



# HALF-YEAR FINANCIAL REPORT 2020

MBB SE, Berlin

## MBB in figures

| Half year<br>(unaudited)   | 2020                 | 2019                 | Δ 2020 /<br>2019 |
|--|----------------------|----------------------|------------------|
| <b>Earnings figures (adjusted*)</b>                                | <b>€k</b>            | <b>€k</b>            | <b>%</b>         |
| <b>Revenue</b>   | <b>328,854</b>       | <b>251,395</b>       | 30.8             |
| Operating performance  | 327,544              | 251,657              | 30.2             |
| Total performance  | 337,120              | 263,060              | 28.2             |
| Cost of materials  | -179,634             | -159,972             | 12.3             |
| Staff costs  | -100,507             | -63,596              | 58.0             |
| EBITDA   | 28,721               | 24,207               | 18.6             |
| <i>EBITDA margin</i>   | 8.8%                 | 9.6%                 |                  |
| EBIT   | 14,685               | 16,303               | -9.9             |
| <i>EBIT margin</i>   | 4.5%                 | 6.5%                 |                  |
| EBT  | 9,142                | 15,641               | -41.6            |
| <i>EBT margin</i>  | 2.8%                 | 6.2%                 |                  |
| <b>Consolidated net profit after non-controlling interests</b>     | <b>6,566</b>         | <b>5,200</b>         | 26.3             |
| eps in €   | 1.11                 | 0.84                 | 32.1             |
| Average number of shares in circulation                            | 5,936                | 6,198                |                  |
| <b>Earnings figures (IFRS)</b>                                     | <b>€k</b>            | <b>€k</b>            | <b>%</b>         |
| EBITDA   | 25,416               | 24,207               | 5.0              |
| Consolidated net profit  | 3,520                | 4,941                | -28.8            |
| eps in €   | 0.59                 | 0.80                 | -26.3            |
| <b>Figures from the statement<br/>of financial position (IFRS)</b> | <b>30 Jun<br/>€k</b> | <b>31 Dec<br/>€k</b> | <b>%</b>         |
| Non-current assets   | 347,476              | 346,084              | 0.4              |
| Current assets   | 460,068              | 498,608              | -7.7             |
| thereof cash and equivalents**                                     | 308,613              | 340,193              | -9.3             |
| Issued capital (share capital)                                     | 5,932                | 5,941                | -0.2             |
| Other equity   | 463,706              | 468,611              | -1.0             |
| Total equity   | 469,638              | 474,552              | -1.0             |
| <i>Equity ratio</i>  | 58.2%                | 56.2%                |                  |
| Non-current liabilities  | 146,297              | 149,919              | -2.4             |
| Current liabilities  | 191,609              | 220,221              | -13.0            |
| <b>Total assets</b>  | <b>807,544</b>       | <b>844,692</b>       | -4.4             |
| Net debt (-) or<br>net cash (+)**                                  | 215,286              | 249,838              | -13.8            |
| <b>Employees</b>   | <b>3,485</b>         | <b>3,505</b>         | <b>-0.6</b>      |

\* For details of adjustments please see the information on the results of operations, financial position and net assets in the interim Group management report.

\*\* 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  |
| Financial position and financial performance              | 5  |
| Segment performance                                       | 6  |
| Employees   | 7  |
| Report on risks and opportunities                         | 7  |
| Outlook   | 7  |
| IFRS half-year consolidated financial statements for 2020 | 8  |
| Notes to the interim consolidated financial statements    | 15 |
| Accounting  | 15 |
| Accounting policies                                       | 15 |
| Goodwill  | 15 |
| Segment reporting   | 15 |
| Dividend  | 16 |
| Changes in contingent liabilities                         | 16 |
| Related party transactions                                | 16 |
| Events after the end of the reporting period              | 16 |
| Review  | 16 |
| Responsibility statement                                  | 16 |
| Financial calendar  | 17 |
| Contact   | 17 |
| Legal notice  | 18 |

## Welcome note from the Executive Management

Dear Shareholders,

In the first half of 2020, the outbreak of the COVID-19 pandemic brought the world to a standstill that would previously have been hard to imagine. Lockdowns and other drastic measures to combat the pandemic not only limited people's social lives, but also precipitated a dramatic economic slump. With fiscal and monetary policy stimulus measures running to the trillions, governments and central banks are now attempting to ameliorate the economic collapse.

MBB has also keenly felt the effects of the pandemic. However, the diversification of the MBB Group achieved in recent years has borne fruit, and the economic downturn in individual business areas has been compensated by positive developments in others. Overall, in spite of COVID-19, MBB's performance in the first half of the year was remarkably robust, with revenue growth of 30.8% to €328.9 million and an EBITDA margin of 8.8%.

In particular, the MBB companies affected the most by COVID-19 include Aumann, Delignit and OBO, which together form the Technological Applications segment. This segment's revenue declined by 32.9% to €118.5 million in the first half of the year, with EBITDA of €0.8 million. At Aumann, the slump in the automotive industry affected both the company's incoming orders and its profitability. Moreover, to improve its cost structure, Aumann has decided to close its smallest German location. At Delignit, production had to be scaled back significantly for several weeks owing to customer shutdowns.

In the Consumer Goods segment as well, which comprises Hanke Tissue and CT Formpolster, the impact of the pandemic caused revenue to decline, though this was less severe than in the Technological Applications segment at -13.5%. The reasons for this decline were firstly the weak demand for commercial tissue products and secondly reduced mattress sales due to shop closures.

