Report on the First-Half-Year 2020 **Smart Intelligence**

WashTec

Business in second quarter affected by impacts of Covid-19 pandemic

- Second quarter revenue of €88.1m (prior year: €106.7m) significantly down on prior year; resulting in first half revenue of €175.4m (prior year: €199.1m)
- Costs cut by 8.5% year-on-year in first half of 2020; further measures under implementation as part of accelerated Performance Program
- EBIT positive at €3.5m (prior year: €6.6m) in second quarter; half year EBIT of €5.2m (prior year: €9.3m) therefore significantly below prior year
- Free cash flow up €29.3m to €13.6m (prior year: €–15.7m)
- Guidance for full year 2020: Fall in revenue between 15% and 20% and decreasing EBIT with an EBIT margin of 3%–5%

H1

rounding differences may occur		H1 2020	H1 2019	Change	
				absolute	in %
Revenue	€m	175.4	199.1	–23.7	–11.9
EBIT	€m	5.2	9.3	–4.1	–44.1
EBIT margin	in %	3.0	4.7	–1.7	–
EBT	€m	4.8	9.0	–4.2	–46.7
Consolidated net income	€m	2.1	4.4	–2.3	–52.3
Employees at reporting date	people	1,795	1,882	–87	–4.6
Average number of shares	units	13,382,324	13,382,324	0	0
Earnings per share[1]	€	0.16	0.33	–0.17	–52.3
Free cash flow[2]	€m	13.6	–15.7	29.3	186.6
Capital expenditure	€m	1.5	4.8	–3.3	–68.8
Equity ratio per reporting day[3]	in %	33.0	25.3	7.7	–
ROCE	in %	16.1	22.3	–6.2	–

Q2

rounding differences may occur		Q2 2020	Q2 2019	Change	
				absolute	in %
Revenue	€m	88.1	106.7	–18.6	–17.4
EBIT	€m	3.5	6.6	–3.1	–47.0
EBIT margin	in %	4.0	6.2	–2.2	–
EBT	€m	3.3	6.5	–3.2	–49.2
Consolidated net income	€m	2.4	3.8	–1.4	–36.8
Earnings per share[1]	€	0.18	0.28	–0.1	–36.8

[1] Basic = diluted
[2] Net cash flow – net cash flow from investing activity
[3] Equity/Balance sheet total

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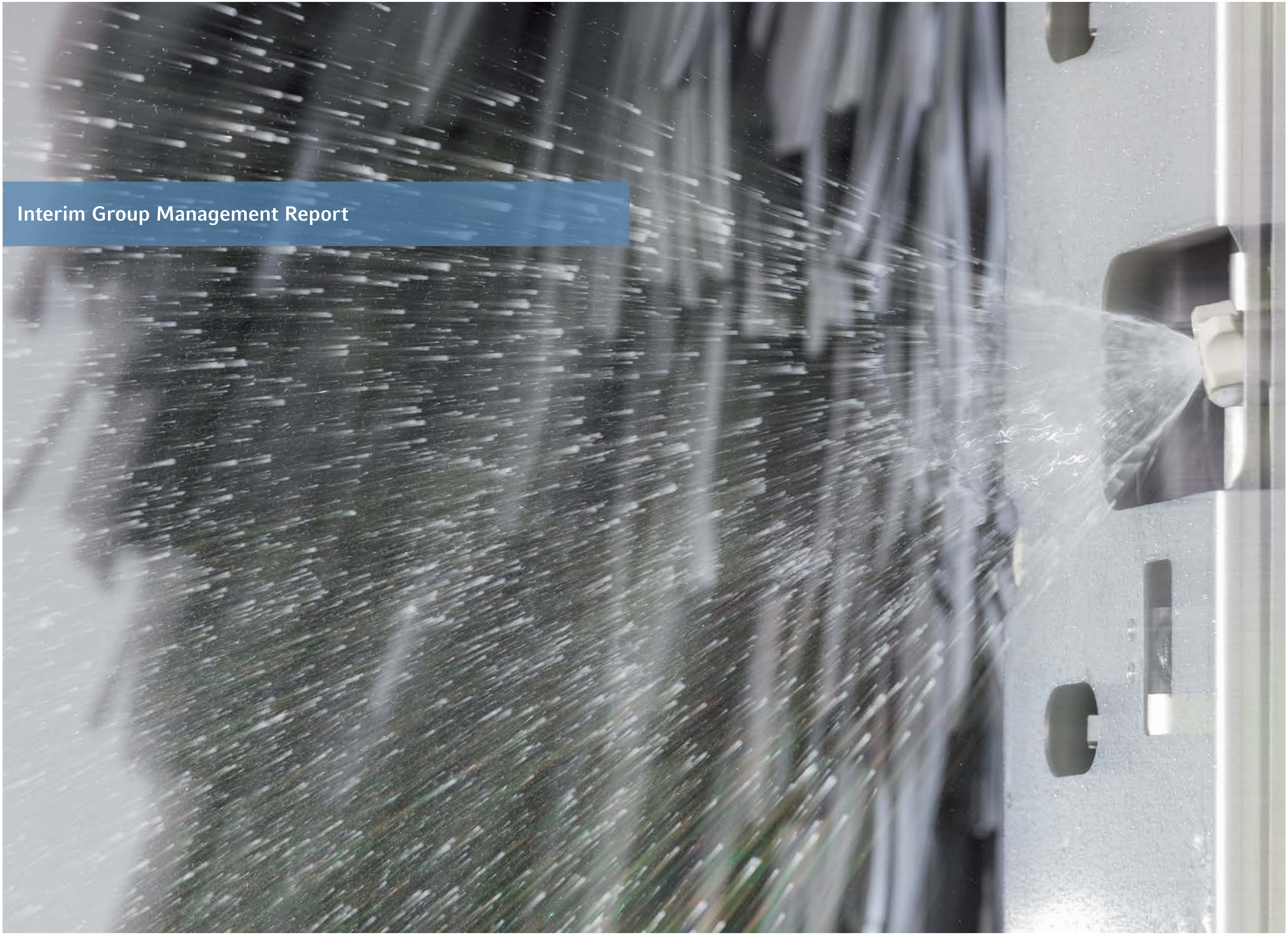


Interim Group Management Report

Interim Group Management Report

1. Overall revenue and earnings development

Revenue significantly down due to Covid-19 pandemic, service and chemicals business has a stabilizing effect

Second quarter **revenue**, at €88.1m, was significantly down (by 17.4%) year-on-year (prior year: €106.7m).

Revenue for the half year ending June 30, 2020 was €175.4m, €23.7m or 11.9% down on the prior-year period (€199.1m).

While the service and chemicals business recorded only slight declines, sales volumes of equipment sold were sharply lower. The negative revenue trend was caused by the spread of the Covid-19 pandemic.

