Half-year interim report
as at June 30, 2020

At a glance

GROUP KEY FIGURES

IFRS in EUR million	6M/2019	6M/2020	Veränderung
Total Group revenues	831.6	725.0	-12.8%
Sales revenues	745.4	648.5	-13.0%
Order intake	837.6	973.1	16.2%
Order backlog	1,019.6	1,275.7	25.1%
EBITDA	82.5	58.0	-29.7%
EBIT	35.3	6.5	-81.5%
Earnings after tax	-0.4	-16.0	n/a
Total assets	1,733.3	1,655.5	-4.5%
Equity	420.8	366.8	-12.8%
Employees (on average over the year)	11,620	11,547	-0.6%

At variance with the consolidated revenues presented in the Group income statement, the total Group revenues presented here include portions of revenues from associated companies as well as revenues of non-consolidated subsidiaries and joint ventures.

OUTLOOK

in EUR million	Actual 2019	Forecast 2020
Total Group revenues	1,595	no forecast
EBIT	22.5	no forecast
Earnings after tax	-36.6	no forecast

Summary

At the end of the first half of 2020, the **total Group revenues** of the BAUER Group decreased significantly by 12.8%, from EUR 831.6 million to EUR 725.0 million, compared to the same period in the previous year. This was primarily attributable to the Equipment segment. **Sales revenues** fell by 13.0% to EUR 648.5 million. At EUR 6.5 million, **EBIT** was significantly below the previous year‘s value of EUR 35.3 million. The Construction segment and, in particular, the Equipment segment fell significantly short of the original expectations, which can primarily be attributed to the effects of the coronavirus pandemic. The Resources segment remained nearly unaffected and demonstrates a better development than the previous year in operational terms.

The Group’s **earnings after taxes** were clearly negative and amounted to EUR -16.0 million (previous year: EUR -0.4 million). In addition to the losses in the Construction and Equipment segments, interest rate hedging transactions had a significant negative impact as these must be valued in the balance sheet according to the development of market interest rates. As the market interest rates decreased compared with the end of December 2019, this created a negative effect of EUR 5.1 million on earnings after taxes in the first half of 2020 (previous year: EUR 10.0 million).

In comparison with the reference period in the previous year, the **order backlog** in the Group increased very significantly by 25.1% and also increased by 24.1% to EUR 1,275.7 million compared to the end of 2019. This was primarily attributable to Construction, where very large order volumes were commissioned, including in Europe. In the Equipment and Resources segments, the order backlog was lower than in the previous year. The **order intake** rose by 16.2% from EUR 837.6 million to EUR 973.1 million.

Significant events and transactions

MACROECONOMIC TREND

Due to the global coronavirus pandemic, the world economy is currently facing unprecedented upheaval and changes. Many of the significant challenges which were focal points before the pandemic have taken a backseat: Brexit, ongoing protectionism, the oil price crisis, climate change, political tensions between the USA, Europe and China and many more. However, these challenges continue to exist, and we must face them in addition to the effects of the pandemic. Concern is also caused by the ongoing centers of conflict, which are no longer perceived as a focus due to the effects of the pandemic: the conflict with Iran, the wars in Syria, Yemen and Libya, the embargo against Qatar and the tensions on the Indo-Chinese border, as well as many more issues.

Once robust, the world economy is now facing a significant decline in growth. We won't experience the actual consequences until the second half of 2020 and beyond. Some factors are bound to only come to light at a later date, and many will also be noticeable in the long term. The further development of the pandemic will be decisive in this regard.

Globally, governments have introduced coronavirus relief programs as well as funding and stimulus programs. It remains to be seen how and when these measures will show their effects and/or whether they are capable of having an effect at all. The long-term ramifications of the coronavirus pandemic on entire industries, such as the aerospace and tourism industries as well as the automotive industry, cannot yet be predicted at all.

Consequently, it is still very difficult to anticipate how the world economy will develop under these general conditions. For some areas, a recovery has already been predicted for the second half of the year, and the relevant impact also remains to be seen. The medium-term and long-term changes and economic effects will probably be more profound than many observers expect at the moment, meaning that stable recovery will only take place slowly. However, with the political will which has been demonstrated in Europe, in China and the USA, for example, to counteract the economic effects with vast financial support programs, it may be possible to accelerate the recovery.

For the construction sector, the global economic stimulus programs create good short-term opportunities to promote an increase in demand for infrastructure projects. At the same time, however, a decline in commercial construction must be expected.

In the medium term and long term, the continuing trend of urbanization and the necessary investments in infrastructure, in particular with regard to evolving mobility concepts, provide a positive outlook for the construction sector and manufacturers of equipment for this market. The CO2 reduction challenges which lie before us also create good framework conditions for companies with products and services in the area of environmental technology and for the efficient use of resources.

OVERVIEW OF OUR MARKETS

The impact the coronavirus pandemic has on our markets differs on a regional basis.

In Europe, in particular in Germany, it was possible to control the effects of the pandemic on the construction sector to date. For the second half of the year, however, a decline is expected for the German construction market because significant caution surrounding investment in the private and public sector was identified in recent months. Unaffected by Brexit, England has seen a significant upturn in the construction market, with major investments in infrastructure. In Scandinavia and in Western Europe, the markets are stable. Russia and Turkey are continuing to suffer from very poor economic development caused by weak currencies, a difficult political environment and sanctions.

In the first half of the year, the construction sector in the USA was still doing well. This is particularly the case in the area of infrastructure measures. As a result of the significant spread of the pandemic and the upcoming elections, a noticeable decline in private construction investment is expected in the second half of the year. The market is subdued in Canada. Overall, the construction markets in Central and Latin America are influenced by a weak economy and also by the significant effects of the coronavirus pandemic in most countries in the region.

In the Middle East, the coronavirus pandemic has also had a significant negative effect and is also worsening existing problems created by ongoing conflicts and the low oil price. Therefore, the region falls significantly short of economic expectations, also affecting the construction sector.

In the Far East, China is the only country in the region to experience economic recovery despite the pandemic, which also has a positive effect on the construction and construction equipment markets. The political leaders are implementing comprehensive measures to combat the ramifications of the pandemic. Therefore, growth is expected to continue here, which is, however, still not without risk. All the other countries in the region are suffering, some very badly, from the consequences of the pandemic. The demand for construction services and equipment has decreased significantly. Despite an overall high basic demand for services in specialist foundation engineering and for machines, recovery is still expected to be slow. Overall, however, the medium-term prospects for the construction market in the Far East remain good.

