

TOPSIL SEMICONDUCTOR MATERIALS A/S  
Interim report, Q2 2015  
Three months ended 30 June 2015

## POSITIVE PERFORMANCE IN Q2 2015

“As expected, the second quarter of 2015 saw positive developments in both revenue and operating profit. The customer complaint from 2014 has been resolved, and we have resumed deliveries to the customer in question. Efficiency improvements in production and our cost cutting programme are also reflected in the figures for Q2 2015.”

Kalle Hvidt Nielsen, CEO

## HIGHLIGHTS OF THE QUARTER

- Topsil’s revenue was DKK 76.4 million in Q2 2015 against DKK 65.3 million in the year-earlier period (up 17%). The improvement was partly achieved because the customer complaint case was resolved and deliveries to the customer resumed.
- The contribution ratio was 48.6% in Q2, representing a year-on-year increase of 6.3 percentage points.
- EBITDA was a profit of DKK 6.2 million, equivalent to an EBITDA margin of 8.1% in Q2 2015. In the same period of last year, EBITDA was a loss of DKK 5.0 million.
- Cash flows from operating activities were an outflow of DKK 7.6 million in Q2 2015. Cash flows from operating activities in H1 2015 were an inflow of DKK 2.7 million against an outflow of DKK 3.1 million in H1 2014, the change being driven mainly by the improvement in operating profit. Cash flows for investing activities were an outflow of DKK 2.2 million in Q2 and DKK 4.7 million in H1 2015.
- The updated strategy for 2016-2018 is planned to be completed in the autumn. Focus areas will be:
  - lifting earnings to a significantly higher level,
  - reducing working capital, and
  - strengthening the capital base.

## OUTLOOK FOR 2015

The guidance for 2015 of revenue growth of around 0-5% and EBITDA in the range of DKK 10-20 million is retained.

Market volume is expected to grow, but prices are expected to remain squeezed as a result of surplus capacity. The lower selling prices are expected to be offset by efficiency improvements and cost reductions.



## FINANCIAL HIGHLIGHTS FOR THE GROUP (UNAUDITED)

DKK'000	Q2 2015	Q2 2014	H1 2015	H1 2014	FY 2014
<b>Income statement:</b>					
Revenue	76,441	65,330	136,560	138,682	272,328
Earnings before interest, tax, depreciation and amortisation (EBITDA)	6,228	(5,025)	5,947	(1,772)	(9,355)
Operating profit/(loss) (EBIT)	(1,467)	(12,370)	(9,151)	(16,465)	(38,703)
Net financials	(4,033)	(2,576)	(10,068)	(3,860)	(10,900)
<b>Profit/(loss) for the period after tax</b>	<b>(5,032)</b>	<b>(12,382)</b>	<b>(18,780)</b>	<b>(17,621)</b>	<b>(41,992)</b>
Of which attributable to parent company shareholders	(5,157)	(12,464)	(18,912)	(17,789)	(42,130)
<b>Cash flow statement:</b>					
Cash flows from operating activities	(7,604)	7,264	2,671	(3,141)	(6,318)
Cash flows from investing activities	(2,171)	(2,577)	(4,687)	(7,362)	(14,182)
Investments in property, plant and equipment	(758)	(1,990)	(2,547)	(5,105)	(8,822)
<b>Balance sheet:</b>					
Share capital			132,029	132,029	132,029
Equity attributable to parent company shareholders			316,094	359,605	327,759
Equity attributable to non-controlling shareholders			16,658	17,256	16,585
Total consolidated equity			332,752	376,861	344,344
Total assets			647,236	640,188	633,213
Invested capital			513,412	549,996	522,564
Net interest-bearing debt			182,155	171,122	180,616
Net working capital (NWC)			114,474	136,059	118,620
<b>Financial ratios:</b>					
EBITDA margin (%)	8.1	(7.7)	4.4	(1.3)	(3.4)
EBIT margin/profit margin (%)	(1.9)	(18.9)	(6.7)	(11.9)	(14.2)
Return on invested capital (%)	(0.3)	(2.2)	(1.8)	(3.0)	(7.2)
Contribution ratio (%)	48.6	42.3	49.2	45.7	48.1
Equity ratio	51.4	58.9	51.4	58.9	54.4
Return on equity (%)	(1.5)	(3.2)	(5.5)	(4.6)	(12.0)
Current number of shares (thousands)	528,114	528,114	528,114	528,114	528,114
Earnings per share (DKK)	(0.01)	(0.02)	(0.04)	(0.03)	(0.08)
Price per share (DKK)	0.44	0.70	0.44	0.70	0.41
Average number of employees (FTE)	345	368	350	362	356



