Report on the
First Half Year 2018

WashTec

Second quarter business performance confirms guidance for full year

- **Second quarter revenue and EBIT in line with high prior year level (Q2 2017 and Q2 2018 revenues: €108.6m; Q2 2017 and Q2 2018 EBIT: €12.9m), resulting in half year revenues of €200.1m (prior year: €209.9m) and half year EBIT of €18.3m (prior year: €25.0m)**
- **Orders received and order backlog at end of first half year double-digit above prior year**
- **Guidance for 2018 confirmed: Full-year revenue growth of approximately three percent with significant improvement in EBIT**

H1		H1 2018	H1 2017	Change	
(rounding differences may occur)				absolute	in %
Revenue	€m	200.1	209.9	−9.8	−4.7
EBITDA	€m	23.2	29.8	−6.6	−22.1
EBIT	€m	18.3	25.0	−6.7	−26.8
EBIT margin	in %	9.2	11.9	−2.7	–
EBT	€m	18.0	24.7	−6.7	−27.1
Consolidated net income	€m	11.4	17.4	−6.0	−34.5
Employees per reporting date	persons	1,844	1,788	56	3.1
Average number of shares	units	13,382,324	13,382,324	0	0
Earnings per share [1]	€	0.85	1.30	−0.45	−34.6
Free cash flow [2]	€m	−4.4	2.4	−6.8	−283.3
Capital expenditure	€m	4.2	5.4	−1.2	−22.2
Capital ratio per reporting day [3]	in %	29.8	33.0	−3.2	–
ROCE	in %	25.2	31.8	−6.6	–

Q2		Q2 2018	Q2 2017	Change	
(rounding differences may occur)				absolute	in %
Revenue	€m	108.6	108.6	0	0
EBITDA	€m	15.3	15.3	0	0
EBIT	€m	12.9	12.9	0	0
EBIT margin	in %	11.8	11.8	0	–
EBT	€m	12.7	12.7	0	0
Consolidated net income	€m	8.7	8.8	−0.1	−1.1
Average number of shares	units	13,382,324	13,382,324	0	0
Earnings per share [1]	€	0.65	0.66	−0.01	−1.5

[1] Diluted = undiluted
[2] Net cash flow – cash outflow from investing activity
[3] Equity capital/balance sheet total

Content

Interim Group Management Report for the period from January 1 to June 30, 2018

Interim Condensed Consolidated Financial Statements for the period January 1 to June 30, 2018

Interim Group Management Report

Interim Group Management Report

1. Overall revenue and earnings development

Multi-year analysis shows continuing growth trend

At €108.6m, revenue in the second quarter was on the same level as in the prior year. On an exchange rate adjusted basis, revenue increased in the second quarter by 1.5% to €110.3m (prior year: €108.6m).

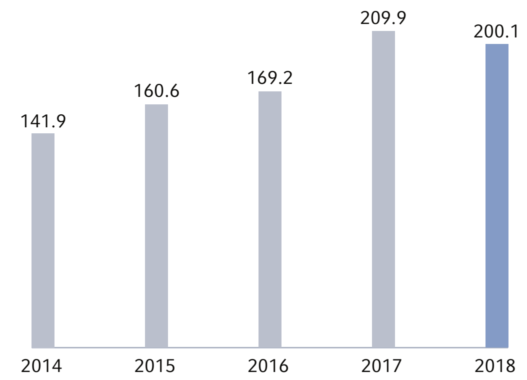
As expected in view of the weaker first quarter, revenue in the half year ending June 2018, at €200.1m, was €9.8m or 4.7% down on the prior-year period (€209.9m). It should be noted when comparing with the prior year that the first quarter of 2017 with 32% revenue growth and the second quarter with 18% revenue growth were exceptionally strong as a result of orders from major customers. Adjusted for exchange rate effects, revenue decreased by 2.5% in the first half year.

Revenue and orders received developed positively in the course of the second quarter. This applied most of all to business with individual customers, but also to the other customer groups. The Company expects a pronounced positive business trend in the second half year.

The chart below shows the sustained positive trend in revenue growth, which also continues in 2018.

Average revenue growth rate from 2014 – 2018 at 9.0%

Revenue H1 in multi-year comparison, in €m, IFRS

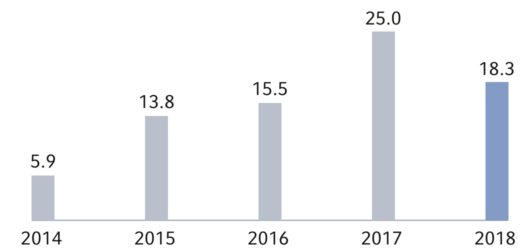


Half year EBIT, at €18.3m, was still down on the prior year (€25.0m) due to the weaker first quarter. EBIT margin for the first half year was at 9.8% (prior year: 11.9%). EBIT in the second quarter, at €12.9m, remained on the same level as in the prior year (€12.9m). The EBIT margin in the second quarter was at 11.8% (prior year: 11.8%).

The chart below shows the positive long-term trend in EBIT.

Average EBIT growth rate from 2014 – 2018 at 32.7%

EBIT H1 in multi-year comparison, in €m, IFRS



The order backlog at the end of the first half year was double-digit higher across all regions than in the prior year. This supports the positive sales trend forecast given at the beginning of the year for the second half year.

The Company's Annual General Meeting was held in Augsburg on the day of publication of the first quarter report. Supervisory Board members Günter Blaschke and Ulrich Bellgardt were re-elected at the Annual General Meeting. Dr. Blaschke continues to chair the Supervisory Board and Mr. Bellgardt remains Deputy Chairman. A resolution was also passed by the Annual General Meeting to continue the Long Term Incentive Program for the Supervisory Board.

Mr. Axel Jaeger, who most recently served the Zeiss Group as member of the Management Board and CFO of the Semiconductor Manufacturing Technologies Business Group, assumed office as CFO of WashTec AG as of July 1, 2018.

Under the banner »EasyCarWash: Connect your business to the future«, WashTec presented a range of innovations around clean cars at UNITI expo in Stuttgart in May 2018, with the focus on digital solutions. EasyCarWash is a flat-rate digital business model offering unlimited washes via an app for a fixed monthly fee, whatever the weather, season or day of the week. This enhances customer benefit and boost sales and profitability for operators. WashTec also showcased its new SoftLine² Xpress Pro high-performance wash tunnel system. In the Chemicals segment, WashTec presented ShieldTecs, a product that delivers unprecedented surface sealing. The solutions on show met with a very positive response from customers from all over the world.

