**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, 2019**

**Dated August 13, 2019**

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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, 2019, 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 €396.5 million for the first six months of 2019, which were stable over the prior year period (6M 2018: €396.9 million). At comparable exchange rates, revenues had a slight growth of €6.0 million or 1.5%. The increase was mainly driven by solid growth in Americas region.

Wittur's European business contributed 53.4% or €211.7 million to Group revenue in the first six months of 2019 (6M 2018: €211.5 million). Compared to prior year, sales increased €1.0 million or 0.5% at comparable exchange rates. Despite headwinds from the cyber security incident at the beginning of the year, the European business achieved moderate growth.

Asian operations generated €153.5 million or 38.7% of revenue in the first six months of 2019 (6M 2018: €152.8 million), recording a minor growth over prior year, or remaining stable at comparable exchange rates. That was due to a good business development in India and Australia, offset by a somewhat weaker second quarter in China.

The Rest of World region showed a revenue decrease of 4.3% to €31.2 million in the first six months of 2019 (6M 2018: €32.6 million) due to adverse foreign exchange effects, especially of the Turkish Lira and Argentinian Peso. At comparable exchange rates, sales grew by 15.5%, supported by strong Argentina and US business, whereas sales in Eurasia remained stable in a challenging domestic market environment in Turkey.

Earnings before interest, taxes, depreciation and amortization before exceptional items (EBITDA Adjusted) of the Wittur Group decreased by 4.3% to €57.4 million in the period under review (6M 2018: €60.0 million). At comparable exchange rates, the decrease was 2.4%. The EBITDA Adjusted margin was 14.5% (6M 2018: 15.1%).

One-off costs in the first six months of 2019 were at €14.0 million, which was €3.4 million above prior year (6M 2018: €10.6 million). This increase is mainly due to exceptional costs incurred as a result of the cyber security incident.

The net cash flow before financing activities of the Wittur Group amounted to €21.3 million in the first six months of 2019.

The net financial debt of Wittur Group was €704.6 million in the first six months of 2019 (6M 2018: €644.2 million). The increase in debt results from raising an additional term loan of €55.0 million, used to finance an indirect parent company of Wittur Group. The corresponding leverage ratio, calculated as net financial debt to LTM EBITDA Adjusted, was 5.87x (6M 2018: 5.69x).

**Other Financial and Operating Data**

*Other Financial Data*

| | Period ended June 30, | |
|---|---|---|
| | **2019** | **2018** |
| | *in € million* | |
| | *(unaudited unless otherwise stated)* | |
| **Profit and Loss** | | |
| Revenues | 396.5 | 396.9 |
| thereof Europe | 211.7 | 211.5 |
| thereof Asia | 153.5 | 152.8 |
| thereof Rest of World | 31.2 | 32.6 |
| EBITDA(1), (10) | 43.3 | 49.4 |
| EBITDA Adjusted(1), (10) | 57.4 | 60.0 |
| *EBITDA Adjusted margin(2), (10)* | 14.5% | 15.1% |
| Gross profit *(before depreciation & amortization)*(3), (10) | 97.8 | 98.1 |
| *Gross profit margin*(3), (10) | 24.7% | 24.7% |
| **Cash Flow** | | |
| Net cash flow for capital expenditures(4) | 7.1 | 6.5 |
| Net cash flow before financing activities excl. acquisitions(10) | 21.3 | 31.1 |
| *Cash Conversion*(5), (10) | 87.7% | 89.2% |
| **Credit Data** | | |
| Net senior financial debt(6), (10), (11) | 479.6 | 419.2 |
| Net financial debt(7), (10), (11) | 704.6 | 644.2 |
| Cash interest expense *(Pro Forma)(8), (10), (11)* | 46.0 | 43.6 |
| LTM EBITDA Adjusted(9), (10), (11) | 120.1 | 113.2 |
| *Ratio of net senior financial debt to LTM EBITDA Adjusted(10), (11)* | 3.99x | 3.70x |
| *Ratio of net financial debt to LTM EBITDA Adjusted(10), (11)* | 5.87x | 5.69x |
| *Ratio of LTM EBITDA Adjusted to cash interest expense (Pro Forma)(10), (11)* | 2.61x | 2.59x |

(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 table on page 6 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 represents the cash out for the purchase of property, plant & equipment, software and other intangible assets for such period.

(5) Cash conversion represents a quotient equal to (i) EBITDA Adjusted, minus net cash flow for capital expenditures, divided by (ii) EBITDA Adjusted.

(6) 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 | 519.0 |
| Non-current liabilities to banks | 0.2 |
| Non-current lease liabilities | 8.4 |
| Non-Current liabilities from sale and leaseback | 3.6 |
| Revolving Credit Facility | 5.0 |
| Ancillary Credit Facility | 1.1 |
| Current liabilities to banks | 12.4 |
| Current lease liabilities | 3.9 |
| Current liabilities from sale and leaseback | 0.6 |
| **Senior Financial debt** | **554.1** |
| Less cash and cash equivalents | -74.6 |
| **Net Senior Financial debt** | **479.6** |

(7) 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 | 519.0 |
| Non-current liabilities to banks | 0.2 |
| Non-current lease liabilities | 8.4 |
| Non-Current liabilities from sale and leaseback | 3.6 |
| Revolving Credit Facility | 5.0 |
| Ancillary Credit Facility | 1.1 |
| Current liabilities to banks | 12.4 |
| Current lease liabilities | 3.9 |
| Current liabilities from sale and leaseback | 0.6 |
| **Financial debt** | **779.1** |
| Less cash and cash equivalents | -74.6 |
| **Net Financial debt** | **704.6** |

(8) Pro forma cash interest expense represents the estimated interest expense on the net financial debt as of June 30, 2019, of the Wittur Group on a pro forma basis for the twelve months ended June 30, 2019.

