Interim report for Q2 2018/19 and for the period 1 October 2018 – 31 March 2019

Ambu realised organic growth of 14% in Q2 and an increase in earnings of 25%, resulting in an EBIT margin of 24.8%. Organic growth of 15% was posted for H1.

"*Overall, this was Ambu's best-ever quarter. Growth of 21% in Danish kroner was realised, while earnings are 25% higher than for the prior-year quarter. At the end of March, we launched a new single-use endoscope for ENT procedures in Europe, and we expect to launch the products in the US market before the summer. Total sales of endoscopes are seeing continued growth and increased by 37,000 units in Q2, resulting in total sales of 182,000 units. We are confident that total sales of at least 750,000 endoscopes will be achieved by the end of the year. All in all, Q2 was a quarter of many successes, and we are up to speed on all important parameters before the start of H2,"* says President & CEO Lars Marcher.

Highlights

- Revenue of DKK 785m (DKK 651 m) was posted for Q2 based on organic growth of 14% in local currencies and 21% in Danish kroner. Organic growth of 15%, or 20% in Danish kroner, was realised in H1. The difference between organic growth and growth in Danish kroner is due to the strengthened USD/DKK exchange rate as well as the recognition of GPO fees in accordance with the accounting standard relative to the same quarter last year.

- In Q2, Visualization contributed organic growth of 27%, Anaesthesia contributed 5%, and PMD (Patient Monitoring & Diagnostics) delivered growth of 10%. For H1, organic growth rates were 33% for Visualization, 6% for Anaesthesia and 6% for PMD.

- For the quarter, organic growth of 16% was realised in North America, 9% in Europe and 24% in the Rest of the world. For H1, North America contributed 18%, Europe 10% and the Rest of the world also 18%.

- Sales of endoscopes reached 182,000 units for the quarter and 331,000 units for H1. Sales volumes were thus up 26% and 33%, respectively, compared to last year.

- Gross margin for the quarter was 60.1% (60.5%). The 0.4 percentage point reduction is attributable to the renegotiation of a GPO agreement concerning breathing circuits and facemasks in the USA, expected marginal price changes in the Anaesthesia and PMD business areas as well as costs incidental to the start-up of production of the new endoscopes. Within Visualization, we are still seeing very stable prices and no significant changes in pricing. The gross margin for the half-year was 60.0% (59.4%).

- Capacity costs for the quarter totalled DKK 277m (DKK 238m), corresponding to a 16% increase. Capacity costs for the half-year were up 19%, reflecting investments made in the sales organisation in recent quarters as well as the recognition of GPO fees.
- The rate of cost was 35% (37%) for the quarter and 39% (39%) for H1.
- EBIT for the quarter was DKK 195m (DKK 156m) with an EBIT margin of 24.8% (24.0%), while the figures for the half-year were DKK 307m (DKK 247m) and 21.3% (20.5%).
- The working capital to revenue ratio is 25% (22%) based on rolling 12-month revenue due to increased investments in inventories as well as an increase in trade receivables.
- Free cash flows before acquisitions of enterprises totalled DKK 11m (DKK 22m), and for the half-year DKK 56m (DKK 58m).
- In Q2, Ambu reached an agreement in principle to settle a dispute with US authorities concerning compliance with laws and regulations governing sales to US government institutions. Provisions had already been made for the USD 3.3m settlement, and the settlement will thus not impact earnings for the year.
- The outlook for the full year announced in the interim report for Q1 2018/19 on 31 January 2019 is maintained:
    - Organic growth in local currencies of approx. 15-16%
    - EBIT margin of approx. 22-24%
    - Free cash flows of approx. DKK 400-475m.

A **conference call** is being held today, 1 May 2019, at 10.30 (CET). The conference is held in English and can be followed online at www.ambu.com/webcastQ22019. The presentation can be downloaded immediately before the conference call via the same link. In order to be able to ask questions during the conference call, please call 5 minutes before the start on tel. + 45 3544 5577 and enter the following access code: 33686748#.

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About Ambu

Since 1937, breakthrough ideas have fuelled our work on bringing efficient healthcare solutions to life. This is what we create within our fields of excellence – Visualization, Anaesthesia, and Patient Monitoring & Diagnostics. Millions of patients and healthcare professionals worldwide depend on the functionality and performance of our products. We are dedicated to improve patient safety and determined to advance single-use devices. The manifestations of our efforts range from early inventions like the Ambu Bag™ resuscitator and the legendary BlueSensor™ electrodes to our newest landmark solutions like the Ambu® aScope™ – the world's first single-use flexible endoscope. Our commitment to bringing new ideas and superior service to our customers has made Ambu one of the most recognized medtech companies in the world. Headquartered near Copenhagen in Denmark, Ambu employs approximately 2,700 people in Europe, North America and the Asia Pacific. For more information, please visit www.ambu.com.

Financial highlights

DKKm	Q2 2018/19	Q2 2017/18	YTD 2018/19	YTD 2017/18	FY 2017/18
Income statement					
Revenue	785	651	1,441	1,204	2,606
Gross margin, %	60.1	60.5	60.0	59.4	59.4
EBITDA	221	184	358	302	678
Depreciation	-12	-12	-23	-23	-49
Amortisation	-14	-16	-28	-32	-66
EBIT	195	156	307	247	563
Net financials	-25	-38	-55	-67	-98
Profit before tax	170	118	252	180	465
Net profit for the period	130	91	193	119	337
Balance sheet					
Assets	4,418	4,046	4,418	4,046	4,234
Net working capital	713	538	713	538	535
Equity	2,075	1,743	2,075	1,743	1,882
Net interest-bearing debt	1,266	1,241	1,266	1,241	1,245
Cash flows					
Cash flows from operating activities	63	70	156	157	554
Cash flows from investing activities before acquisitions of enterprises and technology	-52	-48	-100	-99	-233
Free cash flows before acquisitions of enterprises and technology	11	22	56	58	321
Acquisitions of enterprises and technology	-1	-1	-1	-852	-928
Cash flows from operating activities, % of revenue	8	11	11	13	21
Investments, % of revenue	-7	-8	-7	-8	-9
Free cash flows before acquisitions of enterprises and technology, % of revenue	1	3	4	5	12
Key figures and ratios					
Organic growth, %	14	15	15	14	15
Rate of cost, %	35	37	39	39	38
EBITDA margin, %	28.2	28.3	24.8	25.1	26.0
EBIT margin, %	24.8	24.0	21.3	20.5	21.6
Tax rate, %	24	23	23	34	28
Return on equity, %	22	20	22	20	21
NIBD/EBITDA	1.7	2.0	1.7	2.0	1.8
Equity ratio, %	47	43	47	43	44
Net working capital, % of revenue	25	22	25	22	21
Return on invested capital (ROIC), %	15	17	15	17	17
Average number of employees	2,903	2,665	2,861	2,655	2,712
Share-related ratios					
Market price per share (DKK)	176	136	176	136	154
Earnings per share (EPS) (DKK)	0.53	0.37	0.79	0.49	1.39
Diluted earnings per share (EPS-D) (DKK)	0.52	0.36	0.78	0.47	1.36

Management's review

Q2 and H1 2018/19

In Q2 2018/19, Ambu realised its best results ever. Compared to Q2 last year, earnings are up 25% when calculated on the basis of our EBIT earnings, while scaling has been improved considerably compared to Q1.