2. Report on economic position

2.1 Economic and competitive environment

The economic and competitive environment largely corresponded to the situation described in the Group Management Report 2017. There were no significant changes in technology and none are foreseeable.

2.2 Dividend

Following the proposal of the Management Board and Supervisory Board, a large majority at the Annual General Meeting on April 30, 2018 approved a dividend of €2.45 per eligible share. Shareholders thus duly participated in the Company's successful performance with a dividend ratio of some 89% of the WashTec Group net income. Based on the share price of €77.90 on March 31, 2018, the dividend yield is 3.1%. The dividend was paid out on May 4, 2018.

2.3 Earnings

9.2% EBIT margin in first half year

Earnings, H1

in €m, IFRS (rounding differences may occur)	H1 2018	H1 2017	Change	
			absolute	in %
Gross profit*	116.6	120.2	−3.6	−3.0
EBITDA	23.2	29.8	−6.6	−22.1
EBIT	18.3	25.0	−6.7	−26.8
EBT	18.0	24.7	−6.7	−27.1
Consolidated net income	11.4	17.4	−6.0	−34.5

* Revenue plus change in inventory minus cost of materials

Earnings, Q2

in €m, IFRS (rounding differences may occur)	Q2 2018	Q2 2017	Change	
			absolute	in %
Gross profit*	63.1	61.6	1.5	2.4
EBITDA	15.3	15.3	0	0
EBIT	12.9	12.9	0	0
EBT	12.7	12.7	0	0
Consolidated net income	8.7	8.8	−0.1	−1.1

* Revenue plus change in inventory minus cost of materials

2.3.1 Earnings and expense items

The **gross profit margin** (gross profit relative to revenue) improved in the first half year, due to a changed product and customer mix, by one percentage point to 58.3% (prior year: 57.3%).

Personnel expenses went up compared with the prior-year period by €2.4m to €67.7m (prior year: €65.3m) as a result of the larger workforce and collectively agreed pay increases. The Group had 56 more employees at the end of June than a year earlier, an increase of 3.1%.

Despite the expenditure for UNITI expo, **other operating expenses** (including other taxes) rose only slightly in the first half year by €0.3m to €28.9m (prior year: €28.6m).

The **financial result** changed in line with the increase in interest-bearing loans to €–0.3m (prior year: €–0.2m).

Earnings before taxes (EBT) came to €18.0m (prior year: €24.7m).

The **income tax rate** for the first half year went up despite the smaller tax expense in absolute terms. This reflects the utilization of tax loss carryforwards in North America in the prior-year period. The Company expects a Group tax rate of approximately 31% over the year as a whole.

2.3.2 Revenue and earnings by segments and products

Revenue by segment, H1

in €m, IFRS (rounding differences may occur)	H1 2018	H1 2017	Change	
			absolute	in %
Europe	166.7	164.3	2.4	1.5
North America	30.9	43.5	−12.6	−29.0
Asia/Pacific	8.4	6.9	1.5	21.7
Consolidation	−5.9	−4.8	−1.1	–
Group	**200.1**	**209.9**	**−9.8**	**−4.7**

Revenue stable in second quarter

Revenue by segment, Q2

in €m, IFRS (rounding differences may occur)	Q2 2018	Q2 2017	Change	
			absolute	in %
Europe	89.5	85.9	3.6	4.2
North America	18.0	21.6	−3.6	−16.7
Asia/Pacific	4.7	3.7	1.0	27.0
Consolidation	−3.6	−2.5	−1.1	–
Group	**108.6**	**108.6**	**0**	**0**

Revenue in Europe rose by 4.2% in the second quarter. Thus, Europe was offsetting the first quarter shortfall (–1.5%) and making for a slight increase in the half year. As of June 30, 2018, the region showed revenue growth of 1.5%.

In North America, orders from major customers had resulted in exceptional revenue growth in the first half year of 2017. In US dollars, revenue in North America was USD 37.2m (prior year: USD 47.1m).

Revenue in the Asia/Pacific region increased in the first half year by 21.7%. Starting from a low base, China continued to develop positively.

As expected, the Group’s revenue performance in the first half year was impacted by lower sales in North America (where the decrease was 29% or €12.6m).

Revenue by product, H1

in €m, IFRS (rounding differences may occur)	H1 2018	H1 2017	Change	
			absolute	in %
Equipment and service	168.4	178.7	−10.3	−5.8
Chemicals	24.8	23.9	0.9	3.8
Operations business and others	6.9	7.3	−0.4	−5.5
Total	**200.1**	**209.9**	**−9.8**	**−4.7**

Revenue by product, Q2

in €m, IFRS (rounding differences may occur)	Q2 2018	Q2 2017	Change	
			absolute	in %
Equipment and service	91.0	93.7	−2.7	−2.9
Chemicals	13.7	11.3	2.4	21.2
Operations business and others	3.8	3.7	0.1	2.7
Total	**108.6**	**108.6**	**0**	**0**

Driven by good carwash weather, Chemicals revenue increased disproportionately in the second quarter. As expected, Equipment revenue in the second quarter with major customers was down compared with the prior-year period, while Equipment revenue from direct sales increased.

EBIT by segment, H1

in €m, IFRS (rounding differences may occur)	H1 2018	H1 2017	Change	
			absolute	in %
Europe	21.8	22.0	−0.2	−0.9
North America	−2.9	3.5	−6.4	–
Asia/Pacific	−0.3	−0.3	0	0
Consolidation	−0.2	−0.3	0.1	–
Group	**18.3**	**25.0**	**−6.7**	**−26.8**

EBIT by segment, Q2

in €m, IFRS (rounding differences may occur)	Q2 2018	Q2 2017	Change	
			absolute	in %
Europe	13.9	11.7	2.2	18.8
North America	−0.7	1.3	−2.0	–
Asia/Pacific	−0.2	−0.1	−0.1	−100.0
Consolidation	−0.2	−0.1	−0.1	–
Group	**12.9**	**12.9**	**0**	**0**

Earnings in Europe developed positively in the second quarter due to the higher revenue, while half year EBIT was still down on the prior year.

