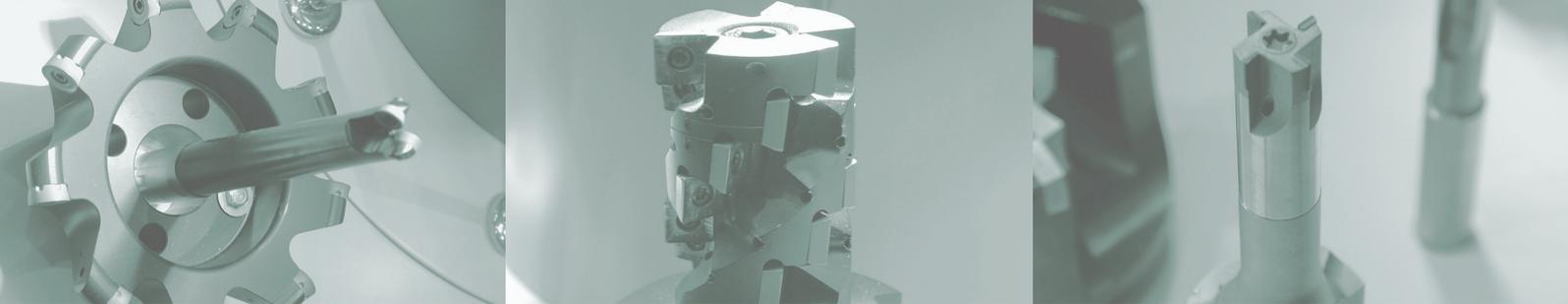




6 month report 2017/ 2018



Overview of key Group indicators (IFRS)

	6 months 2017 / 2018 (July 1, 17 – Dec 31, 17)	Comparative period (Jul 1, 16 – Dec 31, 16)
Sales revenue	39,335	33,981
Earnings before interest and tax (EBIT)	-173	705
Operating earnings ¹	1,441	416
Earnings before tax (EBT)	-377	497
Group net profit or loss	-642	356
Number of shares in the reporting period	4,124,900	4,124,900
Earnings per share in EUR	-0.16	0.09
Equity ratio in %	50.0	48.5
Cash flow from operating activities	2,518	-4,164
Cash flow from investing activities	-319	-325
Cash flow from financing activities	-2,213	4,986
Employees at end of period (excluding Managing Board)	181	163

In EUR thousand (unless otherwise stated)

¹ EBIT adjusted for non-operating factors and effects not impacting the cash position

Financial calendar 2018

May 8, 2018	9 month report 2017 / 2018
September 28, 2018	Annual Report 2017 / 2018
November 8, 2018	3 month report 2018 / 2019
Dezember 5, 2018	Annual General Meetings of Shareholders

Business model

- KROMI Logistik offers customers in the manufacturing sector maximum benefit through technological consultancy, IT-based tool management and a full supply of precision tools (logistics) through automated tool dispensing (KTCs)
- Focus: Machining tools for processing metals and plastics (e.g. drills)
- Securing complete tool supply to the customer (24 / 7)
- Optimizing tool consumption by providing technological consultancy and data management
- KROMI Logistik works independently of any manufacturers
- Four locations in Germany and four abroad (Slovakia, the Czech Republic, Brazil, Spain), as well as operations in five other European countries
- The current focus is on the sectors of general mechanical engineering, automotive suppliers, aerospace and marine engine construction

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Letter to shareholders

Dear Shareholders, employees and business partners,

Following the first six months of 2017 / 2018, all the signs at KROMI Logistik are set fair for growth. All divisions of KROMI Logistik are growing – across all the main sectors of industry, at home and abroad. In the process, we have been able to win further new customers and expand our business with many of our existing customers. Overall, we succeeded in raising sales by around 16 percent year on year, reaching a new record level of KEUR 39,335. This means we have once again outpaced the market benchmark for precision tools and machining tools by a significant margin. We judge this to be the result of our aim of using our expertise in technology, data and logistics to generate the maximum benefit for KROMI customers for the success of their business. From a regional perspective, as well as good growth in Germany and European countries outside Germany, our Brazilian subsidiary, in particular, once again displayed very dynamic performance. Thanks to the economic upturn in Brazil, manufacturing industry is picking up. KROMI Logistik is deriving very substantial benefit from this generally favourable environment as well as from very strong past performance in winning new customers with three Brazilian facilities now and 36 employees. By comparison with the previous year, we succeeded in increasing sales in the local currency BRL by 61.1 percent.