Organic growth of 15% is posted for the half-year, and we expect organic growth of approx. 15-16% for FY 2018/19 as a whole. For H2, growth of approx. 15-17% is thus expected to be generated, for example, by the new Visualization products launched. Necessary investments in the sales organisation have been made and are included in the cost base for H1.

BUSINESS AREAS

(Comparative figures are stated in brackets. Unless otherwise stated, growth is stated as organic growth).

Visualization

Visualization delivered growth of 27% for Q2, and 33% for the half-year. Accounting for 36% (32%) of revenue for the quarter, Visualization was – for the first time – the largest of our three business areas. Visualization pricing was stable in Q2, and no significant changes were seen.

Sales of endoscopes reached 182,000 units in Q2, representing a 26% increase, while half-year sales stood at 331,000 units, equating to a 33% increase. In FY 2017/18, we sold 560,000 endoscopes, and we still expect sales to top 750,000 units in the current financial year.

Ambu's newest single-use endoscopes – Ambu® aScope™ 4 RhinoLaryngo for ENT procedures – were launched in Europe and Australia at the end of Q2. The launch in the USA is awaiting official approval, which is expected to be granted in Q3.

Ambu® aScope BronchoSampler™ was launched at the beginning of Q2. The product complements the Ambu® aScope™ 4 Broncho. The first products have been sold in Europe and the USA, resulting in positive feedback from customers on both product design and functionality.

The single-use SC210 colonoscope is currently part of an approx. 200-patient clinical study at a US hospital. The study is running, but will take longer than originally planned due to technical issues with individual scopes which have been solved by now. Our original plan to present the results of the study before the end of May 2019 has therefore proven unrealistic, but we will announce the findings as soon as results are available. We still expect to be able to initiate sales of SC210 in the USA in H2 2018/19, but as previously announced, we expect the product to generate only very modest revenue in the current financial year.

One year ago, in May 2018, a US research study was published which showed that despite being cleaned and disinfected, 58% of patient-ready reusable bronchoscopes were, in fact, contaminated with bacteria, including E.coli. As a follow-up, the same team of researchers has now studied the costs associated with the cleaning and disinfection of reusable bronchoscopes.

The follow-up study was published in Q2 and shows that reusable bronchoscopes not only expose patients to risk of infection if they are not cleaned properly, but can also be a costly solution when hospitals re-use them in other patients. This is because the use of reusable bronchoscopes is associated with costs in the form of manhours, cleaning agents and washing systems. The researchers behind the study recommend that hospitals consider using sterile single-use bronchoscopes for routine procedures both for financial reasons and to improve patient safety.

On 12 April 2019, The U.S. Food and Drug Administration (FDA) issued a safety communication reporting higher-than-expected contamination rates in reusable duodenoscopes after reprocessing.

These are the latest examples of how the importance of using clean endoscopes is receiving more and more attention.

Anaesthesia

Anaesthesia sales were up 5% in Q2, and 6% for the half-year. The business area accounted for 33% (35%) of revenue in Q2.

Revenue – business areas

	Q2			Composition of growth				YTD			Composition of growth			
	18/19	Split	17/18	Organic	IFRS 15	Currency	Reported	18/19	Split	17/18	Organic	IFRS 15	Currency	Reported
Visualisation	283	36%	211	27%	1%	6%	34%	514	36%	369	33%	1%	5%	39%
Anaesthesia	260	33%	228	5%	2%	7%	14%	491	34%	435	6%	2%	5%	13%
PMD	242	31%	212	10%	2%	2%	14%	436	30%	400	6%	2%	1%	9%
Revenue	**785**	**100%**	**651**	**14%**	**2%**	**5%**	**21%**	**1,441**	**100%**	**1,204**	**15%**	**2%**	**3%**	**20%**

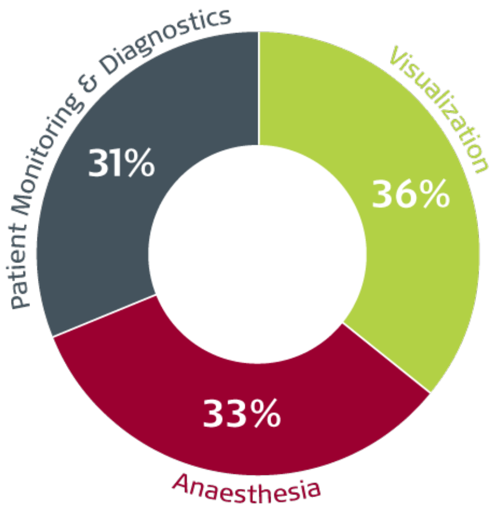
H1 saw satisfactory growth in sales of Anaesthesia products, where sales of laryngeal masks and resuscitators developed more positively than expected. Q2 saw the conclusion of a new four-year agreement on the supply of breathing circuits and face masks to a large US customer based on annual sales of approx. USD 22m. The agreement has the potential to grow our scope of business concurrently with the introduction of price reductions. Moreover, the quarter expectedly saw minor price adjustments for other Anaesthesia product lines, which – taken together – have a limited yet measurable impact on gross profit for the quarter.

Patient Monitoring & Diagnostics

Following on from the effects of timing differences on PMD sales in Q1, growth was substantially higher in Q2 – at 10% (3%) – resulting in growth of 6% (3%) for H1, which is in line with our long-term growth ambition for PMD. As was the case for Anaesthesia, PMD pricing has been impacted by a very modest yet measurable lowering of prices, which has had a marginal impact on the gross profit for the quarter.

PMD accounted for 31% (33%) of revenue in Q2.

Breakdown of Q2 revenue by business area



VISUALIZATION	ANAESTHESIA	PMD
• Single-use endoscopes	• Resuscitators	• Cardiology electrodes
• Video laryngoscopes	• Laryngeal masks	• Neurology electrodes
• Airway tubes with integrated camera	• Face masks	• Training manikins
	• Breathing circuits	• Neck collars

FINANCIAL RESULTS
INCOME STATEMENT

Revenue

Revenue of DKK 785m was posted for Q2, representing growth of 14%, and 21% in Danish kroner. Revenue for H1 was DKK 1,441m, equating to growth of 15%, or 20% in Danish kroner.