The construction and equipment markets in Africa are at a low level and are hoping for recovery through rising raw material prices. Since these prices are picking up again, this means that the trend is heading towards better prospects for Africa in the future.

Overview of construction markets

Markt/Region	Market climate	Bauer order situation
Germany	- Overall still a good market situation, - First signs of a slowdown	- Order backlog in decline
Europe	- Western Europe characterized by the effects of coronavirus - Slow development in Eastern Europe - Russia very weak	- Good order situation, primarily due to major projects
Middle East & Central Asia	- Significant negative influences due to ongoing conflicts, low oil price and the consequences of coronavirus	- Reasonable order backlog in the United Arab Emirates and Qatar - Major project in Jordan has been expanded
Asia-Pacific, Far East & Australia	- Overall a weak market environment; characterized by the effects of coronavirus	- Weak order situation
Americas	- Markets significantly affected by the consequences of coronavirus - Major demand for infrastructure in the USA - Isolated larger projects in South America	- High order backlog with public projects in the USA - Low order backlog in South America
Africa	- Isolated projects - Slower growth in Egypt	- Focus on individual projects

The ongoing volatility of the global markets, with political and economic framework conditions that continue to change at short notice, remains the greatest challenge for our companies in the respective countries. The travel restrictions caused by the coronavirus pandemic is worsening this issue significantly.

At the same time, the ongoing dynamism of individual markets is continuously presenting new potential for short-term market opportunities. In the coming months, however, further significant effects caused by the coronavirus pandemic are to be expected. But in the medium term, we are expecting to see stable construction and raw materials markets and a positive overall development again, which provides us with good opportunities.

CONSTRUCTION SEGMENT

in EUR '000	6M/2019 *	6M/2020	Change
Total Group revenues	323,039	321,477	-0.5%
Sales revenues	307,867	298,696	-3.0%
Order intake	304,057	532,431	75.1%
Order backlog	508,969	822,042	61.5%
EBIT	4,498	-1,696	n/a
Earnings after tax	-9,980	-11,153	n/a

* previous year adjusted; see footnote p. 14

At EUR 321.5 million, **total Group revenues** in the Construction segment were slightly below the previous year's EUR 323.0 million. **EBIT** decreased significantly compared to the same period in the previous year, from EUR 4.5 million to EUR -1.7 million. At EUR -11.2 million, **earnings after taxes** were slightly below the previous year's value of EUR -10.0 million. These developments reflect the effects of the coronavirus pandemic as well as the negative market valuation of interest rate hedging transactions. The segment's key earnings figures include a positive earnings contribution of around EUR 8 million from the deconsolidation of the subsidiary in Hong Kong, which is mainly caused by cumulative exchange rate differences in the amount of around EUR 5 million since the initial consolidation.

The reclassification of SPESA Spezialbau und Sanierung GmbH and SCHACHTBAU NORDHAUSEN Bau GmbH into the Resources segment reduced the total Group revenues of the same period in the previous year by around EUR 19 million. The effects on the earnings figures were not significant.

Overall, the construction area was significantly affected by the consequences of the coronavirus pandemic in the second quarter in particular, whilst work was able to continue on most construction sites during the first quarter. In many countries, temporary curfews and travel restrictions complicated logistics and supply at construction sites in terms of equipment, materials and personnel, sometimes even making operations impossible. The required equipment or expert teams were only able to access the relevant construction sites with difficulties, with delays or sometimes they were unable to access them at all. Whilst most countries demonstrated improvements towards the end of the second quarter, we will have to deal with these issues throughout the financial year. On the other hand, we are able to work well in countries which are currently important to us, such as Germany as well as the USA, Bangladesh or Bhutan, which also applies to most major projects.

Order backlog in the Construction segment increased significantly, by 61.5% to EUR 822.0 million from EUR 509.0 million in the previous year – also when compared to the first quarter of 2020. The primary reason for this was mainly a very large order in Europe. The order situation in the Far East, on the other hand, is weaker. The **order intake** rose by 75.1% to EUR 532.4 million, compared to EUR 304.1 million in the previous year.

EQUIPMENT SEGMENT

in EUR '000	6M/2019	6M/2020	Change
Total Group revenues	380,778	296,940	-22.0%
Sales revenues	305,014	223,092	-26.9%
Order intake	377,722	314,775	-16.7%
Order backlog	146,841	126,142	-14.1%
EBIT	31,218	6,102	-80.5%
Earnings after tax	14,341	-3,825	n/a

The **total Group revenues** in the Equipment segment fell significantly by 22.0% in the first half of the year, from EUR 380.8 million to EUR 296.9 million; **sales revenues** dropped by 26.9% from EUR 305.0 million to EUR 223.1 million. **EBIT** decreased considerably compared to the previous year, from EUR 31.2 million to EUR 6.1 million. **Earnings after taxes** dropped from EUR 14.3 million to EUR -3.8 million.

The Equipment segment is currently the segment most significantly affected by the customers' reluctance to invest, resulting from the uncertainty caused by the coronavirus pandemic. While the impact was still small in the first quarter, sales and incoming orders decreased significantly in the second quarter. At the main site in Schrobenhausen, Germany, production was reduced and a short-time working arrangement was introduced in response. However, the business is showing positive development in China, where there has been a good order situation again since April.

The **order backlog** fell by 14.1%, from EUR 146.8 million in the previous year to EUR 126.1 million, and the **order intake** dropped by 16.7%, from EUR 377.7 million to EUR 314.8 million. In most regions in the world, we expect a certain level of continued cautiousness with regard to equipment purchases. It is positive that the inquiry situation has improved somewhat again over the past month.

After the balance sheet date, BAUER Maschinen GmbH ended the joint venture, which it started with Schlumberger in 2015 to develop and build large-scale land-based deep drilling rigs for the oil and gas industry, due to significant overcapacities in this sector. In addition, there are plans to move business with well drilling rigs under the brand name Prakla from Peine to Schrobenhausen or Nordhausen over the course of the year and to cease operations at the relevant location in Peine.

RESOURCES SEGMENT

in EUR '000	6M/2019 *	6M/2020	Change
Total Group revenues	157,995	142,524	-9.8%
Sales revenues	131,867	125,876	-4.5%
Order intake	185,959	161,798	-13.0%
Order backlog	363,763	327,517	-10.0%
EBIT	132	-512	n/a
Earnings after tax	614	721	17.4%

* previous year adjusted; see footnote p. 14

At EUR 142.5 million, **total Group revenues** in the Resources segment were down by 9.8% after the first half of the year, compared to the previous year's EUR 158.0 million. This was largely attributable to the area of mining. **EBIT** decreased from EUR 0.1 million to EUR -0.5 million, and **earnings after taxes** increased slightly from EUR 0.6 million to EUR 0.7 million.

