Interim report 1st quarter 2018

Highlights of the report

Highlights of Q1 2018

- The activity level during the first quarter was significantly higher than normally for this time of the season. We executed well on a strong pipeline of projects for major component replacement. A few orders were carried over from 2017.
- EBITDA was a EUR 7.3m profit in Q1 2018 compared to a profit of EUR 5.0m in Q1 2017. The main reason for the increase is the higher activity level and slightly lower SG&A costs.
- The weighted average utilisation rate for Q1 2018 was at 89%, above the full year guidance in the range of 75-85%.
- Revenue for Q1 2018 was EUR 11.1m compared to EUR 8.9m in Q1 2017.
- We maintain our expectations for 2018 for our key performance indicators:
    - Weighted average utilisation rate in the range of 75%-85%.
    - EBITDA in the range of EUR 21-25m.
    - Cash flow from operating activities in the range of EUR 11-15m.
    - CAPEX of up to EUR 4.0m.
- ZITON A/S will be considering its refinancing options during 2018.

Information in this report

The information in this interim report is submitted in accordance with the Bond Agreement on FRN ZITON A/S Senior Secured Callable Bond Issue 2016/2019 (ISIN NO 0010751332) dated 25 November 2015 between ZITON A/S and, representing the bondholders, Nordic Trustee ASA.

According to the Bond Agreement, the consolidated financial statements of ZITON A/S are prepared in accordance with IFRS with Euro as the reporting currency.

This report has not been reviewed by the company's auditors.

Disclaimer

This report may contain certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Although the Company believes that these assumptions were reasonable when made, the statements provided in this report are solely opinions and forecasts which are uncertain and subject to risks, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. A multitude of factors can cause actual results to differ significantly from any anticipated development expressed or implied in this document. No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved and you are cautioned not to place any undue reliance on any forward-looking statement.

Management Review

Market activity

The activity level during the first quarter was significantly higher than normally for this time of the season. We executed well on a strong pipeline of projects for major component replacement. A few orders were carried over from 2017, due to adverse weather conditions towards the end of 2017.

The first quarter is traditionally the low season for the offshore wind operations & maintenance industry. At this time of the year the weather conditions are from time-to-time not aligned with safe operations at sea. However, in spite of occasionally difficult weather conditions, operations in generally performed satisfactory.

We maintained a satisfactory market share in Q1 2018.

Contract developments

No new contract development took place in the first quarter. ZITON's current contracts within offshore wind O&M includes:

- The three-year charter with Siemens Gamesa Renewable Energy for J/U WIND SERVER; commenced on 14 March 2016.
- The three-year framework agreement with Ørsted; announced in August 2016.
- The three-year framework agreement with Vattenfall; announced in November 2016.
- In addition, our framework agreement with MHI Vestas Offshore Wind that was set to expire at the end of 2017, has been prolonged until one of the parties cancel the agreement.

Having contracts with four of the leading players within the offshore wind industry demonstrates the strength of ZITON's business model of providing dedicated offshore wind O&M services and having vessels available at all times to ensure reduced wind turbine down-time.

ZITON operates in a satisfactory competitive environment, being the only dedicated provider of O&M services for major components replacement.

All other jack-up companies have installation of new wind farms as their primary business.

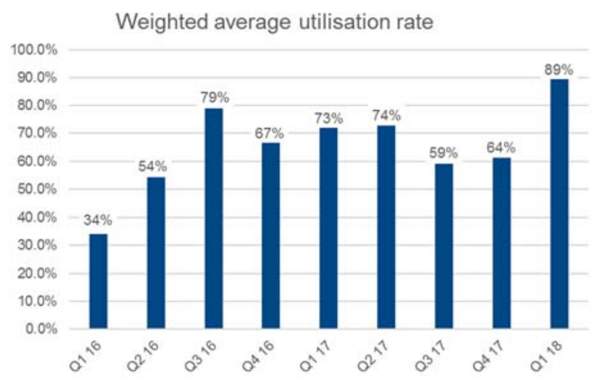
Vessel status

J/U WIND SERVER remains on charter with Siemens Gamesa Renewable Energy, having commenced a three-year charter on 14 March 2016.

