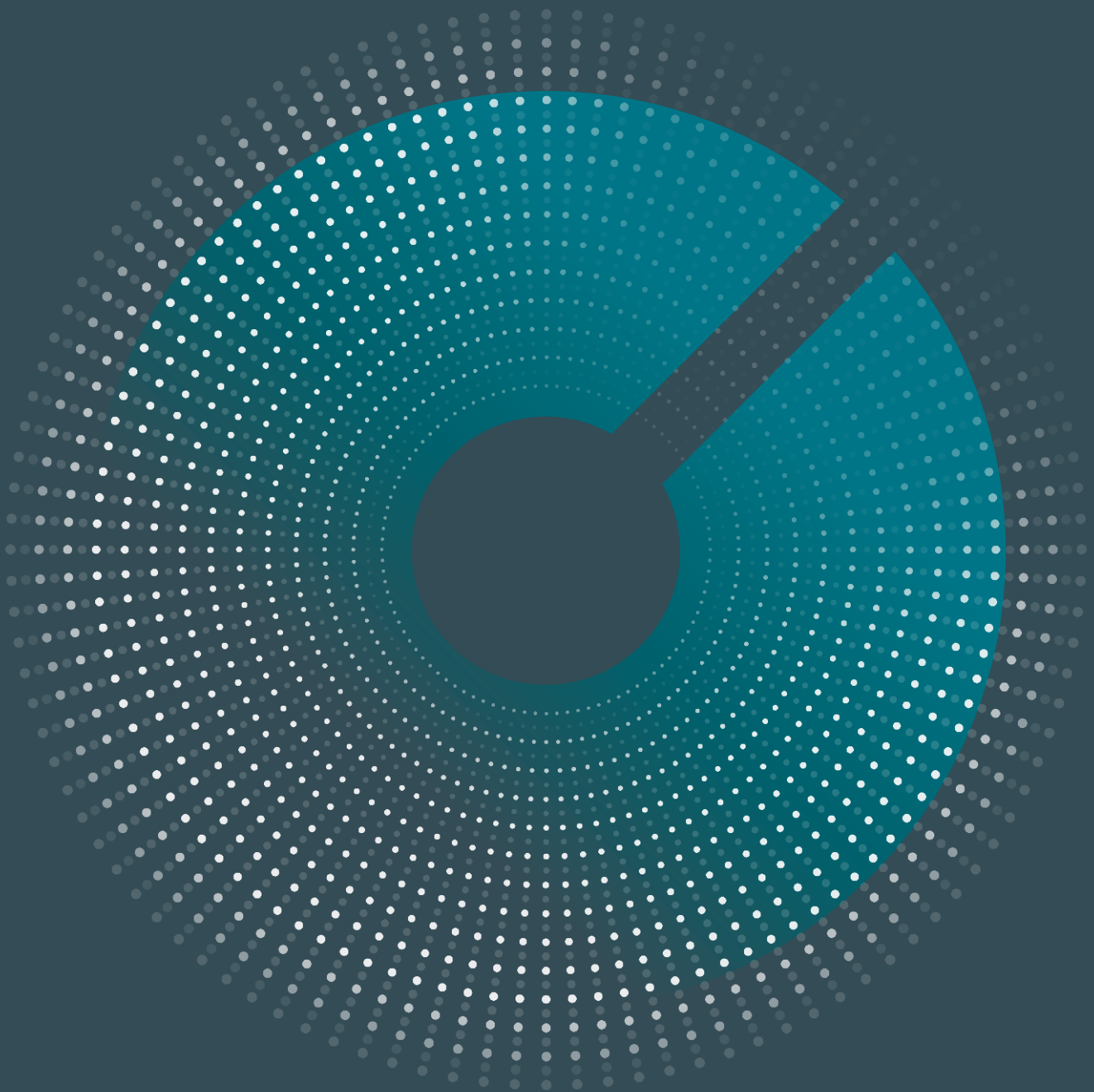


6-Month Report 2022

Growth Industries in Focus



Manz AG

at a glance

2022 Financial Calendar

September 5–6, 2022

Herbstkonferenz equity forum

November 8, 2022

Publication of the 3rd quarter 2022 quarterly report

November 28–30, 2022

German Equity Forum

Overview of Consolidated Net Profits

(in EUR million)	Jan. 1, to June 30, 2022	Jan. 1, to June 30, 2021	Change in %
Revenues	126.7	114.4	+10.8
Total operating revenues	137.8	118.7	+16.1
EBITDA	-1.1	18.1	-106.1
EBITDA margin (in %)	-0.8	15.2	-16.0 pp
EBIT	-6.9	12.3	-156.2
EBIT margin (in %)	-5.0	10.4	-15.4 pp
EBT	-7.7	11.7	-165.5
Consolidated net profit	-9.6	9.8	-198.4
Earnings per share, undiluted (in EUR)	-1.24	1.27	-197.6
Cash flow from operating activities	11.4	-33.9	+133.6
Cash flow from investing activities	-8.7	38.0	-122.8
Cash flow from financing activities	1.5	-25.0	+105.8

	June 30, 2022	Dec. 31, 2021	Change in %
Total assets	334.6	285.1	+17.4
Shareholders' equity	75.9	86.0	-11.7
Equity ratio (in %)	22.7	30.1	-7.5 pp
Financial liabilities	52.8	49.3	+7.2
Liquid funds	40.7	36.1	+12.8
Net debt	12.2	13.2	-8.0

Manz AG Mission Statement

With many years of expertise in automation, laser processing, wet chemistry, and in inspection systems, we are a globally active high-tech engineering company that offers manufacturers and their suppliers innovative production equipment in the segments Industry Solutions and Mobility & Battery Solutions.

Our product portfolio includes customer-specific developments as well as individual machines and modules that can be linked together to form complete, individual systems. Above all, by being involved in customer projects at an early stage, we make a significant contribution to our customers' success with high-quality, demand-oriented solutions.

We pay particular attention to the automotive industry and electromobility. For example, we support economic and competitive plants for the manufacture of lithium-ion batteries – from cell to finished pack – and highly integrated assembly lines for cell contacting systems to support the industry in the transformation from the classic to the electric powertrain.

We are focused on five future industries. For new growth opportunities. And a stronger market position.

Automobile and electromobility. Battery manufacturing. Electronics. Energy. Medical Technology.

Systematically taking advantage of the opportunities that arise from dynamic growth markets – that is what Manz stands for. Therefore our technology and product portfolio is strongly aligned to the needs and challenges of selected industries in all segments, and it will continue to be enhanced with an industry focus. Therefore, this year's annual report concentrates on our five target industries and their potential.

The entire annual report and additional information about our industry focus can be found on our website, which has been redesigned and relaunched as part of our new alignment on growth industries.

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



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History

of Manz AG

Manz further expands strong market position
in Energy Storage segment

2021

Shanghai Electric becomes strategic
anchor investor of Manz AG

2016

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

2014

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

2012

Entered the market for
lithium-ion batteries

2009

IPO on the Entry Standard market
of the Frankfurt Stock Exchange

2006

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

2005

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

2000

Shipped the first automation solution
for the FPD industry to Asia

1994

Company founded by
Dieter Manz

1987



To Our
Shareholders

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Letter from the Managing Board

Dear Shareholders,

The first half of 2022 held both light and shade for Manz AG's operational and strategic development. On the one hand, we recorded major successes as a result of our consistent strategic focus and our concept of growth in partnership with industry-leading companies. In the Mobility & Battery Solutions segment, for example, we successfully expanded our cooperation with the British battery cell manufacturer British Volt. We are also proud of Daimler Truck AG's investment in Manz AG. As part of the cooperation with Daimler Truck, we will lay the foundation for the design of CO₂-neutral transportation as well as the transformation from conventional to alternative drive technologies and see this as a trend-setting industrial partnership. On the other hand, our operating business was also unable to escape the global, macroeconomic challenges, which is reflected in our earnings performance. While we were able to increase total revenues by around 11% to EUR 127 million thanks to the expansion of business in the Mobility & Battery Solutions segment, coupled with solid growth in the Industry Solutions segment, earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR –1.1 million and earnings before interest and taxes (EBIT) to EUR –6.9 million.

However, it was not only the high increase in the cost of materials, interruptions in the supply chains and associated project postponements at our customers that presented us with challenges: Regrettably and unexpectedly, we did not succeed in reaching an amicable solution with our Chinese customer on the conclusion of the large-scale solar project *CIGSfab* in the past months. We therefore decided at the end of July to terminate the negotiations and to assert our claims through the courts. We are retrospectively taking the non-cash impairment of EUR 23.2 million on a contract asset arising in this context for the fiscal year 2021. We are not undertaking any further technological developments in the area of CIGS thin-film solar technology and have discontinued market development. We can now focus our efforts consistently on implementing our growth strategy in the automotive & electromobility, battery production, electronics, energy and medical technology sectors.

As a result of the developments described in the first half of 2022 and the ongoing challenges for the global economy, we had to adjust our forecast for fiscal 2022. We now expect revenue growth in the low to mid double-digit percentage range compared to the previous year, an EBITDA margin in the low single-digit percentage range, and a balanced EBIT.



Despite the challenges, Manz AG's future prospects continue to look positive thanks to the good order situation. Our record order backlog of around EUR 300 million underscores our strong market positioning, and we hope that you, dear shareholders, will continue to accompany us on our path.

The Managing Board of Manz AG

A handwritten signature in black ink, appearing to read 'Drasch'.

Martin Drasch

A handwritten signature in black ink, appearing to read 'Hochleitner'.

