



02

Half-Year Report  
**2015**

# Highlights

- > Market development remains stable: consolidated revenue for first half increased by 1.8 % to EUR 248.5 million; 2.3 % revenue growth to EUR 127.7 million in second quarter supported by all segments
- Climate Systems revenue of EUR 177.9 million ahead of previous year (EUR 174.4 million); attributable to steady German heating business and mildly positive development in some international markets
- Gas Flue Systems increases revenue to EUR 48,9 million (previous year EUR 48.1 million); positive development maintained in second quarter
- Medical Technology & Engineering Plastics with EUR 21.8 million revenue at prior-year level
  
- > Operating result up on previous year
- EBITDA of EUR 19.8 million above prior-year figure of EUR 16.2 million: slower growth rate in Q2
  - o Previous year's figure diminished by change in management structure (EUR +1.0 million)
  - o Positive effects totalling EUR 1.4 million from temporarily favourable exchange rate development realised mainly in first quarter
  - o EBITDA for second quarter again up on previous year, at EUR 10.0 million (EUR 9.2 million)
- Depreciation and amortisation rise to EUR 11.4 million (previous year EUR 10.6 million) due to high investment outlay latterly
- EBIT improves to EUR 8.4 million, with prior-year total of EUR 5.6 million reduced by non-recurring charges
- Further EUR 0.5 million improvement in net interest compared with first half of 2014
- EPS of EUR 0.23 (previous year EUR 0.12)
- Net borrowings reduced by EUR 23.5 million compared with prior-year figure, but up slightly on year-end total (EUR 5.7 million) due to seasonal factors
  
- > Stable outlook for the second half
- German heating market stabilising since start of year
- Mixed performance of European markets, positive signals e.g. from Spain
- Uncertainty due to Ukraine and Greece crises still hampering investment climate
- Forecast: assuming a comparable group structure, revenue and earnings (EBIT) for second half on a par with previous year

# Consolidated Key Figures

	30/06/2015 [EUR '000]	30/06/2014 [EUR '000]	Changes [Percent]
<b>Total revenue</b>	<b>248,543</b>	<b>244,235</b>	<b>1.8</b>
Climate Systems	177,863	174,363	2.0
Gas Flue Systems	48,897	48,074	1.7
Medical Technology & Engineering Plastics	21,783	21,798	(0.1)
<b>Earnings</b>			
EBITDA	19,795	16,242	21.9
EBIT	8,431	5,596	50.7
EBIT yield (in %)	3.4	2.3	
EBT	6,819	3,467	96.7
EAT	3,832	1,736	>100
EPS (in EUR; basic)	0.23	0.12	90.9
<b>Balance sheet structure *</b>			
Balance sheet total	435,481	425,583	2.3
Shareholders' equity	210,271	207,908	1.1
Equity ratio (%)	48.3	48.9	
Property, plant and equipment	114,562	112,488	1.8
Intangible assets	41,425	42,765	(3.1)
Goodwill	72,073	72,072	0.0
Net financial liabilities	21,212	15,528	36.6
Net working capital	62,102	56,328	10.3
<b>Cash flow statement</b>			
Cash flow I (EAT & depreciation/ amortisation)	15,196	12,382	22.7
Cash flow from operating activities	9,339	(5,611)	n.a.
Cash flow from investing activities	(11,988)	(13,427)	(10.7)
<b>Employees</b>			
Total (in FTE)	2,976	3,081	(3.4)
<b>Shares</b>			
Number of shares */**	17,659	17,626	
Highest quotation ***	15.00	20.20	
Lowest quotation ***	12.85	17.86	
Half year-end quotation ***	14.22	18.18	

\* Previous year is related to December 31, 2014

\*\* Weighted average shares outstanding (basic; in thousand)

\*\*\* Quotation in EUR

# CLIMATE CONTROL AND VENTILATION NON-CENTRAL POWER AND HEAT GENERATION



1

## **Wolf KG Top large-scale air handling units:**

ultra-efficient climate control solutions with air volume outputs of up to 100,000 m<sup>3</sup>/h can be configured to project-specific requirements according to a modular principle.

2

## **CHP power systems:**

the CHP (combined heat and power) systems made by Kuntschar + Schlüter and Dreyer & Bosse range in performance up to 2 MW and cover a broad spectrum, running on biogas, sewage gas and natural gas.

# Interim Group Management Report

## General economic situation

In the first half of 2015 the CENTROTEC Group – hereinafter also referred to as CENTROTEC – operated in a stabilising macroeconomic environment in the group's core markets. The German heating market appears to have overcome the weakness of last year, energy prices have rebounded from their lows and the macroeconomic conditions are moreover gradually improving in a number of international markets, too. At the same time, climate control business remained weak throughout Europe and there are still no signs of a solution on the horizon to the crises in Greece, Ukraine and many regions of the Arab world.

## Financial performance

### Revenue

CENTROTEC grew its revenue by 1.8 % in the first half of 2015 to 248.5 million (previous year EUR 244.2 million). Revenue growth in the second quarter came to 2.3 %, up from 1.2 % in the first three months of the current financial year. As in the preceding quarters, the bulk of revenue or 58 % (previous year 57 %) was generated in Germany, followed by France and the Netherlands, each on a share of around nine percent as in the previous year. All other countries accounted for shares of less than five percent of consolidated revenue.

