Logwin AG

Interim Financial Report

as of 30 June 2019

LOGWIN

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Key Figures 1 January – 30 June 2019

Earnings position *In thousand EUR*	**2019**	**2018**
Revenues		
Group	560,120	540,104
Change on 2018	*3.7 %*	
Air + Ocean	370,206	361,316
Change on 2018	*2.5 %*	
Solutions	189,887	179,179
Change on 2018	*6.0 %*	
Operating result (EBITA)		
Group	23,946	22,879
Margin	*4.3 %*	*4.2 %*
Air + Ocean	22,022	21,083
Margin	*5.9 %*	*5.8 %*
Solutions	5,506	4,754
Margin	*2.9 %*	*2.7 %*
Net result		
Group	17,820	17,764

Financial position *In thousand EUR*	**2019**	**2018**
Operating cash flows	-2,938	4,257
Free cash flow	-26,537	-307

Net asset position	**30 June 2019**	**31 Dec 2018**
Equity ratio	36.7 %	39.2 %
Net liquidity *(in thousand EUR)**	31,127	61,563

	30 June 2019	**31 Dec 2018**
Number of employees	4,383	4,390

*Net liquidity as of 31 December 2018 was adjusted for the effect of the adoption of IFRS 16 as of 1 January 2019.

The interim financial report as of 30 June 2019 is published in English and German. The English version is a translation from the German original, which is authoritative.

Group Interim Management Report

Overall conditions

Global economy At the beginning of 2019, global economic growth remained at the low level of the weak fourth quarter of 2018 and was thus significantly lower than the growth rates of the prior years. The forecasts for 2019 as a whole continue to assume a further decline in economic growth.

In contrast, growth in world trade continued to decline in the reporting period compared with the second half of 2018. The ongoing trade conflicts and uncertainties regarding economic development had a negative impact here.

German economy and logistics industry The German economy has continued to weaken in line with global developments and only subdued growth is expected for 2019. Private consumption is currently still having a stabilising effect due to the still good situation on the labour market, even if the economic slowdown has left its first traces here. Investment in the construction industry, which is expected to decline in the second quarter of 2019, also contributed to the restrained growth. The industrial economy, on the other hand, developed weakly, partly due to the continued weak demand for exports. Overall, growth in the German economy is expected to slow down in 2019.

Demand in the German logistics industry remained stable or increased slightly in the first half of 2019 despite a significantly dampened sentiment. The effects of possible further trade barriers and political uncertainties such as the Brexit are a burden.

Competition and market Logistics business has been characterized by high volatility and a challenging market and competitive environment in all relevant areas over 2019 to date.

In the first half of 2019, the air freight market recorded a significant decline in freight volumes compared with the same period of the previous year, which varied from region to region. The important route from Asia to Europe recorded a significant decline in volumes. Air freight rates also declined on the most important routes. In sea freight, export volumes declined, while import volumes increased slightly, with freight rates continuing to be very volatile and rising slightly on average. The consolidation of the shipping market continued.

The contract logistics market continued to be characterized by strong competitive and margin pressure. On the customer side, tenders for existing transactions and changes to service packages are used to review and adjust logistics chains with the aim of increasing efficiency and optimizing costs. Important customers and target industries are still undergoing fundamental industry-wide change processes and responded with correspondingly changed requirements for logistics processes.

Business performance of the Logwin Group

The Logwin Group was able to continue its good earnings performance in the first half of the year. With increased sales compared to the previous year, the first half of 2019 was also completed with a higher operating result than in 2018. Both business segments Air + Ocean and Solutions contributed to the increase in revenues.

The development in the Air + Ocean business segment was based on a pleasing margin development in ocean freight. In a deteriorating market environment, sea freight volumes increased slightly overall despite a few declining routes. The minor average increase in freight rate levels in ocean freight also had a positive effect on revenue development. Revenue growth was dampened by declining volumes and freight rates in air freight in line with the general market trend.

Sales in the Solutions business segment increased moderately overall. The positive sales development is mainly due to the volume and price development in the international sector. Revenue in contract logistics and the German transport network developed in the opposite direction. Turnover in contract logistics declined slightly due to customer losses and business terminations.

With regard to the definition, calculation and reconciliation of the financial performance indicators of the Logwin Group and the related explanatory notes, we refer to the section "Financial performance management" in the Group management report of the annual financial report of Logwin AG as of 31 December 2018.

Earnings position

Revenues The Logwin Group generated revenues of EUR 560.1m in the first half of 2019, slightly above the previous year's revenues of EUR 540.1m. The two business segments Air + Ocean and Solutions contributed to the overall pleasing revenue development.

