

# BIG ENOUGH TO COMPETE – SMALL ENOUGH TO CARE.

INTERIM GROUP  
REPORT  
1st. HY 2017/2018

# Interim Report 1st. Half Year 2017/2018

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# Interim Group Management Report: 1. Group's Principles

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## Business plan

During these past years, FORTEC successively developed to an international established trading company and is nowadays systems' supplier for manufacturers of industrial high-tech-products; thus part of the international added-value commercial chain. Being represented at various production sites namely in the Far East as well as for European clientele, FORTEC possesses an interesting market segment – thus continuously growing by its engineering services i.e. appropriate soft –and hardware developments – and being the expert supplier for customer-specific product solutions.

Its target customers are high-tech companies of long-term and predictable positioning, especially in the growing market segments of industrial automation, informative technologies, security, medicine and automotive; also focusing to interesting niche markets like railway and transportation.

For more than 30 years, FORTEC has been more than successful in sales and results with its proved business model. Exceeding activities in the design of complete sub-systems based on proper technologies make us even more independent and competitive within the global business field.

The group actually covers two very attractive segments of high-quality electronics. FORTEC is market leader in the German-speaking countries in its segments industrial power-supplies and datavisualisation. Moreover, FORTEC now possesses a potential subsidiary within the Anglo-American region.

In the field of power supplies, FORTEC domains completely open-frame boards and DC/DC converters produced as standard units in the Far East and/or modifies these units in Germany ranging to tailor-made and user-specific developments for niche markets.

When connecting the product segments of display technology and embedded computer technology to create an Embedded Solution System, FORTEC additionally offers complex solutions for an attractive domain. Its marketing starts with delivery of system-proved and tested standard kits, accompanied by customers' service in hard- and software with the sale of standard units and ends in specific customer development and product solutions.

The reason of FORTEC's success is a large number of customer business relations lasting for years.

Its distribution strategy is to find partnerships with top-clientele preferable market leaders in special segment. FORTEC's competence is efficient support in application, clientele tailor-made products – and last not least complete development for customers of the large-scale industry as well as for those with smaller and/or medium order volume.

The successful company of Emtron (Nauheim) – also 100% subsidiary of FORTEC – is specialized in exclusive products of power supplies; it is represented directly and indirectly in the markets in Germany, Austria, Switzerland and the Netherlands. Business in England and the U.S.A. is to be expanded by the foreign subsidiaries of Data Display.

In Germany, our various regional offices provide local customer service. In addition, we have a sales office in Austria; and in Switzerland we are represented by ALTRAC, also a 100% FORTEC subsidiary. In the Benelux, we are represented by a Dutch trading company (36.6%) as well as in England by Data Display's foreign subsidiary (Display Technology Ltd.) and in the U.S.A. (Apollo Display Technologies Corp.) and by Autronic's subsidiary (Alltronics.r.o.) in the Czech Republic.

Target clientele are mainly manufacturers in the field of industry automation, medicine technology and providers in the segment of railway and security instruments in the German-speaking countries but also in the European

and American market. With this portfolio, FORTEC thus covers the fields of health, information, security and mobility as well as build-up and extension of industrial manufacture.

### Research and Development

Our big competence is to provide customer-related technology and development in combination with effective marketing and sales at site. Our present customer-orientated know-how in the field of development by our 100% subsidiaries Rotec and Autronic is widened by appropriate activities of approx. 1.5 million p.a. of Distec GmbH, a subsidiary of Data Display.

Besides the classic product development, this also applies to further processing of production technologies – especially the vacuum technology as latest generation of optical bonding technologies as well as the trend to haptic functions as concerns touch-screens.

Due to our current improved and enlarged product portfolio, our strategy is to continuously achieve profitable margins by own added-value, which, after cost deduction, still allows a reasonable interest rate of the company capital.

## Interim Group Management Report: 2. Economic Report

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The *general economic conditions* continue to be dynamic and sturdy. There are economic political risks caused by the new alignment of the US trade policy and the negotiations of Great Britain's exit out of the European Union.

