



Half-year Report 2018

Content

Half-year Report 2018

Brief portrait of Delignit AG	3
Delignit Group at a glance	4
Greetings from the Management Board	5
Consolidated management report for the first half of the fiscal year from 1 January to 30 June 2018 of Delignit AG, Blomberg	7
1. General description of the company	7
2. Business and economic conditions	7
3. Market environment of the Delignit Group	8
4. Organisation	9
5. Results of operations, financial position and net assets	11
6. Hedging transactions	12
7. Risk report	12
8. Strategic orientation and opportunities of the Delignit Group	13
9. Non-financial performance indicators	14
10. Supplementary report	15
11. Other details	15
12. Outlook	16
IFRS consolidated interim balance sheet of Delignit AG (unaudited) as of 30 June 2018	17
IFRS consolidated half-year income statement (unaudited) for the first half of the fiscal year from 1 January to 30 June 2018 of Delignit AG	18
Notes to the interim consolidated financial statements	19
Financial calendar	19
Contact	19

Brief portrait of Delignit AG

Delignit AG develops, manufactures and sells ecological, usually hardwood-based materials and system solutions based on the natural, renewable and CO₂-neutral raw material wood.

As a development, project and serial supplier for technology industries, such as for example the automotive, aviation and rail transport industry the focus of the business activity today is placed on creating and implementing technological and customized applications and systems.

These are used in the form of specific – mostly ready-to-install – parts, components as well as system- and module solutions. The basis for this is the Delignit material, which is essentially based on beech wood. The use of Delignit materials as a substitute for applications from non-renewable raw materials improves the environmental balance of the customer products and fulfils their increasing ecological demands.

The operating business of Delignit AG is divided into two target markets:

Target market Automotive:

The automotive target market essentially comprises the manufacture and sale of cargo bay protection systems and safety equipment (interior) for light commercial vehicles (LCV). These systems include cargo bay floors, side walls and partition walls and are used extensively by leading manufacturers of light commercial vehicles as original equipment (OEM) as well as retrofits (SHOP). In the passenger cars product group, Delignit supplies interior components (e.g. trunk floors) to well-known OEMs on the basis of renewable raw materials.

Target market Technological Applications:

The products of the target market Technological Applications are subdivided into the product groups Building Equipment, Special Applications and Standard. The main areas of application include floors for production facilities and rail vehicles, fire and noise protection equipment for public buildings, safety equipment such as construction elements (doors, windows, partition walls) and toolmaking (e.g. manufacture of sheet metal forming tools).

Delignit Group at a glance

First half of the fiscal year (1 January - 30 June)	2018 IFRS	2017 IFRS	Δ 2018/ 2017
Earnings figures	TEUR	TEUR	%
Revenue	29,350	27,088	8.4%
Operating performance	29,101	27,390	6.2%
Cost of materials	-15,231	-15,529	-1.9%
Personnel expenses	-8,586	-7,570	13.4%
Other operating expenses	-2,409	-1,819	32.4%
EBITDA	2,874	2,472	16.3%
<i>EBITDA margin</i>	<i>9.9%</i>	<i>9.0%</i>	<i>0.9%*</i>
EBIT	2,075	1,749	18.6%
<i>EBIT margin</i>	<i>7.1%</i>	<i>6.4%</i>	<i>0.7%*</i>
EBT	2,010	1,646	22.1%
<i>EBT margin</i>	<i>6.9%</i>	<i>6.0%</i>	<i>0.9%*</i>
Consolidated annual results	1,377	1,056	30.4%
Number of shares	8,193,900	8,193,900	0.0%
eps in EUR	0.17	0.13	30.4%
Balance sheet figures	TEUR	TEUR	%
Long-term assets	16,465	17,109	-3.8%
Short-term assets	17,708	16,977	4.3%
Liquid funds contained therein	424	432	-1.9%
Subscribed capital (share capital)	8,194	8,194	0.0%
Other equity	9,281	7,394	25.5%
Total equity	17,475	15,588	12.1%
<i>Equity ratio</i>	<i>51.1%</i>	<i>45.7%</i>	<i>5.4%*</i>
Long-term liabilities and provisions	5,881	6,919	-15.0%
Short-term liabilities and provisions	10,817	11,579	-6.6%
Balance sheet total	34,173	34,086	0.3%
Net financial debts (net debt (-) / net cash (+))	-4,355	-5,803	-25.0%
Employees (key date 31 December)			
Germany	351	329	6.7%

* Change in percentage points

Greetings from the Management Board

Dear Shareholders,

Delignit AG showed a highly successful development in the first half-year of 2018. Our company was able to set new records both in terms of revenue as well as profitability. Revenue increased by 8.4% to EUR 29.4 million while EBITDA (earnings before interest, taxes, depreciation and amortisation) improved over-proportionately by 16.3% to EUR 2.9 million. The consolidated half-year result even grew by more than 30% to EUR 1.4 million.