## FINANCIAL PERFORMANCE

### REVENUE

Revenue for Q2 2015 was up by 17.0% to DKK 76.4 million (Q2 2014: DKK 65,3 million). The rate of organic growth in Q2 was 10.5%.

The improvement in Q2 2015 was partly achieved because the customer complaint case from 2014 has been resolved, and deliveries to the customer in question were resumed in Q2 2015. Negotiations about compensation from the third-party contractor are still ongoing.

Revenue for H1 2015 was DKK 136.6 million (H1 2014: DKK 138.7 million).

Yole Developpement, which focuses specifically on the power market, still forecasts volume growth in the power market and a strong but declining pressure on prices. Yole expects that the areas with the highest growth rates will be the medium-voltage segment (FZ-PFZ) and the high-voltage segment (FZ-NTD).

### COSTS

Direct production costs were DKK 39.3 million in Q2 2015 (Q2 2014: 37.7 million), and the contribution margin improved to 48.6% from 42.3% in the year-earlier period; a year-on-year improvement of 6.3 percentage points. The change in the contribution margin was partly driven by the growth in revenue and efficiency improvements in production and the supply chain.

Other external costs and staff costs were DKK 30.9 million in Q2 2015 against DKK 32.7 million in Q2 2014. The DKK 1.8 million reduction was primarily the result of the consolidation of production in Denmark and implemented cost savings. In H1 2015, other external costs and staff costs were reduced by DKK 4.0 million year on year.

The average number of full-time employees was 345 in Q2 2015, representing a year-on-year reduction by 23. In H1 2015, the average number of full-time employees was 350 (H1 2014: 362). In Q2 2015, about two-thirds of the 15 employees made redundant left the Company.

### EBITDA

EBITDA was DKK 6.2 million in Q2 2015, equivalent to an EBITDA margin of 8.1%. In the same period of last year, EBITDA was a loss of DKK 5.0 million.

Accumulated EBITDA for H1 2015 was a profit of DKK 5.9 million for 2015 against a loss of DKK 1.8 million in H1 2014.

Depreciation for Q2 2015 was DKK 7.7 million, bringing the accumulated depreciation for H1 2015 to DKK 15.1 million.

Net financials amounted to an expense of DKK 4.0 million in Q2 2015, compared with an expense of DKK 2.6 million in Q2 2014. Q2 2015 performance was affected by negative foreign exchange adjustments of around DKK 1.0 million. In the same period of 2014, the foreign exchange adjustment was negative in the amount of DKK 0.3 million. In H1 2015, net financials amounted to an expense of DKK 10.1 million against an expense of DKK 3.9 million in H1 2014, of which approximately DKK 4.5 million was attributable to foreign exchange adjustments.

### LOSS AFTER TAX

Topsil posted a loss after tax of DKK 5.0 million in Q2 2015 (Q2 2014: a loss of DKK 12.4 million).

In the first six months of 2015, Topsil posted an accumulated loss after tax of DKK 18.8 million (H1 2014: a loss of DKK 17.6 million).

### CASH FLOWS FROM OPERATING ACTIVITIES

Cash flows from operating activities were an outflow of DKK 7.6 million in Q2 2015. Cash flows from operating activities in H1 2015 were an inflow of DKK 2.7 million against an outflow of DKK 3.1 million in H1 2014, the change being driven mainly by the improvement in operating profit.

Cash flows for investing activities were an outflow of DKK 2.2 million in Q2 2015, comprising DKK 0.8 million invested in production plant and DKK 1.4 million invested in development projects. Cash flows for investing activities in H1 2015 were DKK 4.7 million against DKK 7.4 million in H1 2014.

### BALANCE SHEET



Consolidated non-current assets stood at DKK 405.7 million at 30 June 2015, representing a reduction of DKK 24.8 million from 30 June 2014. The decline was due to a lower investment rate and contractual reductions of deposits underlying performance bonds to suppliers.