J/U WIND PIONEER and J/U WIND mainly operate on the framework agreements with Ørsted, Vattenfall and MHI Vestas Offshore Wind.

Utilisation rates

The weighted average utilisation rate for Q1 2018 was at 89%, above the full year guidance in the range of 75-85%.



Note: the weighted average utilisation rate is calculated as revenue during the quarter divided by full utilisation at standard rates. Each vessel has a different weighting depending on its specifications.

Outlook for 2018

Our strong contract portfolio underpins the outlook for 2018. The following sets out our guidance for our key performance indicators in 2018:

- **Weighted average utilisation rate**. We expect a utilisation rate in the range of 75%-85%.
- **EBITDA**. We expect EBITDA to be in the range of EUR 21-25m.
- **Cash flow from operating activities** is defined as EBITDA less changes in working capital and financial payments. We expect cash flows from operating activities of EUR 11-15m.
- **CAPEX.** We expect CAPEX of up to EUR 4.0m.

Risks and uncertainties

ZITON A/S is exposed to various risks that may be of significance to the company’s future operations, results and financial position. For a description of ZITON A/S risks, please refer to the Risk Management section on pages 38-39 and note 4.1 "Risk management" in the annual report 2017 pages 74-75. Apart from the general risks, we have identified no specific risks affecting the outlook for the financial year 2018.

Financial Review

REVIEW OF THE INCOME STATEMENT FOR Q1 2018

EUR ´000	Q1 18	Q1 17	Change
Revenue	**11 088**	**8 852**	**2 236**
OPEX and project-related expenses	-2 691	-2 429	-262
SG&A	-1 064	-1 460	396
EBITDA	**7 333**	**4 963**	**2 370**
Depreciation	-1 942	-1 957	15
EBIT	**5 391**	**3 006**	**2 385**
Financials, net	-3 276	-3 332	56
Income before tax	**2 115**	**-326**	**2 441**
Key ratios			
EBITDA margin	66.1%	56.1%	10.1%

Review of income statement for Q1 2018

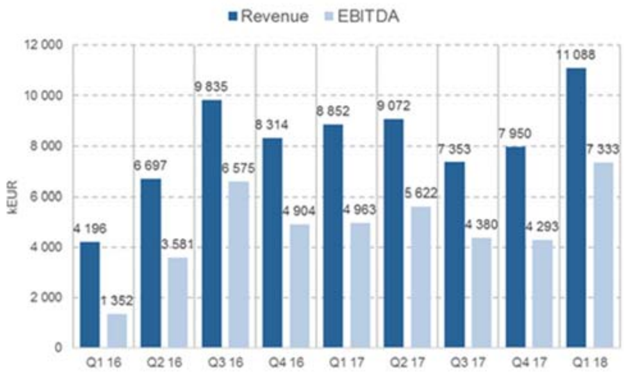
The fully consolidated results for ZITON shows net revenue for Q1 2018 of EUR 11.1m compared to EUR 8.9m in Q1 2017. The main reason for the increase in revenue is solid execution of the strong pipeline of projects.

Vessel OPEX and project related costs increased to EUR 2.7m in Q1 2018 from EUR 2.4m in Q1 2017. The main reason for the cost increase is expenses related to a decommissioning project.

SG&A expenses amounted to EUR 1.1m in Q1 2018 a reduction compared to EUR 1.5m Q1 2017, when a strategy consulting project was carried out.

EBITDA was a EUR 7.3m profit in Q1 2018 compared to a profit of EUR 5.0m in Q1 2017. The main reason for the increase in EBITDA is the high activity level and slightly lower SG&A.

