CONDITIONAL VOLUNTARY PUBLIC TAKEOVER OFFER IN CASH

possibly followed by a Squeeze-out by

Greiner AG

Austrian stock corporation (*Aktiengesellschaft*)

Greinerstrasse 70, 4550 Kremsmünster, Austria

registered with the Commercial Register (*Firmenbuch*) under register number FN 174160 v

(**Greiner** or the **Offeror**)

FOR ALL SHARES AND SUBSCRIPTION RIGHTS NOT YET OWNED BY THE OFFEROR OR ITS RELATED PERSONS (OTHER THAN THE 15,094,410 SHARES TO BE ACQUIRED PURSUANT TO THE SHARE PURCHASE AGREEMENT WITH COMPAGNIE DU BOIS SAUVAGE SA) ISSUED BY

Recticel SA/NV

Belgian limited liability company (*société anonyme / naamloze vennootschap*)

Avenue du Bourget 42, 1130 Brussels, Belgium

registered with the Belgian register of legal entities (Brussels, Dutch division) under number 0405.666.668

(**Recticel** or the **Target**)

Offer Price: EUR 13.50 per Share and between EUR 5.20 and EUR 8.07 per Subscription Right depending on the strike price and maturity
The Initial Acceptance Period starts on 14 October 2021 and ends at 4.00 pm CET on 17 December 2021

Acceptance Forms must be deposited directly or through a financial intermediary with the counters of BNP Paribas Fortis SA.

The Prospectus and the Acceptance Forms are available free of charge at the counters of BNP Paribas Fortis SA or by telephone from BNP Paribas Fortis SA on +32 2 433 41 13. Electronic versions of the Prospectus and the Acceptance Forms are also available on the following websites: www.bnpparibasfortis.be/sparenenbeleggen (in Dutch) and www.bnpparibasfortis.be/epargneretplacer (in French) and on the websites of the Target (https://www.recticel.com) and the Offeror (https://www.greiner.com/en/press/newsroom/).

Financial adviser to the Offeror:

BNP PARIBAS FORTIS

Prospectus dated 5 October 2021

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Summary of the Prospectus

Important notice

This summary should be read as an introduction to the Prospectus. It should be read in conjunction with the more detailed information contained elsewhere in the Prospectus. The decision to proceed with the Offer must be based on a thorough review of the Prospectus. Accordingly, Security Holders are invited to make their own determination as to the terms and conditions of the Offer, and as to the advantages and disadvantages that acceptance of the Offer may have for them.

No person shall be held liable on the basis of this summary or its translation, unless the contents are misleading, inaccurate or contradictory to the other parts of the Prospectus.

Capitalized terms used in this summary that are not expressly defined have the meanings ascribed to them in the Prospectus.

The Offeror

The Offeror is Greiner AG, an Austrian stock corporation (*Aktiengesellschaft*) incorporated and governed by Austrian law, having its registered seat at Greinerstrasse 70, 4550 Kremsmünster, Austria. The Offeror is registered with the Commercial register (*Firmenbuch*) under number FN174160 v.

The Offeror is the holding company of the Greiner group, which was founded in Germany in 1868 and in Austria in 1899 and has been 100% family-owned since its foundation. Its reference shareholders are the *Privatstiftung* Hermann Greiner, holding 49.99% of the total number of outstanding shares and Greiner Beteiligungs GmbH, holding 42.4% of the total number of outstanding shares.

The Greiner group is active in 139 locations across 34 countries and has around 11,500 employees worldwide. During the financial year ending on 31 December 2020, its sales revenues were EUR 1,930 million in total, with a cash flow of EUR 314 million and investments in tangible assets of EUR 111 million.

On 14 May 2021, the Offeror entered into a share purchase agreement with Compagnie du Bois Sauvage SA for the acquisition of 15,094,410 shares in Recticel, representing 27.00% of the capital of Recticel. Closing of the sale is expected in the fourth quarter of 2021.

The Target

The Target is Recticel, a limited liability company (*société anonyme* / *naamloze vennootschap*) incorporated and governed by Belgian law having its registered office at Avenue du Bourget 42, 1130 Brussels, Belgium and registered with the Crossroads Bank of Enterprises under company number 0405.666.668 (RLE Brussels, Dutch-speaking division).

The Shares of the Target are admitted to trading on the regulated market of Euronext Brussels under ISIN code BE0003656676.

At the date of this Prospectus, the capital of the Target amounts to EUR 139,746,050 and is represented by 55,898,420 Shares without nominal value, of which 326,800 are own Shares (representing 0.58% of the total number of outstanding Shares).

Characteristics of the Offer

Nature and object of the Offer

The Offer is a conditional voluntary public takeover bid launched in accordance with Chapter II of the Takeover Decree. The Offer is a cash offer.

The Offer relates to all Shares issued by the Target, other than the 15,094,410 Shares to be acquired pursuant to a share purchase agreement entered into between the Offeror and Compagnie du Bois Sauvage SA on 14 May 2021, as described above under Section "The Offeror". The Offer therefore relates to 40,804,010 Shares of the Target. In addition, the Offer relates to 1,777,500 Subscription Rights issued by the Target.

If, after the Initial Acceptance Period or a subsequent Acceptance Period (as the case may be), the Offeror and its Related Persons own more than 95% of all securities with voting right (i.e. the Shares) of the Target, as a result of the Offer, the Offeror shall be entitled to launch a Squeeze-out pursuant to Article 7:82, § 1 BCCA. If after the Initial Acceptance Period or a subsequent Acceptance Period (as the case may be), the Offeror has additionally acquired, as a result of the Offer, at least 90% of the securities with voting right (i.e. the Shares) that are the subject of the Offer, the Offeror shall be entitled to launch a Squeeze-out pursuant to Article 7:82, § 1 BCCA and Articles 42 and 43 of the Takeover Decree. The conditions for launching such a Squeeze-out are, inter alia, fulfilled if the Offeror and its Related Persons as a result of the Offer (or its reopening) jointly own at least 95% of the securities with voting right (i.e. the Shares) issued by the Target.

Conditions of the Offer

The Offer is subject to the following conditions:

(i) the tendered (and not withdrawn) Shares representing or giving access to at least 23.00% of the total number of Shares plus one (1) Share at the end of the Initial Acceptance Period of the Offer, which means that, together with the Shares to be acquired by the Offeror pursuant to the share purchase agreement with Compagnie du Bois Sauvage SA dated 14 May 2021, the Offeror aims at obtaining Shares representing 50% of the total number of Shares plus one (1) Share;

(ii) the obtaining of regulatory Phase I approvals from competent antitrust or competition law authorities in the European Union and other relevant jurisdictions;

(iii) during the period prior to the publication of the results of the Initial Acceptance Period, the closing price of the Bel 20 index has not decreased by more than 15.0% compared to the closing price of the Bel 20 index on the day prior to the formal notification of the Offer to the FSMA in accordance with Article 5 of the Takeover Decree (i.e. 4,072.15 points on 17 May 2021). If the Offeror decides not to withdraw the Offer at a time when the closing price of the Bel 20 index is below 3,461.33 points, and this closing price subsequently rises again to this level, the Offeror will no longer be able to take advantage of this earlier and temporary fall in the Bel 20 index. Any decision by the Offeror to maintain the Offer during a period in which the closing price of the Bel 20 index has temporarily fallen below 3,461.33 points is without prejudice to the right of the Offeror to nevertheless rely on the condition and to withdraw the Offer in the event that, after a recovery, the closing price of the Bel 20 index subsequently falls below 3,461.33 points again; and

(iv) during the period prior to the publication of the results of the Initial Acceptance Period, no change or event has occurred that results in, or is reasonably likely to result in (in such case, as confirmed by an independent expert), a loss (including loss of net asset value) or liability of the Target or its subsidiaries, taken as a whole, with an impact on the consolidated net asset value of the Target and its subsidiaries on an after tax basis exceeding EUR 50 million (a "**Material Adverse Change**"); provided, however, that none of the following shall be deemed of itself to constitute a Material Adverse Change: (i) any change in the market price or trading volume of Shares; (ii) any general evolution on the stock exchange markets; (iii) any adverse effect resulting from or arising out of the announcement or completion of the Offer including any such effects on employees, customers, vendors, suppliers, distributors, partners, lenders, contractors or other third parties; (iv) any changes in applicable law (or the interpretation thereof); (v) the threat, occurrence, escalation, outbreak or worsening of any natural disaster, force majeure event, acts of war, police or military action, armed hostilities, sabotage or terrorism or (vi) any change arising out of conditions affecting the economy or industry of the Target in general which does not affect the Target in a materially disproportionate manner relative to other participants in the economy or such industry, respectively.