(9) LTM EBITDA Adjusted is EBITDA Adjusted for the twelve months ended June 30, 2019, and 2018 respectively. LTM EBITDA Adjusted for prior year includes a positive IFRS 16 impact of € 2.1 million for the period from January 1, 2018 to June 30, 2018, with no pro forma adjustment for the period July 1 to December 31, 2017.

(10) Prior year numbers include effects from the application of IFRS 16 "Leases". Wittur Group transitioned to IFRS 16 in the third quarter of 2018, with effect from January 1, 2018. For further information, please refer to the consolidated financial statements for the financial year ended December 31, 2018.

(11) Before IFRS 16 adoption, credit data for the periods ended June 30, 2019, and 2018 would have been as follows:

| *in € million* | 6M 2019 | 6M 2018 |
|---|---|---|
| Net senior financial debt | 467.5 | 405.9 |
| Net financial debt | 692.5 | 630.9 |
| Cash interest expense (*Pro Forma*) | 45.4 | 42.8 |
| LTM EBITDA Adjusted | 115.5 | 111.1 |
| *Ratio of net senior financial debt to LTM EBITDA Adjusted* | 4.05x | 3.65x |
| *Ratio of net financial debt to LTM EBITDA Adjusted* | 5.99x | 5.68x |
| *Ratio of LTM EBITDA Adjusted to cash interest expense* | 2.54x | 2.60x |

| | Period ended June 30, | |
|---|---|---|
| | **2019** | **2018** |
| | *in € million* | |
| | *(unaudited unless otherwise stated)* | |
| **Net result for the period for continuing operations** | **0.4** | **-17.4** |
| Finance expense(1), (2) | 28.6 | 42.4 |
| Finance income | -8.4 | -2.4 |
| Income taxes | 0.6 | 4.7 |
| Share of profit of equity-accounted investees | -0.2 | -0.2 |
| **EBIT** | **21.0** | **27.1** |
| Depreciation and amortization(1) | 22.3 | 22.3 |
| **EBITDA** | **43.3** | **49.4** |
| ERP-related costs(A) | 0.0 | 1.6 |
| Project costs(B) | 4.0 | 3.4 |
| Reorganization costs(C) | 4.0 | 3.7 |
| Transaction costs(D) | 1.1 | 1.1 |
| Other costs(E) | 4.9 | 0.8 |
| **EBITDA Adjusted** | **57.4** | **60.0** |

(1) Prior year numbers include effects from the application of IFRS 16 "Leases". For further information, please refer to the consolidated financial statements for the financial year ended December 31, 2018.

(2) Prior year numbers adjusted for changes from the derecognition of a contingent consideration provision. For further information, please refer to the consolidated financial statements for the financial year ended December 31, 2018.

(A) ERP-related costs are extraordinary costs incurred after the installation of the new ERP system in Austria and Slovakia in 2017. ERP-related costs in 2018 include costs for additional workforce to mitigate the customer impact after the new ERP installation in 2017 as well as additional temporary IT consulting fees.

(B) Project costs in 6M 2019 are mainly related to the Wittur business transformation program.

(C) Reorganization costs in 6M 2019 mainly include restructuring and product relocation costs in Europe.

(D) Transaction costs in 6M 2019 mainly relate to shareholder fees.

(E) Other costs mainly relate to IT consulting and idle costs as a result of the cyber security incident in February 2019.

*Other Operating Data*

| | Period ended June 30, | |
|---|---|---|
| | **2019** | **2018** |
| | *(unaudited unless otherwise stated)* | |
| Number of doors sold (*units*), including door mechanisms | 1,039,110 | 980,345 |
| Number of employees (*heads*)(1) | 4,732 | 4,580 |
| Order intake (*in € million*)(2) | 419.4 | 414.6 |

(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 2019 are based on the unaudited condensed consolidated financial statements as of June 30, 2019, 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, 2019, 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 three 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 2018 Annual Bond Report.