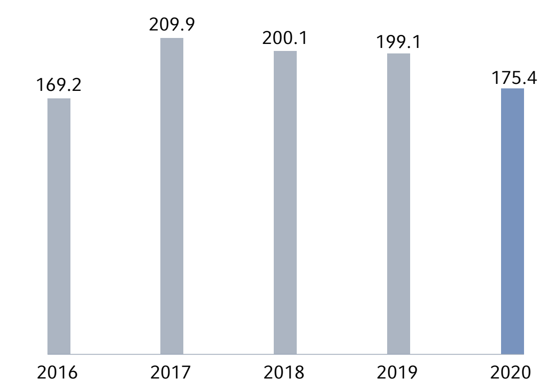
The European market in particular was negatively affected in the second quarter with a 23.9% decline in revenues to €68.2m (prior year: €89.6m). However, the situation in Europe improved significantly in the course of the second quarter. The decline in orders received in June was only in the low single-digit range.

In contrast to Europe, the North America region still recorded based on orders received before the beginning of the quarter a substantial, 16.4% revenue increase in the second quarter. The effects of the pandemic were nevertheless visible here in orders received. After almost doubling in the first quarter relative to the prior year, orders received fell in the second quarter by nearly 70%. This was largely due to an investment freeze at key accounts. The company expects that the resulting negative impacts on revenue in this region will be seen in the third quarter.

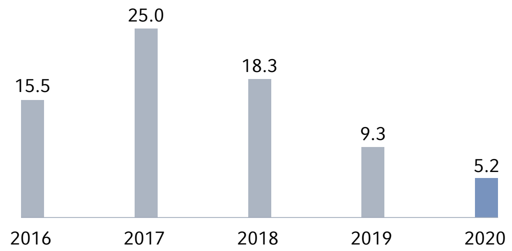
Second quarter revenue in the Asia/Pacific region was maintained at the same level as in the prior year. The impacts on orders received were similar to those seen in Europe, however.

With regard to the product segments, there were significant impacts on sales of machinery. The chemicals and service business had a stabilizing effect, even though it was also affected by the pandemic in countries that imposed curfews including the closure of carwashes.

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



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



In line with revenue, Group EBIT fell significantly in the second quarter to €3.5m (prior year: €6.6m). The lower EBIT is again due to the Europe region. The second quarter EBIT margin was 4.0% (prior year: 6.2%).

Earnings performance was positive in the North America and Asia/Pacific regions. There, earnings in the second quarter of the prior year were still in the negative range. This year, both regions were able to contribute positively to Group earnings due to measures taken to improve profitability.

Half year EBIT was €5.2m (prior year: €9.3m). The EBIT margin for the half year was 3.0% (prior year: 4.7%).

The order backlog (machines and equipment) at the end of the first half was significantly down year-on-year. In the Asia/Pacific region, the order backlog was slightly larger than in the prior year.

2. Report on economic position

2.1 Economic and competitive environment

The economic environment has changed considerably due to the Covid-19 pandemic. The associated uncertainty is leading to a general reluctance to invest. Despite this situation, the company does not expect any major changes in its business model as such, as carwash business continues to be profitable for WashTec' customers and a corresponding investment backlog is built up. The competitive environment largely corresponded to the situation described in the Group Management Report 2019. There were no significant changes in technology and none are foreseeable.

2.2 Earnings

2.2.1 Earnings and expense items

3.0% EBIT margin in first half year

Earnings, H1

in €m, rounding differences may occur	H1 2020	H1 2019	Change	
			absolute	in %
Gross profit*	100.7	113.7	−13.0	−11.4
EBIT	5.2	9.3	−4.1	−44.1
EBIT margin in %	3.0	4.7	−1.7	–
EBT	4.8	9.0	−4.2	−46.7
Consolidated net income	2.1	4.4	−2.3	−52.3

** Revenue plus change in inventory minus cost of materials*

Earnings, Q2

in €m, rounding differences may occur	Q2 2020	Q2 2019	Change	
			absolute	in %
Gross profit*	49.5	60.0	−10.5	−17.5
EBIT	3.5	6.6	−3.1	−47.0
EBIT margin in %	4.0	6.2	−2.2	–
EBT	3.3	6.5	−3.2	−49.2
Consolidated net income	2.4	3.8	−1.4	−36.8

** Revenue plus change in inventory minus cost of materials*

The **gross profit margin** increased slightly in the first half year due to the altered product and country mix to 57.4%, compared with 57.1% in the prior year.

Personnel expenses went down by €5.1m to €66.6m (prior year: €71.7), mainly due to the smaller workforce compared with the prior-year period. As of June 30, 2020, the Group had 87 or 4.6% fewer employees than a year earlier. €0.4m relating to support measures adopted by the states on account of the Covid-19 pandemic has been offset against personnel expenses. The long-term share-based Management Board remuneration (LTIP) was adjusted by €0.7m as a result of the change on the Management Board and of expectations for the attainment of agreed targets being revised in view of the pandemic.

Other operating expenses* fell by €4.1m to €23.2m (prior year: €27.3m). The lower costs notably related to advertising and trade fair costs, recruitment, consulting expenses and travel expenses. At the same time, there was an increase in trade receivables impairment expense. This is mainly due to the change in the age structure of trade receivables and the associated credit risk.

**Including expense from impairments of trade receivables and other taxes*

The **financial result**, at €–0.4m, was slightly lower than in the prior year (prior year: €–0.3m).

Earnings before tax (EBT) came to €4.8m (prior year: €9.0m).

Income taxes were down in the first half year due to the lower EBT.

2.2.2 Revenue by regions and products

Revenue by region, H1

in €m, rounding differences may occur	H1 2020	H1 2019	Change	
			absolute	in %
Europe	140.4	168.6	−28.2	−16.7
North America	33.4	27.8	5.6	20.1
Asia/Pacific	7.4	8.1	−0.7	−8.6
Consolidation	−5.8	−5.5	−0.3	−5.5
Group	**175.4**	**199.1**	**−23.7**	**−11.9**

Revenue by region, Q2

in €m, rounding differences may occur	Q2 2020	Q2 2019	Change	
			absolute	in %
Europe	68.2	89.6	−21.4	−23.9
North America	18.5	15.9	2.6	16.4
Asia/Pacific	4.1	4.1	0.0	0.0
Consolidation	−2.6	−2.9	0.3	10.3
Group	**88.1**	**106.7**	**−18.6**	**−17.4**

Revenue in the Europe region fell by a substantial 23.9% in the second quarter due to the effects of the Covid-19 pandemic. The fall in revenue affected all product areas and all countries. As of June 30, 2020, the region showed a revenue decline of 16.7%.

Revenue in the North America region still increased in the second quarter by 16.4%. The increase predominantly related to key accounts and resulted mainly from the orders existing at the beginning of the quarter. Revenue in the direct sales business remained stable despite the spread of the pandemic in this region.

In US dollars, revenue in North America in the half year ending June 30, 2020 was USD 36.8m (prior year: USD 31.5m).

In the Asia/Pacific region, revenue was slightly down by 0.7% in the first half of the year. Revenue performance in the second quarter was stable.