In H1, Visualization grew 33%, while both Anaesthesia and PMD realised 6% growth rates. Moreover, growth in Danish kroner is affected by fluctuations in foreign exchange rates to the tune of 3% in that the average USD/DKK exchange rate was up 6%, and by the effects of IFRS 15, as described on page 13 of the annual report for 2017/18, which impact growth by an additional 2 percentage points.

Growth in **North America** was 16% (16%) in Q2, and 18% (16%) for H1. In North America, Visualization grew 41%, while Anaesthesia grew 4% and PMD 16% in H1. Sales momentum is strong for Visualization in North America, and this is still where we see the lowest levels of penetration, both due to the sheer size of the US market, and because the aScopes have historically been launched first in Europe, and then in the USA. Overall, aScope penetration of the US market is approx. 21%.

Q2 saw the renewal of a number of GPO agreements (contracts with general purchasing organisations) on the sale of anaesthesia products for terms of between three and four years. These contracts are important for Ambu's position in the US market and are usually renewed without any significant changes to the commercial conditions.

After a weak Q1, the PMD business area has experienced very high growth in the US market, resulting in H1 growth of 16%. This is in excess of expected long-term growth and is ascribable to timing differences in purchasing patterns among major customers.

In **Europe**, growth of 9% (14%) was realised in Q2, and of 10% (13%) for H1. For the half-year, growth rates in the European markets were 25% for Visualization, 5% for Anaesthesia and 2% for PMD. Visualization developed satisfactorily in H1 with general penetration levels of approx. 26% for Europe as a whole, but with consid-

Revenue – markets

	Q2			Composition of growth				YTD			Composition of growth			
	18/19	Split	17/18	Organic	IFRS 15	Currency	Reported	18/19	Split	17/18	Organic	IFRS 15	Currency	Reported
North America	376	48%	291	16%	3%	10%	29%	691	48%	538	18%	3%	7%	28%
Europe	312	40%	286	9%	0%	0%	9%	583	40%	529	10%	0%	0%	10%
Rest of the world	97	12%	74	24%	0%	7%	31%	167	12%	137	18%	0%	4%	22%
Revenue	**785**	**100%**	**651**	**14%**	**2%**	**5%**	**21%**	**1,441**	**100%**	**1,204**	**15%**	**2%**	**3%**	**20%**

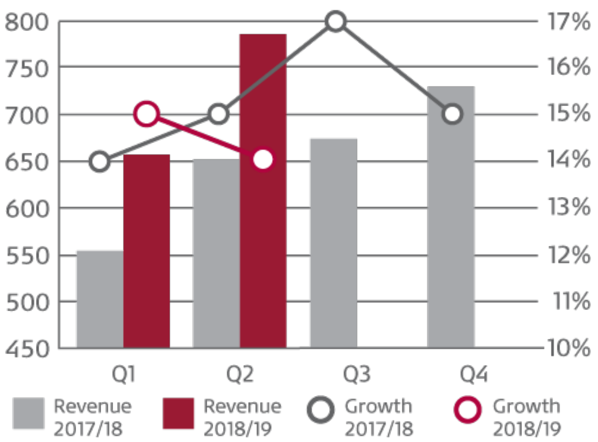
erable variation between countries. The highest penetration levels are seen in France, the UK and the Nordic region, while levels remain relatively low in southern Europe.

For Europe, Anaesthesia grew by 5%, which is in line with expectations, while the 2% growth rate for PMD is in the lower region of the long-term growth potential.

The Rest of the world – comprising Asia, Australia and markets in the Middle East and Latin America – realised growth of 24% (17%) in Q2, and 18% (14%) for the half-year. For H1, growth was 30% for Visualization, 19% for Anaesthesia and 9% for PMD, and half-year growth has thus normalised for this region.

As regards Visualization in the Rest of the world, the markets in Australia and New Zealand are characterised by particularly high levels of penetration – of approx. 50%. In Q2, we obtained the price codes for the largest cities in China, which together with the product approval are necessary. In Q2, we saw the initial effects of this, and we are positive about aScope sales prospects in the coming quarters in China.

Revenue (DKKm) and growth (%) per quarter



Currency exposure

Ambu's revenue is exposed, in particular, to USD, as approx. 50% of revenue is invoiced in USD. The Rest of Ambu's revenue is invoiced mainly in EUR and DKK, and in GBP for approx. 5% of the revenue.

Moreover, EBIT is exposed to developments in the Chinese currency CNY and the Malaysian currency MYR, as a significant share of the value of Ambu's production in the Far East is settled in CNY and MYR. Ambu's exposure to GBP is shown in the table below.

The foreign currency sensitivity of revenue and EBIT, respectively, can be summarised over a 12-month period as follows, based on a 10% increase in exchange rates against DKK:

DKKm	USD	MYR	CNY	GBP
Revenue	160	0	0	15
EBIT	45	-15	-15	10
EBIT margin	+0.3%	-0.5%	-0.5%	+0.3%

Gross profit

Gross profit for Q2 was DKK 472m (DKK 394 m), while gross margin decreased from 60.5% to 60.1%. The 0.4 percentage point net reduction is attributable to price reductions on breathing circuits and facemasks in USA and slightly lower prices within Anaesthesia and PMD than previously seen. Within Visualization, we are still seeing very stable prices and no significant changes in pricing.

Quite apart from the commercial effects, in Q2 the gross margin was negatively affected by the costs associated with the start-up and ramp-up of new SC210 and Ambu® aScope™ 4 RhinoLaryngo production lines.

Finally, exchange rate fluctuations positively impacted the gross margin in Q2 last year, which was not the case this year.

The gross margin for the half-year was 60.0% (59.4%).

Costs

Capacity costs for the quarter totalled DKK 277m (DKK 238 million) and are thus up 16% for the quarter and 19% for the half-year. Adjusted for the impact of the costs associated with product development of gastrointestinal endoscopes, increasing the US sales force and changes to the recognition of GPO fees, all of which had little or no effect in H1 2017/18, the comparable increase in costs equates to 9% for the half-year, when excluding currency effects.

The rate of cost for H1 was 39% (39%). Adjusted for the GPO fees, the comparable rate of cost for H1 2017/18 was 40%.

Selling and distribution costs totalled DKK 363m (DKK 287m), corresponding to an increase of 26%. Adjusted for timing differences and the effect of foreign exchange fluctuations as described above, the underlying growth in selling and distribution costs was 12% for the half-year. In H1, an additional approx. 15 people were taken on in the global sales organisation, mainly outside the USA.