Revenue by segment [EUR million]	Q2 2015	Q2 2014	Delta %	Q1-Q2 2015	Q1- Q2 2014	Delta %
Climate Systems	91.7	90.3	1.5	177.9	174.4	2.0
Gas Flue Systems	25.5	24.2	5.3	48.9	48.1	1.7
Medical Technology & Engineering Plastics	10.6	10.3	2.9	21.8	21.8	(0.1)
<b>Total</b>	<b>127.7</b>	<b>124.8</b>	<b>2.3</b>	<b>248.5</b>	<b>244.2</b>	<b>1.8</b>

The first half of 2015 overall brought occasionally contrasting developments in the **Climate Systems** segment. The area of commercial ventilation and climate control technology again proved weak in most national markets in terms of revenue and margins. On the other hand the heating technology area showed a fundamentally positive development that was also supported by favourable weather conditions in the first few months. Within this sector, condensing boiler technology again achieved the highest growth rates throughout Europe. But calorifier technology, too, enjoyed renewed growth. This could possibly be attributable to the ending of eligibility for permits of such products in the second half of 2015. The development of controlled home ventilation was moreover fundamentally positive throughout the entire first half. On the other hand the area of co-generation technology, and especially biogas plants, has been on the retreat since the second quarter. The positive signals observed since the start of the year in a number of international markets such as Spain and Italy remained in place in the second quarter. The situation in the crisis regions Russia, Ukraine and Greece continues to hamper investment propensity in many markets. Overall, the segment's revenue growth slowed slightly in the second quarter. The

companies in the Climate Systems segment grew their revenue by 2.0 % overall in the first half of the year to 177.9 million (previous year EUR 174.4 million).

In the **Gas Flue Systems** segment, revenue reached EUR 48.9 million in the first six months of the current financial year. This is up 1.7 % on the previous year (EUR 48.1 million), when the Kenyan subsidiary additionally contributed EUR 1.3 million to the segment's revenue. Revenue growth was achieved in the second quarter and was supported by virtually all companies in the segment. Despite regional variations in the product mix, growth was achieved mainly with the core products from the gas flue and air ducting technology area. The sales volume in France and especially the Netherlands grew at an above-average rate.

The **Medical Technology & Engineering Plastics** segment achieved revenue of EUR 21.8 million in the first half of 2015, a flat performance compared with the prior-year period. After a slight decline in the first quarter, Q2 revenue especially in the Medical Technology area was above the previous year's level.

## Earnings

The CENTROTEC Group achieved EBITDA of EUR 19.8 million in the first half of 2015. The increase on the prior-year figure of EUR 16.2 million is substantially attributable to the favourable exchange rate development in 2015 and the absence of the costs incurred in the previous year for the change in the group's management. Despite elevated depreciation and amortisation, earnings before interest and taxes (EBIT) were also above the prior-year figure at EUR 8.4 million (EUR 5.6 million).

The **Climate Systems** segment contributed towards the consolidated result with EBITDA of EUR 10.9 million (previous year EUR 9.9 million) as well as EBIT of EUR 3.8 million (previous year EUR 3.3 million). The positive development in exchange rates was especially marked in this segment. There were also clear benefits from the improvements implemented by the Dutch subsidiary Brink as a result of its new building. On the other side of the equation, the result was diminished by the expenses for the ISH, the industry's leading exhibition held every two years.

The **Gas Flue Systems** segment achieved the steepest earnings growth in both absolute and relative terms. It should however be taken into account that the costs from the change in the group's management structure significantly reduced the prior-year result, because the group holding company is allocated to this segment. The increased revenue volume, the initial beneficial impact of insourcing measures and the generally optimised processes were further factors in the rise in EBITDA to EUR 5.6 million (previous year EUR 3.2 million) and EBIT to EUR 2.6 million (previous year EUR 0.4 million).

In the **Medical Technology & Engineering Plastics** segment, EBITDA of EUR 3.3 million (previous year EUR 3.2 million) and EBIT of EUR 2.0 million (previous year EUR 1.9 million) were marginally above the prior-year figures. With revenue remaining virtually unchanged, this represented a slight improvement in the profit margin.

The renewed improvement in net interest amplified the rise in earnings before tax (EBT) for the group to EUR 6.8 million (previous year EUR 3.5 million) in the first half of 2015. Thanks to the better financial performance at a number of previously weaker international subsidiaries, the effective tax rate for the group was reduced, translating into an overproportionally steep rise in earnings after tax to EUR 3.8 million (previous year EUR 1.7 million). Earning per share (EPS) for the first six months came to EUR 0.23 (previous year EUR 0.12).

## Net worth and financial position

The financial position of the CENTROTEC Group changed only slightly in the first two quarters of 2015. There were no changes to the group compared with the end of 2014. In the first quarter, the CENTROTEC subsidiary Wolf signed a contract for the takeover of the Croatian climate control and ventilation equipment manufacturer PRO-KLIMA d.o.o. The acquisition was completed at the start of July and is therefore not yet reflected in the first-half figures.

The investment volume for the first six months of EUR 12.1 million was below the volume for the prior-year period (EUR 14.8 million). The biggest single investment was the acquisition of a piece of land at the Fulda location for EUR 2.1 million by the group holding company, which is reported under the Gas Flue Systems segment. All other individual investments amounted to less than one million euros and were principally aimed at renewing and optimising the production infrastructure and refining our product range. In the Climate Systems segment, the investment volume for the first six months came to EUR 5.8 million and was therefore well below the prior-year figure of 10.1 million, during which period there had been significant outlay for the new production and office building at Staphorst. In the Gas Flue Systems segment, investment including the acquisition of land by the holding company came to EUR 5.2 million (previous year EUR 3.5 million) and in the Medical Technology & Engineering Plastics segment the figure remained unchanged from the previous year at EUR 1.2 million.