Revenue by product, H1

in €m, rounding differences may occur	H1 2020	H1 2019	Change	
			absolute	in %
Equipment and service	147.7	170.4	−22.7	−13.3
Chemicals	23.8	24.3	−0.5	−2.1
Carwash management business and others	3.9	4.4	−0.5	−11.4
Total	**175.4**	**199.1**	**−23.7**	**−11.9**

Revenue by product, Q2

in €m, rounding differences may occur	Q2 2020	Q2 2019	Change	
			absolute	in %
Equipment and service	75.2	91.7	−16.5	−18.0
Chemicals	10.9	12.7	−1.8	−14.2
Carwash management business and others	2.0	2.4	−0.4	−16.7
Total	**88.1**	**106.7**	**−18.6**	**−17.4**

2.2.3 Earnings by regions

EBIT by region, H1

in €m, rounding differences may occur	H1 2020	H1 2019	Change	
			absolute	in %
Europe	7.7	15.5	−7.8	−50.3
North America	−1.8	−5.2	3.4	65.4
Asia/Pacific	−0.3	−1.2	0.9	75.0
Consolidation	−0.4	0.1	−0.5	–
Group	**5.2**	**9.3**	**−4.1**	**−44.1**

EBIT by region, Q2

in €m, rounding differences may occur	Q2 2020	Q2 2019	Change	
			absolute	in %
Europe	2.7	9.7	−7.0	−72.2
North America	0.7	−2.3	3.0	130.4
Asia/Pacific	0.2	−0.8	1.0	125.0
Consolidation	−0.1	0.0	−0.1	–
Group	**3.5**	**6.6**	**−3.1**	**−47.0**

Earnings in the Europe region were significantly down in both the second quarter and the first half year. Despite an approximately 6% reduction in costs in the first half year, it was not possible to offset the fall in revenue.

The EBIT performance in the North America region is mainly a result of reduced costs due to the adopted optimization measures combined with the positive revenue performance.

In the Asia/Pacific region, the company reported positive earnings performance relative to the prior year, primarily due to the completed restructuring in Australia.

Movements in the US dollar-euro exchange rate had no material impact on operating earnings. Measurement of foreign currency-denominated assets and liabilities as of the reporting date had a €0.1m impact on earnings (prior year: €0.1m).

2.3 Net assets

Strong balance sheet structure

Condensed balance sheet, assets

in €m, rounding differences may occur	Jun 30, 2020	Dec 31, 2019
Non-current assets (incl. right-of-use assets)	104.9	109.3
Receivables and other assets	87.2	111.4
Inventories	49.0	38.1
Deferred tax assets	4.4	3.7
Cash and cash equivalents	15.4	12.4
Balance sheet total	**260.9**	**274.9**

Condensed balance sheet, equity and liabilities

in €m, rounding differences may occur	Jun 30, 2020	Dec 31, 2019
Equity	86.0	84.5
Interest-bearing loans	41.4	47.1
Other liabilities and provisions	106.6	116.9
of which trade payables	13.3	20.8
of which provisions (including income taxes)	25.4	29.4
Contract liabilities	22.7	21.9
Deferred tax liabilities	4.2	4.5
Balance sheet total	**260.9**	**274.9**

Net operating working capital (trade receivables + inventories – trade payables – prepayments on orders) decreased, mainly due to the reduction in trade receivables, from €96.2m as of December 31, 2019 to €86.5m.

Equity increased to €86.0m as of June 30, 2020 (December 31, 2019: €84.5m). Compared with the 2019 year-end, the equity ratio went up from 30.7% to 33.0%. It should be noted that no dividend payment was made in 2020 (prior year: dividend payment €32.8m).

Net debt (interest-bearing loans – bank deposits) stood at €26.0m (December 31, 2019: €34.7m).

Net financial debt (short-term and long-term lease liabilities + net debt) decreased to €46.4m (December 31, 2019: €56.4m).

Other liabilities and provisions decreased to €106.6m (December 31, 2019: €116.9m).

Contract liabilities increased slightly to €22.7m (December 31, 2019: €21.9m).

2.4 Financial Position

The **cash inflow from operating activities** (net cash flow) increased the first half year significantly to €15.0m (prior year: €–10.9m). This was mainly due to the reduction in working capital in conjunction with lower capital employed as a result of decreased business volume. The net cash flow also includes a €2.9 million cash inflow from the US Paycheck Protection Program. Allocations under this program are provided in the form of a loan that can be converted under certain conditions into a non-repayable grant. Disbursements are made immediately on approval. As the grant was not yet utilized in the first half year and it is therefore not included in the income statement, it is accounted for under "other current financial liabilities". In the cash flow statement, it is included in the "changes in other net working capital" item.

The **cash outflow from investing activities** decreased by €3.3m to €1.5m (prior year: €4.8m). For the year as a whole, the Company expects that capital expenditure will be lower than in the prior year.

Free cash flow (net cash flow – cash outflow from investing activities) increased to €13.6m (prior year: €–15.7m).

In total, **cash funds** went up relative to December 31, 2019 by €8.7m to €–26.0m. In the same period of the previous year, the increase/decrease in cash and cash equivalents amounted to €-53.4m, including a dividend payment of €32.8m. No dividend payment was made in the reporting period.

2.5 Appropriation of earnings

Due to the change in economic environment caused by the Covid-19 pandemic, the Management Board and Supervisory Board have decided to propose to the Annual General Meeting on July 28, 2020 that no dividend be paid for the financial year 2019. The distributable profit of €22,581,092.36 shown in the Company's annual financial statements for fiscal year 2019 shall be carried forward in full.

2.6 Employees

The number of employees as of June 30, 2020 was 1,795, a decrease of 79 on the 2019 year-end. The reduction in employee numbers was mainly due to the performance program, which was launched in the prior year and subsequently accelerated, and to short-term measures on account of the Covid-19 pandemic.

3. Outlook, opportunities and risk report

3.1 Outlook

Current developments present the company with major challenges in estimating future business performance with sufficient accuracy. There is notable uncertainty regarding potential further outbreaks of the Covid-19 pandemic and the response of the countries affected, which cannot be predicted. Particular uncertainty is involved in estimating the development of the business in the USA in view of the rapid increase in the number of infections in recent weeks and the political unrest in the country.

The company makes the following assumptions in its guidance:

- The significant uncertainties regarding the economic environment will persist in the months ahead and will have a negative impact on investment confidence in the equipment business.
- Possible new outbreaks of the pandemic in European countries and in the countries comprising the Asia/Pacific segment will be contained by means of local responses rather than resulting in nationwide lockdowns with curfews. The same applies to the second wave of the pandemic that could possibly arise this fall.
- The course of the pandemic in the USA will be contained in the third quarter and there will be a slight easing in the fourth quarter. The government support that has been granted will be utilized in the second half year and will help the company to compensate for the costs not covered by lower business volume in the third and fourth quarters.
- Revenue from machine sales will remain significantly down for the rest of the year and will not reach the level of the prior year or of individual prior-year quarters. The company nevertheless assumes that sales will increase in the fourth quarter of the year compared to the second and third quarters. The decisive factor here is investment activity at key accounts. The company expects a partial easing of the current investment freeze. There have already been signals to this effect in recent weeks.
- Service and chemicals revenue will return to normal. The decline in revenue in this segment seen in the second quarter will not be repeated on the same scale.

Based on these assumptions, the Company expects decreasing revenue in 2020. The fall in revenue will be in expected between 15% and 20% compared to the prior year. EBIT will also decrease relative to the prior year. On the basis of the projected revenue performance, the company aims for an EBIT margin of 3%–5%.

The Company expects decreasing revenues for the regions Europe and North America. We expect increasing revenue in the Asia/Pacific region.

