

*HanseGroup*

Six Month's Report 2018/2019



Interim Group management report.....3

Consolidated statement of financial position.....6

Consolidated statement of comprehensive income.....7

Consolidated statement of cash flows.....8

Consolidated statement of changes in equity.....9

Notes to the condensed interim financial statements.....10

Responsibility statement.....17

Imprint.....18

## KEY FACTS

- Results significantly higher than last year: Results increased by EUR 2.3 million
- Turnover for the first half-year 2018/2019 +7 percent at EUR 54.5 million
- Share of total turnover for motor yachts significantly increased
- Positive outlook for all of fiscal year 2018/2019: Growth in both EBITDA and year-end net profit expected

## 1. MARKET AND MARKET CLIMATE

HanseYachts AG ("HanseYachts", "Holding" or "HanseGroup" for short) is the world's second-largest manufacturer of sailing yachts with hull lengths from ca. 30 to 70 ft (= 10 - 21 m). In the motorboat segment, our boatyard numbers among the top ten worldwide, featuring hull lengths of ca. 30 to 55 ft (= 10 - 16 m). Most of our boats are purchased by customers in Europe and the US. Our proportion of exports is ca. 80%. The growth in demand for motor boats has been encouraging as was the increased demand in Greece.

The HanseGroup presents its palette of products via a worldwide network of dealers, at 83 international boat shows and in 29 countries. Ongoing innovations reflect the wishes of customers for more individualisation and have been ensuring sustained sales success. Boats manufactured by the HanseGroup are subdivided into the sailing segment with the **Hanse**, **Moody** and **Dehler** brands and the **Fjord** and **Sealine** brands in our motorboat segment. With 33 different models, the Holding is well represented in several important market segments.

Our core brand, **Hanse**, has remained the major determining factor in the success of the first half-year 2018/2019. All of the sailing yachts of the **Hanse** brand have succeeded in finding an interested public, while in particular the yachts of the 388, 418 and 458 series have been enjoying excellent demand. Sailing yachts of the **Dehler** brand have been primarily in demand with athletically minded sailors and the blue-water yachts of the **Moody** brand for long-distance voyages. In the motor yacht segment, our boatyard benefits from the sustained success of the **Fjord** series as well as of the palette of products of the **Sealine** brand. The new Sealine C390 was presented for the first time at the boat show in Düsseldorf in January 2019 and has augmented the

palette of motor boats with 15 different models in the meantime.

The diverse accolades that have been accorded our sailing yachts and motor boats by the trade press have confirmed our strategy of investing in the development of innovative and reliable yachts with sustainable value. The impressively high backlog of new customer orders for yachts as at 31/12/2018 amounting to EUR 76.1 million further documents that our boats also meet the lofty demands and wishes of sailors as well as motorboat enthusiasts.

## 2. DISCLOSURES ON DEVELOPMENTS IN TURNOVER AND EARNINGS

The HanseGroup's fiscal year begins on 1 July and ends on 30 June of the following year. This interim financial report for the first half-year of fiscal year 2018/2019 thus covers the period from 1 July to 31 December 2018. The comparable period last year applies to the period from 1 July to 31 December 2017.

The HanseGroup's business activities are characterised by pronounced seasonality. In the months of July to December, relatively high expenditures are regularly incurred for increases in our inventories as well as for boat shows, upgrading present models and introducing new products. In addition, not all of the boats in production were either completed or delivered in the first half-year. The largest proportion of our turnover revenues and profit margins is then subsequently earned timewise in the months of February through June after the boats have been delivered, i.e., in the second half-year of the HanseGroup's respective fiscal year. Traditionally, the materials and personnel expenses are thus higher in the first half-year relative to income. Moreover, new models temporarily lead to increased marketing expenditures as well as initially to temporarily higher production costs.

Consequently, the informative value of the costs in the first half-year is traditionally limited and is not representative for the entire fiscal year.

In the first half-year 2018/2019, HanseYachts succeeded in increasing turnover by 7 % to EUR 54.8 million (EUR 51.2 million last year). The operational performance has once again risen in light of a significant hike in inventories of EUR 10.4 million (EUR 6.1 million for the 1st half-year 2017/2018) for yachts ordered but not yet delivered and the internally capitalised assets compared to last year's interim financial report rose by 13% to EUR 66.1 million.