The balance sheet total for the CENTROTEC Group rose from EUR 425.6 million at the end of the previous year to EUR 435.5 million (EUR 434.3 million at end of Q2 2014). There were no significant changes on the assets side of the balance sheet. Working capital rose because of seasonal factors from EUR 56.3 million at the end of 2014 to EUR 62.1 million. At the end of the first half of 2014, the corresponding figure was however a significantly higher EUR 70.1 million. The equity ratio declined from 48.9 % at the end of 2014 to 48.3 % at June 30, 2015 due to the slightly higher balance sheet total and the fundamentally lower profits at the start of the year, but this was higher than the level of 45.3 % reported at the end of the first half of 2014.

Key financial figures [EUR million]	30/06/2015	31/12/2014	30/06/2014
Balance sheet total	<b>435.5</b>	425.6	434.3
Shareholders' equity	<b>210.3</b>	207.9	196.9
Equity ratio (percent)	<b>48.3</b>	48.9	45.3
Net borrowings	<b>21.2</b>	15.5	44.7
Net working capital*	<b>62.1</b>	56.3	70.1

\*Current assets – cash and cash equivalents – current, non-interest bearing borrowings

There was a fall in borrowings of EUR 5.6 million compared with the end of 2014; the change when measured against the same point of the previous year was a much more substantial EUR 17.6 million; this item totalled EUR 75.0 million at June 30, 2015. Taking cash and cash equivalents into account, CENTROTEC had net borrowings of EUR 21.2 million at the end of the half. Compared with the end of 2014, this represents a seasonally typical rise of EUR 5.7 million. Compared with the end of the first half of 2014, net borrowings were however down by EUR 23.5 million, among other factors thanks to the lower working capital.

The first half of 2015 brought an improvement in the cash flow from operating activities to EUR 9.5 million (previous year EUR -5.6 million) mainly thanks to the higher profit, the reduced working capital and also rebates received for tax advances paid made in the previous year. The cash flow from investing activities was virtually unchanged from the previous year at EUR -12.1 million (EUR -13.4 million). Cash flow from financing activities was EUR -8.4 million in the first half of 2015. In the previous year (EUR -4.9 million) there had been a lower net outflow, including as a result of cash inflows from the financing of the new building in the Netherlands. All in all, financial resources declined by EUR 11.1 million (previous year EUR -23.9 million) in the first half.

## Employees

At June 30, 2015 the comprehensively consolidated companies of the CENTROTEC Group employed a total of 3,096 people (previous year 3,197). Expressed as full-time equivalents (FTE), the figure was 2,976 (previous year 3,081). The total included 155 temporary workers (previous year 138) at the end of the period under review. The number of full-time equivalents in the group was thus three percent lower than at the end of the first half of 2014. This decrease is mainly attributable to the sale of the Kenyan subsidiary, which latterly had 60 employees. It is also reflected in an almost eight percent drop in the employee total for the Gas Flue Systems segment. In the Climate Systems segment, the employee total was slightly down on the previous year and it showed a slight rise in the Medical Technology & Engineering Plastics segment.

Personnel expenses for the group came to EUR 80.5 million in the first half, an increase of 1.5 % on the prior-year figure of EUR 79.3 million. The personnel expenses ratio, which is calculated taking change in inventories into account, consequently rose to 32.4 % (previous year 32.1 %). When considering this development, it should be remembered that the prior-year figure included a charge of approx. EUR 1.0 million for the change in the group's management.

## Shares

In the first half of 2015 the trading price of CENTROTEC shares (WKN 540 750 or ISIN DE0005407506) moved in the range of EUR 12.85 and 15.00. From a low at the start of February, with the trading volume still relatively low the share price steadily climbed to the year-high at the end of April. Up until the end of the first half, the trading price of CENTROTEC shares then remained within a range of EUR 14 to 15, ending the half on EUR 14.22 on June 30, 2015. After the balance sheet date there were price gains until the end of June, with slightly higher trading volumes, with the trading price intermittently exceeding EUR 15.





CENTROTEC share price performance and trading volume (XETRA) from Jan to early August 2015; Source: [www.ariva.de](http://www.ariva.de)

17,666,111 no-par value ordinary shares of CENTROTEC Sustainable AG were approved for trading at Deutsche Börse at June 30, 2015. This total number of shares multiplied by the closing price of EUR 14.22 at June 30, 2015 produced market capitalisation of EUR 251 million for the CENTROTEC Group at the end of the half.

CENTROTEC is not aware of any major developments affecting its share ownership structure compared with the end of the 2014 financial year. The family of Supervisory Board Chairman Guido A Krass has remained the principal shareholder of CENTROTEC Sustainable AG since the IPO. That group aside, there are no indications that other shareholders hold a percentage interest in CENTROTEC running into double figures. Nevertheless, changes across the thresholds that trigger reporting requirements in accordance with Section 26 (1) of the German Securities Trading Act (WpHG) have been reported by institutional investors in the year to date. Detailed information of such changes is regularly updated and is available on the homepage of CENTROTEC Sustainable AG at (<http://www.centrotec.de/investor-relations/aktie/veroeffentl-26-abs-1-wphg.html>).

