



Wittur International Holding GmbH
as the Issuer of
€225,000,000 8.50% Senior Notes due 2023

Financial results of Wittur International Holding GmbH
for the six months ended June 30, 2018

Dated August 16, 2018

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SUMMARY OVERVIEW OF RESULTS

Consolidation level

The following report and supporting interim IFRS consolidated financial statements for the six months ended June 30, 2018, include Wittur International Holding GmbH and its subsidiaries (also referred to as “Wittur”, “the Group” or “Wittur Group”).

Results Summary

Wittur Group

Wittur Group recorded consolidated revenues of €396.9 million for the first six months of 2018, which represents an increase of 2.4% over the prior year period (6M 2017: €387.6 million).

Wittur’s European business contributed 53.3% or €211.5 million to Group revenue in the first six months of 2018. The business shows a slight increase in comparison to previous year’s figures (6M 2017: €209.5 million). This development was mainly influenced by good growth with our MNC customers.

Asian operations generated €152.8 million or 38.5% of revenue in the period under review, up 7.8% over previous year’s figure of €141.7 million with a strong revenue increase in China, India and Australia. The Rest of World region showed a revenue decrease of 10.4% to €32.6 million in the first six months 2018 (6M 2017: €36.4 million) due to adverse foreign exchange effects, particularly in South America, and a decline in Eurasia.

Earnings before interest, taxes, depreciation and amortization before exceptional items (EBITDA Adjusted) of the Wittur Group increased by 8.2% to €57.8 million in the period under review (6M 2017: €53.4 million). This positive margin development was influenced by benefits from the execution of the functional excellence program, which was initiated last year. The EBITDA Adjusted margin was 14.6%.

One-off costs in the first six months of 2018 are €12.0 million below prior year in the period under review. The ERP installation issues in Austria and Slovakia are solved with a small portion of temporary overhead costs still remaining with the aim of fully eliminating them until end of the year.

Net cash flow before financing activities in the first six months of 2018 of Wittur Group was €28.9 million with EBITDA contributing positively to our cash flow.

Other Financial and Operating Data

Other Financial Data

	Period ended June 30,	
	2018	2017
	in € million	
	(unaudited unless otherwise stated)	
<u>Profit and Loss</u>		
Revenues	396.9	387.6
thereof Europe	211.5	209.5
thereof Asia	152.8	141.7
thereof Rest of World	32.6	36.4
EBITDA ⁽¹⁾	47.2	30.8
EBITDA Adjusted ⁽¹⁾	57.8	53.4
EBITDA Adjusted margin ⁽²⁾	14.6%	13.8%
Gross profit (before depreciation & amortization) ⁽³⁾	97.1	96.6
Gross profit margin (before depreciation & amortization) ⁽³⁾	24.5%	24.9%
<u>Cash Flow</u>		
Net cash flow for capital expenditures ⁽⁴⁾	6.5	5.4
Net cash flow before financing activities ⁽⁵⁾	28.9	39.7
Cash Conversion ⁽⁶⁾	88.8%	90.0%
<u>Credit Data</u>		
Net senior financial debt ⁽⁷⁾	405.9	411.1
Net financial debt ⁽⁸⁾	630.9	636.1
Cash interest expense (Pro Forma) ⁽⁹⁾	42.8	46.4
LTM EBITDA Adjusted ⁽¹⁰⁾	111.1	104.9
Ratio of net senior financial debt to LTM EBITDA Adjusted	3.65x	3.92x
Ratio of net financial debt to LTM EBITDA Adjusted	5.68x	6.06x
Ratio of LTM EBITDA Adjusted to cash interest expense (Pro Forma)	2.60x	2.26x

- (1) We define EBITDA as the consolidated net result for the period adding back finance expense, finance income, income taxes and depreciation and amortization. We define EBITDA Adjusted as EBITDA as adjusted to reflect the extraordinary income and expenses described below. We believe that these EBITDA-based measures are useful to investors in evaluating our operating performance and our ability to incur and service our indebtedness. These EBITDA-based measures are not indicators of performance recognized under IFRS or German GAAP. These EBITDA-based measures are not necessarily comparable to the performance figures published by other companies. You should exercise caution in comparing these EBITDA-based measures as reported by us to EBITDA-based measures of other companies. For more information, see "Presentation of Financial and Other Information—Non-GAAP Financial Measures". The following table is a reconciliation of net result for the period to EBITDA and EBITDA Adjusted, in each case as defined by us, for the periods presented.
- (2) EBITDA Adjusted margin represents, in any period, EBITDA Adjusted for such period, divided by revenues for such period.
- (3) Gross profit margin represents a quotient equal to (i) revenues for such period, minus costs of goods sold for such period excluding depreciation and amortization, divided by (ii) revenues for such period.
- (4) Net cash flow for capital expenditures represent the cash out for the purchase of property, plant & equipment, software and other intangible assets for such period.
- (5) Net cash flow before financing activities as presented in the cash flow statement included in this quarterly bond report, excluding effects from acquisitions.
- (6) Cash conversion represents a quotient equal to (i) EBITDA Adjusted, minus net cash flow for capital expenditures, divided by (ii) EBITDA Adjusted.

- (7) Net senior financial debt represents the gross financial debt of the Wittur Group that is senior indebtedness (including structurally senior indebtedness of subsidiaries that are not Guarantors), minus cash and cash equivalents.

Senior secured Term Loan B	464.0
Non-current liabilities to banks	0.2
Non-current finance lease liabilities	2.7
Revolving Credit Facility	0.0
Ancillary Credit Facility	0.0
Current liabilities to banks	21.8
Current finance lease liabilities	0.5
	<hr/>
	489.2
Less cash and cash equivalents	<hr/>
	-83.3
Net Senior Financial debt	<hr/>
	405.9

- (8) Net financial debt represents the gross financial debt of the Wittur Group minus cash and cash equivalents.