In terms of earnings (EBIT), we expect an increasing result for the regions North America and Asia/Pacific, in contrast to the region Europe.

Despite significantly lower earnings, the Company expects an increasing free cash flow this year. Particular uncertainty applies here to the timing of the recovery in revenue and the associated level of working capital.

Due to the existing uncertainties, no guidance for ROCE is made at the present time. The guidance for the accident frequency rate remains unchanged, as described on page 74 of the Annual Report 2019.

This outlook is subject to uncertainties.

The management of the WashTec Group is accelerating implementation of the Performance Program launched in prior year and is adapting the company's structures and processes to the new developments. In the medium term, the goal remains to deliver again a double-digit EBIT margin again as a result of the implemented measures.

3.2 Opportunities and risks for group development

The WashTec Group's opportunity and risk management system is described in the Annual Report 2019.

The risk with regard to overall economic development due to the spread of the coronavirus has materialized and is having a significant impact on the development of the WashTec Group's business activities. Curfews in individual countries have led to installations being halted at short notice and to a collapse in carwash volumes together with service and chemical revenue in the affected markets for the duration of the restrictions. While installations were largely able to continue once the restrictions were eased, the losses in the service and chemicals business can no longer be made up. In addition, the Company is observing a reluctance to commit to capital expenditure both among key accounts and among direct sales customers. This is reflected in a significant decline in orders received in the second quarter. It is not currently possible to predict reliably how long this will go on for or the size of the reduction in capital spending planned for this year, especially at key accounts. Medium-term estimates of future business development are likewise subject to considerable uncertainty.

Despite that uncertainty, WashTec does not see any going concern risk for the future continuation of its business model. The carwash business remains a profitable business model for customers, which will lead to new investment in the future. No significant changes in carwash usage patterns have been observed to date.

Supplier risk has also risen. WashTec procures various production materials from countries that are severely affected by the pandemic. There were no supply shortages in the period under review. Any further massive outbreaks in those countries could lead to difficulties in obtaining supplies of materials.

With regard to liquidity risks, the company considers itself well positioned. With the credit lines increased at the beginning of the year, and taking into account the results and cash flow development in the most severely affected second quarter, the company has sufficient liquid resources and borrowing facilities to fund a reopening of the business even after a substantial break and also to invest in future growth.

Credit and default risks have increased slightly in the present situation. Although there have been no significant defaults on receivables in recent months, payment delays by customers and requests for receivables to be deferred or transferred to payment plans have been seen in the market. This leads to a change in the age structure of trade receivables and therefore to a slight increase in credit risk. Particularly in view of the large-scale support measures adopted by individual countries and at European level, the company does not currently assume that there will be any collapse of lending structures in countries relevant to its business.

The remaining opportunities and risks in the 2019 report remain largely unaltered.

4. Miscellaneous information

4.1 Related party disclosures

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

4.2 Events after the reporting period

There were no material events after the reporting period.

4.3 Other information

Axel Jaeger, Chief Financial Officer (CFO) of WashTec AG, left the company at his own request on May 31, 2020. Effective August 1, 2020, Dr. Kerstin Reden will be appointed as member of the Management Board and CFO. Dr. Koeppe – CEO/CTO of WashTec AG – performed the role of CFO in addition to his other duties during the transitional period from June 1, 2020 to July 31, 2020.

5. WashTec shares and investor relations

Continuous communication with investors

The Management Board communicated with shareholders, journalists and the financial community on an ongoing basis throughout the first half year and during the Covid-19 pandemic. As part of the Company's investor relations activities, Management took part in digital investor conferences and road shows.

5.1 Share price performance

The WashTec share price was €36.65 on June 30, 2020. This is 31.75% down on the prior year-end closing price of €53.70 on December 30, 2019. The SDAX fell by 7.8% relative to the beginning of the year.

WashTec shares are currently covered Commerzbank, Hauck & Aufhäuser, HSBC Trinkaus & Burkhardt, MM Warburg and Bankhaus Lampe. The price targets given by analysts are at least €30 and range up to €69 (as of July 2020).

5.2 Shareholder structure

The following changes in shareholder structure during the second quarter of 2020 were reported to the Company in voting rights notifications under the Securities Trading Act (Wertpapierhandelsgesetz):

Alantra EQMC Asset Management, SGIIC, S.A., Madrid, Spain, as investment manager, notified WashTec AG that on April 7, 2020, EQMC Europe Development Capital Fund plc's share of the voting rights was 10.42%.

Wellington Management Group LLP, Boston, Massachusetts, USA, notified WashTec AG that its share of the voting rights on May 15, 2020 was now 2.97% instead of previously 3.06%. WashTec AG was further notified that said share of the voting rights on June 9, 2020 was now 3.003% instead of previously 2.97%. WashTec AG was then further notified that said share of the voting rights on June 10, 2020 was now 2.99% instead of previously 3.003%.

Axxion S.A., Grevenmacher, Luxembourg, notified WashTec AG that its share of the voting rights on June 24, 2020 was now 4.99% instead of previously 9.99%.

Stable shareholder structure

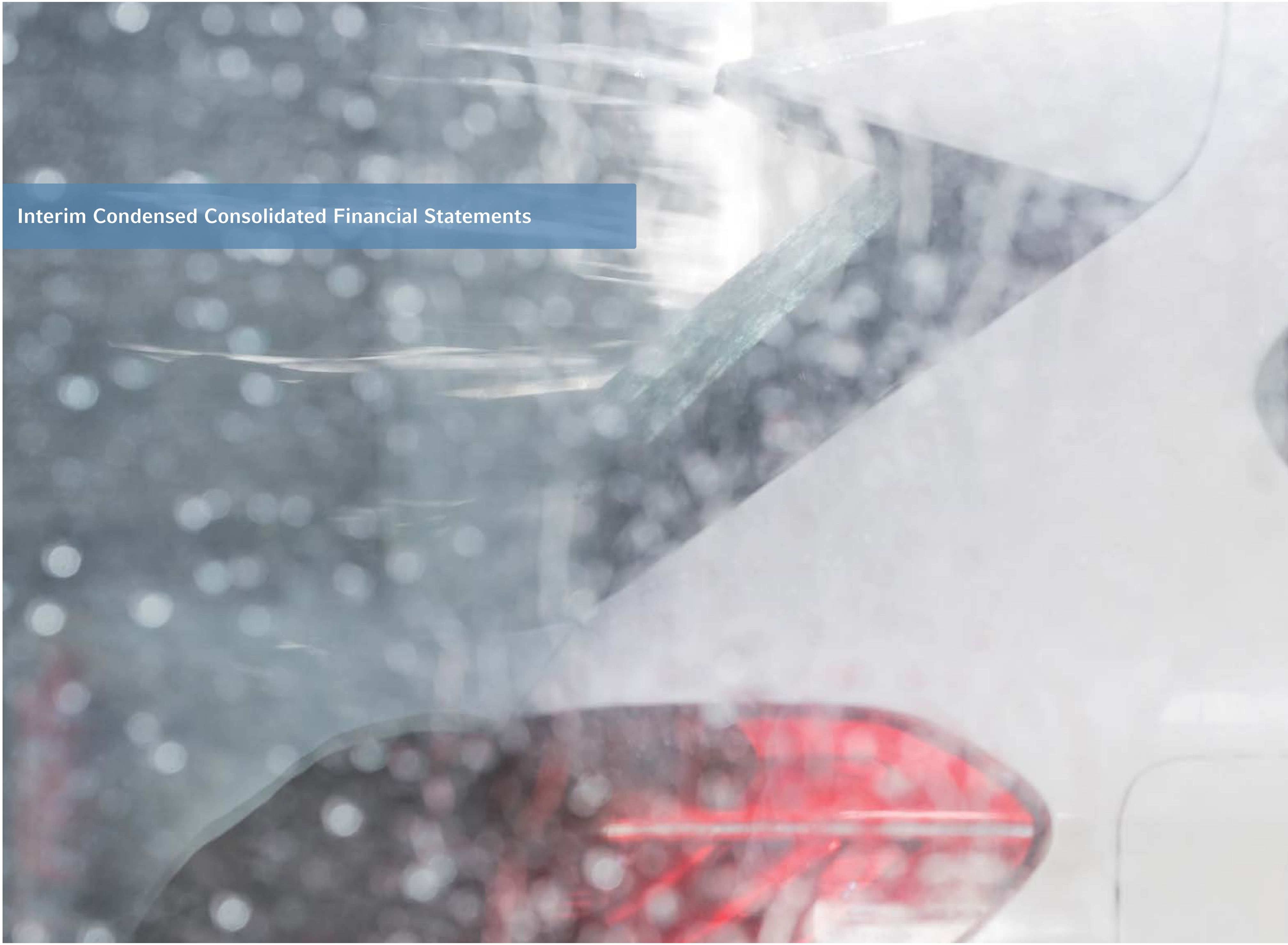
Shareholding in %	Jun 30, 2020
EQMC Europe Development Capital Fund plc.[1]	10.42
Kempen Oranje Participaties N.V.	9.60
Dr. Kurt Schwarz[2]	6.82
Bank of America Corporation[3]	6.27
Investment AG für langfristige Investoren, TGV	5.43
Axxion S.A.	4.99
Paradigm Capital Value Fund[4]	4.58
Treasury shares	4.25
Diversity Industrie Holding AG	4.00
Free float	43.64