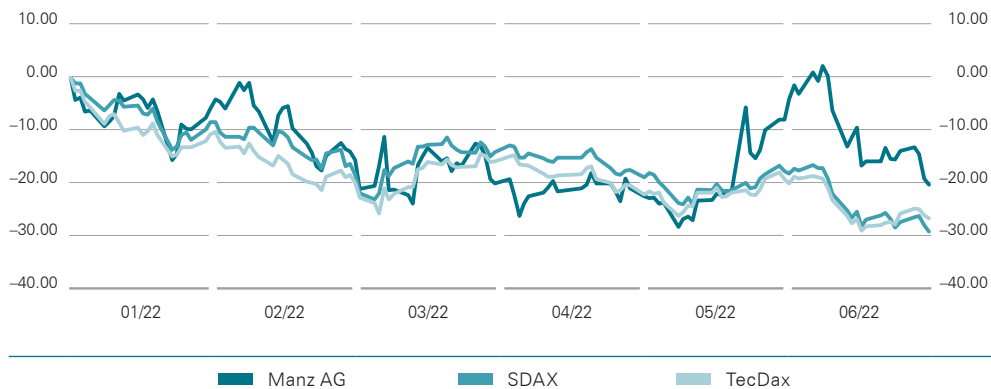
Manfred Hochleitner

The Manz AG Share

Change in share price

The Manz AG share started the 2022 fiscal year at a price of EUR 49.50 on January 3, 2022. Up until the beginning of May, the share price performance was dominated by the Ukraine war and global macroeconomic uncertainties due to high inflation, interest rate increases and higher costs for energy and raw materials. At EUR 35.55, the share reached its lowest value in the period under review on May 9, 2022. The share price subsequently rose sharply to EUR 50.60 on June 8, 2022. On June 30, 2022, the share closed at EUR 39.50, corresponding to a market capitalization of EUR 305.9 million. Despite a price loss of around 20.2% since the beginning of the year, Manz shares were thus able to outperform the benchmark SDAX and TecDAX indices during the period under review.

Share of Manz AG (XETRA, in %)



Stock Key Data and Key Figures for the Share

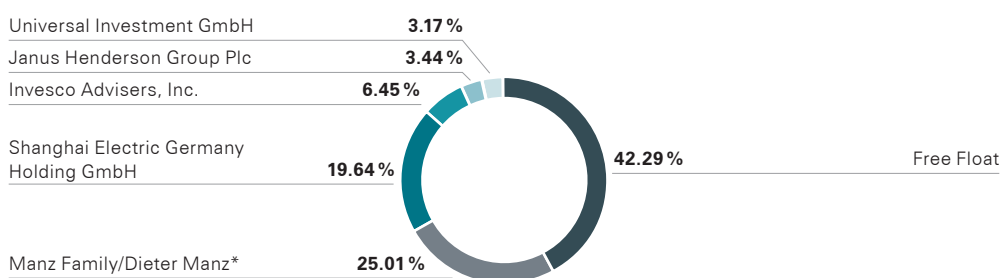
German Securities Identification Number	A0JQ5U
Ticker symbol	M5Z
Trading segment	Regulated market (Prime Standard)
Share type	Registered, common, no-par value bearer shares, each with a proportionate value of EUR 1.00 of capital stock
Capital Stock	EUR 7,756,804
Initial listing	September 22, 2006
Opening Price	EUR 19.00
Share price at the beginning of the reporting period*	EUR 49.50
Share price as at June 30, 2021*	EUR 39.50
Change (in percent)	-20.20 %
Period high	EUR 50.60
Period low	EUR 35.55
Market capitalization (June 30, 2022)	EUR 305.89 million

* In each case closing prices on the XETRA trading system of Deutsche Börse AG

Shareholder Structure

As of Thursday, June 30, 2022, Manz AG has a free float of 42.29% and a broad shareholder base. Dieter Manz, founder and Supervisory Board member of Manz AG, holds a total of 25.01% of the shares in the company together with his family, and Shanghai Electric Germany Holding GmbH holds a total of 19.64% of the shares as of Thursday, June 30, 2022. The investment company Invesco Advisers, Inc. holds 6.45% of the shares. In addition, Janus Henderson Group Plc holds 3.44% and Universal Investment 3.17% of the shares. On May 23, 2022, Manz AG announced that it had gained a strong cooperation partner and new anchor shareholder in Daimler Truck AG. This company will acquire an interest in Manz AG in the form of a capital increase amounting to around ten percent of the company's share capital, excluding shareholders' subscription rights.

Shareholder Structure



* thereof direct (§ 33 WpHG) 10,0%, thereof attributed (§ 34 WpHG) 15,01 %

Investor Relations

Manz AG attaches great importance to active dialog with shareholders, institutional investors, analysts and financial journalists, and has maintained a continuous, proactive exchange of information in the first half of 2022. The regular and prompt publication of reports relevant to the company underscores its goal of providing comprehensive information on the company's developments. In doing so, Manz AG, with its listing in the Prime Standard Segment of the Frankfurt Stock Exchange, fully complies with the highest transparency requirements. Manz AG strives to exceed this standard.

In addition to its statutory obligations, Manz AG participated in 3 capital market conferences in the first half of 2022. Manz published six corporate news items and two ad-hoc announcements. Manz AG contributes to the greatest possible transparency in its capital market communications by regularly offering conference calls with a web cast for the publication of financial reports and audio displays as an online offer on the company website.

In 2022, Manz AG is covered by the following institutions:

- Pareto Securities
- Stifel Europe
- Bankhaus Metzler

Annual General Meeting

In light of the Covid-19 pandemic, the Manz AG Annual General Meeting 2022 was held on Tuesday, July 5, 2022, as a purely virtual event. The Managing Board took the opportunity to report to shareholders in detail on Manz AG's operational and strategic development in the 2021 fiscal year, for which the Managing Board and Supervisory Board were discharged by a large majority at the Annual General Meeting. A total of 63.67 % of capital stock with voting rights was represented (previous year: 59.29 %). All agenda items were passed by a large majority.

Detailed voting results can be found at any time on the company's website www.manz.com under Investor Relations/annual general meeting.

Financial Calendar 2022

September 5–6, 2022

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Herbstkonferenz equity forum

Publication of the 3rd quarter 2022 quarterly report

German Equity Forum



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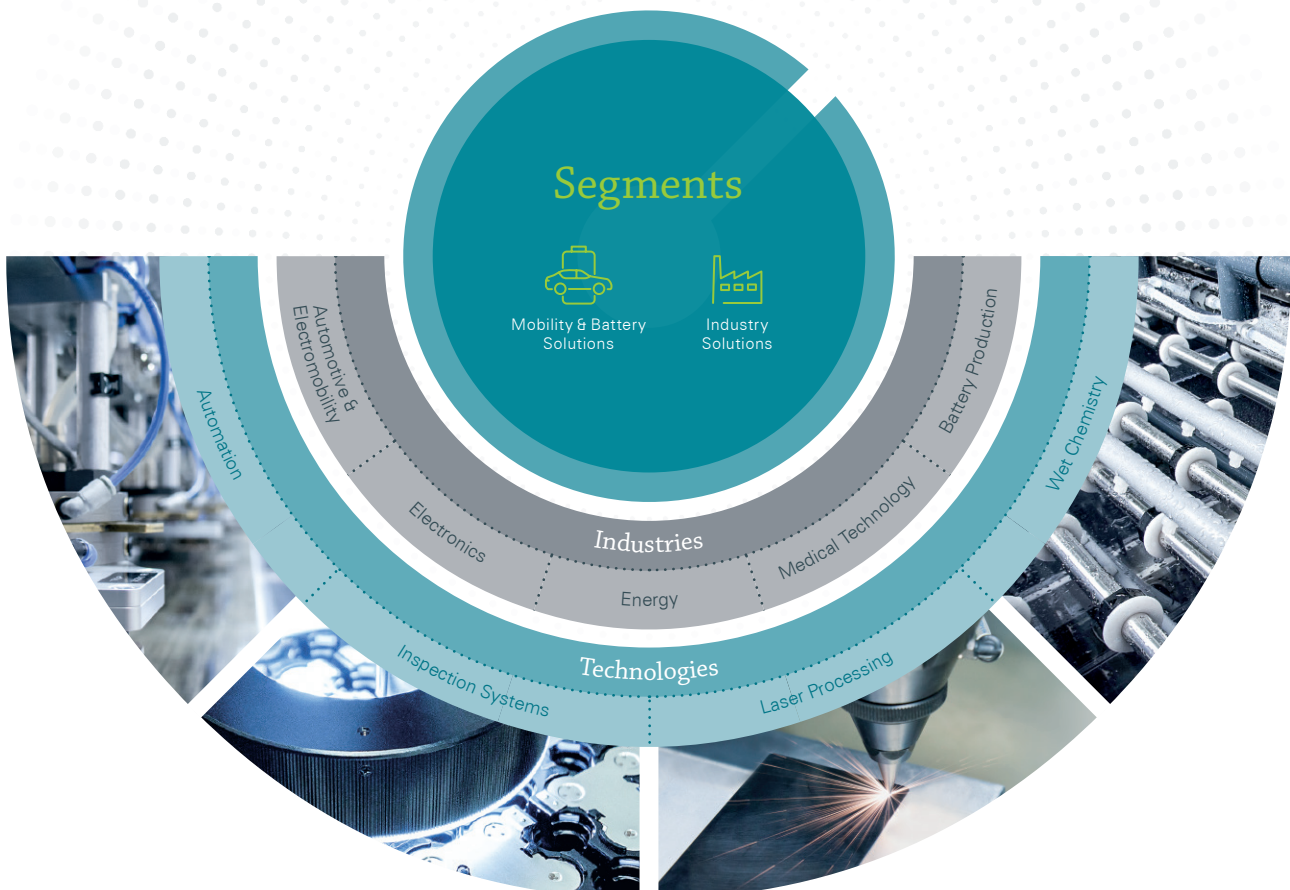
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Basic Group Information

Business model and strategy

Founded in 1987, Manz AG is a global high-tech engineering company with a focus on five industries: automotive & electromobility, battery production, electronics, energy, and medical technology. The company would like to report on its business activities in the two reporting segments of Mobility & Battery Solutions and Industry Solutions. With many years of expertise in automation, laser processing, inspection systems and wet chemistry, the company offers manufacturers and their suppliers in these future-oriented industries a broad portfolio of products and solutions. In addition to customized production solutions, this also includes individual machines and modules that can be linked together to form complete, individual system solutions. The company also offers a comprehensive range of services around Manz AG's core technological competencies: From simulation and factory planning to process and prototype development, customer training and after-sales service. Manz AG is a development partner for industrial companies, and in this role helps to support new



technologies to market maturity. Manz operates internationally and has development and production facilities in Germany, Slovakia, Hungary, Italy, China, and Taiwan, as well as additional sales and service offices in India and the USA.