High Yield Bond	225.0
Senior secured Term Loan B	464.0
Non-current liabilities to banks	0.2
Non-current finance lease liabilities	2.7
Revolving Credit Facility	0.0
Ancillary Credit Facility	0.0
Current liabilities to banks	21.8
Current finance lease liabilities	0.5
	<hr/>
	714.2
Less cash and cash equivalents	<hr/>
	-83.3
Net Financial debt	<hr/>
	630.9

- (9) Pro forma cash interest expense represents the estimated interest expense on the net financial debt as of June 30, 2018, of the Wittur Group on a pro forma basis for the twelve months ended June 30, 2018.
- (10) LTM EBITDA Adjusted is EBITDA Adjusted for the twelve months ended June 30, 2018 and 2017 respectively.

	Period ended June 30,	
	2018	2017
	<i>in € million</i>	
	<i>(unaudited unless otherwise stated)</i>	
Net result for the period	-16.5	-2.3
Finance expense	41.3	30.3
Finance income	-2.4	-18.2
Income taxes	4.7	0.7
Share of profit of equity-accounted investees	-0.2	-0.5
EBIT	26.9	10.1
Depreciation and amortization	20.4	20.7
EBITDA	47.2	30.8
ERP-related costs ^(A)	1.6	14.6
Project costs ^(B)	3.4	3.3
Reorganization costs ^(C)	3.7	2.9
Transaction costs ^(D)	1.1	1.5
Other costs ^(E)	0.8	0.4
EBITDA Adjusted	57.8	53.4

- (A) ERP-related costs are extraordinary costs incurred after the installation of a new ERP system in Austria and Slovakia in 2017 (in the 2017 Half-Year Report, ERP-related costs were reported under project costs). ERP-related costs in 2018 include costs for still existing additional workforce as a result of the ERP installation in 2017. Costs of this additional workforce implemented to mitigate customer impacts after the ERP installation are gradually reduced.
- (B) Project costs in 2018 are related to strategic projects focused on direct and indirect cost optimization and working capital.
- (C) Reorganization costs in 2018 include temporary additional costs incurred due to the relocation of the Group's complete systems business in Germany as well as costs of the functional excellence program initiated in 2017 to streamline business functions and remove the complexity of multiple organizational layers.
- (D) Transaction costs in 2018 relate to costs incurred in regards to potential acquisitions and other M&A-related costs.
- (E) Other costs relate to other miscellaneous extraordinary expenses not included in the categories above.

Other Operating Data

	Period ended June 30,	
	2018	2017
	<i>(unaudited unless otherwise stated)</i>	
Number of doors sold (<i>units</i>), including door mechanisms	980,345	955,892
Number of employees (<i>heads</i>) ⁽¹⁾	4,580	4,394
Order intake (<i>in € million</i>) ⁽²⁾	414.6	410.7

- (1) Employee figures are headcount figures. Employee figures are based on the number of own permanent employees at period-end for all periods presented.
- (2) Order intake is all purchase orders legally concluded during the period under review.

Subsequent Events

For any material subsequent events please refer to *Note 10 "Events after the balance sheet date"* in the Notes to our interim consolidated financial statements contained elsewhere herein.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations of the first half of 2018 are based on the unaudited condensed consolidated financial statements as of June 30, 2018, which are contained elsewhere in this report, as well as on the accounting records and internal management accounts of Wittur Group. The unaudited condensed consolidated financial statements as of June 30, 2018, were prepared in accordance with IFRS.

Some of the statements contained below relate to future revenues, costs, capital expenditures, acquisitions and financial condition and include forward-looking statements. Because such statements involve inherent uncertainties, actual results may differ materially from the results expressed in or implied by such forward-looking statements. A discussion of such uncertainties can be found in "Forward-Looking Statements". In addition, investing in the Notes involves risks. Such risks are discussed in "Risk Factors". See also "Presentation of Financial and Other Information".

Our geographic regions

We divide our operations into the regions Europe, Asia and Rest of World. These regions describe the geographic region in which we manufacture our products, but do not necessarily correspond to their end-market.

Explanation of Key Line Item

For a description of the key line items in our IFRS financial statements, please refer to Wittur Group 2017 Annual Bond Report.

Results of Operations

The following table provides an overview of our results of operations for the six months ended June 30, 2018 and 2017.

	Period ended June 30,		
	2018	2017	Change in %
	<i>in € million</i>		
	<i>unaudited</i>	<i>unaudited</i>	
Revenues	396.9	387.6	2.4%
Cost of sales⁽¹⁾	-304.2	-296.0	2.8%
Gross profit	92.7	91.6	1.2%
Selling expenses ⁽¹⁾	-26.8	-27.7	-3.1%
Research & development expenses ⁽¹⁾	-3.7	-4.9	-23.9%
Administrative expenses ⁽¹⁾	-38.2	-50.9	-25.0%
Other income	9.4	5.2	81.4%
Other expenses	-6.5	-3.2	102.4%
Earnings before interest and taxes (EBIT)	26.9	10.1	166.4%
Finance expense	-41.3	-30.3	36.1%
Finance income	2.4	18.2	-86.8%
Share of profit at-equity investees	0.2	0.5	-55.4%
Earnings before income taxes (EBT)	-11.8	-1.6	648.9%
Income taxes	-4.7	-0.7	591.0%
Net result for the period	-16.5	-2.3	631.3%

(1) Numbers for 2017 adjusted; please refer to Section 2 'Accounting Policies' in the Notes to the consolidated financial statements contained elsewhere herein.

Revenues

Revenues increased by €9.3 million or 2.4% from €387.6 million in the six months ended June 30, 2017, to €396.9 million in the six months ended June 30, 2018. At comparable exchange rates, revenues grew by 6.3%. This increase was mainly driven by solid growth in our Asia region.

Revenues by regions

	Period ended June 30,			
	2018		2017	
	<i>in € million</i>	<i>% of revenue</i>	<i>in € million</i>	<i>% of revenue</i>
Europe	211.5	53.3	209.5	54.0
Asia	152.8	38.5	141.7	36.6
Rest of the World	32.6	8.2	36.4	9.4
Revenue	396.9	100.0	387.6	100.0

Europe

Our European business contributed 53.3% or €211.5 million to Group revenue in the first six months of 2018, up 0.9% over prior year's figure of €209.5 million. Main driver was the strong recovery of Austria and Slovakia after the ERP installation issues in 2017.

