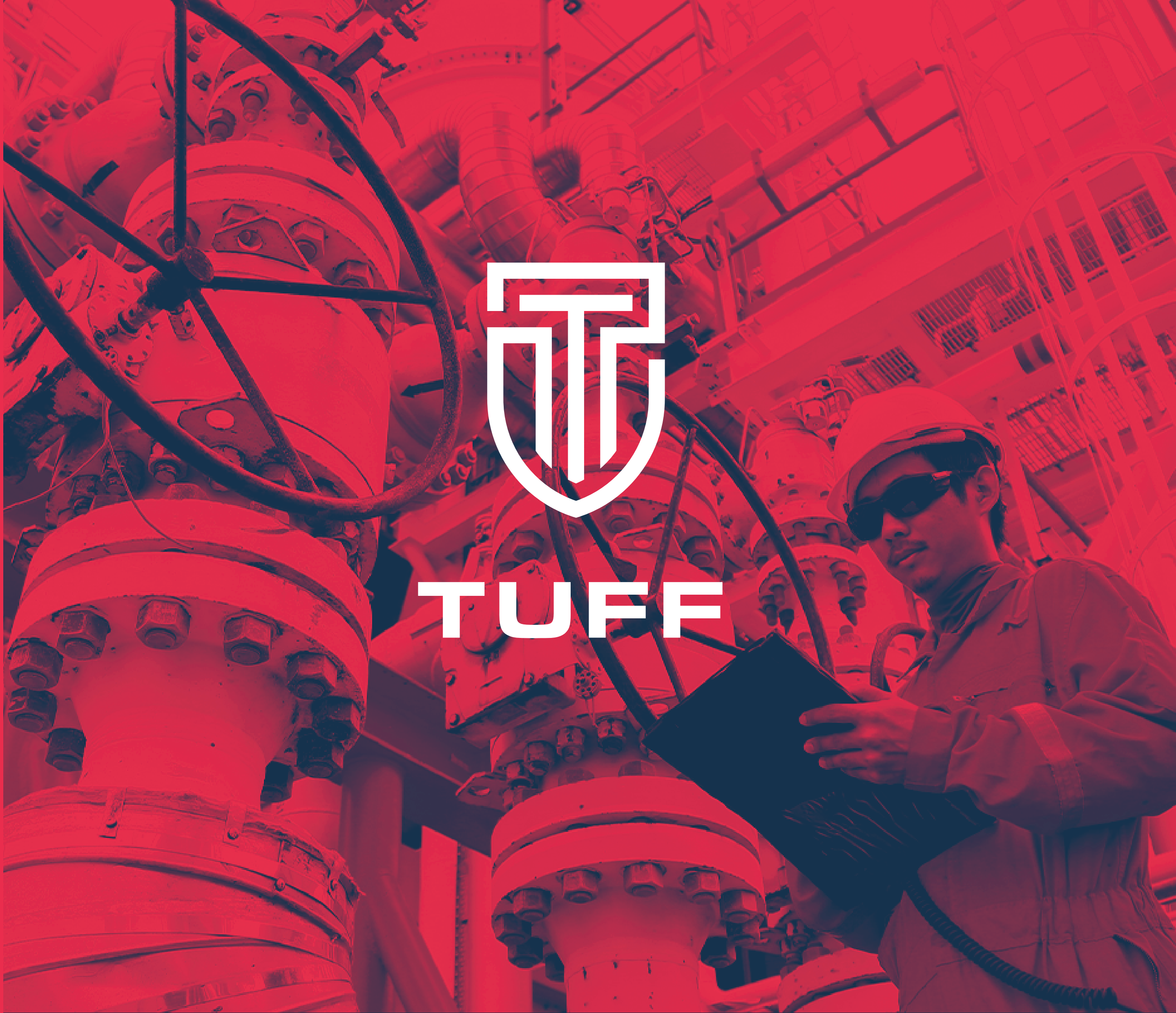

SEMI ANNUAL REPORT

Q2/2019

Chairman's letter to Shareholders

Dear fellow shareholder,

The first half of 2019 has shown that the global oil crunch resulting in the reduction in production pre 2019 has resulted in the price of oil rebounding after several years of oversupply.