Based on the tail wind of the strong second half year of BY 2016/17, the *course of business* during BY 2017/18 started with a record result in first quarter. As concerns sales, the second quarter i.e. compared period of last year was weaker than the first one; reasons were – among others beginning delays in delivery of suppliers.

The total revenue of first half year of BY 2017/2018 was same as last year: 37.0million EUR (PY 37.0million EUR).

The group's total revenue consists of 24.4 million EUR (PY 23.4 million EUR) in the segment data visualisation and 12.7 million EUR (PY 13.6 million EUR) in power supplies.

The other operative income slightly decreased from 635 TEUR to 621 TEUR.

Compared to last year, the goods and material employed raised from 26.0 million EUR to 26.2 million EUR. Because of the actual delivery situation, inventories were raised to comply with customers' orders on short notice. Therefore, raw margin slightly decreased to 29.2% (PY 29.8%).

The expenses for personnel decreased from 6.1 million EUR last year to now 5.9 million EUR. The relevant quota was 15.9% (PY 16.4%).

The depreciation of assets slightly increased to 285 TEUR (PY 258TEUR).

Other operative expenses considerably decreased to 3.2 million EUR compared to last year of 3.6 million EUR.

Important *financial indicator* is the EBIT-margin from operative business without income from investment. The group's result consists of 2.0 million EUR (PY 1.2 million EUR) in the field of data visualisation and 0.6 million EUR (PY 0.8 million EUR) in power supplies.

Thus, the company's total result of both segments increased from 1.9 million EUR to 2.6 million EUR. The EBIT margin improved from 5.1% to 7.0%.

Compared to first half of BY 2016/17, the period's net income increased by 413 TEUR in first half of BY 2017/18.

The profit margin after tax increased from 4.0% to 5.1%.

The result per share rose from 0.51 EUR last year to now 0.64 EUR.

The company's *financial situation* is considered to be extraordinary and, compared to companies of similar business line, persuaded again by an equity capital higher than above-average of 29.4 million EUR – i.e. a capital quota of 71.7%.

The total assets at balance sum are 41.0 million EUR (PY 40.4 million EUR); the *long-term assets* amount to 8.4 million EUR (PY 8.0 million EUR).

This includes the goodwill of the acquisition of subsidiaries of 5.1 million EUR (PY 5.2 million EUR).

Intangible assets, tangible assets, financial assets and long-term receivables rise to 3.1 million EUR (PY 2.6 million EUR) because of the estate purchase at Emtron.

*Short-term assets* amount to 20.7 million EUR (PY 17.5 million EUR); value of stock amounts to 50,6% (PY 43,4%) – representing the biggest item in balance, followed by receivables from deliveries and service of 5.2 million EUR (PY 7.1 million EUR) and cash of 5.3 million EUR (PY 5.7 million EUR), mainly due to the subsidiary of Data Display / Distec.

Long-term obligations to banks could be reduced by amortisation to 3.3 million EUR. Because of a customs' proceeding and a larger customer's payment, other obligation increased to 2.3 million EUR at due date.

As far as the group concerns, *non-financial indicators* are important facts of success such as employees, long-term contacts to suppliers and customers. For many years, we have employees supported in their responsibility and endeavor for efficiency.

Over centuries, our stable business is based on a long-term and close co-operation with selected suppliers. This assures benefit to many of our customers over all these years and further adds up to our business success.

The company holds on to the *ecological significance* in its operative business. Currently, an internal project in production is being developed to initiate tablets in order to avoid paper.

## Interim Group Management Report: 3. Forecast Report

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The explanations as concerns the future course of business are based on our expectations, which we consider realistic due to the actual information. Those, however, are unsecure and bear a certain risk to may influence the forecasted development.

The economy in the EUR zone as well as the world's economy continues to grow on a solid basis and actual forecasts show a further positive trend. Therefore, we expect a continuous positive course of our BY 2017/18. A solid basis is our order backlog of 40 million EUR per 31.12.2017.