In the first six months of 2018, we could grow the business with our MNC customers. In Europe we generated 68.6% (6M 2017: 66.4%) of our revenue through sales to our MNC customers and the remainder through sales to Independents. Across Europe, growing sales from our Augusta EVO door are contributing to this development. At comparable exchange rates, revenues grew by 1.3%.

Asia

Asian operations generated €152.8 million or 38.5% of revenue in the first six months of 2018, recording 7.8% growth over the previous year's figure of €141.7 million. Particularly in China, we recorded solid growth supported by the CORE door, our new global door platform for low rise buildings. India and Australia as well showed a very good performance.

In our Asia region, we generated 89.7% (6M 2017: 90.1%) of our revenue through sales to our MNC customers in the period under review and the remainder through sales to Independents. At comparable exchange rates, revenues grew by 12.1%.

Rest of World

The Rest of World region showed a revenue decrease of 10.4% to €32.6 million in the first six months of 2018 (6M 2017: €36.4 million) due to adverse foreign exchange effects, especially in South America and Eurasia.

In our Rest of World region, we generated 61.2% (6M 2017: 68.1%) of our revenue through sales to Independents and the remainder through sales to MNCs. In the first six months of 2018, we could considerably grow our business with MNCs. At comparable exchange rates, revenues grew by 12.6%.

Cost of Sales

Cost of sales increased by €8.2 million (+2.8%) to €304.2 million in the six months ended June 30, 2018, from €296.0 million in the six months ended June 30, 2017. The headwinds from higher material costs we have seen in the first half of 2018 were partly compensated by savings from the execution of a global sourcing plan with focus on savings in direct and indirect spend.

Gross Profit (after depreciation & amortization)

Gross profit increased by €1.1 million (+1.2%) to €92.7 million for the six months ended June 30, 2018, from €91.6 million for the six months ended June 30, 2017. Gross profit margin was more or less stable at 23.4% (6M 2017: 23.6%).

Selling Expenses

Selling expenses decreased by €0.9 million (-3.1%) to €26.8 million in the six months ended June 30, 2018, from €27.7 million in the first six months of 2017. This decrease is mainly a result of lower marketing expenses for fairs and exhibitions compared to prior year.

Research & Development Expenses

Research and development (R&D) expenses before capitalization remained stable at €5.6 million (6M 2017: €5.6 million), amounting to 1.2% (6M 2017: 1.3%) of our revenues. Overall, R&D expenses slightly decreased to €3.7 million in the first six months of 2018 (6M 2017: €4.9 million) as a result of higher capitalization of development expenses.

Administrative Expenses

Administrative expenses decreased by €12.7 million (-25.0%) to €38.2 million in six months ended June 30, 2018, compared to €50.9 million in the same period in 2017. This decrease is due to significantly lower extraordinary and one-off costs as well as benefits from the execution of the functional excellence program, which was initiated last year with the aim of streamlining business functions and removing the complexity of multiple organizational layers.

Other Income

Other income increased to €9.4 million (+81.4%) in the six months ended June 30, 2018, compared to €5.2 million in the six months of 2017 mainly due to FX fluctuations.

Other Expenses

Other expenses increased by €3.3 million (+102.4%) to €6.5 million in the first six months of 2018 compared to the same period of 2017. Here again, main impact are FX fluctuations.

EBIT

EBIT increased by €16.8 million (+166.4%) to €26.9 million in the six months ended June 30, 2018, as a result of the factors described above.

Finance Expense

Finance expenses increased by €10.9 million (+36.1%) to €41.3 million in the six months ended June 30, 2018, from €30.3 million in the six months ended June 30, 2017. This increase is due to the fair value decline of the embedded derivative for the High Yield Bond in an amount of €12.7 million. Apart from this accounting impact, interest costs for the Term Loan B significantly decreased after two successful repricings in 2017.

Finance Income

Finance income decreased by €15.8 million to €2.4 million in the six months ended June 30, 2018, from €18.2 million in the six months ended June 30, 2017. The decrease is a result of the fair value measurement of the embedded derivative for the High Yield Bond, which resulted in a gain of €15.5 million in the first six months of 2017, whereas we recognized a loss in the first six months of 2018.

Share of profit (at-equity investees)

Our share of profit of the two associated companies New Lift Steuerungsbaubau GmbH, Germany, and Computec S.r.l., Italy, decreased by €0.3 million to €0.2 million (-55.4%) for the six months ended June 30, 2018, from €0.5 million for the six months ended June 30, 2017.

Income Taxes

Income taxes are at €4.7 million for the six months ended June 30, 2018, compared to €0.7 million for the six months ended June 30, 2017. The income taxes represent the application of a forecasted group tax rate to the recorded result of the Group in accordance with IAS 34.

Net Result for the Period

Net result for the period decreased by €14.3 million to €16.5 million net loss for the six months ended June 30, 2018, compared to €2.3 million net loss for the six months ended June 30, 2017. This decrease is a result of the factors described above.

Working Capital

We define working capital as the sum of inventories, trade receivables and other current assets, less trade payables and other current liabilities and contract liabilities. The following table provides an overview of our working capital as of June 30, 2018, compared to December 31, 2017:

	As of June 30,	As of December 31,
	2018	2017
	<i>in € million</i>	
	<i>unaudited</i>	<i>unaudited</i>
Inventories	72.1	71.1
Trade receivables	110.3	110.5
Trade payables	-135.4	-125.8
Other working capital items	-39.7	-34.5
Working capital	7.3	21.4

Our effective management of working capital levels, particularly through sharing best practices among different jurisdictions, and the large proportion of our revenues derived from globally operating MNCs, has allowed the Group to maintain working capital requirements below 10% of LTM revenues.

Due to the implementation of a non-recourse factoring program in two of our European sites, trade receivables remained on a stable level compared to December 31, 2017, despite increasing revenues.