Other operating income amounting to EUR 1.9 million (EUR 1.2 million last year) includes our business with replacement parts, income from successful legal proceedings and insurance indemnification, costs passed on to dealers and revenues from cooperation agreements with a French catamaran manufacturer, Privilege Marine SAS, which is associated with the Aurelius Group.

Cost of materials amounted to EUR 38.1 million (EUR 34.2 million last year). Relative to total revenues, the ratio of cost of materials to total operating revenues decreased by 0.8% to 57.7% (58.5% last year). The essential causes for this positive effect are to be found in implementing optimisation projects, which were already begun in the last fiscal year and have now been able to show for the first time their effects for a full year.

Compared to last year, gross profit (total revenues minus total cost of materials plus other operating income) could be raised in particular thanks to increasing turnover by EUR 3.7 million to EUR 28.0 million (EUR 24.3 million last year). Relative to total revenues, it computes to a gross margin of 42.3%, which has thus improved by 0.8% compared to last year.

Personnel expenses of EUR 19.2 million lie absolutely EUR 1.7 million above a comparable period last year but are lower by 0.8% down to 29.0% in relation to higher total revenues (EUR 17.5 million last year). This relative improvement has stemmed from operative optimisation programmes of the last 12 months.

Other operating expenses rose slightly by EUR 0.3 million to EUR 9.4 million compared to the same period last year (EUR 9.1 million last year). Expenditures for marketing, boat shows and advertising have accounted here for the largest proportion thereof at EUR 3.1 million (EUR 3.1 million last year), followed by licensing fees (EUR 0.7 million) and consulting services (EUR 0.6 million).

Depreciations remained unchanged at EUR 2.9 million and essentially contain depreciation on the production forms of new yacht models.

The financial results amounted to EUR -1.1 million (EUR -0.9 million last year) This amount contains the scheduled interest payments for servicing financial debt.

Despite losses of EUR -2.5 million, these half-year results have turned out to be significantly better than last year's comparable figure (EUR -4.8 million last year). Essential reasons for this improvement amounting to EUR 2.3 million are the improvements in materials input, higher turnover and higher sales prices for our yachts.

The losses incurred in the first half-year are fundamentally typical for the seasonal course of the business activities of HanseYachts AG, with relatively high expenditures for boat shows and developing new models while turnover and revenues remain relatively low. In the second half-year, essential contribution margins can be realised thanks to increased production and delivery of yachts. We therefore expect positive year-end results.

### 3. INVESTMENTS AND FINANCING

As in the previous fiscal year, the first half-year of 2018/2019 has shown nearly unchanged, negative cash flow from operating activities (EUR -5.0 million compared to EUR -5.1 million in the 1st half-year of 2017/2018). In addition to a negative EBIT, the reason for this is primarily due to higher inventory levels and volume of trade receivables associated with renewed growth, which was not accompanied by any positive cash flow in the first half-year.

In the period under review here, investments essentially included development of new boat types as well as production and acquisition of production forms (EUR 1.5 million). Substantial investments in production facilities have not been necessary, as the assembly lines used in manufacturing yachts with continuous-flow production have been regularly serviced and properly maintained. A hall has been enlarged to expand production capacity, and EUR 0.6 million has been invested for this purpose.

The high negative cash flow of EUR 9.4 million from financing activities (EUR +1.8 million last year) resulted in particular from early retirement of bearer bonds. Refinancing was obtained through bank loans in the previous fiscal year in June 2018, which is the reason that financial funds were so high at the beginning of the period under review (see p. 8, Cash Flow Statement).

As at the balance sheet date, bank balances were held at lending institutions amounting to EUR 3.9 million (EUR 2.5 million last year). Availability of cash and cash equivalents amounting to EUR 0.6 million is restricted, inter alia, as collateral for the financing programme of our dealers' sales volume and for a lawsuit. Overdraft facilities have been utilised in the amount of EUR 7.8 million (EUR 6.1 million last year).

#### **4. CHANCES AND RISKS FOR CORPORATE DEVELOPMENT IN THE REMAINING PERIOD UNDER REVIEW**

The sailing and motor yachts of HanseYachts AG have been able to achieve excellent sales success in a market situation marked by intensive competition. With respect to our competition, we are very well established thanks to our clearly positioned multiple-brand strategy, our broad palette of models and our industrial assembly-line production.