[1] Alantra EQMC Asset Management, SGIIC, S.A. (as investment management function)
[2] Leifina GmbH & Co. KG et al.
[3] BofA Securities Europe SA (6,22% voting rights)
[4] Carne Global Fund Managers (Luxembourg) S. A.

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

Manager Transactions

On February 11, 2020, Dr. Ralf Koeppe, Chief Executive Officer, acquired 1.200 shares.



Interim Condensed Consolidated Financial Statements

Consolidated Income Statement

in €k	H1 2020	H1 2019	Q2 2020	Q2 2019
Revenue	175,423	199,061	88,093	106,721
Other operating income	2,412	2,039	−72	633
Capitalized development costs	68	655	22	25
Change in inventory	6,121	5,173	−1,910	455
Total	**184,024**	**206,927**	**86,133**	**107,834**
Cost of raw materials, consumables and supplies and of purchased material	66,034	73,764	29,615	38,136
Cost of purchased services	14,828	16,781	7,050	9,046
Cost of materials	**80,861**	**90,544**	**36,665**	**47,182**
Personnel expenses	66,574	71,728	31,769	35,996
Amortization, depreciation and impairment	8,232	8,114	4,268	4,033
Other operating expenses	21,025	26,299	8,628	13,335
Impairment loss of trade receivables	1,540	439	1,019	399
Other taxes	610	552	296	269
Total operating expenses	**178,841**	**197,677**	**82,646**	**101,214**
EBIT	**5,183**	**9,251**	**3,487**	**6,619**
Financial income	61	71	30	30
Financial expenses	424	345	260	174
Financial result	**−363**	**−274**	**−230**	**−144**
EBT	**4,820**	**8,977**	**3,257**	**6,475**
Income taxes	2,681	4,622	880	2,667
Consolidated net income	**2,139**	**4,355**	**2,378**	**3,809**
Average number of shares in units	**13,382,324**	13,382,324	**13,382,324**	13,382,324
Earnings per share (basic = diluted) in €	**0.16**	0.33	**0.18**	0.28

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

Consolidated Statement of Comprehensive Income

in €k	H1 2020	H1 2019	Q2 2020	Q2 2019
Consolidated net income	**2,139**	4,355	**2,378**	3,809
Actuarial gains/losses from defined benefit obligations and similar obligations	−121	−650	−121	−650
Deferred taxes	39	207	39	207
Items that will not be reclassified to profit or loss	**−82**	−443	**−82**	−443
Adjustment item for currency translation of foreign subsidiaries	−313	−238	178	−409
Exchange differences on net investments in subsidiaries	−229	219	84	73
Deferred taxes	−4	−6	25	15
Items that may be subsequently reclassified to profit or loss	**−546**	−25	**287**	−321
Other comprehensive income	**−627**	−469	**206**	−763
Total comprehensive income	**1,511**	3,886	**2,584**	3,045

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

Consolidated Balance Sheet – Assets

in €k	Jun 30, 2020	Dec 31, 2019
Non-current assets		
Property, plant and equipment	31,075	33,238
Goodwill	42,312	42,312
Intangible assets	11,721	12,251
Right-of-use assets	19,756	21,488
Non-current trade receivables	7,226	7,313
Other non-current financial assets	194	240
Other non-current non-financial assets	489	486
Deferred tax assets	4,449	3,740
Total non-current assets	**117,222**	**121,069**
Current assets		
Inventories	48,989	38,097
Current trade receivables	57,986	84,041
Tax receivables	15,472	15,244
Other current financial assets	1,444	1,335
Other current non-financial assets	4,413	2,737
Cash and cash equivalents	15,415	12,426
Total current assets	**143,720**	**153,880**
Total assets	**260,942**	**274,949**

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

Consolidated Balance Sheet – Equity and Liabilities

in €k	Jun 30, 2020	Dec 31, 2019
Equity		
Subscribed capital	40,000	40,000
Capital reserves	36,463	36,463
Treasury shares	−13,177	−13,177
Other reserves and currency translation effects	−6,072	−5,445
Profit carried forward	26,635	4,385
Consolidated net income	2,139	22,251
	85,989	**84,478**
Non-current liabilities		
Non-current lease liabilities	12,940	14,224
Provisions for pensions	10,921	10,938
Other non-current provisions	3,910	3,904
Other non-current financial liabilities	41	57
Other non-current non-financial liabilities	637	1,431
Non-current contract liabilities	1,484	2,118
Deferred tax liabilities	4,217	4,486
Total non-current liabilities	**34,150**	**37,158**
Current liabilities		
Interest-bearing loans	41,407	47,132
Lease liabilities	7,511	7,467
Trade payables	13,340	20,783
Income tax liabilities	1,907	4,886
Other current financial liabilities	20,418	18,475
Other current non-financial liabilities	26,383	25,120
Other current provisions	8,622	9,625
Current contract liabilities	21,215	19,825
Total current liabilities	**140,803**	**153,313**
Total equity and liabilities	**260,942**	**274,949**

