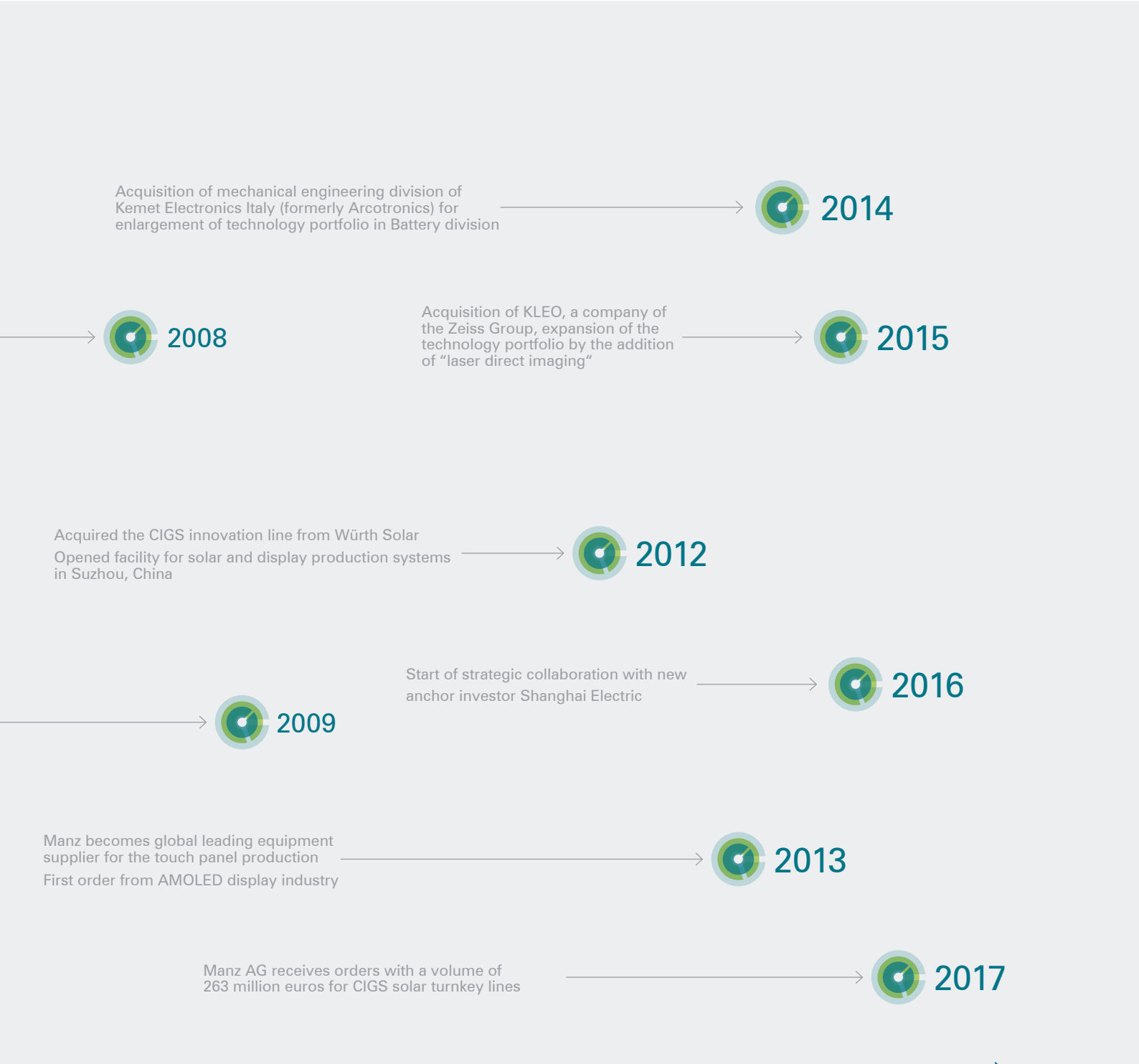


## THE HISTORY OF MANZ AG




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1987



→  
2017

A large, white, stylized lowercase letter 'a' is centered on a dark teal circular background. The 'a' has a thick, rounded font style with a small loop at the top and a short tail at the bottom. The background consists of several overlapping circles of varying shades of teal, creating a layered effect.

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*TO OUR SHAREHOLDERS*





## LETTER FROM THE MANAGING BOARD

Dear Shareholders,

The first six months of this year were shaped significantly by the preparations for large CIGS orders, totaling 263 million euros. After being issued all the necessary official approval and upon receipt of agreed payment, in June we were able to start to executing the orders. Later in the year, the CIGS orders will contribute to Manz AG's aspired 2017 sales and earnings growth.

The development of the segments in the first half of 2017, such as business development in the Solar segment, as well as the Contract Manufacturing and Services segments, has been in line with our expectations, whereby the result of the Solar segment in this business year will benefit from the sale of Manz CIGS Technology GmbH totaling 34.4 million euros. In the segments of Electronics and Energy Storage, the focus was on the development of new products and building up pilot projects to prepare for potential follow-up orders for a possible future series production. Both engineering achievements require material and man-power, and so this has meant that the respective results of both segments in the first half of 2017 have been below the previous year's figures.

To spread our customer base in all segments quickly and considerably, we are going to expand our sales and services network to become more target-group oriented. Alongside the client-specific solutions, in the future, we are going to concentrate on developing, manufacturing and marketing standardized machines and linking them together to create complete, customized system solutions from intelligent modules. Efficient development teams from all segments will push strongly for the implementation of cross-segment solutions. We will then utilize the resulting synergy effect by, on one hand, significantly increasing our innovative strength, productivity and quality and on the other hand, significantly reducing development risks, development cost and time. Also, business expansion with standardized machines will lead to balanced utilization of our capacities. Two segments, Contract Manufacturing and Services, will increasingly ensure additional stability during business development.

At the beginning of the year, we carried the former restructuring program "Manz 2.0" over into a continuous optimization program, to continually increase the competitive abilities and profitability of our company through targeted improvements in organization, processing and procedures. Diverse cost optimization measures have already been implemented successfully in this context and are already showing their effects.

On June 30, 2017, Manz AG disclosed solid key figures. As of this date, the company has liquid funds amounting to 92.9 million euros with a net debt of -60.0 million euros and an equity ratio of 50.1%. The order backlog lies at 301.8 million euros.

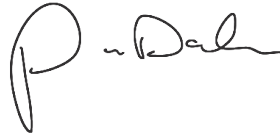


Business development so far, in particular the further implementation of the large CIGS orders and higher turnover in the Electronics and Energy Storage segments lead the management board to assume that Manz AG is well on track to achieving the forecast Group revenue of at least 350 million euros with positive earnings before interest and taxes (EBIT).

The Managing Board



Eckhard Hörner-Marass



Gunnar Voss von Dahlen



Martin Drasch

## MANZ AG STOCK

### CHANGE IN SHARE PRICE (JANUARY 1 TO JULY 31, 2017)

The Manz AG share began the 2017 fiscal year on January 2, 2017 with a price of 34.01 euros. Following an increase in the price starting in the middle of January, the share subsequently traded within a range of 37 and almost 43 euros until the end of June. On February 23, 2017, the share reached its highest level in the reporting period at 42.93 euros, and reached another high at the beginning of June at 42.82 euros. In the period after that, the share registered losses, reaching its lowest value in the reporting period on July 11, 2017 at 32.05 euros, and closed at 33.50 euros on July 31, 2017. At the end of the 2017 reporting period, the Manz share, with a drop of 1.5%, was almost unchanged compared to the beginning of the year.