This has set TUFF in good stead for an overall recovery. The number of enquires for TUFF's services in the FEED, EPCC and O&M services have seen an exponential growth culminating in the brief outlook provided below.

Riding on our people-centric management and operating philosophies, TUFF strives to become a "caring group of powerful people," which will pave the way to an exciting and positive future for the company and its Clients with a consistent focus on maximizing the stakeholder's interests.

TUFF's Promoters & Board impose no limitations to its aspirations and possess true tenacity and drive, therefore capitalising on its capability to utilize every available means to execute & deliver the required services as per the growing demand of the industry and at the same time achieve the strategic objectives of the Group.

TUFF Group has achieved greater transparency and stability in its governance structure after having its holding company listed. TUFF strives to promote and establish a board-centric model of corporate governance throughout the Group, including the holding company as well as all of its subsidiaries.

At present TUFF Groups' subsidiary company, TUFF Offshore Singapore, is in the final phase of the bid engineering works and proposals for the ESO project in Qatar which involves the conversion of two VLCC tankers to Production and Storage FSO's. The span of this project from complete conversion up to final acceptance will be for 3 years upon successful award of this project in the first quarter of 2020. TUFF is currently gearing up to the potential EPCCI award of this project.

TUFF is also working with a Major Oil and Gas contractor for three Pre-FEED and FEED services for FPSO projects in the African and South American continents.

On the fixed installation side, TUFF is working with a potential client on two MOPU's for South East Asia. This will include the full EPCIC work for converting the drilling rigs into MOPU's and operating them in the field.

TUFF is in the final phases of signing an MOU and forming a JV to offer technical and operational services for FPSO's and O&G installations operating in the Equatorial Guinea regions. Fruition of these service contracts for FPSO's will take place in the last quarter of 2019.

On the Ownership & Operation spectrum of the Oil & Gas sector, TUFF is in a well-positioned final stage of Acquisition of an FPSO with a lease and operate contract in the North Sea. The MOU has already been established with the final offer for the purchase agreed upon and 80 percent of the funding secured for the acquisition.

Strong discussions have resumed on the Construction of an Oil refinery in Sri Lanka with the authorities and concerned ministries, TUFF received the LOI for this project last year and as of this current moment have secured the fund house to finance this project. Discussion on modalities, structure and necessary guarantees for this development is ongoing with the Government.

TUFF'S Infrastructure segment has seen the completion of the Maafaru International Airport in the Republic of Maldives, The final settlement with the Maldives Government is undergoing an Arbitration process.

TUFF is also concurrently in discussion with 2 Airport Authorities in India for the EPCC works on Airport development projects.

TUFF board and team including all our employees around the world do their utmost best to maximize corporate value and deliver customer satisfaction. We believe that it is our obligation to set good standards and examples for others to follow and thereby sincerely fulfil our corporate social responsibilities with dedication.

We extend our sincere thanks and gratitude for the confidence and trust our shareholders and customers have entrusted upon us and we look forward to the exciting journey ahead together.

Sincerely,

Natarajan Paulraj
Executive Chairman
Tuff Group

Notes to the condensed consolidated interim financial statements

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1. Reporting Entity

The Tuff Group AG, Frankfurt am Main arose from the change of name of Aktiengesellschaft " Ad acta“ 182.Vermogensverwaltung which was founded in 2015 as shelf company. The Company has not performed any economic activities outside the management of its own assets in the half year 2019.

Tuff Group AG is seated in Frankfurt am Main, Federal Republic of Germany, where it is registered with the District Court under HRB 113072.

Tuff Offshore Engineering Services Pte. Ltd. is incorporated and domiciled in Singapore with its registered office and principal place of business at 3791 Jalan Bukit Merah #06-19-21 E-Centre @ Redhill Singapore 159471.