Topsil's net working capital stood at DKK 114.5 million at 30 June 2015 against DKK 118.6 million at the beginning of the year.

Inventories grew by DKK 11.1 million as compared with the level at 31 December 2014. The increase was partly a consequence of the raw material procurement obligations assumed.

Trade creditors increased by DKK 14.1 million as compared with the level at 30 June 2014, which was also a consequence of the raw material procurement obligations and an agreed retention of payments to the third-party contractor involved in the customer complaint case of around DKK 7 million.

Prepayments from customers stood at DKK 26.8 million, which was DKK 18.6 million higher than at 31 December 2014. The increase was due to the extension of a long-term contract with a major customer.

#### **INTEREST-BEARING DEBT**

The Group's net interest-bearing debt stood at DKK 182.2 million at 30 June 2015, representing a year-on-year increase of DKK 11.0 million and an increase of DKK 1.5 million from 31 December 2014.

Topsil's credit facilities with its principal bankers were extended in March 2015. The facilities run until 1 March 2016, at which time they will be up for renegotiation.

#### **EQUITY**

The Group's equity at 30 June 2015 amounted to DKK 332.8 million, of which DKK 316.1 million was attributable to shareholders of Topsil Semiconductor Materials A/S, and DKK 16.7 million was attributable to non-controlling inter-

ests in Cemat'70 S.A. The change in equity before non-controlling interests was mainly attributable to the net loss for the period.

The equity ratio was 51.4% at 30 June 2015.

#### **FURTHER DEVELOPMENT OF THE STRATEGY**

The preparation of the updated strategy for 2016-2018 is progressing as expected, and the plan is to publish the strategy in Q4 2015.

The strategy will be a further development of the current strategy with a dedicated focus on:

- lifting earnings to a higher level
- reducing working capital
- strengthening the capital base.

Means of achieving the strategy will include efficiency improvements and simplification of Topsil's business. In addition, the possibilities of strengthening Topsil's supply chain and sales efforts through strategic partnerships are being explored.

#### **OUTLOOK FOR 2015 RETAINED**

Topsil expects revenue growth in 2015 of around 0-5% and EBITDA in the range of DKK 10-20 million.

Revenue is expected to grow in 2015, which is based on the strategic growth initiatives, the positive trend in the market and a resumption of deliveries to the customer involved in the complaint in 2014. The highest growth rates are expected in Asia, especially in the market for silicon products for the medium-voltage segment (FZ-PFZ).

The underlying volume growth will be somewhat higher, but prices are expected to remain squeezed as the surplus capacity in the market continues. However, the lower selling prices are expected to be offset by efficiency improvements and cost reductions.

The guidance is based on exchange rates of DKK 650/USD 100 and DKK 180/PLN 100.

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The forward-looking statements in this interim report reflect Management's current expectations for certain future events and financial results. Forward-looking statements are inherently subject to uncertainty, and actual results may therefore differ materially from expectations.

Factors that may cause actual results to deviate materially from expectations include, but are not limited to, general economic developments and developments in the financial markets, changes in the silicon market, market acceptance of new products as well as the launch of competing products.



## INVESTOR RELATIONS COMMUNICATION

CEO Kalle Hvidt Nielsen and CFO Jesper Bodeholt will present the financial statements at a meeting with investors on Wednesday, 26 August at 12:00 noon Copenhagen time (CET) at Jyske Bank, Business Centre Copenhagen.

Please direct any questions regarding this announcement to Kalle Hvidt Nielsen, CEO, or Jesper Bodeholt, CFO, through Susanne Heselkjær, Executive Secretary, tel. +45 2926 6752, [sh@topsil.com](mailto:sh@topsil.com).

### SHAREHOLDER PORTAL

Through Topsil's shareholder portal at [www.topsil.com](http://www.topsil.com), the Company's shareholders can access information on their shareholdings and register their email addresses for electronic distribution of documents for general meetings and other material relevant to shareholders.

### E-MAIL SERVICE

Under "Contacts" on Topsil's website, it is possible to subscribe to and unsubscribe from Topsil's electronic email service to receive annual reports, quarterly reports and other company announcements.