Besides this positive development, Delignit AG achieved important strategic milestones in the first half-year. In April we were able to announce the market entry into a new exciting end-market. We succeeded in receiving a major serial order from a well-known German automotive manufacturer for equipment components for a newly launched motor caravan model.

With an annual revenue potential of more than EUR 10 million after a successful ramp-up and a contract duration of 9 years, this substantially increases our visibility on dynamic growth going forward. We have already delivered first prototypes while serial deliveries look set to start in the first quarter of 2019. On the back of this, we continue our investment activities at a high level. The order is a further important milestone for us and underscores the consistent implementation of our corporate strategy to leverage Delignit's business model into new end-markets.

Given that this major project had to be handled, and still needs to be handled, in parallel to the start-up of the serial supply contracts for the light commercial vehicle industry acquired in 2016 and very strongly growing rail transport revenue, we are all the more satisfied with our sound operating results. We therefore would like to extend a heartfelt "thanks" to all involved teams and all employees of Delignit Group.

Against the background of the satisfactory development of the first six months, we confirm our forecast for the whole of 2018 of revenue growth of more than 8% with an EBITDA margin, which should be at least on the same level of the previous year.

We would like to conclude by thanking our business partners and, not least, our shareholders. We are looking forward to your continued loyalty.

Blomberg, August 2018

With our best wishes



Markus Büscher
CEO



Thorsten Duray
CSO

Consolidated management report for the first six months of the fiscal year from 1 January to 30 June 2018

Delignit AG, Blomberg

1. General description of the company

The Delignit Group develops, produces and sells ecological materials and system solutions made from renewable raw materials under the Delignit brand name. As a recognised development, project and serial supplier of leading automotive groups the Delignit Group is among others the global market leader for the delivery of the automotive industry with cargo bay protection and load securing systems for equipping light commercial vehicles. With an industry-wide unique variety of applications and production depth the Delignit Group serves numerous further technology industries e.g. as a worldwide system supplier of well-known rail vehicle groups. The Delignit solutions have exceptional technical properties and are furthermore among others used as trunk floors in passenger cars, special floors for manufacturing and logistics halls as well as for improving the safety standards of buildings. Delignit material is mainly based on European deciduous hardwood which is CO₂-neutral in its lifecycle and therefore ecologically superior to non-regenerative materials. The use of Delignit materials therefore improves the environmental balance of customers' products and fulfils their increasing ecological requirements. The company was founded more than 200 years ago. Delignit AG is listed in the stock exchange segment Scale of the Frankfurt Stock Exchange.

2. Business and economic conditions

The economic situation in Germany was marked by a subdued economic performance in the first four months of the current fiscal year. In particular, a certain restraint was noticed among the German companies due to the new tones with regard to foreign and trade policies. For example, the price-adjusted gross domestic product merely grew by 0.3% in the first quarter compared to the last quarter of the previous year. The expected revival in the German economy was only seen in May (source: report of the BMWi on the economic situation in Germany in July 2018).

The upturn in the world economy also temporarily lost in momentum slightly in the first quarter of 2018. The slower momentum of the global economy is above all due to low growth in the developed economies. German exports of goods also suffered under the tense foreign trade environment at the beginning of the year. In April and May, however, they increased again and rose by 1.4% after 0.8% in April (source: report of the BMWi on the economic situation in Germany in July 2018).

Despite disturbances the Germany economy continues to be in a good position. However; the ifo business climate index fell further in June 2018 and is with 101.8 points substantially below the value in December 2017 with 105.0 points. This is in particular a result of a worse estimate of the situation of the companies. However; the expectations of the companies continue to remain slightly optimistic (source: Results of the ifo economic surveys in June 2018).

Private consumer spending will continue to be a driver of the economy owing to the achieved wage increases. The step-by-step reduction in unemployment is expected to continue and provide additional impulses for consumption (source: report of the BMWi on the economic situation in Germany in July 2018).

The special target markets of the Delignit Group, thus the markets in the automotive sector and the timber material industry, developed differently in the first five months of the year.