At €171.9 million, the Service & Infrastructure segment contributed more than half of the MBB Group's revenue in the first half of the year. The segment's contribution to consolidated EBITDA was also substantial at €24.9 million. This was thanks not just to the growth of the energy infrastructure companies acquired last year, Friedrich Vorwerk and Bohlen & Doyen, but also a significant increase in revenue to €33.9 million at the IT security specialist DTS.

The strength of the Service & Infrastructure segment during an economically more than challenging phase highlights the crisis resilience of the energy infrastructure and IT security industries. Thanks to this resilience, MBB's management is again aiming for its original forecast for the year of revenue of more than €660 million and an adjusted EBITDA margin of between 8% and 10% despite the COVID-19 pandemic. With net liquidity in the Group of €215.3 million, €182.1 million of which relates to the MBB SE holding company, MBB is excellently positioned for new acquisitions, for which we anticipate a significant increase in the number of opportunities.

Yours,

The Executive Management of MBB SE

## 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 was largely defined by the impact of the global COVID-19 pandemic in the first half of 2020. The measures taken to curb the spread of the virus led to the closure of shops lasting several weeks, production shutdowns and cost-cutting programmes all over the world, which together resulted in a significant decline in business activity.

The recession sparked by the COVID-19 pandemic caused a double-digit decline in German GDP in the second quarter of 2020. As things currently stand, the economic recovery is largely dependent on there being no second wave. Overall, the German Institute for Economic Research (DIW) is forecasting that German GDP will slump by 9.4% year-on-year for 2020 as a whole.

Developments on the sub-markets relevant to MBB were mixed. The consequences of the COVID-19 pandemic have hit the automotive industry especially hard. According to figures from the German Association of the Automotive Industry (VDA), 43% fewer cars were registered in the European Union compared to the first half of the previous year. New registrations fell by 27% in China and by 23% in the US. The dramatic slump in consumer demand, the intermittent disruption of supply chains and the shutdown of production lines for weeks at a time caused car production in Germany to fall to its lowest level in 45 years in the first half of 2020, down 40% year-on-year at 1.5 million vehicles. Developments were similar in the commercial vehicle sector.

According to figures from the German Association for Information Technology, Telecommunications and New Media (Bitkom), the German IT market is slightly more robust than Germany's overall economy. While the market volume expanded by 1.7% to €169.1 billion in 2019, Bitkom is forecasting a decline of approximately 3.3% to €163.5 billion for 2020. In particular, the main drivers of this decline are IT hardware (down 7.5%) and consumer electronics (down 7.0%), which are less relevant to MBB.

The forecast for the German energy industry is also better than for the economy as a whole. The German Federal Association of the Energy and Water Industry (BDEW) rates the energy industry as having among the highest investment of any sector in Germany, with more than €320 billion projected by 2030. It forecasts that the industry will deliver key economic stimulus even before the end of 2020, which might allow GDP in Germany to rise by 0.6% year-on-year. The energy industry would therefore contribute substantially to the economic recovery from the recession brought about by COVID-19.

### Business development

In the first six months of 2020, MBB achieved revenue growth of 30.8% year-on-year to €328.9 million (previous year: €251.4 million). EBITDA climbed by 18.6% as against the previous year to €28.7 million in the same period (previous year: €24.2 million). The EBITDA margin was down at 8.8% in the first half of 2020 after 9.6% in the same period of the previous year. Adjusted earnings per share amounted to €1.11, an increase of 32.1% as against the same period of the previous year. The MBB Group had 3,485 employees as at the end of the reporting period, 20 fewer than as at the end of 2019.

The growth of the MBB Group in the first half of the year is thanks to the positive development of the Service & Infrastructure segment, which generated revenue of €171.9 million. The segment comprises DTS, which specialises in IT security products and the Friedrich Vorwerk Group acquired in the 2019 financial year, which also included the Bohlen & Doyen companies acquired in December 2019. DTS contributed to the segment's success with further revenue growth of 11.6%. At €138.0 million, the revenue generated by the Friedrich Vorwerk Group, which operates in the energy infrastructure sector, exceeded our expectations. The companies of the Service & Infrastructure segment are yet to experience any significant negative effects due to COVID-19.

The Technological Applications segment, which comprises the listed companies Aumann and Delignit in addition to OBO, which specialises in tooling products, reported a drop in revenue of 32.9% to €118.5 million. Much of this decline was anticipated and relates to weak incoming orders at Aumann in the past financial year. The tense market situation elicited cost sensitivity on the part of customers in the automotive industry. In conjunction with the optimisation of its corporate structure, Aumann AG has ceased operating at its Hennigsdorf location. The negative non-recurring earnings effect caused by this of €3.0 million was adjusted for. Both Delignit and OBO, after an initially promising start to the year, came to feel the force of the COVID-19 pandemic in the second quarter. The segment's EBITDA margin was

therefore less than 1% in the first half of the year. Within the MBB Group, the Technological Applications segment is likely to be the one hit hardest by the effects of the COVID-19 pandemic.

The Consumer Goods segment, which comprises the mattress manufacturer CT Formpolster and the tissue product specialist Hanke, reported a decline in revenue of 13.4% to €38.5 million with EBITDA of €3.6 million (previous year: €3.7 million). The impact of the COVID-19 pandemic on the Consumer Goods segment is thus less pronounced than on the Technological Applications segment, though the companies within the segment are nonetheless feeling the effects.

MBB acquired 305,000 shares in Aumann AG in total at a price of 2.5 Mio. € over the counter in the first half of 2020. Its shareholding is therefore 40.00% as at the end of the reporting period (31 December 2019: 38.00%).