Cash Flow

The following table sets forth consolidated cash flow data for the six months ended June 30, 2018 and 2017.

	Period ended June 30,	
	2018	2017
	<i>in € million</i>	
	<i>unaudited</i>	<i>unaudited</i>
Operating Activities		
EBITDA	47.2	30.8
Change in working capital	1.3	21.4
Change in provisions and other liabilities	-5.3	-1.1
Change in other assets	-0.8	0.0
Income taxes paid	-7.2	-6.5
Interest received	0.2	0.1
Other non-cash items	0.0	0.0
Cash Flow from Operating Activities	35.4	44.6
Investing Activities		
Dividends received from associated companies	0.0	0.3
Purchase of property, plant and equipment	-4.0	-4.1
Purchase of software	-0.5	-0.4
Purchase of other intangible assets	-1.9	-0.8
Disposal of assets	0.1	0.1
Other investing cash flow	-0.1	0.0
Cash Flow from Investing Activities	-6.5	-4.9
Cash Flow before Debt Service	28.9	39.7
Financing Activities		
Interest paid	-23.0	-22.9
Transaction fees, rating & other financing costs	-0.9	-0.7
Proceeds/(Repayment) of Paternoster Term Loan B	0.0	39.0
Proceeds/(Repayment) of other Senior Facilities	0.0	-28.7
Proceeds/(Repayment) of other borrowings	0.3	3.2
Sale/(Purchase) of other investments	0.8	-1.0
Cash Flow from Financing Activities	-22.8	-11.2
Change in cash and cash equivalents	6.1	28.5
FX differences	-1.0	-1.8
Cash and cash equivalents at beginning of period	78.2	37.4
Cash and cash equivalents at end of period	83.3	64.1

Capital Expenditures

To support our business strategy and development plans and to further expand our business operations in new markets, we regularly incur capital expenditures. In the six months ended June 30, 2018, we incurred capital expenditures of €6.5 million, or 1.6% of revenue, compared to €5.2 million, or 1.3% of revenue in the six months ended June 30, 2017.

In the first six months 2018, the major portion of expansion capital expenditures was invested in Europe, followed by expansion investments in our operations in Asia.

Major projects in the first six months of 2018 include upgrades of an assembly line and firefighting installations in one of our Italian plants, machinery replacements in Austria and Italy, investments in a new ERP and a powder painting line in India, and a painting line upgrade in Hungary. Furthermore, investments related to the ramp-up of our new Core door have started in our plants in Turkey and India.

Contractual Obligations and Contingent Liabilities

The following contractual obligations and principal payments identify what we are obliged to pay as at June 30, 2018. Also see “*Financial Risk Management*” in the Notes to consolidated financial statements for the year ended December 31, 2017.

in € million	Payments due by period (unaudited)			
	Total	Less than 1 year	1 to 5 years	More than 5 years
High Yield Bond	313.5	19.1	294.4	0.0
Term Loan B	556.2	27.5	528.7	0.0
Trade and other payables	183.7	183.7	0.0	0.0
Other financial liabilities	26.5	23.1	2.0	1.4
Sub-Total	1.079.8	253.3	825.1	1.4
Derivative financial instruments	0.0	0.0	0.0	0.0
Total	1.079.8	253.3	825.1	1.4

Pension Obligations

We offer various types of retirement benefits to certain of our employees worldwide, either directly or by contributing to independently administered funds. In particular, we have defined benefit pension plans in Austria, Italy, Turkey and Germany as well as other smaller plans in other countries. As of June 30, 2018, we had defined benefit obligations including jubilee obligations in an amount of €12.3 million.

Payments required to be made under these pension plans were historically funded from operating cash flow, and we anticipate continuing doing so going forward.

Qualitative Disclosure on Market Risk

We are exposed to a number of financial risks arising in the ordinary course of business, such as credit risks, foreign exchange risks and interest rate risks. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists of the following types of risk: foreign currency exchange rate risk and interest rate risk. Financial instruments exposed to market risk include interest-bearing loans and derivative financial instruments. See “*Financial risk management*” in the Notes to our consolidated financial statements for the year ended December 31, 2017.

Accounting Policies

Depreciation and amortization expenses were reclassified to the respective functional areas, whereas in the prior year, these expenses were reported under administrative expenses.

This change in accounting was made to enhance the reliability of information contained in these financial statements.

Additionally, the new standards IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers were applied starting from January 1, 2018. As a result of the application of IFRS 15, deferred income related to customer contracts is now reported under contract liabilities. Furthermore, the categorization of financial instruments has changed as a result of the introduction of IFRS 9. For further details, please refer to Note 9 “Additional disclosures on financial instruments” in the consolidated financial statements contained elsewhere herein.

For changes in accounting policies, also refer to the Note 2 “Accounting Policies” in the consolidated financial statements contained elsewhere herein.

FORWARD-LOOKING STATEMENTS

This interim financial report contains certain forward looking statements, such as statements about expectations, beliefs, plans, objectives, intentions, assumptions and other statements which are not statements of historical fact.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based upon potentially inaccurate assumptions that could cause results to differ materially from those expected or implied by the forward-looking statements.

The statements outlined in “*Forward-Looking Statements*” in the 2017 Annual Bond Report continue to apply to any forward-looking statements contained in this financial report.

CURRENCY PRESENTATION AND DEFINITIONS

In this Financial Report for the six months ended June 30, 2018, all references to “Euro”, “EUR” or “€” are to the single currency of the participating member states of the Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time and all references to “U.S. dollars”, “US\$” and “\$” are to the lawful currency of the United States of America.

Definitions

All definitions outlined “*Currency Presentation and Definitions*” in the 2017 Annual Bond Report continue to apply in this Financial Report for the six months ended June 30, 2018.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial information

Unless otherwise indicated, the financial information as at and for the periods ended June, 2018 and 2017 presented in this Financial Report for the six months ended June 30, 2018, has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”). In this Financial Report for the six months ended June 30, 2018, the terms “financial statements” and “financial information” refer to the financial statements and the financial information of Wittur Group and its subsidiaries. This Financial Report as at June 30, 2018, contains unaudited IFRS condensed consolidated financial statements of Wittur Group as at and for the six months ended June 30, 2018 and 2017 (“Unaudited IFRS condensed consolidated interim financial statements”), prepared in accordance with IFRS.