Compared to the previous year the registration numbers rose in Europe in the sector of the light commercial vehicles by 4.3% in the period from January to May, after 4.7% in the previous year. The growth in this case was in particular driven by Spain (+ 11.7%) and France (+ 5.3%), whereas the registration numbers in Great Britain fell by 1.4%. With just a few exceptions the registration numbers in all other countries in Europe increased (source: ACEA).

The registration numbers in the German market that is important for the Delignit Group increased in the sector of light commercial vehicles by 4.3% (prev.yr. 3.3%) (source: ACEA).

In the sector of the timber material industries the revenue increased from January to April 2018 by 3.8% compared to the comparable period of the previous year. It was possible to increase the revenue overseas substantially more than domestic sales with a growth of 4.8%. On the whole, the continuous upwards trend that was recognised in the second six months of 2017 already continued (source: Federal Statistical Office).

3. Market environment of the Delignit Group

In the first six months of 2018 it was, on the other hand, possible to substantially increase the sales revenues in the Delignit Group by 8.4% compared to the same period of the previous year. The revenue achieved with TEUR 29,350 the highest value of a half-year period so far. Based on the first six months of 2010 the revenue increased on average by 11.6% on a multi-year comparison.

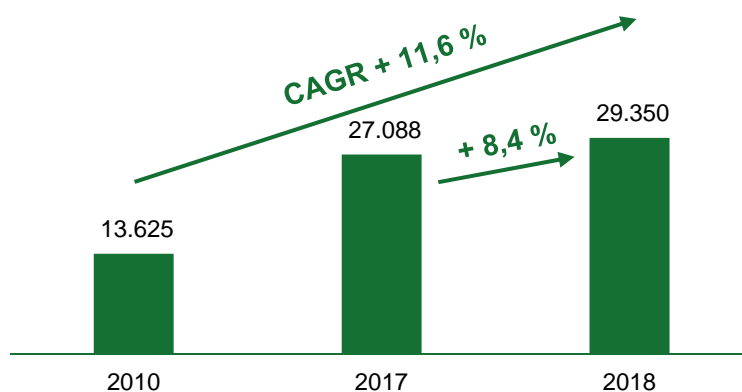


Fig. I: Half-year revenues since 2010 Delignit Group in TEUR

In the target market Automotive it was possible to increase the revenue in the first six months of 2018 by 15.4% (prev.yr. 12.2%). Decisive for this increase was the strong OEM business (OEM = Original Equipment Manufacturer; here the English synonym for automobile manufacturers) as well as a further increasing equipment ratio analogue to the corporate strategy “more revenue per vehicle”.

In the target markets of the Technological Applications it was not possible to maintain the level of revenue of the previous year. In particular the revenues in the standard sectors and in the project business partly developed substantially weaker, whereas special applications were able to substantially increase in revenue. Compared to the same period of the previous year, the

revenues fell cumulatively by 10.0% in the sector of Technological Applications.

The growth in revenue of the Delignit Group in the first six months of 2018 was supported by the export markets from a geographical point of view, whereas the domestic German revenue fell slightly. It was, for example, possible to increase the export ratio to 43.6% in the first six months of 2018 (prev.yr. 38.7%), which corresponds with an export revenue of TEUR 12,797 (prev.yr. TEUR 10,470).

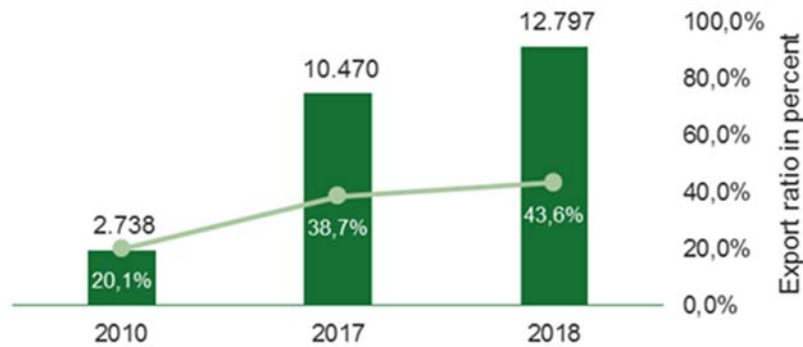


Fig. II: Export development in TEUR / export ratio as a percentage

To summarise it can be noted that the Delignit Group was able to continue to develop very successfully in the first six months of 2018. The wood-based products of the Delignit Group are distinguished by special technical and mechanical properties (e.g. abrasion and wear resistance, dimensional stability and breaking load), however also by ecological aspects. Wood products are long-term stores for the climate-damaging CO₂: One cubic metre of wood absorbs almost one ton of carbon dioxide. This stronger growth in revenue achieved over several years already compared to the development in the target markets proves the good market position of the Delignit Group. Based on material competence, coupled with application and system solution know-how which is non-market standard, the Delignit Group has created excellent basic conditions for further growth.