North America's EBIT development mainly results from lower revenue.

In the Asia/Pacific region, earnings were impacted by one-off expenses related to the optimization of distribution structures in Australia.

Movements in the US dollar-euro exchange rate had no material impact on operating earnings. Measurement of foreign currency-denominated assets and liabilities as of the reporting date had a €−0.4m impact on earnings (prior year: €−0.6m).

EBIT performance for the Group was primarily affected by the lower revenue in the North America region.

2.4 Net Assets

Sustained strong balance sheet structure

Balance sheet, assets, in €m, IFRS (rounding differences may occur)	Jun 30, 2018	Dec 31, 2017
Non-current assets	**105.9**	**105.9**
thereof intangible assets	10.5	9.4
thereof deferred tax assets	4.1	3.9
Current assets	**137.1**	**128.0**
thereof inventories	47.3	40.8
thereof trade receivables, other assets	67.7	69.5
thereof cash and cash equivalents	8.5	9.8
Balance sheet total	**243.0**	**233.9**

Balance sheet, equity and liabilities, in €m, IFRS (rounding differences may occur)	Jun 30, 2018	Dec 31, 2017
Equity	**72.5**	**94.2**
Interest-bearing loans	50.7	13.7
Other liabilities and provisions	90.8	92.2
thereof trade payables	16.7	14.6
thereof provisions (including tax provisions)	28.6	29.9
Contract liabilities	25.4	30.0
Deferred tax liabilities	3.7	3.8
Balance sheet total	**243.0**	**233.9**

Net operating working capital (NOWC) (trade receivables + inventories – trade payables – prepayments on orders) went up by €3.2m, from €86.7m as of December 31, 2017 to €89.9m, mainly as a result of an increased in finished goods to meet orders and, as already communicated in the first quarter report, a shift in the timing of prepayments.

Equity decreased due to the dividend payout to €72.5m as of June 30, 2018 (December 31, 2017: €94.2m). Compared with the 2017 year-end, the equity ratio consequently went down from 40.3% to 29.8%.

Following the dividend payout of €32.8m, **net debt** (interest-bearing loans – cash) stood at €42.2m (December 31, 2017: €3.9m).

Net financial debt (finance lease liabilities + net debt) increased to €45.7m (December 31, 2017: €7.1m).

Other liabilities and provisions decreased, mainly due to long-term performance payments in the current year, to €90.8m (December 31, 2017: €92.2m).

Contract liabilities (a new classification as a result of IFRS 15) decreased, mainly due to the fall in prepayments on orders, to €25.4m (December 31, 2017: €30.0m).

2.5 Financial Position

The cash inflow from operating activities (net cash flow) decreased in the first half year to €–0.4m (prior year: €7.5m). This mainly reflected the lower half year earnings as well as prepayments of tax on investment income, long-term performance payments and lower prepayments on orders from major customers. With regard to the tax prepayments, the Company expects a refund in the second half year. Net cash flow in the second quarter was higher than in the prior year.

The **cash outflow from investing activities** declined as expected by €1.1m to €4.0m (prior year: €5.1m). The Company expects that capital expenditure will be lower this year than in the prior year.

Free cash flow (net cash flow – cash outflow from investing activities) decreased to €–4.4m (prior year: €2.4m).

Overall, **cash and cash equivalents** decreased relative to December 31, 2017 by €38.3m to €–42.2m.

Discussions with the banks on the follow-up financing of the WashTec Group are in the concluding phase. Signing is expected to take place in the third quarter of 2018, enabling the current financing to be replaced as planned by the end of the fiscal year.

2.6 Employees

Number of employees at WashTec Group totals 1,844

The number of employees as of June 30, 2018 was 1,844, an increase of 30 on the 2017 year-end. Compared with June 30, 2017, the number of employees increased by 56, with most of the increase in the Sales, Service, Development and Production functions.

Entrepreneur workshops continue around the Company's global locations. These have the purpose of fostering intensive dialog on leadership and teamwork and identifying specific ideas for improvement.

3. Outlook, opportunities and risk report

3.1 Outlook

For the full year 2018, the Company continues to target approximately three percent revenue growth with a significant increase in EBIT. This forecast is supported by orders received and the order backlog as of the end of June, which were significantly higher than in the prior year.

The expectations for segmental performance are as follows:

- Europe: Significant increase in revenue and EBIT
- North America: Revenue and EBIT stable
- Asia/Pacific: Significant increase in revenue; EBIT stable

Due to one-off expenses related to optimization the optimization of distribution structures in Australia, the Company now expects a stable trend in EBIT in this segment.

The outlook is subject to uncertainties.

The outlook for the remaining performance indicators given in the Annual Report 2017 likewise continues to apply.

3.2 Opportunities and risks for Group development

The WashTec Group's risk management system is described in the Annual Report 2017. There have been no material changes in the risks described therein.

4. Miscellaneous information

4.1 Related party disclosures

There were no material related party transactions during the reporting period.

4.2 Events after the reporting period

There were no material events after the reporting period.

5. WashTec shares and investor relations

Continuous communication with investors

The Management Board communicated with shareholders, journalists and the financial community on an ongoing basis throughout the first half year. As part of the Company's investor relations activities, Management took part in investor conferences and held road shows in Baden-Baden, New York and Tarrytown. Various investors visited the Company in Augsburg.

5.1 Share price performance

The WashTec share price was €75.70 on June 30, 2018. That marks a 3.81% decrease on the prior year-end closing price of €78.70 on December 29, 2017. WashTec shares thus performed below the SDAX, which gained 0.51% since the beginning of the year. As of June 30, 2018, the share price was approximately 7.00% below its second quarter high of €81.40.

WashTec AG is currently covered by Hauck & Aufhäuser, HSBC Trinkaus & Burkhardt, MM Warburg and Bankhaus Lampe. The target share prices stated by analysts are between €70.30 and €86.50 (as of July 2018).

