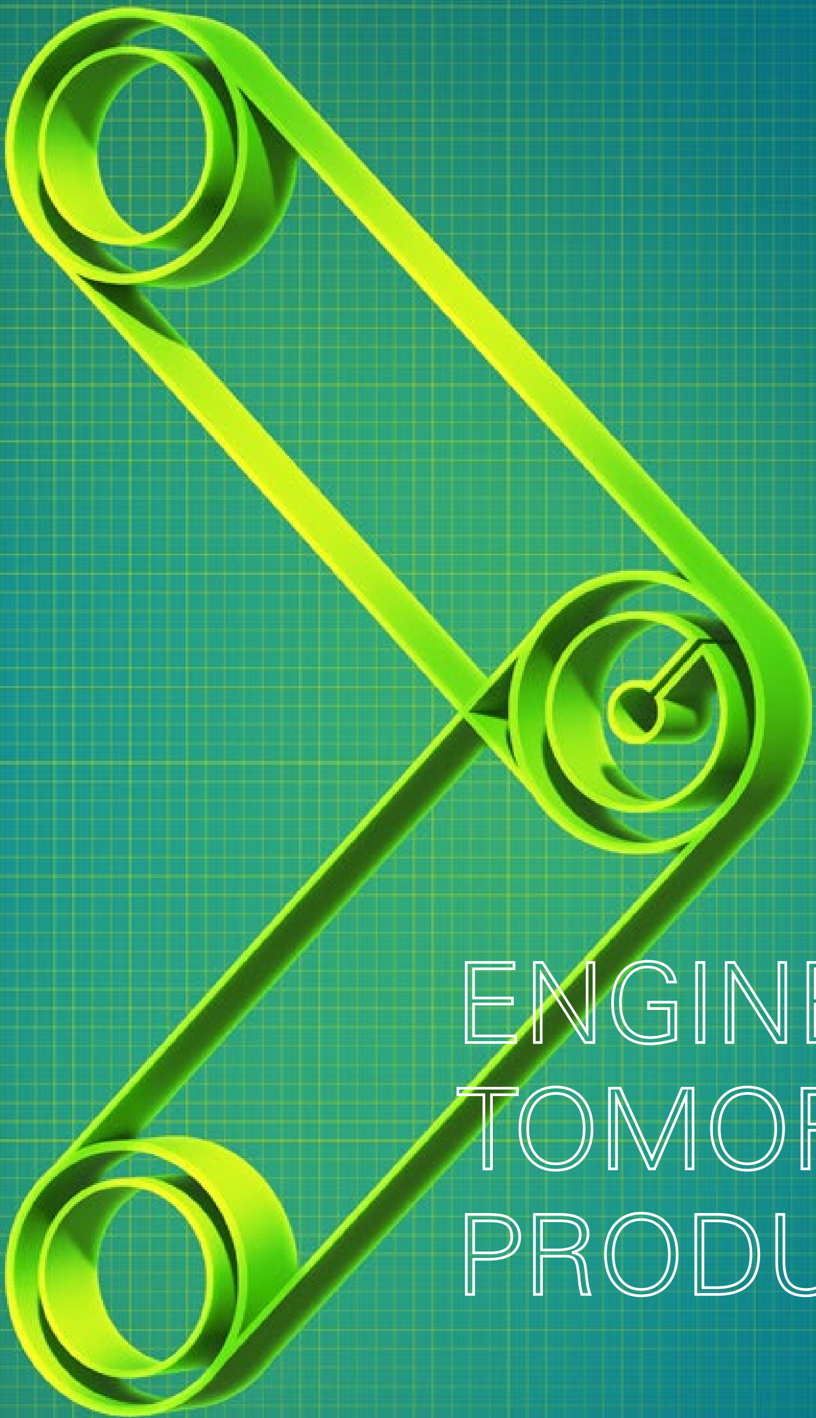
6-Month Report 2024



ENGINEERING TOMORROW'S PRODUCTION

manz

Manz Group
at a glance

2024 Financial Calendar

November 07, 2024	9-Month Report 2024
November 18 - 19, 2024	Winter 1on1-Summit, virtuell
November 25 - 27, 2024	German Equity Forum, Frankfurt

Overview of Consolidated Net Profits

(in EUR million)	01/01/– 06/30/2024	01/01/– 06/30/2023	Change in %
Revenues	**98.6**	142.1	–30.6 %
Total operating revenues	**105.7**	151.2	–30.1 %
EBITDA	**–1.3**	17.2*	n.a.
EBITDA margin (in %)	**–1.2 %**	11.3 %*	–12.5pp
EBIT	**–6.5**	11.3*	n.a.
EBIT margin (in %)	**–6.2 %**	7.5 %*	–13.7pp
EBT	**–9.3**	9.2	n.a.
Consolidated net profit	**–10.1**	7.6	n.a.
Earnings per share, undiluted (in EUR)	**–1.19**	0.89	n.a.
Cash flow from operating activities	**–6.0**	–28.3	78.8 %
Cash flow from investing activities	**–9.3**	–7.3	–28.3 %
Cash flow from financing activities	**–6.7**	10.0	n.a.

	06/30/2024	06/30/2023	Change in %
Total assets	**263.8**	278.6	–5.3 %
Shareholder's equity	**85.3**	99.7	–14.4 %
Equity ratio (in %)	**32.3**	35.8	–9.8 %
Financial liabilities	**61.5**	66.1	–7.0 %
Liquid funds	**8.0**	30.2	–73.5 %
Net debt	**53.4**	35.8	49.2 %

*Manz AG has changed the disclosures of bank commissions. Bank commissions are now reported under finance costs instead of other operating expenses. The Management is of the opinion that the recognition of bank commissions in finance costs provides more reliable and relevant information. In this context, the previous year's figure was also adjusted for better comparability.

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Letter from the Management Board

Dear Shareholders,

Since our entry into the battery market, we have developed innovative systems for battery cell production, which are used in particular in new cell and module factories of European and North American car manufacturers and suppliers. Unfortunately, this market has not developed as quickly and reliably for us as we – and many experts – had expected. In recent months, negative news and uncertainty about the development of the battery market for electromobility in Europe and the lack of willingness to invest on the part of leading players in this market have accumulated. We have had many discussions in the industry and the result is clear. The current "dip in growth" will not disappear overnight, it will last longer.

Sales revenue in the first six months of 2024 amounted to EUR 98.6 million. This corresponds to a decline of 30.6 % compared to the same period of the previous year. Sales in the Mobility & Battery Solutions segment fell by 51.4 %, while sales in the much larger Industry Solutions segment fell less sharply by 16.0 %. Industry Solutions also made a positive contribution to earnings despite the lower level of sales. The reluctance to invest is also reflected in orders. In the first six months of 2024, incoming orders were 6.5 % below the previous year's level overall. The order backlog decreased by 29.0 % as of June 30, 2024 compared to the previous year.

We currently see no signs that the reluctance to invest in the electromobility sector will disappear in the second half of the year and that order placement will gain significant momentum – even if we are seeing a slight upward trend in our sales pipeline compared to the beginning of the year. In Asia, we see interesting prospects for Manz in the market for packaging technology for chips, which is increasingly materializing in the form of a growing number of inquiries. Nevertheless, due to the global market weaknesses and as a result of the developments described above, we have announced that we will not achieve our original annual forecast for 2024 under the circumstances mentioned, but will fall significantly short of it. In addition, our operating cash flow will remain negative due to lower project volumes.

Against this backdrop, we decided together with the Supervisory Board to take consistent action and make our company fit for the future and for the changed market prospects. In July, we launched a comprehensive efficiency programme with which we will streamline our organization and optimize our processes. In the first stage, we will merge the two existing divisions at the Reutlingen site and simplify the organization in order to operate more effectively. The aim is to improve the performance, effectiveness and speed of implementation of customer projects. In a second step, capacities will be adjusted to the expected order intake and market developments by introducing short-time working from August.

At the same time, we completed the sale of our Hungarian subsidiary as planned, increasing our liquidity by EUR 8 million at the end of July 2024. In addition, EUR 4.1 million in previously blocked funds are available again as a result of the arbitration proceedings won.

We are also reorganizing our Managing Board. The Supervisory Board has appointed Dr. Ulrich Brahms as a new member of the Managing Board with effect from 15 July 2024 and as the new Chief Executive Officer (CEO) from 1 September 2024 with a term of office of three years. At the same time, Martin Drasch is leaving the company on the best of terms. The Supervisory Board has also decided to expand the Managing Board to three members. Stefan Lutter will take on the new role of Chief Technology Officer (CTO) from September 1, 2024.

As an established high-tech machine manufacturer and recognized driver of innovation, we are working hard to improve the current situation. We would like to continue to thank you for your trust and would be delighted if you would accompany us on our further journey.