On 18 March 2020, the Board of MBB SE resolved to exercise the authorisation granted by the Annual General Meeting on 28 May 2019 to purchase treasury shares and to purchase up to 594,075 treasury shares with a volume of not more than €3.0 million at a price of €55.00 per share over the counter in the period from 20 March 2020 up to and including 30 June 2020. The share buyback programme ended on 30 June 2020. In total, 8,498 shares with a total value of €0.4 million were repurchased.

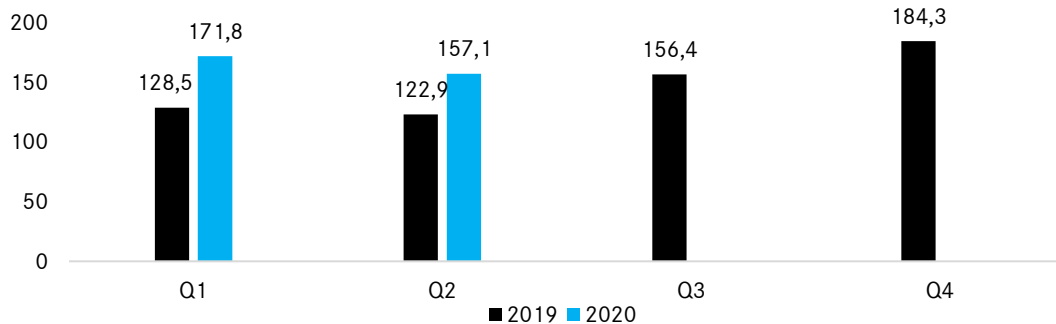
The Board and Executive Management of MBB SE wish for the shareholders to participate appropriately in the company's success. Given the high liquidity level, the very successful 2019 financial year and the moderate overall impact of the COVID-19 pandemic to date, the Board intends to propose a small increase in the dividend for the 2019 financial year to €0.70 per entitled share at the Annual General Meeting. This would be the tenth year in a row in which the base dividend has been increased.

In conjunction with the COVID-19 pandemic, the Annual General Meeting has been postponed until 24 August 2020.

## Financial position and financial performance

The financial position and financial performance are still on track. At €328.9 million, the consolidated revenue of the MBB Group is 30.8% higher year-on-year after the first six months of the 2020 financial year (€251.4 million). The significant growth is largely thanks to the companies acquired in the second half of 2019.

Revenue by quarters  
in millions of €



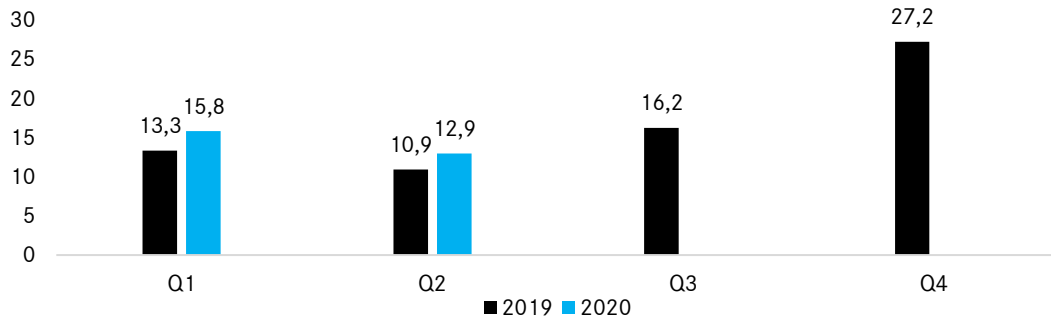
Other operating income of €9.6 million (previous year: €11.4 million) includes income from measurement at equity of €3.7 million, income from own work capitalised of €0.9 million, income from the offsetting of remuneration in kind of €0.7 million, income from securities of €0.5 million, income from the reversal of provisions of €0.5 million, currency translation income of €0.3 million and other income of €3.0 million. Own work capitalised relates to development costs recognised at Aumann AG.

The adjusted cost of materials rose at a slower rate than revenue, climbing by 12.3% to €179.6 million, while adjusted staff costs increased by 58.0% to €100.5 million in the first half of 2020. The change in the cost structure is as a result of the different portfolio structure than in the same period of the previous year.

Adjusted overheads of €28.3 million (previous year: €15.3 million) were incurred, including maintenance expenses, legal and consulting costs, advertising costs, insurance premiums, travel expenses and costs of third-party services in particular. The increase largely results from the acquisition of the Friedrich Vorwerk Group in the second half of 2019.

Adjusted EBITDA was €28.7 million in the first half of the 2020 financial year after €24.2 million in the same period of the previous year. Adjustments included non-recurring expenses incurred in connection with the optimisation of the Aumann Group's cost structure and vertical integration. These are mainly costs in the amount of €3.0 million due to the discontinuation of operations at the Hennigsdorf location.

EBITDA by quarters  
in millions of €



Adjusted depreciation and amortisation climbed by €6.1 million as against the previous year to €14.0 million (previous year: €7.9 million). These figures have been adjusted for depreciation and amortisation on assets of €4.9 million capitalised in connection with purchase price allocation. There were also adjustments for impairment losses of €0.3 million on the assets of the Hennigsdorf location.

This results in adjusted EBIT of €14.7 million (previous year: €16.3 million).

Taking net finance costs of €-5.5 million into account, adjusted EBT amounted to €9.1 million (previous year: €15.6 million). The negative net financial costs essentially result from the non-controlling interests of Friedrich Vorwerk KG (GmbH & Co.).