Strategy

Manz AG's corporate strategy is based on four pillars.

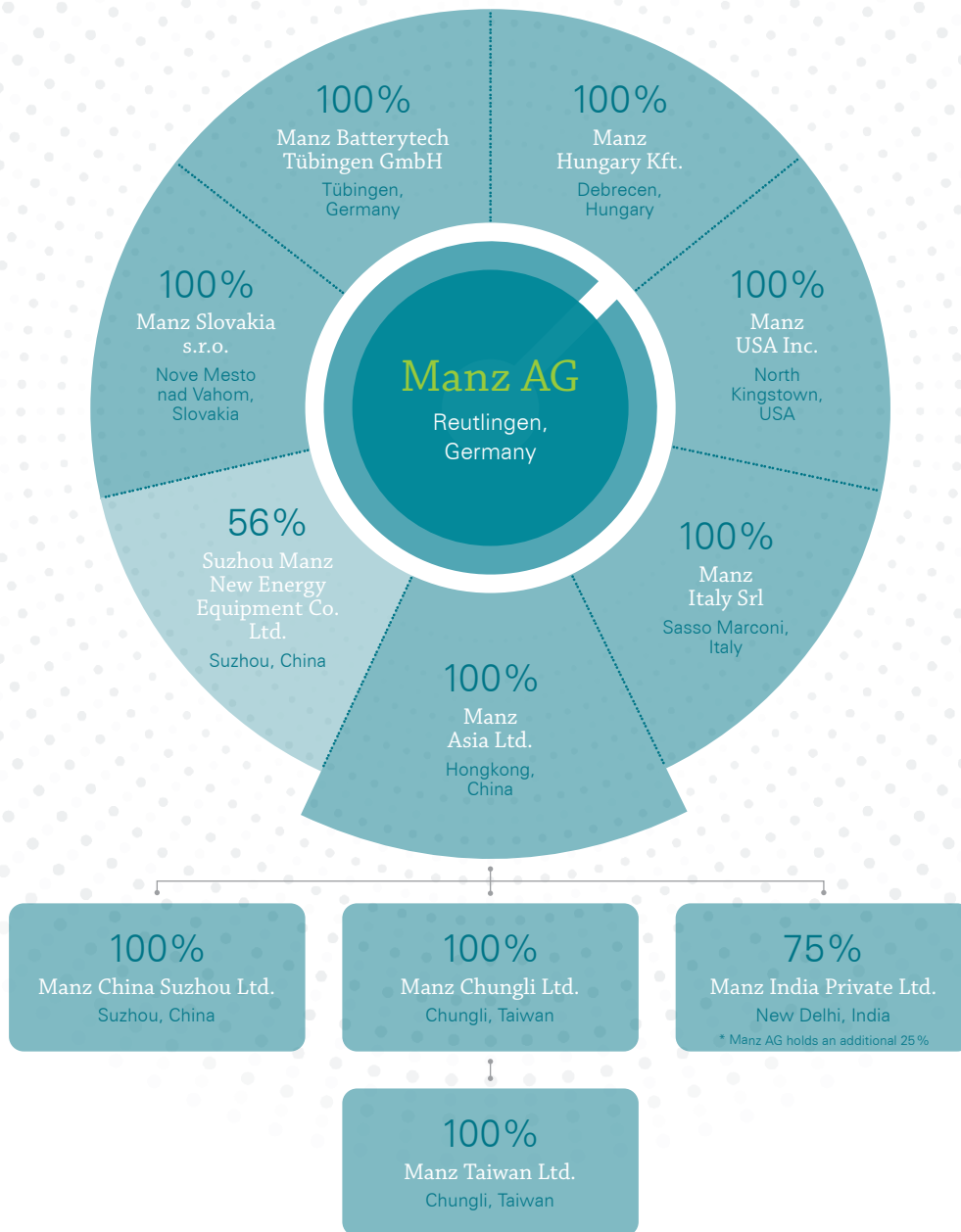
With a clear industry focus, executive management plans to develop Manz AG into one of the leading suppliers and integrators of machinery and equipment for battery production, as well as for other components of the electric drive train. With innovative engineering, Manz works on production solutions that contribute to increasing the performance parameters and reducing the costs of the end products. By addressing different growth industries at the same time, synergies can be created and opportunities fully exploited. Manz is also pursuing this goal for other industries with comparable technological requirements.

At the same time, Manz AG is dedicated to the topic of digital transformation in the industry. Using new methods, such as digital twins, a new generation of fully automated production lines is to be developed. In this context, the use of artificial intelligence (AI) enables an innovative type of machine control and production control, with the goal of self-optimizing manufacturing.

In line with the company's claim "engineering tomorrow's production," Manz AG attaches great importance to continuously developing new future technologies and growth fields. To this end, Manz pursues a targeted M&A strategy that includes both majority and minority interests in companies and technologies worldwide.

In addition, Manz AG's business activities are aimed at sustainably increasing its competitiveness and profitability by continuously expanding its modular machine concepts.

Group structure and holdings



Locations and Employees

31
Nations

Employees and managers from 31 different countries work in our Group's various subsidiaries.

Around a third of employees work in research and development worldwide.

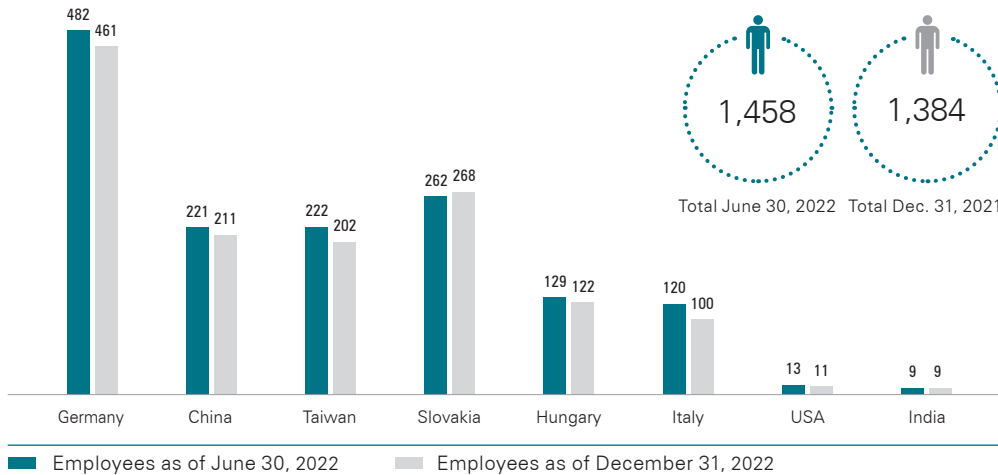
1,458
Employees

Locations

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

Locations and employees

Employees by country



Control system and performance indicators

At Group level, Manz AG is organized by product and service segments for the purpose of corporate management and reported its business activities in the segments of Mobility & Battery Solutions und Industry Solutions. In order to decide on the allocation of resources and to control the profitability of the divisions, they were monitored separately by management. The entire Managing Board was kept informed of the business performance in detail by means of regular reports and management meetings. As a result, forward-looking management by the respective Managing Board was possible in a timely manner in financial year 2021.

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

Research and development

For Manz as a high-tech equipment manufacturer, research and development continued to play an important role in the financial year 2021. With over 500 engineers, technicians and scientists at its various development sites, Manz AG focuses on the development of manufacturing, assembly and handling technologies, integrated into modularized individual machines, tools and linked system solutions. The Manz AG interdisciplinary "R & D Council" is intended to enable the internal, cross-segment integration of competencies.

Overall, Manz AG has a ratio of 7.9% for research and capitalized development services for the reporting period (previous year: 5.3%). The increase has been caused by the start of the IPCEI project "EuBatIn", which is funded by the European Commission. Within this framework, the "lithium battery factory of the future" is to be developed. For this reason, the share of capitalized development costs increased to 5.7% (previous year: 2.9%). Total investments in R&D amount to EUR 10.9 million and are significantly above the previous year's level of EUR 6.1 million for the reasons described above.

In the reporting period, the scheduled amortization of capitalized development costs amounted to EUR 2.4 million (previous year: EUR 2.3 million). The company will also continue to place a clear emphasis on R&D activities in future. Manz AG strives for an annual rate of R & D to revenues of 5% on average in order to provide sustained and long-term consolidation of its technological positioning and its innovations in the relevant target markets. Including Manz AG's equity ratio in the development costs within the framework of the IPCEI project, in the coming years, this figure will average around 15%.