## Opportunities and risks

The opportunities and risks presented in the 2014 Annual Report remain valid. Nor have the assessments, the methods of risk identification and the measures derived from them for the controlling of risks changed materially compared with the view presented in the 2014 Group Management Report.

## Forecast

The overall economic and industry-specific environment has not changed significantly since the start of the year. For most of the crises, such as the conflict between Ukraine and Russia, the euro/Greece problem and unrest in extensive areas of the Arab world, there are currently no solutions in sight. Furthermore, macroeconomic performance and specifically construction activity in many European countries are still very low. This fundamentally problematic economic environment is in contrast with tentatively positive signals from a number of European markets that are relevant for CENTROTEC, such as the Netherlands and Spain. In addition, the German economy continues to grow steadily; on that basis the German heating market likewise appears to have overcome the weakness of the second half of 2014. The development of the CENTROTEC Group in the first half supports what are at least cautiously positive expectations for 2015 overall.

In this regard, compared with the previous year CENTROTEC expects to see a steady development in revenue and operating profit (EBIT) for the second half.

Brilon, August 2015

The Management Board

# COMBINED SYSTEM SOLUTIONS



**1**  
**Wolf solar thermal flat collectors:**  
high-efficiency solar collectors with an innovative absorber and effective insulation trap thermal solar energy, especially in the spring and autumn.

**2**  
**Wolf domestic technology centre:**  
the new Wolf CWL-T-300 Excellent home ventilation unit and the new Wolf heat-generating systems are not only visually matched, they also complement each other technically. The

incoming air for living areas is heated up to a comfortable temperature by a hydraulic reheating unit. This minimises heating surfaces and, in the ideal scenario, renders them altogether unnecessary. The required heating output is provided by Wolf heat-generating systems such as the BWL-1S air-to-water heat pump, the TOB oil-fired condensing boiler or the CGS-2 gas condensing boiler centre. Maximum energy efficiency is the result.

**3**  
**Wolf stratification cylinder:**  
a multifunctional calorifier such as the Wolf BSP stratification cylinder makes it possible to combine systems involving heat pumps, solar energy systems, gas and oil-fired boilers, combi-boilers, wood and pellet boilers, and electric immersion heaters. The stratification plates stabilise the temperature zones inside the tank and significantly improve the yield of the energy captured and stored there. A fresh-water station delivers convenient hot water on demand.

**4**  
**Wolf control module:**  
“smart home” says what the connected, intelligent building control system is all about. The new Wolf BM2 control module permits a joined-up approach to using heat-generating systems, integrated Wolf solar energy systems and the CWL Excellent comfort home ventilation units. With the Wolf Smartset control app, the integrated system can also be operated conveniently by smartphone over the ISM7i interface module, regardless of where the user is currently.

# Consolidated Statement of Financial Position

<b>Assets</b> in EUR thousand	<b>30/06/2015</b>	<b>31/12/2014</b>
<b>Non-current assets</b>		
Goodwill	72,073	72,072
Intangible assets	41,425	42,765
Property, plant and equipment	114,562	112,488
Financial investments accounted for using the equity method	0	0
Loans and investments	1,047	1,212
Other financial assets	9	10
Other assets	215	197
Deferred tax assets	5,517	6,582
	<b>234,848</b>	<b>235,326</b>
<b>Current assets</b>		
Inventories	61,297	61,007
Trade Receivables	67,308	48,269
Income tax receivable	2,966	2,629
Cash and cash equivalents	53,804	65,039
Other financial assets	7,988	6,964
Other assets	7,270	6,349
	<b>200,633</b>	<b>190,257</b>
<b>Assets</b>	<b>435,481</b>	<b>425,583</b>

<b>Equity and Liabilities</b> in EUR thousand	<b>30/06/2015</b>	<b>31/12/2014</b>
<b>Shareholders' equity</b>		
Share Capital	17,666	17,647
Capital reserves	35,578	35,290
Treasury stock	0	(112)
Retained earnings and profit carryforward	152,253	136,407
Profit attributable to shareholders of CENTROTEC Sustainable AG	4,046	17,690
	<b>209,543</b>	<b>206,922</b>
Non-controlling interests presented within equity	728	986
	<b>210,271</b>	<b>207,908</b>
<b>Non-current liabilities</b>		
Pension provisions	37,351	39,821
Other provisions	15,436	14,449
Financial liabilities	45,315	53,850
Other financial liabilities	643	1,618
Other liabilities	109	146
Deferred tax liabilities	11,928	12,184
	<b>110,782</b>	<b>122,068</b>
<b>Current liabilities</b>		
Other provisions	3,433	4,181
Income tax payable	2,282	2,191
Financial liabilities	29,701	26,717
Trade liabilities	27,618	24,302
Other financial liabilities	18,579	9,942
Other liabilities	32,815	28,274
	<b>114,428</b>	<b>95,607</b>
<b>Equity and Liabilities</b>	<b>435,481</b>	<b>425,583</b>