Our profitability also showed pleasing growth. In the first six months of 2017 / 2018, our gross profit margin stood at 25.1 percent, thereby remaining at a very high level. Operating earnings amounted to KEUR 1,441 versus KEUR 416 in the previous year. One-off extraordinary factors in the current reporting period related to foreign exchange effects in Brazil as well as a provision not impacting the cash position in connection with the resignation of our former Chairman Jörg Schubert for monthly salary payments until the end of 2019. Taking these extraordinary factors into account, we are showing operating earnings (EBIT) of KEUR -173 (previous year KEUR 708).

Overall, we are very satisfied with the development of our business in the first six months. In our view, we have laid the foundations for achieving our sales and operating earnings expectations for fiscal 2017 / 2018 – and will do so regardless of the fact that one of our major customers AIRBUS terminated its supply contract with KROMI Logistik at the end of 2017, as expected. The extraordinarily strong growth of the first six months of 2017 / 2018 as well as numerous promising sales discussions reinforce our assumption that more and more companies are seeing and appreciating the advantages of working with KROMI Logistik. In the future, too, we want to systematically pursue our primary goal of maximizing customer benefit. Going forward, we intend to offer our customers additional value in the realm of Industry 4.0, to name but one example.

For the future, we have resolved to embrace the subject of sustainability to a greater degree in our management of the company and in our entrepreneurial approach. We will drive technology and innovation with purpose for the benefit of our customers. In our new setup, the Management Board is looking forward to shaping and implementing the imminent change processes with our customers, employees and suppliers with enthusiasm.

Your management team



Bernd Paulini



Uwe Pfeiffer



Axel Schubert

Interim Group management report

Basis of the Group

I. Group business model

KROMI Logistik AG and its subsidiaries (also referred to below as KROMI Logistik) offer manufacturing companies an end-to-end outsourcing concept for their supply of precision machining tools, especially machining tools for the processing of metals and plastics. In the process, KROMI Logistik targets companies' entire production chain: From the traditional tool trade with local supply via fully automated tool dispensing on the customer's premises, via stock optimization and inventory management to consumption monitoring and the optimization of tool deployment based on stock figures and consumption data. The aim of these activities is to generate the maximum benefit for KROMI's customers to ensure their success in this area.

II. Company structure

On the reporting date of December 31, 2017, the KROMI Group had four facilities in Germany: Besides the head office in Hamburg, the Group has offices in Magdeburg, Düsseldorf and Stuttgart. To these are to be added subsidiaries in the Czech Republic, Slovakia, Spain and Brazil. In addition, KROMI Logistik serves customers in Denmark, Poland, Romania, Austria and France. All domestic and foreign subsidiaries and offices are purely service organisations solely responsible for tool supply and tool optimization on the customer's premises. The only exception is our subsidiary in Brazil.

III. Segments

The corporate purpose of KROMI Logistik is the trading with, and the distribution of, machining tools and associated services. The Managing Board believes that it is not expedient to carry out segmentation based on products or product groups, as these are homogeneous. Consequently, KROMI Logistik forms segments on the basis of where the customer has its head office and takes its bearings from the relevant sales markets. A differentiation was made in the reporting period between the domestic market (Germany), European countries outside Germany and Brazil.

IV. Services

Along with supplying its customers, and the related monitoring of stocks and filling of KTC dispensers, KROMI Logistik focuses particularly on technological consultancy to optimize tool deployment and customer processes. Here, the KEP (KROMI Engineering Process) engineering service rendered by KROMI Logistik is deployed. The optimization of the machining process (CIP – continuous improvement process) allows improvement potentials to be constantly generated for customers, thereby achieving savings.

V. Employees

At the end of the first six months of fiscal 2017 / 2018, KROMI Logistik (excluding its Management Board) employed 181 staff (June 30, 2017: 173). This number includes three trainees in wholesale and exports and one machining trainee.

VI. Corporate strategy and goals

The primary goal of KROMI Logistik's strategy is to increase the benefit to customers. One result of this strategy is profitable growth and continuous expansion of its customer base in existing and new markets. In the case of existing customers, optimizing and enhancing the efficiency of machining processes, as well as reducing manufacturing and administration costs, form the focus of cooperation with KROMI Logistik. Customer loyalty also undergoes constant intensification through innovations to the supply concept and consistent orientation to customer requirements.

Along with the expansion of its core market in Germany, the tapping and further penetration of new markets, and the acquisition of internationally operating large-scale machining operations remain critical aspects. The company also regularly explores the options for supplying its existing customers at additional locations.

Moreover, all foreign investments are examined on an ongoing basis with regard to their economic and financial viability in order to respond appropriately to changes in market conditions, if required. These measures ensure that resources are focused where they can be allocated with maximum efficiency.