These conditions precedent are stipulated exclusively in favour of the Offeror, who reserves the right to waive them in whole or in part.

Price of the Offer and justification of the Offer Price

Price of the Offer

The price offered for each Share tendered to the Offer amounts to EUR 13.50.

The price offered for each Subscription Right tendered to the Offer varies depending on the strike price and maturity and ranges between EUR 5.20 to EUR 8.07 for each Subscription Right.

Justification of the Offer Price

1 Justification of the Share Offer Price

The Offeror has followed a multi-criteria approach to determine the price per Share proposed as part of the Offer.

a. Valuation methods

Discounted Cash Flows ("DCF")

This methodology consists in computing the value of Recticel's assets (intrinsic value) by discounting the expected cash flows generated by these assets. The equity value attributable to Recticel's Shareholders is obtained by adding to or subtracting from the enterprise value of Recticel, as the case may be, the sum of the net cash and other elements of adjustments.

The Share Offer Price represents a premium of 16.7% on the central value obtained through the discounted cash flow (DCF) methodology, a 30.9% premium to the lower end of the discounted cash flow valuation range and 3.2% premium to the upper end. A weighted average cost of capital equal to 9.41% and a perpetual growth rate of 1.5% have been retained, with sensitivities of +/- 50 basis points, and +/- 25 basis points, respectively, applied to these metrics.

The Offeror had no access to a business plan drawn up by Recticel's management and hence used all publicly available broker estimates for the financial years 2021 to 2023 for sales, operating margin and cash flows. For its valuation of discounted cash flows, the Offeror has retained the average consensus prior to 12 May 2021. The Offeror considers these estimates to be in line with its own views regarding the future business of Recticel. Over the financial years 2024 to 2029, business plan figures have been extrapolated based on the Offeror's own assumptions for Recticel's business development.

While the Offeror has identified certain areas which could lead to potential synergies on the top line, or as part of a more effective purchasing, it has not quantified such synergies, and accordingly did not take them into consideration with regard to its valuation of Recticel.

Due to the reasons presented in greater detail in Section 6.3.1(iii)(a)(iv)(iv)(iv) of this Prospectus, the Offeror does not base its intrinsic valuation on a consensus post revision of the Target's guidance, which was only issued on 19 May 2021, after the Offeror's announcement of the intention to launch a public takeover bid (14 May 2021), and well ahead of the update planned to be provided during the first half year results on 27 August 2021.

To summarize, in this revised guidance, Recticel discloses that instead of an increase in Adjusted EBITDA of "at least 30%", excluding the contributions from the FoamPartner and Gór-Stal acquisitions, Recticel now expects "Adjusted EBITDA to end up in a range between EUR 123 million to EUR 133 million for the full year 2021, including the contributions of FoamPartner (9 months) and its related synergies". Since the Offeror did not have access to a detailed business plan explaining the underlying assumptions, in particular with regard to expected group sales, synergy assumptions pertaining to the referenced FoamPartner acquisition, and margin development drivers, it cannot validate the statements made by Recticel. It is also noted that no guidance had been provided beyond fiscal year 2021.

For illustrative purposes, however, such exercise has been undertaken. The thus retained consensus fully incorporates the Target's revised guidance published on 19 May 2021, as well as, implicitly, any other share price relevant information the Target has issued after the announcement of the Offeror to launch a voluntary public tender offer for all shares outstanding of the Target.

Based on the consensus available to the Offeror as of 27 August 2021 (the date of the announcement of Recticel's half-year results 2021), the Share Offer Price is in line with (premium of 0.7%) the central value obtained through the discounted cash flow (DCF) methodology, a 12.3% premium to the lower end of the discounted cash flow valuation range and 10.3% discount to the upper end. The same weighted average cost of capital and perpetual growth rate as described above have been retained.

Trading multiples of listed comparable companies (for information purposes)

This methodology determines the value of Recticel by applying the multiples observed on a sample of comparable listed companies per Recticel business segment, admitted to trading on regulated markets, to the estimated financial aggregates of Recticel's respective business segments. The selected sample of comparable companies is composed of eleven companies based on the divisions of Recticel Engineered Foams, Insulation and Bedding. This method is presented for informative purposes only.

Transaction multiples analysis (for information purposes)

This method consists in determining an enterprise value by applying the multiples observed in previous transactions to Recticel's business lines' financial aggregates of the last twelve months ("LTM") ranging from 1 July 2020 to 30 June 2021. The sample of available comparable transactions is, however, small and no company is truly comparable to Recticel in terms of size or geography. Thus, this method is presented for informative purposes only.

Furthermore, as the LTM figures partially include the extraordinary impact of the COVID-19 pandemic, the multiple of the peer group corresponding with the relevant Recticel business line was also applied to the business line's 2022 EBITDA forecast in order to estimate its enterprise value. The 2022 EBITDA forecasts are derived from the broker consensus published prior to 12 May 2021.

While it is impossible to quantify the exact short- and long-term effects of the COVID-19 crisis on financial projections in addition to other macro-economic effects and the impact of sector- and company-specific developments, the 2022 forecasts are referred to as a proxy for the EBITDA excluding the impact from the pandemic. While this methodology has its limitations and the results should be interpreted with caution, it has the benefit of limiting the exceptional impact of the COVID-19 crisis on the valuation. This analysis is merely included for illustrative purposes.

b. Points of reference

Historical share price performance analysis

Recticel has been listed since 1954, initially under the name “Poudrerie Réunies de Belgique” (“PRB”). The Shares are traded on Euronext Brussels under ISIN code BE0003656676.

The reference date to assess the Share Offer Price has been set at 11 May 2021, which is the last trading day prior to exceptional share price developments unrelated to any general equity market developments or company specific announcements.

The Share Offer Price represents a premium of 8.5%, 4.6%, 7.6%, 15.1% and 31.0% respectively over the closing price, the 1-month, the 3-month, the 6-month and the 12-month volume weighted average prices as of the reference date[1].

Analysts’ target price analysis

There are five brokers regularly covering Recticel: KBC Securities, Bank Degroof Petercam, Kepler Cheuvreux, ING Bank and Berenberg. KBC Securities, Kepler Cheuvreux and ING Bank use a Sum-of-the-Parts valuation methodology to arrive at their respective target prices. Berenberg uses a discounted cash flow valuation methodology to arrive at its target price.

The Share Offer Price represents a 9.3% discount to the average brokers’ target price of EUR 14.88, and a 3.6% discount to the median target price of EUR 14.00 as of 12 May 2021.

As described in the summary of the discounted cash flows analysis undertaken, due to the reasons presented in greater detail in Section 6.3.1(iii)(a)(iv)(iv)(iv) of this Prospectus, the Offeror regards the reference date as the relevant closing date to assess the attractiveness of the Offer. For illustrative purposes, however, the latest published broker target prices have been retained as well.

The Share Offer Price represents a 24.1% discount to the average brokers’ target price of EUR 17.78, and a 25.8% discount to the median target price of EUR 18.20 as of 7 September 2021. The thus retained broker target prices fully incorporate the Target’s revised guidance published on 19 May 2021, as well as, implicitly, any other share price relevant information the Target has issued after the announcement of the Offeror to launch a voluntary public tender offer for all shares outstanding of the Target.

Based on the evaluation work carried out, the Offer Price shows the following premiums:

[1] The Share Offer Price represents a discount of 10.7% over the closing price on 13 May 2021, the last trading day before the Recticel Shares were suspended from trading, and also the day prior to the Offer announcement. The Share Offer Price represents a premium of 4.1%, 6.0%, 13.5% and 29.0% respectively over the 1-month, the 3-month, the 6-month and the 12-month volume weighted average prices prior to the Offer announcement.