Financial information presented in this Financial Report for the six months ended June 30, 2018, refers to Wittur Group and its subsidiaries; accordingly, all references to “we”, “us”, “our” or the “Group” in respect of historical financial information in this Financial Report for the six months ended June 30, 2018, are related to Wittur Group and its subsidiaries on a consolidated basis including Sematic entities.

Non-GAAP financial measures

This Financial Report for the six months ended June 30, 2018, contains non-GAAP financial measures and ratios (the “**non-GAAP measures**”), including EBITDA, EBITDA Adjusted, Cash Conversion, Gross profit, Working capital and leverage and interest coverage ratios that are not required by, or presented in accordance with, IFRS or other generally accepted accounting principles.

For definitions of these terms and further disclosure on non-GAAP financial measures see “*Presentation of financial and other information*” in our Annual Bond Report 2017. If not stated otherwise explicitly, there are no changes to definitions of non-GAAP financial measures in this Financial Report for the six months ended June 30, 2018, from the 2017 Annual Bond Report.

Non-Financial Operating Data

Certain key performance indicators and other non-financial operating data included in this Financial Report for the six months ended June 30, 2018, including (i) number of doors sold (units), including mechanisms, (ii) number of employees (heads) and (iii) order intake at the end of the period, are derived from management estimates, are not part of our financial statements or financial accounting records, and have not been audited or otherwise reviewed by outside auditors, consultants or experts. Our use or computation of these terms may not be comparable to the use or computation of similarly titled measures reported by other companies. Any or all of these terms should not be considered in isolation or as an alternative measure of performance under IFRS.

Rounding

Numerical figures set out in this Financial Report were calculated using precise figures and rounded to million Euros. Percentages and amounts reflecting changes over time periods relating to financial and other information are calculated using precise numerical data in the Group’s consolidated financial statements or the tabular presentation of other information contained in this Financial Report, as applicable, and not using the numerical data in the narrative description thereof. Due to this, rounding differences may occur and numbers presented throughout this document may not add up precisely.

PRESENTATION OF INDUSTRY AND MARKET DATA

For further information regarding industry and market data see “*Presentation of Industry and Market Data*” in our 2017 Annual Bond Report.

RISK FACTORS

The risks and uncertainties we describe in our 2017 Annual Bond Report are not the only ones we face. Additional risks and uncertainties of which we are not aware or that we currently believe are immaterial may also adversely affect our business, financial condition and results of operations and our ability to fulfill our obligations under the Notes and Guarantees. If any of the possible events described in our 2017 Annual Bond Report were to occur, our business, financial condition and results of operations could be materially and adversely affected. If that happens, the trading prices of the Notes could decline, we may not be able to pay interest or principal on the Notes when due and you could lose all or part of your investment.

Due to our worldwide business operations, we are exposed to numerous potential risks. In order to achieve targets and maximize value, management’s role is to continually identify these risks and minimize potential exposure to these risks.

Wittur Group management continuously reviews both internal and external risks in all business areas and subsidiaries, evaluates them with respect to exposure and probability of occurrence and ensures, where appropriate, that amounts are reflected in the financial statements to cover such exposure.

A detailed risk report describing the most relevant risks is included in our 2017 Annual Bond Report (see “*Risk Factors*”).s

**Interim condensed
consolidated financial statements
of**

**Wittur International Holding GmbH
Sulzemoos, Germany**

for the six months ended June 30, 2018

FINANCIAL STATEMENTS

Consolidated statement of comprehensive income

For the six months ended June 30, 2018:

KEUR	Note	Jan. 1 – Jun. 30, 2018	Jan. 1 – Jun. 30, 2017
Revenues	(7)	396,902	387,616
Cost of sales ¹⁾		-304,208	-295,980
Gross profit		92,694	91,636
Selling expenses ¹⁾		-26,819	-27,685
Research & development expenses ¹⁾		-3,731	-4,904
Administrative expenses ¹⁾		-38,192	-50,939
Other income		9,422	5,195
Other expenses		-6,520	-3,221
Earnings before interest and taxes (EBIT)		26,854	10,081
Finance expense	(8.1)	-41,263	-30,321
Finance income	(8.1)	2,391	18,176
Share of profit of equity accounted investees		218	489
Earnings before income taxes (EBT)		-11,800	-1,576
Income taxes		-4,748	-687
RESULT FOR THE PERIOD		-16,548	-2,263
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		-3,560	-3,351
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Actuarial gains and losses		-	-
Income tax relating to the components of OCI		-	-
Other comprehensive income, net of tax		-3,560	-3,351
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-20,108	-5,614

1) Prior year numbers adjusted. Please refer to Note 2 'Accounting Policies'.

For the second quarter ended June 30, 2018:

KEUR	Note	Apr. 1 – Jun. 30, 2018	Apr. 1 – Jun. 30, 2017
Revenues	(7)	210,542	211,923
Cost of sales ¹⁾		-159,891	-159,358
Gross profit		50,651	52,565
Selling expenses ¹⁾		-13,440	-13,176
Research & development expenses ¹⁾		-1,882	-2,410
Administrative expenses ¹⁾		-21,135	-30,805
Other income		6,289	2,215
Other expenses		-3,811	-1,397
Earnings before interest and taxes (EBIT)		16,672	6,992
Finance expense	(8.1)	-28,035	-16,421
Finance income	(8.1)	1,312	8,010
Share of profit of equity accounted investees		33	164
Earnings before income taxes (EBT)		-10,018	-1,255
Income taxes		-4,320	-496
RESULT FOR THE PERIOD		-14,338	-1,751
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		-1,865	-3,459
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Actuarial gains and losses		-	-
Income tax relating to the components of OCI		-	-
Other comprehensive income, net of tax		-1,865	-3,459
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-16,203	-5,209

1) Prior year numbers adjusted. Please refer to Note 2 'Accounting Policies'.