The Managing Board of Manz AG

Interim Group Management Report

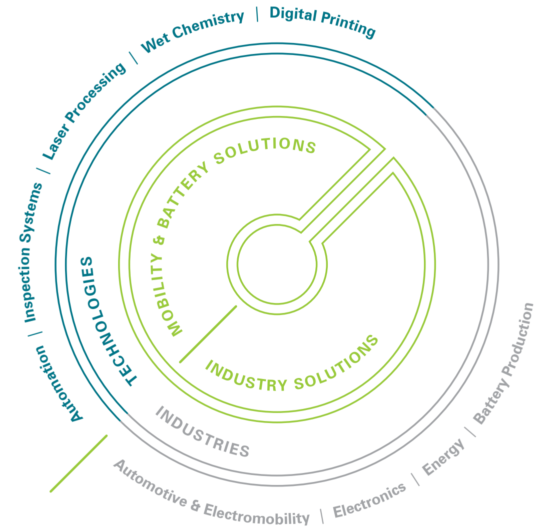
Basic Group Information

Business Model

Founded in 1987, Manz AG, the parent company of the Manz Group, is a listed German corporation headquartered in Reutlingen. As a globally active high-tech engineering company, we develop innovative production solutions for lithium-ion batteries as well as electronic components and devices for our customers. Our product portfolio covers the entire range of modern production systems: from customized individual machines for laboratory production or pilot and small series production to standardized modules and systems and turnkey lines for efficient mass production. We focus on national and international customers from the automotive & electromobility, battery manufacturing, electronics and energy sectors.

Our many years of expertise and know-how in automation, laser processing, digital printing, inspection systems and wet chemistry form the basis of our product development. In addition to our production solutions, we offer our customers a comprehensive range of services related to these core technological competencies: From simulation and factory planning through process and prototype development to customer training and after-sales service. In addition, we are a development partner for industrial companies and as such support the process until new technologies are ready for the market.

Manz AG has development and production sites in Germany, Slovakia, Italy, China and Taiwan as well as additional sales and service branches in India and the USA.



Strategy

By using cutting-edge technologies, partnering with industry leaders and realizing economies of scale, Manz aims to grow profitably with modular production equipment and make a sustainable contribution to the technological world of tomorrow.

Manz AG's corporate strategy is described in detail in the 2023 Annual Report (p. 39 and 40). Since entering the battery market, the company has been developing innovative equipment for battery cell production, which is used in particular in new cell and module factories of European and North American automobile manufacturers and suppliers. This market has not yet developed at the pace and with the reliability predicted. Nevertheless, the markets for electromobility remain an interesting sales market for Manz, in whose development and expansion investments were made early on and in which Manz's customers can count on innovative production equipment.

As part of the efficiency program launched in July 2024, Manz AG will also expand its strategic focus. The plan is to further and accelerate the expansion of business activities in the high-tech chip industry. Based on its successful positioning in Asia, Manz already supplies its customers with wet-chemical processing equipment for the semiconductor industry. In future, a particular focus will be on intensifying entry into the semiconductor market, among other things based on in-house developments in advanced packaging technology for the production of redistribution layers (RDL) using Manz equipment. The direction of development activities is clearly defined: Providing customers with end-to-end solutions with integrated production processes, from the rapid introduction of prototype machines to complete lines for mass production. Due to the ever-increasing chip sizes of manufacturers (e.g. NVIDA AI Chip 70x70mm), panel solutions are groundbreaking for reducing costs and scaling throughput in production.

In addition, new business fields are to be increasingly developed using the core competencies of robotics, automation, laser processing and industrial image processing in order to reach additional customer groups for Manz production solutions that have not yet been the focus of sales activities, in addition to automotive customers – for example with inverters (inverters) or drive trains for electric cars.

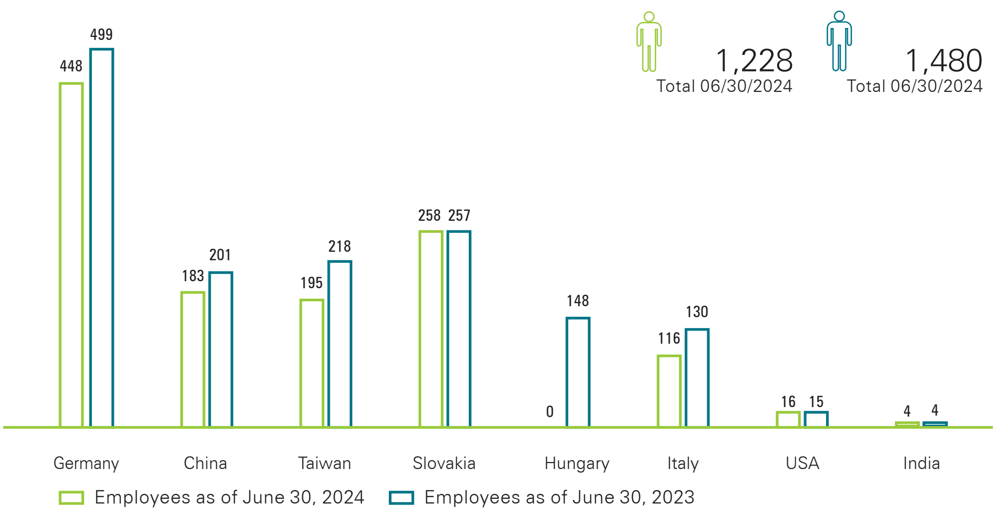
Group Structure and Shareholdings

On May 8, 2024, Manz AG signed an agreement to sell its subsidiary Manz Hungary Kft, Debrecen/Hungary, to Harro Höfliger Verpackungsmaschinen GmbH, Allmersbach, as part of a share deal. The closing of the transaction took place on July 24. Manz Hungary Kft. specializes in the machining and welding of large-format objects, CNC milling and turning as well as the assembly of components and machines. With the sale of the Hungarian subsidiary, Manz AG optimizes its production structure and gains greater flexibility in the manufacturing process through the planned close cooperation with Harro Höfliger Verpackungsmaschinen GmbH. Manz Hungary Kft has no longer been part of the scope of consolidation since May 9, 2024.

Locations and Employees

As of June 30, 2024, the Manz Group had five production and development locations in Germany, Slovakia, Italy, mainland China and Taiwan. In addition, there are two further sales and service locations in India and the USA. Sales are handled by a centrally organized team of international sales and service employees, some of whom work directly from the sales, production and development locations. As of June 30, 2024, we employed 1,228 people, a decrease of 17 % compared to the previous year. The decline is due in particular to the adjustment of our capacities to the declining market trend and the sale of Manz Hungary Kft.

Employee Structure



Management System and Performance Indicators

The Manz Group uses selected performance indicators to manage the company, which cover the key aspects of our corporate strategy. We compare the monthly, quarterly and annual changes in the key performance indicators with the previous year's and target figures as part of our reporting.

The most important financial performance indicators, both at Group and segment level and at Manz AG, include revenue, incoming orders, the EBITDA margin (defined as the ratio of earnings before interest, taxes, depreciation and amortization to total operating performance) and the EBIT margin (defined as the ratio of earnings before interest and taxes (EBIT) to total operating performance). The equity ratio (defined as the ratio of equity to total assets) is also included at Group and Manz AG level. The rolling strategic targets (5-year plan) from the perspective of corporate management are described in more detail on pages 41 and 42 of the 2023 Annual Report.

At Group level, Manz AG manages and reports on the performance indicators revenue, incoming orders, EBITDA margin and EBIT margin in the Mobility & Battery Solutions and Industry Solutions reporting segments.

The focus is increasingly on cash and cash equivalents. Manz AG and its subsidiaries work with extended rolling liquidity planning in order to promptly recognize the risks from delayed or non-payments and other significant issues affecting liquidity. With regard to liquidity, please refer to the section "Risk report" subsection "Liquidity and financing risks including risks to liquidity" in the 2023 Annual Report, p. 86 et seq.

Further information on individual financial risks can be found in the notes to the consolidated financial statements in this half-year report under "Reporting on financial instruments".

Research and Development

As a high-tech engineering company, research and development (R&D) plays a central role for Manz. With over 600 engineers, technicians and scientists at its various development locations, Manz AG concentrates on the development of manufacturing, assembly and handling technologies, integrated into modularized individual machines, systems and interlinked system solutions. The regularly held "R&D Council" ensures that development activities are coordinated and that their results can be used throughout the company.

Overall, Manz AG reported a ratio of research and capitalized development costs to total operating performance of 10.2 % for the reporting period (previous year: 8.8 %). The increase is due to the lower total operating performance in the first six months of 2024 compared to the previous year. The capitalization ratio, i.e. the share of capitalized development costs in total R&D expenses, was 74.4 % (previous year: 79.8 %) and was lower than in the previous year due to lower development costs in the EUBATIN funding project. Investments in R&D amounted to EUR 10.8 million and were below the previous year's level of EUR 13.3 million for the reasons described above. Subsidies received have already been taken into account here.

In the first half of 2024, R&D costs charged to the income statement amounted to EUR 4.2 million and thus remained below the previous year's level of EUR 4.8 million.