**Chart Showing Manz AG Stock January 1 to July 31, 2017 (XETRA, in EUR)**

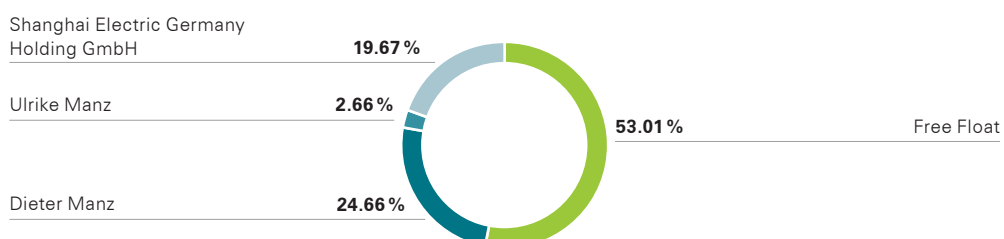


**Stock Key Data and Performance Indicators**

<b>German Securities Identification Number</b>	A0JQ5U
<b>International Securities Identification Number</b>	DE000A0JQ5U3
<b>Ticker Symbol</b>	M5Z
<b>Stock Market Segment</b>	Regulated market (Prime Standard)
<b>Type of Share</b>	Registered, common, no-par value bearer shares, each with a proportionate value of 1.00 EUR of capital stock
<b>Capital Stock</b>	<b>7,744,088 EUR</b>
<b>IPO</b>	September 22, 2006
<b>Opening Price</b>	19.00 EUR
<b>Stock Price at the Beginning of the Reporting Period*</b>	34.01 EUR
<b>Stock Price at the End of the Reporting Period*</b>	33.50 EUR
<b>Change (in percent)</b>	<b>-1.5%</b>
<b>Period High</b>	42.93 EUR
<b>Period Low</b>	32.05 EUR

\* Closing prices on Deutsche Börse AG's XETRA trading system

Currently at 53.01 %, Manz AG has a large number of shares in free float and has a wide shareholder base. In addition, Supervisory Board member Manz and his wife Ulrike Manz own 24.66 % and 2.66 % of the company's shares, respectively. As of June 30, 2017, Shanghai Electric Germany Holding GmbH owns 19.67 % of the shares.

**Shareholder Structure**

## **2017 ANNUAL MEETING OF SHAREHOLDERS**

The FILharmonie in Filderstadt, Germany, hosted Manz AG's 2017 Annual General Meeting on July 4, 2017. A total of 259 shareholders attended and heard the report of the Managing Board on the development of business in the year 2016 and the outlook for the 2017 fiscal year. A total of 57.9% of capital stock with voting rights was represented (previous year: 60.52 %); all of the items on the agenda were adopted. The general meeting followed the administration's recommendation and elected Dieter Manz to the Supervisory Board of the company with a majority of 99.1 %. Dieter Manz will use his experience to continue providing support to the company as its primary shareholder and as a member of the Supervisory Board.

Detailed voting results can be retrieved at any time from the company's website [www.manz.com](http://www.manz.com) under Investor Relations/Annual General Meeting.



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*GROUP INTERIM  
MANAGEMENT REPORT*