Actual longer times of delivery of electronic components require a long-term planning. Effects on the current BY cannot entirely be excluded.

As long-term prospects are considered positive, we intend – during BY 2017/18 to further push a qualified growth and to recruit additional sales personnel to achieve more project business of higher value at our customers at site. Furthermore, investment is made for a new building to increase the stock capacities in order to be able to faster serve the market's requirements with new products and, in the long run, thus gain organic sales growth. In addition, new innovative internet-compatible own products for the market IoT (Internet of Things) are being developed; thus offering further chances in growth – yet facing an intensive competition.

**Short-term assets** amount to 20.7 million EUR (PY 17.5 million EUR); value of stock is 50.6% i.e. biggest item in balance sum (PY 43.4%), followed by receivables from deliveries and service of 5.2 million EUR (PY 7.1 million EUR) and cash of 5.3 million EUR (PY 5.7 million EUR), mainly due to the subsidiary of Distec.

Based on the course of business in first half year and the existing measure, we hold on to our prognosis as concerns the forecast of a stable sales development and a positive EBIT.

For more than 30 years and based on our business policy proven during many years, we succeeded to make profit year by year without having one single year of loss. However, there is no guarantee for the future – yet we are confident that based on our business mix of distribution, development, production and solutions, we continue to be successful for the future and that a continuous long-term growth is possible.

## Interim Group Management Report: 4. Risk Report and Opportunities

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The risks mentioned in categories below could influence our entire company (total risk), our financial situation (financial risk) and our profitability (profit risk). Further risks are that of personnel and technique; we have to continuously face these risks. These risks are not definite, however others may appear, which we neither know at present, nor consider as important.

The listing of risks is not final; additional risk could arise, that are not reported or relevant at present.

Risks that could endanger the company as a whole, are not reported from today's point of view. The substantial risk of the company's doom is not determined at this time.

**Balance risks** as regards finances at balance day e.g. receivables from deliveries and productivity have been considered by appropriate depreciation and accruals. An evaluation as concerns figures is given in "notes to consolidated financial statements" (Tz.15 Annual Business Report 2016/17). At balance day, the evaluation of these risks was made to our best knowledge, yet could not be sufficient in total.

Substantial **elementary risks** are covered by considerable insurances and are thoroughly checked each year; in special cases it may not be sufficient.

Potential risks for both segments which have to be taken into consideration to exist within the market are the risks of distribution, products and marketing as well as the dependency from other suppliers.

Another enormous risk - yet not to be underestimated - is the **system-related risk** of the close co-operation with only few strategic partners in our product portfolio. Already a change in personnel could lead to the loss of an existent and successful business co-operation and this mainly in view of suppliers in the Far East with whom there are often relationships for many years and even of private matter.

For centuries, the market of the professional electronic industry is dominated by a continuous decrease of prices at same service respectively by technical service above average at constant prices. Although in the past, we managed to deal with this risk, it is not guaranteed that there may be losses in the future because of this price-related risk.

A considerable *profit-related risk* is disposition of stock. In spite of a multi-stage purchasing process, wrong planning could result in considerable losses because there is a continuous trend to local suppliers. The risk to have unsellable merchandise on stock, is not only the result of false material planning, but also depends on the different quality standards set by customers and producers. Mainly, the important fact is that of configuration of the merchandise with origin Far East as well as the political EU requirements as to its contents and its usage.

Compared to a few years ago, the product liability is an increasing risk to the company which is controlled and defined by choice of suppliers and their ratings. However, as concerns different quality standards, frauds and/or criminal actions of suppliers, we - as importer/supplier - are liable towards our customers.

A yet steady growing risk is the customers' requirements as concerns a prolonged time of warranty and the usual terms of suppliers' contract. During these past years, the clientele started to develop a certain aggressiveness for claims which is obviously against and at expense of the supplier. Claims resulting of a supplier's contract may accelerate considerably the delivered product value; resulting in more legal proceedings including corresponding risk.