The company will also focus significantly on R&D in the future. In order to consolidate its technological positioning in the relevant target markets and its innovative strength on a sustainable and long-term basis, Manz AG is aiming for an average annual R&D ratio of 6 % in its two segments. Including Manz AG's own share of development costs as part of the IPCEI project, this figure should average around 10 % over the next few years.

Economic Report

Macroeconomic Environment and Sector Specific Framework Condotions

Economic market environment

The Kiel Institute for the World Economy (IfW) is forecasting an increase in global gross domestic product (GDP) of 3.2 % for 2024 as a whole (previous year: 3.2 %). In March, the IfW was still forecasting growth of 2.8 %. GDP growth of 2.2 % is expected for the United States in 2024 (previous year: 2.5 %) and 5.2 % for China (previous year: 5.4 %).

There were no signs of an economic upturn in the eurozone, especially in Germany, in the first half of 2024; on the contrary, there was uncertainty about the economic environment. The IfW forecasts economic growth of 0.9 % for the eurozone (previous year: 0.6 %). According to the IfW experts, GDP in Germany is likely to grow only slightly by 0.2 % in 2023 (previous year: 0.0 %).

Mechanical engineering sector

The mood in the German mechanical engineering sector has deteriorated, also with a view to the year as a whole. The ongoing phase of economic weakness is having an impact on both incoming orders and capacity utilization at mechanical engineering companies. In the coming months, the number of short-time workers and job cuts in mechanical and plant engineering are likely to increase further. For 2024 as a whole, the VDMA expects real production to fall by 4 % (previous year: –0.6 %). According to the VDMA economic survey, investments will not increase again until 2025.

China's mechanical engineering industry continues to catch up, products from the Far East are improving and are almost always cheaper. China's industry is also benefiting from subsidies across the board.

Industries in the core segments

Mobility & Battery Solutions

Battery cells are at the heart of electric cars, accounting for up to 40 % of value creation. So far, they have mainly come from China and other parts of Asia. In order to become independent and build up regional supply chains, European automotive groups want to increase their involvement in production over the next few years. At the same time, Chinese manufacturers are building plants in Europe, with process machines that come from China, as well as many raw materials. In recent months, there have been increasing reports that planned locations for battery factories in Europe have been put to the test, in some cases relocated to the USA or stopped altogether. The fact that many companies are now becoming more cautious is due to the demand for e-cars in key European markets and buyers' concerns about price, range and charging network infrastructure.

The projects that have been launched show that cell chemistry and machinery consisting of individual, integrated production systems are very complex. The reject rates in the plants are high and the learning curves are less steep than expected. It is expected that the EU will soften the "combustion engine ban" in 2035 and give the industry more time for the transition to electric cars, so that more work can flow into basic research, particularly for lithium iron phosphate battery and solid-state cell technologies. Manz serves this market with its intelligent and integrated production solutions for various components in the fields of automotive electronics and the classic and electric powertrain and will benefit from this development in the medium and long term. According to the Fraunhofer Institute, production output in Europe, where 13 companies already operate battery production facilities, is expected to amount to around 900 to 1,300 GWh in 2030 (production capacity in Europe today is around 300 GWh). In addition, demand for stationary energy storage systems will continue to increase as part of the energy transition.

Industry Solutions

With industrial assembly solutions, Manz addresses manufacturers of consumer electronics, power electronics and other components of the electric drive train. Inverters are a central component of the electric powertrain, converting the battery's direct current into alternating current to efficiently drive the electric motor. The more effectively the conversion works, the greater the range that electric cars can drive on a single battery charge. Manz has already developed efficient production solutions for manufacturing inverters for well-known customers in the automotive industry in several projects. According to IHS Markit, around 23 million (previous year: 17 million) inverters will be produced in Europe and North America in 2024.

In the field of display production, Manz offers highly efficient production processes in the areas of wet chemistry, automation and laser process technology, which are used in the production of TFT-LCDs and OLEDs. In the current year, DSCC expects production capacity for LCD and OLED displays to grow slightly by around 2 % compared to the previous year.

Manz offers wet-chemical process technology for the production of printed circuit boards and chip carriers, for example for coating or surface treatment. The focus is on so-called IC substrates, which enable the packaging of microprocessors in the smallest of spaces and are used, for example, in high-performance computers, smartphones or cars. According to Prismark, the market for these substrates will recover this year and grow by 8.6 % to around USD 13.6 billion (previous year: USD 12.5 billion).

In the field of semiconductor production, the chip packaging process Fan-Out Panel Level Packaging (FOPLP) plays an important role due to miniaturization in the electronics industry. Manz is a provider of turnkey production lines for the realization of FOPLP with simultaneous coating of the microchips with an additional metal layer (redistribution layer) to optimize the performance parameters. According to the Industrial Technology Research Institute (ITRI), the market for FOPLP will grow by 22.4 % in 2024 (previous year: +21.2 %).

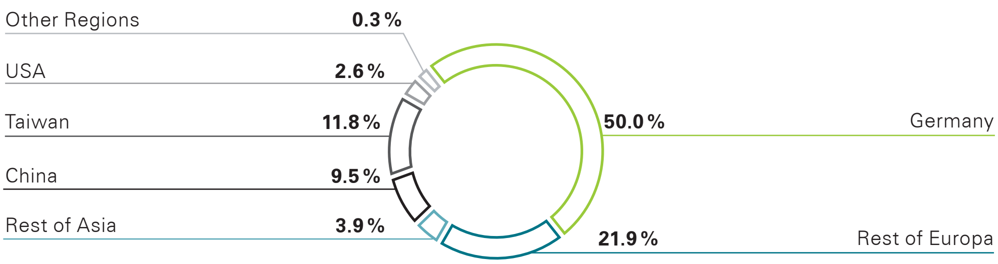
Analysis of the Group’s net Assets, Financial Position and Results of Operations

Earnings position of the Group

The delays in customers’ investment decisions since the fall of last year were also reflected in Manz AG’s operating business in the first half of 2024. Revenues fell to EUR 98.6 million in this period compared to EUR 142.1 million in the same period of previous year. The year-on-year decline of 30.6 % is primarily attributable to the decline in the Mobility & Battery Solutions segment. Here, revenues fell by 51.4 %, while sales in the Industry Solutions segment declined by 16.0 %.

In the first quarter of 2024, revenues fell by 33.0 % from EUR 76.4 million to EUR 51.2 million, and in the second quarter by 27.8 % from EUR 65.7 million to EUR 47.4 million.

Revenue Distribution by Region January 1 to June 30, 2024



With changes in inventories of finished goods and work in progress amounting to EUR –0.9 million (previous year: EUR –1.5 million) and own work capitalized amounting to EUR 8.0 million (previous year: EUR 10.6 million), total operating performance for the first half of 2024 amounted to EUR 105.7 million (previous year: EUR 151.2 million).

At EUR 16.1 million, other operating income was up on the previous year’s level of EUR 9.3 million: The company received grants of EUR 5.9 million via the funding project (including EUBATIN) and also realized positive exchange rate effects of EUR 4.2 million. In the second quarter of 2024, the sale of Manz Hungary Kft. had a positive effect of EUR 4.3 million.

The cost of materials in the first six months of 2024 amounted to EUR 62.4 million (previous year: EUR 79.6 million), while the cost of materials ratio of 59.1 % was above the previous year’s level (previous year: 52.6 %). The reasons for the increase in the ratio were a change in the product mix and lower revenues generated from service activities compared to the previous year. Personnel expenses fell to EUR 41.8 million (previous year: EUR 43.0 million). This was due to natural fluctuation and the deconsolidation of the Hungarian subsidiary in May 2024. Due to the lower total operating performance, the personnel expenses ratio rose from 28.4 % in the previous year to 39.5 %.

At EUR 17.1 million, other operating expenses were below the previous year's level of EUR 19.9 million.

The share of the result of investments using the equity method fell to EUR –1.7 million (previous year: EUR –0.9 million) due to negative earnings contributions from investments (Cadis Engineering GmbH and Q.big 3D GmbH) and full impairment on Cadis due to insolvency in 2024.

Manz AG has changed the disclosures of bank commissions. Bank commissions are now reported under finance costs instead of other operating expenses. The Management is of the opinion that the recognition of bank commissions in finance costs provides more reliable and relevant information. In this context, the previous year's figure was also adjusted for better comparability.

Earnings before interest, taxes, depreciation and amortization (EBITDA) for the first half of 2024 amounted to EUR –1.3 million and were therefore significantly below the previous year's figure (previous year: EUR 17.2 million). In the previous year, extraordinary income of EUR 5.7 million from the exchange of shares in Customcells Tübingen GmbH for shares in Customcells Holding GmbH had a positive impact. The EBITDA margin fell to –1.2 % after 11.3 % in the previous year. At EUR 5.2 million, depreciation and amortization was below the previous year's level of EUR 5.8 million. As a result, earnings before interest and taxes (EBIT) amounted to EUR –6.5 million compared to the previous year's figure of EUR 11.3 million. The EBIT margin fell to –6.2 % (previous year: 7.5 %).