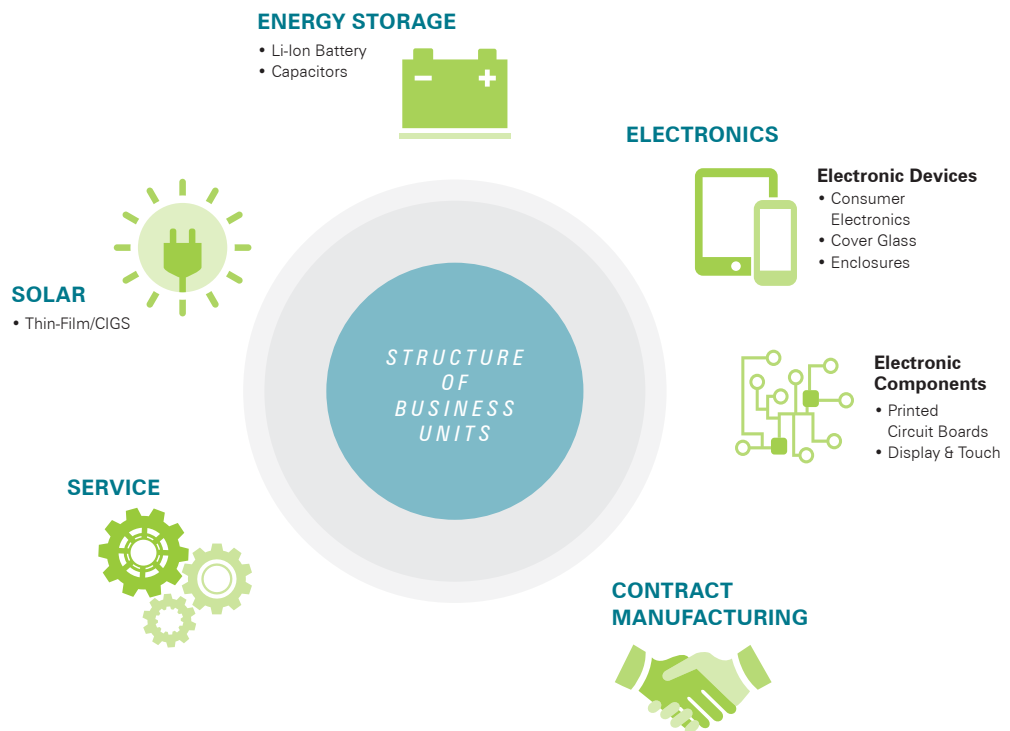




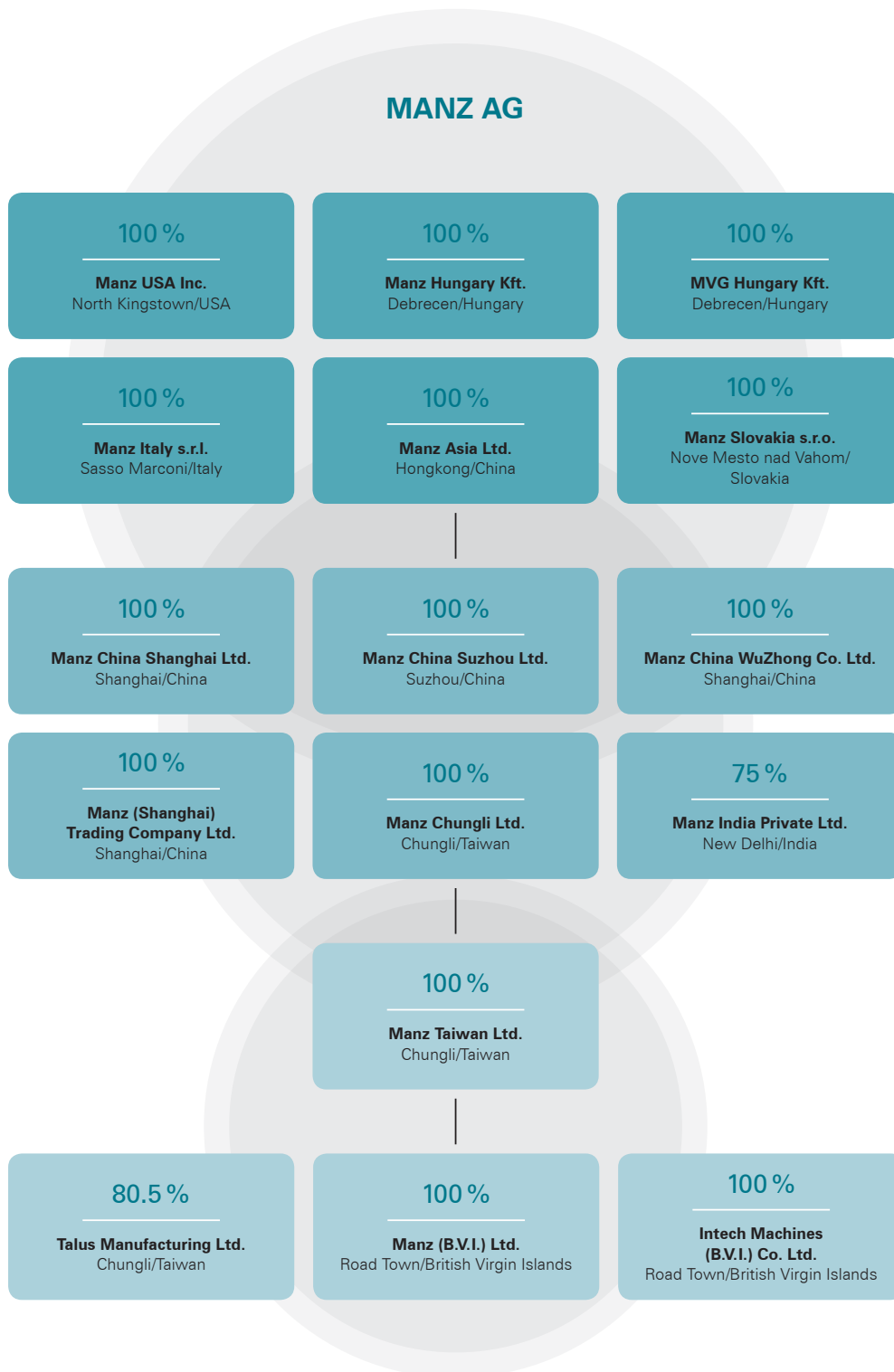
## BASIC INFORMATION ON THE GROUP

### BUSINESS MODEL INCLUDING GOALS AND STRATEGY

Founded in 1987, Manz AG is a high-tech equipment manufacturer with a global presence and a comprehensive technology portfolio. The company offers its customers in growth and sunrise industries highly efficient production systems, and has successfully established itself as a sought-after development partner of industry. With its innovative production systems, Manz AG is a pioneer in developing and introducing key technologies for today's world. Featuring comprehensive expertise in automation, metrology, laser processing and wet chemistry, printing and coating, and reel-to-reel process, alongside the areas of Contract Manufacturing and Service, Manz AG also focuses on the three strategic business segments of Electronics, Solar and Energy Storage.



## GROUP STRUCTURE AND HOLDINGS



## LOCATIONS AND EMPLOYEES

Qualified and motivated employees provide the basis of Manz AG's long-term success. As at June 30, 2017, Manz employed a total workforce of 1,691 (previous year: 1,831) both in Germany and abroad, including 454 employees at the German locations (previous year: 602). Based on the number of employees, the largest subsidiary in the Group is Manz China Suzhou Ltd. in China with 397 employees, followed by Manz Taiwan Ltd. in Taiwan with 275 employees, and Manz Slovakia s.r.o. with 215 employees.

The continuous expansion of its technology and product portfolio, with more than 500 qualified engineers, technicians and scientists, as well as having a strong local presence in the main sales region of Asia both remain central components of the company's strategic alignment and are reflected in its employee structure.

### Employees by country



## CONTROL SYSTEM AND PERFORMANCE INDICATORS

Manz AG is organized, for corporate management purposes, by products and services at Group level and has three business segments, namely „Electronics“, „Solar“ and „Energy Storage,“ as well as the „Contract Manufacturing“ and „Service“ reporting segments. In order to decide how to distribute resources and manage the earnings power of the divisions and segments, 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. This enables the Managing Board to promptly counter any unsatisfactory developments.

Manz AG's financial management system is organized centrally. In order to minimize risks and make use of the potential to optimize activities across the entire Group, the company

# Locations and Employees



## LOCATIONS

- |  |   |  |
|--|---|--|
| <p><b>1 Germany</b><br/>Reutlingen, Tübingen<br/>Production, Sales &amp; Service</p> <p><b>2 Hungary</b><br/>Debrecen<br/>Production &amp; Service</p> <p><b>3 Slovakia</b><br/>Nove Mesto nad Vahom<br/>Production, Sales &amp; Service</p> | <p><b>4 Italy</b><br/>Sasso Marconi<br/>Production, Sales &amp; Service</p> <p><b>5 USA</b><br/>North Kingstown, Cupertino<br/>Sales &amp; Service</p> <p><b>6 Taiwan</b><br/>Taoyuan, Taichung, Tainan<br/>Production, Sales &amp; Service</p> <p><b>7 South Korea</b><br/>Seoul, Incheon, Daegu<br/>Sales &amp; Service</p> | <p><b>8 China</b><br/>Shanghai, Suzhou, Wuxi,<br/>Yingkuo, Huaian, Jiangyin,<br/>Ningbo, Longhua, Xiamen<br/>Production, Sales &amp; Service</p> <p><b>9 India</b><br/>New Delhi, Calcutta,<br/>Bangalore, Hyderabad<br/>Sales &amp; Service</p> |
|--|---|--|

concentrates decisions about subsidiaries' financing, investments, and currency hedging activities 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. Figures such as revenue, earnings before interest and taxes (EBIT), earnings before interest, taxes, depreciation and amortization (EBITDA), equity ratio, and liquidity serve Manz AG's Managing Board as key indicators for financial management. Manz reports on the development of the control indicators in respect of defined target values on an annual basis. For more detailed information about this, please refer to the section „Control System and Performance Indicators“ in Manz AG's 2016 Annual Report, which can be viewed on Manz AG's website ([www.manz.com](http://www.manz.com)) under „Investor Relations“.

## RESEARCH AND DEVELOPMENT

Research and development is a key component for the expansion of Manz AG's cross-industry technology and product portfolio. In order to strengthen Manz's position as a company driving innovation in growth industries, research and development activities will also play an important role for the company in the 2017 fiscal year. With over 500 engineers, technicians and scientists at its development facilities in Germany, Italy, Slovakia, Taiwan and China, Manz AG will focus on the main technologies in its Electronics, Solar and Energy Storage business segments and accelerate the cross-industry integration of these core competencies in order to achieve synergy effects and economies of scale.

For the reporting period which includes the injection of activated development costs, Manz AG demonstrates an R&D quotient of 8.7% (previous year: 8.9%). In order to sustainably secure its excellent technological position in the relevant target markets as well as its innovative strength for the long term, Manz AG strives to achieve an average annual R&D quotient of 6.5%.

## BUSINESS REPORT

### MACROECONOMIC ENVIRONMENT AND INDUSTRY-RELATED CONDITIONS

#### Economic Market Environment

In its "Baselines for economic growth in the spring of 2017", the Deutsche Institut für Wirtschaftsforschung in Berlin (DIW) forecasts that the global economy will maintain its increased rate of expansion in 2017. Accordingly, global economic performance is likely to increase by 3.7% this year, and by a slightly higher rate of 3.8% in 2018.

In the Eurozone, the economic recovery continues to be under way according to DIW, but still at a rather moderate pace. Overall, the gross domestic product (GDP) in the Eurozone is likely to grow by 1.6 percent in 2017 and also in 2018.

The German economy will probably grow by 1.4%, followed by 1.7% in the coming year.

In the People's Republic of China, one of the most important sales markets for Manz AG, early indicators are signaling continued stable developments, according to the DIW. Therefore the DIW expects a growth rate of 6.3% in 2017, and 6.0% in the subsequent year.

#### Electronics Segment

According to the International Data Corporation (IDC), the number of delivered Smartphones is expected to increase in 2017 by 3.0% to 1.52 billion units compared to the previous year. IDC expects that this trend will continue to intensify in 2018 with a growth of 4.5%. It also forecasts an average annual growth rate (CAGR) of 3.8% to 1.77 billion units by 2021.

According to the IDC, sales of tablet computers fell precipitously by 11.5% to 183.4 million units in 2016. However, this trend should end in 2017 with an expected decline of 1%, and is expected to reverse again in 2018 with a growth rate of 2%. For 2019 and 2020, the IDC expects another growth rate of 3% with 194.2 million units sold. Market researchers expect desktop and laptop computers to decline by 2.1% in 2017. At the same time, the outlook for stationary and mobile devices varies: While sales of desktops are expected to decline by an average of 2.6% until 2020, laptops are expected to fare better with slight growth of 0.4% per year, with 156.9 million units sold in 2020.

While revenues for manufacturers of flat panel displays have declined in recent years due to considerable price pressures, they are expected to grow again by 9.3% to USD 110 billion in 2017 according to US market research institute IHS Markit.