Development costs for the half-year totalled DKK 50m (DKK 50m) The correlation between capitalisation of development costs and the recognition of amortisation in the income statement is shown in the table below. Amortisation of DKK 29m and investments of DKK 69m have been recognised, taking cash development costs to DKK 90m year to date, of which 56% (76%) have been expensed. The share of development costs expensed is declining as the number and value of development projects are going up, while the fixed, non-allocatable costs are largely unchanged. In line with Ambu's accounting policies, development projects are amortised over 5-10 years from the time when products are launched commercially.

DKKm	YTD	
	18/19	**17/18**
Development costs	50	50
÷ Amortisation related thereto	-29	-31
+ Investments	69	47
= Cash flows	**90**	**66**
Of which expensed	**56%**	**76%**

Management and administrative expenses for the half-year were DKK 145m (DKK 131m), with the increase reflecting the increase in activity levels.

Settlement in principle US authorities

In Q2, Ambu reached an agreement in principle to settle a dispute with US authorities concerning compliance with laws and regulations governing sales to US government institutions. The dispute relates to the sale of products produced by Ambu in countries that are not designated countries under the United States Trade Agreements Act, and products for which Ambu has not obtained an exemption. Under the applicable regulations Malaysia and China are not designated countries, and consequently sales of products made in those countries to US government institutions are not allowed unless the seller first obtains an exemption.

The rules apply only to sales to government institutions and not to sales to the private hospital sector in the USA, which accounts for by far the largest percentage of Ambu's sales in the USA.

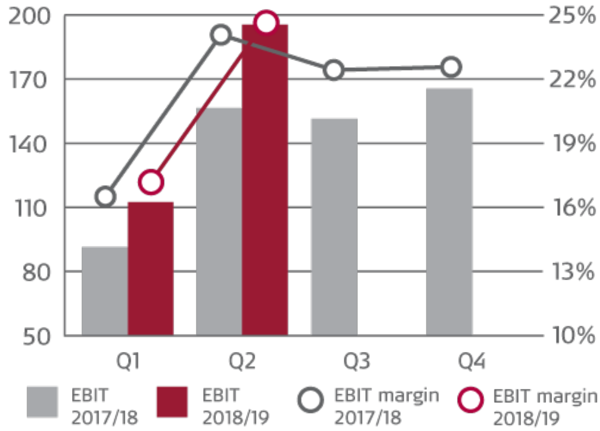
The financial implications of the settlement are limited to the payment of a restitution totalling USD 3.3 million payable in two instalments in second half of 2018/19 and in Q1 2019/20, respectively. Provisions in a similar amount have been made and expensed in earlier accounting periods, and the settlement will therefore have no further impact on Ambu's EBIT earnings, nor will it impact Ambu's growth opportunities in the USA.

EBIT

EBIT for Q2 was hereafter DKK 195m (DKK 156m), and the EBIT margin 24.8% (DKK 24.0%), and for the half-year DKK 307m (DKK 247m), with an EBIT margin of 21.3% (20.5%).

The total effect of foreign exchange fluctuations on EBIT and the EBIT margin in H1 compared with H1 2017/18 is negligible.

EBIT (DKKm) and EBIT margin (%) per quarter



Net financials

Net financials amounted to net expenses of DKK 55m (net expenses of DKK 67m) for the half-year.

Net financials are composed as follows:

- Foreign exchange gains constitute income of DKK 5m (loss of DKK 18m).
- Interest expenses on bank, lease and bond debt totalled DKK 10m (DKK 20m).
- Fair value adjustments of derivative instruments constituted a net expense of DKK 6m (net income of DKK 9m).
- Fair value adjustments of contingent consideration represent an expense of DKK 43m, relating to the acquisition of Invendo Medical GmbH (income of DKK 37m).
- The interest element from liabilities stated at present amortised value is recognised as a net expense of DKK 1m (DKK 1m).

The fair value adjustments of DKK 43m reflect the time value of the contingent consideration in connection with the acquisition of Invendo Medical GmbH, and fair value adjustments for FY 2018/19 are expected to constitute DKK 90m. The cost has no cash flow effect, but will be included in the amounts which are expected to be paid for milestones and earn-outs in the future.

Tax
The profit before tax for the quarter was taxed at a rate of 24% (23%), adjusted for non-deductible and non-taxable items. For the half-year, the tax rate corresponded to 23% (34%). The reduction in the effective tax rate for the half-year compared to last year is due to the tax figure for 2017/18 being affected by the US tax reform and the impairment of the tax asset to which this gave rise.

Net profit
The result for the half-year is then a net profit of DKK 193m (DKK 119m), corresponding to 13% (10%) of revenue.

Earnings per share (EPS)
Earnings per share for H1 were DKK 0.79 (DKK 0.49). The development from last year is positively affected by non-cash items of DKK 19m in 2017/18 due to a reduction in the federal income tax rate in the USA to 21%.

Balance sheet
At the end of March 2019, Ambu had total assets of DKK 4,418m (DKK 4,046m).

Net working capital at the end of the quarter was DKK 713m (DKK 538m), corresponding to 25% (22%) of 12 months' revenue.

Trade receivables totalled DKK 540m at the end of the quarter against DKK 407m at the same time last year. Calculated at fixed exchange rates, the average number of credit days was 64 (59). The increase in credit days is mainly ascribable to fluctuations in the distribution of sales across the quarter and will even out over time. The credit risk attaching to outstanding debtors is unchanged, and the quarter was not affected by bad debts to any significant extent.

Inventories totalled DKK 437m at the end of the quarter against DKK 357m at the same time last year and are composed of raw materials at factories and finished goods at central warehouse locations. Calculated at fixed exchange rates, the increase is 14%.More than half of this is attributable to increased raw materials inventories to reduce risks in the supply chain, while the rest of the increase is due to the build-up of inventories of finished goods to support growth. The average finished goods turnover ratio is 6.5 (6.0).

In addition, net working capital was negatively affected by periodical changes in trade payables and other liabilities, which are expected to be evened out over time.

Cash and cash equivalents amount to DKK 46m (DKK 119), and total net interest-bearing debt at the end of the quarter was DKK 1,266m (DKK 1,241m), corresponding to 1.7 (2.0) of rolling 12-month EBITDA.

At the end of Q2, Ambu had unutilised credit facilities of approx. DKK 1.1bn (DKK 1.1bn).

Cash flow statement
(Unless otherwise stated, all values refer to cash flows year to date).

Cash flows from operating activities for the half-year totalled DKK 156m (DKK 157m).

Investments in non-current assets totalled DKK 100m (DKK 99m) and relate mainly to development activities. For the full year, total investments of approx. DKK 250m are expected, of which development costs will constitute about 80%.

Free cash flows before acquisitions of enterprises totalled DKK 56m (DKK 58m).