At EUR 0.2 million, financial income was at the previous year's level (previous year: EUR 0.2 million), while financial expenses rose to EUR –2.9 million (previous year: EUR –2.3 million). Earnings before taxes (EBT) therefore amounted to EUR –9.3 million (previous year: EUR 9.2 million). After deducting income taxes of EUR 0.9 million (previous year: EUR 1.6 million), Manz AG's consolidated net loss amounted to EUR –10.1 million in the first half of 2024 (previous year: EUR 7.6 million). Based on a weighted average of 8,542,574 shares, this resulted in undiluted earnings per share of EUR –1.19 (previous year: EUR 0.89 for 8,540,667 shares). It should be noted that the total number of shares increased by 2,288 shares compared to the previous year due to the issue of subscription shares.

Net assets of the Group

Total assets as of June 30, 2024 decreased from EUR 278.6 million as at December 31, 2023 to EUR 263.8 million.

On the assets side, non-current assets of EUR 94.8 million as of June 30, 2024 were below the level as of the 2023 balance sheet date (December 31, 2023: EUR 99.9 million), primarily due to the deconsolidation of Manz Hungary. By contrast, capitalized development costs increased as part of the IPCEI project.

At EUR 168.9 million as of June 30, 2024, current assets were below the figure at the end of 2023 (December 31, 2023: EUR 178.7 million).

Inventories decreased to EUR 29.1 million (December 31, 2023: EUR 33.8 million). Trade receivables decreased to EUR 40.1 million as at the reporting date (December 31, 2023: EUR 42.0 million). Contract assets increased to EUR 55.0 million (December 31, 2023: EUR 52.9 million). Cash and cash equivalents amounted to EUR 8.0 million as at June 30, 2024 (December 31, 2023: EUR 30.2 million), which was due to lower advance payments from customers in connection with the lower order intake. As of June 30, 2024, EUR 36.2 million was reported under other current assets, significantly more than in the previous year (December 31, 2023: EUR 19.1 million). This was due to receivables from IPCEI projects in the amount of EUR 15.2 million and receivables from the sale of Manz Hungary in the amount of EUR 8.0 million.

On the equity and liabilities side, equity was down on the previous year at EUR 85.3 million (December 31, 2023: EUR 99.7 million). The reason for the decline was the negative consolidated result in the first half of 2024. The equity ratio as of June 30, 2024 was 32.3 % (December 31, 2023: 35.8 %) as a result of lower equity.

At EUR 34.0 million, non-current liabilities were at the previous year's level of EUR 34.1 million. Current liabilities remained almost constant at EUR 144.4 million as of June 30, 2024 (December 31, 2023: EUR 144.9 million). Current financial liabilities fell to EUR 43.8 million as of June 30, 2024 (December 31, 2023: EUR 50.5 million) due to lower drawdowns on working capital lines. Trade payables amounted to EUR 47.1 million as of June 30, 2024 and were slightly higher than the 2023 balance sheet date (December 31, 2023: EUR 44.0 million). The company reported contract liabilities of EUR 27.3 million as of June 30, 2024 (December 31, 2023: EUR 22.6 million).

Financial position of the Group

The starting point for the cash flow from operating activities is the consolidated result of EUR –10.1 million (previous year: EUR 7.6 million). The sale of the Hungarian subsidiary resulted in a gain on disposal of assets amounting to EUR 4.3 million. Due to the change in inventories, trade receivables and other assets, Manz recorded a cash outflow of EUR 2.5 million, compared to EUR 7.2 million cash inflow in the same period of the previous year. Due to the increase in trade payables, contract liabilities and other liabilities, there was a cash inflow of EUR 4.2 million in the reporting period (previous year: EUR –43.2 million). Cash flow from operating activities therefore amounted to EUR –6.0 million in the first half of 2024 (previous year: EUR –28.3 million).

Cash flow from investing activities amounted to EUR –9.3 million in the 2024 reporting period (previous year: EUR –7.3 million). The cash outflow was mainly due to capitalized development costs and investments in property, plant and equipment as part of the IPCEI project.

Cash flow from financing activities amounted to EUR –6.8 million in the first half of 2024 (previous year: EUR 10.0 million).

Unused credit lines with banks amounted to EUR 21.6 million as of June 30, 2024 (December 31, 2023: EUR 16.4 million). With bank balances of EUR 8.0 million (December 31, 2023: EUR 30.2 million), net debt increased significantly to EUR 53.5 million compared to the end of 2023 (December 31, 2023: EUR 35.8 million).

Segment Reporting

The following charts show revenues, incoming orders, and the order backlog by segment.

Revenues by Business Segment January 1 to June 30, 2024

Order Intake

(in EUR million)	01/01–06/30/2024	01/01–06/30/2023	Change in %
Mobility & Battery Solutions	34.0	42.3	–19.5
Industry Solutions	44.7	42.0	6.5
Group total	**78.7**	**84.2**	**–6.5**

Order Backlog

(in EUR million)	01/01–06/30/2024	01/01–06/30/2023	Change in %
Mobility & Battery Solutions	74.0	118.6	–37.6
Industry Solutions	83.2	102.7	–19.0
Group total	**157.2**	**221.3**	**–29.0**

Mobility & Battery Solutions

In the Mobility & Battery Solutions segment, Manz AG, with its technology portfolio for the production of all common cell formats and geometries, plays an important role in the further development of lithium-ion battery technology, currently also for electromobility in particular. Manz AG offers individual machines, for example for laboratory production, systems for pilot and small series production as well as complete assembly lines and turnkey solutions for the production of lithium-ion battery cells and modules.

Image At the Battery Show Europe, which took place in Stuttgart in mid-June 2024, the cooperation partners Dürr, Grob and Manz presented a joint concept for lithium-ion battery production for the first time. Dürr, Grob and Manz have most of the necessary machinery and plant technology to supply the entire process chain from electrode production, cell assembly and module to pack assembly.

Due to the general conditions described above, the Mobility & Battery Solutions segment recorded a 51.4 % decline in sales to EUR 28.5 million in the first half of 2024 (previous year: EUR 58.6 million). The contribution to group revenues fell to 28.9 % after 41.3 % in the previous year. EBITDA decreased to EUR –6.0 million (previous year: EUR 8.8 million). At EUR –8.5 million, segment EBIT was significantly lower than the previous year's figure of EUR 6.3 million. In the previous year, both earnings included positive effects of EUR 5.7 million which arose from the exchange of shares in Customcells Tübingen GmbH to shares in Customcells Holding GmbH.

The segment's order intake reflects customers' reluctance to invest in the battery business and declined by 19.5 % in the first half of the year to EUR 34.0 million (previous year: EUR 42.3 million). Due to the ongoing processing of the order backlog, it was 37.6 % down compared to the previous year and therefore amounted to EUR 74.0 million (previous year: EUR 118.6 million).

Industry Solutions

At EUR 70.1 million, revenue in the Industry Solutions segment in the first half of 2024 was 16.0 % below the previous year's figure of EUR 83.4 million. The share of Group revenues increased to 71.1 % (previous year: 58.7 %) due to the stronger decline in the Mobility & Battery Solutions segment. EBITDA decreased by 43.4 % to EUR 4.7 million (previous year: EUR 8.3 million). Segment EBIT was nevertheless positive at EUR 1.9 million (previous year: EUR 5.0 million), primarily due to the positive earnings contribution from the Electronics segment.

There was also a certain reluctance to buy in the European market for automation lines in the first half of 2024. The segment's order intake nevertheless developed positively in the first half of 2024, increasing by 6.5 % to EUR 44.7 million (previous year: EUR 42.0 million). Here, too, the order backlog was 19.0 % lower compared to the previous year due to the ongoing processing of projects and amounted to EUR 83.2 million (previous year: EUR 102.7 million).

Further Important Information

Efficiency program

Manz is responding to the current challenges in the direct market environment as a result of the continuing reluctance of European customers to make new investments, particularly in the area of battery production.

On July 11, 2024, the company announced its intention to merge the two divisions at the Reutlingen site and to further optimize the organization. The aim is to improve the performance, effectiveness and speed of implementation of customer projects. This will increase efficiency in the handling of customer projects. The aim is to bundle and manage all projects in the overarching and closely interlinked areas of technological development, sales, project management and project controlling according to uniform standards in future.

From August 2024, capacities at the German sites will be adjusted to the expected order intake and market developments by introducing short-time working.

Reorganization of the Managing Board

The Supervisory Board of Manz AG announced the reorganization of the Management Board on July 11. The previous CEO Martin Drasch is leaving the company at his own request and by mutual agreement on August 31, 2024. With effect from July 15, 2024, the Supervisory Board has appointed Dr. Ulrich Brahms as a new member of the Management Board and, from September 1, 2024, as the new Chairman of the Management Board (CEO) with a term of office of three years. The Supervisory Board also decided to expand the Management Board to three members. Stefan Lutter will take on the new role of Chief Technology Officer (CTO) from September 1, 2024. In his new role, he will be responsible for the Electronics division at Manz with a focus on Asia. Manfred Hochleitner will remain CFO of the company.