### Solar Segment

In terms of an average scenario, Solar Power Europe expects that new installations in 2017 will total approximately 80.5 GW, a 5% increase over the previous year. Global installed total capacities will increase to 358 GW in 2017, according to Solar Power Europe. The organization also expects another increase in global demand in the medium term. Accordingly, installed total capacities would already exceed 700 GW in 2021, with annual demand growing to 111 GW. This development will be primarily due to the four nations China, US, India and Japan.

### Energy Storage Segment

Market research institute IHS Markit considered 2016 as the year in which energy storage systems became competitive compared to conventional methods of energy production. While installations of new capacities reached 1.4 GW in 2015, this number already increased to 2.3 GW last year. In 2017, the volume of new installations is expected to reach 6 GW, another almost three-fold increase compared to the previous year. And another 40 GW are expected to be added in 2022. Lithium-ion batteries are set to become a leading technology in the area of energy storage: by 2025, over 80 % of all installations in this area will be based on lithium-ion technology, which will, in turn, lead to further cost reductions. Bloomberg expects that by the year 2025, the price per kWh will already have decreased to less than 100 euros. Lower battery prices will also benefit the e-mobility industry: Research and Markets expects that between 2017 and 2021, the global market for electric cars will grow at an average annual rate (CAGR) of 22.67% and that it will support the growing demand for high-performance lithium-ion batteries.

## ANALYSIS OF CASH FLOWS, FINANCIAL POSITION AND FINANCIAL PERFORMANCE

### Cash Flows

Revenues for the first six months of 2017 amounted to 119.6 million euros, following 124.0 million euros in the same period of the previous year. As expected, revenues increased significantly during the second quarter of 2017 to reach 72.0 million euros, compared to the weak previous quarter (47.6 million euros). The Managing Board of Manz AG expects that this momentum in the operating business will continue and increase in the second half of 2017.

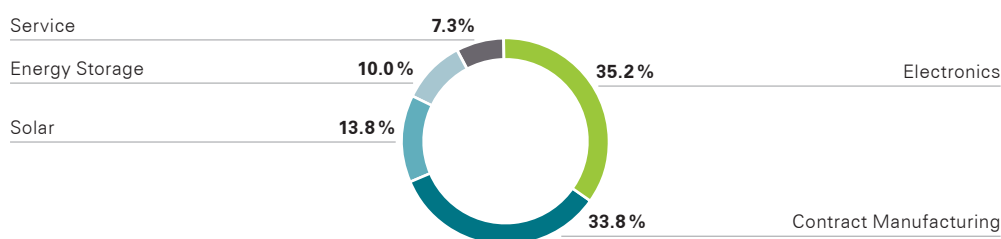
At 42.1 million euros, the Electronics business segment accounted for 35.2% of revenues in the 2017 reporting period (previous year: 43.5 million euros or 35.1%). The Solar segment generated around 16.4 million euros or 13.8% of the Manz Group's total revenues in the first six months of 2017 (previous year: 15.1 million euros or 12.2%). Following segment revenues of 1.5 million euros in the first quarter of 2017, the revenue trend in the second



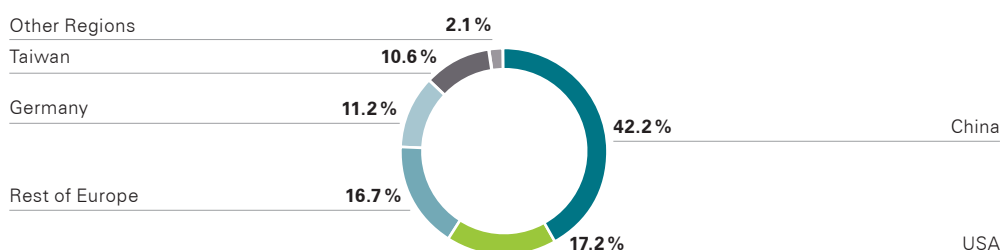
quarter gained momentum with the project start for the large CIGS*fab* orders, and the first contributions to revenues in June 2017. In the remaining part of the year, the CIGS orders will make a significant contribution to the planned revenue and earnings growth at Manz AG.

At 12.0 million euros, the Energy Storage business segment accounted for 10.0% of revenues during the reporting period (previous year 34.9 million euros or 28.1%). The decline in revenues compared to the previous year is due to the Managing Board's decision to subject particularly large projects from the consumer sector to a critical-conservative risk assessment, which tends to lead to fewer orders involving large sales volumes. At the same time, the higher momentum in the electro-mobility segment was still not reflected in orders for series production equipment. The Contract Manufacturing reporting segment generated a revenue contribution of 40.4 million euros or 33.8% (previous year: 19.0 million euros or 15.3%). Revenues in the Service reporting segment totaled 8.7 million euros in the 2017 reporting period, following 11.6 million euros in the prior-year period; this corresponds to a revenue share of 7.3%, following 9.4% in the previous year.

#### Revenues by Business Units January 1 to June 30, 2017



Manz AG revenues by region had the following distribution in the first six months of the 2017 fiscal year: Taiwan and China accounted for the largest share of Manz AG's revenues, at 63.1 million euros or 52.7% (previous year: 82.2 million euros or 66.3%). Business in the rest of Asia contributed 2.2 million euros to total sales or 1.8% (previous year: 5.1 million euros or 4.1%). In Germany, the company generated 13.4 million euros or 11.2% of total revenues (previous year: 10.9 million euros or 8.9%). Manz AG generated around 20.0 million euros or 16.7% of its revenues in the rest of Europe during the reporting period, following 17.6 million euros or 14.2% in the first six months of 2016. In the USA, the company achieved revenues of 20.6 million euros; this corresponds to a 17.2% share of total revenues (previous year: 8.1 million euros or 6.5%). Revenues in other regions worldwide amounted to 355 thousand euros (previous year: 39 thousand euros).

**Revenues by Regions January 1 to June 30, 2017**

Based on total revenues of 119.6 million euros, inventories of finished goods and work in progress increased by 2.9 million euros (previous year: -1.4 million euros). At 4.3 million euros, own work capitalized was slightly above the prior-year level (previous year: 4.0 million euros), and is mainly due to activities for product development in the Energy Storage and Solar segments. The resulting total operating revenues are consequently 126.7 million euros (previous year 126.6 million euros). Other operating income was 38.8 million euros (previous year: 3.2 million euros). The special item of 34,4 million euros in connection with the disposal of Manz CIGS Technology GmbH is the reason behind the increase compared to the previous year. Material costs amounted to 77.7 million euros (previous year: 70.3 million euros), The material cost ratio was 61.3% (previous year: 55.5%). This increase over the previous year is due to the implementation of material-intensive pilot projects in the Energy Storage segment, and a higher contribution to revenues by the Contract Manufacturing segment, which is characterized by relatively higher material expenses. Gross profit thus came to 87.8 million euros, compared with 59.5 million euros in the previous year. Personnel expenses in the 2017 reporting period, which amounted to 38.3 million euros, were lower than in the comparative period (previous year: 40.5 million euros), and are the result of the cost controls that form a part of the measures implemented in line with the "Manz 2.0" optimization program, and which were improved across the Group. In addition, the disposal of Manz CIGS Technology GmbH on March 31, 2017 also had a positive effect on personnel expenses.

Compared to the previous year, the personnel expenses ratio improved slightly to 30.3% (previous year: 32.0%). At 37.1 million euros, other operating expenses were well above the prior-year level (previous year: 23.5 million euros). This increase is mainly due to expenses for the large CIGS orders. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to 12.4 million euros (previous year: -4.5 million euros). In the 2017 reporting period, depreciation (5.4 million euros) was below the previous year's level of 7.3 million euros, and includes normal depreciation for capitalized own work and fixed assets. Overall, this results in operating earnings (EBIT) of 7.0 million euros (previous year: -11.7 million euros).