Business report

I. Macroeconomic conditions

According to the Kiel Institute for the World Economy [Kieler Institut für Weltwirtschaft - IfW], the global economy is enjoying a major upsurge. The economies of nearly all the major nations are simultaneously on an upward path, it reports. Global output will rise accordingly by 3.9 percent in 2018 and 3.6 percent in 2019. Economic growth in the Eurozone will measure 2.3 percent this year and around 2.0 percent in 2019 according to IfW economists. The recession in Brazil has ended in their opinion. With a look to 2018, the IfW is expecting GDP to grow by 1.6 percent and by 2.1 percent in 2019. For Germany, the experts are forecasting GDP growth of 2.6 percent in 2018 and 2.3 percent in 2019.²

II. Sector-related conditions

As a manufacturer-neutral specialist for professional tool management, KROMI Logistik AG offers manufacturing companies at home and abroad end-to-end outsourcing for their supply of precision tools. The focus lies on technically sophisticated machining tools for the processing of metals and plastics. Target sectors for KROMI Logistik AG are all sectors requiring mechanical processing (machining) with a substantial consumption of tools. In particular, such sectors comprise mechanical and plant engineering including precision tools, the automotive supply industry and the aerospace sector. The economic situation in these sectors therefore offers a good indicator for the development of KROMI Logistik's customer segments.

The marine engine construction sector is of subordinate significance for KROMI Logistik due to its size.

a. Engineering/precision tools

As of January 2018, the German Engineering Federation (Verband Deutscher Maschinen- und Anlagenbau - VDMA) is reporting that - in the first eleven months of 2017 - output in the German engineering industry exceeded the prior year level by 3.0 percent according to provisional calculations. This rise confirms the output forecast for 2017 updated in June which called for a real-terms increase of 3 percent, according to the Federation. The VDMA is also expecting 3 percent growth for the current year of 2018. It should be possible to make up for a slowdown in exports to China and a decline in shipments to the United Kingdom in 2018 by gains in the domestic market. The Federation sees exports to EU partners (excl. UK) and the USA as more or less maintaining their current pace of growth.³

² Kiel Institute for the World Economy – Winter forecast 2017

³VDMA – Monthly VDMA economic bulletin dated January 2018

The VDMA is reporting a 7 percent sales increase for the precision tools industry in 2017. The growth drivers in 2017 were manufacturers of toolholding systems with a sales increase of 9 percent followed by makers of machining tools with a rise of 7 percent. Toolmaking posted sales growth of 5 percent. The VDMA is expecting growth of 5 percent for the precision tool industry in 2018.⁴

b. Automotive and automotive supplier industry

According to information issued by the German Association of the Automotive Industry (Verband der Automobilindustrie - VDA), the automotive market enjoyed positive worldwide growth overall in 2017. The market in China grew once again, closing the year at 24.2 million cars sold, 2 percent up on 2016. In Europe (EU28+EFTA), car sales reached their highest level since 2007, the report confirms. In 2017, the Japanese automobile market saw a significant rise in car sales compared with the previous year. Sales of new cars were up by 6 percent to 4.4 million vehicles. India, too, posted a strong increase with sales climbing by 9 percent, representing 3.2 million units sold. The markets in Brazil and Russia were also back again, reporting good growth rates. The market volume in Russia stood 12 percent above the prior year level, with 1.6 million new vehicles sold. The Brazilian light vehicle market reached 2.2 million units last year, 9 percent higher than in the previous year. Only sales in the USA declined slightly according to the report, but still stood at a high level. For example, the volume of the light vehicle market (cars and light trucks) fell by almost 2 percent to 17.1 million new vehicles in the course of 2017. In Europe, 15.6 million units were sold in the entire course of 2017, around 3 percent more than in the previous year. With a look to 2018, the VDA expects the global car market to grow by 1 percent to 86 million units.⁵

c. Aircraft construction and aviation

As of December 2017, the UN aviation authority IATA is painting a positive picture of the aviation industry. Air transport is of crucial importance to trade with industrial products, it reports, particularly for the trade in components which today makes up a large part of cross-border trade. IATA is therefore forecasting that the value of international trade shipped by air in 2018 will amount to 6.2 billion dollars (+5.2 percent by comparison with 2017). Tourists travelling by plane in 2018 will probably spend 776 billion dollars (+9.2 percent over 2017). In 2017, commercial airlines are expected to take delivery of around 1,683 new aircraft, according to IATA estimates, which represents a considerable investment on the part of the sector. In 2018, the fleet is expected to increase again by over 1,000 aircraft to over 30,000 in total. Growth will continue to be maintained, reports IATA, as markets are expanding rapidly and prospects remain positive.⁶

⁴ VDMA – Press Release dated 17 / 01 / 2018

⁵ VDA – Press Release dated January 17, 2018

⁶ IATA - Airline Industry Economic Performance dated December 5, 2017

III. Financial position and performance

a. Earnings position

KROMI Logistik AG boosted its **sales** by 15.8 percent to KEUR 39,335 in the reporting period (previous year: KEUR 33,981). Growth in all the major sectors contributed towards the increase in sales, and in the process KROMI Logistik grew considerably faster than the market. Overall, KROMI Logistik is benefiting in the 2017 / 2018 reporting period from the equalizing effect of its well-balanced customer structure diversified across several sectors and markets.