Liquidity inflows

Manz has described contingent liabilities and other financial obligations on page 187 of the annual report. The arbitration proceedings with the customer Chongqing Shenhua Thin Film Solar Technology Co., Ltd. described there, which were conducted by Manz, have now been settled. The background: Despite services already rendered by Manz AG and a down payment made by the customer, the project was terminated prematurely by the customer. The arbitration court in China has now ruled in Manz’s favor, so that in July 2024, EUR 4.1 million were released to Manz from a bank guarantee. This was reclassified within the balance sheet from “Other current assets – Restricted cash” to “Cash and cash equivalents”. As a result, the contingent liability in the amount of EUR 21.4 million has also been eliminated

The closing of the sale of the Hungarian subsidiary to Harro Höfliger Verpackungsmaschinen GmbH, Allmersbach, also took place on July 2024. The closing of the transaction resulted in an inflow of EUR 8.0 million to Manz AG in July 2024.

Opportunity and Risk Report

There have been no significant changes to the opportunities and risks presented in the 2023 Annual Report.

Forecast Report

European customers' reluctance to make new investments, particularly in the area of battery production, increased significantly in the second quarter of 2024. This led to incoming orders falling short of expectations. On June 27, 2024, the company announced that it would not be able to achieve the forecast for 2024 as a whole as outlined in the 2023 Annual Report due to the generally weak market environment. The Managing Board does not anticipate any noticeable improvement in the market environment in the coming months and confirms that the weak order intake to date is unlikely to be compensated for in the second half of 2024.

The Managing Board assumes that sales and earnings for 2024 as a whole will be significantly below the previous year's level. The decline will primarily affect the Mobility & Battery Solutions segment. Business development in the Industry Solutions segment should be more solid in 2024. The Managing Board does not expect orders and customer decisions to improve until 2025 at the earliest.

The Managing Board's primary goal for the coming months is to implement the efficiency program, which will increase operating performance, streamline processes and structures and further reduce costs. The clear focus in the financial area remains on strengthening liquidity in the wake of the reduced business volume.

In addition, the technology portfolio will be further developed in a targeted manner in order to focus more strongly on the high-tech chip industry alongside electromobility, battery production, electronics and energy.

Forward Looking Statements

This report contains forward-looking statements based on current assumptions and forecasts made by Manz AG's management. Such statements are subject to risks and uncertainties. These and other factors may cause the actual results, financial situation, developments or performance of the company to differ materially from the estimates given here. The company assumes no obligation whatsoever to update such forward-looking statements or to adapt them to future events or developments.

Reutlingen, August 6, 2024

The Managing Board

ENGINEERING
TOMORROW'S
PRODUCTION

Consolidated Interim Financial Statement 2024

Consolidated Income Statement

(in TEUR)	01/01/–06/30/2024	01/01/–06/30/2023
Revenues	98,622	142,068
Inventory changes, finished and unfinished goods	–939	–1,502
Work performed by the entity and capitalized	8,037	10,638
Total operating performance	**105,720**	**151,204**
Other operating income	16,134	9,285
Material expenses	–62,440	–79,596
Personnel expenses	–41,787	–42,958
Other operating expenses *	–17,149	–19,895
Result from investments using the equity method	–1,753	–879
EBITDA	**–1,275**	**17,161**
Amortization / depreciation	–5,235	–5,826
EBIT	**–6,510**	**11,335**
Finance income	165	214
Finance costs *	–2,911	–2,319
Earnings before taxes (EBT)	**–9,257**	**9,229**
Income taxes	–886	–1,622
Consolidated net profit	**–10,142**	**7,607**
thereof attributable to non-controlling interests	0	10
thereof attributable to shareholders of Manz AG	–10,142	7,597
Weighted average number of shares (undiluted)	8,542,574	8,540,667
Earnings per share		
undiluted in EUR per share	–1.19	0.89
diluted in EUR per share	–1.19	0.85

*Adjustment of prior-year figures. For further information, please refer to section "III. Adjustment of prior-year figures" in the notes of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

(in TEUR)	01/01/– 06/30/2024	01/01/– 06/30/2023
Consolidated profit or loss	**–10,142**	**7,607**
Difference resulting from currency translation	–4,314	–1,898
Cash flow hedges	0	0
Tax effect resulting from components not recognized in profit/loss with possible future reclassification	0	0
Total of expenditures and income recorded directly in equity with possible future reclassification with tax effect	**–4,314**	**–1,898**
Financial assets measured at fair value through other comprehensive income (FVOCI)	0	0
Revaluation of defined benefit pension plans	18	24
Share of other comprehensive income from investments using the equity method	0	0
Tax effect resulting from components recognized directly in equity without future reclassification	–4	–5
Total of expenditures and income recorded directly in equity without future reclassification with tax effect	**14**	**19**
Group comprehensive income	**–14,442**	**5,728**
thereof non-controlling interests	0	–5
thereof shareholders Manz AG	–14,442	5,732

Consolidated Balance Sheet

ASSETS (in TEUR)

		06/30/2024	06/30/2023
A.	**Non-Current Assets**		
I.	Intangible assets	42,170	40,662
II.	Property, plant and equipment	41,402	46,603
III.	Investments accounted for using the equity method	180	1,917
IV.	Financial assets	3,685	3,685
V.	Other non-current assets	3,955	3,517
VI.	Deferred tax assets	3,442	3,515
		94,833	**99,899**
B.	**Current Assets**		
I.	Inventories	29,117	33,837
II.	Trade receivables	40,050	41,961
III.	Contract assets	54,980	52,852
IV.	Current income tax receivables	300	260
V.	Derivative financial instruments	212	466
VI.	Other current assets	36,249	19,109
VII.	Assets held for sale	0	0
VIII.	Cash and cash equivalents	8,026	30,239
		168,933	**178,724**
	Total assets	**263,767**	**278,623**

LIABILITIES (in TEUR)

		06/30/2024	06/30/2023
A.	**Equity**		
I.	Issued capital	8,543	8,543
II.	Capital reserves	21,368	21,061
III.	Retained earnings	60,556	70,698
IV.	Accumulated other comprehensive income	−5,142	−842
	Shareholders of Manz AG	**85,325**	**99,459**
V.	Non-controlling interests	0	208
		85,325	**99,668**
B.	**Non-Current Liabilities**		
I.	Non-current financial liabilities	17,686	15,546
II.	Non-current financial lease liabilities	5,658	7,413
III.	Pension provisions	4,592	4,732
IV.	Other non-current provisions	1,749	2,005
V.	Other non-current liabilities	121	100
VI.	Deferred tax liabilities	4,224	4,253
		34,030	**34,050**
C.	**Current Liabilities**		
I.	Current financial liabilities	43,791	50,538
II.	Current Financial lease liabilities	3,864	4,732
III.	Trade payables	47,139	44,007
IV.	Contract liabilities	27,259	22,567
V.	Current income tax liabilities	2,215	2,325
VI.	Other current provisions	7,885	7,449
VII.	Derivative financial instruments	145	135
VIII.	Other current liabilities	12,112	13,151
		144,411	**144,905**
	Total liabilities	**263,767**	**278,623**

Consolidated Cash Flow Statement

(in TEUR)	01/01–06/30/2024	01/01–06/30/2023*
Net profit / loss after taxes	–10,142	7,607
Amortization/ depreciation	5,235	5,826
Increase (+) / decrease (–) of pension provisions and other non-current provisions	–392	–523
Interest income (–) and expenses (+)*	2,747	2,106
Taxes on income and earnings	886	1,622
Other non-cash income (–) and expenses (+)	308	462
Gains (–) / losses (+) from disposal of assets	–4,258	–5,708
Result from investments using the equity method	1,753	879
Increase (–) / decrease (+) in inventories, trade receivables, contract assets and other assets	–2,542	7,178
Increase (+) / decrease (–) in trade payables, contract liabilities and other liabilities	4,157	–43,159
Received (+) / Paid income taxes (–)	–1,035	–2,463
Interest paid*	–2,911	–2,319
Interest received	165	214
Cash flow from operating activities (1)	**–6,030**	**–28,278**
Cash receipts from the sale of fixed assets	0	1
Cash payments for the investments in intangible assets and property, plant and equipment	–9,282	–12,211
Government grants/subsidies received	0	4,823
Liquid funds withdraw out of sale of subsidaries	–23	0
Cash receipts for the sale of investments using the equity method less liquid funds withdraw	0	0
Cash payments for investments using the equity method less liquid funds received	0	0
Cash receipts from the investments on financial assets	0	1,169
Cash payments for the investments on financial assets	–7	–1,032
Cash flow from investing activities (2)	**–9,312**	**–7,250**
Cash receipts from the assumption of non-current financial liabilities	2,140	209
Cash payments for the repayment of non-current financial liabilities	0	–696
Cash receipts from the assumption of current financial liabilities	0	14,034
Cash payments for the repayment of current financial liabilities	–6,747	–1,598
Purchase of treasury shares	0	0
Cash payment of lease liabilities	–2,179	–1,998
Cash receipts from equity increase	0	2
Cash flow from financing activities (3)	**–6,786**	**9,952**
Cash and cash equivalents at the end of the period		
Net change in cash funds (subtotal 1–3)	–22,128	–25,576
Effect of exchange rate movements on cash and cash equivalents	–96	–438
Credit risk allowance on bank deposit	10	14
Cash and cash equivalents on January 1	30,239	33,604
Cash and cash equivalents on June 30, 2024	**8,026**	**7,604**

*Adjustment of prior-year figures. For further information, please refer to section "III. Adjustment of prior-year figures" in the notes of the consolidated financial statements.