### Results of Operations

The following table provides an overview of our results of operations for the six months ended June 30, 2019 and 2018.

| | Period ended June 30, | | |
|---|---|---|---|
| | **2019** | **2018** | **Change in %** |
| | *in € million* | | |
| | *unaudited* | *unaudited* | |
| **Revenues** | **396.5** | **396.9** | **-0.1%** |
| **Cost of sales**(1) | **-304.2** | **-304.1** | **0.0%** |
| **Gross profit** | **92.3** | **92.8** | **-0.6%** |
| Selling expenses(1) | -27.5 | -26.8 | 2.7% |
| Research & development expenses(1) | -3.9 | -3.7 | 5.5% |
| Administrative expenses(1) | -42.3 | -38.1 | 11.1% |
| Other income | 6.3 | 9.4 | -32.6% |
| Other expenses | -3.8 | -6.5 | -41.8% |
| **Earnings before interest and taxes (EBIT)** | **21.0** | **27.1** | **-22.3%** |
| Finance expense(1), (2) | -28.6 | -42.4 | -32.5% |
| Finance income | 8.4 | 2.4 | 249.4% |
| Share of profit at-equity investees | 0.2 | 0.2 | 2.2% |
| **Earnings before income taxes (EBT)** | **1.0** | **-12.7** | **-** |
| Income taxes | -0.6 | -4.7 | -88.0% |
| **Net result for the period** | **0.4** | **-17.4** | **-** |

(1) Prior year numbers include effects from the application of IFRS 16 "Leases". For further information, please refer to the consolidated financial statements for the financial year ended December 31, 2018.

(2) Prior year numbers adjusted for changes from the derecognition of a contingent consideration provision. For further information, please refer to the consolidated financial statements for the financial year ended December 31, 2018.

*Revenues*

Wittur Group recorded consolidated revenues of €396.5 million for the first six months of 2019, which were stable over the prior year period (6M 2018: €396.9 million). At comparable exchange rates, revenues had a slight growth of €6.0 million or 1.5%. The increase was mainly driven by solid growth in Americas region.

*Revenues by regions*

| | Period ended June 30, | | | |
|---|---|---|---|---|
| | 2019 | | 2018 | |
| | *in € million* | *% of revenue* | *in € million* | *% of revenue* |
| Europe | 211.7 | 53.4 | 211.5 | 53.3 |
| Asia | 153.5 | 38.7 | 152.8 | 38.5 |
| Rest of the World | 31.2 | 7.9 | 32.6 | 8.2 |
| **Revenue** | **396.5** | **100.0** | **396.9** | **100.0** |

*Europe*

Our European business contributed 53.4% or €211.7 million to Group revenue in the first six months of 2019 (6M 2018: €211.5 million). Compared to prior year, sales increased €1.0 million or 0.5% at comparable exchange rates. Despite headwinds from the cyber security incident at the beginning of the year, the European business achieved moderate growth.

In the first six months of 2019, the business with our MNC customers is up 1.2% or €1.8 million over prior year's figure, whereas sales to our Independent customers decreased slightly. In Europe, we generated 69.3% (6M 2018: 68.6%) of our revenue through sales to MNC customers and the remainder through sales to Independents.

*Asia*

Asian operations generated €153.5 million or 38.7% of revenue in the first six months of 2019 (6M 2018: €152.8 million), recording a slight growth over prior year, or remaining stable at comparable exchange rates. That was due to a good business development in India and Australia, offset by a somewhat weaker second quarter in China.

In our Asia region, we generated 88.6% (6M 2018: 89.7%) of our revenue through sales to our MNC customers and the remainder through sales to Independents.

*Rest of World*

The Rest of World region showed a revenue decrease of 4.3% to €31.2 million in the first six months of 2019 (6M 2018: €32.6 million) due to adverse foreign exchange effects, especially of the Turkish Lira and Argentinian Peso. At comparable exchange rates, sales grew by 15.5%, supported by strong Argentina and US business growth, whereas sales in Eurasia remained stable in a challenging domestic market environment in Turkey.

In our Rest of World region, we generated 56.7% (6M 2018: 61.2%) of our revenue through sales to Independent customers. In the first six months of 2019, sales to Independents decreased, whereas sales to MNC customers increased compared to prior year, leading to a more balanced split between the two customer groups.

*Cost of Sales*

Cost of sales remained stable at €304.2 million in the first six months ended June 30, 2019 (6M 2018: €304.1 million). Positive impacts resulted from locked steel prices at a level below prior year average in a decreasing steel price market trend. The savings were partially offset by higher labor and other production overhead costs.

*Gross Profit (after depreciation & amortization)*

Gross profit decreased by €0.5 million (-0.6%) to €92.3 million for the first six months ended June 30, 2019 (6M 2018: €92.8 million). Gross profit margin remained more or less stable at 23.3% (6M 2018: 23.4%).

*Selling Expenses*

Selling expenses increased by €0.7 million (+2.7%) to €27.5 million in the first six months ended June 30, 2019 (6M 2018: €26.8 million). This increase is mainly a result of expenses incurred to prepare for the Interlift trade fair, which takes place every other year, and for the next time in October 2019 in Augsburg, Germany.

*Research & Development Expenses*

Research and development (R&D) expenses increased by €0.2 million (+5.5%) to €3.9 million in the first six months ended June 30, 2019, from €3.7 million in the first six months ended June 30, 2018. R&D expenses before capitalization of development costs amount to 1.5% (6M 2018: 1.4%) of our revenues. The higher R&D spend is due to an increase in workforce in our R&D center in China.

*Administrative Expenses*

Administrative expenses increased by €4.2 million (+11.1%) to €42.3 million in the first six months ended June 30, 2019 (6M 2018: €38.1 million). This increase is mainly driven by higher extraordinary and one-off costs as a result of the cyber security incident in February 2019.

*Other Income*

Other income decreased by €3.1 million (-32.6%) to €6.3 million in the first six months ended June 30, 2019 (6M 2018: €9.4 million), mainly due to foreign currency fluctuations.