Adjusted consolidated net profit after non-controlling interests amounts to €6.6 million (previous year: €5.2 million) or €1.11 (previous year: €0.84) per share in the first half of 2020.

Equity amounts to €469.6 million as at 30 June 2020 (31 December 2019: €474.6 million). Based on total consolidated assets of €807.5 million (31 December 2019: €844.7 million), the equity ratio is 58.2% as at the end of the reporting period after 56.2% as at 31 December 2019.

The MBB Group had cash funds (including securities and physical gold reserves) of €308.6 million as at 30 June 2020 (31 December 2019: €340.2 million), €182.1 million of which is attributable to MBB SE. The deduction of consolidated financial liabilities of €93.3 million (31 December 2019: €90.4 million) resulted in a net cash position for the MBB Group of €215.3 million as against €249.8 million as at 31 December 2019.

## Segment performance

The following segments are reported:

- Service & Infrastructure
- Consumer Goods
- Technological Applications

External revenue in the Service & Infrastructure segment climbed significantly to €171.9 million as a result of the Vorwerk acquisition (previous year: €30.4 million). With a moderate rise in the EBITDA margin, EBITDA amounted to a gratifying €24.9 million for the period from 1 January to 30 June 2020 (previous year: €4.5 million).

Revenue and EBITDA declined significantly year-on-year in the Technological Applications segment. In the first half of 2020, the segment's external revenue amounts to €118.5 million (previous year: €176.5 million) with adjusted EBITDA of €0.8 million (previous year: €16.7 million). The performance of all companies in the segment was impacted by the slump in demand caused by the COVID-19 pandemic.

External revenue in the Consumer Goods segment decreased to €38.5 million (previous year: €44.5 million), owing to the drop in revenue in shop-based mattress sales due to COVID-19 (CT Formpolster) and

the decline in demand for tissue products in the commercial sector (Hanke). Segment EBITDA is stable year-on-year at €3.6 million (€3.7 million).

### **Employees**

The number of people employed by the MBB Group decreased by 0.6% from 3,505 as at 31 December 2019 to 3,485 as at 30 June 2020. The MBB Group is also currently training 214 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 2019 financial year, which is available on our website [www.mbb.com](http://www.mbb.com). The current COVID-19 pandemic is described in detail there. The assessment applies unchanged. MBB SE's risk management system is suitable for identifying risks early on and taking immediate action.

### **Outlook**

Despite the COVID-19 pandemic, MBB feels it is able to confirm its original forecast for the year of revenue of more than €660 million and an adjusted EBITDA margin of between 8% and 10%. While the effects of the pandemic are being keenly felt in all divisions of MBB, and the forecast is therefore ultimately conditional, management currently expects that the shortcomings in the areas affected can be compensated by the positive performance of the Service & Infrastructure segment.

Berlin, 18 August 2020

The Executive Management of MBB SE



## IFRS half-year consolidated financial statements for 2020

| IFRS consolidated statement of profit or loss<br>(unaudited)                        | 1 Jan -<br>30 Jun 2020<br>€k | 1 Jan -<br>30 Jun 2019<br>€k |
|---|------------------------------|------------------------------|
| <b>Revenue</b>  | <b>328,854</b>               | <b>251,395</b>               |
| Increase (+) / decrease (-) in finished goods<br>and work in progress               | -1,310                       | 262                          |
| <b>Operating performance</b>  | <b>327,544</b>               | <b>251,657</b>               |
| Other operating income  | 9,576                        | 11,403                       |
| <b>Total performance</b>  | <b>337,120</b>               | <b>263,060</b>               |
| Cost of raw materials and supplies  | -98,050                      | -122,437                     |
| Cost of purchased services  | -84,140                      | -37,535                      |
| <b>Cost of materials</b>  | <b>-182,190</b>              | <b>-159,972</b>              |
| Wages and salaries  | -77,941                      | -51,096                      |
| Social security<br>and pension costs  | -22,906                      | -12,500                      |
| <b>Staff costs</b>  | <b>-100,847</b>              | <b>-63,596</b>               |
| Other operating expenses  | -28,667                      | -15,285                      |
| <b>Earnings before interest, taxes, depreciation,<br/>and amortisation (EBITDA)</b> | <b>25,416</b>                | <b>24,207</b>                |
| Amortisation and depreciation expense   | -19,213                      | -8,614                       |
| <b>Earnings before interest and taxes (EBIT)</b>                                    | <b>6,203</b>                 | <b>15,593</b>                |
| Finance revenue   | 144                          | 399                          |
| Finance costs   | -1,365                       | -1,061                       |
| Earnings attributable to non-controlling interests                                  | -3,157                       | 0                            |
| <b>Net finance costs</b>  | <b>-4,378</b>                | <b>-662</b>                  |
| <b>Earnings before taxes (EBT)</b>  | <b>1,825</b>                 | <b>14,931</b>                |
| Income tax expense  | -818                         | -4,645                       |
| Other taxes   | -408                         | -210                         |
| <b>Profit or loss for the period</b>  | <b>599</b>                   | <b>10,076</b>                |
| Non-controlling interests   | 2,921                        | -5,135                       |
| <b>Consolidated net profit</b>  | <b>3,520</b>                 | <b>4,941</b>                 |
| Earnings per share (in €)   | 0.59                         | 0.80                         |