Sales in Germany surpassed the level of the previous year by a considerable margin in the first half of 2017 / 2018, posting a figure of KEUR 23,400 (previous year KEUR 20,623). The successful expansion of business with existing customers as well as the simultaneous winning of new customers from different sectors, played a significant role in this development. Outside Germany, the operating business also delivered pleasing growth. **Sales in European countries outside Germany** reached KEUR 12,246 which represented an increase of around 12.2 percent over the previous year (KEUR 10,954). The subsidiary in Brazil succeeded in raising sales by 53.5 percent, amounting to KEUR 3,689 (previous year: KEUR 2,404). Overall, the positive growth of the business in the first three months of fiscal 2017 / 2018 was therefore maintained for the remainder of the first half of the year.

Material costs increased from KEUR 25,406 in the same period last year to KEUR 29,442. The **cost of materials ratio** only rose slightly to 74.9 percent in the reporting year (previous year: 74.8 percent). The gross profit margin (sales revenues minus material costs as a ratio of sales in percent) stood at 25.1 percent which matched the level of the previous year of 25.2 percent, thus underlining the attractiveness of KROMI Logistik's business model.

Personnel costs rose from KEUR 5,323 in the same period in the previous year to KEUR 6,684. This development is due appreciably to a one-off extraordinary effect resulting from a provision of KEUR 1,245 which has no impact on the cash position. The provision was formed in the wake of the mutually agreed resignation of the Chairman of the Board Jörg Schubert with effect from 31 December, 2017. However, KROMI Logistik will save costs in the two following years at the same level as the provision formed with the result that overall, the formation of the provision will have no additional negative impact on the company's operating results over the entire period under review until the end of 2019. Adjusted to take account of this provision, **personnel costs** stood at KEUR 5,439 on the reporting date which was therefore slightly higher than for the previous year. The adjusted **personnel cost ratio** was significantly below the level of the previous year at 13.8 percent (previous year: 15.7 percent).

Depreciation in the first six months of 2017 / 2018 rose from KEUR 406 in the previous year to KEUR 433. Other **operating expenses** of EUR 3,356 thousand were up compared with the previous year's level of KEUR 2,612. This figure reflects costs resulting from exchange rate effects between the Brazilian Real and the Euro. These costs had no impact on liquidity and amounted to KEUR 369. In the previous year, KROMI Logistik had recorded a positive foreign exchange effect of KEUR 289.

Adjusted to reflect non-operating extraordinary effects with no impact on liquidity resulting from the provision formed in connection with Jörg Schubert's resignation and foreign exchange effects, operating earnings amounted to KEUR 1,441. Taking these extraordinary effects into account, KROMI posted an operating result (EBIT) of KEUR -173 for the first half of 2017 / 2018 following KEUR 708 in the previous year. The Group reported adjusted consolidated earnings of KEUR 972 after deducting interest expenses, other finance income, and taxes to be paid based on the profit or loss of the separate parent entity (previous year: KEUR 70).

b. Net assets

As of the reporting date of December 31, 2017, the **total assets** of KROMI Logistik AG stood at KEUR 49,084 thereby falling slightly short of the level as of June 30, 2017 (KEUR 49,200).

On the **assets side** of the balance sheet, **fixed assets** stood at KEUR 6,184 on December 31, 2017 which was slightly above the level posted at the end of the 2016 / 2017 fiscal year (KEUR 6,156). In **current assets**, inventories increased to KEUR 22,155 (June 30, 2017: KEUR 21,244). **Trade receivables** amounted to KEUR 18,999 on December 31, 2017 (June 30, 2017: 20,320). **Liquid assets** totalled KEUR 661 on December 31, 2017 (June 30, 2017: KEUR 675).

The **liabilities side** of the balance sheet on December 31, 2017 included **equity** of KEUR 24,525 which was slightly reduced by comparison with the end of fiscal 2016 / 2017 (June 30, 2017: KEUR 24,977). The **equity ratio** fell from 50.8 percent on June 30, 2017 to 50.0 percent.