*Other Expenses*

Other expenses decreased by €2.7 million (-41.8%) to €3.8 million in the first six months ended June 30, 2019 (6M 2018: €6.5 million), mainly due to foreign currency fluctuations.

*EBIT*

EBIT decreased by €6.0 million (-22.3%) to €21.0 million in the first six months ended June 30, 2019 (6M 2018: €27.1 million), as a result of the factors described above.

*Finance Expense*

Finance expenses decreased by €13.8 million (-32.5%) to €28.6 million in the first six months ended June 30, 2019 (6M 2018: €42.4 million). The decrease was mainly from fair value decline of the embedded derivative for the High Yield Bond in an amount of €12.7 million in the six months ended June 30, 2018, whereas the impact in 2019 was zero.

Apart from this accounting effect, finance expenses decreased by €1.1 million resulting from lower foreign exchange losses, partially offset by increasing interest expenses for the Term Loan B after the upsizing in January 2019.

*Finance Income*

Finance income increased by €6.0 million (+249.4%) to €8.4 million in the first six months ended June 30, 2019, from €2.4 million in the first six months ended June 30, 2018. This was mainly due to the transfer of shares and preferred equity certificates, held by Wittur Group for purposes of the management participation program, to its ultimate parent company Elevate (BC) S.C.A., which resulted in a financial gain of €4.0 million in the first six months 2019.

*Share of profit (at-equity investees)*

Our share of profit of the two associated companies New Lift Steuerungsbau GmbH, Germany, and Computec S.r.l., Italy, remained stable at €0.2 million in the first six months ended June 30, 2019 (6M 2018: €0.2 million).

*Income Taxes*

Income tax expenses decreased by €4.2 million to €0.6 million in the first six months ended June 30, 2019 (6M 2018: €4.7 million). The income taxes represent the application of a forecasted group tax rate for the full financial year 2019 to the Group's interim result in accordance with IAS 34.

*Net Result for the Period*

Net result for the period increased by €17.9 million to €0.4 million net profit in the first six months ended June 30, 2019 (6M 2018: €17.4 million net loss), as 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. The following table provides an overview of our working capital as of June 30, 2019, compared to December 31, 2018:

| | **As of June 30,** | **As of December 31,** |
|---|---|---|
| | **2019** | **2018** |
| | *in € million* | |
| | *unaudited* | *unaudited* |
| Inventories | 68.1 | 65.4 |
| Trade receivables | 93.8 | 80.1 |
| Trade payables | -128.0 | -114.6 |
| Other working capital items | -25.5 | -31.1 |
| **Working capital** | **8.3** | **-0.1** |

An effective working capital management, in particular the roll-out of a pan-European factoring program in 2018, has allowed the Group to maintain working capital requirements below 10% of LTM revenues.

*Cash Flow*

The following table sets forth consolidated cash flow data for the six months ended June 30, 2019 and 2018.

| | Period ended June 30, | |
|---|---|---|
| | **2019** | **2018** |
| | *in € million* | |
| | *unaudited* | *unaudited* |
| **Operating Activities** | | |
| **EBITDA** | **43.3** | **49.4** |
| Change in working capital | -2.0 | 1.3 |
| Change in provisions and other liabilities | -6.8 | -5.3 |
| Change in other assets | -0.8 | -0.8 |
| Income taxes paid | -5.7 | -7.2 |
| Interest received | 0.3 | 0.2 |
| Other non-cash items | -0.2 | 0.0 |
| **Cash Flow from Operating Activities** | **28.2** | **37.6** |
| **Investing Activities** | | |
| Purchase of property, plant and equipment | -4.5 | -4.0 |
| Purchase of software | -0.3 | -0.5 |
| Purchase of other intangible assets | -2.3 | -1.9 |
| Disposal of assets | 0.2 | 0.1 |
| Other investing cash flow | 0.0 | -0.1 |
| **Cash Flow from Investing Activities** | **-6.9** | **-6.5** |
| **Cash Flow before Debt Service** | **21.3** | **31.1** |
| **Financing Activities** | | |
| Payments of lease liabilities(1) | -1.9 | -1.7 |
| Interest paid(1) | -24.2 | -23.4 |
| Transaction fees, rating & other financing costs | -4.9 | -0.9 |
| Proceeds/(Repayment) of Paternoster Term Loan B | 55.0 | 0.0 |
| Proceeds/(Repayment) of other Senior Facilities | 6.1 | 0.0 |
| Proceeds/(Repayment) of other borrowings | -63.7 | 0.3 |
| Sale/(Purchase) of other investments | 0.0 | 0.8 |
| **Cash Flow from Financing Activities** | **-33.6** | **-25.0** |
| **Change in cash and cash equivalents** | **-12.3** | **6.1** |
| FX differences | -0.2 | -1.0 |
| Cash and cash equivalents at beginning of period | 87.0 | 78.2 |
| Cash and cash equivalents at end of period | 74.6 | 83.3 |

(1) Prior year numbers include effects from the application of IFRS 16 “Leases”. For further information, please refer to the consolidated financial statements for the financial year ended December 31, 2018.