16 million

electric vehicles were registered globally in 2021 – nearly 50% more than in the previous year.*

The car of the future is digital and electric

Advancing digitization and rapid innovations in e-mobility create a number of challenges for the automotive industry. Our mission is to actively contribute to this progress as a development partner and pioneer.

Intelligent, integrated and highly innovative

We focus particularly on intelligent and integrated production solutions for various components in the segments automotive electronics as well as conventional and electric power trains.

As a technology and process experts for the automotive industry, we bundle our expertise – e.g. in the vision, metrology and laser applications segments – into tailor-made and customer-specific production solutions for:

- Battery cells and battery modules (lithium-ion battery manufacturing)
- Cell contacting systems
- Battery management systems and inverters
- Displays
- Electronic components and controllers
- Sensors and cameras for assistance system

In our modular production lines, we integrate and combine a variety of technologies: from assembly, ultrasound welding, bonding and soldering to laser welding and automated function tests. In this way, we support OEMs and their suppliers with optimizing their production processes and making them more efficient using our machines and equipment.

Using creative and innovative engineering, we are working hard on new production solutions that contribute to raising the performance parameters of end products and ultimately to reducing costs for the automotive industry.



Our expertise and experience...

...in technology fields such as automation, assembly, laser and integrated testing systems are bundled into ground-breaking production solutions for the automotive industry.

**Our task:
To enable the
e-mobility
breakthrough**

Business Report

General economic environment and industry-specific conditions

Economic market environment

The recovery of the global economy after the Coronavirus crisis has stalled in recent months due to a renewed wave of negative shocks. The primary reasons for this are new impairments due to the pandemic and Russia's attack on Ukraine. This further exacerbated what was already high inflation, and supply bottlenecks worsened. Against the backdrop of these uncertainties, the Kiel Institute for the World Economy (IfW) expects global gross domestic product (GDP) to increase by 3.0% in 2022 as a whole (previous year: 5.9%). In March, the IfW had still forecast growth of 3.5%. Economic growth of 3.1% (previous year: 5.3%) is forecast for the euro zone. According to the IfW experts, GDP in Germany is likely to grow by 2.1% in 2022 (previous year: 2.9%). GDP in the United States is expected to grow by 2.4% in 2022 (previous year: 5.7%) and in China by 4.2% (previous year: 8.1%). Overall, the IfW expects the recovery to regain momentum in the second half of the year as inflation eases and supply bottlenecks improve – provided no new burdens arise.

Engineering industry

According to the German Engineering Federation (VDMA), production levels in the mechanical engineering sector in Germany in the first four months of the year were 2.3% lower than in the same period of the previous year. For 2022 as a whole, the VDMA expects real production growth of 1.0% (previous year: 6.4%). Due, in particular, to the Ukraine war and supply chain problems, the production forecast was reduced by three percentage points in May. In March, the VDMA had still assumed an increase of 4%. In terms of sales, the VDMA expects nominal growth of 8.0% for the current year (previous year: 8.7%). Despite the prevailing risks, the mechanical engineering industry draws confidence from numerous business opportunities on many important sales markets.

Core segment sectors

With its innovative production solutions, Manz is focused on the following five growth industries: automotive and e-mobility, electronics, energy and medical technology.

Although the automotive industry's shift toward electro-mobility is currently being held back by various challenges, it will continue – not least due to stricter emissions requirements in key sales markets. The International Energy Agency (IEA) sees rising prices for some critical raw materials in battery production and supply chain disruptions as the biggest near-term obstacles to continued high electric vehicle sales. These were further exacerbated by Russia's attack on Ukraine and ongoing pandemic restrictions in China. For the current year,

IHS Markit expects global production of around 7.1 million purely electric vehicles, representing growth of over 50% compared to 2021.

E-mobility will be the main growth driver behind the demand for lithium-ion batteries in the coming years. This is even more pronounced in Europe than worldwide, due, in particular, to the high sales figures of car manufacturers from Germany and France. At present, the majority of batteries are still imported from Asia, but in the next few years, the industry's needs are to be met by setting up numerous battery cell factories in Europe. Currently, about 50 projects with a total capacity of about 1.2 TWh are planned in Europe for the coming years. In addition, the need for stationary energy storage systems such as batteries or capacitors will continue to increase as part of the energy transition.

In the electronics sector, Display Supply Chain Consultants expects production capacity for LCD and OLED displays to grow by 6% year-on-year in the current year. Overall, forecasts for the coming years have been slightly reduced due to delays and cancellations, as well as general uncertainties.

For fan-out panel level packaging (FOPLP), a packaging technology with high miniaturization potential, Yole Group expects growth of around 62% this year. The main growth drivers on the application side include 5G, infotainment and driver assistance systems, artificial intelligence, the expansion of data centers, and wearables.

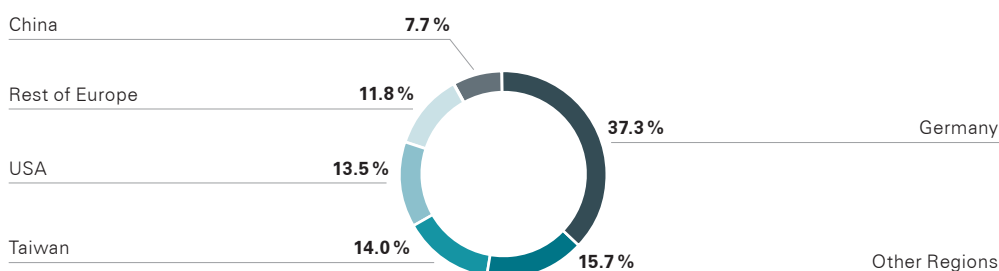
Market researchers from Evaluate expect annual growth in the global medical technology market of 6% to 2024. On the one hand, this is driven by general developments such as an aging society and an overall growing need for health, as well as technological trends such as miniaturization or the increasing use of sensor technology.

Analysis of the earnings, asset and liquidity position of the group

Earnings position

Revenues in the first six months of 2022 amounted to EUR 126.7 million compared to EUR 114.4 million for the same period in the previous year. The year-on-year increase of 10.8% is mainly attributable to the expansion of business in the Mobility & Battery Solutions segment, while business in the Industry Solutions segment remained constant. Overall, Manz AG's operating business showed almost constant development over the course of the first half of 2022: revenues in the second quarter amounted to EUR 65.8 million (previous year: EUR 63.5 million), compared to EUR 60.9 million in the first three months of 2022 (previous year: EUR 50.9 million).

Revenue Distribution by Region January 1 to June 30, 2022



With inventory changes of finished and unfinished products of EUR 3.3 million (previous year: EUR 0.9 million) and own work capitalized of EUR 7.8 million (previous year: EUR 3.5 million), the operating performance for the first half of 2022 amounted to EUR 137.8 million (previous year: EUR 118.7 million).

Other operating income of EUR 9.4 million was significantly below the previous year's level of EUR 18.4 million. The decrease is mainly due to the proceeds from the sale of the shares in Talus Manufacturing Ltd., which were included in the previous year's figure. In the current year, this includes currency gains of EUR 5.7 million.

The cost of materials in the first six months of 2022 amounted to EUR 85.2 million (previous year: EUR 63.4 million), and the cost of materials ratio of 61.8% was significantly above the level of the previous year (previous year: 53.4%). The reason for the increase in the ratio is increasingly purchased external services for individual projects. Personnel expenses rose slightly to EUR 40.9 million (previous year: EUR 39.3 million) because, inter alia, highly qualified personnel were recruited within the framework of the IPCEI project "Lithium Battery Factory of the Future". As a result of the higher total operating performance, the personnel expense ratio nevertheless fell from 33.1% in the previous year to 29.7%.

At EUR 21.8 million, other operating expenses were significantly higher than the previous year's level of EUR 16.3 million. On the one hand, this is caused by higher sales and thus higher special direct costs of the projects, such as freight, packaging and travel costs. Furthermore, the current year includes a loss due to insolvency of EUR 1.2 million.

The result from investments accounted for using the equity method decreased to EUR –0.4 million (previous year: EUR –0.1 million).

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR –1.1 million and were thus significantly lower than in the previous year (EUR 18.1 million). The EBITDA margin fell to –0.8% from 15.2% in the previous year. At EUR 5.8 million, depreciation and amortization were on a par with the previous year's figure of EUR 5.8 million. As a result, earnings before interest and taxes (EBIT) amounted to EUR –6.9 million, compared with the previous year's figure of EUR 12.3 million. The EBIT margin fell to –5.0% (previous year: 10.4%).

In the first half of 2022, there was only insignificant financial income in total (previous year: EUR 0.5 million), while financial expenses amounted to EUR 0.7 million (previous year: EUR 1.1 million). Earnings before taxes (EBT) were at EUR –7.7 million (previous year: EUR 11.7 million). After deducting income taxes of EUR 2.0 million (previous year: EUR 1.9 million), Manz AG's consolidated result in the first half of 2022 amounted to EUR –9.6 million (previous year: EUR 9.8 million). Based on a weighted average of 7,756,804 shares, this results in undiluted earnings per share of EUR –1.24 (previous year undiluted: EUR 1.27).

Asset position of the Group

Total assets as of June 30, 2022 increased by EUR 285.1 million to EUR 334.6 million compared to December 31, 2021.

On the assets side, non-current assets at EUR 108.1 million as of Thursday, June 30, 2022 were above the level of the 2021 balance sheet date (EUR 101.5 million). A minority interest in Customcells Tübingen GmbH amounting to EUR 5.8 million made a significant contribution to the increase.