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

Consolidated Statement of Changes in Equity

in €k	Number of shares (in units)	Subscribed capital	Capital reserves	Treasury shares	Other reserves and currency translation effects	Profit carried forward	Total
As of January 1, 2020	**13,382,324**	**40,000**	**36,463**	**−13,177**	**−5,445**	**26,635**	**84,478**
Income and expenses recognized directly in equity					-662		-662
Taxes on transactions recognized directly in equity					35		35
Consolidated net income						2,139	2,139
As of June 30, 2020	**13,382.324**	**40,000**	**36,463**	**-13,177**	**-6,072**	**28,774**	**85,989**

in €k	Number of shares (in units)	Subscribed capital	Capital reserves	Treasury shares	Other reserves and currency translation effects	Profit carried forward	Total
As of January 1, 2019	**13,382,324**	**40,000**	**36,463**	**−13,177**	**−5,057**	**37,171**	**95,401**
Income and expenses recognized directly in equity					−669		−699
Taxes on transactions recognized directly in equity					201		201
Dividend						−32,787	−32,787
Consolidated net income						4,355	4,355
As of June 30, 2019	**13,382,324**	**40,000**	**36,463**	**−13,177**	**−5,526**	**8,739**	**66,501**

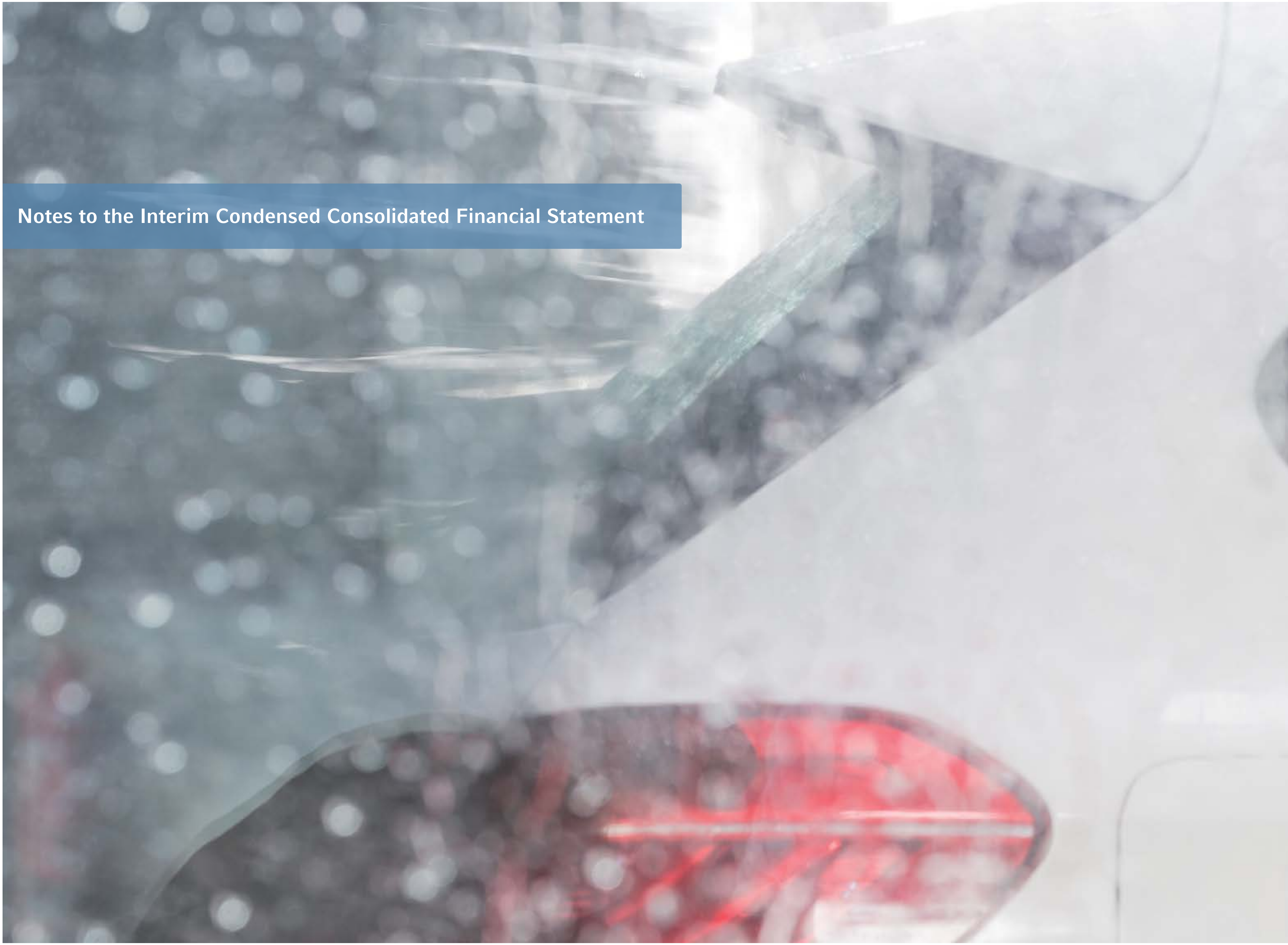
The Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.
Rounding differences may occur.

Consolidated Cash Flow Statement

in €k	H1 2020	H1 2019
EBT	**4,820**	**8,977**
Amortization, depreciation and impairment	8,232	8,114
Gain/loss from disposals of non-current assets	383	−44
Other gains/losses	−1,708	−1,996
Financial income	−61	−71
Financial expenses	424	345
Movements in provisions	−1,082	−910
Income tax paid	−6,820	−10,245
Gross cash flow	**4,187**	**4,170**
Increase/decrease in trade receivables	24,175	332
Increase/decrease in inventories	−11,138	−7,546
Increase/decrease in trade payables	−7,375	−3,515
Increase/decrease in prepayments on orders	2,013	−1,103
Increase/decrease in net operating working capital	**7,675**	**11,831**
Changes in other net working capital	3,171	3,196
Net cash flow from operating activities	**15,033**	**−10,858**
Purchase of property, plant and equipment (without leases)	−1,584	−5,266
Proceeds from sale of property, plant and equipment	115	446
Net cash flow from investing activities	**−1,469**	**−4,821**
Free cash flow	**13,564**	**−15,678**
Dividend payout	0	−32,787
Interest received	61	71
Interest paid	−424	−345
Repayment of lease liabilities	−4,009	−4,449
Net cash flow from financing activities	**−4,372**	**−37,510**
Net increase/decrease in cash and cash equivalents	**9,192**	**−53,188**
Net foreign exchange difference	**-478**	**−237**
Cash and cash equivalents at January 1	**−34,706**	**−7,111**
Cash and cash equivalents at June 30	**−25,992**	**−60,537**
Composition of cash and cash equivalents for cash flow purposes:		
Cash and cash equivalents	**15,415**	**6,670**
Interest-bearing loans	**−41,407**	**−67,207**
Cash and cash equivalents at June 30	**−25,992**	**−60,537**

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

Notes to the Interim Condensed Consolidated Financial Statement



Notes to the Interim Condensed Consolidated Financial Statements of WashTec AG (IFRS) for the period January 1 to June 30, 2020

General

1. Information on the Company

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

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

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

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

The interim condensed consolidated financial statements and interim Group management report may be downloaded from our website, www.washtec.de.