Bad credit worthiness of customers is dealt with examination of their solvency in combination with a respective commercial credit insurance.

Our success in the market also strongly depends on intensive and years of experience of our personnel (personnel risk). A big change in staff, yet especially of key-persons would definitely endanger our current success. An extraordinary challenge to be met is the recruiting of new personnel – facing a considerable lack of qualified persons – as well as showing attractiveness as employer within a regional field of fulltime employment.

A big question would endanger our business model as importer of technical high-quality products i.e. the change in clientele's behaviour to no longer produce in Middle Europe and turn to local suppliers. The same effect would have the behaviour of our suppliers to sell directly via internet to industrial clientele and not any more within their distribution channels. Another negative aspect could be a concentration process expected from the supplier's side which could involve – in worst case – a contract cancellation towards the supplier. In addition, similar effects could arise if the costs decrease because of the reduction of margins due to competitor's information available to all customers via internet. This basically influences the costs of personnel applied in the German-speaking area.

The *technical risk* involves the EDP – networking of the entire group. A possible break-down or a serious interference in the computer system could cause enormous damage to the company. An abuse by externals or internals – in spite of security measures - especially theft of information, business interruptions or IT – system-breakouts or insufficient means for data security could extremely endanger the company.

*Foreign currency risks* are excluded, if possible, in case of larger projects, by invoicing directly in the relevant currency. However, there could be negative impulses on our company in normal business especially due to a further change of the Dollar and Yen parity as well as fluctuations of the Swiss Franc towards Euro, Dollar and Yen, which due to market specific conditions cannot be protected.

The existing growth strategy of the group not only involved organic increase but also company acquisitions. Here, the figure above "net asset value" is balanced as goodwill and checked each year as to its recoverability. If the expectations of the company purchased are not met and/or – as a consequence of economic unstableness – the expected cash-flow result cannot be achieved, then depreciations in the group's balance as per IFRS have to be done. The actual goodwill amounts to 5.1 million EUR (PY 5.2 million EUR).

Further risks are based on the acquisition of the Data Display Group together with its development, production and subsidiaries in England and the U.S.A. extensive development and production involve the higher risk (item: fix costs) not being flexible any more towards market fluctuations. Due to distances and different mentality in the U.S.A, the acquisition of Data Display GmbH with its US subsidiary involves the risk for eventual foreign losses.

Besides risks, there are *new chances* as well. New market chances outside the German-speaking region, were realised by the purchase of Data Display Group and their companies in England and the U.S.A.

For FORTEC as a technology company, there are *product's opportunities* also by own products and services within the field of displays, touch-solutions according to optical bonding as well as high-quality industry monitors.

Furthermore and based on a profound evaluation of product as well as market chances, the board will take measures as regards product portfolio, marketing and sales as well as financial means and resources which may involve potential risk.

## Interim Group Management Report: 5. Risk Management

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The risk management system of the FORTEC group assures that the daily business transactions may not be endangered by well-known and/or new risks to be made transparent and thus be controlled and/or even avoided.

The risk management is part of the management system enabling to recognise risks and limit their consequences as much as possible.

The risk management is a continuous task. Therefore, it is necessary to involve all personnel and especially the persons-in-charge to recognize any possible company risks.

Considering the standards of risk analysis made by CEO of the individual FORTEC companies, appropriate measures were taken and responsible persons-in-charge appointed.

Controlled by quarterly risk reporting, the management (CEO) is informed regularly of the actual state of risk, however also being updated of a sudden risk at any time.

The formal implement of the risk management system will be of help; more important however, is a continuous sensitising of all personnel for any possible risks and their immediate handling.

Goal of the risk management is that any possible risk is immediately recognized by personnel and/or the persons-in-charge before any company damage may occur and to try to find an appropriate and in-time solution by the responsible personnel as well as persons-in-charge.