5.2 Shareholder structure

WashTec AG received the following voting rights notifications under the Securities Trading Act (Wertpapierhandelsgesetz) in second quarter of 2018:

Alantra Asset Management, SGIIC, S.A., Madrid, Spain, notified WashTec AG that its share of the voting rights on April 19, 2018 was now 0.00% instead of previously 9.781% as it had ceased to serve as investment manager. Alantra EQMC Asset Management, SGIIC, S.A., Madrid, Spain, notified WashTec AG that its share of the voting rights on April 19, 2018 had passed above the 3% notification threshold and was now 7.43% as it had assumed the role of asset manager. It is attributed the shares of EQMC Europe Development Capital Fund plc.

During preparation of the half-year report, FMR LLC, Wilmington, Delaware, USA, notified WashTec AG that its share of the voting rights on July 5, 2018 had passed above the 3% notification threshold and was now 3.35%. FMR LLC is attributed the shares of Fidelity Management & Research Company. The reason for the notification from FMR LLC was an increase of proxy for voting rights attached to shares.

Shareholding in %	July 5, 2018
Axxion S.A.	9.99
Kempen Oranje Participaties N . V.	9.60
Alantra EQMC Asset Management, SGIIC, S.A.	7.43
Dr. Kurt Schwarz [1]	6.82
Investment AG für langfristige Investoren TGV	5.43
Paradigm Capital Value Fund [2]	4.58
Treasury shares	4.25
Diversity Industrie Holding AG	4.00
FMR LLC [3]	3.35
Wellington Management Group LLP [4]	3.03
Free float	41.52

[1] Leifina GmbH & Co. KG et al.
[2] Carne Global Fund Managers (Luxembourg) S. A.
[3] Fidelity Management & Research Company
[4] Wellington Management Company LLP

Based on notifications made pursuant to the Securities Trading Act (WpHG)

Manager Transactions

On May 3, 2018, Dr. Selent, Member of the Supervisory Board, acquired 200 shares.

All Members of the Management Board hold shares in WashTec

On May 15 and 16, 2018, Dr. Zimmermann acquired 1,100 shares in addition to the shares he already had. On May 22, 2018, Ms. Kalb likewise acquired an additional 290 shares. On May 22 and 23, 2018, Mr. Weber acquired 320 additional shares.

Mr. Jaeger already owns 4,000 shares in WashTec AG which he acquired before taking up office as Member of the Management Board.

Management Board and Supervisory Board shareholdings are shown in detail in the notes on p. 27.

Interim condensed consolidated financial statements

Consolidated Income Statement

The Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.
Rounding differences may occur.

in €k	H1 2018	H1 2017	Q2 2018	Q2 2017
Revenue	200,113	209,864	108,589	108,647
Other operating income	1,922	1,822	1,079	746
Capitalized development costs	1,324	1,728	741	741
Change in inventory	3,042	2,362	1,378	−71
Total	**206,401**	**215,776**	**111,786**	**110,064**
Cost of raw materials, consumables and supplies and of purchased material	69,245	72,942	37,428	37,088
Cost of purchased services	17,313	19,101	9,395	9,867
Cost of materials	**86,558**	**92,043**	**46,823**	**46,956**
Personnel expenses	67,687	65,329	34,380	33,192
Amortization, depreciation and impairment of tangible and intangible assets	4,904	4,800	2,432	2,413
Other operating expenses	28,398	28,199	14,932	14,405
Other taxes	534	436	322	239
Total operating expenses	**188,081**	**190,807**	**98,890**	**97,204**
EBIT	**18,319**	**24,969**	**12,897**	**12,860**
Financial income	4	13	−32	6
Financial expenses	325	259	194	153
Financial result	**−322**	**−246**	**−226**	**−147**
EBT	**17,998**	**24,723**	**12,671**	**12,713**
Income taxes	6,589	7,318	3,970	3,882
Consolidated net income	**11,408**	**17,404**	**8,700**	**8,831**
Weighted average number of outstanding shares in units	**13,382,324**	13,382,324	**13,382,324**	13,382,324
Earnings per share (basic = diluted) in €	**0.85**	1.30	**0.65**	0.66

Consolidated Statement of Comprehensive Income

The Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.
Rounding differences may occur.

in €k	H1 2018	H1 2017	Q2 2018	Q2 2017
Consolidated net income	**11,408**	17,404	**8,700**	8,831
Actuarial gains/losses from defined benefit obligations and similar obligations	41	57	41	57
Deferred taxes	–13	–18	–13	–18
Items that will not be reclassified to profit or loss	**28**	39	**28**	39
Adjustment item for currency translation of foreign subsidiaries	441	–1,153	774	–1,074
Exchange differences on net investments in subsidiaries	–204	–94	31	–87
Deferred taxes	–31	113	–59	97
Items that may be subsequently reclassified to profit or loss	**206**	–1,134	**716**	–1,064
Other comprehensive income	**234**	–1,095	**744**	–1,025
Total comprehensive income	**11,642**	16,309	**9,444**	7,806

Consolidated Balance Sheet*

The Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.
Rounding differences may occur.

*To improve legibility please see p. 28 for a presentation adjustment in Consolidated Balance Sheet.

Assets in €k	**Jun 30, 2018**	Dec 31, 2017
Non-current assets		
Property, plant and equipment	39,544	40,603
Goodwill	42,312	42,312
Intangible assets	10,547	9,423
Trade receivables	8,738	9,024
Other assets	640	593
Deferred tax assets	4,076	3,922
Total non-current assets	**105,856**	**105,877**
Current assets		
Inventories	47,320	40,847
Trade receivables	61,616	66,238
Tax receivables	13,561	7,928
Other assets	6,080	3,246
Cash and cash equivalents	8,549	9,786
Total current assets	**137,125**	**128,045**
Total assets	**242,982**	**233,922**

Equity and Liabilities in €k	**Jun 30, 2018**	Dec 31, 2017
Equity		
Subscribed capital	40,000	40,000
Contingent capital	*8,000*	*8,000*
Capital reserves	36,463	36,463
Treasury shares	−13,177	−13,177
Other reserves and currency translation effects	−5,351	−5,585
Profit carried forward	3,137	−427
Consolidated net income	11,408	36,916
	72,481	**94,191**
Non-current liabilities		
Finance lease liabilities	2,391	2,150
Provisions for pensions	10,027	10,247
Other non-current provisions	3,933	3,927
Other non-current liabilities	783	1,168
Non-current contract liabilities	1,327	n/a
Deferred income	n/a	2,638
Deferred tax liabilities	3,683	3,826
Total non-current liabilities	**22,144**	**23,956**
Current liabilities		
Interest-bearing loans	50,708	13,726
Finance lease liabilities	1,161	1,058
Prepayments on orders	n/a	14,795
Trade payables	16,669	14,612
Tax provisions	5,091	5,752
Other current liabilities	41,166	47,055
Other current provisions	9,527	9,932
Current contract liabilities	24,035	n/a
Deferred income	n/a	8,846
Total current liabilities	**148,357**	**115,775**
Total equity and liabilities	**242,982**	**233,922**

Consolidated Statement of Changes in Equity

The Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.
Rounding differences may occur.