KROMI Logistik's **borrowings** increased from KEUR 24,223 as at June 30, 2017 to KEUR 24,559. Of this amount, KEUR 3,365 was accounted for by **long-term borrowings** which were nearly unchanged (June 30, 2017: KEUR 3,360) and KEUR 21,194 by **short-term borrowings** (June 30, 2017: KEUR 20,863). The slight increase in short-term borrowings is due to higher other provisions in connection with the resignation of Jörg Schubert.

c. Financial position

The **cash flow from operating activities** in the reporting period stood at KEUR 2,518. In the previous financial year, there were net flows of KEUR -4,164. The main reason for this development is the positive operating result by comparison with the previous year.

The **cash flow from investment activities** was KEUR -319 for the first six months of the 2017 / 2018 fiscal year following KEUR -325 at the end of the comparative period, and KEUR -2,213 from **financing activities** (June 30, 2017: KEUR 4,986). Cash and cash equivalents stood at KEUR 661 at the end of the period (June 30, 2017: KEUR 675).

Working capital (current assets minus short-term borrowings) stands at KEUR 21,706 (June 30, 2017: KEUR 22,181) and continues to form a strong and stable base for the Group's targeted growth.

V. Overall statement on the company's financial position

The Executive Board looks back on a very satisfying first half of 2017 / 2018. Both sales and earnings before non-operating extraordinary effects improved substantially by comparison with figures from the previous year. The gross profit margin stood at 25.1 percent which was within KROMI Logistik's published target corridor. KROMI Logistik can continue to build on its stable situation provided by its broad customer base at home and abroad. KROMI Logistik therefore sees foundations as laid for achieving its targets for fiscal 2017 / 2018 — and will do so regardless of the fact that one major customer AIRBUS terminated its supply contract with KROMI Logistik at the end of 2017, as expected.

Report on events after the balance sheet date

On January 12, 2018 KROMI Logistik has announced that the previous Deputy Chairman of the Supervisory Board, Ulrich Bellgardt, has been elected as the new Chairman of the Supervisory Board with immediate effect. Previous Chairman Jens Große-Allermann will be Deputy Chairman of the Supervisory Board.

Besides, no further events of special significance have occurred since the end of the reporting period.

Outlook, risk and opportunities report

I. Outlook

a. Overall statement by the Managing Board on the development of the Group in the financial year 2017 / 2018

As a result of the investments in new supply customers and markets that have been made already, or are planned, as well as the solid base of existing customers, the Managing Board regards KROMI Logistik as well positioned for the current 2017 / 2018 fiscal year. KROMI Logistik enjoys a healthy equity capital base, sufficient liquidity reserves and a clearly focused corporate strategy.

For example, the Board plans to further internationalize the company in the future, consolidate markets and consistently further develop the business model in the process with the aim of building up additional USPs. The primary goal for all activities is maximizing customer benefit. Organic growth is to be achieved primarily in existing locations while new markets will be opened up principally to support existing customers and then to develop them locally. The careful weighing up of opportunity and risk will continue to play a central role in the future.

b. Expected development of the market environment

The customers of KROMI Logistik operate on global growth markets. The general mechanical engineering industry, the automotive supply industry and aerospace represent long-term growth sectors — even if rates of growth are subject to pronounced fluctuations over the course of time. For the mature economies, we expect to see good rates of growth in the current fiscal year, while Russia and Brazil have bottomed out. We continue to see certain economic and structural uncertainties in China as well as in connection with protectionist views that are repeatedly voiced. However, the order books of German industry are well filled. Mechanical engineering companies and automotive suppliers are benefiting worldwide from long-term global trends such as energy efficiency and climate protection as well as the networking of production systems and facilities. Economists at the German Engineering Federation, in particular, are very upbeat for 2018 and they are expecting high sales increases. The aviation sector is growing with steadily rising passenger numbers, bringing with it increasing demand for aeroplanes and their components.

Against this background, KROMI Logistik sees itself well positioned with its customer base spread across different sectors and countries in order to share in the positive long-term development of its most important target sectors.

c. Expected trend for KROMI Logistik

With a look to the 2017 / 2018 fiscal year, the Managing Board is assuming stable year-on-year sales growth in the upper-single-digit percentage range, as for the previous year. As a consequence, the Group's plan outpaces the VDMA's forecast range of 3 percent for the German mechanical engineering industry, and is in line with its expectations for the sub-sector of precision tools for the calendar year 2018. The Board is forecasting a gross profit margin for 2017 / 2018 at the level of the previous year although when new business is strong, this normally has a negative effect on the gross profit margin. Measures to increase efficiency in warehousing stock, inventory turnover as well as outstanding debtor periods and levels, have been defined and are being implemented. For the current fiscal year, the Board is therefore expecting to see these supporting metrics take a slight turn for the better. In this context, the Board also expects a steady, marked improvement in its operating earnings (EBIT) by comparison with the previous year, adjusted for non-operating extraordinary effects. Economic developments, and consequently KROMI customers' production levels, will constitute especially decisive factors for our earnings trends.