This *internal control and risk management as concerns the process of invoicing* is an integral part of all processes of the FORTEC group and is based on a global system of risk identification, its evaluation as well as its controlling. The board of directors holds sole responsibility for control and risk management. Active monitoring is to support its identification, evaluation and processing within the specific business sectors of the FORTEC AG and its subsidiaries.

Relevant information especially about organisation and its process may be referred in the current QA-manual.

Monthly statements of the FORTEC AG and its subsidiaries help to recognize in time any changes as concerns order incomes, order backlog, stock as well as turnover and consequently, take necessary steps as to sales, the

raw margin and costs. A planning of solvencies is examined weekly; the value of receivables, especially those of the debtors is controlled regularly. The value of share holdings is controlled once a year by a so-called impairment test and corrected if necessary.

The measures of the internal control system assure the correctness and reliability of the group's invoice proceedings, which, in accordance with legal regulations, is covered in proper form and in time; furthermore, inventory is made correctly and group's assets and depths are listed and evaluated appropriately. It is guaranteed that balance documents provide reliable and understandable information in spite of functional cut-offs and/or controlsprocedures.

The group's auditor and others e.g. the tax auditor, the customs auditor and the auditor of social assurance use process independent controlling. Especially as regards the group's final balancing process, a specific autonomous monitoring is applied at issue of the group's invoice and balancing procedure.

## Interim Group Management Report: 6. Risk Reporting as concerns the Application of Financial Instruments

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The company's existing financial instruments are: bank account, assets, suppliers' credits as well as receivables, etc. The company consists of a solvent and credit-worthiness clientele which is secured by a goods' credit insurance starting at EUR 10.000 in case of merchandise deliveries below DAX 30 index fixed companies. The losses in receivables to an extent that may endanger the company are not expected.

Liabilities are paid within payment terms. A long-term bank loan was taken at a favourable interest rate.

Goal of the finance and risk management is to ensure the company's success against any kind of financial risks. Possible risks of price changes which may exist in a potential loss due to negative changes of market prices or price-relevant parameters, will be minimised by contractual agreements.

For protection of risks in liquidity, a regular survey of cash-receipt and cash-payments are made. To minimise these risks, the company possesses an appropriate debtors' account management.

## Interim Group Management Report: 7. Overview - Risks and Opportunities

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Being a technology company, we - from the managers' point of view -foresee a majority in opportunities for the future development of the company comparing risk against opportunities. Although company risk continuous raise, requirements as concerns products permanently increase and the products' life-cycle even diminishes, we assume that our market will altogether develop in a positive way - especially by industry 4.0 as part Internet of Things (IoT).

## Interim Group Management Report: 8. Further Information as per § 315 Clause 2 and 4 HGB

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The *number of shares* is 2.954.943 at a nominal value of 1 EUR. At present, there is no limited or proved capital, nor any program for repurchase of stock.

The signed capital is exclusively common stock drawn by bondholders who are entitled to vote. There are neither limitations as concerns the right to vote nor purchase.

Appointment and dismissal of the board is in accordance with legal regulations (§§ 84, 85 AktG). The *compensation plan of the company's board of managers* breaks down to a fix and a variable part which depends on achieved EBIT resp. year's profit before tax. On February 16, 2017, the general shareholders board decided, that the required statements in the financial report can be omitted as per § 285 No. 9a phrase 5-9 HGB.

In case of a change in control due to a take-over, essential suppliers' contracts may be cancelled. This risk exists if a contractual supplier may fear the interruption by a competitor.

Alterations of articles of the association require a majority of board votes of 75%.

Further information according to § 315 par. 5 HGB is given in the group's annex.

## Interim Group Management Report: 9. Statement of the Company's Management according to § 315 Clause 4 in conjunction with § 289 a HGB

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Responsible and long-term orientated added-value of business management is the leading task of FORTEC Elektronik AG (FORTEC). Based on this declaration, CEO reports about business management in accordance with § 289 paragraph 1 HGB.