### ANNOUNCEMENTS 2015

9	26.05	Interim report, Q1 2015
8	06.05	Warrant programme – updated Articles of Association
7	27.04	Warrant programme for management board and managerial employees
6	24.04	Decisions of the Annual General Meeting
5	09.04	Election of staff representatives
4	27.03	Notice to convene Annual General Meeting
3	24.03	Annual Report 2014
2	03.02	Customer complaint: Topsil to reach agreement with customer to release Topsil's products for manufacture
1	05.01	Extension of long term float zone wafer agreement

### FINANCIAL CALENDAR

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24.11	Interim Report, Q3 2015
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Prior to the publication of an interim report, Topsil observes a four-week silent period.

This announcement has been prepared in a Danish-language and an English-language version. In the event of any discrepancies, the Danish version shall prevail.



## MANAGEMENT STATEMENT

The Board of Directors and the Management have today considered and adopted the interim report of Topsil Semiconductor Materials A/S for the three months ended 30 June 2015.

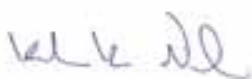
The interim report is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim financial statements give a true and fair view of the Group's assets, liabilities and financial position at 30 June 2015 and of the results of the Group's operations and cash flows for the second quarter of 2015.

In our opinion, the management report includes a fair review of the development and performance of the business and financial position of the Group, the financial results for the period as well as the financial position in general of the consolidated companies, together with a description of the principal risks and uncertainties that the Group faces.

Frederikssund, 25 August 2015

### MANAGEMENT BOARD



Kalle Hvidt Nielsen  
CEO



Jesper Bodeholt  
CFO



Michael Lisby Jensen  
CSO

### BOARD OF DIRECTORS:



Jens Borelli-Kjær  
Chairman



Eivind Dam Jensen  
Deputy Chairman



Jørgen Frost  
Board member



Michael Hedegaard Lyng  
Board member



Sune Bro Duun  
Elected by the employees



Jesper Leed Thomsen  
Elected by the employees

## INCOME STATEMENT

DKK'000	Q2 2015	Q2 2014	H1 2015	H1 2014	FY 2014
Revenue	76,441	65,330	136,560	138,682	272,328
Direct production costs	(39,272)	(37,675)	(69,419)	(75,271)	(141,427)
Other external expenses and staff costs	(30,941)	(32,680)	(61,194)	(65,183)	(140,256)
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>6,228</b>	<b>(5,025)</b>	<b>5,947</b>	<b>(1,772)</b>	<b>(9,355)</b>
Depreciation, amortisation and impairment	(7,695)	(7,345)	(15,098)	(14,693)	(29,348)
<b>Operating profit/(loss) (EBIT)</b>	<b>(1,467)</b>	<b>(12,370)</b>	<b>(9,151)</b>	<b>(16,465)</b>	<b>(38,703)</b>
Net financials	(4,033)	(2,576)	(10,068)	(3,860)	(10,900)
<b>Profit/(loss) before tax</b>	<b>(5,500)</b>	<b>(14,946)</b>	<b>(19,219)</b>	<b>(20,325)</b>	<b>(49,603)</b>
Tax on profit/(loss) for the period	468	2,564	439	2,704	7,611
<b>Profit/(loss) for the period</b>	<b>(5,032)</b>	<b>(12,382)</b>	<b>(18,780)</b>	<b>(17,621)</b>	<b>(41,992)</b>
<b>Appropriation of profit/(loss) for the period:</b>					
Parent company shareholders	(5,157)	(12,464)	(18,912)	(17,789)	(42,130)
Non-controlling interests	125	82	132	168	138
	<b>(5,032)</b>	<b>(12,382)</b>	<b>(18,780)</b>	<b>(17,621)</b>	<b>(41,992)</b>
<b>Earnings per share:</b>					
Earnings per share (DKK)	(0.01)	(0.02)	(0.04)	(0.03)	(0.08)
Diluted earnings per share (DKK)	(0.01)	(0.02)	(0.03)	(0.03)	(0.07)