| IFRS consolidated statement of comprehensive income<br>(unaudited) | 1 Jan -<br>30 Jun 2020<br>€k | 1 Jan -<br>30 Jun 2019<br>€k |
|--|------------------------------|------------------------------|
| <b>Consolidated net profit</b>                                     | <b>3,520</b>                 | <b>4,941</b>                 |
| Non-controlling interests  | -2,921                       | 5,135                        |
| <b>Profit or loss for the period</b>                               | <b>599</b>                   | <b>10,076</b>                |
| Items that may be subsequently reclassified<br>to profit and loss  |                              |                              |
| Fair value changes bonds and gold                                  | 341                          | 698                          |
| Currency translation differences                                   | -1,079                       | 258                          |
| Items that not be subsequently reclassified<br>to profit and loss  |                              |                              |
| Pension reserve  | 22                           | 0                            |
| Fair value changes shares and gold                                 | -1,717                       | 9,360                        |
| <b>Other comprehensive income after taxes</b>                      | <b>-2,433</b>                | <b>10,316</b>                |
| <b>Comprehensive income for the reporting period</b>               | <b>-1,834</b>                | <b>20,392</b>                |
| thereof attributable to:   |                              | 0                            |
| - Shareholders of the parent company                               | 1,315                        | 14,589                       |
| - Non-controlling interests  | -3,149                       | 5,803                        |

| IFRS consolidated statement of comprehensive income<br>(unaudited)                  | 1 April -<br>30 Jun 2020<br>€k | 1 April<br>30 Jun 2019<br>€k |
|---|--------------------------------|------------------------------|
| <b>Revenue</b>  | <b>157,053</b>                 | <b>122,930</b>               |
| Increase (+) / decrease (-) in finished goods<br>and work in progress               | -337                           | 1,460                        |
| <b>Operating performance</b>  | <b>156,716</b>                 | <b>124,390</b>               |
| Other operating income  | 6,067                          | 9,060                        |
| <b>Total performance</b>  | <b>162,783</b>                 | <b>133,450</b>               |
| Cost of raw materials and supplies  | -47,409                        | -62,205                      |
| Cost of purchased services  | -43,953                        | -21,064                      |
| <b>Cost of materials</b>  | <b>-91,362</b>                 | <b>-83,269</b>               |
| Wages and salaries  | -38,722                        | -25,517                      |
| Social security<br>and pension costs  | -10,412                        | -6,195                       |
| <b>Staff costs</b>  | <b>-49,134</b>                 | <b>-31,712</b>               |
| Other operating expenses  | -12,657                        | -7,551                       |
| <b>Earnings before interest, taxes, depreciation,<br/>and amortisation (EBITDA)</b> | <b>9,630</b>                   | <b>10,918</b>                |
| Amortisation and depreciation expense   | -9,763                         | -4,346                       |
| <b>Earnings before interest and taxes (EBIT)</b>                                    | <b>-133</b>                    | <b>6,572</b>                 |
| Other interest and similar income   | 39                             | 222                          |
| Interest and similar expenses   | -580                           | -500                         |
| Earnings attributable to non-controlling interests                                  | -2,077                         | 0                            |
| <b>Net finance costs</b>  | <b>-2,618</b>                  | <b>-278</b>                  |
| <b>Earnings before taxes (EBT)</b>  | <b>-2,751</b>                  | <b>6,294</b>                 |
| Income tax expense  | 467                            | -2,035                       |
| Other taxes   | -195                           | -103                         |
| <b>Profit or loss for the period</b>  | <b>-2,479</b>                  | <b>4,156</b>                 |
| Non-controlling interests   | 3,181                          | -1,986                       |
| <b>Consolidated net profit</b>  | <b>702</b>                     | <b>2,170</b>                 |
| Earnings per share (in €)   | 0.12                           | 0.37                         |

| Statement of financial position                            | 30 Jun 2020    | 31 Dec 2019    |
|--|----------------|----------------|
| Assets (IFRS)  | unaudited      | audited        |
|  | €k             | €k             |
| <b>Non-current assets</b>                                  |                |                |
| Concessions, industrial property rights and similar rights | 21,667         | 25,278         |
| Goodwill   | 44,449         | 44,449         |
| Advance payments and assets under development              | 654            | 134            |
| <b>Intangible assets</b>                                   | <b>66,770</b>  | <b>69,861</b>  |
| Land and buildings   |                |                |
| including buildings on third-party land                    | 81,308         | 80,021         |
| Technical equipment and machinery                          | 50,431         | 51,176         |
| Other equipment, operating and office equipment            | 22,168         | 22,138         |
| Advance payments and assets under development              | 4,906          | 4,514          |
| <b>Property, plant and equipment</b>                       | <b>158,813</b> | <b>157,849</b> |
| Investments in associates                                  | 15,340         | 13,214         |
| Investment securities                                      | 91,132         | 89,549         |
| Other loans  | 1,288          | 1,281          |
| <b>Financial assets</b>                                    | <b>107,760</b> | <b>104,044</b> |
| <b>Deferred tax assets</b>                                 | <b>14,133</b>  | <b>14,330</b>  |
|  | <b>347,476</b> | <b>346,084</b> |
| <b>Current assets</b>                                      |                |                |
| Raw materials and supplies                                 | 18,565         | 17,778         |
| Work in progress   | 7,032          | 7,384          |
| Finished goods and commodities                             | 13,014         | 13,876         |
| Advance payments   | 6,336          | 8,023          |
| <b>Inventories</b>   | <b>44,947</b>  | <b>47,061</b>  |
| Trade receivables  | 48,815         | 73,101         |
| Contract assets  | 130,562        | 113,042        |
| Other current assets                                       | 18,263         | 14,760         |
| <b>Trade receivables and other current assets</b>          | <b>197,640</b> | <b>200,903</b> |
| Gold   | 4,088          | 3,570          |
| Securities   | 4,697          | 3,169          |
| <b>Financial assets</b>                                    | <b>8,785</b>   | <b>6,739</b>   |
| Cash in hand   | 79             | 84             |
| Bank balances  | 208,617        | 243,821        |
| <b>Cash in hand, bank balances</b>                         | <b>208,696</b> | <b>243,905</b> |
|  | <b>460,068</b> | <b>498,608</b> |
| <b>Total assets</b>  | <b>807,544</b> | <b>844,692</b> |