II. Report on opportunities and risks

There are no major changes to the statements made regarding opportunities and risks for KROMI Logistik which were described in detail in the management report in the consolidated financial statements as at June 30, 2017.

Hamburg, February 7, 2018

Managing Board of KROMI Logistik AG



Bernd Paulini



Uwe Pfeiffer



Axel Schubert

Condensed consolidated balance sheet according to IFRS as of December 31, 2017 and of June 30, 2017

Assets	Dec 31, 2017	Jun 30, 2017
Non-current assets		
Intangible assets	650	555
Property, plant and equipment	3,416	3,541
Other non-current assets	1,403	1,338
Deferred taxes	715	722
Total non-current assets	6,184	6,156
Current assets		
Inventories	22,155	21,244
Trade receivables	18,999	20,320
Other current receivables	846	802
Income tax assets	239	3
Cash and cash equivalents	661	675
Total current assets	42,900	43,044
	49,084	49,200

Equity and liabilities	Dec 31, 2017	Jun 30, 2017
Equity		
Subscribed capital	4,125	4,125
Share premium	15,999	15,999
Retained earnings	1,007	1,007
Other reserves	970	780
Net retained profits	2,478	3,116
Equity attributable to the shareholders	24,579	25,027
Minority interests	-54	-50
Total Equity	24,525	24,977
Total non-current liabilities		
Provisions for pensions	2,394	2,316
Non-current interest-bearing loans	850	900
Other non-current liabilities	86	110
Deferred taxes	35	34
Total non-current liabilities	3,365	3,360
Current liabilities		
Income tax liabilities	580	318
Other interest-bearing loans	10,959	12,908
Trade payables	6,266	5,305
Other current liabilities	3,389	2,332
Total current liabilities	21,194	20,863
Total liabilities	24,559	24,223
	49,084	49,200

In EUR thousand (unless otherwise stated)

Condensed consolidated income statement according to IFRS from October 1, 2017 to December 31, 2017 and from October 1, 2016 to December 31, 2016 as well as from July 1, 2017 to December 31, 2017 and from July 1, 2016 to December 31, 2016 (unaudited)

	Oct 1, 17 – Dec 31, 17	Oct 1, 16 – Dec 31, 16	Jul 1, 17 – Dec 31, 17	Jul 1, 16 – Dec 31, 16
Revenue	20,174	16,977	39,335	33,981
Other operating income	171	251	407	471
Cost of material	15,140	12,692	29,442	25,406
Staff costs	3,993	2,708	6,684	5,323
Depreciation / amortisation	250	207	433	406
Other operating expenses	1,762	1,115	3,356	2,612
Profit from operations	-800	506	-173	705
Finance costs	97	105	214	234
Other financial income	3	11	10	26
Earnings before tax	-894	412	-377	497
Income taxes	-128	65	265	141
Company net profit / loss	-766	347	-642	356
attributable to owners of the parent	-762	346	-638	355
minority interests	-4	1	-4	1

Earnings per share	Jul 1, 17 – Dec 31, 17	Jul 1, 16 – Dec 31, 16
Group net profit or loss	-642	356
Number of shares in fiscal year	4,124,900	4,124,900
Earnings per share (undiluted, in EUR)	-0.16	0.09

In EUR thousand (unless otherwise stated)

The diluted earnings per share equals the undiluted earnings per share.

Condensed consolidated statement of comprehensive income according to IFRS from July 1, 2017 to December 31, 2017 and from July 1, 2016 to 31. Dezember 2016 (unaudited)

	Jul 1, 17 – Dec 31, 17	Jul 1, 16 – Dec 31, 16
Company net profit / loss	-642	356
Currency translations	173	-194
Changes of the reserve for cash flow hedging	17	32
included deferred taxes	-8	-15
Other comprehensive income after tax	190	-162
Consolidated net income	-452	194
due shareholders of KROMI Logistik AG	-448	193
due to non-controlling interests	-4	1

In EUR thousand (unless otherwise stated)

There are no revaluations of the pension provision carried out during the year, the revaluation takes place at the end of the financial year

Condensed consolidated cash flow statement according to IFRS from July 1, 2017 to December 31, 2017 and from July 1, 2016 to December 31, 2016