## STATEMENT OF COMPREHENSIVE INCOME

DKK'000	Q2 2015	Q2 2014	H1 2015	H1 2014	FY 2014
Profit/(loss) for the period	(5,032)	(12,382)	(18,780)	(17,621)	(41,992)
Foreign exchange adjustment relating to foreign subsidiaries	(5,071)	280	6,336	(192)	(9,030)
<b>Comprehensive income for the period</b>	<b>(10,103)</b>	<b>(12,102)</b>	<b>(12,444)</b>	<b>(17,813)</b>	<b>(51,022)</b>
Parent company shareholders	(9,778)	(12,223)	(12,517)	(17,783)	(50,321)
Non-controlling interests	(325)	121	73	(30)	(701)
	<b>(10,103)</b>	<b>(12,102)</b>	<b>(12,444)</b>	<b>(17,813)</b>	<b>(51,022)</b>



## CASH FLOW STATEMENT

DKK'000	Q2 2015	Q2 2014	H1 2015	H1 2014	FY 2014
Operating profit/(loss) (EBIT)	(1,467)	(12,370)	(9,151)	(16,465)	(38,703)
Depreciation, amortisation and impairment	7,695	7,345	15,098	14,693	29,348
Share-based payment recognised in the income statement	450	425	852	720	1,412
Change in net working capital	(11,363)	13,060	5,093	1,276	9,567
Tax paid/received	(155)	(95)	(252)	(127)	869
Financial income received	274	23	281	56	49
Financial expenses paid	(3,038)	(1,124)	(9,250)	(3,294)	(8,860)
<b>Cash flows from operating activities</b>	<b>(7,604)</b>	<b>7,264</b>	<b>2,671</b>	<b>(3,141)</b>	<b>(6,318)</b>
Acquisition etc. of intangible assets	(1,413)	(587)	(2,140)	(2,346)	(5,492)
Acquisition etc. of property, plant and equipment	(758)	(1,990)	(2,547)	(5,105)	(8,822)
Sale of property, plant and equipment	0	0	0	89	132
<b>Cash flows from investing activities</b>	<b>(2,171)</b>	<b>(2,577)</b>	<b>(4,687)</b>	<b>(7,362)</b>	<b>(14,182)</b>
Loans and credits raised	13,440	(3,291)	3,762	6,745	14,452
<b>Cash flows from financing activities</b>	<b>13,440</b>	<b>(3,291)</b>	<b>3,762</b>	<b>6,745</b>	<b>14,452</b>
<b>Change in cash and cash equivalents</b>	<b>3,665</b>	<b>1,396</b>	<b>1,746</b>	<b>(3,758)</b>	<b>(6,048)</b>
Cash and cash equivalents at beginning of period	6,976	7,206	6,903	12,349	12,349
Market value adjustment of cash and cash equivalents	(1,515)	(509)	477	(498)	602
<b>Cash and cash equivalents at end of period</b>	<b>9,126</b>	<b>8,093</b>	<b>9,126</b>	<b>8,093</b>	<b>6,903</b>





## BALANCE SHEET, ASSETS

DKK'000	30.06.2015	30.06.2014	FY 2014
Goodwill	17,594	17,727	17,067
Completed development projects	26,796	6,305	27,760
Development projects in progress	7,196	24,507	5,055
Rights of use	14,131	14,430	13,801
Other intangible assets	373	488	416
<b>Intangible assets</b>	<b>66,090</b>	<b>63,457</b>	<b>64,099</b>
Land and buildings	164,941	171,204	167,333
Plant and machinery	160,967	174,501	163,710
Plant and machinery	1,357	1,952	1,781
Property, plant and equipment under construction	5,584	7,431	8,460
<b>Property, plant and equipment</b>	<b>332,849</b>	<b>355,088</b>	<b>341,284</b>
Other non-current receivables	6,744	11,963	9,075
<b>Financial assets</b>	<b>6,744</b>	<b>11,963</b>	<b>9,075</b>
<b>Deferred tax asset</b>	<b>24</b>	<b>-</b>	<b>23</b>
<b>Non-current assets</b>	<b>405,707</b>	<b>430,508</b>	<b>414,481</b>
<b>Inventories</b>	<b>167,251</b>	<b>154,310</b>	<b>156,105</b>
Trade receivables	45,001	36,057	33,896
Other receivables	15,694	7,283	17,046
Corporation tax receivable	2,163	1,250	2,215
Deferred income	2,294	2,687	2,567
<b>Receivables</b>	<b>65,152</b>	<b>47,277</b>	<b>55,724</b>
<b>Cash and cash equivalents</b>	<b>9,126</b>	<b>8,093</b>	<b>6,903</b>
<b>Current assets</b>	<b>241,529</b>	<b>209,680</b>	<b>218,732</b>
<b>Assets</b>	<b>647,236</b>	<b>640,188</b>	<b>633,213</b>