| Statement of financial position           | 30 Jun 2020    | 31 Dec 2019    |
|---|----------------|----------------|
| Equity and liabilities (IFRS)             | unaudited      | audited        |
|   | €k             | €k             |
| <b>Equity</b>                             |                |                |
| Issued capital                            | 5,932          | 5,941          |
| Capital reserve                           | 254,366        | 253,260        |
| Legal reserve                             | 61             | 61             |
| Retained earnings                         | 83,601         | 82,286         |
| Non-controlling interests                 | 125,678        | 133,004        |
|   | <b>469,638</b> | <b>474,552</b> |
| <b>Non-current liabilities</b>            |                |                |
| Liabilities to banks                      | 42,462         | 47,297         |
| Liabilities to non-controlling interests  | 23,844         | 20,686         |
| Liabilities from participation rights     | 9,963          | 9,963          |
| Other liabilities                         | 6,334          | 6,469          |
| Lease liabilities                         | 14,559         | 12,068         |
| Pension provisions                        | 28,433         | 28,387         |
| Other provisions                          | 1,156          | 1,195          |
| Deferred tax liabilities                  | 19,546         | 23,854         |
|   | <b>146,297</b> | <b>149,919</b> |
| <b>Current liabilities</b>                |                |                |
| Liabilities to banks                      | 26,497         | 22,128         |
| Contract liabilities                      | 26,635         | 35,424         |
| Trade payables                            | 42,316         | 56,707         |
| Liabilities to non-controlling interests  | 3,951          | 7,540          |
| Other liabilities                         | 20,320         | 28,962         |
| Lease liabilities                         | 9,809          | 8,863          |
| Provisions with the nature of a liability | 37,649         | 35,438         |
| Tax provisions                            | 10,232         | 7,750          |
| Other provisions                          | 14,200         | 17,409         |
|   | <b>191,609</b> | <b>220,221</b> |
| <b>Total equity and liabilities</b>       | <b>807,544</b> | <b>844,692</b> |

| Consolidated statement of cash flows<br>(unaudited)                               | 1 Jan -<br>30 Jun 2020<br>€k | 1 Jan -<br>30 Jun 2019<br>€k |
|---|------------------------------|------------------------------|
| <b>1. Cash flow from operating activities</b>                                     |                              |                              |
| <b>Earnings before interest and taxes (EBIT)</b>                                  | <b>6,203</b>                 | <b>15,593</b>                |
| <b>Adjustments for non-cash transactions</b>                                      |                              |                              |
| Amortisation and depreciation   | 19,213                       | 8,614                        |
| Increase (+) / decrease (-) in provisions   | -3,180                       | -4,822                       |
| Gains (-) / losses (+) from disposal of PPE                                       | 457                          | -398                         |
| Results from equity investments   | -3,663                       | 0                            |
| Other non-cash expenses / income  | -149                         | 150                          |
|   | <b>12,678</b>                | <b>3,544</b>                 |
| <b>Change in working capital:</b>   |                              |                              |
| Increase (-) / decrease (+) in inventories, trade receivables<br>and other assets | 6,154                        | -9,271                       |
| Decrease (-) / increase (+) in trade payables<br>and other liabilities            | -32,852                      | -19,218                      |
|   | <b>-26,698</b>               | <b>-28,489</b>               |
| Income taxes paid   | -3,707                       | -4,054                       |
| Interest received   | 144                          | 399                          |
|   | <b>-3,563</b>                | <b>-3,655</b>                |
| <b>Cash flow from operating activities</b>  | <b>-11,380</b>               | <b>-13,007</b>               |
| <b>2. Cash flow from investing activities</b>                                     |                              |                              |
| Investments (-) / divestments (+) intangible assets                               | -1,973                       | -3,528                       |
| Investments (-) / divestments (+) property, plant and equipment                   | -9,086                       | -5,968                       |
| Investments (-) / divestments (+) of financial assets and securities              | -5,650                       | -6,978                       |
| Business combination (less cash and cash equivalents received)                    | -563                         | -6,468                       |
| <b>Cash flow from investing activities</b>  | <b>-17,272</b>               | <b>-22,942</b>               |
| <b>3. Cash flow from financing activities</b>                                     |                              |                              |
| Payments to non-controlling interests   | -168                         | -2,212                       |
| Profit distribution to shareholders   | 0                            | -4,099                       |
| Payments for the acquisition of shares without change of control                  | -2,486                       | 0                            |
| Share buy back programme  | -425                         | 0                            |
| Payments from capital reductions  | 0                            | -62,082                      |
| Proceeds from borrowing financial loans   | 12,376                       | 14,716                       |
| Repayments of financial loans   | -9,991                       | -8,781                       |
| Payments for finance lease  | -4,444                       | -1,321                       |
| Interest payments   | -1,340                       | -1,040                       |
| <b>Cash flow from financing activities</b>  | <b>-6,478</b>                | <b>-64,819</b>               |
| <b>Cash and cash equivalents at end of period</b>                                 |                              |                              |
| Change in cash and cash equivalents<br>(Subtotal 1-3)                             | -35,130                      | -100,768                     |
| Effects of changes in foreign exchange rates (non-cash)                           | -79                          | -16                          |
| Cash and cash equivalents at start of reporting period                            | 243,905                      | 307,515                      |
| <b>Cash and cash equivalents at end of period</b>                                 | <b>208,696</b>               | <b>206,731</b>               |
| <b>Composition of cash and cash equivalents</b>                                   |                              |                              |
| Cash in hand  | 79                           | 19                           |
| Bank balances   | 208,617                      | 206,712                      |
| <b>Reconciliation to liquidity reserve on 30 Jun</b>                              |                              |                              |
| Cash and cash equivalents at end of period  | 208,696                      | 206,731                      |
| Gold  | 4,088                        | 3,188                        |
| Securities  | 95,829                       | 82,841                       |
| <b>Liquidity reserve on 30 Jun</b>  | <b>308,613</b>               | <b>292,760</b>               |