Cash flows from financing activities amounted to DKK -78m (DKK 894m). This includes changes to long-term loans and the payment of dividend. The difference relative to H1 last year is due primarily to proceeds from the capital increase as well as the repayment of bridge financing in connection with the acquisition of Invendo Medical GmbH.

Changes in cash and cash equivalents totalled DKK -23m (DKK +100m).

Equity
At the end of Q2, equity totalled DKK 2,075m (DKK 1,743m) with an equity ratio of 47% (43%).

Other comprehensive income
Other comprehensive income includes a translation adjustment for the half-year arising from the translation of foreign subsidiaries of DKK 48m (DKK -30m) as a consequence of a strengthening of the USD/DKK exchange rate by 3% since the end of the previous financial year.

Other equity
At the general meeting held on 12 December 2018, it was decided to pay dividend of DKK 101m. Since the general meeting, net dividends of DKK 81m have been distributed, including DKK 3m on Ambu's portfolio of treasury shares, and dividend taxes of DKK 20m have been paid, adding up to DKK 101m in total.

At the end of the half-year, Ambu employees had exercised a total of 788,319 purchase options in Ambu A/S.

In accordance with Ambu's remuneration policy, a general employee share programme for 2018/19 has been established in the quarter, while the general employee share programme for 2016/17 has expired, and Ambu's obligations in this respect have thus been fulfilled. Consequently, the holding of treasury shares was reduced by 128,751 Class B shares in Ambu A/S.

At the end of the half-year, Ambu's holding of treasury Class B shares had hereafter been reduced by 917,070 to 6,821,349 (7,110,645), corresponding to 2.712% (2.835%) of the total share capital.

In addition, at the end of the half-year, Ambu employees had exercised a total of 235,000 warrants to subscribe for shares in Ambu A/S.

Outlook 2018/19

The financial outlook for 2018/19 is unchanged relative to what was announced in the annual report for FY 2017/18 on 13 November 2018:

	Local currencies		
	1 May 2019	**31 January 2019**	**13 November 2018**
Organic growth	Approx. 15-16%	Approx. 15-16%	Approx. 15-16%

	Danish kroner		
	1 May 2019	**31 January 2019**	**13 November 2018**
EBIT margin	Approx. 22-24%	Approx. 22-24%	Approx. 22-24%
Free cash flows*	Approx. DKK 400-475m	Approx. DKK 400-475m	Approx. DKK 400-475m

* Before acquisitions

The outlook for 2018/19 is based on the following exchange rate assumptions:

	Exchange rate assumptions for 2018/19		
	1 May 2019	**31 January 2019**	**13 November 2018**
USD/DKK	660	650	650
CNY/DKK	97	95	95
MYR/DKK	160	155	155
GBP/DKK	860	850	830

Forward-looking statements

Forward-looking statements, especially such as relate to future revenue and operating profit, are subject to risks and uncertainties. Various factors, many of which are outside Ambu's control, may cause the actual development to differ materially from the expectations contained in this report. Factors that might affect such expectations include, among others, changes in health care, in the world economy, in interest rate levels and in exchange rates.

Ambu
Ideas that work for life

Financial diary 2018/19

2019	
25 July	Quiet period ending 22 August 2019
22 August	Interim report Q3 2018/19
30 September	End of FY 2018/19

Financial diary 2019/20

2019	
16 October	Quiet period ending 13 November 2019
13 November	Annual report 2018/19
17 December	Annual general meeting

Quarterly results

DKKm	Q2 2018/19	Q1 2018/19	Q4 2017/18	Q3 2017/18	Q2 2017/18	Q1 2017/18
Composition of net revenue, products:						
Visualization	283	231	249	218	211	158
Anaesthesia	260	231	247	244	228	207
PMD	242	194	233	211	212	188
Revenue	**785**	**656**	**729**	**673**	**651**	**553**
Key figures, revenue:						
Endoscopes sold, ’000 units	182	149	165	146	145	104
Growth in number of endoscopes sold, %	26	43	43	54	53	76
Composition of reported growth:						
Organic growth, %	14	15	15	17	15	14
IFRS 15 effects on reported growth, %	2	1	0	0	0	0
Exchange rate effects on reported growth, %	5	3	1	-5	-9	-6
Reported revenue growth, %	**21**	**19**	**16**	**12**	**6**	**8**
Organic growth, products:						
Visualization, %	27	42	39	47	43	58
Anaesthesia, %	5	8	6	10	8	0
PMD, %	10	1	5	2	3	4
Organic growth, %	**14**	**15**	**15**	**17**	**15**	**14**
Organic growth, markets:						
North America, %	16	20	18	18	16	16
Europe, %	9	11	12	18	14	12
Rest of the world, %	24	10	13	7	17	12
Organic growth, %	**14**	**15**	**15**	**17**	**15**	**14**
Revenue	785	656	729	673	651	553
Production costs	-313	-263	-299	-271	-257	-232
Gross profit	**472**	**393**	**430**	**402**	**394**	**321**
Gross margin, %	*60.1*	*59.9*	*59.0*	*59.7*	*60.5*	*58.0*
Selling and distribution costs	-181	-182	-165	-155	-146	-141
Development costs	-23	-27	-27	-34	-26	-24
Management and administration	-73	-72	-73	-62	-66	-65
Total capacity costs	*-277*	*-281*	*-265*	*-251*	*-238*	*-230*
Operating profit (EBIT)	**195**	**112**	**165**	**151**	**156**	**91**
EBIT margin, %	*24.8*	*17.1*	*22.6*	*22.4*	*24.0*	*16.5*
Financial income	5	0	0	3	6	3
Financial expenses	-30	-30	-27	-7	-44	-32
Profit before tax (PBT)	**170**	**82**	**138**	**147**	**118**	**62**
Tax on profit for the period	-40	-19	-32	-35	-27	-34
Net profit for the period	**130**	**63**	**106**	**112**	**91**	**28**

Quarterly results (continued)