4. Organisation

a. Supervisory Board

The Supervisory Board of Delignit AG consists of Dr. Christof Nesemeier, Mr Gert-Maria Freimuth as well as Mr Anton Breitkopf. The Supervisory Board was elected in its current composition when the company was founded on 9 July 2007 and was re-elected in its previous composition in the General Meetings on 10 July 2012 and in the General Meeting on 20 June 2017. The Supervisory Board elected Dr. Christof Nesemeier as chairman and Mr Gert-Maria Freimuth as his deputy. The period of office will end with the close of the General Meeting that will decide on the discharge for the fiscal year 2021.

b. Management Board

The scope of tasks of the Management Board are distributed as follows:

The CEO Mr Markus Büscher is responsible for the Strategic Development, Controlling, Human Resources, Legal, Purchasing, IT, Production, R&D divisions as well as the Investor Relations division. Mr Thorsten Duray is responsible for the Sales and Marketing divisions.

Bylaws for the Management Board were passed by a resolution of the Supervisory Board of 13 July 2007. Such business (e.g. planned investments from a certain amount as well as acquisition and sale of companies and of properties from a certain amount), which require the approval of the Supervisory Board, are stipulated in the rules of procedure. The Management Board has been appointed until 30 September 2023.

According to the statutes the company is legally jointly represented by two members of the Management Board or by one member of the Management Board in conjunction with an authorised signatory. The members of the Management Board also take over the management in all group companies together with the local management of these companies.

c. Holding companies

As of the key date Delignit AG participated directly or indirectly in the following companies:

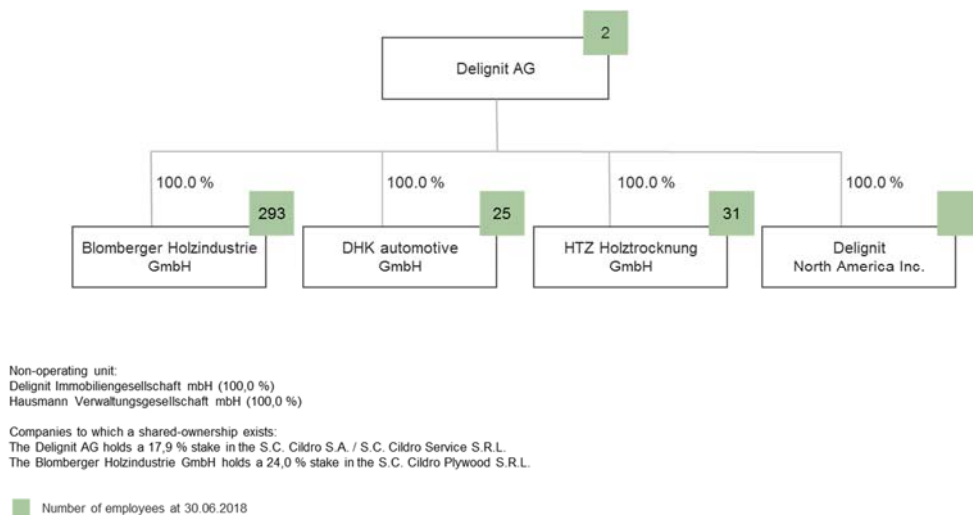


Fig. III: Organisation structure of the Delignit Group

d. Employees

Only the two members of the Management Board operated for Delignit AG.

The good order situation during the entire fiscal year led to a high utilisation of the production capacities. The number of personnel was increased from 330 employees to 351 employees compared to the beginning of the year. In addition, up to 41 temporary workers were employed in order to be able to flexibly compensate for bottlenecks in the production sector depending on the delivery dates. Further peak order periods were covered by the placement of contract manufacturing orders with other companies.

The subsidiaries of Delignit AG concern renowned training companies, which systematically further qualify their employees also on the basis of a professional quality management system and integrate them into the continuous improvement process of operational flows. This process was continued under the integration of the workforce in the first six months of 2018. The companies of the Delignit Group were also further trained in the first six months of 2018 and will also face this responsibility in the following years.