The reclassification of SPESA Spezialbau und Sanierung GmbH and SCHACHTBAU NORDHAUSEN Bau GmbH into the Resources segment increased the total Group revenues of the same period in the previous year by around EUR 19 million. The effects on the earnings figures were not significant. The reclassification was carried out because the remediation business area will be bundled in the Resources segment in the future, aiming to use the increased potential for synergies with other business areas for further development.

In the first half of the year, the segment only experienced minimal effects of the coronavirus pandemic. However, for the second half of the year, the impact of the coronavirus pandemic on the markets is becoming apparent here as well. The environmental business achieved good results, as did the business with well materials. Work is also able to continue in Jordan on the major project for deep wells.

In the second quarter, a letter of intent was signed, confirming that ESAU & HUEBER GmbH, which specializes in brewery and beverage technology, will be sold to the Schulz Group. The company recorded losses in both of the past two years and has now found a suitable strategic partner from the brewery industry.

In July of this year, BAUER Resources GmbH and Roche Pharma AG agreed that the completion of the remediation of perimeter 1/3-NW at Kesslergrube will be handed over to Roche Pharma AG by BAUER Resources GmbH. Roche Pharma AG wishes to carry out the further work independently.

After the first six months, the **order backlog** decreased by 10.0%, from EUR 363.8 million to EUR 327.5 million. The **order intake** fell by 13.0%, from EUR 186.0 million to EUR 161.8 million.

Earnings, financial and net asset position

EARNINGS POSITION

The **sales revenues** decreased in comparison with the reference period in the previous year by 13.0% to EUR 648.5 million, and the **consolidated revenues** decreased by 11.8% to EUR 705.6 million, which was primarily attributable to the Equipment segment.

In the first half of the year, the Group's **EBITDA** dropped by 29.7%, from EUR 82.5 million to EUR 58.0 million. The cost of materials dropped more significantly than the **consolidated revenues**, whilst personnel expenses decreased slightly. The other operating expenses also fell slightly.

At EUR 6.5 million, **EBIT** was significantly below the previous year's value of EUR 35.3 million. Depreciation of fixed assets rose by EUR 4.6 million, whilst the depreciation of inventories due to use were EUR 0.4 million below the previous year.

Earnings after taxes dropped from EUR -0.4 million to EUR -16.0 million. As described at the beginning, interest rate hedging transactions also had a significant negative impact here. Financial expenses decreased very significantly compared to the previous year, from EUR 44.6 million to EUR 34.5 million. Financial income also fell significantly, from EUR 19.9 million to EUR 14.6 million. At EUR 4.5 million, the share of the profit or loss of associated companies accounted for using the equity method was approximately the same as the previous year's value of EUR 4.3 million. The subsidiary in Oman, which operates a reed bed treatment plant for cleaning water polluted with oil, accounts for the major part of this.

FINANCIAL POSITION

At the end of 2019, covenants which had been defined were exceeded for significant loans. At the end of April, an amicable solution was reached with the financing partners for the syndicated loan agreements. This solution was also implemented with all the other affected financing partners, in particular the promissory note creditors, over the course of the second quarter of the year.

NET ASSET SITUATION

At EUR 1,655.5 million, the **total assets** only increased by 1.7% compared to the end of 2019 (EUR 1,628.5 million), but fell significantly by 4.5% compared to June in the previous year.

The asset side of the balance sheet primarily decreased due to the decline in **receivables and other assets** by 22.1%, from EUR 560.7 million to EUR 437.0 million compared to the previous year. **Inventories**, however, increased slightly from EUR 465.4 million to EUR 488.1 million.

On the liabilities side, **equity** fell to EUR 366.8 million, accounting for a decrease of 5.2% compared to the end of the previous year and of 12.8% compared to the end of June 2019.

In comparison with the end of 2019 and the first quarter of 2020, the loans on the consolidated balance sheet which were affected by exceeding the covenants were reclassified from the current liabilities to non-current liabilities to banks because an agreement with the affected financing partners was achieved as described.

With a change from EUR 583.9 million to EUR 584.6 million, **non-current liabilities** hardly varied in comparison to the previous year. **Current liabilities** dropped from EUR 728.6 million to EUR 704.1 million. In comparison with the first half of 2019, net debt decreased by EUR 9.1 million.

Opportunities and risks

Significant opportunities and risks have been highlighted in the individual sections of this report. In the first half of the year, an amicable solution was found with all the affected financing partners with respect to breaking the covenants at the end of the 2019 financial year. In this regard, the uncertainty surrounding the ability to continue business operations as a going concern indicated in the 2019 Annual Report is no longer given. This uncertainty was caused by the financing partners potentially executing their rights of termination, which would have let to an inability to meet payment obligations.

The ramifications of the coronavirus pandemic are impacting the operational business in our three segments and thus on our sales and earnings situation. According to our estimates, there is only a low level of risk that there will be material effects on the consolidated balance sheet items of intangible assets, property, plant and equipment, inventories, receivables or financial assets as a result of the coronavirus pandemic.

Otherwise, no significant changes to the risks have occurred since the Annual Report as at December 31, 2019. In this regard, we refer to the combined management report for the 2019 financial year.

Full-year outlook

The global effects of the coronavirus pandemic have made themselves felt in our business in the second quarter, too, primarily in the Construction and Equipment segments. It is very difficult to predict the further developments. In Europe, there is great concern about a second wave of infection, whilst the peak of the first wave is only just being reached in the USA right now. The situation looks very different in each of the many additional regions and countries in the world. Fundamentally, this entails a significant amount of overall uncertainty for the current financial year and outlook.

The Group applied for short-time work for a number of its companies in Germany as of April 1, 2020. This primarily applies to the Schrobenhausen machine production location, but also many areas of construction operations and administration functions. Another goal is to continue to respond as quickly as possible locally in all countries to prevent major negative impacts on the business to the greatest extent possible.

Due to the uncertainties surrounding the rest of the year, BAUER AG withdrew its forecast for the 2020 financial year in an ad-hoc announcement on June 17, 2020 after reviewing the projections. The impact of the pandemic on further construction activities around the world and on customer demand for equipment, and thus ultimately on the revenue and earnings development, still cannot be predicted reliably. Therefore, it is still not possible for the Management Board to create robust plans and, consequently, to provide a specific new forecast for the 2020 financial year. This also applies to the development of the individual segments.