Criteria	Equity value per share (€)			Premium offered per share		
	Min.	VWAP / central value	Max.	Min.	VWAP / central value	Max.
Valuation methods						
Discounted cash flows	10.31	**11.57**	13.08	30.9%	**16.7%**	3.2%
Assumptions retained						
WACC	9.91%	**9.41%**	8.91%			
Perpetual growth rate	1.25%	**1.50%**	1.75%			
For indicative purposes only						
Trading multiples of listed comparable companies (2021e EBITDA)	-	**11.52**	-	-	**17.2%**	-
Trading multiples of listed comparable companies (2022e EBITDA)	-	**12.88**	-	-	**4.8%**	-
Transaction multiples (LTM Adj. EBITDA 1-Jul-20 to 30-Jun-21)	-	**11.76**	-	-	**14.8%**	-
Transaction multiples (2022e Adj. EBITDA)	-	**13.24**	-	-	**2.0%**	-
Points of reference						
Historical share prices						
11/05/2021	n.a.	**12.44**	n.a.	n.a.	**8.5%**	n.a.
1-month period	12.44	**12.91**	13.36	8.5%	**4.6%**	1.0%
3-month period	11.78	**12.55**	13.36	14.6%	**7.6%**	1.0%
6-month period	8.91	**11.73**	13.36	51.5%	**15.1%**	1.0%
12-month period	6.27	**10.31**	13.36	115.3%	**31.0%**	1.0%
Analysts' target prices before offer announcement						
All brokers (average)	13.00	**14.88**	18.00	3.8%	**(9.3%)**	(25.0%)
All brokers (median)	13.00	**14.00**	18.00	3.8%	**(3.6%)**	(25.0%)

The Share Offer Price of EUR 13.50 implies a premium on the principal valuation and historical share price benchmarking methodologies retained, and a discount to the broker target prices benchmarking as of the reference date 11 May 2021:

- a premium of 16.7% on the central value derived from the discounting of future cash flows;
- a premium of 8.5%, 4.6%, 7.6%, 15.1% and 31.0% respectively over the Relevant Closing Price, the 1-month, the 3-month, the 6-month and the 12-month volume weighted average prices as of the same reference date;
- a 9.3% discount to the average brokers' target price, and a 3.6% discount to the median target price.

For illustrative purposes, the subsequent table shows the respective premiums implied by the Offer Price if the revision of the Target's guidance, which was only issued after the Offeror's announcement of the intention to launch a public takeover bid, was to be considered and with reference to the Closing Price as the Offer Announcement Date:

Criteria	Equity value per share (€)			Premium offered per share		
	Min.	VWAP / central value	Max.	Min.	VWAP / central value	Max.
Valuation methods						
Discounted cash flows	12.03	**13.40**	15.05	12.3%	**0.7%**	(10.3%)
Assumptions retained						
WACC	9.91%	**9.41%**	8.91%			
Perpetual growth rate	1.25%	**1.50%**	1.75%			
For indicative purposes only						
Trading multiples of listed comparable companies (2021e EBITDA)	-	**14.62**	-	-	**(7.7%)**	-
Trading multiples of listed comparable companies (2022e EBITDA)	-	**13.87**	-	-	**(2.7%)**	-
Transaction multiples (LTM Adj. EBITDA 1-Jul-20 to 30-Jun-21)	-	**11.87**	-	-	**13.7%**	-
Transaction multiples (2022e Adj. EBITDA)	-	**14.39**	-	-	**(6.2%)**	-
Points of reference						
Historical share prices						
14/05/2021	n.a.	**15.12**	n.a.	n.a.	**(10.7%)**	n.a.
1-month period	12.44	**12.96**	15.12	8.5%	**4.1%**	(10.7%)
3-month period	11.78	**12.73**	15.12	14.6%	**6.0%**	(10.7%)
6-month period	9.05	**11.90**	15.12	49.2%	**13.5%**	(10.7%)
12-month period	6.35	**10.47**	15.12	112.6%	**29.0%**	(10.7%)
Analysts' target prices						
All brokers (average)	15.70	**17.78**	20.00	(14.0%)	**(24.1%)**	(32.5%)
All brokers (median)	15.70	**18.20**	20.00	(14.0%)	**(25.8%)**	(32.5%)

The Share Offer Price of EUR 13.50 is on par with the analysis of discounted cash flows, and implies a discount to the broker target prices benchmarking as of 7 September 2021:

- a premium of 0.7% on the central value derived from the discounting of future cash flows;

- a discount of 10.7%, and premiums of 4.1%, 6.0%, 13.5% and 29.0% respectively over the Closing Price as of the Offer Announcement Date, the 1-month, the 3-month, the 6-month and the 12-month volume weighted average prices as of the same reference date;
- a 24.1% discount to the average brokers' target price, and a 25.8% discount to the median target price.

2 Justification of the Subscription Right Offer Price

The Subscription Right Offer Price is different for each category of Subscription Rights and ranges between EUR 5.20 to EUR 8.07 for each Subscription Right. This approach takes into account the Share Offer Price and the exercise price of the Subscription Rights and, as a result, takes into account the premium implied by the Share Offer Price that is offered to the Shareholders.

Initial Acceptance Period; Indicative timetable

The Initial Acceptance Period starts on 14 October 2021 and ends on 17 December 2021 at 4.00 p.m. (Belgian time).

Indicative timetable

Event	Date (expected)
Date of announcement of the Offeror's intention to launch the Offer (in accordance with Article 8 of the Takeover Decree)	14 May 2021
Formal notification of the Offer to the FSMA (in accordance with Article 5 of the Takeover Decree)	18 May 2021
Publication of the Offer by the FSMA (in accordance with Article 7 of the Takeover Decree)	19 May 2021
Approval of the Prospectus by the FSMA	5 October 2021
Publication of the Prospectus	6 October 2021
Opening of the Initial Acceptance Period	14 October 2021
Closing of the Initial Acceptance Period	17 December 2021
Publication of the results of the Initial Acceptance Period (and indication by the Offeror of whether the conditions of the Offer have been fulfilled or, if not, whether the Offeror has waived such condition(s))	21 December 2021
Initial Payment Date	23 December 2021
(i) If the conditions of the Offer are fulfilled and the Offeror and its Related Persons hold, as a result of the Offer, 90% or more of the securities with voting right (i.e. the Shares) of the Target: (a) Squeeze-out if the conditions for launching such a Squeeze-out, as defined in Article 42 of the Takeover Decree, are fulfilled; or (b) Mandatory reopening of the Offer if the conditions for launching a Squeeze-out are not fulfilled; or (ii) If the conditions of the Offer are fulfilled, but the Offeror and its Related Persons hold, as a result of the Offer, less than 90% of	3 January 2022

Event	Date (expected)
the securities with voting right (i.e. the Shares) of the Target: possibility of voluntary reopening of the Offer; or (iii) If the conditions of the Offer are not fulfilled, but the Offeror has waived them and holds, as a result of the Offer, together with its Related Persons, 90% or more of the securities with voting right (i.e. the Shares) of the Target: (a) Squeeze-out if the conditions for launching such a Squeeze-out, as defined in Article 42 of the Takeover Decree, are fulfilled; or (b) Mandatory reopening of the Offer if the conditions for launching a Squeeze-out are not fulfilled; or (iv) If the conditions for the Offer are not fulfilled, but the Offeror has waived them, and the Offeror and its Related Persons hold, as a result of the Offer, less than 90% of the securities with voting right (i.e. the Shares) of the Target: possibility of voluntary reopening of the Offer	
End of the Acceptance Period for the mandatory or voluntary reopening of the Offer (as the case may be)	12 January 2022
Publication of the results of the mandatory or voluntary reopening of the Offer (as applicable)	13 January 2022
If applicable, reopening of the Offer as a Squeeze-out (if the mandatory reopening of the Offer did not already have the effect of a Squeeze-out)	14 January 2022
Payment date for the mandatory or voluntary reopening of the Offer (as the case may be)	18 January 2022
Closing of the Acceptance Period of the Squeeze-out	4 February 2022
Publication of the results of the Squeeze-out	7 February 2022
Payment Date of the Squeeze-out	11 February 2022

If any of the dates listed in the timetable are changed, the Security Holders will be informed of such change(s) by means of a press release which will also be available on the following websites: www.bnpparibasfortis.be/sparenenbeleggen (in Dutch) and www.bnpparibasfortis.be/epargneretplacer (in French) and on the websites of the Target (https://www.recticel.com/newsroom/press-releases.html) and the Offeror (https://www.greiner.com/en/press/newsroom).

The Initial Acceptance Period as set out in the above table is set at nine weeks. Greiner reserves the possibility to extend the Initial Acceptance Period to up to ten weeks in accordance with the Takeover Decree. Security Holders shall be informed of it through a supplement to the Prospectus. In addition, Greiner may request the FSMA to grant a derogation to extend the duration of the Initial Acceptance Period beyond the maximum period of ten weeks under the Takeover Decree, in order to prevent a scenario where the merger control decisions, in particular the European Commission's Phase I decision, might not be granted due to unexpected developments before the end of the Initial Acceptance Period. If requested and granted, such derogation would have an impact on the indicative timetable above. Security Holders shall be informed of any such extension through a supplement to the Prospectus.