5. Results of operations, financial position and net assets

The Delignit Group looks back at a satisfactory first half-year in 2018. The prime aim was to win market shares by the development of new products and applications, to take advantage of the opportunities of the export business and to further adjust corresponding structures and capacities of the company to the new conditions and to improve these. The aim was, and still is, parallel to the dynamic growth not to jeopardise the reputation and deliverability of the group.

The Delignit Group achieved a growth in revenue in the amount of 8.4% to TEUR 29,350 in the first six months of 2018 (prev.yr. TEUR 27,088) and thus lies within the forecast. The operating performance is, by taking the other operating income and changes in stocks into consideration, TEUR 29,101 (prev.yr. TEUR 27,390).

The material costs amounted to 52.3% of the operating performance and are thus below the level of the previous year in the amount of 56.6%.

The personnel expenses amounted to TEUR 8,586 after TEUR 7,570 in the previous year. The increase in the personnel expenses results from the increased number of employees as well as from additional provisions within the scope of the virtual stock option programme for the management. In the reporting period 240,000 shares of a possible 300,000 shares from the stock option programme (from the current employment contracts) were realised by the management. The effective expense for the realisation essentially arising owing to the sharp price increase in the first half-year was already entered in the corporate results for the half-year. Pro rata provisions will be additionally formed for the remaining stock options. In total the personnel expenses ratio increased from 27.6% in the previous year to 29.5%.

The other operating expenses increased by 32.4% compared to the previous year. Increased maintenance and service expenses owing to higher machine capacity utilisation were essentially the reason for the increase in costs. The ratio of other operating expenses thus increased compared to the previous year from 6.6% to 8.3%.

The EBITDA is TEUR 2,874 (prev.yr. TEUR 2,472) and could thus be increased by 16.3%. This corresponds with an EBITDA margin in the amount of 9.9% (prev.yr. 9.0%).

The depreciations increased in the first six months of 2018 to TEUR 799 (prev.yr. TEUR 723) due to the investment activities.

In the reporting period the EBIT increased to TEUR 2,075 after TEUR 1,749 in the previous year, which corresponds with a growth of 18.6%.

The equity of the Delignit Group increased to TEUR 17,475 as of 30 June 2018 (prev.yr. TEUR 15,588) and leads to an equity ratio of the balance sheet total of 51.1% (prev.yr. 45.7%). The equity ratio improved consistently in the last few years from 37.2% in the first six months of 2010 to 51.1% in the first six months of 2018.

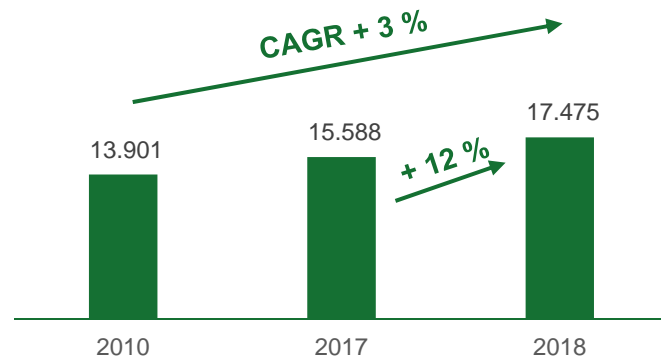


Fig. IV: Development of the equity since 2010 in TEUR

As of the balance sheet key date the cash and cash equivalents of the Delignit Group amounts to TEUR 424 (prev.yr. TEUR 432). It was possible to reduce the net debt from TEUR 5,803 in the previous year to TEUR 4,355 in 2018 (respectively as of the key date 30 June) in particular from the generated cashflow. As of the balance sheet key date the Delignit Group discloses TEUR 1,708 in short-term and TEUR 3,071 in long-term liabilities due to banks. It was possible to keep the credit interest at a low level and this lies between 0.9% and 4.2%.

The inventories amounted to TEUR 10,363 after TEUR 11,261 in the previous year. The short-term receivables essentially include receivables from factoring for invoices that are still to be purchased. As of 30 June 2018 the fixed assets amounted to TEUR 16,465 (prev.yr. TEUR 17,109) and essentially include the values for land as well as machines. The short-term provisions were essentially formed for uncertain liabilities and personnel costs. The short-term liabilities essentially include liabilities from taxes as well as from wages and salaries.