*Adjustment as of January 1, 2018 due to the first-time application of IFRS 9 Financial Instruments.

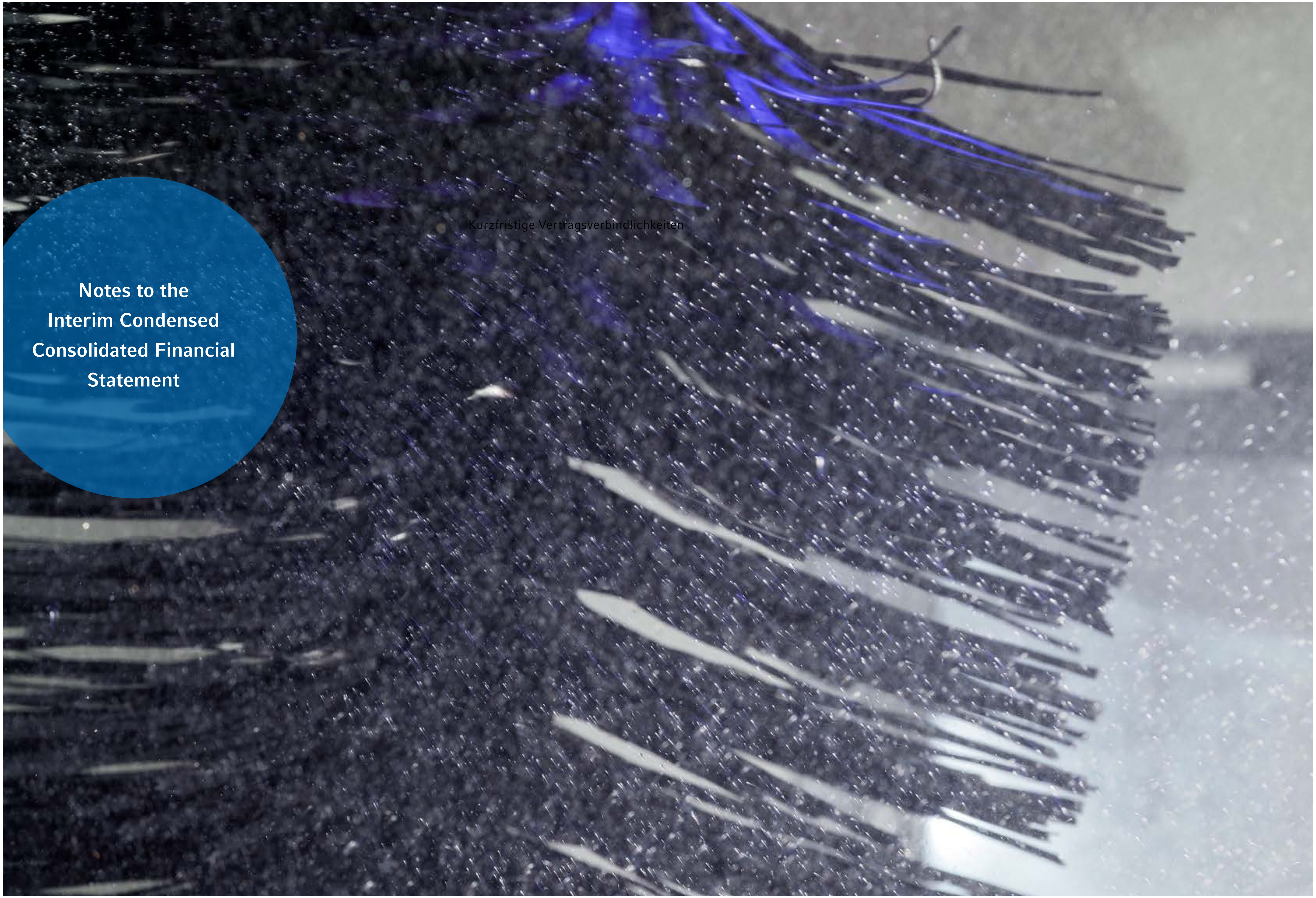
in €k	Number of shares (in units)	Subscribed capital	Capital reserves	Treasury shares	Other reserves and currency translation effects	Profit carried forward	Total
As of December 31, 2017	**13,382,324**	**40,000**	**36,463**	**−13,177**	**−5,586**	**36,490**	**94,191**
Adjustment as of January 1, 2018*						−566	−566
As of January 1, 2018	**13,382,324**	**40,000**	**36,463**	**−13,177**	**−5,586**	**35,924**	**93,626**
Income and expenses recognized directly in equity					278		278
Taxes on transactions recognized directly in equity					−44		−44
Dividend						−32,787	−32,787
Consolidated net income						11,408	11,408
As of June 30, 2018	**13,382,324**	**40,000**	**36,463**	**−13,177**	**−5,351**	**14,545**	**72,481**
As of January 1, 2017	**13,382,324**	**40,000**	**36,463**	**−13,177**	**−3,550**	**27,677**	**87,412**
Income and expenses recognized directly in equity					−1,191		−1,191
Taxes on transactions recognized directly in equity					95		95
Dividend						−28,103	−28,103
Consolidated net income						17,404	17,404
As of June 30, 2017	**13,382,324**	**40,000**	**36,463**	**−13,177**	**−4,646**	**16,978**	**75,618**

Consolidated Cash Flow Statement

The Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.
Rounding differences may occur.