An analysis of individual business segments shows that the EBIT in the Electronics segment amounted to -11.0 million euros (previous year: -5.8 million euros). The decrease

over the previous year is due to the more material- and personnel-intensive research and development activities for new products. The Solar business segment generated an EBIT of 26.1 million euros during the 2017 reporting period, following –5.6 million euros in the previous year, mainly as a result of the effects from the disposal of Manz CIGS Technology GmbH and the start of the CIGS orders. Operating earnings in the Energy Storage segment amounted to –11.5 million euros, following –2.9 million euros in the reference period of the previous year. This development is the result of the more material- and personnel-intensive research and development activities for pilot projects in preparation for potential future orders for series production. The Contract Manufacturing reporting segment posted operating earnings of 0.7 million euros (previous year: 0.7 million euros). In the second quarter of 2017, Manz AG invested in additional personnel so that the expected growth can be realized in the coming months. The Services segment posted operating earnings of 2.6 million euros, following 3.4 million euros in the previous year.

Finance costs amounted to 1.4 million euros in the 2017 reporting period, compared with 2.4 million euros in the prior-year period. This improvement is mainly due to the repayment of debt capital. After the deduction of taxes on income, Manz AG's consolidated net result in the first half of 2017 was 4.7 million euros (previous year: –17.0 million euros). Based on a weighted average of 7,744,088 shares, this corresponds to earnings per share of 0.61 euros (previous year: –2.84 euros with 5,950,043 shares).

### **Financial Position**

The balance sheet total of 339.0 million euros as at June 30, 2017 was higher than the corresponding figure on the balance sheet date 2016 (December 31, 2016: 312.1 million euros). As at the balance sheet date for the reporting period, the equity ratio is 50.1% compared to 52.9% as at December 31, 2016. Non-current liabilities decreased slightly from 15.1 million euros as at December 31, 2016 to 14.6 million euros as of June 30, 2017. The composition of this item changed only minimally.

In contrast, current liabilities increased significantly to 154.4 million euros compared to the end of the 2016 fiscal year (December 31, 2016: 131.9 million euros). Current financial liabilities as of June 30, 2017 amounted to 31.4 million euros (December 31, 2016: 52.4 million euros). This change is due to the repayment of a loan from the European Investment Bank (EIB) in the amount of 18.3 million euros, and a generally reduced utilization of bank lines. At 50.9 million euros, trade payables as of the end of the 2017 reporting period were slightly above the level of the 2016 year-end as of the reference date (December 31, 2016: 47.2 million euros). As a result of the large CIGS orders, prepayments received increased significantly to 53.5 million euros (December 31, 2016: 9.8 million euros). As of June 30, 2017, other current provisions came to 6.6 million euros following 7.3 million euros as of the 2016 year-end. Other current liabilities amounted to 11.8 million euros (December 31, 2016: 14.4 million euros),

On the assets side, non-current assets, which amounted to 120.2 million euros on June 30, 2017, were on the whole at the level on the balance sheet date 2016 (December 31,

2016: 121.4 million euros), whereby the composition of this item changed during the reporting period. Intangible assets fell to 56.3 million euros by the end of the reporting period (December 31, 2016: 77.8 million euros), mainly as a result of the disposal of Manz CIGS Technology GmbH in the second quarter of 2017. Property, plant and equipment as at June 30, 2017 amounted to 36.2 million euros (December 31, 2016: 39.4 million euros). Financial assets in the amount of 24.2 million euros include the 15% holding of Manz AG in NICE PV Research Ltd. As at June 30, 2017, current assets of 218.8 million euros are well above the value on the 2016 balance sheet date (190.7 million euros). In view of the positive order situation, inventories increased to 54.7 million euros as of the reference date (December 31, 2016: 49.0 million euros). At the same time, trade receivables also decreased as of the reference date to 63.2 million euros (December 31, 2016: 77.7 million euros) as a result of the PoC approach. The increase in liquid assets to 92.9 million euros by the end of the reporting period (December 31, 2016: 55.7 million euros) is mainly due to prepayments received for the large CIGS orders, and the disposal of Manz CIGS Technology GmbH.

### **Liquidity Position**

The basis for the cash flow from operating activities, totaling 39.6 million euros, is the markedly positive EBIT of 7 million euros. In addition, the positive cash flow has been supported by payments received from the CIGS orders and the accompanying low level of additional financial commitments for net working capital. In contrast to this, asset disposals resulting from the sale of Manz CIGS Technology GmbH amounted to over 34.4 million euros.

The cash flow from investment activities for the 2017 reporting period totaled 19.4 million euros. This cash flow is essentially comprised of incoming payments totaling 48.7 million euros from the sale of MCT, minus the deducted liquid funds for outgoing payments, totaling 24.2 million euros, for the acquisition of shares in NICE PV Research Ltd. Investments in intangible assets and fixed assets, primarily for development activities, totaled 5.2 million euros for the reporting period.

The cash flow for financing activities in the 2017 reporting period totaled –21.5 million euros. The reason for this was the reduction in short-term financial liabilities in 2017, especially due to repayment of a loan from the European Investment Bank, totaling 18.3 million euros.

When changes in exchange rates are taken into account, Manz AG disposed of liquid assets amounting to 92.9 million euros as of 30 June 2017 (previous year: 65.9 million euros). Unused credit lines with banks as of the balance sheet date of 30 June 2017 amounted to 17.9 million euros (previous year: 13.7 million euros).

## REPORT ON OPPORTUNITIES AND RISKS

The following changes have arisen compared with the opportunities and risks presented in the 2016 Annual Report.

All of the risks noted in the Annual Report on pages 95 and following under “Risks from the non-implementation of the contracts with Shanghai Electric and the Shenhua Group” are now irrelevant as all closing conditions have been met.

With regard to the financial risks noted in the Annual Report on pages 98 and following, the project loan from the European Investment Bank (EIB) in the amount of 18.3 million euros for financing the Manz Group’s expenses for research, development and innovation activities, particularly in the area of solar technology, was repaid in the second quarter of 2017.

Beyond this, no significant changes have arisen compared with the risks presented in the 2016 Annual Report.

## FORECAST REPORT

### OUTLOOK

In our forecast report, we address, insofar as possible, Manz AG’s expected future growth and the company’s business environment in the current fiscal year of 2017.

The Managing Board considers the industry outlook in the three segments Electronics, Solar and Energy Storage to be thoroughly positive. For the current fiscal year, the Managing Board expects positive business developments based on this assessment, the strategic collaboration in the CIGS segment including the placement of the large CIGS orders and a value of orders on hand of approximately 301.8 million euros as at June 30, 2017. Therefore the Managing Board of Manz AG expects revenues to undergo a significant increase to at least 350 million euros in 2017, with much improved positive earnings before interest and taxes (EBIT).

### 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 can cause our company’s actual results, financial performance, growth and performance to significantly deviate from the opinions stated in this report. Our company assumes no obligation to update these forward-looking statements or adapt them to future events or developments.

A large, white, stylized letter 'C' is centered on a teal background. The background features several concentric circles of varying shades of teal, creating a layered effect. The letter 'C' is the focal point, positioned within the innermost circle.

# C

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*CONSOLIDATED INTERIM  
FINANCIAL STATEMENT*

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## CONSOLIDATED INCOME STATEMENT

**2nd Quarter (in EUR tsd.)**

	<b>April 1 to June 30, 2017</b>	<b>April 1 to June 30, 2016</b>
Revenues	71,982	59,467
Inventory changes, finished and unfinished goods	1,948	-1,019
Work performed by the entity and capitalized	1,397	1,745
<b>Total operating revenues</b>	<b>75,327</b>	<b>60,193</b>
Other operating income	3,236	1,219
Cost of materials	-44,040	-36,175
<b>Gross profit</b>	<b>34,523</b>	<b>25,237</b>
Personnel expenses	-18,624	-19,400
Other operating expenses	-26,701	-11,221
<b>EBITDA</b>	<b>-10,802</b>	<b>-5,384</b>
Amortization/depreciation	-2,270	-3,894
<b>Operating earnings (EBIT)</b>	<b>-13,072</b>	<b>-9,278</b>
Finance income	14	11
Finance costs	-818	-1,627
<b>Earnings before taxes (EBT)</b>	<b>-13,875</b>	<b>-10,894</b>
Income taxes	-227	-2,903
<b>Consolidated profit or loss</b>	<b>-14,102</b>	<b>-13,797</b>
of which attributable to minority interests	-15	-23
of which attributable to shareholders of Manz AG	-14,087	-13,774
Weighted average number of shares	7,744,088	6,479,222
Earnings per share (diluted = undiluted) in EUR per share	-1.82	-2.13



## CONSOLIDATED INCOME STATEMENT

1st Half Year (in EUR tsd.)