Overall, however, we are confident that it will be possible to limit the negative effects of the crisis on the BAUER Group thanks to the many measures which have been introduced.

Interim consolidated financial statements

INCOME STATEMENT

in EUR '000	Q2/2019	Q2/2020	6M/2019	6M/2020
Sales revenues	403,544	314,531	745,442	648,527
Changes in inventories	-3,173	4,078	43,879	34,955
Other capitalized goods and services for own account	1,375	1,418	3,025	3,149
Other income	3,527	9,340	7,867	18,944
Consolidated revenues	**405,273**	**329,367**	**800,213**	**705,575**
Cost of materials	-203,219	-166,105	-416,975	-350,291
Personnel expenses	-104,722	-90,256	-204,674	-197,175
Other operating expenses	-47,560	-46,105	-96,080	-100,133
Earnings before interest, tax, depreciation and amortization (EBITDA)	**49,772**	**26,901**	**82,484**	**57,976**
Depreciation and amortization a) Depreciation of fixed assets	-21,570	-22,979	-40,538	-45,107
b) Write-downs of inventories due to use	-3,450	-3,654	-6,686	-6,331
Earnings before interest and tax (EBIT)	**24,752**	**268**	**35,260**	**6,538**
Financial income	6,141	-332	19,880	14,630
Financial expenses	-19,194	-8,792	-44,609	-34,538
Share of the profit or loss of associated companies accounted for using the equity method	3,637	2,215	4,275	4,462
Earnings before tax (EBT)	**15,336**	**-6,641**	**14,806**	**-8,908**
Income tax expense	-10,589	-4,386	-15,184	-7,082
Earnings after tax	**4,747**	**-11,027**	**-378**	**-15,990**
of which attributable to shareholders of BAUER AG	4,139	-11,313	-2,114	-16,478
of which attributable to non-controlling interests	608	286	1,736	488

in EUR	Q2/2019	Q2/2020	6M/2019	6M/2020
Basic earnings per share	0.24	-0.02	-0.12	-0.96
Diluted earnings per share	0.24	-0.02	-0.12	-0.96
Average number of shares in circulation (basic)	17,131,000	17,131,000	17,131,000	17,131,000
Average number of shares in circulation (diluted)	17,131,000	17,131,000	17,131,000	17,131,000

STATEMENT OF COMPREHENSIVE INCOME

in EUR '000	Q2/2019	Q2/2020	6M/2019	6M/2020
Earnings after tax	**4,747**	**-11,027**	**-378**	**-15,990**
Income and expenses which will not be subsequently reclassified to profit and loss				
Revaluation of commitments arising from employee benefits after termination of employment	-11,561	7,383	-20,600	7,374
Deferred taxes on that revaluation with no effect on profit and loss	3,246	-2,073	5,785	-2,073
Market valuation of other investments	0	0	0	0
Income and expenses which will be subsequently reclassified to profit and loss				
Market valuation of derivative financial instruments (hedging reserve)	1,024	246	-509	278
Included in profit and loss	-1,067	-227	343	-229
Market valuation of derivative financial instruments (reserve for hedging costs)	-470	-11	-1,570	-329
Included in profit and loss	543	60	1,456	313
Deferred taxes on financial instruments with no effect on profit and loss	-8	-19	79	-9
Exchange differences on translation of foreign subsidiaries	-1,522	-2,995	5.454	-8,996
Other comprehensive income	**-9,815**	**2,364**	**-9,562**	**-3,671**
Total comprehensive income	**-5,068**	**-8,663**	**-9,940**	**-19,661**
of which attributable to shareholders of BAUER AG	-6,486	-8,077	-13,010	-19,676
of which attributable to non-controlling interests	1,418	-586	3,070	15

CONSOLIDATED BALANCE SHEET

Assets in EUR '000	June 30, 2019	Dec. 31, 2019	June 30, 2020
Intangible assets	16,988	16,946	15,106
Property, plant and equipment	439,609	460,470	453,091
Investments accounted for using the equity method	112,946	118,185	115,643
Participations	8,350	8,806	8,806
Deferred tax assets	60,547	67,273	65,160
Other non-current assets	7,650	7,175	7,277
Other non-current financial assets	12,954	13,923	14,145
Non-current assets	**659,044**	**692,778**	**679,228**
Inventories	402,496	405,401	428,063
Rental equipment	75,618	61,838	71,974
Less advances received on inventories	-12,729	-8,921	-11,978
	465,385	458,318	488,059
Receivables and other assets	560,743	434,608	437,016
Effective income tax refund claims	4,067	5,270	3,904
Cash and cash equivalents	44,034	37,575	47,338
Current assets	**1,074,229**	**935,771**	**976,317**
	1,733,273	**1,628,549**	**1,655,545**