# Consolidated Income Statement

in EUR thousand	01/04/2015 30/06/2015	01/04/2014 30/06/2014	01/01/2015 30/06/2015	01/01/2014 30/06/2014
<b>Revenues</b>	<b>127,682</b>	<b>124,776</b>	<b>248,543</b>	<b>244,235</b>
Cost of purchased materials and services	(57,792)	(59,741)	(111,801)	(115,234)
Changes in inventories of finished goods and work in progress	(498)	1,524	236	3,064
Production for own fixed assets capitalised	741	708	1,475	1,246
Other income	2,840	2,183	5,758	4,050
Personnel expenses	(40,341)	(38,930)	(80,495)	(79,289)
Other expenses	(22,623)	(21,366)	(43,921)	(41,830)
<b>EBITDA</b>	<b>10,009</b>	<b>9,154</b>	<b>19,795</b>	<b>16,242</b>
Depreciation and amortisation	(5,754)	(5,336)	(11,364)	(10,646)
<b>Operating income (EBIT)</b>	<b>4,255</b>	<b>3,818</b>	<b>8,431</b>	<b>5,596</b>
Interest income	51	59	105	119
Interest expense	(870)	(1,120)	(1,717)	(2,203)
Result from equity investments	0	(6)	0	(45)
<b>Result before income taxes (EBT)</b>	<b>3,436</b>	<b>2,751</b>	<b>6,819</b>	<b>3,467</b>
Income taxes	(1,479)	(1,134)	(2,987)	(1,731)
<b>Net income (EAT)</b>	<b>1,957</b>	<b>1,617</b>	<b>3,832</b>	<b>1,736</b>
attributable to:				
non controlling interest	(101)	(103)	(214)	(327)
shareholders of CENTROTEC Sustainable AG	2,058	1,720	4,046	2,063
<b>EPS (Earnings per share in EUR)</b>				
Earnings per share (basic)	0.12	0.10	0.23	0.12
Earnings per share (diluted)	0.12	0.10	0.23	0.12
Weighted average shares outstanding (in thousand units; basic)	17,671	17,637	17,659	17,626
Weighted average shares outstanding (in thousand units; diluted)	17,671	17,806	17,722	17,739

# Consolidated Statement of Comprehensive Income

in EUR thousand	01/04/2015 30/06/2015	01/04/2014 30/06/2014	01/01/2015 30/06/2015	01/01/2014 30/06/2014
<b>Net income (EAT)</b>	<b>1,957</b>	<b>1,617</b>	<b>3,832</b>	<b>1,736</b>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange Rate differences on translation	98	35	(42)	53
Derivative financial instruments	116	(139)	(29)	(48)
Income tax relating to components of other comprehensive income	(67)	18	(23)	(4)
<b>Other comprehensive income for items that may be reclassified subsequently to profit or loss</b>	<b>147</b>	<b>(86)</b>	<b>(94)</b>	<b>1</b>
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurements of defined benefit plans	5,027	(2,066)	2,781	(3,030)
Income tax relating to components of other comprehensive income	(1,471)	643	(814)	925
<b>Other comprehensive income for items that will not be reclassified to profit or loss</b>	<b>3,556</b>	<b>(1,423)</b>	<b>1,967</b>	<b>(2,105)</b>
<b>Other comprehensive income</b>	<b>3,703</b>	<b>(1,509)</b>	<b>1,873</b>	<b>(2,104)</b>
<b>Total comprehensive income</b>	<b>5,660</b>	<b>108</b>	<b>5,705</b>	<b>(368)</b>
attributable to:				
Non controlling interest	(93)	(109)	(258)	(338)
Shareholders of CENTROTEC Sustainable AG	5,753	217	5,963	(30)

# Consolidated Statement of Cash Flows

in EUR thousand	01/01/2015 30/06/2015	01/01/2014 30/06/2014
Net income before interest and taxes (EBIT)	8,431	5,596
Depreciation and amortisation	11,364	10,646
Gain/ loss on disposal of fixed assets	(51)	(13)
Other non-cash items	1,129	2,653
Increase/ decrease in provisions	534	92
Increase/ decrease in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities	(20,822)	(16,000)
Increase/ decrease in trade payables and other liabilities that cannot be allocated to investing or financing activities	15,307	844
Interest received	97	122
Interest paid	(1,682)	(2,122)
Income tax paid	(4,968)	(7,429)
<b>Cash flow from operating activities</b>	<b>9,339</b>	<b>(5,611)</b>
Acquisition of shares in participations less net cash acquired	0	(135)
Purchase of property, plant and equipment/ intangible assets/ investments/ financial assets/ loans receivable	(12,129)	(14,316)
Proceeds from disposal of property, plant and equipment/ intangible assets/ loans receivable	141	1,024
<b>Cash flow from investing activities</b>	<b>(11,988)</b>	<b>(13,427)</b>
Proceeds from issuance of shares	373	184
Proceeds from financial liabilities	367	10,327
Repayment of financial liabilities	(5,620)	(11,859)
Dividend payment	(3,529)	(3,523)
<b>Cash flow from financing activities</b>	<b>(8,409)</b>	<b>(4,871)</b>
<b>Change in financial resources*</b>	<b>(11,058)</b>	<b>(23,909)</b>
Foreign currency exchange gain/ loss of the financial resources	227	45
Financial resources at the beginning of the financial year	54,064	59,206
Financial resources at the end of the period	43,233	35,342