	Jan. 1 to June 30, 2017	Jan. 1 to June 30, 2016
Revenues	119,600	123,959
Inventory changes, finished and unfinished goods	2,856	-1,405
Work performed by the entity and capitalized	4,281	4,019
<b>Total operating revenues</b>	<b>126,737</b>	<b>126,573</b>
Other operating income	38,864	3,171
Cost of materials	-77,736	-70,268
<b>Gross profit</b>	<b>87,865</b>	<b>59,476</b>
Personnel expenses	-38,374	-40,501
Other operating expenses	-37,126	-23,452
<b>EBITDA</b>	<b>12,365</b>	<b>-4,477</b>
Amortization/depreciation	-5,411	-7,271
<b>Operating earnings (EBIT)</b>	<b>6,954</b>	<b>-11,748</b>
Finance income	39	18
Finance costs	-1,405	-2,354
<b>Earnings before taxes (EBT)</b>	<b>5,588</b>	<b>-14,084</b>
Income taxes	-889	-2,870
<b>Consolidated profit or loss</b>	<b>4,699</b>	<b>-16,954</b>
of which attributable to minority interests	-25	-55
of which attributable to shareholders of Manz AG	4,724	-16,899
Weighted average number of shares	7,744,088	5,950,043
Earnings per share (undiluted) in EUR per share	0.61	-2.84
Earnings per share (diluted) in EUR per share	0.60	-2.84

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

2nd Quarter (in EUR tsd.)

	April 1 to June 30, 2017	April 1 to June 30, 2016
<b>Consolidated profit or loss</b>	<b>-14,102</b>	<b>-13,797</b>
Difference resulting from currency translation	36	1,200
Cash flow hedges	2	-628
Tax effect resulting from components not recognized in profit/loss	-16	145
<b>Total of expenditures and income recorded directly in equity with future reclassification with tax effect</b>	<b>22</b>	<b>717</b>
Revaluation of defined benefit pension plans	84	-57
Tax effect resulting from components not recognized in profit/loss	-19	12
<b>Total of expenditures and income recorded directly in equity without future reclassification with tax effect</b>	<b>65</b>	<b>-45</b>
<b>Consolidated comprehensive income</b>	<b>-14,015</b>	<b>-13,125</b>
of which minority interests	-103	422
of which shareholders of Manz AG	-13,912	-13,547

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1st Half Year (in EUR tsd.)

	Jan. 1 to June 30, 2017	Jan. 1 to June 30, 2016
<b>Consolidated profit or loss</b>	<b>4,699</b>	<b>-16,954</b>
Difference resulting from currency translation	-6	773
Cash flow hedges	5	2,547
Tax effect resulting from components not recognized in profit/loss	-1	-588
<b>Total of expenditures and income recorded directly in equity with future reclassification with tax effect</b>	<b>-2</b>	<b>2,732</b>
Revaluation of defined benefit pension plans	51	-87
Tax effect resulting from components not recognized in profit/loss	-11	15
<b>Total of expenditures and income recorded directly in equity without future reclassification with tax effect</b>	<b>40</b>	<b>-72</b>
<b>Consolidated comprehensive income</b>	<b>4,737</b>	<b>-14,294</b>
of which minority interests	-123	313
of which shareholders of Manz AG	4,861	-14,607

## CONSOLIDATED BALANCE SHEET

### ASSETS (in EUR tsd.)

	June 30, 2017	Dec. 31, 2016
<b>Non-current assets</b>		
Intangible assets	56,315	77,796
Property, plant, and equipment	36,157	39,395
Financial investments	24,221	0
Deferred taxes	2,821	3,500
Other non-current assets	698	723
	<b>120,212</b>	<b>121,414</b>
<b>Current assets</b>		
Inventories	54,685	48,950
Trade receivables	63,186	77,726
Income tax receivables	317	651
Other current receivables	7,652	7,651
Liquid funds	92,922	55,722
	<b>218,762</b>	<b>190,700</b>
<b>Total assets</b>	<b>338,974</b>	<b>312,114</b>

## CONSOLIDATED BALANCE SHEET

### LIABILITIES AND SHAREHOLDERS' EQUITY (in EUR tsd.)

	June 30, 2017	Dec. 31, 2016
<b>Equity</b>		
Issued capital	7,744	7,744
Retained earnings	143,766	143,681
Revenue reserves	-6,115	-10,839
Currency translation	20,069	19,933
Shareholders of Manz AG	<b>165,464</b>	<b>160,519</b>
Minority Interests	4,464	4,587
	<b>169,928</b>	<b>165,106</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	1,576	2,036
Pension provisions	7,456	7,704
Other non-current provisions	3,078	2,868
Other non-current liabilities	341	335
Deferred taxes	2,186	2,127
	<b>14,637</b>	<b>15,070</b>
<b>Current liabilities</b>		
Current financial liabilities	31,372	52,379
Trade payables	50,924	47,228
Payments received	53,495	9,827
Income tax liabilities	172	686
Other current provisions	6,640	7,294
Derivative financial instruments	21	158
Other liabilities	11,780	14,355
Financial liabilities from leasing	5	11
	<b>154,409</b>	<b>131,938</b>
<b>Total liabilities and shareholders' equity</b>	<b>338,974</b>	<b>312,114</b>

## CONSOLIDATED CASH FLOW STATEMENT

(in EUR tsd.)

	Jan. 1 to June 30, 2017	Jan. 1 to June 30, 2016
Operating earnings (EBIT)	6,954	-11,748
Depreciation / amortization of fixed assets	5,411	7,271
Increase (+) / decrease (-) in pension provisions and other non-current provisions	195	310
Other non-cash income (-) and expenses (+)	85	120
Gains (+) / losses (-) from disposals of assets	-34,372	13
Increase (-) / decrease (+) in inventories, trade receivables and other assets	10,558	-8,933
Increase (+) / decrease (-) in trade payables and other liabilities	52,362	-8,009
Income tax received (+)/paid (-)	-327	-182
Interest paid	-1,287	-2,195
Interest received	39	17
<b>Cash flow from operating activities</b>	<b>39,618</b>	<b>-23,336</b>
Cash receipts from the sale of fixed assets	97	18
Cash payments for investments in intangible assets and property, plant and equipment	-5,158	-4,581
Cash receipts from the sale of consolidated entities, less liquid funds disposed	48,676	0
Cash payments for the acquisition of consolidated entities and other business units	-24,221	0
Cash payments for the acquisition of consolidated entities, less liquid funds received	0	0
<b>Cash flow from investing activities</b>	<b>19,394</b>	<b>-4,563</b>
Cash receipts from long-term borrowings	0	982
Cash payments for repayment of long-term borrowings	-460	-364
Change in bank overdrafts	-21,007	-15,850
Purchase of treasury shares	-3	-5
Cash payments for the repayment of financial leases	-6	-13
Cash receipts from issue of capital	0	80,709
Costs of raising capital (before taxes)	0	-5,831
<b>Cash flow from financing activities</b>	<b>-21,476</b>	<b>59,628</b>
<b>Cash and cash equivalents at the end of the period</b>		
Net change in cash funds (subtotal 1 – 3)	37,536	31,729
Effect of exchange rate movements on cash and cash equivalents	-336	-171
Cash and cash equivalents on January 1	55,722	34,372
Cash and cash equivalents on December 31	<b>92,922</b>	<b>65,930</b>
<b>Composition of cash and cash equivalents</b>		
Liquid funds	92,922	65,930
<b>Cash and cash equivalents on June 30</b>	<b>92,922</b>	<b>65,930</b>

## CONSOLIDATED STATEMENT OF CHANGES TO EQUITY

(in EUR tsd.)