	Jul 1, 17 – Dec 31, 17	Jul 1, 16 – Dec 31, 16
Cash flow from operating activities		
Company net profit	-642	356
+ Income tax expense	265	141
+ Interest received / paid	205	208
-/+ Increase / decrease in fixed assets	359	406
-/+ Income tax payments	-229	-282
-/+ Increase / decrease in provisions	1,337	-142
-/+ Increase / decrease in inventories	-911	-2,244
-/+ Increase / decrease in trade receivables	1,321	-443
-/+ Increase / decrease in other assets	-110	832
-/+ Increase / decrease of trade liabilities	960	-2,785
+/- Increase / decrease in other liabilities	-37	-211
Net cash from operating activities	2,518	-4,164
Cash flow from investing activities		
- Payments for the acquisition of non-current assets	-329	-351
+ Cash inflow from interests	10	26
Net cash used in investing activities	-319	-325
Cash flow from financing activities		
+ Cash inflow from loans	-1,949	5,270
- Payments for the repayment of lease liabilities	-50	-50
- Interest payments	-214	-234
Net cash used in financing activities	-2,213	4,986
Net in- / outflow cash and cash equivalents	-14	497
+ Cash and cash equivalents – start of period	675	1,550
Cash and cash equivalents – end of period	661	2,047

In EUR thousand (unless otherwise stated)

*Condensed consolidated statement of changes
in equity from July 1, 2016 to December 31, 2016
and from July 1, 2017 to December 31, 2017*

	Subscribed capital	Share premium	Retained earnings	Net retained profits	Other reserves	Subtotal	Minority interests	Equity
July 1, 2016	4,125	15,999	1,007	1,994	437	23,562	-44	23,518
Company net surplus				355		355	1	356
Other comprehensive income					-162	-162		-162
Consolidated net income				355	-162	193	1	194
December 31, 2016	4,125	15,999	1,007	2,349	275	23,755	-43	23,712
July 1, 2017	4,125	15,999	1,007	3,116	780	25,027	-50	24,977
Company net surplus				-638		-638	-4	-642
Other comprehensive income					190	190		190
Consolidated net income				-638	190	-448	-4	-452
December 31, 2017	4,125	15,999	1,007	2,478	970	24,579	-54	24,525

In EUR thousand (unless otherwise stated)

Notes to the consolidated abridged interim financial statements as at 31 December 2017 in accordance with IFRS (unaudited)

1. Introduction

KROMI Logistik AG, hereinafter referred to as the “Company”, operates in the trade and distribution of machining tools and associated services. The Company focuses mainly on customers in the area of metal processing who have a high need for tools. In particular, they include automotive suppliers, companies in the aviation industry and companies in the area of general mechanical engineering.

The Company has its head office in 22419 Hamburg, Tarpenring 11, Germany.

2. Accounting and measurement

The abridged interim financial statements for the period from 1 July 2017 to 31 December 2017 for KROMI Logistik were prepared taking into account current IFRS recognition and measurement rules. The abridged financial statements were drawn up in compliance with IAS 34 “Interim Reporting”.

The same accounting and measurement methods have been used to prepare the abridged interim financial statements as at 31 December 2017 as in the consolidated financial statements as at 30 June 2017. A detailed description of these methods was given in the notes to the consolidated financial statements for the financial year from 1 July 2016 to 30 June 2017.

The standards and interpretations which the Company was obligated to apply for the first time in the financial year 2016 / 2017, have not had any effect on the Group’s accounting and measurement methods. Due to the first-time application of the revised version of IAS 1 “Presentation of Financial Statements”, a statement of comprehensive income was added to the consolidated interim financial statements including the income and expenditure hitherto recognized directly in shareholders’ equity.

The abridged interim financial statements were approved for publication by the Managing Board on February 7, 2018.

3. Information on the consolidated balance sheet

Non-current assets, investments

Other non-current receivables contain the reference-date value of reinsurance policies taken out to finance pension commitments.

4. Segment reporting

The company forms segments on the basis of sales markets. The information refers to the customer locations of Germany (domestic), European countries outside Germany and Brazil as the Group's geographical markets currently supplied.

European countries include, in particular, Denmark, France, Austria, Poland, Slovakia, Spain and the Czech Republic which account for the major proportion of sales with European customers. The other countries supplied (e.g. Romania) still played a subordinate role in the past financial year. Nearly all sales are invoiced in euros with the result that there are no foreign exchange risks to be reported.

The measurement principles for segment reporting are based on the IFRS principles used in the consolidated financial statements. It is therefore unnecessary to show reconciliation accounts. Where individual items in the segment reporting cannot be determined by means of original data, the Company has made reasonable assumptions about the distribution between the segments. Where it was not possible to make plausible or justified assumptions which would in all likelihood lead to a result approximating to reality, the item in question was not segmented but shown solely in the reconciliation account.