Consolidated Statement of Changes to Equity as of June 2023

					Other comprehensive income								
					Components which are not transferred to profit or loss			Components which may be transferred to profit or loss					
(in TEUR)	**Issued capital**	**Capital reserves**	**Treasury shares**	**Revenue reserves**	Remeasurement of pensions	Financial assets measured at fair value through other comprehensive income (FVOCI)	Investment accounted for using the equity method	Cash flow hedges	Currency translation	**Other comprehensive income**	**Equity to shareholders of Manz AG**	**Non-controlling interest**	**Total equity**
As of January 1, 2023	**8,540**	**20,088**	**0**	**73,087**	**–1,215**	**–24,245**	**0**	**0**	**25,802**	**342**	**102,057**	**215**	**102,272**
Consolidated net profit	0	0	0	7,597	0	0	0	0	0	0	7,597	10	7,607
Other comprehensive income	0	0	0	0	19	0	0	0	–1,884	–1,865	–1,865	–14	–1,879
Consolidated income statement	0	0	0	7,597	19	0	0	0	–1,884	–1,865	5,732	–5	5,728
Issue of shares	2	0	0	0	0	0	0	0	0	0	2	0	2
Withdrawal from capital reserves	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of treasury shares	0	0	0	0	0	0	0	0	0	0	0	0	0
Use of treasury shares	0	0	0	0	0	0	0	0	0	0	0	0	0
Share–based payment	0	462	0	0	0	0	0	0	0	0	462	0	462
Change in scope of consolidation	0	0	0	42	0	0	0	0	0	0	0	0	0
As of June 30, 2023	**8,543**	**20,550**	**0**	**80,685**	**–1,196**	**–24,245**	**0**	**0**	**23,918**	**–1,524**	**108,254**	**210**	**108,464**

Consolidated Statement of Changes to Equity as of June 2024

(in TEUR)	Issued capital	Capital reserves	Treasury shares	Revenue reserves	Other comprehensive income – Components which are not transferred to profit or loss: Remeasurement of pensions	Other comprehensive income – Components which are not transferred to profit or loss: Financial assets measured at fair value through other comprehensive income (FVOCI)	Other comprehensive income – Components which are not transferred to profit or loss: Investment accounted for using the equity method	Other comprehensive income – Components which may be transferred to profit or loss: Cash flow hedges	Other comprehensive income – Components which may be transferred to profit or loss: Currency translation	Other comprehensive income	Equity to shareholders of Manz AG	Non-controlling interest	Total equity
As of January 1, 2024	**8,543**	**21,061**	**0**	**70,698**	**–1,615**	**–23,239**	**0**	**0**	**24,012**	**–842**	**99,459**	**208**	**99,668**
Consolidated net profit	0	0	0	–10,142	0	0	0	0	0	0	–10,142	0	–10,142
Other comprehensive income	0	0	0	0	14	0	0	0	–4,314	–4,300	–4,300	0	–4,300
Consolidated income statement	0	0	0	–10,142	14	0	0	0	–4,314	–4,300	–14,442	0	–14,442
Issue of shares	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from capital reserves	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of treasury shares	0	0	0	0	0	0	0	0	0	0	0	0	0
Use of treasury shares	0	0	0	0	0	0	0	0	0	0	0	0	0
Share–based payment	0	308	0	0	0	0	0	0	0	0	308	0	308
Change in scope of consolidation	0	0	0	0	0	0	0	0	0	0	0	–208	–208
As of June 30, 2024	**8,543**	**21,368**	**0**	**60,556**	**–1,601**	**–23,239**	**0**	**0**	**19,698**	**–5,142**	**85,325**	**0**	**85,325**

Notes to the Consolidated Financial Statement (condensed)

I. General Disclosures

Manz AG (“Manz AG” or “Group”) is a stock corporation (Commercial Registration Stuttgart, Registration number 353 989) incorporated in Germany with its registered office at Steigäckerstrasse 5 in 72768 Reutlingen, Germany. Manz AG and its subsidiaries (“Manz Group” or “Manz”) have many years of expertise in automation, laser processing, image processing and metrology as well as in wet chemistry and roll-to-roll processes. Manz AG’s shares are traded on the regulated market (Prime Standard) of the Frankfurt Stock Exchange.

Pursuant to Section 115 of the Securities Trading Act (WpHG), the interim consolidated financial statements as of June 30, 2024 have been prepared in condensed form in accordance with IAS 34 of the International Financial Reporting Standards (IFRS) – published by 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 reporting date. Standards and interpretations that have not yet taken effect have not been applied. The present interim consolidated financial statements and the interim group management report have not been subject to an audit or an audit review in accordance with Section 317 of the Commercial Code.

The interim consolidated financial statements are prepared in EUR. Unless otherwise stated, the information is given in TEUR. All figures shown are rounded.

II. Accounting and Valuation Principles

The accounting policies applied to the condensed consolidated interim financial statements as of June 30, 2024, as well as the calculation methods and input parameters used to measure fair value are essentially the same as those of the consolidated financial statements as of December 31, 2023. A detailed description of these policies was published in the notes to the consolidated financial statements in the 2023 Annual Report.

Management estimates and judgments

The preparation of consolidated interim financial statements requires assumptions and estimates that have an effect on the recognition, measurement and presentation of assets, liabilities, income, and expenses, as well as contingent assets and contingent liabilities. The main circumstances affected by such discretionary judgments and estimates relate to the viability of receivables, the determination of the stage of completion of long-term manufacturing projects, assumptions about future cash flows from cash-generating units and development projects, as well as the recognition and measurement of provisions. The assumptions and estimates made are based on available information, which is regularly reviewed to ensure that it is up to date and adjusted promptly if necessary.

Management makes assumptions and estimates based on current events and measures. Nevertheless, actual events may deviate from these assumptions and estimates, particularly in light of the current geopolitical situation. Due to the dynamic global uncertainties, it cannot be ruled out that the actual results will deviate from the estimates and assumptions made in the 6-month report 2024 or that the estimates and assumptions made will have to be adjusted in future periods and this will have an impact on the financial position, results of operations and cash flows of Manz AG.

In the following areas, the assumptions were subjected to renewed consideration:

Financial assets and contract assets

In accordance with IFRS 9, an impairment test is performed on financial assets and contract assets regularly. An impairment model is applied that contains current forward-looking information in the macroeconomic environment by region in order to determine potential expected losses. In addition, the default rates are reviewed individually by the responsible management. Factors such as maturity structures of receivables balances, customer credit-worthiness or current macroeconomic data are included in the review.

Impairment test

Intangible assets with indefinite useful lives and goodwill are tested for impairment once a year as of December 31, unless there are specific indications that a cash-generating unit may be impaired. As of June 30, Manz AG also reviews whether there are any concrete indications of impairment. Due to the further decline in the company´s market capitalization below the value of its net assets in the first half of 2024, in conjunction with a short-term deterioration in the market environment in the German mechanical and plant engineering sector, an additional impairment test was carried out as at the reporting date. The carrying amounts of the cash-generating units were compared with the values in use. The values in use are based on current corporate planning. No need for impairment was identified.

III. Adjustment of prior-year figures

Manz AG changes the disclosure of bank commissions. Bank commissions are now reported under finance costs instead of other operating expenses. The management is of the opinion that the recognition of bank commissions in finance costs provides more reliable and relevant information. In this context, the previous year´s figure was also adjusted for better comparability.

IV. Consolidated Group

Manz AG's consolidated interim financial statements include all the companies whose financial and operating policy can be either directly or indirectly determined by Manz AG ("controlling relationship"). In addition to Manz AG, the group of consolidated companies includes 11 fully consolidated subsidiaries.

With effect from March 19, 2024, Suzhou Manz New Energy Equipment Co., Ltd., located in Suzhou, PR China, was liquidated.

On May 8, 2024, Manz AG and Harro Höflinger Verpackungsmaschinen GmbH, Allmersbach im Tal, signed a purchase agreement. This agreement provides for the sale of the shares in Manz Hungary Kft., Debrecen, Hungary, as part of a share deal subject to conditions precedent.