Objectives of the Offeror

The immediate objective of the Offer is for the Offeror to increase its shareholding in the Target and acquire control of the Target.

Intentions of the Offeror

The intentions of the Offeror can be summarized as follows:

- *Regarding Recticel's position within Greiner following the successful completion of the Offer:*

  Greiner intends to maintain Recticel's headquarters in Belgium and its listing on Euronext Brussels as a separate legal entity, in accordance with Belgian law.

- *Regarding the employment within Recticel:*

  Greiner intends to maintain an attractive work environment for Recticel's employees and, at the date of this Prospectus, has no intention to amend the current terms and conditions of employment within Recticel.

  Greiner has made no decision yet as to Recticel's current management and aims to work together with Recticel's current management and to take any future decisions regarding management positions based on how a closer cooperation develops in the future and what the parties determine is best for Recticel's business.

- *Regarding the corporate governance of Recticel:*

  If Greiner obtains control of Recticel, Greiner intends for the board of directors of Recticel to be composed of a majority of directors who represent the majority shareholder. Greiner further intends to ensure that three directors on Recticel's board of directors will qualify as independent directors (compared to six independent directors currently)

  Greiner has not yet made a decision regarding the future organisation of Recticel, but it is likely that some coordination of decision-making processes and reporting lines would be required in order to create a framework that would allow to realize the mutual benefits of the combination. Greiner will use its voting rights in such a manner as to align the strategic, operational and financial objectives and policies of Recticel with those of Greiner, duly taking into account Recticel's corporate interest and independence as a separate legal entity. Whenever any business opportunities arise (whether as an acquisition, divestment or specific developments), it is Greiner's intention to assess each time at which level within the group it is more adequate for such opportunity to be seized and the decision to be taken, in order to maximise synergies. In this framework, Greiner will comply with Belgian corporate law provisions on conflicts of interest and related party transactions to protect the interest of Recticel. Greiner will in any case ensure that any future transactions that may happen between the Offeror and the Target, or their respective group, are taking place under normal market conditions

  Greiner prefers a constructive approach and aims to work together with Recticel's current executive management. The Offeror would take any future management decisions based on how a closer cooperation develops in the future and what the parties determine is best for Recticel's business.

If Greiner does not obtain control of Recticel, it will use its voting rights in such a manner as to maximise the value of its stake in Recticel. In particular, Greiner will seek to achieve results similar to those set out above, to the extent possible in view of the level of voting rights it will hold and always in accordance with Belgian corporate law provisions.

- *Regarding the dividend policy of Recticel:*

  As a strategic investor, Greiner's investment in Recticel is not driven by set expectations regarding an annual dividend and Greiner's financing is not dependent on the level of dividends paid by Recticel. Shareholders should not assume that Recticel's dividend policy of the recent past will necessarily continue in the future. However, Greiner does not intend, at this stage, to substantially deviate from or modify the current dividend policy of Recticel.

  Greiner intends to assess the future dividend policy of Recticel based on its business performance, investment plans, the evolution of the working capital requirements, the business strategy as defined by Recticel's board of directors and whether a delisting takes place.

- *Regarding the articles of association of Recticel:*

  At the date of this Prospectus, Greiner does not plan any amendments to the articles of association of Recticel, unless this would be required or appropriate in the context of a future delisting of Recticel following a Squeeze-out.

- *Regarding advantages for Security Holders*

  As the Offer is structured as a full cash offer, the main and immediate advantage of the Offer for Security Holders is the Offer Price and the premium implied by such price which amounts, for Shares, to 8.5%, 7.6%, 15.1% and 31% respectively over the Relevant Closing Price, the 3-month, the 6-month and the 12-month volume weighted average prices prior to the Offer announcement.[2]

  The Offer Price also constitutes an opportunity for Security Holders to obtain immediate and certain liquidity. The Security Holders should take into account that the liquidity of the Securities may be reduced after the successful completion of the Offer and the Offeror has no plans to increase this liquidity following the Offer and no plans to delist (unless the free float is reduced to less than 5% of the outstanding capital of Recticel, which entitles the Offeror to launch a Squeeze-out).

  In the long term, a family-owned business such as Greiner is a stable major shareholder that will allow Recticel to develop its activities in a strong group.

- *Regarding results of the position of the competition authorities*

  Greiner is engaged in pre-notification discussions with the European Commission and aims to formally notify in the first half of October 2021. Thus, a European Commission's Phase I clearance decision is expected to be issued by the end of November or early December 2021. As currently expected, Greiner would be in a position to indicate whether the condition precedent of the European Commission's Phase I clearance as foreseen in the Offer has been fulfilled within five working days from the end of the Initial Acceptance Period.

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[2] The Share Offer Price represents a discount of 10.7% over the closing price on 13 May 2021, the last trading day before the Recticel Shares were suspended from trading, and also the day prior to the Offer announcement. The Share Offer Price represents a premium of 4.1%, 6.0%, 13.5% and 29.0% respectively over the 1-month, the 3-month, the 6-month and the 12-month volume weighted average prices prior to the Offer announcement.

At this stage, Greiner cannot anticipate whether the European Commission's clearance will require remedies. In any event, Greiner is prepared to evaluate together with the European Commission the need for potential remedies. At the date of this Prospectus, Greiner has no commitment of whatever sort or agreement for a divestment of any part, division or asset of Recticel by Greiner vis-à-vis any market participant or vis-à-vis the European Commission.

Further, the Offeror has already filed with the competent competition authorities in Morocco on 2 July 2021, in Serbia on 28 May 2021 (where clearance has already been obtained on 1 September 2021), and in Turkey on 6 July 2021 (where clearance has already been obtained on 9 September 2021).

- *Regarding other stakeholders of Recticel*

  Regarding customers and suppliers, the future cooperation between the Offeror and the Target is about growth and best positioning both companies to take advantage of emerging trends, cover customers' regional needs, and provide more choice and innovative solutions.

  Regarding (retired) employees, at the date of this Prospectus, Greiner has no intention to amend the current terms and conditions of employment within Recticel.

Acceptance of the Offer

BNP Paribas Fortis SA acts as the Centralizing Receiving Agent in the framework of the Offer.

Acceptance of the Offer may be made free of charge to BNP Paribas Fortis SA, by submitting the completed and signed Acceptance Form. Security Holders who register their acceptance with a financial intermediary that is not the Centralizing Receiving Agent must inform themselves of any additional fees that may be charged by such parties and are responsible for the payment of such additional fees.

Payment of the Offer Price

The Offeror shall pay the Offer Price to those Security Holders who have validly tendered their Securities during the Initial Acceptance Period no later than the tenth (10^{th}) Business Day following the publication of the results of the Offer during the Initial Acceptance Period. At the date of this Prospectus, the Offeror foresees to pay the Offer price on 23 December 2021.

The Offer Price for Securities tendered in connection with a reopening of the Offer, shall be paid no later than the fifth (5^{th}) Business Day following the publication of the results of the relevant Acceptance Period(s).

The funds necessary for the payment of the Offer Price are available to the Offeror in the form of an irrevocable and unconditional bank credit facility granted by BNP Paribas S.A.

If a Squeeze-out is effectively launched, all Securities not tendered in the Squeeze-out will be deemed to have been transferred by operation of law to the Offeror, with the deposit of the funds necessary for the payment of the Offer Price at the Bank for Official Deposits (*Caisse des dépôts et consignations* / *Deposito- en Consignatiekas*), at the latest on the fifth (5^{th}) Business Day following the publication of the results of the Squeeze-out.

The Prospectus

The Prospectus has been published in Belgium in the official English version.

The Prospectus and the Acceptance Forms are available free of charge at the counters of BNP Paribas Fortis SA or by telephone from BNP Paribas Fortis SA on +32 2 433 41 13. Electronic versions of the Prospectus and the Acceptance Forms are also available on the following websites:

www.bnpparibasfortis.be/sparenenbeleggen (in Dutch) and www.bnpparibasfortis.be/epargneretplacer (in French) and on the website of the Target (https://www.recticel.com) and the Offeror (https://www.greiner.com/en/press/newsroom).