Nevertheless, a general market risk does indeed exist in terms of the sales volume of luxury goods such as our sailing and motor yachts. Further weakness in world trade because of Brexit-related uncertainty, unresolved trade talks between the US, Europe and China as well as weaker global prospects for growth could have a significant impact on our future sales volume.

Additional information on the chances and risk situation for the HanseGroup are contained in the Annual Report for 2017/2018.

#### **5. OUTLOOK**

We are assuming a stronger increase in EBITDA for the entire year in view of the large number of orders for yachts already received and the positive resonance from the market at the boat show in Düsseldorf. We expect positive consolidated Group results in the 7-digit range for the entire fiscal year 2018/2019, in particular against the background that – owing to our seasonal business – the second half-year traditionally brings months of respectable turnover and thus healthy margins, higher sales prices as well as improvements in our operating business activities and other increases in productivity.

#### **6. SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM REPORTING PERIOD**

In January 2019, the availability of the above-mentioned restricted funds was reinstated after a positive judicial decision ending a lawsuit.

Moreover, there were no further significant events arising after the balance sheet date on 31 December 2018 that would have critically affected the net assets, financial position and results of operations of the HanseGroup.

Greifswald, 28 February 2019

The Management Board

Dr. Jens Gerhardt      Sven Göbel

**HANSEYACHTS AG**  
**GREIFSWALD**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)**

EUR	<u>31 December 2018</u>	<u>30 June 2018</u>
<b>ASSETS</b>	<b>88.689.081,81</b>	<b>91.477.195,76</b>
<b>Non-current assets</b>	<b>39.139.694,19</b>	<b>39.315.039,87</b>
Intangible assets	12.671.603,55	12.713.875,90
Property, plant and equipment	25.210.609,61	25.613.282,01
Financial assets	900.000,00	900.000,00
Deferred tax assets	357.481,03	87.881,96
<b>Current assets</b>	<b>49.549.387,62</b>	<b>52.162.155,89</b>
Inventories	35.399.504,49	22.852.636,48
Trade receivables	4.313.049,21	4.055.135,90
Receivables from related companies and individuals	3.368.851,08	2.079.144,98
Other assets	2.573.190,48	1.948.954,13
Cash funds	3.894.792,36	21.226.284,40
<b>EQUITY AND LIABILITIES</b>	<b>88.689.081,81</b>	<b>91.477.195,76</b>
<b>Equity</b>	<b>11.184.434,30</b>	<b>13.675.332,04</b>
Issued capital	11.091.430,00	11.091.430,00
Capital reserves	3.663.726,37	3.663.726,37
Foreign currency translation reserve	194.448,60	190.287,16
Net accumulated losses	(3.765.170,67)	(1.270.111,49)
<b>Non-current liabilities</b>	<b>16.117.963,45</b>	<b>16.185.908,51</b>
Long-term borrowings	10.439.024,38	11.554.001,44
Finance lease liabilities	1.678.939,07	631.907,07
Liabilities to related parties	4.000.000,00	4.000.000,00
<b>Current liabilities</b>	<b>61.386.684,06</b>	<b>61.615.955,21</b>
Other provisions	1.800.249,50	2.127.586,04
Bonds	0,00	12.924.473,14
Other borrowings	13.824.586,93	11.187.670,51
Finance lease liabilities	604.793,98	152.463,57
Advance payments received on orders	21.299.849,41	11.383.484,51
Trade payables	18.044.677,31	16.736.935,43
Income tax liabilities	60.270,06	257.628,45
Liabilities to related parties	1.797.013,57	1.384.303,49
Other liabilities	3.955.243,30	5.461.410,07