in €k	H1 2018	H1 2017
EBT	**17,998**	24,723
Amortization, depreciation and impairment of tangible and intangible assets	4,904	4,800
Gain/loss from disposals of non-current assets	−20	−53
Other gains/losses	−1,850	−736
Financial income	−4	−13
Financial expenses	325	259
Movements in provisions	−590	−379
Income tax paid	−13,228	−14,593
Gross cash flow	**7,536**	**14,008**
Increase/decrease in trade receivables	4,612	−1,340
Increase/decrease in inventories	−6,229	−7,083
Increase/decrease in trade payables	1,986	−998
Increase/decrease in prepayments on orders	−3,670	3,423
Increase/decrease in net operating working capital	**−3,301**	**−5,998**
Changes in other net working capital	−4,599	−497
Net cash flow from operating activities	**−364**	**7,513**
Purchase of property, plant and equipment (excluding finance leases)	−4,181	−5,426
Proceeds from sale of property, plant and equipment	142	299
Net cash flow from investing activities	**−4,039**	**−5,127**
Free cash flow	**−4,403**	**2,386**
Dividend paid	−32,787	−28,103
Interest received	4	13
Interest paid	−311	−225
Repayment of finance lease liabilities	−504	−655
Net cash flow from financing activities	**−33,598**	**−28,970**
Net increase/decrease in cash and cash equivalents	**−38,000**	**−26,584**
Net foreign exchange difference	**−218**	**−11**
Cash and cash equivalents at January 1	**−3,941**	**−1,504**
Cash and cash equivalents at June 30	**−42,159**	**−28,100**
Composition of cash and cash equivalents for cash flow purposes:		
Cash and cash equivalents	**8,549**	**8,606**
Interest-bearing loans	**−50,708**	**−36,705**
Cash and cash equivalents at June 30	**−42,159**	**−28,100**

Notes to the Interim Condensed Consolidated Financial Statement



Notes to the Interim Condensed Consolidated Financial Statements of WashTec AG (IFRS) for the period January 1 to June 30, 2018

General

1. Information on the Group

The ultimate parent company of the WashTec Group is WashTec AG, which is entered in the commercial register for the City of Augsburg under registration number HRB 81.

The Company's registered office is located at Argonstrasse 7 in 86153 Augsburg, Germany.

The Company's shares are in free float and are publicly traded.

The purpose of the WashTec Group comprises the development, manufacture, sale and servicing of car wash products, as well as leasing and all related services and financing solutions required in order to operate car wash equipment.

The interim condensed consolidated financial statements and Interim Group Management Report may be downloaded from our website, www.washtec.de.

2. Accounting policies

Basis of preparation of the financial statements

The interim condensed consolidated financial statements for the period January 1 to June 30, 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not contain all explanations and disclosures required for annual financial statements and should be read in conjunction with the consolidated financial statements for the fiscal year ended December 31, 2017.

The accounting policies applied in the interim condensed consolidated financial statements correspond to those applied in the consolidated financial statements for the fiscal year ending December 31, 2017 with the exception of the first-time application of IFRS 9 Financial Instruments and IFRS 15 Revenues from Contracts with Customers. Tax is computed for interim financial statements by multiplying net income with the expected applicable annual tax rate.

The non-current trade payables, taxes and levies, and liabilities for social security that were reported separately in the prior year are included in other non-current liabilities and other current liabilities, respectively.

The interim condensed consolidated financial statements are presented in euros and, unless otherwise indicated, all figures are rounded to the nearest thousand (€k); this may result in rounding differences. The fiscal year is the calendar year.

Effects of new financial reporting standards

Since January 1, 2018, the WashTec Group has applied IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers.

IFRS 9 Financial Instruments IFRS 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities while introducing new rules for hedge accounting and a new impairment model for financial assets. In addition, IFRS 9 introduces new designations for the various categories.

Under IFRS 9, financial assets are classified on initial recognition into the categories »at fair value through profit or loss« (FVthP/L), »at fair value through other comprehensive income« (FVthOCI) and »at amortized cost« (AC). Financial assets based on the collection of contractual cash flows (»held-to-collect« business model) and their cash flows including payments of principal and interest on the outstanding capital amount are classified as »at amortized cost«.

The classification of financial liabilities has not changed compared to IAS 39. An exception comprises the rule for the event of a change in the credit risk on financial liabilities previously measured at fair value through profit or loss (FVthP/L). This does not affect the WashTec Group, however.

Under IFRS 9, impairments of financial assets must be recognized on the basis of the expected credit loss model in place of the incurred credit loss model under IAS 39. A risk allowance is normally recognized on the basis of a three-stage model in relation to changes in credit risk. The risk allowance is normally measured initially at an amount equal to the twelve-month expected credit losses and subsequently, if the credit risk has increased significantly, at an amount equal to the lifetime expected credit losses. There is an exception under which a simplified impairment model may be applied to trade receivables without a significant financing component and lease receivables. The WashTec Group makes use of this exception and calculates the impairment losses on the basis of a provision matrix. For this purpose, the risk allowance is recognized in the amount of the lifetime expected credit losses over the remaining term of the receivables regardless of the credit quality. Expected credit losses on other financial assets are not recognized as they are not significant.

First-time application of IFRS 9 resulted in valuation allowances on trade receivables being increased by €566k as of January 1, 2018. In application of the exemptions and transitional provisions in IFRS 9, the cumulative impact of adoption is recognized in profit carried forward. Prior-year comparative figures have not been restated.

The valuation allowances developed as follows:

in €k	
As of Dec 31, 2017	4,248
Effect of adjustment IFRS 9	566
As of Jan 1, 2018	**4,814**

The following table shows the changes in categories of financial assets and financial liabilities due to the first-time application of IFRS 9:

in €k	Measurement category		Carrying amount as of Jan 01, 2018		
	IAS 39	IFRS 9	IAS 39	IFRS 9	Difference
Assets					
Cash and cash equivalents	LaR*	AC*	9,786	9,786	–
Trade receivables	LaR*	AC*	75,262	74,696	–566
Other financial assets	LaR*	AC*	1,002	1,002	–
Liabilities					
Trade payables	FLAC*	AC*	14,612	14,612	–
Interest-bearing loans	FLAC*	AC*	13,726	13,726	–
Other financial liabilities	FLAC*	FLAC*	18,316	18,316	–
Finance lease liabilities	n/a	n/a	3,209	3,209	–
Derivative financial liabilities	FVthP/L*	FVthP/L*	12	12	–

*LaR: Loans and Receivables; AC: Amortized Cost; FLAC: Financial Liabilities Measured at Amortized Cost; FVthP/L: At Fair Value through Profit or Loss

IFRS 15 Revenue from Contracts with Customers replaces all previous revenue recognition standards – notably IAS 18 Revenue and IAS 11 Construction Contracts. It is based on the principle that revenue is recognized when control of a good or service transfers to a customer. First-time application led to reclassifications in the consolidated balance sheet and had no impact on items of the consolidated income statement (including earnings per share) or the consolidated cash flow statement. First-time application did not result in any transition effects other than presentation changes in the consolidated balance sheet. The transition method applied was the modified retrospective approach. Prior-year comparative figures are not restated.