The illustration in the next column shows the quarterly development realised during the last two years.



Depreciation charges of EUR 1.9m in Q1 2018 were, more or less, unchanged compared to Q1 2017.

EBIT was a EUR 5.4m profit in Q1 2018 compared to a profit of EUR 3.0m in Q1 2017. The main reason for the increase in EBIT is the higher activity level and slightly lower SG&A.

Financials, net at EUR -3.3m in Q1 2018 was, more or less, unchanged compared to Q1 2017.

Income before tax was a EUR 2.1m profit in Q1 2018 compared to a EUR 0.3m loss in Q1 2017.

REVIEW OF BALANCE SHEET AT THE END OF Q1 2018

BALANCE SHEET *EUR´000*	Q1 18	Q1 17	Change	Q1 18	Q4 17	Change
Assets						
Vessel, including fixtures & equipment	152 543	160 072	-7 529	152 543	154 517	-1 974
Other non-current assets	6 508	6 057	451	6 508	6 494	14
Non-current assets	**159 051**	**166 129**	**-7 078**	**159 051**	**161 011**	**-1 960**
Trade and other receivables	6 841	5 689	1 152	6 841	3 967	2 874
Cash and cash equivalents	4 922	2 360	2 562	4 922	2 753	2 169
Current assets	**11 763**	**8 049**	**3 714**	**11 763**	**6 720**	**5 043**
Total assets	**170 814**	**174 178**	**-3 364**	**170 814**	**167 731**	**3 083**
Equity and Liabilities						
Equity	**35 458**	**36 288**	**-830**	**35 458**	**33 843**	**1 615**
Subordinated loans	36 595	33 329	3 266	36 595	35 560	1 035
Bond loans	91 027	96 000	-4 974	91 027	90 923	104
Bank loans and lease liabilities	155	2 964	-2 808	155	165	-10
Other liabilities	7 579	5 597	1 982	7 579	7 240	339
Total liabilities	**135 356**	**137 890**	**-2 534**	**135 356**	**133 888**	**1 468**
Total equity and liabilites	**170 814**	**174 178**	**-3 364**	**170 814**	**167 731**	**3 083**
Key ratios						
Subordinated capital ratio	42.2%	40.0%	2.2%	42.2%	41.4%	0.8%
NIBD (adjusted for capitalised financing costs)	87 195	98 106	-10 911	87 195	89 412	-2 217
Loan to Vessel ratio (NIBD/Vessel book value)	57.2%	61.3%	-4.1%	57.2%	57.9%	-0.7%

Review of balance end of Q1 2018

The total value of the vessels amounted to EUR 152.5m at the end of Q1 2018. This compares to EUR 160.1m at the end of Q1 2017. The reduced value is due to depreciation of the vessels.

Total equity declined to EUR 35.5m at the end of Q1 2018, as compared to EUR 36.3m at the end of Q1 2017. The lower equity mainly related to losses during the period.

The subordinated capital ratio (defined as total equity plus subordinated capital divided by total assets) at end of Q1 2018 was 42.2%. This is higher than 40.0% end of Q1 2017. The subordinated capital ratio has a safe margin relative to the company's only financial covenant, which requires a subordinated capital ratio of 34.0% or higher, at the end of Q1 2018.

Senior Net Interest-Bearing Debt (NIBD) amounted to EUR 87.2m at the end of Q1 2018. This is lower than EUR 98.1m end of Q1 2017. Hence, the senior Loan to Vessel value stood at 57.2% at the end of the period.