*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, 2019, we incurred capital expenditures of €7.1 million, or 1.8% of revenue (6M 2018: €6.5 million or 1.6%).

In the first six months 2019, the major portion of capital expenditures was invested in Europe, followed by investments in our operations in Eurasia and China.

Major projects in the first six months of 2019 included investments in a wrapping line for the new CORE door in our plants in China, machinery and equipment investments in Italy and Turkey, followed by expansion investments in our Slovakian plant.

**Contractual Obligations and Contingent Liabilities**

The following contractual obligations and principal payments identify what we are obliged to pay as at June 30, 2019, after giving effect to the Transactions. Also see "*Financial Risk Management*" in the Notes to consolidated financial statements for the year ended December 31, 2018.

| | **Payments due by period (unaudited)** | | | |
|---|---|---|---|---|
| *in € million* | **Total** | **Less than 1 year** | **1 to 5 years** | **More than 5 years** |
| High Yield Bond | 301.5 | 19.1 | 282.4 | 0.0 |
| Term Loan B | 595.8 | 30.7 | 565.1 | 0.0 |
| Trade and other payables | 162.0 | 162.0 | 0.0 | 0.0 |
| Revolving Credit Facility | 5.0 | 5.0 | 0.0 | 0.0 |
| Ancillary Credit Facility | 1.1 | 1.1 | 0.0 | 0.0 |
| Other financial liabilities | 33.9 | 19.0 | 11.5 | 3.4 |
| **Sub-Total** | **1,099.3** | **236.9** | **858.9** | **3.4** |
| Derivative financial instruments | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **1,099.3** | **236.9** | **858.9** | **3.4** |

**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, Germany and several smaller plants in other countries. As of June 30, 2019, we had defined benefit obligations including jubilee obligations in an amount of €10.9 million (December 31, 2018: €11.2 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, 2018.

**Accounting Policies**

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 2018 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, 2019, 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 2018 Annual Bond Report continue to apply in this Financial Report for the six months ended June 30, 2019.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

**Financial information**

Unless otherwise indicated, the financial information as at and for the periods ended June 2019 and 2018 presented in this Financial Report for the six months ended June 30, 2019, 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, 2019, 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, 2019, contains unaudited IFRS condensed consolidated financial statements of Wittur Group as at and for the six months ended June 30, 2019 and 2018 ("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, 2019, 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, 2019, 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, 2019, 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 2018. 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, 2019, from the 2018 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, 2019, 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 2018 Annual Bond Report.

## RISK FACTORS

*The risks and uncertainties we describe in our 2018 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 2018 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 2018 Annual Bond Report (see "*Risk Factors*").

# Interim condensed consolidated financial statements of

## Wittur International Holding GmbH
## Sulzemoos, Germany

## for the six months ended June 30, 2019

## FINANCIAL STATEMENTS

Consolidated statement of comprehensive income

For the six months ended June 30, 2019:

| KEUR | Note | Jan. 1 – Jun. 30, 2019 | Jan. 1 – Jun. 30, 2018 |
|---|---|---|---|
| Revenues | (7) | 396,484 | 396,902 |
| Cost of sales [1] | | -304,199 | -304,080 |
| **Gross profit** | | **92,285** | **92,822** |
| Selling expenses [1] | | -27,513 | -26,780 |
| Research & development expenses [1] | | -3,931 | -3,728 |
| Administrative expenses [1] | | -42,349 | -38,130 |
| Other income | | 6,347 | 9,422 |
| Other expenses | | -3,794 | -6,520 |
| **Earnings before interest and taxes (EBIT)** | | **21,044** | **27,087** |
| Finance expense [1), 2)] | (8.1) | -28,622 | -42,394 |
| Finance income | (8.1) | 8,355 | 2,391 |
| Share of profit of equity accounted investees | | 223 | 218 |
| **Earnings before income taxes (EBT)** | | **999** | **-12,699** |
| Income taxes | | -569 | -4,748 |
| **RESULT FOR THE PERIOD** | | **430** | **-17,447** |

| | | |
|---|---|---|
| **Other comprehensive income** | | |
| **Other comprehensive income to be reclassified to profit or loss in subsequent periods:** | | |
| Exchange differences on translation of foreign operations [1] | -512 | -3,449 |
| Exchange differences on net investment in foreign operation | 49 | |
| **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** | -463 | -3,449 |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | **-34** | **-20,896** |

1) Prior year numbers include effects from the application of IFRS 16 "Leases". For further information, please refer to the consolidated financial statements for the financial year ended December 31, 2018.

2) Prior year numbers adjusted for changes from the derecognition of a contingent consideration provision. For further information, please refer to the consolidated financial statements for the financial year ended December 31, 2018.