A Dutch and French translation of the summary of the Prospectus, as well as a Dutch and French translation of the Prospectus, are available in electronic format via the above-mentioned websites. In case of any discrepancy between the Dutch or French translation of the summary of the Prospectus and the Dutch or French translation of the Prospectus, on the one hand, and the official English version, on the other hand, the English version will prevail. The Offeror has reviewed the respective versions and is responsible for the concordance of all versions.

Derogations to the Takeover Law and Takeover Decree

At the request of the Offeror, the FSMA granted a derogation, as far as necessary, to the offer requirement that the Offer shall apply to all voting securities set out in article 3, 1° of the Takeover Decree. The derogation has been granted under the condition that the share purchase agreement with Compagnie du Bois Sauvage SA is not terminated (or otherwise ended) during the Acceptance Period.

Consequently and as mentioned above, the Offer relates to all the Securities other than the 15,094,410 shares to be acquired by the Offeror pursuant to the share purchase agreement entered into with Compagnie du Bois Sauvage SA on 14 May 2021.

As mentioned above, Greiner may request the FSMA to grant a derogation to extend the duration of the Initial Acceptance Period beyond the maximum period of ten weeks under the Takeover Decree. Such an extension would be formally requested by Greiner if and when it would become clear that an extension of the Initial Acceptance Period would be necessary to ensure that the European Commission can issue the required Phase I decision before the end of the Initial Acceptance Period.

Response memorandum

The board of directors of the Target has prepared a response memorandum in accordance with the Takeover Law and the Takeover Decree, which will be available, after approval of the response memorandum by the FSMA, on the following websites: www.bnpparibasfortis.be/sparenenbeleggen (in Dutch) and www.bnpparibasfortis.be/epargneretplacer (in French) and on the websites of the Target (https://www.recticel.com) and the Offeror (https://www.greiner.com/en/press/newsroom). The response memorandum can be obtained in hard copy, free of charge, upon request to the Target.

Tax on stock exchange transactions

The Offeror shall bear the tax on stock exchange transactions.

Governing law and competent jurisdiction

The Offer and the resulting agreements between the Offeror and the Shareholders are subject to Belgian law and in particular to the Takeover Law and the Takeover Decree.

The Market Court (*la Cour des marchés / het Marktenhof*) is competent to hear any dispute arising from or in connection with this Offer.

1 Definitions

Acceptance Form	The form attached as Schedule 1 to this Prospectus.
Acceptance Period	The Initial Acceptance Period and/or the subsequent acceptance period(s) in case of a mandatory or voluntary reopening of the Offer.
BCCA	The Belgian Code of Companies and Associations, as amended.
Belgian Investor	The person(s) referred to in Section 7.4 of this Prospectus.
Bois Sauvage	Compagnie du Bois Sauvage, a limited liability company (*société anonyme / naamloze vennootschap*), incorporated under and governed by Belgian law, having its registered office at rue du Bois Sauvage 17, 1000, Brussels, Belgium and registered with the Crossroads Bank for Enterprises under 0402.964.823.
Business Day	Any day on which Belgian banks are open to the public, excluding Saturdays and Sundays, as defined in Article 3, § 1, 27° of the Takeover Law.
Centralizing Receiving Agent	BNP Paribas Fortis, a limited liability company (*société anonyme / naamloze vennootschap*) incorporated under Belgian law, having its registered office at Montagne du Parc / Warandeberg 3, 1000 Brussels (Belgium) and registered with the Crossroads Bank for Enterprises under number 0403.199.702 (RLE Brussels, French-speaking division).
Conditions	The conditions set out in Section 7.2.3 of this Prospectus.
FSMA	The Belgian Financial Services and Markets Authority.
Initial Acceptance Period	The initial acceptance period (as the case may be, extended) during which Security Holders may tender their Securities under the Offer, starting on 14 October 2021 and ending at 4.00 pm CET on 17 December 2021.
Initial Payment Date	The date on which the Offer Price is paid to the Shareholder who tendered his or her Securities in the Offer during the Initial Acceptance Period, being no later than the tenth (10th) Business Day following the publication of the results of the Offer during the Initial Acceptance Period.

MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, as amended.
Offer	The voluntary and conditional takeover offer in cash, issued by the Offeror, on the Securities, the terms of which are set out in the Prospectus.
Offer Price	The Share Offer Price and the Subscription Right Offer Price.
Offeror or Greiner	Greiner, an Austrian stock corporation (*Aktiengesellschaft*), incorporated under and governed by Austrian law, having its registered address at Greinerstrasse 70, 4550 Kremsmünster, Austria and registered with the Commercial Register (*Firmenbuch*) under register number FN 174160 v.
Parent-Subsidiary Directive	Council Directive 2011/96/EU of 30 November 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States.
Payment Date of the Offer	The date on which the Offer Price is paid in the context of the Offer, which is the tenth (10^{th}) Business Day following the publication of the results of the Offer.
Prospectus	This prospectus, which sets out the terms of the Offer, including its schedules and any possible supplement published in accordance with the applicable laws during the Acceptance Period.
Related Person	A person related to the Offeror within the meaning of Article 1:20 BCCA.
Relevant Closing Price	The closing price of the Shares on 11 May 2021, which is the last trading day prior to exceptional share price developments unrelated to any general equity market developments or company specific announcements
Security	A Share or a Subscription Right.
Security Holder	Any holder of one or more Securities.

Share	Each of the 40,804,010 shares in the Target to which the Offer relates, including any subscription rights that are exercised and converted into Shares after the date of this Prospectus. The Offer, however, does not relate to Shares already held by the Offeror or its Related Persons and the Shares in the Target sold to the Offeror by Bois Sauvage as described in section 4.10 of this Prospectus.
Share Offer Price	The cash compensation granted by the Offeror for each Share tendered in the framework of the Offer, i.e. EUR 13.50 per Share, as detailed in Section 6.2.1 of this Prospectus.
Share Purchase Agreement	The share purchase agreement entered into between Bois Sauvage and the Offeror on 14 May 2021 referred to in Section 4.10 of this Prospectus.
Shareholder	Any holder of one or more Shares.
Stock Exchange Tax Representative	The representative referred to in Section 7.4 of this Prospectus.
Squeeze-out	As the case may be, the reopening of the Offer in the form of a squeeze-out, pursuant to Article 7:82, § 1 of the BCCA.
Subscription Right	Any of the 1,777,500 currently outstanding Subscription Rights to acquire Shares of the Target, which amount shall be deemed to exclude any such Subscription Rights as may be exercised or lapse from time, for which the Offer is made.
Subscription Right Holder	Any holder of one or more Subscription Rights.
Subscription Right Offer Price	The cash compensation granted by the Offeror for each Subscription Right tendered in the framework of the Offer, i.e. between EUR 5.20 and EUR 8.07 per Subscription Right, as detailed in Section 6.2.2 of this Prospectus.
Takeover Decree	The Royal Decree of 27 April 2007 on public takeover offers, as amended.
Takeover Law	The law of 1 April 2007 on public takeover offers, as amended.
Target or Recticel	Recticel, a limited liability company (*société anonyme / naamloze vennootschap),* incorporated under and governed by Belgian law, having its registered office at Avenue du Bourget 42, 1130, Brussels, Belgium and registered with the Crossroads Bank for Enterprises under 0405.666.668.

2 Important Notices

2.1 Information contained in the Prospectus

The Offeror has not authorised anyone to provide Security Holders with information other than that contained in the Prospectus. The information given in the Prospectus is correct as at the date of this Prospectus. Any new or material fact or any material error or inaccuracy in the information contained in the Prospectus that is likely to affect the assessment of the Offer and that arises or is discovered between the approval of the Prospectus and the final closing of the Acceptance Period will be disclosed in a supplement to the Prospectus in accordance with Article 17 of the Takeover Law.

Security Holders are required to read the Prospectus carefully and in full and should base their decision on their own analysis of the terms and conditions of the Offer, taking into account the advantages and disadvantages thereof. Any summary or description in the Prospectus of legal provisions, corporate actions, restructurings or contractual relationships is provided for information purposes only and should not be construed as legal or tax advice on the interpretation, applicability or binding nature of such provisions. In case of doubt as to the content or meaning of the information contained in the Prospectus, Security Holders should consult a recognised or professional adviser specialising in the advice on the purchase and sale of financial instruments.