2. Accounting policies

Basis of preparation of the financial statements

The interim condensed consolidated financial statements for the period January 1 to June 30, 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not contain all explanations and disclosures required for annual financial statements and should be read in conjunction with the consolidated financial statements for the fiscal year ended December 31, 2019.

The accounting policies applied in the interim condensed consolidated financial statements correspond to those applied in the consolidated financial statements for the fiscal year ending December 31, 2019. Tax is computed for interim financial statements by multiplying earnings before tax with the expected applicable annual tax rate.

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

The WashTec Group's financial position, financial performance and cash flows in the first half of 2020 were affected by the Covid-19 pandemic. The impacts are as follows:

- Personnel expenses include the effects of support measures taken by the states to offset the impact of the Covid-19 pandemic. Support under such measures was claimed in the states where the criteria were met for claiming it. This essentially comprises various grants under the support measures, including the claiming of the short-time working allowance, which were recognized in income. Government grants received and recognized in income as of June 30, 2020 amount to €446k and has been offset against personnel expenses. An asset was recognised in the amount of €69k under other assets for short-time work allowance not yet reimbursed and for social insurance expenditure reimbursement claims as of June 30, 2020. A short-term loan in the amount of €2,906k was also applied for and granted in the USA in connection with government support measures. The loan is included in other current financial liabilities. It was disbursed in the second quarter of 2020. If certain conditions are met, some or all of this loan can be converted into grants that do not have to be repaid. No amount had been converted into grants recognised in income as of June 30, 2020.

- The change on the Management Board and the impacts of the Covid-19 pandemic on assessment of the probability of attaining the agreed performance conditions resulted in a €700k reduction in long-term share-based Management Board remuneration.

- The Covid-19 pandemic resulted in an increase in the expense from impairments of trade receivables. This is mainly due to delayed customer payments. The change in age structure tends to increase credit risk and therefore results in the application of higher impairment rates in the impairment table. Management estimates that carwash business remains highly profitable for the WashTec customers despite the effects of the Covid-19 pandemic. For this reason, no changes were made to the valuation parameters in the impairment table.

- In view of the far-reaching economic impacts of the Covid-19 pandemic, goodwill and other non-financial assets were tested for impairment on an event-related basis as of June 30, 2020. This did not result in any impairment in the reporting period.

- To secure the WashTec Group's liquidity in connection with the impacts of the Covid-19 pandemic, the credit lines were increased by €35,000k to €122,500k (December 2019: €87,500k).

- Due to the change in economic environment caused by the Covid-19 pandemic, the Management Board and Supervisory Board have decided to propose to the Annual General Meeting on July 28, 2020 that no dividend be paid for the financial year 2019 (original proposal: €1.65 per share). As of June, 30 2020, this led to an increase in cash and cash equivalents of €8,714k to €–25,992k compared to December, 31 2019. In the same period of the previous year, the increase/decrease in cash and cash equivalents amounted to €–53.425k, including a dividend payment of €32.787k in the previous year. No dividend payment was made in the reporting period.

- The Covid-19 pandemic has made customers reluctant to invest, mainly due to uncertainty regarding the development of the general economy. Despite this situation, the WashTec Group does not expect any major changes in its basic business model as carwash business continues to be profitable for the WashTec customers. For this reason, management does not consider that there is any uncertainty regarding the ability to going concern. In the course of this assessment, no significant judgments were required as a result of the Covid-19 pandemic.

- All balance sheet items were examined with regard to potential impacts of the Covid-19 pandemic. Other than the above effects, this did not result in any other significant changes, including in estimates, assumptions and judgments. The information in this regard in the consolidated financial statements for the fiscal year ending December 31, 2019 apply unaltered in the reporting period.

In addition to the accounting policies applied in the consolidated financial statements for the fiscal year ending December 31, 2019, **IAS 20 Accounting for Government Grants and Disclosure of Government Assistance** was additionally applied in the interim condensed consolidated financial statements. Government grants are recognized at fair value if there is reasonable assurance that they will be received and the Group will comply with all conditions attaching to them.

Government grants are recognized in the income statement on a systematic basis over the periods in which the Company recognizes the expenses for which the grants are intended to compensate.

Government grants received under support measures will be, insofar as these were recognized in income, included in other operating income or deducted of the related expenses. There are no unfulfilled conditions or other contingencies attaching to the grants. The Group has not directly benefited from other forms of government assistance.

Effects of new financial reporting standards

New and amended financial reporting standards entered into force in the period under review. The WashTec Group adopted the following new and revised IFRS Standards and Interpretations in fiscal year 2020:

Standard/ interpretation	Title	Mandatory application	EU endorsement	Material effects on the Group
IFRS	Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2020	December 6, 2019	None
IAS 1 and IAS 8	Amendments to IAS 1 and IAS 8 – Definition of Material	January 1, 2020	December 10, 2019	None
IFRS 9, IAS 39 and IFRS 7	Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform	January 1, 2020	January 16, 2020	None
IFRS 3	Amendments to IFRS 3 – Definition of a Business	January 1, 2020	April 22, 2020	None

Effects of new standards that have been issued by IASB and the IFRS Interpretations Committee and do not yet have to be applied in fiscal year 2020

The IASB and the IFRS Interpretations Committee have also issued additional standards, interpretations and amendments as listed below that did not yet have to be applied in fiscal year 2020 and/or have not yet been endorsed by the European Union.

The WashTec Group had not elected early adoption of these standards as of June 30, 2020. First-time adoption of the standards is planned when they are recognized and endorsed by the EU.

Standard/ interpretation	Title	Mandatory application	EU endorsement	Material effects on the Group
IFRS 16	Amendments to IFRS 16: Covid-19-Related Rent Concessions	June 1, 2020	Yet to be determined	Please see the explanatory notes below the table for the effects of the amendment
IFRS	Annual Improvements to IFRS (2018-2020 cycle)	January 1, 2022	Yet to be determined	None
IFRS 3, IAS 16 and IAS 37	Amendments to IFRS 3, IAS 16 and IAS 37	January 1, 2022	Yet to be determined	Under review
IFRS 17, including amendments to IFRS 17	Insurance Contracts, including amendments to IFRS 17	January 1, 2023	Yet to be determined	None
IAS 1	Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current	January 1, 2023	Yet to be determined	None

The **Amendments to IFRS 16 - Covid-19-Related Rent Concessions** include optional exemptions for rent concessions granted as a result of the Covid-19-pandemic. Accordingly, the assessment of whether a rent concession in connection with Covid-19 constitutes a lease modification in accordance with IFRS 16 can be waived. Instead, rent concessions can be treated as they are not a lease modification. The rent concessions are recognized as variable lease payments. The amendment is adopted for the first time retrospectively for reporting periods beginning on or after June 1, 2020. Earlier adoption is permitted.

The WashTec Group is currently examining the possibility of making use of the optional exemptions for lessees under IFRS 16.

3. Segment reporting

Segmentation within the Group using the management approach is by sales territories. Reflecting market-specific conditions, the sales territories are defined as the regions Europe, North America and Asia/Pacific and correspond to the respective domiciles of the Group companies.

For information on the events in the first half of the year, please refer to the interim group management report.