**HANSEYACHTS AG**  
**GREIFSWALD**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)**

EUR	1. July 2018 - to 31 December 2018	1 July 2017 to 31 December 2017
<b>Revenue</b>	<b>54.774.859,25</b>	<b>51.197.162,14</b>
Increase in inventories of finished goods and work in progress	10.362.418,08	6.137.504,78
Other own work capitalised	947.634,79	1.195.011,40
Other operating income	1.877.057,27	1.198.068,57
Cost of materials	(38.098.854,95)	(34.210.668,50)
Staff costs	(19.169.633,47)	(17.468.255,40)
Other operating expenses	(9.407.679,17)	(9.089.832,57)
<b>EBITDA</b>	<b>1.285.801,80</b>	<b>(1.041.009,58)</b>
Depreciation and amortisation	(2.951.740,55)	(2.899.870,72)
<b>EBIT</b>	<b>(1.665.938,75)</b>	<b>(3.940.880,30)</b>
Net finance costs	(1.054.326,49)	(935.834,42)
<b>Earnings before income taxes</b>	<b>(2.720.265,24)</b>	<b>(4.876.714,72)</b>
Income taxes	225.206,06	121.005,62
<b>Consolidated net income</b>	<b>(2.495.059,18)</b>	<b>(4.755.709,10)</b>
<b>Earnings per share</b> (basic/diluted)	<b>(0,22)</b>	<b>(0,43)</b>
<b>Consolidated net income</b>	<b>(2.495.059,18)</b>	<b>(4.755.709,10)</b>
<b>Other comprehensive income</b>		
Foreign currency translation difference	4.161,44	4.902,91
<b>Total comprehensive income</b>	<b>(2.490.897,74)</b>	<b>(4.750.806,19)</b>

**HANSEYACHTS AG**  
**GREIFSWALD**

**CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)**

EUR	1. July 2018 bis 31 December 2018	1 July 2017 to 31 December 2017
<b>Operating earnings before interest and taxes</b>	<b>(1.665.938,75)</b>	<b>(3.940.880,30)</b>
Depreciation / Amortisation	2.951.740,55	2.899.870,72
Interest payments (net)	(834.183,64)	(301.077,77)
Income taxes paid (net)	(228.779,81)	181.330,51
Gains (-)/losses (+) from the disposal of assets	2.285,89	(36.938,25)
Change in inventories, receivables and other assets not attributable to investing or financing activities	(14.718.723,77)	(13.967.806,74)
Change in liabilities not attributable to investing or financing activities	9.523.461,91	9.101.857,96
<b>Cash flow from operating activities</b>	<b>(4.970.137,62)</b>	<b>(6.063.643,87)</b>
Payments for investments in		
- intangible assets	(588.298,80)	(552.129,05)
- property, plant and equipment	(1.871.186,46)	(3.152.041,90)
<b>Cash flow from investing activities</b>	<b>(2.459.485,26)</b>	<b>(3.704.170,95)</b>
Change in finance lease liabilities	1.499.362,41	5.506,18
Proceedings from borrowings	3.150.834,52	1.844.464,07
Payments for the repayment of borrowings	(14.054.227,27)	(74.850,38)
<b>Cash flow from financing activities</b>	<b>(9.404.030,34)</b>	<b>1.775.119,87</b>
Change in cash and cash equivalents	(16.833.653,22)	(7.992.694,95)
Change in cash due to exchange rate movements	(2.879,00)	6.129,00
Cash and cash equivalents at beginning of period	12.960.149,54	4.311.132,89
<b>Cash and cash equivalents at end of period</b>	<b>(3.876.382,68)</b>	<b>(3.675.433,06)</b>
<b>Composition of cash and cash equivalents</b>		
Bank balances	3.892.200,96	2.464.324,68
Cash in hand	2.591,40	4.471,29
Current account liabilities	(7.771.175,04)	(6.144.229,03)
	<b>(3.876.382,68)</b>	<b>(3.675.433,06)</b>



**HANSEYACHTS AG****GREIFSWALD****CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)**  
**FOR THE REPORTING PERIOD FROM 1 JULY 2018 TO 31 DECEMBER 2018**

	Number of shares	Issued capital EUR	Capital reserves EUR	Net retained earnings / loss EUR	Foreign currency translation reserve EUR	Consolidated equity *) EUR
<b>1 July 2017</b>	<b>11.091.430</b>	<b>11.091.430,00</b>	<b>3.663.726,37</b>	<b>1.013.576,38</b>	<b>188.655,24</b>	<b>15.957.387,99</b>
1) Net profit/loss for the period				(4.755.709,10)		(4.755.709,10)
2) Foreign currency translation gains/losses					4.902,91	4.902,91
3) Total comprehensive income		0,00	0,00	(4.755.709,10)	4.902,91	(4.750.806,19)
4) Other						
<b>31 December 2017</b>	<b>11.091.430</b>	<b>11.091.430,00</b>	<b>3.663.726,37</b>	<b>(3.742.132,72)</b>	<b>193.558,15</b>	<b>11.206.581,80</b>
<b>1 July 2018</b>	<b>11.091.430</b>	<b>11.091.430,00</b>	<b>3.663.726,37</b>	<b>(1.270.111,49)</b>	<b>190.287,16</b>	<b>13.675.332,04</b>
1) Net profit/loss for the period				(2.495.059,18)		(2.495.059,18)
2) Foreign currency translation gains/losses					4.161,44	4.161,44
3) Total comprehensive income		0,00	0,00	(2.495.059,18)	4.161,44	(2.490.897,74)
4) Other						
<b>31 December 2018</b>	<b>11.091.430</b>	<b>11.091.430,00</b>	<b>3.663.726,37</b>	<b>(3.765.170,67)</b>	<b>194.448,60</b>	<b>11.184.434,30</b>