	Issued capital	Capital reserves	Treasury shares	Revenue reserves	Cumulative other equity			Total Manz AG share-holders' equity	Total Manz AG share-holders' equity	Minority equity	Total share-holders' equity
					Remeasurement of pensions	Components which may be reclassified to profit or loss					
						Cashflow hedges	Currency translation				
<b>As of January 1, 2016</b>	<b>5,421</b>	<b>99,345</b>	<b>0</b>	<b>1,774</b>	<b>-1,949</b>	<b>-2,140</b>	<b>18,512</b>	<b>14,423</b>	<b>120,963</b>	<b>4,297</b>	<b>125,260</b>
Comprehensive income			-16,899						-16,899	313	-16,586
Cumulative other equity					-72	1,959	405	2,292	2,292		2,292
Total comprehensive income	0	0	0	-16,899	-72	1,959	405	2,292	-14,607	313	-14,294
Capital increase	2,323	78,386							80,709		80,709
Costs of raising capital after taxes		-4,133							-4,133		-4,133
Purchase of treasury shares			-5						-5		-5
Use of treasury shares			5						5		5
Share-based compensation									120		120
<b>As of June 30, 2016</b>	<b>7,744</b>	<b>173,598</b>	<b>0</b>	<b>-15,125</b>	<b>-2,021</b>	<b>-181</b>	<b>18,917</b>	<b>16,715</b>	<b>183,052</b>	<b>4,610</b>	<b>187,662</b>
<b>As of January 1, 2017</b>	<b>7,744</b>	<b>143,681</b>	<b>0</b>	<b>-10,839</b>	<b>-2,047</b>	<b>-15</b>	<b>21,995</b>	<b>19,933</b>	<b>160,519</b>	<b>4,587</b>	<b>165,106</b>
Comprehensive income				4,724					4,724	-25	4,699
Cumulative other equity					40	4	92	136	136	-98	38
Total comprehensive income	0	0	0	4,724	40	4	92	136	4,860	-123	4,737
Purchase of treasury shares			-3						-3		-3
Use of treasury shares			3						3		3
Share-based compensation		85							85		85
<b>As of June 30, 2017</b>	<b>7,744</b>	<b>143,766</b>	<b>0</b>	<b>-6,115</b>	<b>-2,007</b>	<b>-11</b>	<b>22,087</b>	<b>20,069</b>	<b>165,464</b>	<b>4,464</b>	<b>169,928</b>

## NOTES (ABRIDGED)

### BASIC PRINCIPLES

Pursuant to Section 37w(3) of the German Securities Trading Act (WpHG), the consolidated interim financial statements as of June 30, 2017 have been prepared in condensed form according to 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 consolidated interim financial statements and the interim group management report have not been subject to an audit in accordance with Section 317 of the German Commercial Code or to an audit review.

The accounting policies applied to the condensed consolidated interim financial statements as of June 30, 2017, as well as the calculation methods and input parameters used to measure fair value are the same as those of the consolidated financial statements as of December 31, 2016. A detailed description of these policies was published in the notes to the consolidated financial statements in the 2016 Annual Report.

### BASIS OF CONSOLIDATION

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 16 fully consolidated subsidiaries.

Manz CIGS Technology GmbH was sold to NICE PV Research Ltd. with effect from March 31, 2017, and is therefore no longer a part of the consolidated group of companies.

#### **Other Participations**

With effect as of June 6, 2017, Manz AG acquired a participating interest of over 15% in NICE PV Research Ltd for 24.2 million euros.



## NOTES ON INDIVIDUAL ITEMS IN THE INCOME STATEMENT

### OTHER OPERATING INCOME

(in EUR tsd.)	June 30, 2017	June 30, 2016
Income from the deconsolidation of Manz CIGS Technology GmbH	34,356	0
Changes to valuation allowances on receivables	203	818
Income from the reversal of provisions	138	846
Subsidies	130	0
Exchange rate gains	93	430
Other	3,944	1,077
	<b>38,864</b>	<b>3,171</b>

### COST OF MATERIALS

(in EUR tsd.)	June 30, 2017	June 30, 2016
Cost of raw materials, consumables and supplies and of purchased merchandise	67,060	60,591
Cost of purchased services	10,676	9,677
	<b>77,736</b>	<b>70,268</b>

## OTHER OPERATING EXPENSES

(in EUR tsd.)	June 30, 2017	June 30, 2016
Distribution expenses	8,140	2,678
Other research-related operating expenses	7,565	458
Advertising and travel expenses	3,495	4,926
Rent and leasing	2,704	3,510
Outgoing freight	1,726	2,442
Legal and consulting costs	1,145	1,567
Other personnel-related expenses	1,038	747
Exchange rate losses	1,012	772
Appropriation to provisions	513	192
Valuation allowances for receivables and losses on receivables	427	64
Expenses from the disposal of fixed assets	14	18
Other	9,348	6,079
	<b>37,126</b>	<b>23,452</b>

## NOTES ON INDIVIDUAL ITEMS IN THE BALANCE SHEET

### INTANGIBLE ASSETS

(in EUR tsd.)	June 30, 2017	Dec. 31, 2016
Licenses, software and similar rights, and assets	7,000	16,140
Capitalized development costs	15,365	22,327
Goodwill	33,949	39,328
Prepayments	1	1
	<b>56,315</b>	<b>77,796</b>

### TANGIBLE FIXED ASSETS

(in EUR tsd.)	June 30, 2017	Dec. 31, 2016
Land and buildings, including buildings on third-party land	27,690	29,340
Technical equipment and machinery	5,316	6,747
Other equipment, operating and office equipment	2,961	3,209
Prepayments	190	99
	<b>36,157</b>	<b>39,395</b>

### INVENTORIES

(in EUR tsd.)	June 30, 2017	Dec. 31, 2016
Raw materials, consumables and supplies	18,130	16,435
Work in progress	20,049	16,603
Finished goods and merchandise	14,758	15,349
Advance payments	1,748	563
	<b>54,685</b>	<b>48,950</b>

## TRADE RECEIVABLES

(in EUR tsd.)	June 30, 2017	Dec. 31, 2016
Future receivables from construction contracts	28,433	33,330
Trade receivables	34,753	44,396
	<b>63,186</b>	<b>77,726</b>

Future receivables from construction contracts, accounted for in accordance with their percentage of completion, are determined as follows:

(in EUR tsd.)	June 30, 2017	Dec. 31, 2016
Manufacturing costs, including outcome of the contract, of construction contracts	98,821	78,703
Minus advances received	-70,388	-45,373
	<b>28,433</b>	<b>33,330</b>

## OTHER CURRENT RECEIVABLES

(in EUR tsd.)	June 30, 2017	Dec. 31, 2016
Tax receivables (not income and income taxes)	4,736	3,983
Personnel receivables	647	769
Other accruals (primarily insurance policies)	556	645
Other	1,713	2,254
	<b>7,652</b>	<b>7,651</b>

## EQUITY CAPITAL

In the first six months of 2017, the Manz Group purchased 79 treasury shares at an average price of 38.18 euros per share (market value of 3,016.22 euros), which were transferred to employees in the context of jubilee benefits.

As of June 30, 2017, the company has no further treasury shares in its portfolio.

Capital reserves are comprised primarily of contributions from shareholders pursuant to Section 272(2), no. 1 of the German 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 capital reserves of 85 thousand euros in the first six months of 2017 relates to the allocation from share-based compensation (Manz Performance Share Plan).

## 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, other current receivables, liquid funds, trade payables, and the lion's share of other liabilities as set out in IFRS 7 mostly have short remaining terms. The carrying amounts of these financial instruments are therefore assumed to equate approximately to their fair values.

## MEASUREMENT CLASSES ACCORDING TO IFRS 7.27

The Group uses the following hierarchy to determine and present the fair 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).