6. Hedging transactions

Transactions within the companies of the group are exclusively carried out on Euro basis. As the balance of non-hedged foreign currency positions in the group owing to transactions with foreign companies outside of the Euro zone only has a small volume so far, the Delignit Group does not operate any active exchange rate hedging towards other currencies yet so far.

7. Risk report

The risks for the business development of the Delignit Group are described in detail in the consolidated management report for the fiscal year 2017, which can be viewed on the website of Delignit AG. Since 31 December 2017 no essential changes have occurred compared to the presented opportunities and risks.

8. Strategic orientation and opportunities of the Delignit Group

The corporate strategy is based unchanged on megatrends in the technological target markets. The Delignit Group thus recognises two ecologically driven trends:

- On the one hand, the endeavour to use renewable raw materials, insofar as these are technologically competitive, as a substitute for finite products.
- On the other hand, a undiminished pressure on development in the direction of as far as possible weight-optimised system solutions.

Furthermore, the Delignit Group is increasingly oriented to the technological answer to urgent user questions, partly resulting from new legislation, and develops corresponding system solutions. This successful strategy of the combination of material, application and system solution know-how is therefore specifically continued in the Delignit Group.

In particular, the paths presented below are pursued in this respect:

- **Material development and qualification:**

The Delignit material with its special, mostly technical properties represents an essential foundation for the successful development of the Delignit Group. The Delignit Group is intending to further develop the Delignit material within the scope of its development activities and to qualify for special applications such as customer requirements. Product innovations in the automotive sector will be presented at the IAA commercial vehicles 2018 in Hanover. Product innovations in the sector of the rail transport industry will be exhibited at the Innotrans Trade Fair 2018 in Berlin. Further intensive efforts are also to be made in the current fiscal year in the field of product development. The focus of the development is always placed on the guideline to develop ecological products for technological applications. Therefore, the market opportunities and advantages are also to be used and highlighted, which feature a renewable raw material compared to finite raw materials.
- **Transfer of the business model:**
 - **Geographical transfer**

The product innovations, which were in particular successfully placed in the automotive markets, should be used in order to further expand the market leadership in the sector of the cargo bay protection for light commercial vehicles, which was achieved in Germany already, and to transfer this know-how into further markets. The successes of the internationalisation from the fiscal year 2017 should be continued accordingly. Parallel to this, the product groups of the target market Technological Applications is to be marketed worldwide. Both the sales organisation is to be further expanded for this purpose and the globalisation efforts of our customers are to be accompanied.
 - **Transfer from the point of view of application**

The multitude of product developments from the past few years represents a very good basis for the expansion to additional fields of application. The focus of the development activity is currently in particular placed on the target markets of light commercial

vehicles (LCV) based on the strategy “more revenue per vehicle” and the rail transport industry.

- The increasing globalisation of the companies and groups and the thus associated internationalisation are, however, also recognised unchanged as a trend and driver. This results in an increased demand for the procurement organisation towards the system competence of the suppliers. The good market position as a system supplier in the automotive OEM business and, finally also in the rail transport market should be used in order to acquire further serial orders. The aim is to take advantage of the existing process know-how and the reputation on the market in order to achieve further market penetration, which parallel to this should lead to increased planning security.
- Finally, the raw material advantage of the most sustainable of all materials, the wood, should be taken advantage of: The Delignit Group recognises the chances to take advantage of the market opportunities by an increased emphasis of the ecological factors “sustainability” and “cascade use”.