Equity and liabilities in EUR '000	June 30, 2019	Dec. 31, 2019	June 30, 2020
Equity of BAUER AG shareholders	**415,184**	**381,804**	**362,268**
Non-controlling interests	5,602	5,112	4,533
Equity	**420,786**	**386,916**	**366,801**
Provisions for pensions	155,939	158,641	151,812
Financial liabilities	392,957	135,300	399,468
Other liabilities	5,629	6,028	6,501
Deferred tax liabilities	29,359	27,149	26,832
Non-current debt	**583,884**	**327,118**	**584,613**
Financial liabilities	298,640	465,953	286,345
Other liabilities	388,741	402,318	376,388
Effective income tax obligations	19,695	19,566	11,276
Provisions	18,631	23,677	27,095
Current portion of provisions for pensions	2,896	3,001	3,027
Current debt	**728,603**	**914,515**	**704,131**
	1,733,273	**1,628,549**	**1,655,545**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR '000			Other revenue reserves and unappropriated net profit						
	Subscribed capital	Capital reserve	Revenue reserves	Currency conversion	Derivative financial instruments (hedging reserve)	Derivative financial instruments (reserve for hedging costs)	Equity instruments	Non-controlling interests	Total
As of Jan. 1, 2019	**73,001**	**38,404**	**332,201**	**-13,285**	**-201**	**-145**	**-1,663**	**3,504**	**431,816**
Earnings after tax	0	0	-2,114	0	0	0	0	1,736	**-378**
Exchange differences on translation of foreign subsidiaries	0	0	0	4,132	0	0	0	1,322	**5,454**
Revaluation of commitments arising from employee benefits after termination of employment	0	0	-20,613	0	0	0	0	13	**-20,600**
Market valuation of other participations	0	0	0	0	0	0	0	0	**0**
Market valuation of derivative financial instruments	0	0	0	0	-166	-114	0	0	**-280**
Deferred taxes with no effect on profit and loss	0	0	5,786	0	47	32	0	-1	**5,864**
Total comprehensive income	**0**	**0**	**-16,941**	**4,132**	**-119**	**-82**	**0**	**3,070**	**-9,940**
Changes in basis of consolidation	0	0	-118	0	0	0	0	0	**-118**
Dividend payments	0	0	0	0	0	0	0	-972	**-972**
Other changes	0	0	0	0	0	0	0	0	**0**
As at Jun. 30, 2019	**73,001**	**38,404**	**315,142**	**-9,153**	**-320**	**-227**	**-1,663**	**5,602**	**420,786**
As of Jan. 1, 2020	73,001	38,404	278,430	-6,471	-273	-46	-1,241	5,112	**386,916**
Earnings after tax	0	0	-16,478	0	0	0	0	488	**-15,990**
Exchange differences on translation of foreign subsidiaries	0	0	0	-8,523	0	0	0	-473	**-8,996**
Revaluation of commitments arising from employee benefits after termination of employment	0	0	7,374	0	0	0	0	0	**7,374**
Market valuation of other participations	0	0	0	0	0	0	0	0	**0**
Market valuation of derivative financial instruments	0	0	0	0	49	-16	0	0	**33**
Deferred taxes with no effect on profit and loss	0	0	-2,073	0	-14	5	0	0	**-2,082**
Total comprehensive income	**0**	**0**	**-11,177**	**-8,523**	**35**	**-11**	**0**	**15**	**-19,661**
Changes in basis of consolidation	0	0	0	0	0	0	0	0	**0**
Dividend payments	0	0	0	0	0	0	0	-254	**-254**
Other changes	0	0	140	0	0	0	0	-340	**-200**
As at Jun. 30, 2020	**73,001**	**38,404**	**267,393**	**-14,994**	**-238**	**-57**	**-1,241**	**4,533**	**366,801**

CONSOLIDATED STATEMENT OF CASH FLOWS

in EUR '000	6M/2019	6M/2020
Cash flows from operational activity:		
Earnings before tax (EBT)	14,806	-8,908
Depreciation of property, plant and equipment and intangible assets	40,538	45,107
Write-downs of inventories due to use	6,686	6,331
Depreciation of financial assets	0	0
Financial income	-19,880	-14,630
Financial expenses	44,609	34,538
Other non-cash transactions and results of de-consolidations	15,688	-4,017
Dividends received	1,600	4,686
Income from the disposal of property, plant and equipment and intangible assets	-1,458	-3,742
Income from associated companies accounted for using the equity method	4,275	4,462
Change in provisions	-1,631	-988
Change in trade receivables	28,941	21,668
Change in contract assets	-24,294	-10,417
Change in other assets and in prepayments and deferred charges	-25,466	-20,518
Change in inventories	-72,929	-46,217
Change in trade payables	24,131	-1,147
Change in contract liabilities	-3,970	-18,517
Change in other current and non-current liabilities	10,601	-399
Cash and cash equivalents generated from day-to-day business operations	**42,247**	**-10,414**
Income tax paid	-28,153	-13,969
Net cash from operating activities	**14,094**	**-24,383**
Cash flows from investment activity		
Acquisition of property, plant and equipment and intangible assets	-45,354	-48,256
Proceeds from the sale of property, plant and equipment and intangible assets	12,504	17,372
Consolidation scope-related change in financial resources	5	-85
Net cash used in investing activities	**-32,845**	**-30,969**
Cashflows aus Finanzierungstätigkeit:		
Raising of loans and liabilities to banks	194,264	239,019
Repayment of loans and liabilities to banks	-157,964	-151,681
Repayment of liabilities from lease agreements	-10,485	-11,609
Disbursements for the purchase of additional shares in subsidiaries	0	-200
Dividends paid	-972	-254
Interest paid	-32,235	-12,558
Interest received	6,714	2,824
Net cash used in financing activities	**-678**	**65,541**
Changes in liquid funds affecting payments	**-19,429**	**10,189**
Influence of exchange rate movements on cash	876	-426
Total change in liquid funds	**-18,553**	**9,763**
Cash and cash equivalents at beginning of reporting period	**62,587**	**37,575**
Cash and cash equivalents at end of reporting period	**44,034**	**47,338**
Change in cash and cash equivalents	**-18,553**	**9,763**

SEGMENT REPORTING

in EUR '000	Construction		Equipment		Resources	
January - June	2019 *	2020	2019	2020	2019 *	2020
Total revenues (Group)	**323,039**	**321,477**	**380,778**	**296,940**	**157,995**	**142,524**
Sales revenues with third parties	307,867	298,696	305,014	223,092	131,867	125,876
Sales revenues between business segments	7,091	1,402	20,926	27,727	2,461	740
Changes in inventories	37	0	43,425	34,388	417	567
Other capitalized goods and services for own account	230	65	1,781	1,683	319	200
Other income	4,899	15,142	-2,375	3,443	5,652	503
Consolidated revenues	**320,124**	**315,305**	**368,771**	**290,333**	**140,716**	**127,886**
Earnings before interest, tax, depreciation and amortization (EBITDA)	**25,790**	**22,152**	**49,850**	**25,363**	**6,361**	**6,937**
Depreciation of fixed assets	-21,292	-23,848	-11,946	-12,930	-6,229	-7,449
Write-downs of inventories due to use	0	0	-6,686	-6,331	0	0
Earnings before interest and tax (EBIT)	**4,498**	**-1,696**	**31,218**	**6,102**	**132**	**-512**
Financial income	6,418	7,739	6,695	3,753	4,537	1,401
Financial expenses	-14,160	-13,481	-13,791	-10,474	-8,394	-4,205
Share of the profit or loss of associated companies accounted for using the equity method	339	2,086	-1,476	-1,860	5,412	4,236
Income tax expense	-7,075	-5,801	-8,305	-1,346	-1,073	-199
Earnings after tax	**-9,980**	**-11,153**	**14,341**	**-3,825**	**614**	**721**
	Dec. 31, 2019	June 30, 2020	Dec. 31, 2019	June 30, 2020	Dec. 31, 2019	June 30, 2020
SEGMENT ASSETS	**604,408**	**637,582**	**762,660**	**753,653**	**287,510**	**270,730**