With the signing of the purchase agreement, Manz AG lost control over Manz Hungary Kft. In accordance with IFRS 10.25. As a result, Manz Hungary Kft. was deconsolidated in May 2024. The transaction resulted in a gain on disposal of TEUR 4,274, which is reported under other operating income.

Manz AG holds a 40 % interest in CADIS Engineering GmbH. The shares in CADIS Engineering GmbH are included in the consolidated financial statements using the equity method. As at the balance sheet date, the carrying amount of the shares in the Group amounted to TEUR 1,475. Due to the insolvency application filed by CADIS Engineering GmbH on 3 July 2024, 100 % of the carrying amount of the associate was impaired as at the balance sheet date.

V. Explanations of Individual Items in the Income Statement

Revenues

Revenues are presented by business segment, including the target sales region, as follows:

(in TEUR)	Mobility & Battery Solutions		Industry Solutions		Total	
	01/01–06/30/2024	**01/01–06/30/2023**	**01/01–06/30/2024**	**01/01–06/30/2023**	**01/01–06/30/2024**	**01/01–06/30/2023**
Germany	19,961	28,274	29,385	24,540	**49,346**	52,814
Rest of Europe	7,445	17,228	14,126	15,382	**21,571**	32,610
China	30	78	9,332	3,503	**9,362**	3,581
Taiwan	0	3	11,664	12,163	**11,664**	12,166
Rest of Asia	36	5,285	3,789	9,757	**3,822**	15,042
USA	1,039	6,958	1,494	14,719	**2,533**	21,677
Other Regions	9	809	315	3,369	**324**	4,178
Total	28,520	58,635	70,102	83,433	**98,622**	142,068

In the 2023 financial year, revenue of TEUR 10,684 was recognized in the Mobility & Battery Solutions division in the Rest of Europe region. This Amount corresponds to the difference between down payments received and the work already performed with a customer who entered the insolvency procedure on January 16, 2023.

Other Operating Income

(in TEUR)	06/30/2024	06/30/2023
Subsidies	5,868	785
Income from the sale of subsidiary	4,274	–
Exchange rate gains	4,238	1,618
Income from the reversal of provisions	751	205
Lease and rental income	468	404
Reversal of valuation allowances on receivables	173	73
Income from the disposal of fixed assets	16	–
Income from share swap Customcells	–	5,709
Other operating income	346	491
Total	**16,134**	**9,285**

On May 8, 2024, a purchase agreement was signed between Manz AG and Harro Höflinger Verpackungsmaschinen GmbH, this transaction resulted in a positive earning effect of TEUR 4,274.

In the 2023 financial year, the 40 % stake in the associated company Customcells Tübingen GmbH was exchanged for a 4.97 % stake in Customcells Holding GmbH in the Mobility & Battery Solutions division. This transaction resulted in a positive earnings effect of TEUR 5,709. The positive effect is due to the significantly higher fair value of the shares in Customcells Holding GmbH compared to the shares in Customcells Tübingen GmbH.

Material Expenses

(in TEUR)	06/30/2024	06/30/2023
Cost of raw materials, consumables, and supplies, and of purchased merchandise	57,398	66,161
Cost of purchased services	5,042	13,435
Total	**62,440**	**79,596**

Other Operating Expenses

(in TEUR)	06/30/2024	06/30/2023*
IT-costs	2,578	2,251
Legal and consulting fees	2,471	1,631
Advertising and travel expenses	2,460	2,553
Facility costs	1,409	1,690
Impairment expenses on financial assets and contract assets	1,155	1,782
Other personnel-related expenses	1,025	1,256
Exchange rate losses	904	1,898
Insurance	679	650
Outgoing freight	649	830
Rent and leases	496	436
Research-related (project-based) other operating expenses	270	909
Increase of provisions	251	1,652
Other	2,802	2,357
Total	**17,149**	**19,895**

*Further information on the change in the previous year can be found in the section "Adjustment of prior-year figures".

The item "Impairment expenses on financial assets and contract assets" in the amount of TEUR 1,155 includes impairment losses of TEUR 499 on a loan to the associate CADIS Engineering GmbH. Due to the insolvency application filed by CADIS Engineering GmbH on 3 July 2024, the loan was fully impaired as at the balance sheet date.

Amortization / Depreciation

(in TEUR)	06/30/2024	06/30/2023
Fixed assets	3,439	4,176
Right-of-use assets from leases	1,646	1,650
Non-current costs for obtaining a contract	–	–
Current costs for obtaining a contract	150	–
Total	**5,235**	**5,826**

VI. Explanations of Individual Items in the Balance Sheet

Intangible Assets

(in TEUR)	**06/30/2024**	**12/31/2023**
Licenses, software, and similar rights	4,578	4,545
Capitalized development costs	23,437	21,078
Goodwill	13,968	14,874
Prepayments	187	165
	42,170	**40,662**

Property, Plant, and Equipment

(in TEUR)	**06/30/2024**	**12/31/2023**
Land and buildings	15,968	17,026
Technical equipment and machinery	4,056	6,468
Other equipment, operation and office equipment	5,391	5,448
Right-of-use assets	9,783	11,690
Prepayments	6,204	5,971
	41,402	**46,603**

Inventories

(in TEUR)	**06/30/2024**	**12/31/2023**
Materials and supplies	18,301	22,180
Unfinished goods and products	5,790	8,588
Finished goods and merchandise	865	2,014
Advance payments	4,161	1,055
	29,117	**33,837**

Trade Receivables

(in TEUR)	**06/30/2024**	**12/31/2023**
Trade receivables from third parties	39,002	40,910
Trade receivables from associates	1,048	1,051
	40,050	**41,961**

Contract Assets

(in TEUR)	06/30/2024	12/31/2023
Manufacturing costs, including profit or loss on the construction contracts	213,816	173,466
Minus advance payments received	–158,836	–120,614
	54,980	**52,852**

Equity

Capital reserves are comprised primarily of contributions from shareholders pursuant to Section 272(2), No. 1 of the Commercial Code, minus financing costs after taxes. Furthermore, this also includes the value of share-based compensation granted to management (including the Managing Board) as a salary component in the form of equity instruments (Performance Share Plan).

The increase of capital reserves of TEUR 308 in the first six months of 2024 relates to the allocation from share-based compensation (Manz Performance Share Plan).

Trade Payables

(in TEUR)	06/30/2024	12/31/2023
Trade payables to third parties	47,139	44,007
	47,139	**44,007**

Additional Information About Financial Instruments

The current macroeconomic uncertainties and geopolitical upheavals could have direct and indirect effects on Manz AG´s financial risks such as currency risk, interest rate risk, credit risk, liquidity risk and other risks. The course of events and their consequences for Manz AG´s risk position is continuously monitored.

Trade receivables, other current assets, cash and cash equivalents, trade payables and the majority of other liabilities within the scope of IFRS 7 have short remain- ing terms. The book values of these financial instruments are therefore assumed to equate approximately to their fair market values.

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

Assets as of June 30, 2024

IFRS 9 – Financial Assets	Carrying amounts by measurement category					
(in TEUR)	Fair value	Fair value through Profit or loss	At continued acquisition cost	Designated hedge instruments (cash flow hedges)	Not in the scope of IFRS 7, IAS 9	Carrying amount Jun. 30, 2024
Investments	3,685	–	3,685	–	–	3,685
Other non-current assets	3,955	3,827	–	–	128	3,955
Trade receivables from third parties	39,002	39,002	–	–	–	39,002
Trade receivables from associates	1,048	1,048	–	–	–	1,048
Derivative financial instruments	212	–	–	212	–	212
Other current assets	34,138	34,138	–	–	–	34,138
Cash and cash equivalents	8,026	8,026	–	–	–	8,026
	90,066	**86,041**	**3,685**	**212**	**128**	**90,066**

Liabilities as of June 30, 2024

IFRS 9 – Financial Assets	Carrying amounts by measurement category					
(in TEUR)	Fair value	Fair value through Profit or loss	At continued acquisition cost	Designated hedge instruments (cash flow hedges)	Not in the scope of IFRS 7, IAS 9	Carrying amount Jun. 30, 2024
Financial liabilities	61,477	–	61,477	–	–	61,477
Trade payables to third parties	47,139	–	47,139	–	–	47,139
Dervivative financial instruments	145	145	–	–	–	145
Other liabilities	3,388	–	3,388	–	–	3,388
	112,149	**145**	**112,004**	**–**	**–**	**112,149**

Assets as of December 31, 2023

IFRS 9 – Financial Assets	Carrying amounts by measurement category					
(in TEUR)	Fair value	Fair value through Profit or loss	At continued acquisition cost	Designated hedge instruments (cash flow hedges)	Not in the scope of IFRS 7, IAS 9	Carrying amount Dec. 31, 2023
Investments	3,685	–	3,685	–	–	3,685
Other non-current assets	3,517	3,307	–	–	210	3,517
Trade receivables from third parties	40,910	40,910	–	–	–	40,910
Trade receivables from associates	1,051	1,051	–	–	–	1,051
Derivative financial instruments	466	–	–	466	–	466
Other current assets	16,396	16,396	–	–	–	16,396
Cash and cash equivalents	30,239	30,239	–	–	–	30,239
	96,264	**91,903**	**3,685**	**466**	**210**	**96,264**