\*) There are no non-controlling interests. The full equity is attributable to the shareholders of HanseYachts AG.

HANSEYACHTS AG  
GREIFSWALD

Notes to the condensed interim financial statements as at 31 December 2018

## **1. GENERAL INFORMATION**

HanseYachts AG, domiciled in Greifswald, Germany, is a listed stock corporation and the ultimate parent company of the HanseYachts Group. It was first listed on the Regulated Market (General Standard) of the Frankfurt Stock Exchange on 9 March 2007.

The business activities of the companies of the HanseYachts Group comprise the development, production and distribution of sailing yachts under the brand names HANSE, MOODY and DEHLER, in addition to motor boats under the FJORD and SEALINE brand names. In addition to the existing brands, PRIVILEGE sail and power catamarans have also been sold by HanseGroup's global dealer network since June 2017. The Group conducts its operating activities in Greifswald and Poland, and through its own distribution companies in Greifswald and the US. Furthermore, its products are sold through a network of dealers in more than 60 countries worldwide.

The condensed interim consolidated financial statements of HanseYachts AG were prepared in euro. Unless stated otherwise, all amounts are rounded to thousands of euro (EUR thousand). Deviations of up to one unit (EUR thousand, %) are rounding differences.

The Group has a different financial year to the calendar year: from 1 July to 30 June of the respective following year. This reflects the seasonal nature of its business.

HanseYachts AG is entered in the commercial register of the Stralsund Local Court under HRB 7035. Its address is Ladebower Chaussee 11, 17493 Greifswald.

## **2. ACCOUNTING POLICIES**

The condensed interim consolidated financial statements were prepared in accordance with IAS 34 "Interim Financial Reporting". The interim consolidated financial statements do not contain all the information required for full consolidated financial statements, and should therefore be read in conjunction with the consolidated financial statements as at 30 June 2018, which were prepared in accordance with IFRS as adopted by the EU.

In the opinion of the Management Board, the interim financial statements include all the necessary adjustments required to present a true and fair view of the results of operations in the reporting period.

In preparing interim consolidated financial statements in accordance with IAS 34, the Management Board must make judgements, estimates and assumptions that affect the application of accounting policies within the Group and the reporting of assets and liabilities, income and expenses. The actual amounts can differ from these estimates.

The accounting policies applied in the interim financial statements are the same as those used in the latest consolidated financial statements as at 30 June 2018.

### 3. CONSOLIDATED GROUP

The ultimate group company is HanseYachts AG. In addition to HanseYachts AG, the consolidated financial statements include eight (previous year: eight) companies domiciled in Germany and three (previous year: three) companies domiciled abroad.

Name	Registered office	Share	
<u>Direct:</u>			
1. Dehler Yachts GmbH	Greifswald	100%	(previous year: 100%)
2. Hanse (Deutschland) Vertriebs GmbH & Co. KG	Greifswald	100%	(previous year: 100%)
3. Verwaltung Hanse (Deutschland) Vertriebs GmbH	Greifswald	100%	(previous year: 100%)
4. Yachtzentrum Greifswald Beteiligungs-GmbH	Greifswald	100%	(previous year: 100%)
5. Hanse Yachts US, LLC	Savannah, USA	100%	(previous year: 100%)
6. Technologie Tworzyw Sztucznych Sp. Z o.o.	Goleniów, Poland	100%	(previous year: 100%)
7. HanseYachts TVH GmbH	Greifswald	100%	(previous year: 100%)
8. Moody Yachts GmbH	Greifswald	100%	(previous year: 100%)
9. Sealine Yachts GmbH	Greifswald	100%	(previous year: 100%)
<u>Indirect:</u>			
10. <i>through no. 4.</i> Mediterranean Yacht Service Center SARL	Canet en Roussillon France	100%	(previous year: 100%)
11. <i>through no. 7.</i> HanseYachts Technologie und Vermögensverwaltungs GmbH	Greifswald	100%	(previous year: 100%)