in EUR '000	Others		Consolidation		Group	
January - June	2019	2020	2019	2020	2019	2020
Total revenues (Group)	**22,702**	**25,343**	**-52,874**	**-61.272**	**831,640**	**725,012**
Sales revenues with third parties	694	863	0	0	745,442	648,527
Sales revenues between business segments	20,806	22,914	-51,284	-52.783	0	0
Changes in inventories	0	0	0	0	43,879	34,955
Other capitalized goods and services for own account	0	0	695	1,201	3,025	3,149
Other income	144	67	-446	-211	7,867	18,944
Consolidated revenues	**21,644**	**23,844**	**-51,035**	**-51,793**	**800,213**	**705,575**
Earnings before interest, tax, depreciation and amortization (EBITDA)	**987**	**18,547**	**-504**	**-15,023**	**82,484**	**57,976**
Depreciation of fixed assets	-1,985	-1,703	914	823	-40,538	-45,107
Write-downs of inventories due to use	0	0	0	0	-6,686	-6,331
Earnings before interest and tax (EBIT)	**-998**	**16,844**	**410**	**-14,200**	**35,260**	**6,538**
Financial income	5,413	2,549	-3,180	-812	19,880	14,630
Financial expenses	-11,447	-7,190	3,180	812	-44,609	-34,538
Share of the profit or loss of associated companies accounted for using the equity method	0	0	0	0	4,275	4,462
Income tax expense	1,358	470	-89	-206	-15,184	-7,082
Earnings after tax	**-5,674**	**12,673**	**321**	**-14,406**	**-378**	**-15,990**
	Dec. 31, 2019	June 30, 2020	Dec. 31, 2019	June 30, 2020	Dec. 31, 2019	June 30, 2020
SEGMENT ASSETS	**408,094**	**454,074**	**-434,123**	**-460,494**	**1,628,549**	**1,655,545**

* previous year adjusted. SPESA Spezialbau und Sanierung GmbH as well as SCHACHTBAU NORDHAUSEN Bau GmbH have been reclassified from the Construction to the Resources segment.

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION ABOUT THE GROUP

BAUER Aktiengesellschaft, Schrobenhausen (referred to in the following as BAUER AG) is a stock corporation under German law. Its registered office is at BAUER-Strasse in Schrobenhausen and the company is entered in the Commercial Register of Ingolstadt (HRB 101375).

The BAUER Group is a provider of services, equipment and products related to ground and groundwater. The Group markets its products and services all over the world. The operations of the Group are divided into three segments: Construction, Equipment and Resources.

These condensed interim consolidated financial statements were released for publication on August 10, 2020.

Auditory review

These condensed interim consolidated financial statements and the interim Group Management Report have not been audited in accordance with section 317 of the German Commercial Code (HGB), nor have they been subject to a review by an auditor.

2. BASIS FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

BAUER AG prepares its condensed interim consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), the requirements of the International Accounting Standards Board (IASB), London, and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as applicable on the balance sheet date and recognized by the European Union. Only IASB Standards and Interpretations adopted by the Commission and duly published in the Official Journal of the EU by the balance sheet date are applied.

The Half-Year Interim Report as at August 13, 2020 was prepared in condensed form on the basis of IAS 34 “Interim Financial Reporting” and, as such, does not include all the disclosures which are mandatory for full-year consolidated financial statements. These condensed interim consolidated financial statements are based on the Group‘s consolidated financial statements as at December 31, 2019 and, as such, should be read in conjunction with the consolidated financial statements of BAUER AG as at December 31, 2019.

3. BASIS OF CONSOLIDATION

The basis of consolidation includes BAUER AG and all major subsidiaries. Subsidiaries are all companies over which the Group has control in terms of financial and corporate policy. This is routinely accompanied by a share of voting rights of over 50%. When assessing whether control exists, the existence and effect of potential voting rights currently exercisable or convertible are considered.

In a small number of cases, companies are fully consolidated into the consolidated financial statements of BAUER AG even though less than 50% of their share of voting rights are held. This is the result of state restrictions which stipulate that foreign investors may not hold more than 50% of the voting rights in domestic companies. In such cases, BAUER AG makes use of so-called agency constructions, whereby more than 50% of the voting rights are commercially held in the company concerned, thus allowing for full consolidation.

Subsidiaries are included in the consolidated financial statements (fully consolidated) from the point at which control or the option of control is transferred to the Group. They are de-consolidated at the point when control ends. Companies for which BAUER AG is able, directly or indirectly, to exercise significant influence on the companies’ financial and operating policy decisions (associated companies) are consolidated according to the equity method.

Changes at subsidiaries:

Construction segment:
In the first half of the 2020 financial year, BAUER Hong Kong Ltd. was deconsolidated due to the suspension of business activities. The deconsolidation had an impact on earnings of EUR 8,046 thousand, which is listed under other operating income.

Equipment segment:
In the first half of the 2020 financial year, ESAU & HUEBER Verwaltungs GmbH merged with BAUER Foralith GmbH and continued operations as BAUER Foralith GmbH.

Furthermore, the remaining 15% of the shares in Olbersdorfer Guß GmbH were acquired at a purchase price of EUR 200 thousand. This change in the investment quota was reported as an equity transaction.

Otherwise, there have been no changes to the basis of consolidation since December 31, 2019.

4. SIGNIFICANT EVENTS, ESTIMATES AND JUDGMENTS

Judgments and discretionary decisions may affect the amount of the reported assets and liabilities, the details about contingent assets and liabilities as at the reporting date and the income and expenses which are declared for the reporting period. Due to the currently unpredictable consequences of the coronavirus pandemic, these judgments and discretionary decisions are subject to increased uncertainty. The actual amounts may deviate from the judgments and discretionary decisions; changes may have a significant influence on the interim financial statements.
When updating the judgments and discretionary decisions, the available information about the expected economic development and country-specific governmental measures were taken into consideration.

The coronavirus pandemic has, as specified in the “Opportunities and risks” section, had a negative effect on the earnings and financial position of the BAUER Group.

Due to the coronavirus pandemic, the BAUER Group has examined the recoverability of assets, in particular intangible assets, property, plant and equipment, financial assets valued using the equity method, financial assets and other assets as at June 30, 2020.

The review showed no significant unscheduled impairments of these assets. For further information on estimates and judgments, we refer to page 72 of the 2019 Annual Report.