Consolidated balance sheet

ASSETS			
KEUR	Note	Jun. 30, 2018	Dec. 31, 2017
Goodwill		146,976	147,256
Other intangible assets		430,287	445,809
Property, plant and equipment		112,973	115,636
Investment properties		2,894	2,956
Other non-current financial assets	(8.1)	6,574	19,908
Equity-accounted investees		13,213	12,995
Other non-current assets		270	315
Deferred tax assets		3,505	3,795
Non-current assets		716,692	748,670
Inventories		72,149	71,124
Trade receivables		110,335	110,495
Other current financial assets		4,569	0
Other current assets		13,166	12,881
Income tax receivables		3,258	3,103
Cash and cash equivalents		83,295	78,240
Assets held for sale		2,004	2,004
Current assets		288,774	277,846
Total assets		1,005,466	1,026,517
EQUITY AND LIABILITIES			
KEUR	Note	Jun. 30, 2018	Dec. 31, 2017
Subscribed capital		25	25
Capital Reserve		222,565	222,565
Retained earnings		-232,590	-169,796
Net result for the period		-16,548	-62,794
Other components of equity		-28,121	-24,561
Total equity		-54,669	-34,562
Non-current interest-bearing loans and borrowings	(8.1)	681,926	680,899
Provisions for pensions and other long-term employee benefits		12,296	12,255
Other non-current provisions		6,804	19,907
Other non-current financial liabilities		2,823	3,046
Other non-current liabilities		3,166	340
Deferred tax liabilities		115,954	111,900
Non-current liabilities		822,969	828,347
Current interest-bearing loans and borrowings	(8.1)	21,781	22,257
Trade and other payables		183,653	167,375
Contract liabilities		4,661	5,716
Other current provisions		10,317	13,466
Other current financial liabilities		12,094	12,385
Income tax liabilities		4,660	11,533
Current liabilities		237,166	232,731
Total equity and liabilities		1,005,466	1,026,517

Consolidated statement of cash flows

KEUR	Jan. 1 – Jun. 30, 2018	Jan. 1 – Jun. 30, 2017
Operating activities		
Earnings before interest and taxes (EBIT)	26,854	10,081
Depreciation and amortisation	20,385	20,710
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	47,239	30,791
Change in working capital	1,270	21,381
Change in provisions and other liabilities	-5,275	-1,146
Change in other assets	-818	-30
Income taxes paid	-7,238	-6,546
Interest received	243	133
Other non-cash items	26	20
Net cash flow from operating activities	35,447	44,605
Investing activities		
Dividends received from associated companies	-	300
Purchase of property, plant and equipment	-4,049	-4,142
Purchase of software	-477	-438
Purchase of other intangible assets	-1,938	-775
Disposal of assets	82	137
Other investing cash flow	-136	-
Net cash flow used in investing activities	-6,518	-4,919
Net cash flow before financing activities	28,928	39,686
Financing activities		
Interest paid	-22,989	-22,855
Transaction fees, rating & other financing costs	-945	-738
Proceeds/(Repayment) of Paternoster Term Loan B	-	39,000
Proceeds/(Repayment) of other Senior Facilities	-	-28,734
Proceeds/(Repayment) of other borrowings	292	3,192
Sale/(Purchase) of other investments	797	-1,027
Net cash flow used in financing activities	-22,844	-11,161
Net increase in cash	6,084	28,525
Effects currency translation	-1,030	-1,828
Cash and cash equivalents at beginning of period	78,240	37,410
Cash and cash equivalents at the end of period	83,295	64,106

Consolidated statement of changes in equity

KEUR	Subscribed capital	Attributable to owners of the parent				Total equity
		Retained earnings	Capital reserve	Other reserves	Valuation of pensions	
				Currency translation		
Balance as of Jan. 1, 2017	25	-169,795	222,565	-13,077	-477	39,241
Net result for the period	-	-2,263	-	-	-	-2,263
Other comprehensive income	-	-	-	-3,351	-	-3,351
Total comprehensive income	-	-2,263	-	-3,351		-5,614
Balance as of Jun. 30, 2017	25	-172,059	222,565	-16,428	-477	33,627
Balance as of Jan. 1, 2018	25	-232,590	222,565	-24,069	-492	-34,562
Net result for the period	-	-16,548	-	-	-	-16,548
Other comprehensive income	-	-	-	-3,560	-	-3,560
Total comprehensive income	-	-16,548	-	-3,560	-	-20,108
Balance as of Jun. 30, 2018	25	-249,138	222,565	-27,629	-492	-54,669

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Corporate information

1.1 Reporting entity

Wittur International Holding GmbH (former Paternoster Holding III GmbH) (herein referred to as the “Company”) is a limited liability company domiciled in Sulzemoos, Germany. The address of the Company’s registered office is Rohrbachstraße 26-30, 85259 Sulzemoos, Germany. The consolidated interim financial statements of the Company as of and for the period ended June 30, 2018, comprise the Company and its subsidiaries (together referred to as “Wittur Group”, “Wittur” or the “Group”, and individually as “Group entities”).

Wittur Group is a leading independent solution provider for components, modules and systems for the elevator industry. The Group is a development partner and supplier to the major international elevator companies, as well as small and medium-sized manufacturers. Its range of products mainly comprises the development and manufacture of doors, slings and frames, safety devices, cars, drives as well as complete elevator packages. Wittur does not install elevators and does not offer maintenance services for elevators.

1.2 Basis of preparation

The interim consolidated financial statements have been prepared in accordance and in conformity with IAS 34 “Interim financial reporting”. These interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2017, which were prepared in accordance and conformity with all International Financial Reporting Standards (IFRS) as adopted by the European Union as of December 31, 2017. The interim consolidated financial statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

The interim consolidated financial statements were approved and released for publication by the Executive Board of the Company on August 10, 2018.

These interim consolidated financial statements cover the six months period from January 1, 2018, to June 30, 2018. The comparison period is January 1, 2017 to June 30, 2017.