Air + Ocean
The Air + Ocean business segment achieved revenues of EUR 370.2m (prior year: EUR 361.3m) in the first six months of fiscal year 2019. The positive development compared with the prior year is mainly attributable to higher freight volumes and freight rates in ocean freight. The revenue development was negatively influenced by a decline in air freight volumes and freight rates in line with the general market trend.

Solutions
The revenues of the Solution business segment amounted to EUR 189.9m in the first half of 2019 and were thus noticeably higher than the prior year's level of EUR 179.2m. The increase in revenue is mainly due to the pleasing volume and price development of the business segment's international

transport activities. The overall decline in existing business in contract logistics and a decline in volumes in the transport network dampened the revenue trend.

Gross margin and gross profit The gross margin of the Logwin Group was 8.9% in the first half of 2019 lying above the prior year´s figure of 8.8%. The increase in the margin is attributable to higher margins in the Air + Ocean business segment. At EUR 50.1m, gross profit exceeded the prior year's figure (EUR 47.8m).

Selling, general and administrative costs Selling costs of EUR 13.1m in the first two quarters were slightly above the previous year's level of EUR 12.9m. The administrative costs increased significantly from EUR 12.3m in the prior year to EUR 14.6m.

Operating result (EBITA) The operating result of the Logwin Group of EUR 23.9m for the first half of 2019 slightly exceeded the previous year's figure of EUR 22.9m. A slight increase in earnings in the Air + Ocean business segment contributed substantially to this improvement in EBITA. The business segment Solutions also achieved an increase in earnings due to a special effect with a slight overall decline in activities. The Group's operating margin increased slightly from 4.2% in the previous year to 4.3%.

Air + Ocean
At EUR 22.0m in the first half of 2019, the operation result of the Air and Ocean business segment was EUR 0.9m above the prior year´s result of EUR 21.1m. In an intensive market and competitive environment, rising freight volumes and rates in ocean freight with a simultaneous decline in transport volumes and rates in air freight had a positive effect on EBITA and the operating margin.

Solutions
The Solutions business segment achieved an operating result of EUR 5.5m in the first six months of 2019 (prior year: EUR 4.8m). Earnings increased significantly due to a pleasing volume development in the international transport business and a positive one-off effect. Expenses resulting from an unplanned need to renovate a property and declining volumes in the German retail transport network combined with rising transport costs had a negative impact.

Financial result and income taxes Financial result for the first two quarters of 2019 deteriorated noticeably to EUR -1.9m compared to EUR -0.3m in the prior year mainly due to the increase in interest expenses from leasing liabilities due to the first-time application of IFRS 16. At EUR -4.2m, the income tax expense for the first half of 2019 was significantly lower than the expense of EUR

-4.8m in the same period of the prior year, despite the only slight decline in earnings, which is mainly attributable to positive one-off effects.

Net result for the period The Logwin Group generated a net result of EUR 17.8m in the first six month of 2019 and was on a par with the prior year's result.

Financial position

Operating cash flow Logwin Group´s operating cash flow amounted to EUR -2.9m in the first half of the year and was thus significantly EUR -7.2m below the prior year's figure (2018: EUR 4.3m). The decline is primarily attributable to a significant increase in working capital of EUR - 38.5m (2018: EUR -17.1m). The first-time application of IFRS 16 had the opposite effect, resulting in the repayment of lease liabilities, which were reported for the first time in the financial year, amounting to EUR 14.7m, which had previously been reported as part of the operating cash flows, now being reported in the financing cash flow.

Investing cash flow The cash flow from investing activities of the Logwin Group in the first two quarters of 2019 amounted to EUR -7.9m and was EUR -4.2m below the previous year's cash flow of EUR -3.7m. The difference compared to the prior year is mainly due to increased investments in new transport management systems.

Free cash flow The Logwin Group generated a Free Cash flow of EUR -26.5m in the first two quarters of the current year and was thus well below the previous year's Free cash flow of EUR -0.3m.

Financing cash flow The cash flows from financing activities amounted to EUR -25.9m in the first half of 2019 compared to EUR -8.3m in the prior year, including the dividend payment of -10.1m to the shareholder of the Logwin AG for the fiscal year 2018, which is EUR -2.9m higher than in the prior year, as well as payments for the repayment of lease liabilities amounting to EUR -15.7m (2018: EUR -0.9m), the increase in which is attributable to the first-time application of IFRS 16.