These Interim Consolidated Financial Statements is for the six months ended 30 June 2019 comprise Tuff Group AG, Germany and Tuff Offshore Engineering Services Pte Ltd. Singapore.

The principal activities of the Tuff Singapore is to provide offshore engineering services and oil and gas engineering services and services for the Construction Industry.

2. Basis of Accounting

The financial statements of the Group have been drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The unaudited financial statements of the Group are presented in Euro (€). Tuff Singapore’s functional currency is United States Dollars (USD) for the six months ended 30th June 2019.

This is the first time reporting of Group Consolidation since the Reverse Acquisition of Tuff Group took place on 4th February, 2019.

3. Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

4. Summary of significant accounting policies

4.1 Revenue Recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Construction of airport

The Company constructs airport under long-term contracts with customers. Such contracts are entered into before construction of the airport begins. Under the terms of the contracts, the Company is contractually restricted from redirecting properties to another customer and has an enforceable right to payment for work done. Revenue from construction of airport is therefore recognised over time on a cost-to-cost method, i.e. based on the proportion of contract cost incurred for work performed to date relative to the estimated total contract costs. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations.

The Company becomes entitled to invoice customers for construction of airport based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant progress measurement sheet and an invoice for the related milestone payment. The Company will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method then the group recognises a contract liability for the difference. There is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue under the cost-to-cost method and the milestone payment is always less than one year.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Rendering of services

Revenue from rendering of services is recognised when the services have been performed and rendered.

4.2 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Years
Furniture and fittings	5
Office equipment	3
Computers & peripherals	5
Renovation	5
Leasehold property	43

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

4.3 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and short-term deposits and are subject to an insignificant risk of changes in value.

4.4 Taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rate and tax law used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Flat Income Tax rate of 17% is provided in the Interim Financial ended 30th June 2019.

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

5. Share Capital

The Annual General Meeting of Tuff AG resolved on 16 July 2018 to increase the company's share capital by EUR 39,950,000 from EUR 50,000 to EUR 40,000,000 by issuing 39,950,000 bearer shares. The ordinary shareholders of Tuff Offshore Engineering Services Pte. Ltd were entitled to subscribe to all new shares and in return transferred all shares in Tuff Offshore, Singapore to the AG. The capital increase was entered in the Commercial Register on February 4, 2019. As a result of the contribution in kind, Tuff AG became the legal parent company of Tuff Offshore.

The Management Board evaluated this transaction and concluded that it was not a business combination within the meaning of IFRS 3. As a shell company, Tuff AG does not meet the definition of a business, as it does not have the structures or the capacity to provide services. This business combination is therefore generally outside the scope of IFRS 3.

From an economic point of view, the contribution in kind is an exchange of shares because the shares in Tuff Offshore, Singapore were exchanged for shares in Tuff AG. The ordinary shareholders of Tuff Offshore (the legal subsidiary of Tuff AG) hold 99.86% of the share capital of Tuff AG after the transaction. Therefore, the Management Board has assessed this transaction as a share-based payment within the meaning of IFRS 2.

However, in such cases the IFRS Interpretation Committee announced that the principles of IFRS 3 should apply with regard to the determination of the acquirer. Subsequently, Tuff Offshore was identified as the economic acquirer and the matter was presented in the consolidated financial statements as a reverse acquisition.

As the reverse acquisition is a continuation of the accounting of Tuff Offshore, the assets and liabilities of the legal subsidiary were carried forward at book value in the consolidated financial statements. The reverse acquistion was shown as follows:

- The shares in Tuff Offshore are valued at EUR 67,765,889 for the capital increase of Tuff AG.
- The acquisition costs of this acquisition are determined from the perspective of Tuff Offshore.
- The amount of revenue reserves and other equity items in the consolidated balance sheet corresponds to the amount of revenue reserves and other equity items of Tuff Offshore in the form existing prior to the transaction.
- The equity structure of the consolidated financial statements corresponds to the equity structure of the legal parent company (including the equity instruments required for the acquisition).
- The transaction costs of the capital increase to issue the new shares are recognized as an expense in the consolidated statement of comprehensive income.
- The difference between the capital increase of the AG and the net assets of Tuff Offshore is shown as a separate item "Reserves for reverse acquisitions" in the reserves.