These interim consolidated financial statements have not been audited.

2 Accounting policies

Depreciation and amortization expenses were reclassified to the different functional areas, whereas in the prior year, these expenses were reported under administrative expenses.

This change in accounting was made to enhance the reliability of information contained in these financial statements.

The following tables show an overview of the reclassification by income statement item:

KEUR	Jan. 1 - Jun. 30, 2018	Jan. 1 - Jun. 30, 2017 adjusted	Jan. 1- Jun. 30, 2017 reported	Difference: Reclass depreciation & amortisation
Cost of sales	-304,208	-295,980	-290,979	-5,001
Selling expenses	-26,819	-27,685	-14,798	-12,887
Research & development expenses	-3,731	-4,904	-4,337	-567
Administrative expenses	-38,192	-50,939	-69,394	18,456

KEUR	Apr. 1 – Jun. 30, 2018	Apr. 1 – Jun. 30, 2017 adjusted	Apr. 1- Jun. 30, 2017 reported	Difference: Reclass depreciation & amortisation
Cost of sales	-159,891	-159,358	-156,849	-2,509
Selling expenses	-13,440	-13,176	-7,493	-5,684
Research & development expenses	-1,882	-2,410	-2,134	-276
Administrative expenses	-21,135	-30,805	-39,273	8,469

The new standards IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers were applied starting from 1 January 2018. As a result of the application of IFRS 15, deferred income related to customer contracts amounting to 4,661 KEUR as of June 30, 2018, is now reported under contract liabilities. Previously, deferred income was reported under trade and other payables. IFRS 15 had no impact on the timing of revenue recognition for the Wittur Group. Furthermore, the categorization of financial instruments has changed as a result of the introduction of IFRS 9. For further details, please refer to Note 9 “Additional disclosures on financial instruments”. The adoption of IFRS 9 did not have any impact on the balance sheet or statement of comprehensive income of the Wittur Group.

Besides this, Wittur Group has applied the same accounting principles in preparation of these interim financial statements as in the financial statements for the year ended December 31, 2017.

Regarding the standards, which have been issued but are not yet effective, our preliminary assessment has not changed, especially regarding IFRS 16 Leases. The full impact on accounting practices is still being reviewed.

The interim consolidated financial statements are presented in Euro, which is the functional currency of the parent company. Unless otherwise noted, all amounts are rounded to the nearest thousands of Euro (KEUR). Totals in tables were calculated using precise figures and rounded to KEUR.

The exchange rates of certain significant currencies versus the Euro changed as follows:

1 EUR =

Currency	ISO Code	Rate at closing date		Average exchange rate	
		Jun. 30, 2018	Dec. 31, 2017	Jan. 1 – Jun. 30, 2018	Jan. 1 – Jun. 30, 2017
Argentine Pesos	ARS	31.98	22.28	25.97	16.98
Brazilian Real	BRL	4.49	3.97	4.14	3.44
Chinese Yuan Renminbi	CNY	7.72	7.80	7.71	7.44
British Pound	GBP	0.89	0.89	0.88	0.86
Hungarian Forint	HUF	329.77	310.33	314.08	309.47
Indian Rupee	INR	79.81	76.61	79.52	71.12
Swedish Korona	SEK	10.45	9.84	10.15	9.60
Turkish Lira	TRY	5.34	4.55	4.96	3.94
U.S. Dollar	USD	1.17	1.20	1.21	1.08

Estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In preparing these consolidated interim financial statements, the significant judgements made by management in applying the group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the business year ended December 31, 2017.

Changes in the composition of the Group

These consolidated interim financial statements include, besides Wittur International Holding GmbH as the parent company, 34 fully consolidated subsidiaries.

Wittur Colombia S.A.S, Colombia, was liquidated in the second quarter of 2018.

No further changes in the composition of the Group have occurred in the first half of 2018.

Significant events and transactions

In the fourth quarter of 2017, a potential obligation towards one of the Group's customers was recorded as provision to compensate the customer for additional costs caused by significant delays in deliveries resulting from an ERP rollout. In March 2018, the Group finalized the negotiations with the customer and agreed on the settlement amount and the related payment schedule. The provision recorded in 2017 corresponds to the final settlement.

In the first half of 2018, factoring agreements were concluded in Italy and Spain.

Furthermore, eight new beneficiaries have entered the share based payment programme and two beneficiaries ceased employment and sold back their shares to Wittur Holding GmbH in the first half of 2018.

No further significant events or transactions have occurred in the first half of 2018.

Seasonality or cyclicity of interim operations

The financial results presented in these interim financial statements of the Group are not materially affected by seasonal or cyclical events.

Segment reporting

The Group produces and sells elevator components such as doors, slings and frames, safety devices, cars, drives as well as complete elevator packages. Wittur's products are used in new installations and modernizations. They are integrated in elevator systems for people, cargo and in special applications such as cruise ships.

Due to Wittur's business model and governance structure, the Group is considered as one operating segment. Therefore, only external sales are reported for the Group. The segment's earnings before income taxes, total assets and liabilities, which are split into current and non-current liabilities, are reported in the interim financial statements of the Group.

In addition to segment information, other selected information is published on a voluntary basis.

Sales by geographical regions

KEUR	Jan. 1 – Jun. 30, 2018	Jan. 1 – Jun. 30, 2017
Europe	211,464	209,491
Asia	152,801	141,710
Rest of World	32,637	36,416
Revenues	396,902	387,616

Product information

The Group's sales per product group are shown below:

KEUR	Jan. 1 – Jun. 30, 2018	Jan. 1 – Jun. 30, 2017
Doors	291,454	277,767
Other products	105,448	109,849
Revenues	396,902	387,616

Consolidated balance sheet

2.1 Interest bearing loans and borrowings

Non-current interest bearing loans and borrowings

KEUR	Jun. 30, 2018	Dec. 31, 2017
Term Loan B	452,708	451,507
High Yield Bond	228,976	229,318
Non-current bank loans	241	74
Non-current interest-bearing loans and borrowings	681,926	680,899

Current interest bearing loans and borrowings

KEUR	Jun. 30, 2018	Dec. 31, 2017
Current bank loans	21,781	22,257
Revolving Credit Facility	-	-
Ancillary Credit Facility	-	-
Current interest-bearing loans and borrowings	21,781	22,257

The fair value of the bond repurchase option, which is recorded under non-current financial assets, amounts to KEUR 3,977 (2017: KEUR 16,649). The fair value of the bond repurchase option has decreased compared to 2017 as a result of lower bond quotes, higher credit default swap (CDS) spreads, and due to the shorter term to maturity of the bond.