Net asset position

Total assets The Logwin Group reported total assets of EUR 520.0m as of 30 June 2019 which are EUR 48.9m higher than the prior year´s figure (31 December 2018: EUR 471.1m). The rise in total assets is attributable to an increase in non-current assets from EUR 123.9m as of 31 December 2019 to EUR 205.2m as of the balance sheet date. This increase was mainly due to the initial recognition of rights of use assets in accordance with IFRS 16 in the amount of EUR 76.5m and additional investments in new transport management systems. The increase in non-current assets was offset by the decline in cash and cash equivalents from EUR 155.5m as of 31 December 2018 to EUR 119.3m as of 30 June 2019 due to the reporting date. Other receivables and other assets increased in the first half of 2019 from EUR 21.8m as of 31 December 2018 to EUR 26.4m.

Cash and net liquidity Cash and cash equivalents of the Logwin Group amounted to EUR 119.3m as of 30 June 2019 (31 December 2018: EUR 155.5m). The net liquidity with EUR 31.1m was significantly below the level at the end of the prior year (31 December 2018: EUR 144.0m), which, in addition to the decline in cash and cash equivalents, is attributable to the recognition of additional leasing liabilities in accordance with IFRS 16 amounting to EUR 77.4m. The net liquidity as at 31 December 2018, adjusted for the effect of the conversion to IFRS 16, amounted to EUR 61.6m.

Liabilities Non-current liabilities increased from EUR 45.6m as of 31 December 2018 to EUR 99.8m at the end of the first half of 2019 as a result of the rise in non-current liabilities from leases due to the first-time application of IFRS 16 and the adjustment of pension provisions of EUR 3.0m due to the lower interest rate level. Current liabilities amounted to EUR 229.5m as of the end of the reporting date (31 December 2018: EUR 240.8m) and mainly included declining trade accounts payable of EUR 155.6m (31 December 2018: EUR 188.7m). The increase in current liabilities from leasing contracts by EUR 25.0m to EUR 26.8m due to the first-time application of IFRS 16 had a counteracting effect.

Equity The Equity of Logwin Group increased from EUR 184.7m as of 31 December 2018 to EUR 190.7m in the first half of 2019 due to the positive net result for the period and effects from the currency translation of foreign subsidiaries. The increased distribution to shareholders of Logwin AG and the interest-related adjustment of pension provisions had the opposite effect on equity.

As of 30 June 2019, the still pleasing equity ratio was 36.7% and lay below the ratio at the end of the prior year figure (31 December 2018: 39.2%).

Employees

The Logwin Group employed 4,383 people worldwide as of 30 June 2019 (31 December 2018: 4,390). The number of employees in the Solution business segment decreased by 57 compared to the end of 2018. The decline is partially offset by opposing developments in the business segment Air + Ocean and other business areas.

Risks

There were no developments subject to reporting obligations in respect of the remission procedure for back payment of import VAT for customs clearance which Logwin Road + Rail Austria GmbH performed with joint and several liability on behalf of customers, who are alleged to have been part of an missing trader (VAT Carousel) fraud. The continuation of the proceedings is currently not foreseeable, as it depends on parallel proceedings of the European Court of Justice. Independent of the application for full remission of payments plus interest, a confirmation of cover by the insurer in charge of the loss adjustment continues to exist. As of the reporting date, a remission of the payment obligation is considered to be rather likely. We refer to the annual financial report 2018 for further information.

In the first half of 2019, the Logwin Group´s risk exposure has remained largely unchanged compared with the disclosures in the annual financial report 2018. We therefore refer to the 2018 risk report for further details on current and potential risks.

2019 General Meeting

The Annual General Meeting and an Extraordinary General Meeting of Logwin AG took place in Luxembourg on 10 April 2019. In addition to the approval of the 2018 annual financial statements, the proposal of the Board of Directors to pay an dividend of EUR 3.50 per share for the fiscal year 2018 on the basis of the 2,884,395 shares entitled to dividends was approved by the Annual General Meeting with a large majority. As a result, a total of EUR 10.1m was paid to shareholders in April 2019. The Annual General Meeting has again authorised the Board of Directors to resolve to buy back the company's own shares until 10 April 2024. Further details of the resolutions can be found at https://www.logwin-logistics.com/investoren/hauptversammlung.html.

Outlook

General Conditions Based on the development year to date, Logwin Group expects that global economic growth will weaken in 2019. Growth is expected to slow significantly in the euro zone and Germany.

Revenue expectations Assuming a global economic development according to the expectations and stable exchange rates, the Logwin Group still expects a moderate growth in revenue for the 2019 financial year. The Air + Ocean business segment will moderately exceed the revenue of the previous year due to volume factors, whereby the declining development of the air freight market will probably have a dampening effect on the revenue development. Revenue in the Solutions business segment should also increase slightly in the course of the year.