REVIEW OF STATEMENT OF CASH FLOWS FOR Q1 2018

EUR´000	Q1 18	Q1 17	Change
EBITDA	**7 333**	**4 963**	**2 370**
Working capital adjustments	-2 936	-1 941	-995
Financial payments, net	-2 035	-2 195	160
Other adjustments	-157	-19	-138
Net cash flows from operating activities	**2 205**	**808**	**1 397**
Investing activities	-34	-574	540
Net cash flows after investing activities	**2 171**	**234**	**1 937**
Financing activities	-	-	-
Net cash flows after financing activities	**2 171**	**234**	**1 937**
Available liquidity			
Cash and cash equivalents	**4 922**	**2 360**	**2 562**
Cash on retention account	2 622	2 323	299
Liquidity	**2 300**	**37**	**2 263**
Available draw on working capital facility	6 710	3 926	2 784
Available liquidity	**9 010**	**3 963**	**5 047**

Cash flows from operating activities was positive of EUR 2.2m in Q1 2018 as result of positive EBITDA that was partly counterbalanced by financial payments and working capital adjustments.

Investing activities was at a very low level of EUR 0.0m during Q1 2018.

Available liquidity including available draw on working capital facility amounted to EUR 9.0m at the end of Q1 2018. This is EUR 5.0m higher than at the end of Q1 2017, mainly due to positive operating cash flows during the period.

Consolidated financial statements for ZITON A/S

INCOME STATEMENT

EUR´000	Note	Q1 18	Q1 17
Revenue	2	**11 088**	**8 852**
Project-related expenses		-828	-607
Operating expenses		-1 863	-1 822
Gross profit		**8 397**	**6 423**
Administrative expenses		-312	-807
Staff costs, office staff		-752	-653
EBITDA		**7 333**	**4 963**
Depreciation and amortisation		-1 942	-1 957
EBIT		**5 391**	**3 006**
Financial income		-	129
Financial expenses		-3 276	-3 461
Income before tax		**2 115**	**-326**
Tax on profit (loss)		-515	-255
Income for the year		**1 600**	**-581**
Attributable to:			
Owners of ZITON A/S		760	-1 299
Non-controlling interests		840	718
Income for the year		**1 600**	**-581**

STATEMENT OF COMPREHENSIVE INCOME

EUR´000	Note	Q1 18	Q1 17
Income for the year		**1 600**	**-581**
Items that will be reclassified subsequently to the income statement when specific conditions are met:			
Exchange adjustments of foreign entities, net of tax		16	42
Total comprehensive income for the year, after tax		**1 616**	**-539**
Attributable to:			
Owners of ZITON A/S		775	-1 260
Non-controlling interests		840	721
Total comprehensive income for the year, after tax		**1 616**	**-539**

BALANCE SHEET *EUR´000*	Note	Q1 18	Q4 17	Q1 17
Assets				
Non-current assets				
Vessels, including fixtures & equipment	3	152 543	154 517	160 072
Intangible assets		101	105	-
Financial assets		6 050	6 055	6 057
Deferred tax assets		357	334	-
Non-current assets		**159 051**	**161 011**	**166 129**
Current assets				
Inventories		33	39	-
Trade and other receivables		6 808	3 928	5 689
Cash and cash equivalents		4 922	2 753	2 360
Current assets		**11 763**	**6 720**	**8 049**
Total assets		**170 814**	**167 731**	**174 178**
Equity and Liabilities				
Equity				
Share capital		11 093	11 093	11 093
Reserves		204	189	230
Retained earnings		4 277	3 517	8 539
Total equity attributable to owners of ZITON A/S		**15 574**	**14 799**	**19 862**
Non-controlling interests		19 884	19 044	16 426
Total equity		**35 458**	**33 843**	**36 288**
Liabilities				
Non-current liabilities				
Subordinated loans		36 595	35 560	33 329
Bank and bond loans		85 746	85 596	90 565
Deferred income tax liabilities		4 567	4 029	2 696
Total non-current liabilities		**126 908**	**125 185**	**126 590**
Current liabilites				
Bank and bond loans		5 436	5 492	8 399
Trade and other payables		2 221	2 008	2 060
Provision for other liabilities		791	1 203	841
Total current liabilites		**8 448**	**8 703**	**11 300**
Total liabilities		**135 356**	**133 888**	**137 890**
Total equity and liabilites		**170 814**	**167 731**	**174 178**