| Statement of changes in consolidated equity (unaudited) |                |                 |               |                                 |                     |                 |                |                               |                                 |                           |                     |  |
|---|----------------|-----------------|---------------|---------------------------------|---------------------|-----------------|----------------|-------------------------------|---------------------------------|---------------------------|---------------------|--|
|   | Issued capital | Capital reserve | Legal reserve | Currency translation difference | Retained earnings   |                 |                | Generated consolidated equity | Share of shareholders of MBB SE | Non-controlling interests | Consolidated equity |  |
|   |                |                 |               |                                 | Fair Value reserves | Pension reserve | Other reserves |                               |                                 |                           |                     |  |
|   | €k             | €k              | €k            | €k                              | €k                  | €k              | €k             | €k                            | €k                              | €k                        | €k                  |  |
| <b>1 Jan 2019</b>                                       | <b>6,587</b>   | <b>316,241</b>  | <b>61</b>     | <b>-703</b>                     | <b>130</b>          | <b>-1,774</b>   | <b>0</b>       | <b>53,228</b>                 | <b>373,770</b>                  | <b>125,522</b>            | <b>499,292</b>      |  |
| Dividends paid  | 0              | 0               | 0             | 0                               | 0                   | 0               | 0              | -4,099                        | -4,099                          | -2,394                    | -6,493              |  |
| <b>Subtotal</b>   | <b>6,587</b>   | <b>316,241</b>  | <b>61</b>     | <b>-703</b>                     | <b>130</b>          | <b>-1,774</b>   | <b>0</b>       | <b>49,129</b>                 | <b>369,671</b>                  | <b>123,128</b>            | <b>492,799</b>      |  |
| Amounts recognised in other comprehensive income        | 0              | 0               | 0             | 0                               | 12,413              | -1,338          | 0              | 0                             | 11,075                          | -443                      | 10,632              |  |
| Currency translation difference                         | 0              | 0               | 0             | 225                             | 0                   | 0               | 0              | 0                             | 225                             | 10                        | 235                 |  |
| Consolidated net profit                                 | 0              | 0               | 0             | 0                               | 0                   | 0               | 0              | 26,945                        | 26,945                          | 7,653                     | 34,598              |  |
| <b>Total comprehensive income</b>                       | <b>0</b>       | <b>0</b>        | <b>0</b>      | <b>225</b>                      | <b>12,413</b>       | <b>-1,338</b>   | <b>0</b>       | <b>26,945</b>                 | <b>38,245</b>                   | <b>7,220</b>              | <b>45,465</b>       |  |
| Put-Option ISL  | 0              | 0               | 0             | 0                               | 0                   | 0               | -2,741         | 0                             | -2,741                          | -685                      | -3,426              |  |
| 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               |  |
| Others  | 0              | -1,563          | 0             | 0                               | 0                   | 0               | 0              | 0                             | -1,563                          | 1,563                     | 0                   |  |
| <b>31 Dec 2019</b>                                      | <b>5,941</b>   | <b>253,260</b>  | <b>61</b>     | <b>-478</b>                     | <b>12,543</b>       | <b>-3,112</b>   | <b>-2,741</b>  | <b>76,074</b>                 | <b>341,548</b>                  | <b>133,004</b>            | <b>474,552</b>      |  |
| Dividends paid  | 0              | 0               | 0             | 0                               | 0                   | 0               | 0              | 0                             | 0                               | -168                      | -168                |  |
| <b>Subtotal</b>   | <b>5,941</b>   | <b>253,260</b>  | <b>61</b>     | <b>-478</b>                     | <b>12,543</b>       | <b>-3,112</b>   | <b>-2,741</b>  | <b>76,074</b>                 | <b>341,548</b>                  | <b>132,836</b>            | <b>474,384</b>      |  |
| Amounts recognised in other comprehensive income        | 0              | 0               | 0             | 0                               | -1,219              | 17              | 0              | 0                             | -1,202                          | -152                      | -1,354              |  |
| Currency translation difference                         | 0              | 0               | 0             | -1,003                          | 0                   | 0               | 0              | 0                             | -1,003                          | -76                       | -1,079              |  |
| Consolidated net profit                                 | 0              | 0               | 0             | 0                               | 0                   | 0               | 0              | 3,520                         | 3,520                           | -2,921                    | 599                 |  |
| <b>Total comprehensive income</b>                       | <b>0</b>       | <b>0</b>        | <b>0</b>      | <b>-1,003</b>                   | <b>-1,219</b>       | <b>17</b>       | <b>0</b>       | <b>3,520</b>                  | <b>1,315</b>                    | <b>-3,149</b>             | <b>-1,834</b>       |  |
| Share buy back programme                                | -9             | -416            | 0             | 0                               | 0                   | 0               | 0              | 0                             | -425                            | 0                         | -425                |  |
| Acquisition of non-controlling interests                | 0              | 1,522           | 0             | 0                               | 0                   | 0               | 0              | 0                             | 1,522                           | -4,009                    | -2,487              |  |
| <b>30 Jun 2020</b>                                      | <b>5,932</b>   | <b>254,366</b>  | <b>61</b>     | <b>-1,481</b>                   | <b>11,324</b>       | <b>-3,095</b>   | <b>-2,741</b>  | <b>79,594</b>                 | <b>343,960</b>                  | <b>125,678</b>            | <b>469,638</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 2020 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 2019. 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..