With the exception of the FSMA, no authority in any jurisdiction has approved the Prospectus or the Offer. The Offer is being made only in Belgium and no steps have been or will be taken to obtain approval for the distribution of the Prospectus outside Belgium.

2.2 Restrictions

The Prospectus does not constitute an offer to buy or sell Securities or a request for an offer to buy or sell Securities (i) in any jurisdiction in which such an offer or request is not authorised or (ii) to any person to whom it is unlawful to make such an offer or request. It is the responsibility of each person in possession of the Prospectus to be aware of and to ensure compliance with any such restrictions.

No action to permit a public offering has been or will be taken in any jurisdiction outside Belgium. Neither the Prospectus, nor the Acceptance Forms, nor any advertising or other information may be publicly distributed in any jurisdiction outside Belgium where there are or would be registration, qualification or other requirements in connection with an offer to purchase or sell securities. In particular, neither the Prospectus, nor the Acceptance Forms, nor any advertising or information may be publicly distributed in the United States of America, Canada, Australia, the United Kingdom or Japan. Failure to comply with these restrictions may result in a breach of the laws or financial regulations of the United States of America or other jurisdictions, such as Canada, Australia, the United Kingdom or Japan. The Offeror expressly disclaims any liability for any violation of these restrictions by any person.

2.3 Forward-looking Statements

The Prospectus contains forward-looking statements, prospects and estimates relating to the expected future performance of the Offeror and the Target, their subsidiaries or related entities and the markets in which they operate. Some of these forward-looking statements, prospects and estimates are characterised by the use of words such as (but not limited to): "believes", "thinks", "expects", "anticipates", "seeks", "would", "plans", "contemplates", "calculates", "may", "will", "remains", "wishes", "understands", "intends", "relies on", "attempts", "estimates", as well as similar expressions, the future tense and the conditional.

Such statements, outlooks and estimates are based on various assumptions and assessments of known and unknown risks, uncertainties and other factors that appear reasonable and acceptable at the time of their assessment, but which may or may not prove to be accurate in the future. Actual events are difficult to predict and may depend on factors beyond the control of the Offeror or the Target.

Consequently, it is possible that the actual results, financial situation, performance or achievements of the Offeror and the Target or the results of the sector may differ significantly from the future results, performance or achievements described or implied by these forward-looking statements, prospects or estimates.

In view of these uncertainties, Security Holders should follow such forward-looking statements, prospects and estimates only to a reasonable extent.

The statements, prospects and estimates are only valid as of the date of this Prospectus and the Offeror does not undertake to update such statements, prospects and estimates to reflect any changes in its expectations with respect thereto or any changes in events, conditions or circumstances on which such statements, prospects or estimates are based, except where such adjustment is required by Article 17 of the Takeover Law.

3 General Information

3.1 Approval by the FSMA

The English version of the Prospectus has been approved by the FSMA on 5 October 2021, in accordance with Article 19, § 3 of the Takeover Law. This approval does not imply an assessment or evaluation of the merits or quality of the Offer or the position of the Offeror.

A formal notification of the Offer was submitted by the Offeror to the FSMA in accordance with Article 5 of the Takeover Decree. The announcement of the Offeror's intention to issue the Offer was published on 14 May 2021, in accordance with Article 8 of the Takeover Decree.

With the exception of the FSMA, no authority in any jurisdiction has approved the Prospectus or the Offer. The Offer is only being launched in Belgium and no steps have been or will be taken to obtain approval for the distribution of the Prospectus outside Belgium.

3.2 Responsibility Statements

The Offeror, represented by its management board (*Vorstand*), is responsible for (and assumes full responsibility for) the information contained in the Prospectus.

The information contained in the Prospectus relating to the Target and its related persons within the meaning of article 1:20 BCCA is based on publicly available information only.

The Offeror certifies that, to the best of its knowledge, the contents of the Prospectus are correct, not misleading and in accordance with the facts, and that no information has been omitted the disclosure of which would alter the import of the Prospectus.

3.3 Official version of the Prospectus and translations

The Prospectus has been published in Belgium in the official English version.

Without prejudice to the responsibility of Greiner for inconsistencies between the different language versions of the Prospectus or the summary of the Prospectus, the FSMA approved the English version of this Prospectus on 5 October 2021. This Prospectus has been prepared in English and translated into Dutch and French. The summary of the Prospectus has also been translated into Dutch and French. Greiner is responsible for the consistency between (i) the English and Dutch and French versions of the Prospectus; and (ii) the English and Dutch and French versions of the summary of the Prospectus. In case of discrepancies between the different versions of this Prospectus, the English version will prevail.

3.4 Practical Information

The Prospectus and the Acceptance Forms are available free of charge at the counters of BNP Paribas Fortis SA or by telephone from BNP Paribas Fortis SA on +32 2 433 41 13. Electronic versions of the Prospectus and the Acceptance Forms are also available on the following websites: www.bnpparibasfortis.be/sparenenbeleggen (in Dutch) and www.bnpparibasfortis.be/epargneretplacer (in French) and on the website of the of the Target (https://www.recticel.com) and the Offeror (https://www.greiner.com/en/press/newsroom/).

3.5 Financial and legal advisors to the Offeror

BNP Paribas Fortis SA has advised the Offeror on certain financial aspects in connection with the Offer. These services have been provided exclusively to the Offeror and no other party may rely on them. BNP Paribas Fortis SA assumes no responsibility for the information contained in the Prospectus, and nothing in the Prospectus shall be deemed to constitute advice, a promise or a warranty given by BNP Paribas Fortis SA.

Linklaters LLP, Schönherr Rechtsanwälte GmbH, Dorda Rechtsanwälte GmbH and Greenlake Legal (Raninger Hoedl Rechtsanwalts GmbH) have advised the Offeror on certain legal matters in connection with the Offer. These services were provided exclusively to the Offeror and no other party may rely on them. Linklaters LLP, Schönherr Rechtsanwälte GmbH, Dorda Rechtsanwälte GmbH and Greenlake Legal (Raninger Hoedl Rechtsanwalts GmbH) assume no responsibility for the information contained in the Prospectus, and nothing in the Prospectus shall be deemed to constitute advice, a promise or a warranty given by Linklaters LLP, Schönherr Rechtsanwälte GmbH, Dorda Rechtsanwälte GmbH or Greenlake Legal (Raninger Hoedl Rechtsanwalts GmbH).

4 Information about the Offeror

4.1 Corporate details of the Offeror

Name:	Greiner AG
Legal form:	Greiner is an Austrian stock corporation (*Aktiengesellschaft*), incorporated under and governed by Austrian law
Registered office:	Greiner has its corporate seat in Kremsmünster, Austria, and the registered address is Greinerstrasse 70, 4550 Kremsmünster, Austria

Date of incorporation and duration:	Greiner was founded with in 1998 and first registered with the Commercial Court (*Firmenbuch*) on 9 September 1998. Greiner is established for an indefinite period of time
Register of legal persons:	Commercial Register (*Firmenbuch*), competent court: Regional Court Steyr (*Landesgericht Steyr*), register number FN 174160 v
Auditor:	KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Kudlichstraße 41, 4020 Linz, registered with the Commercial Register (*Firmenbuch*), register number FN 269725 y of the competent court: Regional Court Linz, Austria

4.2 Corporate purpose of the Offeror

Article 2 of its articles of association (*Satzung*) defines the corporate purpose of the Offeror as follows:

(1) The company's object is a) the acquisition and management of participations in undertakings, b) the production and sale of foam, profiles and other plastic products of all kinds as well as the production of precision tools for the for the production of plastics; c) the commercial leasing of assets.

(2) The company shall be entitled to engage in all transactions and measures domestic and abroad which appear necessary or useful for achieving the purpose of the company, in particular: a) to acquire real estate, patents, licenses and other property rights, b) to construct and operate the necessary facilities and to establish branches and subsidiaries domestically and abroad; c) to conclude joint venture agreements.

(3) The company is not authorized to engage in banking business.

4.3 Activities of the Offeror

The Offeror is the holding company of the Greiner group. The Greiner group was founded in Germany in 1868 and in Austria in 1899 and has been 100% family-owned since its foundation. Greiner is both internationally successful and regionally anchored, and aspires to be a reliable partner to its customers and suppliers worldwide.

The Greiner group is active in 139 locations across 34 countries and has around 11,500 employees worldwide. For the financial year ending on 31 December 2020, its consolidated sales revenues were EUR 1,930 million in total, with a cash flow from operating activities of EUR 314 million and investments in tangible assets of EUR 111 million. For the calculation and comparability of these figures, please see Section 4.8.1 of this Prospectus.