STATEMENT OF CASH FLOWS

EUR´000	Note	Q1 18	Q1 17
Income before tax		**2 115**	**-326**
Operating activities			
Adjustments for non-cash items			
Reversal financial expenses, net		3 262	3 332
Depreciation and writedowns for the period		1 942	1 957
Other adjustments		-143	-19
Working capital adjustments			
Change in trade receivables		-2 921	-1 267
Change in trade payables		-15	-674
Financial payments			
Financial receipts		-	-
Financial payments		-2 035	-2 195
Income tax expense			
Income tax expense		-	-
Net cash flows from operating activities		**2 205**	**808**
Investing activities			
Purchase of vessel, including fixtures & equipment (excl. interest)		-34	-574
Other cash flows from investing activites		-	-
Net cash used in investing activities		**-34**	**-574**
Financing activities			
Proceeds from issuance of ordinary shares		-	-
Proceeds from bank and bond loans		-	-
Change of subordinated loans		-	-
Repayment of debt to bank and bond holders		-	-
Net cash used/received in financing activities		**-**	**-**
Net (decrease)/increase in cash and cash equivalents		**2 171**	**234**
Cash and cash equivalents at beginning of period		2 753	-670
Exchange gains/losses on cash and cash equivalents		-	-
Cash and cash equivalents at end of period*		**4 924**	**-436**

** Cash and cash equivalents in the cash flow statement include drawings on working capital facility*

STATEMENT OF CHANGES IN EQUITY

Statement of changes in equity
YTD 18

EUR´000	Share capital	*Reserve for warrants*	*Translation reserves*	Total reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to owners of ZITON A/S							
Balance at 31 December 2017	**11 093**	*143*	*46*	**189**	**3 517**	**14 799**	**19 044**	**33 843**
Total comprehensive income, after tax	-	-	15	15	760	775	840	1 615
Balance at YTD	**11 093**	*143*	*61*	**204**	**4 277**	**15 574**	**19 884**	**35 458**

Share capital

In 2018, the share capital consisted of 82,782,192 shares of DKK 1 each (EUR 11,093K). The shares are divided into two classes: 11,118,416 A shares of DKK 1 each and 67,663,782 B shares of DKK 1 each. Each A share carries one vote, while B shares do not carry voting rights, but carry preferential rights of dividend.

Reserves

Reserves on equity consist of the following:

Reserve for warrants consists of warrants to management, selected employees and the subordinated loan provider.

The translation reserve comprises foreign exchange differences arising on translation of financial statements of entities that have a functional currency different from DKK and translation from the functional currency to the presentation currency.

YTD 17

EUR´000	Share capital	*Reserve for warrants*	*Translation reserves*	Total reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to owners of ZITON A/S							
Balance at 31 December 2016	**11 093**	*143*	*45*	**188**	**9 838**	**21 119**	**15 705**	**36 824**
Total comprehensive income, after tax	-	-	42	42	-1 299	-1 257	721	-536
Balance at YTD	**11 093**	*143*	*87*	**230**	**8 539**	**19 862**	**16 426**	**36 288**

Share capital

In 2017, the share capital consisted of 82,782,192 shares of DKK 1 each (EUR 11,093K). The shares are divided into two classes: 11,118,416 A shares of DKK 1 each and 67,663,782 B shares of DKK 1 each. Each A share carries one vote, while B shares do not carry voting rights, but carry preferential rights of dividend.