### Goodwill

The carrying amount of goodwill is unchanged at €44,449 thousand (31 December 2019: €44,449 thousand). Owing to the effects of the COVID-19 pandemic, goodwill was tested for impairment as at the end of the reporting period. The impairment test as at 30 June 2020 confirmed the recoverability of all capitalised goodwill.

### Segment reporting

The management of the MBB Group defines the segments as reported in the interim Group management report. Segment liabilities do not include any liabilities for taxes, finance lease liabilities or liabilities to banks.

| 1 Jan - 30 Jun 2020<br>(unaudited) | Technological<br>Applications<br>€k | Consumer<br>Goods<br>€k | Service &<br>Infrastructure<br>€k | Recon-<br>ciliation<br>€k | Group<br>€k    |
|------------------------------------|-------------------------------------|-------------------------|-----------------------------------|---------------------------|----------------|
| Revenue from third parties         | 118,453                             | 38,538                  | 171,863                           | 0                         | 328,854        |
| Other segments                     | 0                                   | 30                      | 218                               | -248                      | 0              |
| <b>Total revenue</b>               | <b>118,453</b>                      | <b>38,568</b>           | <b>172,081</b>                    | <b>-248</b>               | <b>328,854</b> |
| <b>EBITDA</b>                      | <b>-2,475</b>                       | <b>3,562</b>            | <b>24,932</b>                     | <b>-603</b>               | <b>25,416</b>  |
| Amortisation and depreciation      | 4,546                               | 1,710                   | 12,825                            | 132                       | 19,213         |
| Investments                        | 1,924                               | 1,127                   | 8,507                             |                           |                |
| <b>Segment assets</b>              | <b>252,868</b>                      | <b>52,440</b>           | <b>160,768</b>                    |                           |                |
| <b>Segment liabilities</b>         | <b>77,527</b>                       | <b>15,313</b>           | <b>102,104</b>                    |                           |                |

| 1 Jan - 30 Jun 2019<br>(unaudited) | Technological<br>Applications<br>€k | Consumer<br>Goods<br>€k | Service &<br>Infrastructure<br>€k | Recon-<br>ciliation<br>€k | Group<br>€k    |
|------------------------------------|-------------------------------------|-------------------------|-----------------------------------|---------------------------|----------------|
| Revenue from third parties         | 176,516                             | 44,498                  | 30,381                            | 0                         | 251,395        |
| Other segments                     | 0                                   | 45                      | 184                               | -229                      | 0              |
| <b>Total revenue</b>               | <b>176,516</b>                      | <b>44,543</b>           | <b>30,565</b>                     | <b>-229</b>               | <b>251,395</b> |
| <b>EBITDA</b>                      | <b>16,713</b>                       | <b>3,694</b>            | <b>4,478</b>                      | <b>-678</b>               | <b>24,207</b>  |
| Amortisation and depreciation      | 3,863                               | 1,708                   | 2,932                             | 111                       | 8,614          |
| Investments                        | 6,422                               | 547                     | 1,961                             |                           |                |
| <b>Segment assets</b>              | <b>282,058</b>                      | <b>52,681</b>           | <b>33,238</b>                     |                           |                |
| <b>Segment liabilities</b>         | <b>98,148</b>                       | <b>15,777</b>           | <b>14,877</b>                     |                           |                |



### **Dividend**

The Board intends to propose an increase in the dividend for the 2019 financial year to €0.70 per entitled share at the Annual General Meeting on 24 August 2020.

### **Changes in contingent liabilities**

There were no changes in contingent liabilities as against 31 December 2019.

### **Related party transactions**

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

### **Events after the end of the reporting period**

There were no significant events after the end of the reporting period.

### **Review**

The condensed interim consolidated financial statements as at 30 June 2020 and the interim Group management report were neither audited in accordance with section 317 of the *Handelsgesetzbuch* (HGB – German Commercial Code) 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, 18 August 2020

The Executive Management of MBB SE

## Financial calendar

### Montega Hamburger Investorentag Conference

Hamburg

20 August 2020

### Annual General Meeting of MBB SE

Berlin

24 August 2020

### Commerzbank Corporate Conference

Hamburg

2 September 2020

### HAIB Stockpicker Summit

Stockholm

3 September 2020

### Berenberg & GS German Corporate Conference

Munich

22 September 2020

### CIC Market Solutions Forum

Paris

9 - 10 November 2020

### Q3 Quarterly Report

13 November 2020

### German Equity Forum

Frankfurt

16 - 18 November

### End of 2020 financial year

31 December 2020

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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## Legal notice

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