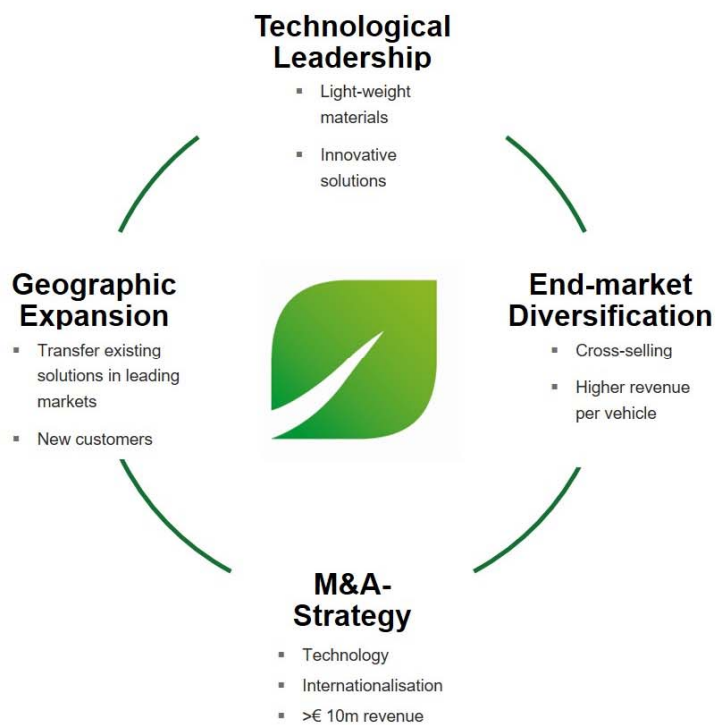


Fig. V: Strategic orientation of the Delignit Group

9. Non-financial performance indicators

Sustainability is a central entrepreneurial task. Due to the renewable main raw material source of wood Delignit AG corresponds both with the ecological interpretation of the term as well as the perspective protection of the raw material basis in a secure and impeccable manner. In order to additionally reinforce the sustainability of the company for the future work is consistently carried out on improving the economic, ecological and social performance:

- Innovations and new technologies are an essential foundation for the strategic further development of the group. This is consistently aimed at within the scope of an existing continuous improvement process.

- The qualification of the employees is carried out by an intensive training of youths, further training in all group areas, high standards of occupational safety and the specific promotion of the management trainees.
- The Management Board has stipulated environmental and climate protection as an important corporate target. Besides the PEFC standards, which have already been implemented as an example, the companies of the Delignit Group are certified according to DIN ISO 50001.

10. Supplementary report

No events of special importance occurred after the end of the reporting period.

11. Other details

The subscribed equity in the amount of EUR 8,193,900.00 is divided into 8,193,900 individual share certificates in the holder's name (shares without a nominal amount) respectively with a calculable share of EUR 1.00 of the share capital of the company.

The determination of the number as well as the appointment of the Management Board members, the conclusion of the employment contracts as well as the revocation of the appointment are carried out by the Supervisory Board. The Supervisory Board is further authorised to make amendments to the statutes, which only relate to the version.

According to the resolution of the General Meeting of 26 August 2015 the Management Board is authorised, by revoking the resolution relating to ITEM 5 of the General Meeting of 17 August 2011, to increase the share capital of the company with the approval of the Supervisory Board until 25 August 2020 once or several times by up to a total of EUR 4,096,950.00 against cash deposits and/or contributions in kind by issuing new individual share certificates in the holder's name (approved capital 2015).

In addition, the Management Board was authorised in the General Meeting of 26 August 2015, with the approval of the Supervisory Board until 25 August 2020 to issue convertible bonds and/or option bonds in the holder's name and/or registered convertible bonds and/or option bonds with a total amount of up to EUR 81,939,000.00 with a term of no longer than ten years and to grant the creditors of these bonds conversion rights to new holders of individual share certificates of Delignit AG with a pro rata share of the share capital of up to a total of EUR 4,096,950.00, according to the more detailed specifications of the respective conditions of the bonds (conditional capital 2015).

With the resolution of the General Meeting of 6 August 2013 the company was authorised, under the revocation of the resolution relating to ITEM 6 of the General Meeting of 7 July 2010 pursuant to Section 71 Para. 1 No. 8 AktG [German Stock Corporation Act] until 5 August 2018 in the price framework stipulated therein, to acquire own shares up to the amount of 10.0% of the share capital and to sell these under the exclusion of the trade in own shares. The calculable share of the share capital of shares is offset against the admissible maximum amount of 10.0% of the respective share capital, which are issued during the term of this authorisation in the direct or corresponding application of Section 186 Para. 3 Sentence 4 AktG with the exclusion of subscription rights.

No own shares were acquired in the first six months of the current fiscal year.

12. Outlook

The forecast for the development of the overall economy for the second half of 2018 remains largely positive despite various uncertainties.

The European Commission thus reported in its spring forecast in May 2018 that in 2017 the growth rates for the EU and the Euro zone substantially exceeded expectations and at 2.4% achieved the highest level in 10 years. Growth was supported by a high degree of trust by consumers and companies, strong economic growth, low financing costs and improved labour market conditions. It is expected that this trend will also continue in 2018 and will only diminish slightly in 2019. Private consumption is still strong. At the same time exports and investments increased. Unemployment is continuing to fall. Based on these factors further growth is expected within the Euro zone of 2.3% in 2018 and 2.0% in 2019 (source: Spring 2018 forecast of the European Commission).