Earnings expectations Due to the seasonal and business-specific uncertainties customary in the logistics industry, the Logwin Group continues to expect a decline in operating earnings (EBITA). In the Air + Ocean business segment, despite the positive development in the first half of the year, it cannot be ruled out that the pleasing earnings level of the prior year will not be maintained due to the global economic uncertainties and the expected one-off expenses from the planned IT introduction. For the Solutions business segment, an overall decline in operating profit is expected in 2019, as the positive development in the first half of the year was largely determined by a one-time effect. Due to the expected normalisation of the tax rate and increased financing expenses in connection with the first-time application of IFRS, net profit for the period will decline more sharply than operating profit compared with the 2018 financial year.

Liquidity development Based on the expected earnings development, the continued high investments in IT systems and a normalization of working capital, the Logwin Group anticipates a decline in free cash flow.

Condensed Consolidated Interim Financial Statements

Income Statement

1 January - 30 June *In thousand EUR*	2019	2018
Revenues	560,120	540,104
Cost of sales	-509,991	-492,313
Gross profit	**50,129**	**47,791**
Selling costs	-13,105	-12,900
General and administrative costs	-14,630	-12,302
Other operating income	3,773	3,344
Other operating expenses	-1,963	-2,840
Impairment losses on financial assets measured at amortized cost	-258	-214
Operating result (EBITA)	**23,946**	**22,879**
Goodwill impairment	-	-
Net result before interest and income taxes (EBIT)	**23,946**	**22,879**
Finance income	250	184
Finance expenses	-2,183	-511
Net result before income taxes	**22,013**	**22,552**
Income taxes	-4,193	-4,788
Net result	**17,820**	**17,764**
Attributable to:		
Shareholders of Logwin AG	17,598	17,505
Non-controlling interests	222	259
Earnings per share - basic and diluted (in EUR):		
Net result attributable to the shareholders of Logwin AG	**6.10**	**6.07**
Weighted average number of shares outstanding	2,884,395	2,884,395

Statement of Comprehensive Income

1 January - 30 June *In thousand EUR*	2019	2018
Net result	**17,820**	**17,764**
Gains/losses on currency translation of foreign operations	887	-664
Other comprehensive income that may be reclassified into profit or loss in future periods	**887**	**-664**
Remeasurement of the net defined benefit liability	-3.031	-
Deferred tax from remeasurement of the net defined benefit liability	599	-
Other comprehensive income that will not be reclassified into profit or loss in future periods	**-2,432**	**0**
Other comprehensive income	**-1,545**	**-664**
Total comprehensive income	**16,275**	**17,100**
Attributable to:		
Shareholders of Logwin AG	16,027	16,891
Non-controlling interests	248	209

Statement of Cash Flows

1 January - 30 June *In thousand EUR*	2019	2018
Net result before income taxes	22,013	22,552
Financial result	1,933	327
Net result before interest and income taxes	23,946	22,879
Reconciliation adjustments to operating cash flows:		
Depreciation and amortization	19,327	3,637
Result from disposal of non-current assets	6	275
Other	-660	-621
Income taxes paid	-5,130	-4,539
Interest paid	-2,176	-490
Interest received	250	184
Changes in working capital, cash effective:		
Change in receivables	-2,327	-2,418
Change in payables	-36,831	-14,763
Change in inventories	657	113
Operating cash flow	**-2,938**	**4,257**
Capital expenditures in property, plant and equipment and other intangible assets	-8,073	-4,585
Proceeds from disposals of consolidated subsidiaries and other business operations, net of cash and cash equivalents	-	650
Proceeds from disposal of non-current assets	127	282
Other cash flows from investing activities	10	-53
Investing cash flow	**-7,936**	**-3,706**
Net cash flow	**-10,874**	**551**
Change of current loans and borrowings	21	-54
Payment of liabilities from leases	-15,663	-858
Payments from non-controlling interests	55	-
Distribution to non-controlling interests	-245	-179
Distribution to shareholders of Logwin AG	-10,095	-7,211
Financing cash flows	**-25,927**	**-8,302**
Free cash flow (= Net cash flow less payment of liabilities from leasing contracts)	**-26,537**	**-307**
Effects of exchange rate changes on cash and cash equivalents	591	-456
Change in cash and cash equivalents	**-36,210**	**-8,207**
Cash and cash equivalents at the beginning of the year	155,531	127,609
Change	-36,210	-8,207
Cash and cash equivalents at the end of the period	**119,321**	**119,402**