Consolidated statement of comprehensive income

For the second quarter ended June 30, 2019:

| **KEUR** | **Note** | **Apr. 1 – Jun. 30, 2019** | **Apr. 1 – Jun. 30, 2018** |
|---|---|---|---|
| Revenues | (7) | 212,501 | 210,542 |
| Cost of sales [1)] | | -161,204 | -159,830 |
| **Gross profit** | | **51,296** | **50,712** |
| Selling expenses [1)] | | -13,919 | -13,412 |
| Research & development expenses [1)] | | -1,998 | -1,880 |
| Administrative expenses [1)] | | -18,424 | -21,108 |
| Other income | | 3,877 | 6,289 |
| Other expenses | | -2,103 | -3,811 |
| **Earnings before interest and taxes (EBIT)** | | **18,728** | **16,791** |
| Finance expense [1), 2)] | (8.1) | -14,285 | -28,204 |
| Finance income | (8.1) | 2,408 | 1,312 |
| Share of profit of equity accounted investees | | 223 | 33 |
| **Earnings before income taxes (EBT)** | | **7,074** | **-10,069** |
| Income taxes | | 2,286 | -4,320 |
| **RESULT FOR THE PERIOD** | | **9,360** | **-14,388** |

| | | | |
|---|---|---|---|
| **Other comprehensive income** | | | |
| **Other comprehensive income to be reclassified to profit or loss in subsequent periods:** | | | |
| Exchange differences on translation of foreign operations [1)] | | -6,098 | -1,787 |
| Exchange differences on net investment in foreign operation | | 29 | |
| **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** | | -6,069 | -1,787 |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | | **3,291** | **-16,175** |

1) Prior year numbers include effects from the application of IFRS 16 “Leases”. For further information, please refer to the consolidated financial statements for the financial year ended December 31, 2018.

2) Prior year numbers adjusted for changes from the derecognition of a contingent consideration provision. For further information, please refer to the consolidated financial statements for the financial year ended December 31, 2018.

Consolidated balance sheet

**ASSETS**

| KEUR | Note | Jun. 30, 2019 | Dec. 31, 2018 |
|---|---|---|---|
| Goodwill | | 142,487 | 142,095 |
| Other intangible assets | | 405,255 | 417,668 |
| Property, plant and equipment | | 122,410 | 125,436 |
| Investment properties | | 1,221 | 1,229 |
| Other non-current financial assets | (8.1) | 57,495 | 1,429 |
| Equity-accounted investees | | 13,435 | 13,213 |
| Other non-current assets | | 95 | 94 |
| Deferred tax assets | | 6,195 | 6,462 |
| **Non-current assets** | | **748,594** | **707,625** |
| Inventories | | 68,068 | 65,423 |
| Trade receivables | | 93,757 | 80,139 |
| Other current financial assets | | 18,479 | 19,997 |
| Other current assets | | 13,775 | 9,216 |
| Tax receivables | | 5,882 | 5,215 |
| Contract assets | | 947 | 1,137 |
| Cash and cash equivalents | | 74,554 | 87,022 |
| Assets held for sale | | 1,218 | 1,199 |
| **Current assets** | | **276,680** | **269,350** |
| **Total assets** | | **1,025,273** | **976,975** |

**EQUITY AND LIABILITIES**

| KEUR | Note | Jun. 30, 2019 | Dec. 31, 2018 |
|---|---|---|---|
| Subscribed capital | | 25 | 25 |
| Capital Reserve | | 222,565 | 222,565 |
| Retained earnings | | -248,833 | -229,854 |
| Net result for the period | | 430 | -18,979 |
| Other components of equity | | -30,473 | -30,009 |
| **Total equity** | | **-56,286** | **-56,252** |
| Non-current interest-bearing loans and borrowings | (8.1) | 734,811 | 682,890 |
| Provisions for pensions and other long-term employee benefits | | 10,937 | 11,127 |
| Other non-current provisions | | 5,523 | 6,073 |
| Other non-current financial liabilities | | 11,987 | 13,359 |
| Other non-current liabilities | | 2,048 | 2,170 |
| Deferred tax liabilities | | 106,572 | 105,974 |
| **Non-current liabilities** | | **871,879** | **821,592** |
| Current interest-bearing loans and borrowings | (8.1) | 18,458 | 16,584 |
| Trade and other payables | | 162,004 | 152,374 |
| Contract liabilities | | 6,201 | 3,653 |
| Other current provisions | | 2,447 | 2,885 |
| Other current financial liabilities | | 17,413 | 27,587 |
| Tax liabilities | | 3,158 | 8,552 |
| **Current liabilities** | | **209,681** | **211,635** |
| **Total equity and liabilities** | | **1,025,273** | **976,975** |

Consolidated statement of cash flows

| KEUR | Jan. 1 – Jun. 30, 2019 | Jan. 1 – Jun. 30, 2018 |
|---|---|---|
| Operating activities | | |
| **Earnings before interest and taxes (EBIT)** | **21,044** | **27,087** |
| Depreciation and amortisation [1)] | 22,301 | 22,297 |
| **Earnings before interest, taxes, depreciation and amortisation (EBITDA)** | **43,345** | **49,384** |
| Change in working capital | -1,999 | 1,270 |
| Change in provisions and other liabilities | -6,786 | -5,275 |
| Change in other assets | -832 | -818 |
| Income taxes paid | -5,702 | -7,238 |
| Interest received | 337 | 243 |
| Other non-cash items | -171 | 26 |
| **Net cash flow from operating activities** | **28,192** | **37,592** |
| Investing activities | | |
| Purchase of property, plant and equipment | -4,516 | -4,049 |
| Purchase of software | -251 | -477 |
| Purchase of other intangible assets | -2,297 | -1,938 |
| Disposal of assets | 174 | 82 |
| Other investing cash flow | 30 | -136 |
| **Net cash flow used in investing activities** | **-6,860** | **-6,518** |
| **Net cash flow before financing activities** | **21,332** | **31,074** |
| Financing activities | | |
| Interest paid [1)] | -24,209 | -23,446 |
| Transaction fees, rating & other financing costs | -4,942 | -945 |
| Proceeds/(Repayment) of Paternoster Term Loan B | 55,000 | - |
| Proceeds/(Repayment) of other Senior Facilities | 6,072 | - |
| Proceeds/(Repayment) of other borrowings | -63,650 | 292 |
| Payment of lease liabilities [1)] | -1,910 | -1,688 |
| Sale/(Purchase) of other investments | - | 797 |
| **Net cash flow used in financing activities** | **-33,640** | **-24,989** |
| **Net increase in cash** | **-12,308** | **6,084** |
| Effects currency translation | -160 | -1,030 |
| Cash and cash equivalents at beginning of period | 87,022 | 78,240 |
| Cash and cash equivalents at the end of period | 74,554 | 83,295 |