6. Contingencies

Legal cases, lawsuits, disputes or any litigations currently in progress

On 16 August 2019, Tuff had served a notice of arbitration on “The Government of Maldives represented by the Regional Airports” and “Ministry of National Planning and Infrastructure” for *inter alia*, outstanding and overdue payments, variation orders and unjustified deductions.

As of 7 September 2019, the arbitrator for the matter has been confirmed and selected by both parties and the arbitration process is ongoing.

7. Related parties

Transactions between Tuff Group AG and Tuff Offshore, Singapore for the payments of Professional and Consulting fees for the Listing purpose have been accounted for in both the books. The amounts due from Tuff Group AG to Tuff Offshore carries an interest of 6% p.a.

8. Authorisation of financial statements for issue

The financial statements for the HY ended 30 June 2019 were authorised for issue by the Board of Directors on the date of the Directors' Statement.

Condensed Consolidated Statement of Profit or Loss and OCI

	GROUP	COMPANY
Unaudited	**6M 2019**	**6M 2018**
	EUR	**EUR**
Revenue	**9,590,777.00**	**27,409,932.50**
Cost of Sales	(3,388,206.22)	(19,788,965.11)
Gross Profit	**6,202,570.78**	**7,620,967.39**
Other Income	144,031.99	21,452.75
Depreciation on Property, Plant and Equipment	(61,290.91)	(15,397.71)
Rental on Operating Expenses	-	(41,414.35)
Employee Benefit Expense	(1,279,546.13)	(892,433.65)
Other Operating Expenses	(1,229,903.95)	(731,458.42)
	(2,570,740.99)	**(1,680,704.13)**
Profit before Tax	**3,775,861.77**	**5,961,716.01**
Income Tax Expense	(705,822.35)	(1,013,491.72)
Profit for the period	**3,070,039.43**	**4,948,224.29**
Other comprehensive Income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign Currency Translation	(6,688.77)	37,800.07
Other Comprehensive income for the period, net of tax	**(6,688.77)**	**37,800.07**
Comprehensive income	**3,063,350.66**	**4,986,024.36**

Condensed Consolidated Statement of Financial Position

	GROUP	COMPANY
	EUR	**EUR**
	30-Jun-19	31-Dec-18
ASSETS	**Unaudited**	**Audited**
Non- Current Assets		
Property, plant and equipment	1,939,403.22	1,995,448.00
Retention Receivables	2,153,524.31	2,140,966.00
	4,092,927.52	**4,136,414.00**
Current Assets		
Trade and other receivables	5,606,433.81	2,212,095.00
Prepayments	54,353.04	26,305.00
Cash and Cash Equivalents	4,674,083.24	5,665,287.00
	10,334,870.09	**7,903,687.00**
Total Assets	**14,427,797.61**	**12,040,101.00**
Equity and Liabilities		
Equity		
Share Capital	40,000,000.00	64,697.00
Capital Reserve	27,815,889.00	-
Reverse Acquisition Reserve	(67,666,484.64)	-
Other Reserves	13,586.23	20,275.00
Retained Earnings 1 Jan 2019	3,260,301.34	307,568.00
Total Equity	**3,423,291.93**	**392,540.00**
Non-Current Liabilities		
Deferred Tax Liabilities	21,503.00	21,503.00
Current Liabilities		
Gross Amount Due to Customers for Contract Works	5,440,367.59	5,408,641.00
Trade and Other Payables	4,803,393.65	5,900,147.00
Provision for Income Tax	739,241.44	317,270.00
	10,983,002.68	**11,626,058.00**
Total Liabilities	**11,004,505.68**	**11,647,561.00**
Total Equity and Liabilities	**14,427,797.61**	**12,040,101.00**