\* Cash and cash equivalents deducted of credits current account

# Consolidated Statement of Changes in Equity

in EUR thousand	Share Capital	Capital reserve	Treasury stock	Stock option reserve	Income tax relating to components of other comprehensive income	Exchange Rate differences on translation	Derivative financial instruments	Retained earnings and profit carryforward	Sum other retained earnings and profit/ loss carryforward	Profit attributable to shareholders of CENTROTEC Sustainable AG	Total capital to shareholders of CENTROTEC Sustainable AG	Non controlling interest presented within equity	Consolidated equity
<b>January 1, 2015</b>	<b>17,647</b>	<b>35,290</b>	<b>(112)</b>	<b>1,943</b>	<b>87</b>	<b>(117)</b>	<b>(17)</b>	<b>134,511</b>	<b>136,407</b>	<b>17,690</b>	<b>206,922</b>	<b>986</b>	<b>207,908</b>
Transfer to revenue reserves								17,690	17,690	(17,690)			0
Change from exercise of options	19	195									214		214
Stock option plan		93		(93)					(93)				0
Dividend payment								(3,529)	(3,529)		(3,529)		(3,529)
Net income (EAT)										4,046	4,046	(214)	3,832
Other comprehensive income, net of tax					(33)	12	(29)	1,967	1,917		1,917	(44)	1,873
<b>Total comprehensive income</b>					<b>(33)</b>	<b>12</b>	<b>(29)</b>	<b>1,967</b>	<b>1,917</b>	<b>4,046</b>	<b>5,963</b>	<b>(258)</b>	<b>5,705</b>
Other changes			112					(139)	(139)		(27)		(27)
<b>June 30, 2015</b>	<b>17,666</b>	<b>35,578</b>	<b>0</b>	<b>1,850</b>	<b>54</b>	<b>(105)</b>	<b>(46)</b>	<b>150,500</b>	<b>152,253</b>	<b>4,046</b>	<b>209,543</b>	<b>728</b>	<b>210,271</b>
<b>January 1, 2014</b>	<b>17,627</b>	<b>35,031</b>	<b>(112)</b>	<b>1,980</b>	<b>131</b>	<b>(370)</b>	<b>(68)</b>	<b>120,725</b>	<b>122,398</b>	<b>24,294</b>	<b>199,238</b>	<b>1,189</b>	<b>200,427</b>
Transfer to revenue reserves								24,294	24,294	(24,294)			0
Change from exercise of options	18	165									183		183
Stock option plan		77		(32)					(32)		45		45
Dividend payment								(3,523)	(3,523)		(3,523)		(3,523)
Net income (EAT)										2,063	2,063	(327)	1,736
Other comprehensive income, net of tax					(4)	64	(48)	(2,105)	(2,093)		(2,093)	(11)	(2,104)
<b>Total comprehensive income</b>					<b>(4)</b>	<b>64</b>	<b>(48)</b>	<b>(2,105)</b>	<b>(2,093)</b>	<b>2,063</b>	<b>(30)</b>	<b>(338)</b>	<b>(368)</b>
Other changes												140	140
<b>June 30, 2014</b>	<b>17,645</b>	<b>35,273</b>	<b>(112)</b>	<b>1,948</b>	<b>127</b>	<b>(306)</b>	<b>(116)</b>	<b>139,391</b>	<b>141,044</b>	<b>2,063</b>	<b>195,913</b>	<b>991</b>	<b>196,904</b>



# COMBINED SYSTEM SOLUTIONS



1

## **Wolf solar thermal flat collectors:**

high-efficiency solar collectors with an innovative absorber and effective insulation trap thermal solar energy, especially in the spring and autumn.

2

## **Wolf domestic technology centre:**

the new Wolf CWL-T-300 Excellent home ventilation unit and the new Wolf heat-generating systems are not only visually matched, they also complement each other technically. The

incoming air for living areas is heated up to a comfortable temperature by a hydraulic reheating unit. This minimises heating surfaces and, in the ideal scenario, renders them altogether unnecessary. The required heating output is provided by Wolf heat-generating systems such as the BWL-1S air-to-water heat pump, the TOB oil-fired condensing boiler or the CGS-2 gas condensing boiler centre. Maximum energy efficiency is the result.

3

## **Wolf stratification cylinder:**

a multifunctional calorifier such as the Wolf BSP stratification cylinder makes it possible to combine systems involving heat pumps, solar energy systems, gas and oil-fired boilers, combi-boilers, wood and pellet boilers, and electric immersion heaters. The stratification plates stabilise the temperature zones inside the tank and significantly improve the yield of the energy captured and stored there. A fresh-water station delivers convenient hot water on demand.

4

## **Wolf control module:**

“smart home” says what the connected, intelligent building control system is all about. The new Wolf BM2 control module permits a joined-up approach to using heat-generating systems, integrated Wolf solar energy systems and the CWL Excellent comfort home ventilation units. With the Wolf Smartset control app, the integrated system can also be operated conveniently by smartphone over the ISM7i interface module, regardless of where the user is currently.