In 2020, the Greiner group achieved 71% of its revenues in Europe, whereas 17% and 7% of turnover were realized in North America and Asia, respectively. South America accounts for 3% of sales. The remaining 2% emanated from the rest of the world.

The Greiner group is active in the following four operative divisions:

4.3.1 Greiner Packaging

Greiner Packaging manufactures packaging solutions. Its products include plastic packaging for the food and non-food industries, including dairy, food, health, cosmetics and chemicals. It also develops custom plastic parts, products and components for customers in the automotive, HVAC and building services industries, among others.

4.3.2 NEVEON

NEVEON (formerly Greiner Foam) specialises in the development, production and processing of functional polyurethane flexible and composite foams. A description of the sub-divisions of NEVEON as at 31 December 2020 is included on page 22 (Enclosure I/11) of the consolidated financial statements of the Offeror as at 31 December 2020 attached to this Prospectus as Schedule 2.

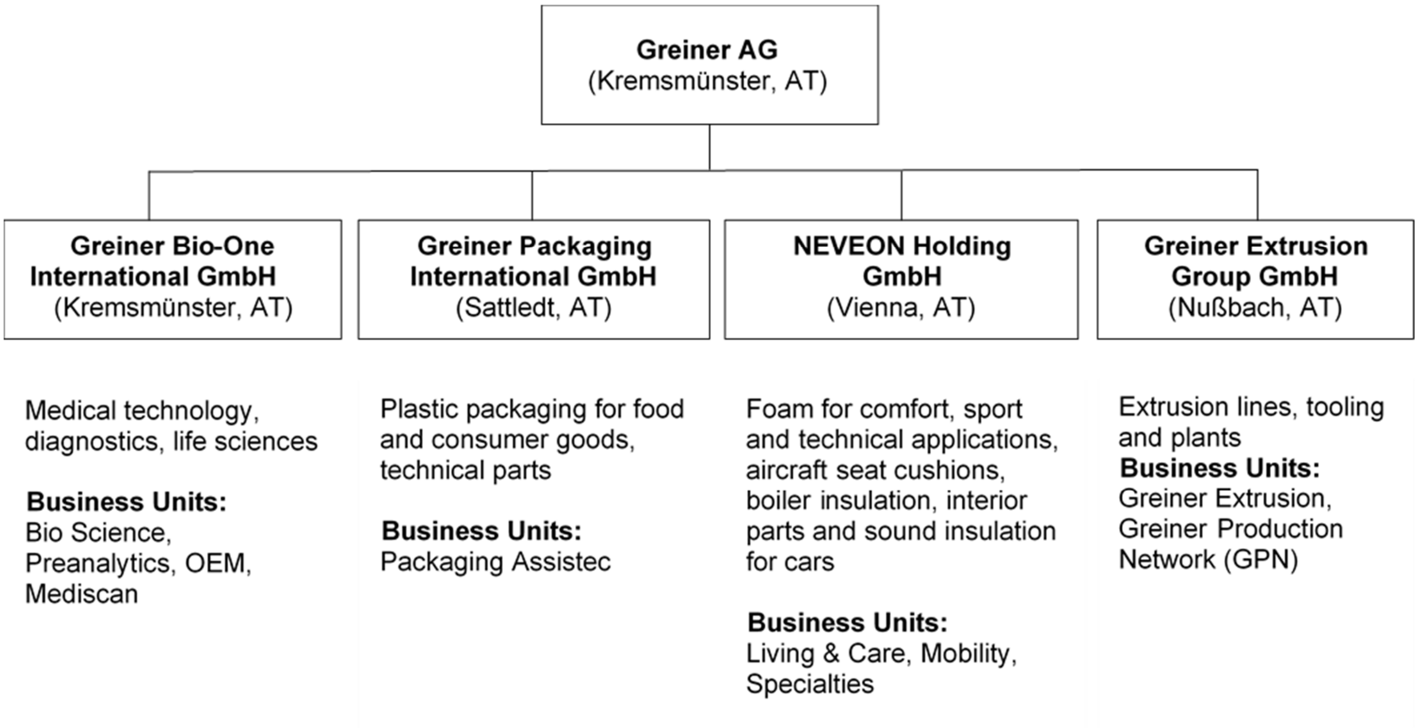
4.3.3 Greiner Bio-One

Greiner Bio-One is an international medical technology company active in the biotechnology, diagnostic, pharmaceutical, medical and in vitro diagnostic industries. Its product range includes products for blood, urine and sample collection, cell and tissue cultivation and analysis, and diagnostics.

4.3.4 Greiner Extrusion

Greiner Extrusion Group is a manufacturer of extrusion lines, tooling and complete systems for profile extrusion. Its activities include the development, design, manufacture and process optimisation of tools and extrusion lines. The range of services extends from recipe development to extrusion lines, from toolmaking to the engineering of complete production plants.

The following chart provides a high-level overview of the legal structure of the Greiner group and its four divisions (for more detailed information on the Offeror's direct and indirect subsidiaries, see Section 4.7 of this Prospectus):



In addition to the four operative divisions, Greiner Real Estate (real estate management services for affiliates), Greiner Technology & Innovation (the Greiner group's innovation center) and the Greiner Krabbelstube (in-house nursery at the Offeror's headquarters) are also part of the Greiner group.

4.4 Recent events

The Offeror has no relevant material and recent events to mention in the framework of this Prospectus.

4.5 Capital and shareholding structure of the Offeror

On the date of this Prospectus, the registered share capital of the Offeror amounts to EUR 14,688,000.00 and is divided into 14,688,000 par value ordinary voting registered shares, each with a calculated nominal amount of EUR 1.00.

On the date of this Prospectus, the shareholding structure of the Offeror is as follows:

Shareholder	Number of shares held	% of total number of shares	Number of voting rights	% of the total voting rights
Privatstiftung Hermann Greiner	7,342,488	49.99%	7,342,488	49.99%
Greiner Beteiligungs-GmbH	6,227,832	42.4%	6,227,832	42.4%
A + P Greiner Beteiligungs	218,376	1.49%	218,376	1.49%

GmbH				
Minority shareholders[3]	899,304	6.12%	899,304	6.12%

4.6 Management structure of the Offeror

In accordance with mandatory Austrian law, the Offeror has a two-tiered board structure comprising of the management board (*Vorstand*) and the supervisory board (*Aufsichtsrat*). The management board is responsible for the management of the business and represents the Offeror in dealings with third parties. The supervisory board is responsible for appointing and removing the members of the management board and for supervising the business conducted by the management board. Although the supervisory board does not actively manage the Offeror, the Austrian Stock Corporation Act (*Aktiengesetz*), the articles of association of the Offeror and the management board's internal rules of procedure require that the consent of the supervisory board be given before the management board takes certain actions.

4.6.1 Management board (*Vorstand*)

The management board is responsible for managing the business and represents the Offeror in dealings with third parties. The Offeror is represented by one member of the management board; in addition, the Offeror has appointed Ms Renate Dietl as a holder of a special statutory power of attorney (*Prokurist*) who may represent the Offeror solely, too.

The management board is required to report to the supervisory board at least annually regarding fundamental questions of future business policy. The management board is also required to report to the supervisory board regularly, at least quarterly, on the progress of business operations and on the results of the Offeror's and the group's business against forecast. The management board is obliged to inform the supervisory board of any incidents that may be of significance to the Offeror's or the group's business operations.

Pursuant to the Offeror's articles of association, the management board must consist of one, two, three or four members. Currently, the Offeror's management board consists of two members. The management board is appointed by the supervisory board for a maximum period of five years. Members of the management board may be re-appointed. The supervisory board may remove a member of the management board prior to the expiration of his or her term only for cause, such as a material breach of duty, the inability to manage the business properly or a vote of non-confidence by the shareholders' meeting. The shareholders themselves are not entitled to appoint or dismiss the members of the management board.

The management board has, in principle, no obligation to obey instructions originating from the shareholders' meeting or the supervisory board. However, both the Austrian Stock Corporation Act and the articles of association, together with the management board's rules of procedure, require the consent of the supervisory board or one of its committees before the managing board may take certain actions.

[3] Minority shareholders comprises 21 shareholders who are part of the wider Greiner family and hold each less than 1% of the shares and voting rights.

A failure by the management board to obtain such consent does not affect the validity of transactions with respect to third parties, but may render the management board liable for any damages resulting therefrom.