Condensed Consolidated Statement of Cash flows

Unaudited	GROUP EUR 6M 2019	COMPANY EUR 6M 2018
Profit for the period	**3,775,861.77**	**5,961,716.01**
Adjustments for:		
Depreciation of Property, plant and equipment	61,290.91	15,399.00
Operating Cash Flow before working capital changes	**3,837,152.69**	**5,977,115.01**
Changes in working capital		
Trade and Other Receivables	(3,386,402.42)	(6,286,505.19)
Related Party Receivables	(461,569.51)	-
Prepayments	(28,048.04)	(4,143.28)
Gross amount due to customers for contract works	31,726.59	-
Trade and Other Payables	(1,106,553.35)	7,731,803.12
Related Party Payables	380,834.39	-
Cash flow arising from operating activities	**(732,859.65)**	**7,418,269.66**
Income Tax Paid	(338,261.79)	(121,389.00)
Income Tax Refund	54,410.68	-
Net cash (used in)/generated from Operating Activities	**(1,016,710.76)**	**7,296,880.66**
Capital expenditure on Property, Plant and Equipment	(5,246.13)	(10,733.00)
Cash flow arising from investing activities	**(5,246.13)**	**(10,733.00)**
Cash flow before financing activities(free cash flow)	**(1,021,956.89)**	**7,286,147.66**
Change in Retention money	(12,558.31)	-
Cash flow arising from financing activities	**(12,558.31)**	**-**
Change in Cash and Cash Equivalents	**(1,034,515.20)**	**7,286,147.66**
Cash and Cash Equivalents at the beginning of the reporting period	5,715,287.00	1,960,367.00
Effect of exchange rate changes on cash and cash equivalents	(6,688.77)	37,800.07
Cash and cash equivalents at the end of the reporting period	**4,674,083.03**	**9,284,314.73**

Condensed consolidated Statement of Changes in Equity(Unaudited)

EUR	Share Capital	Capital Reserve	Retained Earnings	Reverse Acquisition Reserve	Currency Reserve	Total
As at January 1, 2018 (Audited)	**64,697.00**	**-**	**794,236.00**	**-**	**(72,792.00)**	**786,141.00**
Comprehensive Income for HY 2018			4,948,224.29		37,800.07	**4,986,024.36**
As at June 30, 2018 (Unaudited)	**64,697.00**	**-**	**5,742,460.29**	**-**	**(34,991.93)**	**5,772,165.36**
As at January 1, 2019 (Audited)	**64,697.00**		**307,568.00**		**20,275.00**	**392,540.00**
Other Comprehensive income for the period (SG)			3,446,073.82		(6,688.77)	**3,439,385.05**
Consolidation with Tuff Group AG (4 Feb 2019)	40,000,000.00	27,815,889.00	(458,633.12)			**67,357,255.88**
Share Consolidation (4 Feb 2019)	(64,697.00)					**(64,697.00)**
Transactions with shareholders (4 Feb 2019)			(34,707.36)	(67,666,484.64)		**(67,701,192.00)**
As at June 30, 2019 (Unaudited)	**40,000,000.00**	**27,815,889.00**	**3,260,301.34**	**(67,666,484.64)**	**13,586.23**	**3,423,291.93**

9. Forward Looking Statements

This report contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of Tuff Group.

Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. By their very nature, forward looking statements involve risks and uncertainties.

A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the development of asset prices and market volatility, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods, and other risks as described in this report.

RESPONSIBILITY STATEMENT BY THE LEGAL REPRESENTATIVES

To the best of our knowledge, we assure that in accordance with applicable accounting principles, the consolidated financial statements convey an accurate view of the net assets, financial position, and results of operations of the Group and that the Group Management Report, which has been combined with the Management Report of Tuff Group AG, conveys an accurate view of the business performance, including the earnings and condition of the Company, and describes the essential opportunities and risks for the Group's future development.

Frankfurt am Main, September 29, 2019

Tuff Group AG
The Management Board

Natarajan Paulraj
Executive Chairman