# Consolidated Segment Reporting (Part of the Notes)

Segment Structure in EUR thousand	Climate Systems		Gas Flue Systems		Medical Technology & Engineering Plastics		Consolidation		TOTAL	
	01/01/2015 30/06/2015	01/01/2014 30/06/2014	01/01/2015 30/06/2015	01/01/2014 30/06/2014	01/01/2015 30/06/2015	01/01/2014 30/06/2014	01/01/2015 30/06/2015	01/01/2014 30/06/2014	01/01/2015 30/06/2015	01/01/2014 30/06/2014
<b>Income Statement</b>										
Revenue from third parties	177,863	174,363	48,897	48,074	21,783	21,798	0	0	248,543	244,235
Revenue from other segments	909	820	3,473	3,110	211	106	(4,593)	(4,036)	0	0
Cost of purchased materials	(86,020)	(88,414)	(23,350)	(23,522)	(7,036)	(7,336)	4,605	4,038	(111,801)	(115,234)
Changes in inventories of finished goods and work in progress	26	3,014	329	97	(119)	(47)	0	0	236	3,064
Personnel expenses	(56,783)	(55,408)	(15,428)	(15,876)	(8,284)	(8,005)	0	0	(80,495)	(79,289)
Other expenses and income	(25,071)	(24,464)	(8,357)	(8,705)	(3,260)	(3,363)	0	(2)	(36,688)	(36,534)
<b>EBITDA</b>	<b>10,924</b>	<b>9,911</b>	<b>5,564</b>	<b>3,178</b>	<b>3,295</b>	<b>3,153</b>	<b>12</b>	<b>0</b>	<b>19,795</b>	<b>16,242</b>
Depreciation and amortisation	(7,108)	(6,625)	(2,977)	(2,791)	(1,279)	(1,230)	0	0	(11,364)	(10,646)
<b>Segment result (EBIT)</b>	<b>3,816</b>	<b>3,286</b>	<b>2,587</b>	<b>387</b>	<b>2,016</b>	<b>1,923</b>	<b>12</b>	<b>0</b>	<b>8,431</b>	<b>5,596</b>
Interest income	94	96	160	166	0	0	(149)	(143)	105	119
Interest expense	(1,121)	(1,295)	(417)	(673)	(328)	(378)	149	143	(1,717)	(2,203)
Result from equity investments	0	0	0	(45)	0	0	0	0	0	(45)
<b>EBT</b>	<b>2,789</b>	<b>2,087</b>	<b>2,330</b>	<b>(165)</b>	<b>1,688</b>	<b>1,545</b>	<b>12</b>	<b>0</b>	<b>6,819</b>	<b>3,467</b>
<b>Balance sheet key figures*</b>										
Assets**	283,773	270,156	97,632	101,956	44,593	43,107	(47)	(59)	425,951	415,160
Financial investments accounted for using the equity method	0	0	0	0	0	0	0	0	0	0
Loans and investmens	1,047	1,212	0	0	0	0	0	0	1,047	1,212
Net working capital	32,946	28,544	15,224	14,152	13,982	13,694	(50)	(62)	62,102	56,328
<b>Investments</b>										
Total investments in property, plant, equipment and intangible assets***	5,768	10,052	5,195	3,531	1,161	1,235	0	0	12,124	14,818

\* Previous year is related to December 31, 2014

\*\* Excl. financial investments accounted for using the equity method, loans and investments, income tax receivables as well as deferred tax assets

\*\*\* Incl. goodwill and figures out of business combinations

# Notes to the Consolidated Financial Statements

## Corporate information

The CENTROTEC Group – hereinafter also referred to as CENTROTEC – is an international group focusing on the development, manufacturing and sale of system solutions that promote energy efficiency and use renewable energies in buildings. In addition to its existing business activities, CENTROTEC regards its business purpose as including the establishment and acquisition of new business areas and companies.

The group parent, CENTROTEC Sustainable AG with registered office in Brilon, is listed on the Frankfurt Stock Exchange under the stock exchange codes CEV, WKN 540750 and ISIN DE 0005407506. It is entered on the Commercial Register of the Local Court of Arnsberg, Germany, under the number HRB 2161. The company's head office is located at Am Patbergschen Dorn 9, 59929 Brilon, Germany. CENTROTEC Sustainable AG is not part of a superordinate group, and is the ultimate parent company of the group presented in these Interim Financial Statements. Further financial and corporate information on CENTROTEC is available from the above address, or on the homepage [www.centrotec.de](http://www.centrotec.de).

## Accounting standards and policies

These Interim Financial Statements at June 30, 2015 have been prepared in accordance with the International Financial Reporting Standards (IFRS) for interim financial reporting issued by the International Accounting Standards Board (IASB), as adopted within the European Union (EU), taking account of Section 315a (1) of German Commercial Code. All IFRS standards, and in particular IAS 34 (Interim Financial Reporting), that were valid at the reporting date and the adoption of which was mandatory at that date, have been applied. The accounting policies explained in the Consolidated Financial Statements for 2014 have likewise been applied in these Interim Financial Statements, except in the case of amendments to standards to be adopted for the first time, and apply correspondingly. The First-Half Report should therefore be read in conjunction with the audited Consolidated Financial Statements at December 31, 2014. These Interim Financial Statements and the Interim Management Report have not been audited in accordance with Section 317 of German Commercial Code, nor have they been subjected to any scrutiny by an independent auditor.

The first-half reporting date for all companies included in the Interim Consolidated Financial Statements is June 30, 2015. The financial statements have been prepared in euros; unless otherwise indicated, the amounts quoted are in thousand euros (EUR thousand). For mathematical reasons, there may be rounding differences of +/- one unit.

The Management Board points out that the future-related statements made in the Interim Financial Statements are based on current expectations, assumptions and estimates. These statements are not to be interpreted as guarantees that the forecasts made will prove correct. Rather, future developments and occurrences are dependent on a wide range of factors that are subject to risks and uncertainties, the influencing factors of which may lie outside the sphere of influence of CENTROTEC. Actual developments may therefore depart from any implicit or explicit future-related statements made.