Balance Sheet

Assets *in thousand EUR*	**30 June 2019**	**31 Dec 2018**
Goodwill	66,821	66,821
Other intangible assets	9,329	5,623
Property, plant and equipment	112,326	35,619
Investments	809	777
Deferred tax assets	15,185	14,409
Other non-current assets	779	671
Total non-current assets	**205,249**	**123,920**
Inventories	2,143	2,799
Trade accounts receivable	147,070	145,009
Contract assets	16,414	19,480
Income tax receivables	3,418	2,614
Other receivables and current assets	26,401	21,795
Cash and cash equivalents	119,321	155,531
Total current assets	**314,767**	**347,228**
Total assets	**520,016**	**427,148**

Liabilities *in thousand EUR*	**30 June 2019**	**31 Dec 2018**
Share capital	131,300	131,300
Group reserves	58,355	52,430
Equity attributable to the shareholders of Logwin AG	**189,655**	**183,730**
Non-controlling interests	1,014	956
Shareholders' equity	**190,669**	**184,686**
Non-current liabilities from leases	61,274	9,703
Pensions provisions and similar obligations	33,875	31,201
Other non-current provisions	3,379	3,280
Deferred tax liabilities	963	1,013
Other non-current liabilities	334	443
Total non-current liabilities	**99,825**	**45,640**
Trade accounts payable	155,600	188,654
Current liabilities from leases	26,849	1,775
Current loans and borrowings	71	50
Current provisions	7,335	8,415
Income tax liabilities	4,688	4,634
Other current liabilities	34,979	37,294
Total current liabilities	**229,522**	**240,822**
Total liabilities and shareholders' equity	**520,016**	**471,148**

Statement of Changes in Equity

In thousand EUR	Equity attributable to the Share capital	Additional paid-in capital	Retained earnings
1 January 2018 before adoption of new IFRS-Standards	**131,300**	**44,599**	**-19,095**
Effects from adoption of new IFRS-Standards			-289
1 January 2018 after adoption of new IFRS-Standards	**131,300**	**44,599**	**-19,384**
Net result			17,505
Other comprehensive income			-
Total comprehensive income			**17,505**
Distributions			-7,211
30 June 2018	**131,300**	**44,599**	**-9,090**
1 January 2019	**131,300**	**44,599**	**11,560**
Net result			17,598
Other comprehensive income			-2,432
Total comprehensive income			**15,166**
Distributions		-10,095	
Offsetting of retained earnings against additional paid-in capital		112,124	-112,124
Change in non-controlling interests			
Change in scope of consolidation			-7
30 June 2019	**131,300**	**144,628**	**-85,405**

The accompanying notes are an integral part of these consolidated interim financial statements.

shareholders of Logwin AG				
Accumulated other comprehensive income				
Available-for-sale reserve	Currency translation reserve	**Total**	Non-controlling interests	**Total shareholders' equity**
-25	**-2,375**	**154,404**	**663**	**155,067**
25		-264	-10	-274
-	**-2,375**	**154,140**	**653**	**154,791**
		17,505	259	17,764
-	-614	-614	-50	-664
-	**-614**	**16,891**	**209**	**17,100**
		-7,211	-179	-7,390
-	**-2,989**	**163,820**	**683**	**164,501**
-	**-3,729**	**183,730**	**956**	**184,686**
		17,598	222	17,820
-	861	-1,571	26	-1,545
-	**861**	**16,027**	**248**	**16,275**
		-10,095	-245	-10,340
		-	-	-
		-	55	55
		-7	-	-7
-	**-2,868**	**189,655**	**1,014**	**190,669**

Notes to the Condensed Consolidated Interim Financial Statements as of 30 June 2019

1 Basis of accounting

These condensed consolidated interim financial statements have been prepared pursuant to § 115 WpHG and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The interim statements comply in particular with the provisions of IAS 34 "Interim financial reporting" and do not include all the information and disclosures required in the consolidated annual financial statements. These condensed consolidated interim financial statements should therefore be read in conjunction with the Group´s annual financial statements as of 31 December 2018.

For the preparation of the condensed interim consolidated financial statements the same accounting policies and valuation methods have been adopted as were applied for the preparation of the consolidated financial statements as of 31 December 2018. Exceptions to this are the new accounting policies listed in the section "Changes in significant accounting policies", which result from the first-time adoption of IFRS 16 as of 1 January 2019 in the Logwin Group.

The condensed consolidated interim financial statement have been approved by the Audit Committee of Logwin AG on 31 July 2019.