DKKm	Q2 2018/19	Q1 2018/19	Q4 2017/18	Q3 2017/18	Q2 2017/18	Q1 2017/18
Balance sheet:						
Assets	4,418	4,262	4,234	4,167	4,046	3,894
Net working capital	713	568	535	558	538	457
Equity	2,075	1,874	1,882	1,863	1,743	1,918
Net interest-bearing debt	1,266	1,274	1,245	1,410	1,241	981
Cash flows, in DKKm:						
Cash flows from operating activities	63	93	216	181	70	87
Cash flows from investing activities before acquisitions of enterprises and technology	-52	-48	-56	-78	-48	-51
Free cash flows before acquisitions of enterprises and technology	11	45	160	103	22	36
Acquisitions of enterprises and technology	-1	0	0	-76	-1	-851
Cash flows, in % of revenue:						
Cash flows from operating activities	8	14	30	27	11	16
Cash flows from investing activities before acquisitions of enterprises and technology	-7	-7	-8	-12	-8	-9
Free cash flows before acquisitions of enterprises and technology	1	7	22	15	3	7
Key figures and ratios:						
Capacity costs	277	281	265	251	238	230
Rate of cost, %	35	43	36	37	37	42
EBITDA	221	137	194	182	184	118
EBITDA margin, %	28.2	20.9	26.6	27.0	28.3	21.3
Depreciation	-12	-11	-14	-12	-12	-11
Amortisation	-14	-14	-15	-19	-16	-16
EBIT	195	112	165	151	156	91
EBIT margin, %	24.8	17.1	22.6	22.4	24.0	16.5
NIBD/EBITDA	1.7	1.8	1.8	2.2	2.0	1.7
Net working capital, % of revenue	25	21	21	22	22	19
Share-related ratios:						
Market price per share (DKK)	176	157	154	215	136	111
Earnings per share (EPS) (DKK)	0.53	0.26	0.44	0.46	0.37	0.12
Diluted earnings per share (EPS-D) (DKK)	0.52	0.25	0.43	0.45	0.36	0.11

Management's statement

The Board of Directors and the Executive Board have considered and approved the interim report of Ambu A/S for the period 1 October 2018 to 31 March 2019. The interim report has not been audited or reviewed by the company's independent auditors.

The interim report is presented in accordance with IAS 34 – Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for the interim reporting of listed companies.

We consider the accounting policies applied to be expedient, the group's internal controls relevant to preparing and presenting the interim report to be adequate and the interim report to give a true and fair view of the group's assets, liabilities, results and financial position as at 31 March 2019 and of the results of the group's operations and cash flows for the period 1 October 2018 to 31 March 2019.

We further consider that the management's review gives a true and fair view of the development in the group's activities and financial affairs, the profit for the period and the group's financial position as a whole as well as a description of the most significant risks and uncertainties to which the group is subject.

Ballerup, 1 May 2019

Executive Board

Lars Marcher
President & CEO

Michael Højgaard
CFO

Board of Directors

Jens Bager
Chairman

Mikael Worning
Vice-Chairman

Oliver Johansen

Christian Sagild

Henrik Ehlers Wulff

Thomas Lykke Henriksen
Elected by the employees

Jakob Koch
Elected by the employees

Jakob Bønnelykke Kristensen
Elected by the employees

Consolidated financial statements

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Ambu® aScope™ 4 RhinoLaryngo Intervention is a sterile single-use endoscope. It is used for procedures in the nose and throat. The monitor (Ambu® aView™) is used multiple times.

Income statement and statement of comprehensive income – Group

Interim report Q2 2018/19

DKKm

Income statement	Note	Q2 2018/19	Q2 2017/18	YTD 2018/19	YTD 2017/18	FY 2017/18
Revenue	5	785	651	1,441	1,204	2,606
Production costs		-313	-257	-576	-489	-1,059
Gross profit		**472**	**394**	**865**	**715**	**1,547**
Selling and distribution costs		-181	-146	-363	-287	-607
Development costs		-23	-26	-50	-50	-111
Management and administration		-73	-66	-145	-131	-266
Operating profit (EBIT)		**195**	**156**	**307**	**247**	**563**
Financial income	10	5	6	5	9	12
Financial expenses	10	-30	-44	-60	-76	-110
Profit before tax		**170**	**118**	**252**	**180**	**465**
Tax on profit for the period		-40	-27	-59	-61	-128
Net profit for the period		**130**	**91**	**193**	**119**	**337**
Earnings per share in DKK						
Earnings per share (EPS)		0.53	0.37	0.79	0.49	1.39
Diluted earnings per share (EPS-D)		0.52	0.36	0.78	0.47	1.36

Statement of comprehensive income	Q2 2018/19	Q2 2017/18	YTD 2018/19	YTD 2017/18	FY 2017/18
Net profit for the period	130	91	193	119	337
Other comprehensive income:					
Items which are moved to the income statement under certain conditions:					
Translation adjustment in foreign subsidiaries	34	-25	48	-30	19
Adjustment to fair value for the period:					
Cash flow hedging, realisation of deferred gains/losses	0	-1	0	-1	1
Cash flow hedging, reclassification to the income statement	0	0	0	0	5
Cash flow hedging, deferred gains/losses for the period	0	1	0	1	0
Tax on hedging transactions	0	0	0	0	-1
Other comprehensive income after tax	**34**	**-25**	**48**	**-30**	**24**
Comprehensive income for the period	**164**	**66**	**241**	**89**	**361**

Balance sheet – Group

Interim report Q2 2018/19

DKKm

Assets	Note	31.03.19	31.03.18	30.09.18
Acquired technologies, trademarks and customer relations		139	150	146
Acquired technologies in progress		661	660	661
Completed development projects		143	145	130
Development projects in progress		167	73	131
Rights		63	71	67
Goodwill		1,525	1,464	1,505
Intangible assets		**2,698**	**2,563**	**2,640**
Land and buildings		290	178	286
Plant and machinery		103	97	93
Other plant, fixtures and fittings, tools and equipment		54	21	47
Prepayments and plant under construction		40	109	29
Property, plant and equipment		**487**	**405**	**455**
Deferred tax asset		150	128	154
Other receivables		0	3	0
Other non-current assets		**150**	**131**	**154**
Total non-current assets		**3,335**	**3,099**	**3,249**
Inventories		437	357	382
Trade receivables		540	407	478
Other receivables		12	13	19
Income tax receivable		9	18	7
Prepayments		39	33	36
Cash		46	119	63
Total current assets		**1,083**	**947**	**985**
Total assets		**4,418**	**4,046**	**4,234**

Equity and liabilities	Note	31.03.19	31.03.18	30.09.18
Share capital		126	125	126
Other reserves		1,949	1,618	1,756
Equity		**2,075**	**1,743**	**1,882**
Deferred tax		69	37	40
Provisions		37	35	36
Contingent consideration	13	542	465	498
Interest-bearing debt	11	1,303	1,357	1,304
Non-current liabilities		**1,951**	**1,894**	**1,878**
Provisions		5	4	4
Contingent consideration	13	0	75	0
Interest-bearing debt	11	9	3	4
Trade payables		129	129	194
Income tax		53	8	79
Other payables		186	182	186
Derivative financial instruments		10	8	7
Current liabilities		**392**	**409**	**474**
Total liabilities		**2,343**	**2,303**	**2,352**
Total equity and liabilities		**4,418**	**4,046**	**4,234**