KROMI Logistik assesses the performance of the segments on the basis of segment results among other factors. The segment result is composed of the sales revenues less purchased goods and services. Inter-segment sales and outlays are not netted. The segment reporting therefore only contains revenues and expenses with external customers and suppliers.

in TEUR	Germany		Abroad		Brazil		Total	
	Jul 17 – Dec 17	Jul 16 – Dec 16	Jul 17 – Dec 17	Jul 16 – Dec 16	Jul 17 – Dec 17	Jul 16 – Dec 16	Jul 17 – Dec 17	Jul 16 – Dec 16
Revenue (from external customers)	23,400	20,623	12,246	10,954	3,689	2,404	39,335	33,981
Less: Cost of materials	-17,182	-15,129	-9,436	-8,381	-2,824	-1,896	-29,442	-25,406
Segment result	6,218	5,494	2,811	2,573	865	508	9,894	8,575
Plus: Other operating income							407	471
Less: Staff costs							-6,684	-5,323
Less: Depreciation / amortisation							-433	-406
Less: other operating expenses							-3,356	-2,612
Less: Financial result							-204	-208
Less: Income taxes							-265	-141
Group net profit or loss							-642	356

5. Important events after the reporting date

No reportable events occurred between the closing date of 31 December 2017 and the time when the interim financial statements were prepared.

6. Contingent liabilities and other financial obligations

There have been no major changes to existing contingent liabilities.

7. Earnings per share, dividends paid

The undiluted earnings per share are calculated as follows:

in KEUR	Jul 1 – Dec 31, 17	Jul 1 – Dec 31, 16
Period surplus	-642	356
Number of shares in the financial year	4,124,900	4,124,900
Earnings per share (undiluted)	-0.16	0.09

The diluted earnings correspond to the undiluted earnings per share.

The Managing Board is authorized, with the approval of the Supervisory Board, to increase the Company's share capital by a total of KEUR 2,062 (authorized capital). This authorized capital can in future lead to a diluted earnings per share as soon as the Managing Board makes use of its authorization.

No dividends were paid in the period from 1 July to 31 December 2017.

Hamburg, February 7, 2018

Managing Board of KROMI Logistik AG



Bernd Paulini



Uwe Pfeiffer



Axel Schubert

Statement from the legal representatives (declaration pursuant to § 37 w para. 2 no. 3 of the Securities Trading Act (Wertpapierhandelsgesetz - WpHG))

We affirm that to the best of our knowledge the consolidated interim financial statements in accordance with the applicable accounting principles for the interim report give a picture of the Group's assets, financial and earnings position which reflects the actual circumstances, and that the development of the business including the operating results and the position of the Group are portrayed in the interim group management report so as to give a fair reflection of actual circumstances, and that the opportunities and risks to the foreseeable growth of the Group in the remaining half of the financial year are described.

Hamburg, February 7, 2018

KROMI Logistik AG



Bernd Paulini



Uwe Pfeiffer



Axel Schubert

Audit review (details pursuant to § 37 w para. 5 p. 6 WpHG)

The consolidated interim financial statements and the interim group management report have neither been submitted to any audit review nor audited in accordance with § 317 HGB.

Publication details

Published by

KROMI Logistik AG
Tarpfenring 11
22419 Hamburg
Telephone: 040 / 53 71 51 - 0
Telefax: 040 / 53 71 51 - 99
Email: info@kromi.de
Internet: www.kromi.de

Concept, Text and Design

cometis AG
Unter den Eichen 7
65195 Wiesbaden
Telephone: 0611 / 20 58 55 - 0
Telefax: 0611 / 20 58 55 - 66
Email: info@cometis.de

This report includes forward-looking statements which reflect the current views of KROMI Logistik AG's management with regard to future events. As a rule, these are shown by the use of "should", "expect", "assume", "anticipate", "intend", "estimate", "aim", "have the aim of", "forecast", "will be", "desire", "outlook" and similar expressions, and generally include information based on current forecasts, estimates or expectations. They are subject to risks and insecurities that are difficult to assess and not in KROMI Logistik AG's control.

These also include factors that have an impact on the development of costs and income, for example regulatory requirements, competition that is more intense than expected, changes in technology, litigation and developments under supervisory law. If these or other risks and insecurities should occur, or if the assumptions on which the statements in this report are based should prove to be incorrect, the actual results of KROMI Logistik AG could differ greatly from the results that are expressed or implied in these statements. KROMI Logistik AG does not assume any guarantee that the forward-looking expectations and assumptions will actually occur. In addition, KROMI Logistik AG declines all responsibility for updating forward-looking statements by taking into account new information or future events.

KROMI Logistik AG

Tarpenring 11
22419 Hamburg
Germany

Tel.: 040 / 53 71 51-0
Fax: 040 / 53 71 51-99