1) Prior year numbers include effects from the application of IFRS 16 “Leases”. For further information, please refer to the consolidated financial statements for the financial year ended December 31, 2018.

Consolidated statement of changes in equity

| | Attributable to owners of the parent | | | | | |
|---|---|---|---|---|---|---|
| | **Subscribed capital** | **Capital reserve** | **Retained earnings** | **Other reserves** | | |
| **KEUR** | | | | **Currency translation** | **Valuation of pensions** | **Total equity** |
| **Balance as of Jan. 1, 2018** | **25** | **222,565** | **-229,854** | **-23,797** | **-492** | **-31,553** |
| Net result for the period | - | - | -17,447 | - | - | -17,447 |
| Other comprehensive income | - | - | - | -3,449 | - | -3,449 |
| **Total comprehensive income** | **-** | **-** | **-17,447** | **-3,449** | | **-20,896** |
| **Balance as of Jun. 30, 2018** | **25** | **222,565** | **-247,301** | **-27,246** | **-492** | **-52,449** |
| **Balance as of Jan. 1, 2019** | **25** | **222,565** | **-248,833** | **-30,031** | **22** | **-56,252** |
| Net result for the period | - | - | 430 | - | - | 430 |
| Other comprehensive income | - | - | - | -463 | - | -463 |
| **Total comprehensive income** | **-** | **-** | **430** | **-463** | **-** | **-34** |
| **Balance as of Jun. 30, 2019** | **25** | **222,565** | **-248,404** | **-30,494** | **22** | **-56,286** |

# NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## 1 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, 2019, 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, 2018, which were prepared in accordance and conformity with all International Financial Reporting Standards (IFRS) as adopted by the European Union as of December 31, 2018. 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 13, 2019.

These interim consolidated financial statements cover the six months period from January 1, 2019, to June 30, 2019. The comparison period is January 1, 2018, to June 30, 2018.

These interim consolidated financial statements have not been audited.

## 2 Accounting policies

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, 2018.

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, 2019** | **Dec. 31, 2018** | **Jan. 1 – Jun. 30, 2019** | **Jan. 1 – Jun. 30, 2018** |
| Argentine Pesos | ARS | 48.55 | 43.10 | 46.76 | 25.97 |
| Brazilian Real | BRL | 4.35 | 4.44 | 4.34 | 4.14 |
| Chinese Yuan Renminbi | CNY | 7.82 | 7.88 | 7.67 | 7.71 |
| British Pound | GBP | 0.90 | 0.89 | 0.87 | 0.88 |
| Hungarian Forint | HUF | 323.39 | 320.98 | 320.39 | 314.08 |
| Indian Rupee | INR | 78.52 | 79.73 | 79.12 | 79.52 |
| Swedish Korona | SEK | 10.56 | 10.25 | 10.52 | 10.15 |
| Turkish Lira | TRY | 6.57 | 6.06 | 6.35 | 4.96 |
| U.S. Dollar | USD | 1.14 | 1.15 | 1.13 | 1.21 |

## 3 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, 2018.

## 4 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.

LLC “Wittur Rus” was founded in October 2018 to apply for, hold and manage product certificates for countries of the Eurasian Economic Union (EAEU) and has been first-time consolidated in 2019.

No further changes in the composition of the Group have occurred in the first half year of 2019.

## 5 Significant events and transactions

On December 28th 2019, Canada’s Public Sector Pension Investment Board (“PSP Investments”) has entered into an agreement to acquire a 32% stake in a parent company of Wittur International Holding GmbH from a company controlled by Bain Capital Private Equity. The transaction was subject to certain closing conditions, including the approval of the antitrust authorities. The transaction was closed on March 8, 2019.

In January 2019, Elevate Group added KEUR 55,000 on to its existing KEUR 464,000 million term loan, the proceeds of which were used to repay outstanding vendor loan of the parent company of Wittur International Holding GmbH, Paternoster Holding II GmbH. Furthermore, Wittur Group has agreed with a new lender to increase the aggregate commitments made available under its senior secured revolving credit facility by KEUR 10,000.

In February 2019, the Group faced a cyber security incident, after which IT systems were shut down in order to limit the effect of the incident. Production could be resumed a few days after the incident. The financial impact of the cyber incident in the first half year of 2019 was KEUR 4,582.