By segments, January to June 2020 in €k	**Europe**	**North America**	**Asia/ Pacific**	**Consol- idation**	**Group**
Revenue	**140,367**	**33,427**	**7,382**	**−5,754**	**175,423**
of which with third parties	134,685	33,361	7,377	0	175,423
of which with other segments	5,682	67	5	−5,754	0
EBIT	**7,713**	**−1,834**	**−296**	**−402**	**5,183**
EBIT margin in %	5.5	−5.5	−4.0	–	3.0
Financial income					61
Financial expenses					424
EBT					**4,820**
Income taxes					2,681
Consolidated net income					**2,139**

By segments, January to June 2019 in €k	**Europe**	**North America**	**Asia/ Pacific**	**Consol- idation**	**Group**
Revenue	**168,624**	**27,845**	**8,057**	**−5,464**	**199,061**
of which with third parties	163,285	27,719	8,057	0	199,061
of which with other segments	5,339	125	0	−5,464	0
EBIT	**15,537**	**−5,195**	**−1,168**	**76**	**9,251**
EBIT margin in %	9.2	−18.7	−14.5	–	4.7
Financial income					71
Financial expenses					345
EBT					**8,977**
Income taxes					4,622
Consolidated net income					**4,355**

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

January to June 2020 in €k	Europe	North America	Asia/Pacific	Consol-idation	Group
Recognition at a point in time	139,396	31,768	7,382	–5,754	**172,793**
Recognition over time	971	1,660	0	0	**2,631**

January to June 2019 in €k	Europe	North America	Asia/Pacific	Consol-idation	Group
Recognition at a point in time	168,112	26,544	8,057	–5,464	**197,250**
Recognition over time	511	1,300	0	0	**1,812**

4. Equity

The subscribed capital of WashTec AG as of June 30, 2020 is €40,000k. It is divided into 13,976,970 no-par-value bearer shares and is fully paid in. The average weighted number of issued and outstanding shares was 13,382,324 (prior year: 13,382,324 shares).

The Annual General Meeting of WashTec AG takes place in Augsburg on July 28, 2020. The Management Board and Supervisory Board intend to recommend that the entire distributable profit of €22,581,092.36 shown in the Company's annual financial statements for fiscal year 2019 be carried forward.

5. Financial instruments – additional disclosures

The table below shows the carrying amounts and fair values of relevant balance sheet items by measurement category and class of financial instrument.

Carrying amounts, measurement and fair value by category:

in €k	IFRS 9 category	Carrying amount Jun 30, 2020	Measurement under IFRS 9		Measurement under IFRS 16	Fair value Jun 30, 2020**	IFRS 13 level
			Amortized cost	At fair value through profit or loss			
Assets							
Cash and cash equivalents	AC*	15,415	15,415	–	–	–	
Current trade receivables	AC*	57,986	57,986	–	–	–	
Non-current trade receivables	AC*	7,226	7,226	–	–	–	
Other current financial assets	AC*	1,444	1,444	–	–	–	
Other non-current financial assets	AC*	194	194	–	–	–	
Equity and liabilities							
Trade payables	FLAC*	13,340	13,340	–	–	–	
Interest-bearing loans	FLAC*	41,407	41,407	–	–	–	
Other current financial liabilities	FLAC*	20,418	20,418	–	–	–	
Other non-current financial liabilities	FLAC*	41	41	–	–	–	
Lease liabilities	n/a	20,451	–	–	20,451	–	
Aggregated presentation by measurement category in accordance with IFRS 9							
Financial assets at amortized cost (AC)		82,266	82,266	–			
Financial liabilities at amortized cost (FLAC)		75,206	75,206	–			

*AC: financial assets at amortized cost; FLAC: financial liabilities at amortized cost
** For current financial instruments at amortized cost, the carrying amount at the reporting date is assumed to approximate fair value. The effect on non-current financial instruments at amortized cost is not material.

in €k	IFRS 9 category	Carrying amount Dec 31, 2019	Measurement under IFRS 9		Measurement under IFRS 16	Fair value Dec 31, 2019**	IFRS 13 level
			Amortized cost	At fair value through profit or loss			
Assets							
Cash and cash equivalents	AC*	12,426	12,426	–	–		
Current trade receivables	AC*	84,041	84,041	–	–		
Non-current trade receivables	AC*	7,313	7,313	–	–		
Other current financial assets	AC*	1,335	1,335	–	–		
Other non-current financial assets	AC*	240	240	–	–		
Equity and liabilities							
Trade payables	FLAC*	20,783	20,783	–	–		
Interest-bearing loans	FLAC*	47,132	47,132	–	–		
Other current financial liabilities	FLAC*	18,475	18,475	–	–		
Other non-current financial liabilities	FLAC*	57	57	–	–		
Lease liabilities	n/a	21,691	–	–	21,691		
Aggregated presentation by measurement category in accordance with IFRS 9							
Financial assets at amortized cost (AC)		105,356	105,356				
Financial liabilities at amortized cost (FLAC)		86,447	86,447				

*AC: financial assets at amortized cost; FLAC: financial liabilities at amortized cost
** For current financial instruments at amortized cost, the carrying amount at the reporting date is assumed to approximate fair value. The effect on non-current financial instruments at amortized cost is not material.

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

6. Contingent liabilities and other financial obligations

There was no material change in contingent liabilities and other financial obligations relative to December 31, 2019.

7. Related party disclosures

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

Management Board and Supervisory Board shareholdings developed as follows:

Shares held by members of the Management Board (units)	Jun 30, 2020	Dec 31, 2019
Dr. Ralf Koeppe	1,800	600
Axel Jaeger (until May 31, 2020)	–	4,900
Stephan Weber	3,740	3,740
Karoline Kalb (until December 31, 2019)	–	3,590

Shares held by members of the Supervisory Board (units)	Jun 30, 2020	Dec 31, 2019
Dr. Günter Blaschke	52,060	52,060
Ulrich Bellgardt	28,070	28,070
Jens Große-Allermann*	0	0
Dr. Sören Hein	5,450	5,450
Dr. Hans-Friedrich Liebler	5,500	5,500
Dr. Alexander Selent	1,500	1,500

* Mr. Jens Große-Allermann sits on the Management Board of Investmentaktiengesellschaft für langfristige Investoren TGV, which according to a notification dated July 31, 2009 held 758,358 voting shares (5.43%) of WashTec AG.

8. Events after the balance sheet date

There were no significant events after the balance sheet date.

Responsibility statement

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

Augsburg, July 28, 2020

Dr. Ralf Koeppe
CEO

Stephan Weber
Member of the
Management Board

Review Report

To WashTec AG

We have reviewed the condensed consolidated interim financial statements - comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement, selected explanatory notes- and the interim group management report of WashTec AG for the period from January 1 to June 30, 2020 which are part of the half-year financial report pursuant to § (Article) 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

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

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

Munich, July 28, 2020

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Holger Graßnick	Sebastian Stroner
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Contact

WashTec AG
Argonstrasse 7
86153 Augsburg

Phone +49 821 5584-0
Fax +49 821 5584-1135
www.washtec.de
ir@washtec.de

Financial Calendar

Sept 21-25, 2020	Baader Investment Konferenz, Munich
Oct 27, 2020	Financial Statement Q3 2020
Nov 16–18, 2020	Equity Forum, Online

WashTec