5. ACCOUNTING POLICIES

The accounting policies applied as of January 1, 2020 correspond to those of the consolidated financial statements as at December 31, 2019, with the exception of the valuation of the provisions for pensions and the first-time application of new and amended standards.

a) Valuation of the provisions for pensions

On June 30, 2019, the BAUER Group increased the discount rate for measuring its pension obligations in Germany to 1.30% (previous year: 1.05%). Refinements to the selection options at the data provider Bloomberg, which is used by our actuarial company Heubeck AG, enables Heubeck AG to define the data base for the derivation of the actuarial interest rate even more precisely in the future. In the current exceptional circumstances in the capital markets, this leads to a significant increase in the actuarial interest rate published by Heubeck for international valuations of up to 0.70 percentage points. The original interest rate to be applied would have been 0.65%. In turn, the increase in the interest rate leads to a corresponding reduction of the scope of the obligations. This was recorded in the statement of comprehensive income (other comprehensive income, OCI) according to IAS 8 as a change in accounting estimate with no effect on profit and loss.

b) New and amended standards adopted by the BAUER Group

Numerous new or amended standards entered into force in the current reporting period. No changes to the accounting principles of the BAUER Group resulted from the changes to the standards.

6. DISCLOSURES ABOUT FINANCIAL INSTRUMENTS

6.1 Financial risk factors

In its business operations and financing activities, the BAUER Group is subject to a wide range of market risks (foreign exchange rate, interest rate, raw material price and liquidity risks, risk of default).

These condensed interim consolidated financial statements do not include all disclosures and information relating to financial risk management, and, as such, they should be read in conjunction with the consolidated financial statements as at December 31, 2019.

No changes to the management of financial risks have been made since the end of the financial year.

6.2 Carrying amounts and fair values

The fair values of financial instruments are determined on the basis of one of the methods set out on the three following levels:

- Level 1: Quoted prices (adopted unchanged) on active markets for identical assets and liabilities
- Level 2: Directly or indirectly observable input data for the asset or liability other than quoted prices as per level 1
- Level 3: Applied input data which does not originate from observable market data for the measurement of the asset and liability (non-observable input data)

The financial instruments measured at fair value are assignable to the following levels:

Assets in EUR '000	Dec. 31, 2019		Jun. 30, 2020		
	Carrying amount	Fair value	Carrying amount	Fair value	Level
Participations	8,806	8,806	8,806	8,806	3
Other non-current financial assets	11,424	13,702	11,495	13,492	3
Forfeited trade receivables	1,500	1,500	1,277	1,277	2
Derivatives not in hedge accounting	824	824	807	807	2
Derivatives in hedge accounting	303	303	60	60	2
Total	**22,857**	**25,135**	**22,445**	**24,442**	

Equity and liabilities in EUR '000	Dec. 31, 2019		Jun. 30, 2020		
	Carrying amount	Fair value	Carrying amount	Fair value	Level
Liabilities to banks	73,743	100,530	333,609	355,887	3
Liabilities from finance lease agreements	37,892	42,371	33,912	37,041	3
Other non-current financial liabilities	3,536	4,180	6,783	7,515	3
Derivatives not in hedge accounting	19,914	19,914	25,021	25,021	2
Derivatives in hedge accounting	507	507	408	408	2
Total	**135,592**	**167,502**	**399,733**	**425,872**	

In the first six months of the financial year, no reclassification was undertaken between the levels. Level 2 derivatives comprise foreign exchange forward contracts, foreign exchange options, interest swaps and interest rate caps. For derivative financial instruments without option components, including foreign exchange forward contracts and interest rate swaps, future payment flows are determined based on term curves. The fair value of these instruments corresponds to the sum of discounted payment flows. Currency pair options are valued on the basis of customary market option price models.

For cash and cash equivalents, current trade receivables, other current assets, current trade payables and other current liabilities, the carrying amount should be adopted as a realistic estimate of the fair value owing to the short remaining term.

The fair values of non-current financial assets and other non-current financial liabilities correspond to the present values of the payment flows linked to the assets, taking into account the applicable interest rate parameters, which reflect changes in the terms and expectations of the market and of the respective parties.

For participations, the fair value is determined using the discounted cash flow model. Up to the second half of the year, no significant fair value changes have resulted from the participations.

7. SEASONALITY

Our Construction segment undertakes many projects in regions where winter and other hostile weather conditions negatively affect results on the site in the first quarter and at the start of the second quarter. As a general rule, the first quarter is also weak for our Equipment segment because our customers only buy equipment when they actually need it to provide their construction services. In our Resources segment, wintry conditions at the start of the year mean that sales of well engineering materials are very weak.
Since most costs are fixed, significant losses are made in the first quarter of each year. Beginning with the second quarter, those losses are balanced out as contribution margins improve. Break-even has normally not yet been achieved by the end of the second quarter. Most profit is generated in the third and fourth quarters. The above-mentioned annually recurring business cycle allows revenue, sales and earnings in the various quarters to be compared to the corresponding reference period, ignoring special factors.

8. NOTES ON SEGMENT REPORTING

The internal organizational and management structure and the internal system of reporting to the Management Board and Supervisory Board form the basis for the segmentation employed by the BAUER Group.

The BAUER Group comprises the Construction, Equipment and Resources segments. Transactions between the segments are conducted at market prices.
SCHACHTBAU NORDHAUSEN GmbH is the only Group company to operate in both the Equipment and Resources segments. The assets and liabilities and income statement items of SCHACHTBAU NORDHAUSEN GmbH were assigned to the relevant segments.

Construction

The core business of the Construction segment is specialist foundation engineering. Complete excavation pits and foundation works, often in difficult construction soil conditions, are carried out for major infrastructure projects and buildings. In order to provide customers with a full range of services, the companies of the BAUER Group additionally offer other construction services, often involving a major specialist foundation engineering element. The Construction segment is founded on the close interlinking of all construction activities.

Equipment

In the Equipment segment, construction equipment for all specialist foundation engineering methods and for deep drilling is developed and manufactured for worldwide distribution. The specialist foundation engineering equipment can be employed to produce large-diameter and small-diameter bores for piles, diaphragm walls, anchors, injections and wells. The deep drilling equipment can be employed to drill for oil and gas. Equipment for pile driving and ground improvement is also manufactured. The range is supplemented by a wide selection of attachments and ancillary equipment, covering all the processes involved in specialist foundation engineering.

Resources

In the Resources segment, the companies of the Group that provide products and services in the water, environmental and natural resources areas are combined. They include environmental technology companies involved in the treatment of ground and groundwater as well as companies involved in exploration drilling and dismantling operations for the exploitation of raw materials in mines and for drilling wells and geothermal energy sources. This segment also includes companies which manufacture and sell materials for the engineering of bore holes, specifically for wells and geothermal energy sources, and companies which offer remediation services.

Other
The Other segment comprises the central services (accounting, personnel, IT etc.) provided by BAUER AG to the Group companies as well as other companies not assignable to the separately listed segments which undertake or provide services such as in-house and external education and training and centralized development.