#### 4. SEGMENT REPORTING

IFRS 8 stipulates that listed companies must prepare segment reporting in order to transparently present the performance, prospects, risks and opportunities of the various business areas within a group. The segment structure should be consistent with the internal reporting structure, i.e. the assessment of the performance of segments and the allocation of resources to the segments should be consistent with the information used internally by management as a basis for its decisions. The HanseYachts Group breaks down its revenue internally by product line. In total, around 56% (previous year: around 64%) of revenue relates to the production and sale of sailing yachts and 41% (previous year: around 34%) to motor boats.

	01.07. - 31.12.2018	01.07. - 31.12.2017
	<u>TEUR</u>	<u>TEUR</u>
<b>Umsatzerlöse</b>		
Sailing yachts	30.726	32.861
Motor boats	22.614	17.170
Other	1.465	1.209
Revenue reductions	(30)	(43)
	<u>54.775</u>	<u>51.197</u>

The other disclosures required by IFRS 8 for the defined segments have not provided as they cannot be allocated directly or reliably broken down. Thus, it is not possible to reliably allocate the HanseYachts Group's figures for earnings, assets, liabilities, depreciation/amortisation and investment to the product lines of sailing yachts, motor yachts and others, as sailing yachts and motor boats are produced on one line. Any classification on the basis of revenue or the number of boats produced would be arbitrary and would not provide information useful for decision-making purposes. Direct allocation is also not possible. A breakdown by sailing yachts, motor yachts and others is also not communicated to management or used internally.

#### 5. NON-CURRENT ASSETS

In the first half of 2018/2019, the Group invested EUR 2.5 million in non-current assets, thereof EUR 1.5 million in production moulds for new and existing models. A hall has been enlarged to expand production capacity, and EUR 0.6 million has been invested for this purpose.

Depreciation and amortisation on non-current assets amounted to EUR 2.9 million.

Non-current assets held for sale are classified as such and reported separately in the statement of financial position if their carrying amount will be recovered principally through a sale transaction within the next twelve months rather than through continuing use. These assets are no longer written down, and are instead measured at the lower of fair value less costs to sell and carrying amount. Impairment is recognised in profit or loss if the fair value less costs to sell is less than the carrying amount.

## **6. LIQUIDITY AND FINANCIAL LIABILITIES**

The principle of management is to maintain a stable capital base. The fully paid share capital of HanseYachts AG amounts to EUR 11,091,430 as at 31 December 2018. The equity ratio was around 13% of total assets as at the end of the reporting period (31 December 2017: around 14%). Including a long-term shareholder loan of EUR 4.0 million, the equity ratio is around 17%.

A five-year bond with a volume of EUR 13 million was issued in June 2014 to finance investments. The bonds were paid back earlier in July 2018. Refinancing was obtained through signing EUR 13 million bank loans in May 2018

The HanseYachts Group has short to medium-term financial planning to manage and control its liquidity. Using this instrument, short-term liquidity can be guaranteed at any time on the basis of the operating cash flow, the current account facilities provided by banks and cash and cash equivalents.

The cash funds of EUR 3,895 thousand consist of sight deposits repayable on demand. Cash funds of EUR 643 thousand (previous year 30 June 2018: EUR 103 thousand) are restricted due to banks. Bank balances are held with banks of good credit standing.

Financial liabilities include all interest-bearing obligations as at the end of the reporting period. They essentially relate to banks for fixed and floating rate loans.

## 7. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Related parties are persons or companies that can be influenced by the reporting entity or that can influence the entity.

Those considered related parties of the HanseYachts Group are the members of its Management Board and Supervisory Board. Others considered related parties are the members of the Management Board and the Supervisory Board of AURELIUS Equity Opportunities SE & Co. KGaA, Grünwald, (formerly: Aurelius AG), in whose consolidated financial statements HanseYachts AG has been included since the acquisition of a majority of shares on 4 November 2011. Since that date, related parties have included the group companies of AURELIUS Equity Opportunities SE & Co. KGaA in particular, which also include the catamaran manufacturer Privilege Marine SAS.

Transfer prices for internal Group sales are determined using a market-driven approach. HanseYachts AG received appropriate consideration under the circumstances known at the time of transactions.