In February 2019, the shares and Preferred Equity Certificates, held by Wittur Holding GmbH for purposes of the management participation program, were transferred to Elevate (BC) S.C.A., the ultimate parent company of the Group, resulting in a financial gain of KEUR 4,042. The purchase price receivable from the sale was subsequently transferred from Wittur Holding GmbH to Paternoster Holding I GmbH, an intermediate parent company of the Group, in exchange for a loan receivable, which was granted to Paternoster Holding I GmbH.

In June 2019, Wittur signed a long term software subscription services contract. This is part of a Business Transformation program including a step-by-step roll-out of a global harmonized ERP system. The initial focus of this Business Transformation will be on the Project Based sales activities of Wittur in Europe. Besides the annual software subscription fees, this project will require investments in consulting services which will be committed specifically for each transformation phase.

No further significant events or transactions have occurred in the first half year of 2019.

## 6 Seasonality or cyclicality of interim operations

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

## 7 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, 2019** | **Jan. 1 – Jun. 30, 2018** |
|---|---|---|
| Europe | 211,750 | 211,464 |
| Asia | 153,504 | 152,801 |
| Rest of World | 31,230 | 32,637 |
| **Revenues** | **396,484** | **396,902** |

Product information

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

| **KEUR** | **Jan. 1 – Jun. 30, 2019** | **Jan. 1 – Jun. 30, 2018** |
|---|---|---|
| Doors | 291,446 | 291,454 |
| Other products | 105,038 | 105,448 |
| **Revenues** | **396,484** | **396,902** |

## 8 Consolidated balance sheet

### 8.1 Interest bearing loans and borrowings

Non-current interest bearing loans and borrowings

| **KEUR** | **Jun. 30, 2019** | **Dec. 31, 2018** |
|---|---|---|
| Term Loan B | 506,411 | 454,076 |
| High Yield Bond | 228,247 | 228,620 |
| Non-current bank loans | 153 | 195 |
| **Non-current interest-bearing loans and borrowings** | **734,811** | **682,890** |

Current interest bearing loans and borrowings

| KEUR | Jun. 30, 2019 | Dec. 31, 2018 |
|---|---|---|
| Current bank loans | 12,386 | 16,584 |
| Revolving Credit Facility | 5,000 | - |
| Ancillary Credit Facility | 1,072 | - |
| **Current interest-bearing loans and borrowings** | **18,458** | **16,584** |

The fair value of the bond repurchase option, which is recorded under non-current financial assets, amounts to KEUR 1,248 as of June 30, 2019.

## 9 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, 2019:**

| 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 | 27 | | | | | 27 | |
| Other non-current financial assets | | | | | | | | |
| Bond repurchase option | FVPL | | | 1,248 | | | | |
| Investments | FVPL | | | 1 | | | | |
| Loans | Amortised cost | 56,133 | | | | | 44,250 | |
| Other non-current financial assets | Amortised cost | 113 | | | | | 113 | |
| **Financial liabilities** | | | | | | | | |
| **Non-current liabilities** | | | | | | | | |
| Interest-bearing loans and borrowings | Amortised cost | 734,811 | | | | | 727,197 | |
| **Other financial liabilities** | | | | | | | | |
| Other financial liabilities | Amortised cost | 3,583 | | | | | 3,302 | |

**December 31, 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 | 24 | | | | | 24 | |
| Other non-current financial assets | | | | | | | | |
| Bond repurchase option | FVPL | | | 1,248 | | | | |
| Investments | FVPL | | | 1 | | | | |
| Loans | Amortised cost | 67 | | | | | 67 | |
| Other non-current financial assets | Amortised cost | 113 | | | | | 113 | |
| | | | | | | | | |
| **Financial liabilities** | | | | | | | | |
| **Non-current liabilities** | | | | | | | | |
| Interest-bearing loans and borrowings | Amortised cost | 682,890 | | | | | 635,723 | |
| **Other financial liabilities** | | | | | | | | |
| Other financial liabilities | Amortised cost | 4,035 | | | | | 3,164 | |

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 0.08% plus a specific risk premium of 8.70%. 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, 2019, 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, 2019, the fair values of the High Yield Bond, the Term Loan B and the bank loan in India were calculated. The nominal amount is KEUR 225,000 (2018: KEUR 225,000) for the High Yield Bond, KEUR 519,000 (2018: KEUR 464,000) for the Term Loan B, and KEUR 153 (2018: KEUR 189) for the bank loan in India. The fair value is measured based on observable market data. The fair value of the High Yield Bond amounts to KEUR 229,561 (2018: KEUR 223,015), and the fair value of the Term Loan B amounts to KEUR 497,475 (2018: KEUR 412,508). The fair value of the bank loan in India amounts to KEUR 161 (2018: KEUR 195).

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 until June 30, 2019.

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.

## 10 Events after the balance sheet date

No events occurred between June 30, 2019 and August 13, 2019, which would require adjustments to the amounts recognized in these consolidated financial statements or would need to be disclosed under this heading.

Sulzemoos, August 13, 2019

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|---|---|
| Antoine Doutriaux | Christoph Kaml |
| CEO | CFO |