As of June 30, 2022, current assets totaled EUR 226.6 million, higher than the figure at year-end 2021 (EUR 183.6 million). Inventories and trade receivables increased to EUR 45.2 million (December 31, 2021: EUR 32.1 million) and EUR 52.6 million (December 31, 2021: EUR 33.7 million), respectively, as a result of the increasing number of ongoing projects. In addition, contract assets also increased to EUR 69.3 million (December 31, 2021: EUR 62.9 million). Cash and cash equivalents amounted to EUR 40.7 million as of Thursday, June 30, 2022 (December 31, 2021: EUR 36.1 million). As of June 30, 2022, under other current assets were reported EUR 17.1 million (December 31, 2021: EUR 17.8 million).

On the liabilities side, equity was down on the previous year at EUR 75.9 million (December 31, 2021: EUR 86.0 million). The primary reason for the decline was the negative

consolidated earnings in the first half of 2022. The equity ratio at June 30, 2022 was 22.7 % (December 31, 2021: 30.1 %) with a higher balance sheet total.

Non-current liabilities decreased slightly from EUR 34.3 million as of December 31, 2021 to EUR 33.6 million as of June 30, 2022. Current liabilities increased to EUR 225.1 million as of June 30, 2022 (December 31, 2021: EUR 164.8 million). Current financial liabilities increased to EUR 44.7 million as of June 30, 2022 (December 31, 2021: EUR 41.0 million) due to the increasing utilization of working capital lines. At EUR 73.5 million, trade payables as of June 30, 2022 were slightly above the level as of the 2021 balance sheet date (December 31, 2021: EUR 66.4 million) due to higher purchases for projects. The company has contract liabilities of EUR 72.7 million as of June 30, 2022 (December 31, 2021: EUR 30.9 million).

Liquidity position of the Group

The cash flow from operating activities is based on consolidated net profit of EUR –9.6 million (previous year: EUR 9.8 million). In the course of the increase in inventories, trade receivables, contract assets and other assets, Manz recorded a cash outflow of EUR 19.9 million, compared to EUR 31.2 million 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 35.1 million during the reporting period (previous year: EUR –3.5 million). Cash flow from operating activities, therefore, amounted to EUR 11.4 million in the first half of 2022 (previous year: EUR –33.9 million).

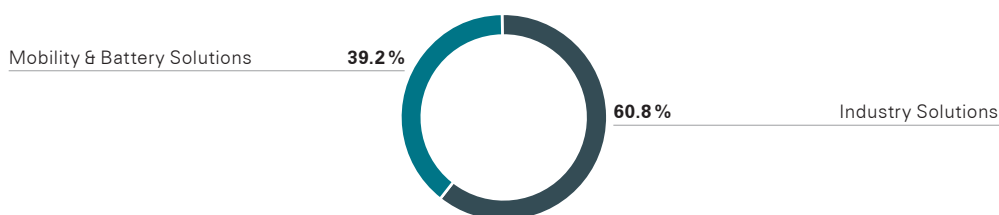
Cash flow from investment activities amounted to EUR –8.7 million in the 2022 reporting period (previous year's period: EUR 38.0 million). The cash outflow mainly results from the capitalized development costs of the IPCEI project.

Cash flow from financing activities in the first half of 2022 amounted to EUR 1.5 million (previous year: EUR –25.0 million).

Unused credit lines with banks amounted to EUR 13.1 million as of June 30, 2022 (December 31, 2021: EUR 17.8 million). With bank balances of EUR 40.7 million (December 31, 2021: EUR 36.1 million), net debt remained almost unchanged at EUR 12.2 million compared to the previous year's figure of EUR 13.2 million.

Segment reporting

Revenues by Business Segment January 1 to June 30, 2022



Order intake

(in Mio. EUR)

	Jan. 1 to June 30, 2022	Jan. 1 to June 30, 2021	Change in %
Mobility & Battery Solutions	52.6	49.9	+5.4
Industry Solutions	143.4	74.4	+92.9
Total Group	196.0	124.2	+57.8

Order backlog

(in Mio. EUR)

	Jan. 1 to June 30, 2022	Jan. 1 to June 30, 2021	Change in %
Mobility & Battery Solutions	172.5	110.5	+56.1
Industry Solutions	126.9	80.7	+57.3
Total Group	299.3	191.1	+56.6

Mobility & Battery Solutions

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

The segment achieved a significant increase in both order intake and sales compared with the same period of the previous year. Among other things, the expansion of the company's

cooperation with the British battery cell manufacturer British Volt made a significant contribution to this.

The positive development in incoming orders once again underscores Manz AG's strong market positioning in the field of lithium-ion battery production. This is also illustrated through an investment by Daimler Truck AG in Manz AG in the second quarter of the year. The form of cooperation between the two companies underpins Manz's strategic focus and the concept of growth in partnership with industry-leading companies and innovation drivers in the field of e-mobility.

Despite the positive developments, the segment's performance has been affected by global challenges at an economic and political level. Impacted supply chains are leading to delays and additional costs in ongoing projects. In addition, external service providers are increasingly having to be involved in individual projects. Due to extended procurement times, a major project was postponed, which had already been planned for the first half of the year, with a significant share of sales. Accordingly, segment EBIT in the first half of the year fell significantly compared with the same period of the previous year.

The Mobility & Battery Solutions segment recorded sales growth of 24.1 % to EUR 49.7 million (previous year: EUR 40.0 million). The revenue contribution to the Group increased to 39.2 % from 35.0 % in the previous year. Segment EBIT amounted to EUR –9.0 million in the first half of the year, compared with EUR 2.7 million in the same period of the previous year.

Industry Solutions

In the Industry Solutions segment, Manz AG combines the activities of the two business areas: Electronics (semiconductor back-end production, fan-out panel level packaging and display technologies) and Industrial Automation (industrial assembly solutions for the manufacture of consumer electronics, power electronics and other components of the electrical drive train).

The Industry Solutions segment has shown slightly increasing sales in the first half of 2022 due to the progressing execution of some major projects at the Asian subsidiaries. However, the significant increase in the materials ratio due to the commissioning of external service providers for individual ongoing projects has ultimately resulted in a clear loss-making earnings situation. In the first half, there was a positive order intake, particularly in the assembly automation business, including 2 orders with a total order value of over EUR 30 million, which will have an impact on sales in 2022 and 2023.

At EUR 77.0 million, sales in the Industry Solutions segment in the first half of 2022 were slightly above the previous year's figure of EUR 74.3 million. This proportion share of the Group's revenues amounted to 60.8 % (previous: 65.0 %). The segment EBIT fell to EUR 2.0 million (previous year: EUR 9.6 million).

Report on Opportunities and Risks

No material changes have arisen compared with the opportunities and risks presented in the Annual Report 2021.

Forecast Report

Against the backdrop of the unexpectedly sharp increase in raw material and energy costs, interruptions in the supply chains, and the associated postponements within a major project, the Managing Board of Manz AG is adjusting its forecast and now expects year-on-year revenue growth in the low to mid double-digit percentage range, an EBITDA margin in the low single-digit percentage range, and balanced earnings before interest and taxes (EBIT) for fiscal year 2022. Originally, the Managing Board had expected a significant increase in sales in the mid double-digit percentage range, an EBITDA margin in the mid to upper positive single-digit percentage range, and an EBIT margin in the low to mid positive single-digit percentage range for the 2022 financial year.

Forward-looking statements

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

Reutlingen, August 4, 2022

The Managing Board



Martin Drasch



Manfred Hochleitner



The projected
demand for battery
capacity worldwide in
2030 will be

2–4 TWh*

Energy transformation, e-mobility, electronic products – nothing moves without batteries

Energy storage is one of the main growth fields for the future. With its novel technology portfolio for the production of lithium-ion battery cells, modules and systems, as well as capacitors, Manz is setting new standards worldwide.

The production of battery cells places high demands on precision and productivity. Every single process step, e.g. coating, cutting, stacking or winding, affects the battery's performance parameters.

With its highly-efficient and fully-integrated production solutions, Manz covers the entire value chain for the production of battery cells – from wound button cells and prismatic cells to stacked pouch cells – and ensures that they can be produced in an efficient manner.

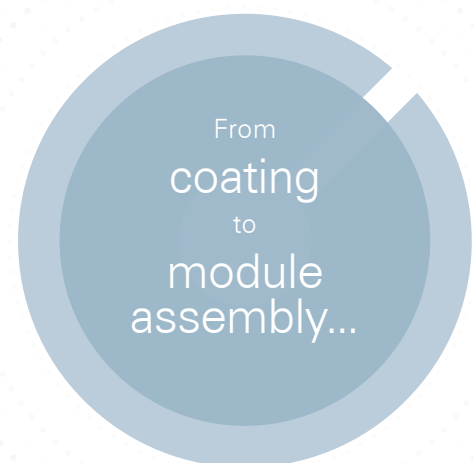
From individual cells to entire battery systems

The energy transformation and e-mobility require powerful all-in-one battery systems. In addition to our extensive know-how in process control, automation and laser technology, we offer our customers mature production solutions for all processes that are required for the assembly of battery modules.

With our solutions, we support our customers from the initial idea to the finished production process:

- Individual machines for e.g. laboratory production
- Equipment for pilot and small series production
- Turnkey production solutions for battery cell and module production

Our mission:
**Maximum
precision with
maximum
production speed**



...we cover all process steps for the production of lithium-ion batteries together with strong partners.