As of June 30, 2017, derivative financial instruments disclosed in current liabilities with a value of 21 thousand euros fall within Level 2 of the fair value hierarchy within the scope of IFRS 7.27.

Carrying Amounts by  
Measurement Category

(in EUR tsd.)	Fair value	Loans and receivables	Not within the scope of IFRS 7, IAS 39	Carrying amount June 30, 2017
<b>Assets as of June 30, 2017</b>				
Financial investments	24,221	–	–	24,221
Other non-current assets	698	698	–	698
Trade receivables	63,192	34,753	28,439	63,192
Other current receivables	7,652	2,915	4,737	7,652
Liquid funds	92,922	92,922	–	92,922
	<b>164,464</b>	<b>131,288</b>	<b>33,176</b>	<b>164,464</b>

Carrying Amounts by  
Measurement Category

(in EUR tsd.)	Fair value	Measured at amortized cost	Carrying amount according to IAS 17	Designated hedging instruments (cash flow hedges)	Not within the scope of IFRS 7, IAS 39	Carrying amount June 30, 2017
<b>Liabilities as of June 30, 2017</b>						
Financial liabilities	32,948	32,948	–	–	–	32,948
Financial liabilities from leases	5		5	–	–	5
Trade payables	50,924	50,924	–	–	–	50,924
Derivative financial instruments	21	21	–	21	–	21
Other liabilities	11,780	8,174	–	–	3,606	11,780
	<b>95,678</b>	<b>92,067</b>	<b>5</b>	<b>21</b>	<b>3,606</b>	<b>95,678</b>

(in EUR tsd.)	Carrying Amounts by Measurement Category			Carrying amount Dec. 31, 2016
	Fair value	Loans and receivables	Designated hedging instruments (cash flow hedges)	
<b>Assets as of Dec. 31, 2016</b>				
Other non-current assets	723	723	0	723
Trade receivables	77,726	44,396	33,330	77,726
Other current receivables	7,651	3,668	3,983	7,651
Liquid funds	55,722	55,722	0	55,722
	<b>141,822</b>	<b>104,509</b>	<b>37,313</b>	<b>141,822</b>

(in EUR tsd.)	Carrying Amounts by Measurement Category					Carrying amount Dec. 31, 2016
	Fair value	Measured at amortized cost	Carrying amount according to IAS 17	Designated hedging instruments (cash flow hedges)	Not within the scope of IFRS 7, IAS 39	
<b>Liabilities as of Dec. 31, 2016</b>						
Financial liabilities	54,415	54,415	–	–	–	54,415
Financial liabilities from leases	12	–	11	–	–	11
Trade payables	47,228	47,228	–	–	–	47,228
Derivative financial instruments	158	–	–	158	–	158
Other liabilities	14,355	10,353	–	–	4,002	14,355
	<b>116,168</b>	<b>111,996</b>	<b>11</b>	<b>158</b>	<b>4,002</b>	<b>116,167</b>

A project loan of the European Investment Bank (EIB), which amounted to 18.3 million euros as of December 31, 2016, was repaid on schedule in May 2017.

## CONTINGENCIES AND OTHER FINANCIAL COMMITMENTS

Compared with December 31, 2016, there were no major changes to other financial commitments and contingencies, or to related parties, in the first six months of 2017.

## SEGMENT REPORTING FOR DIVISIONS

As of June 30, 2017

(in EUR tsd.)

	Solar	Electronics	Energy Storage	Contract Manufacturing	Service	Group
Revenues with third parties						
<b>Q1 + Q2 2016</b>	15,073	43,451	34,875	18,957	11,603	123,959
<b>Q1 + Q2 2017</b>	16,447	42,073	11,975	40,367	8,738	119,600
EBITDA						
<b>Q1 + Q2 2016</b>	-2,382	-3,712	-1,580	-284	3,481	-4,477
<b>Q1 + Q2 2017</b>	27,853	-9,050	-10,323	1,258	2,627	12,365
Depreciation						
<b>Q1 + Q2 2016</b>	3,242	2,121	1,362	429	117	7,271
<b>Q1 + Q2 2017</b>	1,705	1,958	1,132	553	63	5,411
EBIT						
<b>Q1 + Q2 2016</b>	-5,624	-5,833	-2,942	-713	3,364	-11,748
<b>Q1 + Q2 2017</b>	26,148	-11,009	-11,454	705	2,564	6,954



## SEGMENT REPORTING FOR REGIONS

As of June 30, 2017

(in EUR tsd.)	Third-party revenues by customer location
<b>Germany</b>	
Q1 + Q2 2016	10,914
Q1 + Q2 2017	13,401
<b>Rest of Europe</b>	
Q1 + Q2 2016	17,636
Q1 + Q2 2017	20,028
<b>China</b>	
Q1 + Q2 2016	70,317
Q1 + Q2 2017	50,417
<b>Taiwan</b>	
Q1 + Q2 2016	11,869
Q1 + Q2 2017	12,659
<b>Rest of Asia</b>	
Q1 + Q2 2016	5,096
Q1 + Q2 2017	2,172
<b>USA</b>	
Q1 + Q2 2016	8,088
Q1 + Q2 2017	20,568
<b>Other Regions</b>	
Q1 + Q2 2016	39
Q1 + Q2 2017	355
<b>Group</b>	
Q1 + Q2 2016	123,959
Q1 + Q2 2017	119,600

## KEY EVENTS OF PARTICULAR IMPORTANCE OCCURRING AFTER THE END OF THE REPORTING PERIOD

The following circumstances that could have an impact on the company's financial position, financial performance and cash flows occurred after June 30, 2017.

On July 4, 2017, the Annual General Meeting followed the recommendation of the administration and elected Dieter Manz, founder and previous Managing Board Chairman of Manz AG, to the company's Supervisory Board with a majority of 99.1%.

Eckhard Hörner-Marass took over Mr. Manz's responsibilities as Managing Board Chairman with immediate effect. Mr Hörner-Marass joined the company's Managing Board in 2016 and since that time has been in charge of the introduction and operative implementation of the Group's restructuring measures which were initiated at the end of 2015. Mr. Hörner-Marass's area of responsibility also includes the strategic business segments Energy Storage and Electronics, as well as the central segments of Research & Development and Business Development. Since that date, the responsibilities of Chief Operations Officer Martin Drasch encompass not only Production and Purchasing as well as the Contract Manufacturing and Service reporting segments, but also the strategic Solar business segment. Gunnar Voss von Dahlen, Chief Financial Officer of Manz AG since June 2017, is responsible for the Finance and Controlling, Human Resources, IT, Organization, Administration, Investor Relations and Legal divisions.

## FURTHER DISCLOSURES

### EMPLOYEES

On June 30, 2017, the Manz Group had an average of 1,680 employees (June 30, 2016: 1,820 employees).

### MANAGING BOARD

Eckhard Hörner-Marass, Dipl.-Ing.(FH), Managing Board Chairman (from July 4, 2017)

Gunnar Voss von Dahlen, Dipl.-Kfm., CFO (from June 1, 2017)

Martin Drasch, Dipl.-Ing. (FH), Chief Operations Officer

Dieter Manz, Dipl. Ing. (FH), Managing Board Chairman (until July 4, 2017)

Martin Hipp, Dipl.-Kaufmann, CFO (until March 31, 2017)

## RESPONSIBILITY STATEMENT

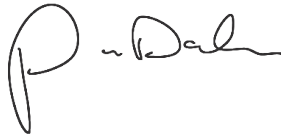
To the best of our knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the condensed consolidated interim financial statements give a true and fair view of the Manz Group's financial position, financial performance and cash flows, and the Manz Group's interim management report includes a true and fair view of the trends and performance of the business and the position of the Group, as well as a description of the principal opportunities and risks associated with the Group's expected development in the remaining fiscal year.

Reutlingen, August 10, 2017

The Managing Board of Manz AG



Eckhard Hörner-Marass



Gunnar Voss von Dahlen



Martin Drasch

## IMPRINT

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