Cash flow statement – Group

Interim report Q2 2018/19

DKKm

	Note	YTD 2018/19	YTD 2017/18	FY 2017/18
Operating profit (EBIT)		307	247	563
Adjustment of items with no cash flow effect	7	62	67	141
Changes in net working capital	8	-170	-85	-66
Interest expenses and similar items		-9	-32	-44
Income tax paid		-34	-40	-40
Cash flows from operating activities		**156**	**157**	**554**
Purchase of non-current assets		-100	-99	-234
Divestment of subsidiary in respect of previous years		0	0	1
Cash flows from investing activities before acquisitions of enterprises and technology		-100	-99	-233
Free cash flows before acquisitions of enterprises and technology		**56**	**58**	**321**
Acquisition of technology		-1	-1	-2
Acquisitions of enterprises		0	-851	-926
Cash flows from acquisitions of enterprises and technology		-1	-852	-928
Cash flows from investing activities		**-101**	**-951**	**-1,161**
Free cash flows after acquisitions of enterprises and technology		**55**	**-794**	**-607**
Redemption of corporate bonds		0	-701	-701
Raising of long-term debt		50	1,885	1,960
Repayment of debt to credit institutions		-50	-610	-760
Refund received in connection with the raising of lease debt		0	0	25
Repayment in respect of finance leases		-3	-2	-3
Redemption of derivative financial instruments		0	-12	-12
Exercise of options		8	14	20
Purchase of treasury shares		0	-285	-493
Sale of treasury shares, employee share programme		7	6	6
Dividend paid		-101	-92	-92
Dividend, treasury shares		3	2	2
Capital increase, Class B share capital		8	689	699
Cash flows from financing activities		**-78**	**894**	**651**
Changes in cash and cash equivalents		**-23**	**100**	**44**
Cash and cash equivalents, beginning of period		63	19	19
Translation adjustment of cash and cash equivalents		1	0	0
Cash and cash equivalents, end of period		**41**	**119**	**63**
Cash and cash equivalents, end of period, are composed as follows:				
Cash		46	119	63
Bank debt		-5	0	0
		41	**119**	**63**

Statement of changes in equity – Group

Interim report Q2 2018/19

DKKm

	Share capital	Share premium	Reserve for hedging transactions	Reserve for foreign currency translation adjustment	Retained earnings	Proposed dividend	Total
Equity 1 October 2018	**126**	**0**	**0**	**89**	**1,566**	**101**	**1,882**
Net profit for the period					193		193
Other comprehensive income for the period			0	48			48
Total comprehensive income	**0**	**0**	**0**	**48**	**193**	**0**	**241**
Transactions with the owners:							
Share-based payment					11		11
Tax deduction relating to share options					16		16
Exercise of options					8		8
Sale of treasury shares, employee share programme					7		7
Distributed dividend						-98	-98
Dividend, treasury shares					3	-3	0
Share capital increase, warrants	0				8		8
Equity 31 March 2019	**126**	**0**	**0**	**137**	**1,812**	**0**	**2,075**

	Share capital	Share premium	Reserve for hedging transactions	Reserve for foreign currency translation adjustment	Retained earnings	Proposed dividend	Total
Equity 1 October 2017	**122**	**57**	**-5**	**70**	**945**	**90**	**1,279**
Net profit for the period					119		119
Other comprehensive income for the period			0	-30			-30
Total comprehensive income	**0**	**0**	**0**	**-30**	**119**	**0**	**89**
Transactions with the owners:							
Share-based payment					12		12
Tax deduction relating to share options					64		64
Exercise of options					14		14
Purchase of treasury shares					-320		-320
Sale of treasury shares, employee share programme					6		6
Distributed dividend					-2	-88	-90
Dividend, treasury shares					2	-2	0
Share capital increase, warrants	0	22					22
Share capital increase, ordinary	3	664					667
Equity 31 March 2018	**125**	**743**	**-5**	**40**	**840**	**0**	**1,743**

Other reserves are made up of share premium, reserve for hedging transactions, reserve for foreign currency translation adjustment, retained earnings and proposed dividend and total DKK 1,949m (31.03.2018: DKK 1,618m).

Notes to the interim report

Section 1: Basis of preparation of interim report

Section 2: Operating activities and cash flows

Section 3: Invested capital and net working capital

Section 4: Financial risk management, capital structure and net financials

Section 5: Provisions, other liabilities etc.

Notes to the interim report

Interim report Q2 2018/19

Note 1 – Basis of preparation of the interim report

The interim report for the period 1 October 2018 to 31 March 2019 is presented in accordance with IAS 34 – Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for the interim reporting of listed companies. The accounting principles applied are consistent with the principles applied in the annual report for 2017/18 with the exception of the implementation of IFRS 15 'Revenue from Contracts with Customers' described below. For definitions of ratios, reference is made to note 5.11 in the annual report for 2017/18.

Following the implementation of IFRS 15, Ambu's long-standing accounting practice of offsetting fees paid to group purchasing organisations (GPOs) against revenue will be changed. As from Q1 2018/19, the accounting policies have therefore been changed so that revenue is presented without any deduction of these fees, while selling and distribution costs are increased accordingly, and operating profit (EBIT) is therefore unaffected. The change is made as a consequence of the clarification of the principal/agent relationship. The standard has been implemented using the catch-up method without restatement of comparative figures. The effect of the change in accounting policies amounts to a total of DKK 18m in H1 2018/19.

From Q1 2018/19, Ambu's definition of geographical regions has been changed, so that the sale takes place in the country in which the control over the goods is transferred to the customer and not as previously in the country to which the invoice is issued. Comparative figures for organic growth in the geographic markets Europe and the Rest of the world have been restated in the overview table. The effect of this is minimal.

Note 2 – Material accounting estimates

In connection with the preparation of the interim report, the management makes material accounting estimates, assessments and assumptions which form the basis of the presentation, recognition and measurement of the group's assets and liabilities for accounting purposes. There are no significant changes in the material estimates or assessments presented in note 1.1 to the annual report for 2017/18.

Note 3 – Seasonal fluctuations

Gross margin
Historically, the gross margin is lower in H1 than in H2 due to higher activity levels in H2. The lowest gross margin is usually seen in Q1, where revenue relative to other quarters is the lowest.

Cash flows from operating activities
Cash flows from operating activities have historically been lower in Q1 as a result of bonuses paid, income tax as well as a lower earnings level and increased net working capital. Cash flows from operating activities tend to increase gradually in Q2 and Q3, peaking in Q4. The increased level of cash flows from operating activities in Q4 is due to the collection of revenue from Q3 as well as a reduction of net working capital.

Note 4 – Segment information

Ambu is a supplier of medtech products for the global market. Except for the sales of the various products, no structural or organisational aspects allow for a division of earnings from individual products, as sales channels, customer types and sales organisations are identical for all important markets. Furthermore, production processes and internal controls and reporting are identical, which means that, with the exception of revenue, everything else is unsegmented.