However, the economy is exposed to external risk factors to a higher extent, which have become stronger and will also have a stronger negative impact. The pro-cyclical economic measures pose the risk of overheating and increase the probability that the interest rates in the USA will rise faster than currently assumed. In addition, an escalation of trade protectionism clearly represents a risk for the development perspectives of the world economy. All of these risks are linked with one another and the Euro currency region is especially susceptible due to its openness, insofar as these risks should occur (source: Spring 2018 forecast of the European Commission).

The German Federal Government determines in its spring projection in April 2018 that the German economy will continue to grow. For the current year the German Federal Government is expecting an increase in the gross domestic product of 2.3%. An increase of 2.1% is expected for 2019 (source: Spring projection 2018 of the German Federal Government).

The drivers of the growth are a successful export industry, investments of companies in machines and plants, noticeable growth in incomes for employees and finally the increase in employment by one million people by 2019 (source: Spring projection 2018 of the German Federal Government).

Delignit AG sees continuously good conditions for dynamic growth in the automotive industry based on the ramp-up of already acquired OEM contracts. In the sub-markets of Technological Applications Delignit AG expects that it will be able to stop the declining trend in the second half of the year. Subject to a stable economy in all markets of Delignit AG, call-off order quantities come in-line with OEM contracts as well as a stable supply on the procurement markets, Delignit AG continues to assume that it will be able to increase revenue in fiscal year 2018 by more than 8% and achieve an EBITDA margin, which is at least on the same level as the previous year.

Blomberg, August 2018



Markus Büscher
CEO



Thorsten Duray
CSO

**IFRS consolidated interim balance sheet of Delignit AG (unaudited)
as of 30 June 2018**

ASSETS	30 June 2018 TEUR	30 June 2017 TEUR
Fixed assets	16,465	17,109
Inventories	10,363	11,260
Trade receivable	3,931	2,470
Other receivable	2,990	2,814
Liquid funds	424	432
Balance sheet total	<u>34,173</u>	<u>34,085</u>
LIABILITIES	30 June 2018 TEUR	30 June 2017 TEUR
Provisions	7,114	5,808
Financial liabilities	4,779	6,234
Trade liabilities	3,417	3,247
Other liabilities	1,389	3,208
Equity	17,475	15,588
Balance sheet total	<u>34,173</u>	<u>34,085</u>

**IFRS consolidated half-year income statement (unaudited)
for the six months of the fiscal year from 1 January to 30 June 2018
of Delignit AG**

	30 June 2018 TEUR	30 June 2017 TEUR
Sales revenues	29,350	27,088
Other operating income	-249	302
Cost of materials	-15,231	-15,529
Personnel expenses	-8,586	-7,570
Depreciation on intangible assets and property, plant and equipment	-799	-723
Other operating expenses	<u>-2,409</u>	<u>-1,819</u>
Earnings before interest and taxes (EBIT)	2,075	1,749
Interest income	1	0
Interest expenses	-65	-103
Financial results	<u>-64</u>	<u>-103</u>
Earnings before taxes (EBT)	2,010	1,646
Tax on income	-615	-575
Other taxes	<u>-18</u>	<u>-15</u>
Consolidated half-year results	1,377	1,056
Earnings per share in EUR	<u>0.17</u>	<u>0.13</u>

Notes to the interim consolidated financial statements

The consolidated financial statements as of 30 June 2018 have been voluntarily prepared while exercising the option according to Section 315a HGB [German Commercial Code] according to the International Financial Reporting Standards (IFRS) of the International Accounting Standard Board (IASB), which are valid on the key date of the financial statements, as are to be applied in the EU.

The applied accounting and valuation methods comply with the IFRS standards and interpretations applicable as of 30 June 2018. The half-year financial statements of the companies included in the consolidated financial statements of Delignit AG are based as a standard on the accounting and valuation principles. They are prepared on the key date of the consolidated financial statements. The balance sheet was structured pursuant to IFRS 1.51 according to short- and long-term assets and debts. The profit and loss statement is prepared according to the total expenditure format.

Financial calendar

End of the fiscal year
31 December 2018

Equity Forum Frankfurt [Eigenkapitalforum Frankfurt]
26 November 2018

Analysts Conference MKK Munich [Analystenkonferenz MKK München]
12 December 2018

Annual report 2018:
End of May 2019

Contact

Investor Relations

Delignit AG
Königswinkel 2-6
D-32825 Blomberg
Tel.: +49-5235-966-100
Fax: +49-5235-966-105
email: info@delignit.com
www.delignit.com