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Consolidated Income Statement

	1st Half Year (in TEUR)		2nd Quarter (in TEUR)	
	January 1 to June 30, 2022	January 1 to June 30, 2021	April 1 to June 30, 2022	April 1 to June 30, 2021
Revenues	126,673	114,365	65,809	63,474
Inventory changes, finished and unfinished goods	3,312	932	1,928	-623
Work performed by the entity and capitalized	7,830	3,447	4,715	2,122
Total operating performance	137,815	118,744	72,453	64,974
Other operating income	9,358	18,367	4,483	933
Material expenses	-85,181	-63,398	-41,966	-33,933
Personnel expenses	-40,890	-39,281	-20,427	-19,896
Other operating expenses	-21,830	-16,269	-12,330	-8,222
Result from investments using the equity method	-382	-60	-172	-18
EBITDA	-1,110	18,102	2,041	3,838
Amortization/depreciation and impairment	-5,834	-5,755	-2,965	-2,955
EBIT	-6,944	12,347	-923	882
Finance income	25	481	18	424
Finance costs	-738	-1,135	-381	-543
Earnings before taxes (EBT)	-7,657	11,693	-1,287	764
Income taxes	-1,979	-1,899	-1,641	-1,228
Consolidated net profit	-9,636	9,793	-2,928	-465
thereof attributable to non-controlling interests	-11	-14	-5	-4
thereof attributable to shareholders of Manz AG	-9,625	9,807	-2,923	-460
Weighted average number of shares (undiluted)	7,756,804	7,748,632	7,756,804	7,756,804
Earnings per share undiluted in EUR per share	-1.24	1.27	-0.38	-0.06
Earnings per share diluted in EUR per share	-1.24	1.21	-0.38	-0.06

Consolidated Statement of Comprehensive Income

	1st Half Year (in TEUR)		2nd Quarter (in TEUR)	
	January 1 to June 30, 2022	January 1 to June 30, 2021	April 1 to June 30, 2022	April 1 to June 30, 2021
Consolidated profit or loss	-9,636	9,793	-2,928	-465
Difference resulting from currency translation	-1,203	2,791	431	1,263
Cash flow hedges	419	-87	850	-69
Tax effect resulting from components not recognized in profit/loss	-122	25	-248	20
Total of expenditures and income recorded directly in equity capital with future reclassification with tax effect	-906	2,729	1,034	1,213
Financial assets measured at fair value through other comprehensive income (FVOCI)	0	0	0	0
Tax effect resulting from financial assets measured at fair value through other comprehensive income (FVOCI)	0	0	0	0
Revaluation of defined benefit pension plans	-9	-15	-21	-3
Tax effect resulting from Revaluation of defined benefit pension plans	2	-6	5	-1
Share of other comprehensive income from investments using the equity method	0	129	0	129
Total of expenditures and income recorded directly in equity without future reclassification with tax effect	-7	108	-16	125
Group comprehensive income	-10,549	12,630	-1,910	873
thereof non-controlling interests	-2	-4	-3	-5
thereof shareholders Manz AG	-10,547	12,634	-1,907	878

Consolidated Balance Sheet

ASSETS (in TEUR)

	June 30, 2022	Dec. 31, 2021*
Non-current assets		
Intangible assets	49,951	44,118
Property, plant and equipment	41,338	45,911
Investments accounted for using the equity method	8,636	3,206
Financial assets	1,798	1,798
Other non-current assets	2,365	2,161
Deferred tax assets	3,985	4,301
	108,073	101,495
Current assets		
Inventories	45,177	32,087
Trade receivables	52,646	33,691
Contract assets	69,265	62,879
Current income tax receivables	1,248	1,107
Derivative financial instruments	419	0
Other current assets	17,120	17,791
Assets held for sale	0	0
Cash and cash equivalents	40,688	36,086
	226,562	183,642
Total assets	334,635	285,137

* Adjustment after restatement due to additional impairment made on a contract asset.

SHAREHOLDERS' EQUITY AND LIABILITIES (in TEUR)

	June 30, 2022	Dec. 31, 2021*
Equity		
Issued capital	7,757	7,757
Capital reserves	19,796	19,297
Retained earnings	43,620	53,203
Accumulated other comprehensive income	4,518	5,441
Shareholders of Manz AG	75,691	85,697
Non-controlling interests	218	262
	75,909	85,959
Non-current liabilities		
Non-current financial liabilities	8,106	8,337
Non-current financial liabilities from leases	10,153	10,703
Pension provisions	5,790	6,140
Other non-current provisions	2,433	2,777
Other non-current liabilities	82	75
Deferred tax liabilities	7,085	6,312
	33,649	34,345
Current liabilities		
Current financial liabilities	44,733	40,959
Current financial liabilities from leases	3,381	3,260
Trade payables	73,540	66,373
Contract liabilities	72,658	30,923
Current income tax liabilities	1,258	1,426
Other current provisions	7,999	6,514
Derivative financial instruments	516	225
Other current liabilities	20,994	15,155
	225,078	164,834
Total liabilities	334,635	285,137

* Adjustment after restatement due to additional impairment made on a contract asset.

Consolidated Cash Flow Statement

(in TEUR)

	Jan. 1 to June 30, 2022	Jan. 1 to June 30, 2021
Net profit/loss after taxes	-9,636	9,793
Amortization/depreciation	5,834	5,755
Increase (+)/decrease (-) of pension provisions and other non-current provisions	-695	-1,287
Interest income (-) and expenses (+)	713	654
Taxes on income and earnings	1,979	1,899
Other non-cash income (-) and expenses (+)	499	392
Gains (-)/losses (+) from disposal of assets	31	-14,466
Result from investments using the equity method	382	60
Increase (-)/decrease (+) in inventories, trade receivables, contract assets and other assets	-19,864	-31,193
Increase (+)/decrease (-) in trade payables, contract liabilities and other liabilities	35,186	-3,528
Received (+)/paid income taxes (-)	-2,287	-1,294
Interest paid	-738	-1,135
Interest received	25	481
Cash flow from operating activities	11,428	-33,868
Cash receipts from the sale of fixed assets	1,536	79
Cash payments for the investments in intangible assets and property, plant and equipment	-10,276	-5,399
Cash receipts for the sale of investments using the equity method less liquid funds withdraw	0	44,715
Cash payments for investments in subsidiaries less liquid funds received	-25	0
Cash payments for investments using the equity method less liquid funds received	-17	-1,245
Changes in investments on financial assets	55	-127
Cash flow from investing activities (2)	-8,727	38,023
Cash receipts from the assumption of non-current financial liabilities	382	0
Cash payments for the repayment of non-current financial liabilities	-614	-453
Cash receipts from the assumption of current financial liabilities	8,115	3,100
Cash payments for the repayment of current financial liabilities	-4,341	-25,785
Purchase of treasury shares	0	0
Cash payment of lease liabilities	-2,085	-1,912
Cash receipts from equity increase	0	5
Cash flow from financing activities (3)	1,457	-25,045
Cash and cash equivalents at the end of the period		
Net change in cash funds (subtotal 1-3)	4,158	-20,891
Effect of exchange rate movements on cash and cash equivalents	437	499
Credit risk allowance on bank deposit	6	-7
Cash and cash equivalents on January 1, 2022	36,086	69,736
Cash and cash equivalents on June 30, 2022	40,688	49,338

Consolidated Statement of Changes to Equity 2021

(in TEUR)

	Issued capital	Capital reserves	Treasury Shares	Revenue reserves	Other comprehensive income					Other comprehensive income	Equity to shareholders of Manz AG	Non-controlling interest	Total equity
					Remeasurement of pensions	Financial assets measured at fair value through profit or loss (FVOCI)	Investment accounted for using the equity method	Cash flow hedges	Currency translation				
As of Jan. 1, 2021	7,744	33,234	0	83,824	-1,804	-16,985	-129	11	25,259	6,352	131,154	255	131,410
Effects of changing of accounting rules	0	0	0	0	0	0	0	0	0	0	0	0	0
Consolidated net profit	0	0	0	9,807	0	0	0	0	0	0	9,807	-14	9,793
Other comprehensive income	0	0	0	-129	-21	0	129	-62	2,781	2,827	2,699	10	2,708
Consolidated income statement	0	0	0	9,678	-21	0	129	-62	2,781	2,827	12,506	-4	12,502
Withdrawal from Capital reserves	5	0	0	0	0	0	0	0	0	0	5	0	5
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	392	0	0	0	0	0	0	0	0	392	0	392
As of June 30, 2021	7,749	33,626	0	93,502	-1,824	-16,985	0	-51	28,040	9,180	144,056	251	144,308

Consolidated Statement of Changes to Equity 2022

(in TEUR)

	Issued capital	Capital reserves	Treasury Shares	Revenue reserves*	Other comprehensive income						Other comprehensive income	Equity to shareholders of Manz AG*	Non-controlling interest	Total equity*
					Components which are not transferred to profit or loss			Components which may be transferred to profit or loss						
					Remeasurement of pensions	Financial assets measured at fair value through profit or loss (FVOCI)	Investment accounted for using the equity method	Cash flow hedges	Currency translation					
As of Jan. 1, 2022	7,757	19,297	0	53,203	-1,919	-24,245	0	0	31,605	5,441	85,697	262	85,959	
Consolidated net profit	0	0	0	-9,625	0	0	0	0	0	0	-9,625	-11	-9,636	
Other comprehensive income	0	0	0	0	-7	0	0	297	-1,213	-922	-922	9	-913	
Consolidated income statement	0	0	0	-9,625	-7	0	0	297	-1,213	-922	-10,547	-2	-10,549	
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	499	0	0	0	0	0	0	0	0	499	0	499	
Change in scope of consolidation	0	0	0	42	0	0	0	0	0	0	42	-42	0	
As of June 30, 2022	7,757	19,796	0	43,620	-1,926	-24,245	0	297	30,393	4,518	75,691	218	75,909	

* Adjustment after restatement due to additional impairment made on a contract asset.