Consolidation
The intersegmental consolidation effects are grouped here under Consolidation. This includes the offsetting of intra-group sales between the business areas as well as income and expenses and interim results. The intersegmental consolidation effects are adjusted within the respective business area.

The segment earnings after taxes reflect the financial income and expenses as well as the share of the profit or loss of associated companies accounted for using the equity method and the income tax expense. The segments' assets and liabilities incorporate all the assets and liabilities of the Group. The non-current assets stated in the segment report by region comprise intangible assets, property, plant and equipment and investment property.

Total Group revenues, consolidated revenues and sales revenues with third parties
The consolidated revenues reflect the performance of all the companies included in the basis of consolidation. The total Group revenues represent the total revenues of all companies forming part of our Group. The difference between the consolidated revenues and the total Group revenues is derived from the revenues of the associated companies and joint ventures, from our subcontractor shares in consortia and from the revenues of non-consolidated companies.

The sales revenues with third parties are allocated to the business segments according to the customer's location.
No single customer accounts for more than 10% of total sales.

No breakdown of sales revenues by product and service, or by groups of comparable products and services, was available as per the balance sheet date.

9. EVENTS AFTER THE BALANCE SHEET DATE

Business combinations
With effect from July 31, 2020, BAUER Equipment America, Inc. acquired the remaining 49% of the shares in BAUER Manufacturing LLC and BAUER Maschinen GmbH acquired the remaining 49% of the shares in BAUER Deep Drilling GmbH (both Equipment segments) from Schlumberger GmbH and Schlumberger Technologies Corp. at a total purchase price of EUR 21,634 thousand (USD 24,200 thousand). The background to this share purchase is a strategic change in the BAUER Group and the Schlumberger Group on the basis of the development of the oil market.
This means that these companies are fully-owned subsidiaries of the BAUER Group again.

As a result of the transfer of the shares, the subsidiaries which were previously accounted for using the equity method are fully consolidated again.

The assets and liabilities acquired with effect from July 31, 2020 are to be valued at their fair value on the date of acquisition in terms of a purchase price allocation. However, these values were not yet available on the publication date.

The provisional values dated June 30, 2020 are as follows:

in EUR thousand	
Purchase price for the acquired shares:	21,634
Revaluation of the old shares (51%)	22,517
Total	**44,151**

in EUR thousand	Fair Value
Intangible assets	7,260
Property, plant and equipment	33,321
Deferred tax assets	349
Non-current assets	**40,930**
Inventories	2,982
Receivables and other assets	22,033
Cash and cash equivalents	50
Current assets	**25,065**
Total assets	**65,995**
Liabilities from lease agreements	80
Provisions for pensions	279
Deferred tax liabilities	681
Current debt	**1,040**
Liabilities from lease agreements	55
Trade payables	766
Other current liabilities	1,110
Other current financial liabilities	1,243
Provisions	146
Non-current debt	**3,320**
Total debt	**4,360**
Total acquired assets and debt	**61,635**
Negative difference amount	17,484
Effect from the derecognition of shares valued using the equity method	-38,450
Effect from the revaluation of the old shares	22,517
Total effect from the acquisition	**1,551**

The negative difference amount will be shown in other operating income and results from a compensation claim for lost business opportunities.

The effect of the derecognition and revaluation of the shares valued using the equity method is shown in other operating expenses.

The revaluation of the old shares was made necessary by the restructuring of the business and the strategic change in the 2nd quarter. This resulted in a new enterprise value lower than that which was reported in the 2019 Annual Report.

10. MATERIAL TRANSACTIONS WITH RELATED PARTIES

The relationships between fully-consolidated Group companies and related companies and individuals relate mainly to associated companies and joint ventures. Transactions with the said companies are performed at standard market terms. In the reporting period, no material transactions were undertaken with related parties.

11. CONTINGENT LIABILITIES

Contingent liabilities arising from guarantees to third parties exist in an amount of EUR 59,103 thousand (December 31, 2019: EUR 52,435 thousand). In addition, we are subject to joint and several liability in respect of all consortia in which we participate.

ASSURANCE BY THE LEGAL REPRESENTATIVES

We hereby assure that, to the best of our knowledge, the condensed interim consolidated financial statements give a true and fair view of the net assets, financial position and earnings position of the Group in accordance with the applicable accounting principles for interim financial reporting and that the interim Group Management Report presents a true and fair description of the development of the business, including the Group's performance and position, and of the material risks and opportunities associated with the expected development of the Group over the remainder of the financial year.

Schrobenhausen, August 13, 2020

The Management Board

Dipl.-Phys. Michael Stomberg Chairman of the Management Board	Dipl.-Ing. (FH) Florian Bauer, MBA	Dipl.-Betriebswirt (FH) Hartmut Beutler	Peter Hingott

FUTURE-RELATED STATEMENTS

This quarterly statement contains some future-related statements. Future-related statements are any statements which do not relate to historical facts and events, such as statements about future financial earning power, about plans and expectations with regard to the development of the business of the BAUER Group and about the general economic climate or other factors to which the Group is subject. The use of words such as “believe”, “expect”, “predict”, “intend”, “forecast”, “plan”, “estimate”, “aim”, “likely”, “assume” and similar language indicates that the statements in question are future-related. Future-related statements are subject to risks and many uncertainties which may mean that actual developments, earnings or levels of income or revenue which are achieved differ widely from the developments, income or revenues explicitly or implicitly assumed in the future-related statements.

Readers are advised that, in view of the said risks and uncertainties, no inappropriately high degree of confidence should be placed in the likelihood of such statements proving to be accurate in the future. BAUER Aktiengesellschaft does not intend to, and assumes no obligation to, publish updates of such future-related statements in order to incorporate events or circumstances beyond the date of publication of this quarterly statement.

2020 FINANCIAL CALENDAR

April 9, 2020	Publication Annual Report 2019 Annual Press Conference Analysts' Conference
May 13, 2020	Quarterly Statement Q1 2020
June 25, 2020	Annual General Meeting
August 13, 2020	**Half-Year Interim Report June 30, 2020**
November 13, 2020	**Quarterly Statement 9M/Q3 2020**

You can find more information on the BAUER Group online at www.bauer.de.

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BAUER Aktiengesellschaft
BAUER-Strasse 1
86529 Schrobenhausen, Germany

Office of the Management Board
Phone: +49 (0)8252 97-1218
E-mail: investor.relations@bauer.de

Registered place of business:
86529 Schrobenhausen, Germany
Registered at the Local Court of
Ingolstadt under HRB 101375