FORTEC's business management is, by great means, dominated by self-responsibility and ethnic conduct of every single employee and/or person-in-charge taken into consideration the legal requirements and internal procedure information.

The business management of FORTEC as a German AG noted at stock exchange is defined by the AG-law and its restrictions as concerns the "Deutsche Corporate Governance Codex" at its current edition. On February 26, 2002, the German government published the "Deutsche Corporate Governance Codex". Its edition published on February 7th, 2017 defines essential regulations as concerns the management and control of German stock exchange noted companies and includes international and national standards of good and responsible business management. Goal of these standards is to inform about German regulations in order to strengthen business confidence of international and national investors, customers, employees and the public opinion as concerns business management of German companies.

Board of managers and directors of FORTEC herewith declare to have done this declaration in accordance with § 161 AktG after serious examination; this document may be referred to by stock/share-holders of the company at its website.

Landsberg/Germany, March 22nd, 2018

Sandra Maile  
Board Member (Speaker)

Bernhard Staller  
Board Member

Jörg Traum  
Board Member



# Consolidated Statement of Comprehensive Income 1st. HY per 31.12.2017

uncertified, according to IAS/IFRS

in Euro	Consolidated P&L 01.07.17-31.12.17	Consolidated P&L 01.07.16-31.12.16
<b>Sales revenue</b>	<b>37.005.541</b>	<b>37.048.634</b>
Increase of stock: unfinished products	512.682	131.883
Other operative income	620.669	634.901
Material expenses	26.200.825	26.001.663
Personnel expenses	5.874.825	6.080.271
Depreciation	284.649	257.514
Other operative expenses	3.205.197	3.582.187
<b>Operating result (EBIT)</b>	<b>2.573.463</b>	<b>1.893.783</b>
Income from investments	-	148.038
Other interest and similar income/expenses	-21.331	-26.925
Tax from income and revenue	646.639	522.352
<b>Period's net income</b>	<b>1.905.494</b>	<b>1.492.544</b>
Other result*	-513.132	67.392
<b>Total result</b>	<b>1.392.362</b>	<b>1.559.936</b>
Earning per share	0,64	0,51
Shares in total	2.954.943	2.954.943

\*Other result exclusively includes success-neutral currency exchange differences.

# Consolidated Statement of Comprehensive Income Q2 per 31.12.2017

uncertified, according to IAS/IFRS

in Euro	Consolidated P&L 01.10.17-31.12.17	Consolidated P&L 01.10.16-31.12.16
<b>Sales revenues</b>	<b>17.387.827</b>	<b>18.635.638</b>
Increase of stock: unfinished products	189.557	131.883
Other operative income	257.075	256.635
Material expenses	12.296.428	13.207.724
Personnel expenses	2.957.043	3.062.791
Depreciation	144.782	127.701
Other operative expenses	1.574.797	1.790.271
<b>Operating result (EBIT)</b>	<b>861.408</b>	<b>835.669</b>
Income from investments	-	148.038
Other interest and similar income/expenses	-14.957	-14.508
Tax from income and revenue	133.241	229.557
<b>Period's net income</b>	<b>713.209</b>	<b>739.642</b>
Other result*	-179.061	75.704
<b>Total result</b>	<b>534.148</b>	<b>815.346</b>
Earning per share	0,24	0,25
Shares in total	2.954.943	2.954.943

\*Other result exclusively includes success-neutral currency exchange differences.