Notes to the Consolidated Interim Financial Statement (condensed)

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 Steigäck-erstrasse 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, 2022 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.

Accounting and Valuation Principles

The accounting policies applied to the condensed consolidated interim financial statements as of June 30, 2022, 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, 2021. A detailed description of these policies was published in the notes to the consolidated financial statements in the 2021 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 de-

velopment 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. The war in Ukraine and the coronavirus pandemic are causing disruptions in global supply chains, end markets, energy and commodity markets, and overall economic development. 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 2022 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 creditworthiness or current macroeconomic data are included in the review.

Corrections of Errors in Accordance with IAS 8

In the consolidated financial statements as of December 31, 2021, the Managing Board made an assessment regarding the recoverability of the contract assets of the large-scale CIGS*fab* project recognized on the basis of historical, public information which was available to them.

An internal examination of the recoverability of the contract assets in the second quarter of 2022 resulted in an impairment requirement of TEUR 23,213. The facts were presented incorrectly as of December 31, 2021, taking into account new knowledge and backward consideration of the case, in contradiction to the objective circumstances. In addition, the information about the uncertain liquidity situation of the customer was already available at the time the consolidated financial statements were prepared. Since both requirements of IAS 8.5 are met cumulatively, this is an error from prior periods. As a result, the contract assets in the amount of TEUR 23,213 were retrospectively impaired. The following picture emerges from that correction:

Correction of affected items in the balance sheet according to IAS 8

(in TEUR)	Dec. 31, 2021 (published)	Correction of error accord- ing to IAS 8	Dec. 31, 2021 (adjusted)
Contract assets	86,092	-23,213	62,879
Current assets	206,855	-23,213	183,642
Total assets	308,350	-23,213	285,137
Retained earnings	76,416	-23,213	53,203
Shareholders of Manz AG	108,910	-23,213	85,697
Equity	109,171	-23,213	85,959
Total equity and liabilities	308,350	-23,213	285,137

Correction of affected items in the income statement according to IAS 8

(in TEUR)	Jan. 1 to Dec. 31, 2021 (published)	Correction of error accord- ing to IAS 8	Jan. 1 to Dec. 31, 2021 (adjusted)
Other operating expenses	33,378	23,213	56,591
EBITDA	18,290	-23,213	-4,923
EBIT	-16,064	-23,213	-39,277
EBT	-17,579	-23,213	-40,792
Consolidated net profit	-22,427	-23,213	-45,640
Consolidated net profit attributable to shareholders of Manz AG	-22,408	-23,213	-45,621
Earnings per share undiluted in EUR per share	-2.89	-2.99	-5.88
Earnings per share diluted in EUR per share	-2.89	-2.99	-5.88

Correction of affected items in the statement of comprehensive income according to IAS 8

(in TEUR)	Jan. 1 to Dec. 31, 2021 (published)	Correction of error accord- ing to IAS 8	Jan. 1 to Dec. 31, 2021 (adjusted)
Consolidated profit or loss	-22,427	-23,213	-45,640
Group comprehensive income	-23,314	-23,213	-46,526
Thereof shareholder Manz AG	-23,320	-23,213	-46,533

Correction of affected items in the Cash Flow Statement income according to IAS 8

(in TEUR)	Jan. 1 to Dec. 31, 2021 (published)	Correction of error accord- ing to IAS 8	Jan. 1 to Dec. 31, 2021 (adjusted)
Net profit/loss after taxes	-22,427	-23,213	-45,640
Increase (-)/decrease (+) in inventories, Trade receivables contract assets and other assets	-34,648	23,213	-11,435
Cash flow from operating activities	-25,795	0	-25,795

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.

On May 20, 2022, Manz AG took a 40% stake in Customcells Tübingen GmbH. The share is included in the consolidated financial statements using the equity method. The company's purpose is the development and series production of state-of-the-art lithium-ion battery cells.

On February 17, 2022, Manz AG increased its shares in Manz India private Ltd. from 75% to 100%. The purchase price was TEUR 25.

Explanations of Individual Items in the Income Statement

Revenues

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

(in TEUR)		Germany	Rest of Europe	China	Taiwan	Rest of Asia	USA	Other Regions	Total
Mobility & Battery Solutions	Jan. 1 to June 30, 2022	28,458	6,337	433	1	3,554	10,879	18	49,680
	Jan. 1 to June 30, 2021	18,081	8,605	3,184	1	1,135	9,016	5	40,027
Industry Solutions	Jan. 1 to June 30, 2022	18,845	8,625	9,307	17,687	15,850	6,251	428	76,993
	Jan. 1 to June 30, 2021	36,161	4,322	18,829	7,739	5,478	1,796	13	74,338
Total	Jan. 1 to June 30, 2022	47,303	14,962	9,740	17,688	19,404	17,130	446	126,673
	Jan. 1 to June 30, 2021	54,242	12,927	22,013	7,740	6,613	10,812	18	114,365

Other Operating Income

(in TEUR)	June 30, 2022	June 30, 2021
Exchange rate gains	5,700	10
Income from the reversal of provisions	1,099	1,228
Subsidies	855	889
Lease and rental income	268	217
Income from the disposal of fixed assets	31	16
Reversal of valuation allowances on receivables	10	90
Income from the sale of investments using the equity method	0	14,345
Other operating income	1,395	1,572
Total	9,358	18,367

Material Expenses

(in TEUR)	June 30, 2022	June 30, 2021
Cost of raw materials, consumables, and supplies, and of purchased merchandise	68,873	54,994
Cost of purchased services	16,308	8,404
Total	85,181	63,398

Other Operating Expenses

(in TEUR)	June 30, 2022	June 30, 2021
Exchange rate losses	2,768	1,757
Research-related (project-based) other operating expenses	2,163	15
Advertising and travel expenses	2,206	1,889
Facility costs	1,833	1,443
IT-costs	1,779	1,470
Outgoing freight	1,496	777
Legal and consulting fees	1,444	1,264
Other personnel-related expenses	1,344	838
Bank guarantee	1,052	745
Insurance	832	379
Increase of provisions	777	2,627
Rent and leases	574	568
Impairment expenses on financial assets and contract assets	311	434
Other	3,251	2,063
Total	21,830	16,269

Amortization/Depreciation

(in TEUR)	June 30, 2022	June 30, 2021
Fixed assets	4,257	4,265
Right-of-use assets from leases	1,506	1,410
Non-current costs for obtaining a contract	40	40
Current costs for obtaining a contract	31	40
Total	5,834	5,755

Explanations of Individual Items in the Balance Sheet

Intangible Assets

(in TEUR)	June 30, 2022	Dec. 31, 2021
Licenses, software, and similar rights	5,240	5,014
Capitalized development costs	27,886	22,568
Goodwill	16,775	16,536
Prepayments	50	0
Non-current costs of obtaining a contract	0	0
Total	49,951	44,118

Property, Plant, and Equipment

(in TEUR)	June 30, 2022	Dec. 31, 2021
Land and buildings	17,903	17,463
Technical equipment and machinery	3,876	4,096
Other equipment, operation and office equipment	5,202	4,814
Right-of-use assets	13,081	13,428
Prepayments	1,276	6,110
Total	41,338	45,911

Inventories

(in TEUR)	June 30, 2022	Dec. 31, 2021
Materials and supplies	21,061	16,855
Unfinished goods and products	11,878	6,669
Finished goods and merchandise	1,360	1,308
Advance payments	10,878	7,255
	45,177	32,087

Trade Receivables

(in TEUR)	June 30, 2022	Dec. 31, 2021
Trade receivables from third parties	52,646	33,691
	52,646	33,691

Contract Assets

(in TEUR)	June 30, 2022	Dec. 31, 2021*
Contract assets	69,265	62,879
	69,265	62,879

* For the correction of the previous year's figure, we refer to Chapter III "Corrections of errors in accordance with IAS 8"

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).

On May 23, 2022, the Management Board of Manz AG, with the approval of the Supervisory Board, resolved to issue 774,408 new shares against cash contribution as part of a capital increase by partially utilizing the authorized capital 2021 and excluding the shareholder's subscription rights. The capital takes place in the context of a cooperation agreement on a strategic partnership with Daimler Truck AG. The implementation of the capital increase is subject to the approval of the responsible antitrust authorities. Once approved, the new shares will be subscribed to by Daimler Truck AG at a price of EUR 39.53 per share. The responsible antitrust authority gave its approval at the beginning of July 2022.