2 Consolidation scope

As of 30 June 2019 the group of fully consolidated companies comprises two domestic and 53 foreign subsidiaries (31 December 2018: two domestic and 52 foreign companies).

The consolidated entities including Logwin AG have developed as follows:

	31 Dec 2018	Additions	Disposals	30 Jun 2019
Luxembourg	2	-	-	2
Germany	12	-	-	12
Other countries	40	1	-	41
Total	**54**	**1**	**-**	**55**

The addition relates to the first-time consolidation of Logwin ROMANIA S.R.L., Bucharest, Romania, in fiscal year 2019.

3 New accounting provisions

The International Accounting Standards Board (IASB) and the IFRS Interpretation Committee (IFRS IC) have published new accounting provisions in recent years. The table below contains the new standards and interpretations that had to be adopted for the first time for financial year 2019:

Standard/interpretation			Mandatory adoption (in the EU) for the annual period beginning on or after	En-dorse-ment
New Standard	IFRS 16	Leases	1 January 2019	Yes
Amendment	Various	Annual improvements to IFRS Standards 2015-2017 Cycle	1 January 2019	Yes
Amendment	IAS 19	Plan Amendment, Curtailment or Settlement	1 January 2019	Yes
Amendment	IAS 28	Long-term Interests in Associates and Joint Ventures	1 January 2019	Yes
New Interpretation	IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019	Yes
Amendment	IFRS 9	Prepayment Features with negative Compensation	1 January 2019	Yes

The aforementioned new or amended accounting provisions and interpretations became applicable for the current reporting period and the Logwin Group had to change its accounting policies and make adjustments as a result of adopting the following standard:

- IFRS 16 Leases

The impacts of the adoption of these standard and the new accounting policies are disclosed in the section “Changes in significant accounting policies”. For additional information we refer to note 5 of the Annual Financial Report 2018.

All other new and revised standards and interpretations are not expected to have a material impact on the future financial statements of the Logwin Group.

4 Changes in significant accounting policies

This note explains the impact of the adoption of IFRS 16 “Leases” in these group’s condensed consolidated interim financial statements and discloses the resulting new accounting policies that have been applied from 1 January 2019, where they are different to those applied in prior periods.

Under IFRS 16, a distinction is no longer made between operating leases and finance leases as under IAS 17. Leasing contracts are recorded in the form of rights of use assets and the corresponding leasing liabilities. The right of use is the lessee's right to use the asset on which the lease is based. The lease liability reflects the obligation of the lessee to pay the future lease instalments.

The main effect of the application of IFRS 16 is that the Group recognizes new assets and liabilities in its balance sheet for its operating leases for office and logistics properties, vehicle fleets and other assets. With regard to the recognition of expenses from operating leases, the previous recognition of lease payments has been replaced by the recognition of depreciation on the rights of use and interest expenses from the leases. Previously, expenses from operating leases were generally recognized on a straight-line basis over the lease term, whereas the application of the new standard results in a straight-line recognition of depreciation and a declining-balance recognition of interest.

The Group has adopted IFRS 16 based on the modified retrospective approach. In accordance with the transitional provisions, the comparative information was not adjusted. The Group has made use of the simplification option for the initial recognition of the right of use in the amount of the lease liability. In addition, the option was exercised not to recognize short-term leases in the balance sheet and leases of minor value. At the date of transition, the Group applied IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

In the context of the conversion, rights of use assets and lease liabilities amounting to EUR 82.4 million were recognized for the first time as of 1 January 2019. Rights of use from leased assets are reported in the balance sheet under property, plant and equipment. The leasing liabilities were discounted using the incremental borrowing rate as of 1 January 2019. The weighted average interest rate was 4.1%.

The rights of use recognized in the balance sheet are included in property, plant and equipment as of 30 June 2019 as follows:

In thousand EUR	**30 June 2019**
Rights of use - land and buildings	71,703
Rights of use - machinery and equipment	127
Rights of use - tools, fixtures, furniture and office equipment	3,679
Rights of use - vehicle fleet	8,918
Total	**84,427**

The rights of use as of 30 June 2019 include assets that were accounted for as finance leases under property, plant and equipment in accordance with IAS 17 until 31 December 2018.

As of 30 June 2019, liabilities from leases in the amount of EUR 88,123k were recognized in the balance sheet, which also includes liabilities from leases accounted for as finance leases in accordance with IAS 17 until 31 December 2018.