There are the following significant relationships with related parties as defined by IAS 24:

In the reporting period, HanseYachts AG generated income from consulting and services of EUR 1,394 thousand with the companies of the Aurelius Group and incurred expenses of EUR 285 thousand for consulting services and royalties. As at 31 December 2018, there are trade receivables of EUR 3,274 thousand and trade payables of EUR 1,023 thousand.

Furthermore, as at 31 December 2018, there were receivables from Privilege Marine SAS of EUR 995 thousand for loans and interest, plus liabilities of EUR 2,013 thousand to HY Beteiligungs GmbH and of EUR 2,651 thousand to AURELIUS Equity Opportunities SE & Co. KGaA. In the reporting period, HanseYachts AG generated interest income of EUR 40 thousand from the Aurelius Group and incurred interest expenses to it of EUR 160 thousand.

As at 31 December 2018, HanseYachts AG has one ship in its order backlog (at standard market conditions) for an external dealer, which in turn is selling the yachts to a company in which the member of the Management Board and the Chairman of the Supervisory Board are shareholders. The dealer will subsequently charter the ship in return for a fee.

The members of the Management Board each hold 70,791 shares in HanseYachts AG as at the end of the reporting period.

## **8. CONTINGENT LIABILITIES, OTHER FINANCIAL OBLIGATIONS AND LITIGATION**

### **8.1. Contingent liabilities**

There are financing programmes with two independent sales financing companies through which the dealers can finance the acquisition of their ships from HanseYachts AG. EUR 4,676 thousand was utilised under these financing programmes as at the end of the reporting period (previous year: EUR 1,499 thousand). Under certain circumstances, there is a repurchase obligation through HanseYachts AG for the ships financed by the financing programmes if the participating dealers do not fulfil their obligations to the sales financing companies. In order to secure any repurchase obligations, the company's banks provided payment guarantees of EUR 105 thousand (previous year: EUR 103 thousand), which are backed by pledges of cash and cash equivalents of EUR 105 thousand (previous year: EUR 103 thousand). As the agreements with the sales financing companies initially provide for a use phase for the ships transferred by the dealers to the sales financing companies as collateral, it is assumed that the risk of the utilisation of repurchase obligations is low.

HanseYachts AG is liable under other guarantees for EUR 15 thousand (previous year: EUR 15 thousand).

There are no further contingent liabilities to third parties.

### **8.2. Other financial obligations**

There are financial obligations, primarily under lease and rental agreements. Please refer to the information in the 2017/2018 Annual Report.

There are no significant obligations under investment projects already initiated as at the end of the reporting period.

### **8.3. Litigation**

Neither HanseYachts AG nor any of its Group companies is involved in ongoing or foreseeable court or arbitration proceedings expected to have an effect on earnings beyond the amounts recognised as provisions. Further information can be found in the 2017/2018 Annual Report.

## **9. EVENTS AFTER THE END OF THE REPORTING PERIOD**

In January 2019, the availability of the above-mentioned restricted funds was reinstated after a positive judicial decision ending a lawsuit.

Moreover, there were no further significant events arising after the balance sheet date on 31 December 2018 that would have critically affected the net assets, financial position and results of operations of the HanseGroup.

Greifswald, 28 February 2019

The Management Board

Dr Jens Gerhardt

Sven Göbel



## **Responsibility statement**

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 Group 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 principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Greifswald, 28 February 2019

The Management Board

Dr Jens Gerhardt

Sven Göbel

# Imprint

## Credits

### Publisher

HANSEYACHTS AG  
Ladebower Chaussee 11  
17493 Greifswald

[www.hansegroun.com](http://www.hansegroun.com)

## Contact

We are at your disposal:

### Investor Relations

Dr Marcus Münch  
Tel.: +49 (0) 3834 5792 578  
Fax: +49 (0) 3834 5792 81  
[ir@hanseyachts.com](mailto:ir@hanseyachts.com)

### Communications:

Morten Strauch  
Telefon: +49 (0) 3834 5792 512  
Fax: +49 (0) 3834 5792 830  
[mstrauch@hanseyachts.com](mailto:mstrauch@hanseyachts.com)

### Postal address

HANSEYACHTS AG  
Ladebower Chaussee 11  
17493 Greifswald

[www.hanseyachts.com](http://www.hanseyachts.com)