Trade Payables

(in TEUR)	June 30, 2022	Dec. 31, 2021
Trade payables to third parties	73,540	66,373
	73,540	66,373

Additional Information About Financial Instruments

The war in Ukraine and the ongoing coronavirus pandemic can 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 are 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 remaining 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, 2022

IFRS 9 – Financial Assets

Carrying amounts by measurement category

(in TEUR)	Fair value	At continued acquisition cost	Fair value through other comprehensive income (equity instruments)	Designated hedge fund instruments	Not in the scope of IFRS 7, IAS 9	Carrying amount June 30, 2022
Investments	1,798	0	1,798	0	0	1,798
Other non-current assets	2,365	1,892	0	0	473	2,365
Trade receivables from third parties	52,646	52,646	0	0	0	52,646
Derivative financial instruments	419	0	0	419	0	419
Other current assets	13,672	13,672	0	0	0	13,672
Cash and cash equivalents	40,688	40,688	0	0	0	40,688
	111,588	108,898	1,798	419	473	111,588

Liabilities as of June 30, 2022

IFRS 9 – Financial Liabilities

Carrying amounts by measurement category

(in TEUR)	Fair value	Fair value through Profit or loss	At continued acquisition cost	Designated hedge instruments	Not in the scope of IFRS 7, IAS 9	Carrying amount June 30, 2022
Financial liabilities	52,839	0	52,839	0	0	52,839
Trade payables to third parties	73,540	0	73,540	0	0	73,540
Derivative financial instruments	516	516	0	0	0	0
Other liabilities	10,830	0	10,830	0	0	10,830
	137,725	516	137,209	0	0	137,209

Assets as of December 31, 2021

IFRS 9 – Financial Assets

Carrying amounts by measurement category

(in TEUR)	Fair value	At continued acquisition cost	Fair value through other comprehensive income (equity instruments)	Designated hedge fund instruments	Not in the scope of IFRS 7, IAS 9	Carrying amount Dec. 31, 2021
Investments	1,798	0	1,798	0	0	1,798
Other non-current assets	2,161	1,586	0	0	575	2,161
Trade receivables from third parties	33,691	33,691	0	0	0	33,691
Other current assets	15,743	15,743	0	0	0	15,743
Cash and cash equivalents	36,086	36,086	0	0	0	36,086
	89,479	87,106	1,798	0	575	89,479

Liabilities as of December 31, 2021

IFRS 9 – Financial Liabilities

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, 2021
Financial liabilities	49,296	0	49,296	0	0	49,296
Trade payables to third parties	66,373	0	66,373	0	0	66,373
Derivative financial instruments	225	225	0	0	0	225
Other liabilities	5,295	0	5,295	0	0	5,295
	121,189	225	120,964	0	0	121,189

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:

(in TEUR)	Fair value hierarchy			
	June 30, 2022	Level 1	Level 2	Level 3
Assets at fair value – affecting net income				
Derivatives with a balance sheet hedging relationship	0	0	0	0
Assets at fair value – not affecting net income				
Investments	1,798	0	0	1,798
Derivatives with a balance sheet hedging relationship	419	0	419	0
Liabilities at fair value – affecting net income				
Derivatives	516	0	516	0
Liabilities at fair value – not affecting net income				
Derivatives with a balance sheet hedging relationship	0	0	0	0

(in TEUR)	Fair value hierarchy			
	Dec. 31, 2021	Level 1	Level 2	Level 3
Assets at fair value – affecting net income				
Derivatives with a balance sheet hedging relationship	0	0	0	0
Assets at fair value – not affecting net income				
Investments	1,798	0	0	1,798
Derivatives with a balance sheet hedging relationship	0	0	0	0
Liabilities at fair value – affecting net income				
Derivatives	225	0	225	0
Liabilities at fair value – not affecting net income				
Derivatives with on-balance-sheet hedging relationship	0	0	0	0

Contingent Liabilities and Other Financial Obligations

As of June 30, there are partially reinsured total performance guarantees for the CIGS orders of Manz AG in the amount of EUR 26 million to the customer Chongquin Shenhua Thin Film Solar Technology Co. Ltd. and Nice PV Research Ltd. The guarantees expire when the final acceptance of the orders is reached.

Due to the fact that the customer of CIGS*fab* refuses to waive the bank guarantee in the second quarter of 2022 as part of the discussions taking place to settle the outstanding payments regarding the order, Manz AG considers the requirements for disclosure of a contingent liability are being met.

Segment Reporting Business Units

As of June 30, 2022

(in TEUR)	Mobility & Battery Solutions	Industry Solutions	Group
Total revenues			
Jan. 1 to June 30, 2022	49,681	76,993	126,673
Jan. 1 to June 30, 2021	40,027	74,337	114,365
Result from investments using the equity method			
Jan. 1 to June 30, 2022	-135	-247	-382
Jan. 1 to June 30, 2021	0	-60	-60
EBITDA			
Jan. 1 to June 30, 2022	-6,568	5,458	-1,110
Jan. 1 to June 30, 2021	4,612	13,490	18,102
Amortization/depreciation			
Jan. 1 to June 30, 2022	2,403	3,431	5,834
Jan. 1 to June 30, 2021	1,865	3,890	5,755
EBIT			
Jan. 1 to June 30, 2022	-8,970	2,026	-6,944
Jan. 1 to June 30, 2021	2,747	9,600	12,347
Financial results			
Jan. 1 to June 30, 2022	-557	-156	-713
Jan. 1 to June 30, 2021	-91	-564	-654
Earnings before taxes (EBT)			
Jan. 1 to June 30, 2022	-9,527	1,870	-7,657
Jan. 1 to June 30, 2021	2,657	9,036	11,693
Income taxes			
Jan. 1 to June 30, 2022	-265	-1,714	-1,979
Jan. 1 to June 30, 2021	-336	-1,563	-1,899
Consolidated profit or loss			
Jan. 1 to June 30, 2022	-9,792	156	-9,636
Jan. 1 to June 30, 2021	2,320	7,473	9,793

Segment Reporting Regions

As of June 30, 2022

(in TEUR)	Revenues
Germany	
Jan. 1 to June 30, 2022	47,303
Jan. 1 to June 30, 2021	54,242
Rest of Europe	
Jan. 1 to June 30, 2022	14,962
Jan. 1 to June 30, 2021	12,927
China	
Jan. 1 to June 30, 2022	9,740
Jan. 1 to June 30, 2021	22,013
Taiwan	
Jan. 1 to June 30, 2022	17,688
Jan. 1 to June 30, 2021	7,740
Rest of Asia	
Jan. 1 to June 30, 2022	19,404
Jan. 1 to June 30, 2021	6,613
USA	
Jan. 1 to June 30, 2022	17,130
Jan. 1 to June 30, 2021	10,812
Other Regions	
Jan. 1 to June 30, 2022	446
Jan. 1 to June 30, 2021	18
Group	
Jan. 1 to June 30, 2022	126,673
Jan. 1 to June 30, 2021	114,365

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.

Relationships with Related Party Disclosures

Related companies are companies that are controlled by related persons or are under joint control, in which a related company or a related person has an interest. The companies accounted for using the equity method are also allocated to related companies. Accordingly, the associated companies CADIS Engineering GmbH, Schwendi, Germany, Q.big 3D GmbH, Aalen, Germany and Customcells Tübingen GmbH, Tübingen, Germany were identified as related companies.

Transactions in the amount of TEUR 0 (previous year: TEUR 0) took place with CADIS Engineering GmbH. As of the balance sheet date, there was a positive balance of TEUR 898.

Contract assets of TEUR 428 existed with Q.big 3D GmbH as of the balance sheet date. There were no outstanding balances as of the balance sheet date.

As of the balance sheet date, there were contract liabilities with Customcells Tübingen GmbH in the amount of TEUR 128. As of the balance sheet date, there was a negative balance of TEUR 26.

In addition, Manz GmbH Management Consulting and Investment, Schlaitdorf, is a related company. In the 2021 reporting period, consulting services were purchased from this company in the amount of TEUR 0 (previous year TEUR 0). There were no outstanding balances as of the balance sheet date.

Key Events of Particular Importance Occurring After the End of the Reporting Period

There were no key events of particular importance occurring after the end of the reporting period.

Further Disclosures

Employees

As of June 30, 2022, the Manz Group had an average of 1,489 employees (June 30, 2021: 1,353).

Managing Board

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

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

Jürgen Knie, Dipl.-Wirt.-Ing. (FH), Chief Operations Officer (resigned on March 31, 2022)

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 4, 2022

The Managing Board of Manz AG



Martin Drasch



Manfred Hochleitner



Displays of a
size of up to
**2,940 mm by
3,370 mm**
can be produced
with our equipment.

Electronics: A necessity for daily life and industry

Electronics have become a fixture of daily life. With our machines and equipment for producing electronic components, as well as performance and consumer electronics devices, we create the conditions for the continuous optimization of end products while also reducing production costs. This makes Manz a sought-after development and technology partner.

The electronics industry is a very dynamic sector. With its integrated and automated production solutions, Manz creates the conditions for rapid time-to-market while also improving the performance characteristics of end products and reducing production costs. Our customers profit from these advantages for the production of

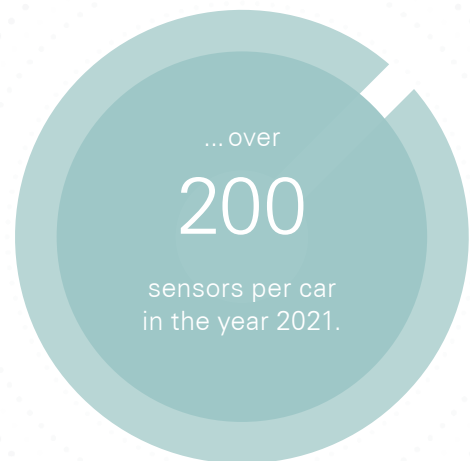
- electronic components such as displays and touch screens, printed circuit boards and semiconductors,
- consumer electronics such as smart watches, wearables, laptops, digital cameras or navigation equipment,
- performance electronics e.g. inverter modules for solar power equipment, DC or frequency converters.

Ever smaller, lighter – and more powerful

The main requirement for rapid digitization in many areas of our daily life is increased miniaturization, that is, ever smaller and ever more high-performance components. The mega trends of electromobility and autonomous driving, in addition to the driver assistance systems already installed in vehicles today, will cause major leaps in installed chips in the automotive industry.

Our equipment for implementing the innovative packaging method for microchips, fan-out panel level packaging, plays a major role in the realization of this trend. In addition to a significant reduction in volume, thickness, weight and manufacturing cost of the packaging while doubling the number of pins, the process also has significant positive effects on the thermal conductivity and speed of the components.

Electromobility and autonomous driving are responsible for the sudden jump from 60–100 sensors per car in the year 2016 to ...



**Our claim:
Innovation and
quality – from
microchip to
display**

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