The following presentation was made in the income statement for the first half of 2019:

In thousand EUR	**30 June 2019**
Depreciation on rights of use - Land and buildings	12,713
Depreciation on rights of use - machinery and equipment	7
Depreciation on rights of use - tools, fixtures, furniture and office equipment	410
Depreciation on rights of use - vehicle fleet	2,464
Total depreciation on rights of use	**15,594**
Interest expenses from leasing liabilities	**1,654**

The figures shown in the table above exclusively include the effects resulting from the changes resulting from the first-time application of IFRS 16.

In the cash flow statement, the first-time application of IFRS 16 results in a shift between the operating cash flow and the cash flow from financing activities, as the repayment portion contained in the lease installments of lease contracts recognized in the balance sheet for the first time in accordance with IFRS 16 is reported in the cash flow from financing activities. Until 31 December 2018, all lease payments from operating leases within the meaning of IAS 17 were reported in cash flow from operating activities. Leases reported for the first time in accordance with IFRS 16 accounted for EUR 14,703k of the repayments of liabilities from leases reported in cash flow from financing activities.

5 Segment reporting

The classification of segments is made according to the business segments of the Logwin Group. The segment structure reflects the current organizational and management structure of the Logwin Group. This means that reporting is in line with the requirements of IFRS 8.

Transactions between the segments are made at "arm's length" identical to transactions with third parties. The information on the business segments is reported after consolidation of intrasegment transactions. Transactions between the segments are eliminated in the column "Consolidation".

The tables below set forth segment information of the business segments:

1 January - 30 June 2019 *In thousand EUR*	Air + Ocean	Solutions	Other	Consolidation	Group
External revenues	369,970	189,453	697	-	560,120
Intersegment revenues	236	434	983	-1,653	-
Revenues	**370,206**	**189,887**	**1,680**	**-1,653**	**560,120**
Operating result (EBITA)	**22,022**	**5,506**	**-3,582**	**-**	**23,946**
Financial result					-1,933
Profit before tax					**22,013**
Income taxes					-4,788
Net result					**17,820**

1 January - 30 June 2018 *In thousand EUR*	Air + Ocean	Solutions	Other	Consolidation	Group
External revenues	360,387	178,636	1,081	-	540,104
Intersegment revenues	929	543	1,548	-3,020	-
Revenues	**361,316**	**179,179**	**2,629**	**-3,020**	**540,104**
Operating result (EBITA)	**21,083**	**4,754**	**-2,958**	**-**	**22,879**
Financial result					-327
Profit before tax					**22,552**
Income taxes					-4,788
Net result					**17,764**

6 Disaggregation of revenue

In the following table, external revenues are disaggregated by existing segments and primary geographical markets in order to reflect the influence of economic factors on the nature, amount, timing and uncertainty of revenues and cash flows.

1 January - 30 June 2019 *In thousand EUR*	Air + Ocean	Solutions	Other	Group
Germany	134,573	111,017	697	246,287
Austria	32,109	73,819	-	105,928
Other EU	48,464	4,617	-	53,081
Asia/Pacific	125,914	-	-	125,914
Other	28,910	-	-	28,910
Total external revenues	**369,970**	**189,453**	**697**	**560,120**

1 January - 30 June 2018 *In thousand EUR*	Air + Ocean	Solutions	Other	Group
Germany	131,852	115,218	1,081	248,151
Austria	35,236	59,721	-	94,957
Other EU	41,292	3,697	-	44,989
Asia/Pacific	125,625	-	-	125,625
Other	26,382	-	-	26,382
Total external revenues	**360,387**	**178,636**	**1,081**	**540,104**

7 Share capital and reserves

The Annual General Meeting and an Extraordinary General Meeting of Logwin AG were held in Luxembourg on 10 April 2019. In addition to the approval of the 2018 financial statements, amongst others the proposals of the Board of Directors to distribute an amount of EUR 3.50 per share for the past financial year on the basis of the 2,884,395 shares entitled to dividends was approved by the Annual General Meeting with a large majority. As a result, a total of EUR 10.1 million was distributed to the shareholders in April 2019. The Annual General Meeting again authorized the Board of Directors to resolve to buy back own shares until 10 April 2024. Further details of the resolutions can be found at https://www.logwin-logistics.com/unternehmen/investoren/hauptversammlung.html.

8 Additional information on financial instruments

The following table shows the fair values of derivative financial instruments and material non-current financial instruments whose fair value could be reliably determined as of 30 June 2019 and 31 December 2018:

	Fair Value	
In thousand EUR	30 Jun 2019	31 Dec 2018
Securities measured at fair value through profit and loss (FVtPL)	634	592
Equity investments measured at fair value through profit and loss (FVtPL)	175	185
Derivative financial instruments from currency hedges		
with positive market value	506	423
with negative market value	-472	-477

The financial instruments measured at fair value through profit or loss were reported in the balance sheet under financial assets. The derivative financial instruments used for currency hedging are included in other receivables and assets or other current liabilities. With regard to the methods and assumptions used to determine the fair values of financial instruments, please refer to the financial report 2018.