Note 1 – Total Comprehensive Income by Quarter

Income statement by quarter *EUR´000*	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17
Revenue	**11 088**	**7 950**	**7 353**	**9 072**	**8 852**
Project-related expenses	-828	-353	-61	-260	-607
Operating expenses	-1 863	-2 368	-1 834	-2 148	-1 822
Gross profit	**8 397**	**5 229**	**5 458**	**6 664**	**6 423**
Administrative expenses	-312	-180	-389	-322	-807
Staff costs, office staff	-752	-756	-689	-719	-653
EBITDA	**7 333**	**4 293**	**4 380**	**5 623**	**4 963**
Depreciation	-1 942	-1 996	-1 997	-1 980	-1 957
EBIT	**5 391**	**2 297**	**2 383**	**3 643**	**3 006**
Financial income	-	-	-	25	-
Financial expenses	-3 276	-3 306	-3 302	-3 253	-3 332
Income before tax	**2 115**	**-1 009**	**-919**	**415**	**-326**

Note 2 - Segment reporting

The internal reporting framework used for reporting on revenue and expenses to the Executive Management Team and the Board of Directors has been set up to reflect and report on jack-up vessel revenue and expenses. As all three jack-up vessels operate on similar assignments, management reviews the results of the Group as a whole to assess performance. Thus, there is only one operating segment.

Revenue

The Group operates in northern Europe. The geographical distribution of revenue is based on the country in which the wind farm is located.

Geographical distribution of revenue *EUR´000*	Q1 18	Q1 17
Denmark	8 750	420
UK	1 436	8 002
Germany	201	-
Holland	701	430
Belgium	-	-
Total	**11 088**	**8 852**

Sales to the two largest customers (above 10% of total revenue) make up 54%, 27% and 11%, respectively, of total revenue for YTD 2018 (YTD 2017: Top two were 66% and 14%, respectively).

Note 3 - Vessels and equipment

YTD 18 *EUR´000*	Fixtures & equipment	Vessels	Total
Cost at 1 January	776	184 296	185 072
Exchange rate adjustments	-1	-86	-87
Additions	34	-	34
Disposals	-	-	-
Cost YTD	**809**	**184 210**	**185 019**
Depreciation at 1 January	-195	-30 360	-30 555
Exchange rate adjustments	-	17	17
Depreciation	-34	-1 904	-1 938
Disposals	-	-	-
Depreciation YTD	**-229**	**-32 247**	**-32 476**
Impairment losses at 1 January	-	-	-
Impairment losses YTD	-	-	-
Carrying amount YTD	**580**	**151 963**	**152 543**
- of which capitalised interests		17 207	17 207

YTD 17 *EUR´000*	Fixtures & equipment	Vessels	Total
Cost at 1 January	693	183 395	184 088
Exchange rate adjustments	-	-47	-47
Additions	209	586	795
Disposals	-94	-	-94
Cost YTD	**808**	**183 934**	**184 742**
Depreciation at 1 January	-318	-22 458	-22 776
Exchange rate adjustments	-	6	6
Depreciation	-38	-1 912	-1 950
Disposals	50	-	50
Depreciation YTD	**-306**	**-24 364**	**-24 670**
Impairment losses at 1 January	-	-	-
Impairment losses YTD	-	-	-
Carrying amount YTD	**502**	**159 570**	**160 072**
- of which capitalised interests		17 959	17 959

Impairment of vessels

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised at the amount by which the asset's carrying amount exceeds its recoverable amount – measured using the higher of the fair value less cost to sell and value in use. An impairment loss is recognised if the higher of the fair value less cost to sell and value in use is less than the carrying amount of the assets.

The value in use is calculated as the present value of the total expected cash flows during the rest of the vessels' economic lives. This includes any concluded framework agreements and signed charters and by using estimated utilisation and average day rates for the "open charter periods".

- The estimated utilisation is based on projected future installation of offshore turbines, the average rate which a turbine needs assistance from a jack-up vessel in the turbine's lifetime and ZITON´s expected market share.
- Average day rates are based on either already signed framework agreement or historical prices.

Hence, the exact value used to measure impairment charges is subject to certain uncertainty and is based on what the company believes is the best estimate of the fair value. The budget used for impairment test is based on a five-year period, including a terminal period.