IFRS 15 requires separate presentation of contract assets and contract liabilities in the balance sheet. For the WashTec Group, this resulted in presentation changes for the following items as of June 30, 2018:

- Prepayments on orders in the amount of €11,124k are now presented as contract liabilities.
- Liabilities in the amount of €4,910k from expected volume discounts previously accounted for as other liabilities have been reclassified to contract liabilities.
- Deferred income (mainly comprising full maintenance, extended guarantees and prepaid service agreements) in the amount of €8,329k, has been reclassified to contract liabilities.

The remaining standards, interpretations and amendments issued by the IASB and the IFRS Interpretations Committee, which are required to be applied in the financial year 2018, do not currently have any material impact on the net assets, financial position and results of operations of the WashTec Group.

Effects of new standards that have been issued by IASB and the IFRS Interpretations Committee and do not yet have to be applied in fiscal year 2018

IFRS 16 requires lessees normally to recognize all leases as a right-of-use asset and a lease liability. Exceptions are made for short-term leases and leases for low-value assets. The new standard mainly affects the accounting treatment of operating leases. IFRS 16 applies from January 1, 2019.

At present, the WashTec Group expects that approximately €30m will be accounted for as right-of-use assets. This amount represents a preliminary estimate. Accounting for right-of-use assets will increase total assets and hence decrease the equity ratio. The analysis of lease arrangements is not yet complete. Because of this, the foregoing figure is subject to uncertainty. Depending on the outcome of the final analysis, that figure may differ substantially from the current estimate.

The WashTec Group has not yet decided whether IAS 8 or the modified retrospective approach will be used on first-time application.

The remaining standards, interpretations and amendments issued by the IASB and the IFRS Interpretations Committee do not yet have to be applied in fiscal year 2018. They have no material impact on the net assets, financial position and results of operations of the WashTec Group.

The WashTec Group had not elected early application of these standards as of June 30, 2018. First-time application of the standards is planned when they are recognized and endorsed by the EU.

3. Segment reporting

Segmentation using the management approach at the WashTec Group is by sales territories. The sales territories are defined as the regions Europe, North America and Asia/Pacific.

Rounding differences may occur.

Jan to Jun 2018 in €k	Europe	North America	Asia/ Pacific	Consol-idation	Group
Revenue	**166,714**	**30,867**	**8,420**	**–5,888**	**200,113**
with third parties	160,939	30,754	8,420	0	200,113
with other divisions	5,775	114	0	–5,889	0
EBIT	**21,791**	**–2,945**	**–284**	**–243**	**18,319**
EBIT margin in %	13.1	–9.5	–3.4	–	9.2
Financial income					4
Financial expenses					325
EBT					**17,998**
Income taxes					6,589
Consolidated net income					**11,408**

Jan to Jun 2017 in €k	Europe	North America	Asia/ Pacific	Consol-idation	Group
Revenue	**164,276**	**43,476**	**6,921**	**–4,809**	**209,864**
with third parties	159,719	43,223	6,922	0	209,864
with other divisions	4,557	252	–1	–4,809	0
EBIT	**22,025**	**3,547**	**–309**	**–293**	**24,969**
EBIT margin in %	13.4	8.2	–4.5	–	11.9
Financial income					13
Financial expenses					259
EBT					**24,723**
Income taxes					7,318
Consolidated net income					**17,404**

Disaggregation of revenue with customers by fulfillment of the performance obligation and revenue recognition

Jan to Jun 2018 in €k, rounding differences may occur	Europe	North America	Asia/ Pacific	Consolidation	Group
Recognition at a point in time	165,810	29,802	8,420	−5,888	198,144
Recognition over time	904	1,065		0	1,969

4. Equity

The subscribed capital of WashTec AG as of June 30, 2018 is €40,000k. It is divided into 13,976,970 no-par-value bearer shares and is fully paid in.

The average number of issued and outstanding shares is 13,382,324 (prior year: 13,382,324).

The Annual General Meeting of WashTec AG on April 30, 2018 resolved to appropriate the distributable profit of €33,452,134.82 according to local GAAP shown in the Company's annual financial statements for fiscal year 2017 as follows: Payment of a dividend of €2.45 per eligible share, totaling €32,786,693.80, with the remaining distributable profit of €665,441.02 to be carried forward.

5. Financial instruments: additional disclosures

The following table, which is based on the relevant balance sheet items, shows the connection between the classification and the carrying amounts of financial instruments.

Carrying amounts, measurement and fair value by category:

in €k	IFRS 9 category	Carrying amount Jun 30, 2018	Measurement under IFRS 9		Measurement under IAS 17	Fair value Jun 30, 2018
			Amortized cost	Fair value through profit or loss		
Assets						
Cash and cash equivalents	AC*	8,549	8,549	–	–	8,549
Trade receivables	AC*	70,354	70,354	–	–	70,354
Other financial assets	AC*	1,301	1,301	–	–	1,301
Liabilities						
Trade payables	AC*	16,669	16,669	–	–	16,669
Interest-bearing loans	AC*	50,708	50,708	–	–	50,708
Other financial liabilities	FLAC*	20,832	20,832	–	–	20,832
Finance lease liabilities	n/a	3,552	–	–	3,552	3,552
Derivative financial liabilities	FVthP/L*	221	–	221	–	221

*AC: Amortized Cost; FLAC: Financial Liabilities Measured at Amortized Cost; FVthP/L: At Fair Value through Profit or Loss

in €k	IAS 39 category	Carrying amount Dec 31, 2017	Measurement under IAS 39		Measurement under IAS 17	Fair value Dec 31, 2017
			Amortized cost	Fair value through profit or loss		
Assets						
Cash and cash equivalents	LaR*	9,786	9,786	–	–	9,786
Trade receivables	LaR*	75,262	75,262	–	–	75,262
Other financial assets	LaR*	1,002	1,002	–	–	1,002
Liabilities						
Trade payables	FLAC*	14,612	14,612	–	–	14,612
Interest-bearing loans	FLAC*	13,726	13,726	–	–	13,726
Other financial liabilities	FLAC*	18,316	18,316	–	–	18,316
Finance lease liabilities	n/a	3,209	–	–	3,209	3,209
Derivative financial liabilities	FVthP/L*	12	–	12	–	12

*LaR: Loans and Receivables; FLAC: Financial Liabilities Measured at Amortized Cost; FVthP/L: At Fair Value through Profit or Loss

In accordance with IFRS 13, the derivative financial liabilities are classified as Level 2.