Liabilities as of December 31, 2023

IFRS 9 – Financial Assets	Carrying amounts by measurement category					
(in TEUR)	Fair value	Fair value through Profit or loss	At continued acquisition cost	Designated hedge instruments (cash flow hedges)	Not in the scope of IFRS 7, IAS 9	Carrying amount Dec. 31, 2023
Financial liabilities	66,084	–	66,084	–	–	66,084
Trade payables to third parties	44,007	–	44,007	–	–	44,007
Dervivative financial instruments	135	135	–	–	–	135
Other liabilities	3,601	–	3,601	–	–	3,601
	113,827	**135**	**113,692**	**–**	**–**	**113,827**

Valuation Classes

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

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

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

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

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

Assigned to fairmarket value hierarchy levels

		Fair value hierarchy		
(in TEUR)	**06/30/2024**	**Level 1**	**Level 2**	**Level 3**
Assets at fair value – affecting net income				
Derivatives	212	–	212	–
Assets at fair value – not affecting net income				
Investments	3,685	–	–	3,685
Liabilities at fair value – affecting net income				
Derivatives	145	–	145	–
Liabilities at fair value – not affecting net income				
Derivatives with a balance sheet hedging relationship	–	–	–	–

		Fair value hierarchy		
(in TEUR)	**12/31/2024**	**Level 1**	**Level 2**	**Level 3**
Assets at fair value – affecting net income				
Derivatives	466	–	466	–
Assets at fair value – not affecting net income				
Investments	3,685	–	–	3,685
Liabilities at fair value – affecting net income				
Derivatives	135	–	135	–
Liabilities at fair value – not affecting net income				
Derivatives with a balance sheet hedging relationship	–	–	–	–

VII. Contingent Liabilities and Other Financial Obligations

As of December 31, there are partially reinsured total performance guarantees for the CIGS orders of Manz AG in the amount of EUR 21 million to the customer Chongquin Shenhua Thin Film Solar Technology Co. Ltd. Following the arbitration court ruling in the second quarter of 2024, this contingent liability no longer exists as of June 30.

As of June 30, 2024, Manz AG was involved in a legal proceeding with a customer. The best estimate for this contingent liability amounted to TUSD 1,025.

VIII. Segment Reporting Business Units

As of June 30, 2024

(in TEUR)	Mobility & Battery Solutions	Industry Solutions	Group
Revenues (in Mio. EUR)			
Jan.1 to Jun. 30, 2024	**28,520**	**70,102**	**98,622**
Jan.1 to Jun. 30, 2023	58,635	83,433	142,068
Result from investments using the equity method			
Jan.1 to Jun. 30, 2024	**–**	**–1,753**	**–1,753**
Jan.1 to Jun. 30, 2023	–548	–331	–879
EBITDA			
Jan.1 to Jun. 30, 2024	**–5,982**	**4,707**	**–1,275**
Jan.1 to Jun. 30, 2023*	8,850	8,311	17,161
EBITDA-Margin (in %)			
Jan.1 to Jun. 30, 2024	**–17.5 %**	**6.6 %**	**–1.2 %**
Jan.1 to Jun. 30, 2023*	12.8 %	10,1 %	11.3 %
Amortization / depreciation			
Jan.1 to Jun. 30, 2024	**2,472**	**2,764**	**5,235**
Jan.1 to Jun. 30, 2023	2,535	3,291	5,826
EBIT			
Jan.1 to Jun. 30, 2024	**–8,454**	**1,944**	**–6,510**
Jan.1 to Jun. 30, 2023*	6,315	5,020	11,335
EBIT-Margin (in %)			
Jan.1 to Jun. 30, 2024	**–24.7 %**	**2.7 %**	**–6.2 %**
Jan.1 to Jun. 30, 2023*	9.1 %	6.1 %	7.5 %
Financial result			
Jan.1 to Jun. 30, 2024	**–1,994**	**–753**	**–2,747**
Jan.1 to Jun. 30, 2023*	–1,435	–671	–2,106
EBT			
Jan.1 to Jun. 30, 2024	**–10,447**	**1,191**	**–9,257**
Jan.1 to Jun. 30, 2023	4,880	4,349	9,229
Income taxes			
Jan.1 to Jun. 30, 2024	**–21**	**–865**	**–886**
Jan.1 to Jun. 30, 2023	–772	–850	–1,622
Consolidated profit or loss			
Jan.1 to Jun. 30, 2024	**–10,468**	**326**	**–10,142**
Jan.1 to Jun. 30, 2023	4,108	3,499	7,607
Order Intake			
Jan.1 to Jun. 30, 2024	**34,027**	**44.707**	**78,734**
Jan.1 to Jun. 30, 2023	42,262	41.982	84,244

* For further information regarding the change of the prior year please refer to section “Adjustment of prior-year figure”.

IX. Segment Report Regions

As of June 30, 2024

(in TEUR)	Revenues
Germany	
Jan.1 to Jun. 30, 2024	**49,346**
Jan.1 to Jun. 30, 2023	52,814
Rest of Europe	
Jan.1 to Jun. 30, 2024	**21,571**
Jan.1 to Jun. 30, 2023	32,610
China	
Jan.1 to Jun. 30, 2024	**9,362**
Jan.1 to Jun. 30, 2023	3,581
Taiwan	
Jan.1 to Jun. 30, 2024	**11,664**
Jan.1 to Jun. 30, 2023	12,166
Rest of Asia	
Jan.1 to Jun. 30, 2024	**3,822**
Jan.1 to Jun. 30, 2023	15,042
USA	
Jan.1 to Jun. 30, 2024	**2,533**
Jan.1 to Jun. 30, 2023	21,677
Other Regions	
Jan.1 to Jun. 30, 2024	**324**
Jan.1 to Jun. 30, 2023	4,178
Group	
Jan.1 to Jun. 30, 2024	**98,622**
Jan.1 to Jun. 30, 2023	142,068

The Manz Group has two business segments – Mobility & Battery Solutions and Industry Solutions. This structure corresponds to the business activities of Manz and is therefore the basis of management control by management.

X. Relationships with Related Party Disclosures

IAS 24 requires disclosures of relationships, transactions and outstanding balances (including obligations) with related parties.

Natural related persons include the Supervisory Board and the Managing Board of Manz AG including their family members as related persons. In addition, the Manz family together holds 22.7 % of the shares in Manz AG:

It also includes companies that are controlled by a related party or are under the joint control of a related company or are involved with a related party, to the related company. The companies accounted for using the equity method are also assigned to related companies.

Accordingly, the associated companies Cadis Engineering GmbH, Schwendi, Germany and Q.big 3D GmbH, Aalen, Germany and Manz GmbH Management Consulting and Investment, Schlaitdorf, Germany was identified as related party.

Business relationships with related parties are summarized in the following table:

(in TEUR)	Cadis Engineering GmbH		Q.big 3D GmbH		Manz GmbH Management Consulting and Investment	
	06/30/2024	06/30/2023	**06/30/2024**	06/30/2023	**06/30/2024**	06/30/2023
Sales	–	–	**369**	212	–	–
Purchase of maschines	**196**	–	–	–	–	–
Trade Receivables	–	–	**1,048**	610	–	–
Trade Payables	–	–	–	–	–	–
Contract Assets	–	–	–	762	–	–
Down payment made	**270**	1,547			–	–
Loans granted	–	200	**500**	500	–	–
Interest Income	–	–	**15**	15	–	–

XI. Key Events of Particular Importance Occuring after the End of the Reporting Period

Dr. Ulrich Brahms is appointed as the new CEO of Manz AG and will take over his position from September 1, 2024, while Martin Drasch will leave the company on August 31, 2024. Stefan Lutter will also join the Management Board as the new CTO from September 1, 2024, which now consists of 3 members.

On July 24, 2024, all conditions precedent from the purchase agreement with Harro Höflinger Verpackungsmaschinen GmbH, Allersbach im Tal, regarding the sale of Manz Hungary Kft. Were fulfilled. Manz AG received EUR 8 milion from this transaction.

XII. Further Disclosures

Employee

As of June 30, 2024, the Manz Group had an average of 1,355 employees (June 30, 2023: 1,509)

Managing Board

Martin Drasch, Dipl.-Ing. (FH), Chief Executive Officer
Manfred Hochleitner, Dipl.-Math., Chief Financial Officer

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 financial year.

Reutlingen, August 6, 2024

The Managing Board of Manz AG

Imprint

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The 6 month report 2024 is also available in an English translation. If there are any discrepancies, the German version of the report shall take precedence over the English translation.

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