Management's assessment of indication of impairment on vessels is based on the cash-generating unit (CGU) in which all jack-up vessels are included (jack-up vessel operating segment).

An impairment test is carried out based on value in use. The impairment test is performed by estimating the recoverable amount at value in use calculated as the present value of the total expected cash flows during the rest of the vessels' economic lives and a determined WACC of 8.1% and a growth rate in the terminal period of 0%.

The value in use was estimated to be materially higher than the carrying amount of EUR 151,963k

Management assesses that the long-term value at the close of the financial period exceeds the carrying amounts, and accordingly, there is no indication of impairment.

Note 4 - Commitments and contingencies

Since the end of 2017, no significant changes have occurred to contingent assets and liabilities other than those referred to in the annual report for 2017. The performance guarantee to Siemens, amounts to EUR 2,369k end of the Q1 18 (end 2017: EUR 2,961k).

Note 5 - Related party transactions

No significant changes have occurred to related parties or types and scale of transactions with these parties other than what is disclosed in the annual report for 2017.

Note 6 - Subsequent events

Other than the developments disclosed in the review, no significant events have occurred between the end of the quarter and publication of this interim report which materially affect the results for the period or the financial position.

Note 7 – Basis of reporting

Accounting policies

Basis of consolidation

The interim report has been prepared in accordance with the international financial reporting standard IAS 34 on interim reports. No interim report has been prepared for the parent company (ZITON A/S).

The accounting policies adopted in the preparation of the interim report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments. The adoption did not effect recognition and measurement as disclosed below. Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the interim report of the Group.

<u>IFRS 15 Revenue from Contracts with Customers</u>

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. As presented in our annual report of 31 December 2017, the we applied the five-step model framework on our current revenue streams and did not identify any significant effect on recognition and measurement. The Group adopted IFRS 15 using the modified retrospective method of adoption, for contracts that were not completed at 31 December 2017. At 31 December 2017 only two contracts were not completed, it was the ongoing charter with J/U WIND SERVER and a project compromising of two interventions, were only one intervention was completed before 31 December 2017. As mentioned above there are no changes in recognising the revenue between the old revenue standards and the new IFRS 15, hence there are no monetary effect in adopting IFRS 15.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The adoption of IFRS 9, does not have an effect on the recognition, measurement and disclosure on the interim report.

For a complete description of accounting policies, please refer to the pages 61-63 in the annual report 2017.

Risks

We have identified no specific risks affecting the outlook for the remainder of the financial year 2018. For a description of ZITON A/S risks, please refer to the Risk Management section on pages 38-39 and note 4.1 "Risk management" in the consolidated annual report 2017 pages 74-75.

Management statement
The Board of Directors and Executive Management have considered and approved the interim report for ZITON A/S for the first quarter of 2018. The interim report has not been audited or reviewed by the company's independent auditor.

The interim report for the first quarter of 2018 has been prepared in accordance with IAS 34, and disclosure requirements for issuers of bonds listed on the Oslo Stock Exchange.

In our opinion the interim report gives a true and fair view of the ZITON's assets, liabilities, and financial position at 31 March 2018, and of the results of the ZITON's operations and cash flow for the first quarter of 2018.

We further consider that the Management review gives a true and fair view of the development in the ZITON's activities and business, the results for the period and the ZITON's financial position as a whole, and a description of the most significant risks and uncertainties to which the ZITON is subject.

Horsens, 19 April 2018

Executive Management

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Thorsten Jalk
CEO

Board of Directors

________________________	________________________	________________________
Vagn Lehd Møller Chairman	Ove Carsten Eriksen	Esben Bay Jørgensen
________________________	________________________	________________________
Lars Thorsgaard Jensen	Niels Ørskov Christensen	Morten Melin

Financial calendar 2018
Interim report Q2 2018 – 23 August 2018
Interim report Q3 2018 – 15 November 2018

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