## Consolidated Statement of Changes in Equity per 31.12.2017

in Euro	Subscribed capital	Capital-reserve	Exchange rate differences	Other reserves		Total	Non controlled shares	Total company capital
				Market evaluation reserve	Profit reserve/ carried forward			
<b>Balance 01.07.2016</b>	<b>2.954.943.</b>	<b>8.689.364</b>	<b>1.394.143</b>		<b>12.911.546</b>	<b>25.949.996</b>		<b>25.949.996</b>
Period's net income					1.492.544			1.492.544
Change „other result“			67.392			67.392		67.392
Dividend payments								0
<b>Balance 31.12.2016</b>	<b>2.954.943</b>	<b>8.689.364</b>	<b>1.461.535</b>		<b>14.404.090</b>	<b>27.509.932</b>		<b>27.509.932</b>
<b>Balance 01.07.2017</b>	<b>2.954.943</b>	<b>8.689.364</b>	<b>976.883</b>		<b>15.398.458</b>	<b>28.019.646</b>		<b>28.019.646</b>
Period's net income					1.905.494	1.905.494		1.905.494
Change „other result“			-513.132			-513.132		-513.132
Dividend payments								0
<b>Balance 31.12.2017</b>	<b>2.954.943</b>	<b>8.689.364</b>	<b>463.750</b>		<b>17.303.952</b>	<b>29.412.008</b>		<b>29.412.008</b>

## Consolidated Cash-flow Statement per 31.12.2017

in EUR	FY 2017/2018 01.07.17-31.12.17	FY 2016/2017 01.07.16-31.12.16
<b>I. Operating Activities</b>		
1. Consolidated net income	1.905.494	1.492.544
2. Depreciation of tangible and intangible assets	284.501	257.514
3. Correction other cash-ineffective transactions	-507.822	0
4. Increase (PYIncrease) of inventories	-3.198.300	-353.005
5. Decrease (PYIncrease) of accounts receivables: deliveries, services and others	2.596.938	-483.620
6. Increase (PY Decrease) of liabilities from deliveries and services	402.915	-2.686.107
7. Decrease (PY Increase) of short-term liabilities	-687.084	730.006
8. Decrease (PYDecrease) of long-term receivables	1.229	496.890
9. Increase (PY 0) of long-term liabilities	15.183	
<b>Cash-flow from operative activities</b>	<b>813.054</b>	<b>-545.778</b>
<b>II. Investment Activities</b>		
1. Investment in tangible and intangible assets	-894.540	-190.122
2. Purchase subsidiaries minus liquid funds	0	0
3. Investment financial assets	0	0
4. Proceeds from fixed assets' sales	14.286	
<b>Cash-flow from investment activities</b>	<b>-880.254</b>	<b>-190.122</b>
<b>III. Financial Activities</b>		
1. Bank credits incl. short-term current account's obligations	-416.668	
2. Profit payments	0	
<b>Cash-flow from financial activities</b>	<b>-416.668</b>	
<b>IV. Net decrease (PYdecrease) of cash and payment equivalents</b>		
Cash/cash-equivalents 30.06.17 (PY 30.06.16)	5.655.491	3.600.116
Changes: currency differences/ exchange rates	122.935	
<b>V. Payment, cash/-equivalents</b>	<b>5.294.559</b>	<b>3.600.116</b>

## Annex– Notes to the financial statements

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### Basics of preparation of report

This shortened interim manager group report does not contain all necessary information and data for a consolidated financial statement and therefore, has to be read in combination with the group management report and consolidated financial statements dated 30.06.2017.

The interim group report was neither examined nor verified by a certified financial auditor.

The report is made up in EUR. The charts and data may have rounding differences due to mathematical reasons.

### Segment Report

The Group's operative field is data visualisation and power supplies.

In TEUR	Data Visualisation	Power Supplies	Total
Turnover	24.350	12.656	37.006
Company result (EBIT)	2.022	551	2.573
Financial result	-16	-6	-21
Tax on profit	-443	-204	-647
Period'sresult	1.679	227	1.905

### Other information

The number of employees was 202 (PY: 202).

### Significant occurrences after 31.12.2017

The fusion of Data Display GmbH into FORTEC Elektronik AG was listed into the commercial register of FORTEC on 07.02.2018.

## Assurance of Legal Representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the FORTEC Group, and the combined 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

Landsberg/Germany, March 22nd, 2018

FORTEC Elektronik AG

Sandra Maile  
Board Member (Speaker)

Bernhard Staller  
Board Member

Jörg Traum  
Board Member

### Disclaimer of Warranty

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