Ambu has thus identified one segment only.

DKKm

Note 5 – Revenue

	Q2 2018/19	Q2 2017/18	YTD 2018/19	YTD 2017/18	FY 2017/18
Revenue by activities:					
Visualization	283	211	514	369	836
Anaesthesia	260	228	491	435	926
PMD	242	212	436	400	844
Total revenue	**785**	**651**	**1,441**	**1,204**	**2,606**
Revenue by markets:					
North America	376	291	691	538	1,208
Europe	312	286	583	529	1,083
Rest of the world	97	74	167	137	315
Total revenue	**785**	**651**	**1,441**	**1,204**	**2,606**

Note 6 – Development in balance sheet since 30 September 2018

Since the beginning of the financial year, non-current assets have increased by a net amount of DKK 86m to DKK 3,335m. The increase was driven by a net increase in intangible assets and property, plant and equipment of DKK 90m, of which DKK 20m is attributable to foreign currency translation adjustments of goodwill.

Inventories have been increased by DKK 55m as a consequence of planned higher activity levels and the establishment of buffer stocks at the factory in Malaysia. Trade receivables increased by DKK 62m, driven by the growth in the quarter and an increased USD/DKK exchange rate.

Contingent consideration relating to the acquisition of Invendo Medical GmbH amounted to DKK 542m, an increase of DKK 44m. The increase is due to fair value adjustment of the contingent consideration of DKK 43m, as shown in note 13.

Trade payables decreased by DKK 65m to DKK 129m due to timing differences.

Note 7 – Adjustment of items with no cash flow effect

	YTD 2018/19	YTD 2017/18	FY 2017/18
Depreciation, amortisation and impairment losses	51	55	115
Share-based payment	11	12	26
	62	**67**	**141**

Note 8 – Changes in net working capital

	YTD 2018/19	YTD 2017/18	FY 2017/18
Changes in inventories	-40	-48	-62
Changes in receivables	-50	20	-44
Changes in trade payables etc.	-80	-57	40
	-170	**-85**	**-66**

DKKm

Note 9 – Risks

For a description of Ambu's risks, see the 'Risk management' section in the annual report for 2017/18, pages 26-27.

Note 10 – Net financials

	Q2 2018/19	Q2 2017/18	YTD 2018/19	YTD 2017/18	FY 2017/18
Other financial income:					
Foreign exchange gains, net	5	0	5	0	5
Value adjustment of contingent consideration	0	0	0	0	0
Fair value adjustment, swap	0	6	0	9	7
Financial income	**5**	**6**	**5**	**9**	**12**

	Q2 2018/19	Q2 2017/18	YTD 2018/19	YTD 2017/18	FY 2017/18
Interest expenses:					
Interest expenses, banks	5	5	9	8	18
Interest expenses, leases	0	0	1	1	2
Interest expenses, bonds	0	5	0	11	11
Other financial expenses:					
Foreign exchange loss, net	0	12	0	18	0
Value adjustment of contingent consideration	22	22	43	37	71
Effect of shorter discount period, acquisition of technology	0	0	1	1	3
Ineffectiveness of interest rate swap	0	0	0	0	5
Fair value adjustment, swap	3	0	6	0	0
Financial expenses	**30**	**44**	**60**	**76**	**110**

Note 11 – Interest-bearing debt

	31.03.19	31.03.18	30.09.18
Credit institutions	1,200	1,275	1,200
Finance leases	103	82	104
Long-term interest-bearing debt	**1,303**	**1,357**	**1,304**

	31.03.19	31.03.18	30.09.18
Bank debt	5	0	0
Finance leases	4	3	4
Short-term interest-bearing debt	**9**	**3**	**4**

DKKm

Note 12 – Capital increases, treasury shares and dividend paid

Capital increases
A capital increase was implemented in November 2018 in connection with the exercise by employees of warrants allocated in 2015. In consequence hereof, Ambu's share capital was increased by a nominal amount of DKK 52,500 through the issue of 105,000 Class B shares with a nominal value of DKK 0.50 each at a price of 39.26.

In February 2019, another capital increase was carried out in connection with the exercise by employees of warrants allocated in 2013 and 2015. In consequence hereof, Ambu's share capital was increased by 50,000 Class B shares with a nominal value of DKK 0.50 each at a price of 13.26 and 80,000 Class B shares with a nominal value of DKK 0.50 each at a price of 39.26.

Changes in number of shares and share capital for the period:

	30.09.18	Change	31.03.19
No. of Class A shares	34,320,000	0	34,320,000
No. of Class B shares	216,954,600	235,000	217,189,600
	251,274,600	**235,000**	**251,509,600**
Share capital	125,637,300	117,500	125,754,800

Treasury shares
As at 30 September 2018, Ambu's holding of treasury shares totalled 7,738,419 Class B shares with a nominal value of DKK 0.50 each. As at 31 March 2019, this had been reduced by 917,070 shares to 6,821,349 Class B shares. The reduction is attributable to disposals in connection with the conclusion of the employee share programme for 2016 (matching shares) and the sale and transfer of own shares to Ambu's employees under the employee share programme for 2018 as well as sale of treasury shares relating to the management's exercise of share option programmes. There have been no transactions with Class A shares.

Dividend paid
The Board of Directors' proposal for the distribution of dividend of DKK 0.40 per share with a nominal value of DKK 0.50 was adopted at the company's annual general meeting on 12 December 2018. The dividend declared totals DKK 101m and has subsequently been paid out.

Note 13 – Contingent consideration

	31.03.19
Contingent consideration 1 October 2018	498
Adjustments made through the income statement under financial expenses:	
Value adjustment	43
Foreign currency translation adjustment	1
Contingent consideration 31 March 2019	**542**

Contingent consideration concerns outstanding liabilities relating to the acquisition of Invendo Medical GmbH. The contingent consideration is valued on the basis of unobservable inputs, corresponding to level 3 in the fair value hierarchy.

Note 14 – Contingent liabilities

Ambu's ongoing operations and the use of Ambu's products in hospitals and clinics etc. involve the general risk of claims for damages and sanctions against Ambu. The risk is deemed to be customary.

Ambu is involved from time to time in disputes with customers and patients about Ambu's products. Appropriate provisions are made on an ongoing basis, and product liability insurance has been taken out. The management believes that the likely outcomes of these disputes can be covered by the provisions made and recognised in the balance sheet as at 31 March 2019. For a more detailed description of the group's risks, see the 'Risk management' section on pages 26-27 in the annual report 2017/18.

Note 15 – Subsequent events

In addition to the matters described in this interim report, the management is not aware of any events subsequent to 31 March 2019 which could be expected to have a significant impact on the group's financial position.