## BALANCE SHEET, EQUITY AND LIABILITIES

DKK'000	30.06.2015	30.06.2014	FY 2014
Share capital	132,029	132,029	132,029
Translation reserve	(18,044)	(16,242)	(24,439)
Reserve for share-based payment	3,784	2,240	2,932
Retained profit/loss	198,325	241,578	217,237
<b>Equity attributable to parent company shareholders</b>	<b>316,094</b>	<b>359,605</b>	<b>327,759</b>
<b>Equity attributable to non-controlling interests</b>	<b>16,658</b>	<b>17,256</b>	<b>16,585</b>
<b>Equity</b>	<b>332,752</b>	<b>376,861</b>	<b>344,344</b>
Due to credit institutions	-	-	-
Finance lease liabilities	538	920	674
Prepayments received from customers	-	4,608	1,440
Other non-current liabilities	2,362	1,763	2,307
Deferred tax liabilities	4,239	8,707	5,693
<b>Non-current liabilities</b>	<b>7,139</b>	<b>15,998</b>	<b>10,114</b>
Due to credit institutions	191,281	179,812	187,519
Finance lease liabilities	224	3,203	207
Trade creditors	54,018	39,900	48,740
Prepayments received from customers	26,784	5,003	6,707
Provisions	-	142	-
Income tax payable	72	-	36
Other payables	28,544	16,964	32,220
Deferred income	6,422	2,305	3,326
<b>Current liabilities</b>	<b>307,345</b>	<b>247,329</b>	<b>278,755</b>
<b>Total liabilities</b>	<b>314,484</b>	<b>263,327</b>	<b>288,869</b>
<b>Equity and liabilities</b>	<b>647,236</b>	<b>640,188</b>	<b>633,213</b>



## STATEMENT OF CHANGES IN EQUITY

DKK'000	Share capital	Translation reserve	Reserve for share-based payment	Retained profit/loss	Equity attributable to parent company shareholders	Equity attributable to non-controlling interests	Total equity
<b>Equity at 01.01.2014</b>	<b>132,029</b>	<b>(16,248)</b>	<b>1,520</b>	<b>259,367</b>	<b>376,668</b>	<b>17,286</b>	<b>393,954</b>
Profit/(loss) for the year	0	0	0	(17,789)	(17,789)	168	(17,621)
Other comprehensive income	0	6	0	0	6	(198)	(192)
Comprehensive income	132,029	(16,242)	1,520	241,578	358,885	17,256	376,141
Share-based payment	0	0	720	0	720	0	720
<b>Equity at 30.06.2014</b>	<b>132,029</b>	<b>(16,242)</b>	<b>2,240</b>	<b>241,578</b>	<b>359,605</b>	<b>17,256</b>	<b>376,861</b>
<b>Equity at 01/01/2015</b>	<b>132,029</b>	<b>(24,439)</b>	<b>2,932</b>	<b>217,237</b>	<b>327,759</b>	<b>16,585</b>	<b>344,344</b>
Profit/(loss) for the year	0	0	0	(18,912)	(18,912)	132	(18,780)
Other comprehensive income	0	6,395	0	0	6,395	(59)	6,336
Comprehensive income	132,029	(18,044)	2,932	198,325	315,242	16,658	331,900
Share-based payment	0	0	852	0	852	0	852
<b>Equity at 30.06.2015</b>	<b>132,029</b>	<b>(18,044)</b>	<b>3,784</b>	<b>198,325</b>	<b>316,094</b>	<b>16,658</b>	<b>332,752</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 1 ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, RISKS, ETC.

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 reports of listed companies. The interim report has been neither audited nor reviewed. The accounting policies are consistent with those of the Annual Report 2014. See the Annual Report 2014 for a full description of the accounting policies.