### Corporate and investment structure

The business activities of CENTROTEC are classified according to the segments Climate Systems, Gas Flue Systems, and Medical Technology & Engineering Plastics. All direct and indirect subsidiaries of the parent company and group parent are included in the Consolidated Financial Statements of CENTROTEC. There have been no changes in consolidation since the annual financial statements at December 31, 2014.

### Notes to the interim financial statements

- Recognition and measurement aspects

Detailed notes on the income statement, balance sheet and cash flow statement can be found in the section "Earnings" and the section "Net worth and financial position" of the Interim Group Management Report.

- Related party disclosures

Within CENTROTEC, goods and services are purchased by a large number of business partners. They are also supplied by or to persons or companies who can be classified as related parties. Transactions with these persons or companies are conducted at arm's length. Transactions with related parties were presented comprehensively in the Consolidated Financial Statements for 2014. All reciprocated services such as the use of infrastructure are billed on generally accepted market terms (arm's length principle).

- Reportable security holdings and options

The totals of reportable shares and stock options at June 30, 2015 are shown in the following table.

<b>Management Board</b>	<b>Shares</b>	<b>Options</b>
Dr Thomas Kneip	0	0
Dr Christoph Traxler	0	67,159

  

<b>Supervisory Board</b>	<b>Shares</b>	<b>Options</b>
Guido A Krass	2,400,000	0
Dr Bernhard Heiss	77,340	0
Christian C Pochtler, MA	0	0

  

<b>CENTROTEC</b>	<b>Shares</b>	<b>Options</b>
Ordinary shares	17,666,111	0
Treasury stock	0	0

- Contingent liabilities

There has been no significant change in contingent liabilities since the balance sheet date of December 31, 2014.

- Dividend payments

In May a dividend of EUR 0.20 (previous year EUR 0.20) per dividend-bearing share was distributed for the 2014 financial year.

- Change in the capital stock and the number of shares

19,586 options were exercised in the second quarter on the basis of the stock options scheme. As a result, the capital stock rose by EUR 19,586 or 19,586 shares to a present EUR 17,666,111, divided into 17,666,111 ordinary shares.

## Significant events occurring after the first-half reporting date

The takeover of the Croatian climate control and ventilation equipment manufacturer PRO-KLIMA d.o.o. by Wolf GmbH, envisaged in the first quarter, was completed with effect from July 1, 2015. The provisional purchase price is a little over EUR 7 million. This company, based in Samobor near Zagreb, is market leader in Croatia and also exports 55 % of its production to neighbouring countries in Southeast Europe, in particular to Austria, Germany and Russia. PRO-KLIMA generated revenue of around EUR 13 million last year. The acquisition gives CENTROTEC access to a market in which it has hitherto had only a minor presence. In addition PRO-KLIMA's highly versatile, Eurovent-certified range of climate control equipment ideally complements the group's existing product portfolio. Comprehensive consolidation will take effect in the third quarter. Because the compiling of the data for the application of IFRS 3 had not yet been completed at the time the deal was approved or because data is not yet available, no further disclosures pursuant to IFRS 3B66 can be made at this stage.

## Management Board and Supervisory Board

- The members of the Management Board at the reporting date were:

Dr Thomas Kneip, Regensburg, Germany, merchant, CFO

Dr Christoph Traxler, Fulda, Germany, physicist

- The members of the Supervisory Board at the reporting date were:

Guido A Krass, Oberwil-Lieli, Switzerland, entrepreneur (Chairman)

Dr Bernhard Heiss, Munich, Germany, lawyer

Christian C Pochtler, MA, Vienna, Austria, entrepreneur

## Other particulars

- Corporate Governance Code

The Management Board and Supervisory Board of CENTROTEC Sustainable AG have, pursuant to Section 161 of German Stock Corporation Law, declared the extent to which they have complied with and will comply with the recommendations of the Government Commission on the German Corporate Governance Code. The regularly submitted declarations and explanations are permanently available on the website of CENTROTEC Sustainable AG.

Brilon, August 2015

# GAS FLUE SYSTEM CASCADES/ MULTI-BOILER SYSTEMS ENERGY-SAVING LARGE BOILERS



**1**  
**Centrotherm/Ubbink gas flue systems for multi-boiler systems:**

a condensate return is integrated into every element connecting with the gas flue pipe in the common flue shaft. This prevents the flue gases from other boilers from reaching the room.

**2**  
**Wolf MGK-2 midsize condensing boiler range for gas:**

this midsize range of condensing boilers for gas features nine sizes, from 23 to 630 kW. Thanks to its quiet running and compact dimensions, the MGK-2 is especially suitable as a part of an efficient refurbishment project or in the renovation of older building stock, and is a very attractive solution in terms of economy.

**3**  
**Centrotherm/Ubbink cascade gas flue system:**

cascades connect several boilers installed in a single room with a common gas flue system. Centrotherm/Ubbink offer systems that prevent the flue gas from flowing back into other boilers.

## Responsibility Statement by the Management

In accordance with the German Securities Trading Act (WpHG) in conjunction with German Commercial Code (HGB), the Management Board declares:

“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.”

The Management Board

Brilon, August 13, 2015



## Financial Calendar 2015

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August 13

Publication of First Half Year Report

November 12

Publication of Q3 2015 Quarterly Report

November 23 – 25

German Equity Forum, Frankfurt am Main

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