9 Contingent liabilities

In the first six months, there were no significant changes in contingent liabilities in respect of bank and other guarantees, letters of comfort and other liabilities arising in the ordinary course of business. It can still be assumed that no significant obligations will arise from this.

There were no developments subject to reporting obligations in respect of the remission procedure for back payment of import VAT for customs clearance which Logwin Road + Rail Austria GmbH performed with joint and several liability on behalf of customers, who are alleged to have been part of a missing trader (VAT Carousel) fraud. The continuation of the proceedings is currently not foreseeable, as it depends on a parallel proceeding of the European Court of Justice. Irrespective of the application for complete waiver of the levies plus interest, the cover note of the insurance bureau responsible for claims settlement shall continue to exist. As of the balance sheet date, in view of the prospects of success, it was considered more likely than not that the payment would be forgiven. For further information, please refer to the annual financial report 2018.

10 Related party transactions

Entities and persons are regarded as related parties if one party has the ability to control the other party or has an interest in the entity that gives it significant influence over the entity, if the party is an associate or if the party is a member of the key personnel of the entity or its parent.

In fiscal years 2019 and 2018, the Logwin Group provided services for certain associated companies and for affiliated, non-consolidated companies as part of its ordinary business activities. In addition, there were supply and service relationships with the former parent company DELTON Health AG, Bad Homburg v.d.H., and its subsidiaries.

Until December 2018, DELTON Health AG - via its wholly-owned subsidiary DELTON Vermögensverwaltung AG - held a majority stake in Logwin AG, Grevenmacher/Luxembourg. As part of a structural realignment at DELTON Health AG, the investment in Logwin AG was transferred from DELTON Vermögensverwaltung AG to the newly founded DELTON Logistics S.à r.l., Grevenmacher/Luxembourg, in December 2018.

Mr. Stefan Quandt is the sole shareholder of DELTON Health AG, DELTON Logistics S.à r.l. and shareholder and Deputy Chairman of the Supervisory Board of BMW AG, Munich. Within the meaning of IAS 24 "Related Party Disclosures" he is a related party to BMW AG, DELTON Logistics S.à r.l. and DELTON Health AG.

	Associated and affiliated, not consolidated companies		DELTON Health AG and its subsidiaries	
1 January - 30 June *In thousand EUR*	**2019**	**2018**	**2019**	**2018**
Services provided	170	43	148	119
Services received	140	104	281	266
	30 Jun 2019	**31 Dec 2018**	**30 Jun 2019**	**31 Dec 2018**
Receivables	25	46	3	1
Payables	137	184	90	187

In 2016, Logwin AG also concluded a framework agreement with DELTON Health AG for money market transactions, which expired on 30 June 2019. No financing income was generated in the year under review (prior year: EUR 15k).

Logwin AG generated rental income of EUR 4k (prior year: EUR 0k) from the newly founded DELTON Logistics S.à r.l. in the first six months.

In the first six months of 2019, the Logwin Group´s revenues from companies of the BMW Group amounted to EUR 10,752k (prior year: EUR 11,546k). Receivables from the BMW Group amounted to EUR 2,051k as of 30 June 2019 (31 December 2018: EUR 2,235k).

In addition, Logwin Group companies procured vehicles from BMW Group, by leasing. The resulting expenses for Logwin Group for the first half-year of 2019 amounted to EUR 754k (prior year: EUR 733k). Liabilities to the BMW Group from unpaid lease instalments amounted to EUR 17k as of 30 June 2019 (31 December 2018: EUR 0k).

Furthermore, there are business relationships between the Logwin Group and members of the Board of Directors. The Logwin Group incurred expenses of EUR 39k in the first half of 2019 (prior year: EUR 0k).

All transactions with related parties were carried out at arm's length conditions and in accordance with the "dealing at arm's length" principle.

11 External review

The consolidated interim financial statements were neither audited according to articles 69 and 340 of the Luxembourg law dated August 10, 1915 with all following changes, nor limited reviewed by an auditor.

12 Events after the reporting period

No significant events occurred after the reporting period.

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 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."

Dr. Antonius Wagner	Sebastian Esser
(Chairman of the Board of Directors)	(Deputy Chairman of the Board of Directors)