For accounting estimates and judgments, see note 2, page 42 of the Annual Report 2014. For information on risks, see note 32, pages 66-70, and the section on risk management on pages 18-19 of the Annual Report 2014.

According to the accounting regulations, Management must consider whether the quarterly report can be prepared on a going concern basis. Based on the Company's estimated outlook, including the most recent order forecast, expectations for the Company's future cash flow, etc., Management believes that the existing cash reserves and expected future cash flows will be sufficient to maintain operations and fund any measures planned. Topsil's credit facilities with its principal bankers were extended in March 2015. The facilities run until 1 March 2016, at which time they will be up for renegotiation.

### 2 SEGMENT INFORMATION

Topsil's segments are "Sales of silicon ingots and wafers" and "Property management". See below:

DKK'000 Revenue	Q2 2015	Q2 2014	H1 2015	H1 2014	FY 2014
Sales of silicon ingots and wafers	72,842	61,942	129,102	131,712	258,544
Property management	3,599	3,388	7,458	6,970	13,784
<b>Total</b>	<b>76,441</b>	<b>65,330</b>	<b>136,560</b>	<b>138,682</b>	<b>272,328</b>

DKK'000 Sales of silicon ingots and wafers	Q2 2015	Q2 2014	H1 2015	H1 2014	FY 2014
Revenue	72,842	61,942	129,102	131,712	258,544
Earnings before interest, tax, depreciation and amortisation (EBITDA)	4,574	(6,364)	3,051	(4,671)	(14,622)
Depreciation, amortisation and impairment	(6,479)	(6,164)	(12,699)	(12,316)	(24,636)
Operating profit/(loss) (EBIT)	(1,905)	(12,528)	(9,648)	(16,987)	(39,258)
Net financials	(4,293)	(2,711)	(10,321)	(3,985)	(11,179)
Profit/(loss) before tax	(6,198)	(15,239)	(19,969)	(20,972)	(50,437)
Assets	556,280	548,670	556,280	548,670	545,422
Addition of property, plant and equipment	2,992	4,778	4,331	4,778	7,491
Total liabilities	302,094	249,922	302,094	249,922	275,856



## 2 SEGMENT INFORMATION - CONTINUED

DKK'000 Property management	Q2 2015	Q2 2014	H1 2015	H1 2014	FY 2014
Revenue	3,599	3,388	7,458	6,970	13,784
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,656	1,339	2,899	2,899	5,267
Depreciation, amortisation and impairment	(1,216)	(1,181)	(2,399)	(2,377)	(4,712)
Operating profit/(loss) (EBIT)	440	158	500	522	555
Net financials	260	135	253	125	279
Profit/(loss) before tax	700	293	753	647	834
Assets	90,956	91,518	90,956	91,518	87,791
Addition of property, plant and equipment	324	327	774	327	1,331
Total liabilities	12,390	13,405	12,390	13,405	13,013

Topsil still wishes to divest Cemat'70 S.A.

### 3 EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred after the balance sheet date.

### 4 FINANCIAL HIGHLIGHTS AND KEY RATIOS

The financial ratios have been calculated in accordance with "Recommendations and Financial Ratios 2015" issued by the Danish Finance Society. The individual calculation formulas are provided in note 1, page 41 of the Annual Report 2014.

## Topsil at a glance

Topsil is a market-leading manufacturer of ultra-pure silicon for the global semiconductor industry.

Topsil supplies silicon in wafers which are fitted in power components that can be used to convert and manage high-voltage currents, for example when connecting and disconnecting wind turbines, for frequency converters in motor control and power supply in high-speed trains.

Topsil's market is to a great extent driven by political initiatives, as witnessed in Europe with the prioritisation of green energy and public transport. In the longer term, the growing middle classes worldwide (urbanisation) will demand modern convenience, and the budding interest in electric vehicles will also be a growth driver.

Topsil was founded in 1959 by Dr. Haldor Topsøe. The Company is listed on the Nasdaq Copenhagen stock exchange. Topsil is headquartered in Copenhagen Cleantech Park, Frederikssund, Denmark, and has subsidiaries in Warsaw, Poland and Kyoto, Japan.

Topsil generated revenue of DKK 272.3 million in 2014 and had an average of 356 employees.

For more information, go to: [www.topsil.com](http://www.topsil.com)

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