Due to their short terms, the fair values of trade receivables, trade payables and cash and cash equivalents as well as of other financial assets and liabilities generally match their carrying amounts. The fair value of finance lease liabilities and loans has been determined by discounting the expected future cash flows at current market interest rates.

Foreign exchange forwards are measured at fair value using expected exchange rates quoted on a regulated market.

The fair value of the derivative financial instruments is classified by maturity as follows:

in €k	Jun 30, 2018	Dec 31, 2017
Non-current	137	0
Current	84	12
Total	**221**	12

6. Contingent liabilities and other financial obligations

There was no material change in contingent liabilities and other financial obligations relative to December 31, 2017.

7. Related party disclosures

There were no material related party transactions within the meaning of IAS 24 during the reporting period.

Management Board and Supervisory Board shareholdings developed as follows:

Shares held by members of the management board (units)	Jun 30, 2018	Dec 31, 2017
Dr. Volker Zimmermann	16,100	15,000
Karoline Kalb	3,590	3,300
Stephan Weber	3,320	3,000

Mr. Jaeger already owns 4,000 shares in WashTec AG which he acquired before taking up office as Member of the Management Board.

Shares held by members of the supervisory board (units)	Jun 30, 2018	Dec 31, 2017
Dr. Günter Blaschke	50,000	50,000
Ulrich Bellgardt	27,500	27,500
Jens Große-Allermann*	0	0
Dr. Sören Hein	5,000	5,000
Dr. Hans Liebler	5,000	5,000
Dr. Alexander Selent	200	0

* Mr. Große-Allermann sits on the management board of the investment company, Investmentaktiengesellschaft für langfristige Investoren TGV, which – according to the notification dated July 31, 2009 – held 758,358 voting shares (5.43%) of WashTec AG.

At the Annual General Meeting on April 30, 2018, Supervisory Board members Dr. Günter Blaschke and Ulrich Bellgardt were re-elected. Dr. Blaschke continues to chair the Supervisory Board and Mr. Bellgardt remains Deputy Chairman.

8. Events after the balance sheet date

There were no significant events after the balance sheet date.

Alternative presentation in Consolidated Balance Sheet to improve its legibility

Rounding differences may occur.

Assets in €k	Jun 30, 2018	Dec 31, 2017
Non-current assets		
Property, plant and equipment	39,544	40,603
Goodwill	42,312	42,312
Intangible assets	10,547	9,423
Trade receivables	8,738	9,024
Other assets	640	593
Deferred tax assets	4,076	3,922
Total non-current assets	**105,856**	**105,877**
Current assets		
Inventories	47,320	40,847
Trade receivables	61,616	66,238
Tax receivables	13,561	7,928
Other assets	6,080	3,246
Cash and cash equivalents	8,549	9,786
Total current assets	**137,125**	**128,045**
Total assets	**242,982**	**233,922**

Equity and Liabilities in €k	Jun 30, 2018	Dec 31, 2017
Equity		
Subscribed capital	40,000	40,000
Contingent capital	*8,000*	*8,000*
Capital reserves	36,463	36,463
Treasury shares	–13,177	–13,177
Other reserves and currency translation effects	–5,351	–5,585
Profit carried forward	3,137	–427
Consolidated net income	11,408	36,916
	72,481	**94,191**
Non-current liabilities		
Finance lease liabilities	2,391	2,150
Provisions for pensions	10,027	10,247
Other non-current provisions	3,933	3,927
Other non-current liabilities	783	1,168
Non-current contract liabilities	1,327	2,638
Deferred tax liabilities	3,683	3,826
Total non-current liabilities	**22,144**	**23,956**
Current liabilities		
Interest-bearing loans	50,708	13,726
Finance lease liabilities	1,161	1,058
Trade payables	16,669	14,612
Tax provisions	5,091	5,752
Other current liabilities	41,166	43,374
Other current provisions	9,527	9,932
Current contract liabilities	24,035	27,322
Total current liabilities	**148,357**	**115,775**
Total equity and liabilities	**242,982**	**233,922**

Responsibility Statement

»To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the interim condensed consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group Interim Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.«

Augsburg, July 26, 2018

Dr. Volker Zimmermann
CEO

Axel Jaeger
Member of the Management Board

Karoline Kalb
Member of the Management Board

Stephan Weber
Member of the Management Board

Audit review report

To WashTec AG

We have reviewed the condensed consolidated interim financial statements – comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement, selected explanatory notes and the interim Group management report of WashTec AG for the period from January 1 to June 30, 2017, which are part of the half-year financial report pursuant to Art. 115 WpHG (»Wertpapierhandelsgesetz«: German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim Group management report in accordance with the provisions of the German Securities Trading Act applicable to interim Group management reports is the responsibility of the parent Company's Board of Managing Directors [Vorstand]. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim Group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim Group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim Group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not offer the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim Group management reports.

Munich, July 26, 2018

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Holger Graßnick	Sebastian Stroner
Wirtschaftsprüfer	Wirtschaftsprüfer

Group Management Report H1 2018

Contact
WashTec AG
Argonstrasse 7
86153 Augsburg
Germany

Telephone +49 821 5584-0
Telefax +49 821 5584-1135
www.washtec.de
washtec@washtec.de

Financial calendar

September 24–25, 2018	Baader Investment Conference, Munich
October 26, 2018	9-month-report 2018
November 26-27, 2018	Equity Capital Forum, Frankfurt on the Main