Additional disclosures on financial instruments

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments. The disclosures have to be made in accordance with the characteristics of the financial instruments. At Wittur, the breakdown is provided by balance sheet items:

June 30, 2018:

KEUR	Category in accordance with IFRS 9	Amounts recognised in balance sheet according to IFRS 9				Disclosure of Fair value		
		Amortised cost	Fair value measurement Level 1	Fair value measurement Level 2	Fair value measurement Level 3	Fair value measurement Level 1	Fair value measurement Level 2	Fair value measurement Level 3
Financial assets								
Non-current assets								
Other non-current assets								
Other receivables	Amortised cost	13				13		
Other non-current financial assets								
Bond repurchase option	FVPL			3,977				
Investments	FVPL			2,361				
Loans	Amortised cost	173				173		
Other non-current financial assets	Amortised cost	63				63		
Financial liabilities								
Non-current liabilities								
Interest-bearing loans and borrowings	Amortised cost	681,926				648,638		
Other financial liabilities								
Other financial liabilities	Amortised cost	158				158		

December 31, 2017:

KEUR	Category in accordance with IFRS 9	Amounts recognised in balance sheet according to IFRS 9				Disclosure of Fair value		
		Amortised cost	Fair value measurement Level 1	Fair value measurement Level 2	Fair value measurement Level 3	Fair value measurement Level 1	Fair value measurement Level 2	Fair value measurement Level 3
Financial assets								
Non-current assets								
Other non-current assets								
Other receivables	Amortised cost	96				96		
Other non-current financial assets								
Bond repurchase option	FVPL			16,649				
Investments	FVPL			3,158				
Other non-current financial assets	Amortised cost	101				101		
Financial liabilities								
Non-current liabilities								
Interest-bearing loans and borrowings	Amortised cost	680,899				688,353		
Other financial liabilities								
Other financial liabilities	Amortised cost	117				117		
Current liabilities								
Foreign currency derivatives	FVPL			11				

IFRS 9 divides all financial assets, which were previously in the scope of IAS 39 into two classifications - those measured at amortised cost and those measured at fair value.

Where assets are measured at fair value, gains and losses are either recognised entirely in profit or loss (fair value through profit or loss or "FVPL") or recognised in other comprehensive income (fair value through other comprehensive income or "FVOCI").

Financial assets and liabilities, which were previously classified as financial liabilities at amortized cost (FLAC), or loans and receivables (LaR) are now classified as Amortised cost under IFRS 9. Furthermore, Available for Sale assets (AfS) are now classified as fair value through profit or loss (FVPL). Lastly, financial assets (FAFV) and liabilities (FLFV) measured at fair value, are now classified as fair value through profit or loss (FVPL).

For financial instruments with current maturities including cash and cash equivalents, accounts receivable and payable as well as other receivables and payables, it is assumed that their carrying amounts approximate their fair values.

The fair values of non-current financial instruments are calculated as the present values of the estimated future cash flows using market interest rates for discounting.

The fair values of non-current financial liabilities with variable interest rates are estimated to be equal to their carrying amounts since the interest rates agreed and those available on the market do not significantly differ.

The fair value of interest rate caps is calculated using the applicable option pricing formulas. The fair value of forward foreign exchange contracts is determined using a net present value calculation based on quoted forward exchange rates at the balance sheet date.

The fair value of the Bond repurchase option is measured as follows:

- The benefit of exercising the repurchase option depends on the interest rate conditions Wittur Group would receive for an alternative financing. The refinancing rate is the market rate of 0,21% plus a specific risk premium of, 7,61%. This is compared to the implied yield of the loan, which is determined by the floating interest rate element. As a result, it is then economical to exercise the option, when the rate of the alternative financing is below the implied yield of the loan at the exercise date. Thus, the fair value of the derivative depends also mainly on this factor and its expected volatility.
- To determine the economic benefit of exercising the option, the yield and the default rate are simulated using a Hull and White single-factor model (1990). The input parameters of the valuation model are the

yield and credit spread volatilities, the yield curve and benchmark credit default swap (CDS) rates at the respective valuation dates.

The investments are measured at fair value, which is based on a valuation model.

The following overview provides the fair value measurement hierarchy of the Group's non-current assets and liabilities:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions.
- Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means ("market-corroborated inputs").
- Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

In the period until June 30, 2018, there are no fair values derived according to the fair value hierarchy Level 1. The fair value of derivative instruments represents the Level 2. It is measured based on price information derived from active markets and commonly used valuation methods provided by issuing banks.

As of June 30, 2018, the fair values of the High Yield Bond and the Term Loan B were calculated. The nominal amount is KEUR 225,000 (2017: KEUR 225,000) for the High Yield Bond and KEUR 464,000 (2017: KEUR 464,000) for the Term Loan B. The fair value is measured based on observable market data. The fair value of the High Yield Bond amounts to KEUR 227,518 (2017: KEUR 235,267) and the fair value of the Term Loan B amounts to KEUR 420,867 (2017: KEUR 453,017).

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There have been no transfers between Level 1, Level 2 and Level 3 during 2018.

For each financial position which is not measured at fair value in the statement of financial position but for which a fair value is disclosed, the fair value is categorised within Level 2.

Events after the balance sheet date

No events occurred between June 30, 2018, and August 10, 2018, which would require adjustments to the amounts recognized in these consolidated financial statements or would need to be disclosed under this heading.

Sulzemoos, August 10, 2018

Antoine Doutriaux
CEO

Christoph Kaml
CFO