On the date of this Prospectus, the management board of the Offeror is composed as follows:

Name	Expiry of mandate	Function	Allocation of responsibilities
Axel Kühner	31 March 2024	CEO	Axel Kühner is the management board member responsible for the management of the operative divisions, corporate communications, strategic human resources management, synergy management and sustainability.
Hannes Moser	31 July 2023	CFO	Hannes Moser is the management board member responsible for accounting and finance, controlling, IT, tax and corporate law, Greiner Real Estate, compliance and M&A management.

4.6.2 Supervisory board (*Aufsichtsrat*)

The supervisory board supervises the management board and can request reports from the management board on matters concerning the Offeror or the group as a whole, but does not actively engage in the management of the Offeror. The supervisory board has to meet at least quarterly. Supervision is exercised by the examination of reports, which must be provided by the management board on a regular basis, upon the occurrence of significant incidents or upon request by the supervisory board. The supervisory board must also approve certain transactions prior to their implementation. The supervisory board also reviews the financial statements and, in particular, approves the unconsolidated annual financial statements of the Offeror, reports in connection with the annual financial statements and proposals to the shareholders' meeting concerning the distribution of profits and reports thereon. The supervisory board must convene a shareholders' meeting if it is in the best interests of the Offeror.

Pursuant to the Offeror's articles of association and statutory Austrian law, the supervisory board consists of minimum three and a maximum of 20 members elected by the shareholders' meeting, plus the members delegated by the works council. No member of the supervisory board elected by the shareholders may, if not appointed for a shorter period, serve for a period beyond the annual shareholders' meeting deciding on the discharge of the applicable supervisory board member for the fourth financial year following the financial year of the election (whereby the year of election is not taken into account). Members of the supervisory board may be re-elected. The shareholders' meeting may remove any supervisory board member it has elected by a simple majority of the votes cast at the relevant shareholders' meeting. The Austrian Labor Constitutional Act (*Arbeitsverfassungsgesetz*) entitles the works council to designate one of its members for every two members of the supervisory board elected by the shareholders' meeting, and in case of an uneven number of elected members, an additional works council member.

On the date of this Prospectus, the supervisory board of the Offeror is composed as follows:

Name	**Expiry of mandate**	**Function**	**Participation in Committees**
Erich Gebhardt	2025[(1)]	Chairman	Personnel committee[(3)]
Dominik Greiner	2025[(1)]	Deputy Chairman	Personnel committee[(3)], Audit committee[(4)]
Regine Hagen-Eck	2025[(1)]	Member	-
Christoph Greiner	2025[(1)]	Member	Personnel committee[(3)], Audit committee[(4)]
Andreas Ludwig	2025[(1)]	Member	Personnel committee[(3)], Audit committee[(4)]
Gerald Schinagl	2025[(1)]	Member	Audit committee[(4)]
Nico Hansen	2025[(1)]	Member	-
Jakob Mosser	2025[(1)]	Member	-
Georg Kofler	n/a[(2)]	Member	-
Maximilian Gressenbauer	n/a[(2)]	Member	Audit committee[(4)]
Ernst Zimmermann	n/a[(2)]	Member	-
Markus Rohrauer	n/a[(2)]	Member	Audit committee[(4)]

(1) The term of office of the members elected by the shareholders' meeting expires as of the end of the shareholders' meeting resolving on the exoneration for the financial year 2024, which will take place in 2025.

(2) Members delegated by the works council.

(3) The personnel committee (*Personalausschuss*) is responsible for compensation in relation to the members of the management board.

(4) The tasks of the audit committee (*Prüfungsausschuss*) include, *inter alia*, the monitoring of the accounting process, the efficiency of the internal control system, the internal revision system, if applicable, and the risk management system of the Offeror, the audit of the (consolidated) financial statements, and the review and preparation of the approval of the unconsolidated financial statements and the consolidated financial statements (including the respective management report and consolidated management report).

Furthermore, the audit committee proposes the candidate for the position of the statutory auditor.

4.7 Group structure

An unaudited list of the companies included in the scope of consolidation of the Offeror as at 31 December 2020 is included on page 121 of the translated consolidated financial statements of the Offeror as at 31 December 2020 attached to this Prospectus as Schedule 2.

4.8 Financial information

4.8.1 Key figures of the Greiner group as of and for the financial year ended 31 December 2020

The following table provides selected financial information as of, and for the year ending on, 31 December 2020 in relation to the Greiner group. The Offeror considers the figures in the table below to be key indicators of the performance of the Greiner group. While the key figures in the table below are, to a great extent, derived from the audited consolidated financial statements of the Offeror as at 31 December 2020, it is important to note that these figures are partly based on internal information and accounting records of the Offeror and have been adjusted to reflect Greiner group's participations in joint ventures which have been included on a pro rata basis. Therefore, the figures in the table below differ partly from comparable figures included in the audited consolidated financial statements of the Offeror as at 31 December 2020. Furthermore, certain financial measures, such as net debt, which are included in the table below, are not required by, or defined under International Financial Reporting Standards (IFRS) as adopted by the European Union and may, therefore, be calculated differently than measures bearing the same or similar names as published by other companies or presented in industry reports and similar publications. In the subsequent table, net debt has been calculated as the sum of the Offeror's short- and long-term financial liabilities, net of cash. Greiner's net indebtedness rate, defined as short- and long-term financial liabilities, net of cash, divided by the Offeror's shareholders' equity, amounts to 0.66x. Greiner's gross indebtedness rate, defined as short- and long-term financial liabilities divided by the Offeror's shareholders' equity, amounts to 0.96x.

Key Figure	As at 31 December 2020 (figures in brackets indicate figures for 2019, where applicable) (*)
Consolidated sales revenues	EUR 1,930 million (EUR 1,675 million)
Cash flow from operating activities	EUR 314 million (EUR 144 million)
Investments in tangible assets	EUR 111 million
Employees	11,500 (10,750)
Sales per employee	EUR 0.17 million (EUR 0.16 million)
Net debt	EUR 473 million (EUR 419 million)

(*) Figures in table above are rounded.

Throughout 2020, Greiner strongly benefitted from its multiplicity of products and diversification across four divisions. Partial downturns in some areas could be counterbalanced by gains in other parts of the business. That overcompensation led to the most successful year in Greiner's company history. Greiner Packaging and Greiner Bio-One products are of key importance for the security of supply and hygiene with regard to foodstuffs and medicines. Greiner Bio-One solutions were also needed for Corona testing and the development of medication and vaccines. Accordingly, the division closed the year with a y-o-y sales growth of c.36%. In comfort foams, Greiner saw constant high order volumes due to shifting consumer behaviour, with e.g. increasing spend on refurbishing. The group-wide strong sales momentum translated into an accordingly strong cash flow generation from operating activities. In the Offeror's opinion, cash flow from operating activities and cash and other liquid resources from other existing sources of financing available to the Offeror are sufficient to cover the payment obligations resulting from the financing of both the acquisition of the 27.00% stake in Recticel from Bois Sauvage and the Offer. Consequently, the Offeror does not intend to engage in any divestments in order to finance its payment obligations resulting from the financing referred to above.

4.8.2 General

Under applicable Austrian law, the managing board of the Offeror has to prepare the unconsolidated annual financial statements, including the notes thereto and the management report, and, where applicable, the consolidated annual financial statements, including the notes thereto and the consolidated management report, for the previous financial year during the first five months of each financial year.

Both the consolidated and unconsolidated financial statements, including the respective notes thereto and the consolidated and unconsolidated management reports, must be audited by a statutory auditor. The auditor must prepare an audit report on the audit performed. The result of the audit must also be summarized in an auditor's opinion. The auditor's report including the audit opinion must be submitted to the managing board and the members of the supervisory board of the stock corporation.

The supervisory board of the Offeror must examine the accounting documents within two months of their submission, make a statement on them to the managing board and submit a report to the annual shareholders' meeting. If the supervisory board approves the unconsolidated financial statements, they are adopted unless the managing board and supervisory board decide that they should be adopted by the general meeting instead (which rarely happens in practice). The consolidated financial information is examined by the supervisory board, too; however, the supervisory board does not have to formally adopt the consolidated financial information.

Austrian law does not require the Offeror to prepare and/or publish interim financial statements or comparable interim financial reports, neither quarterly nor half year.

4.8.3 The most recent available consolidated financial information of the Offeror

As of the date of this Prospectus, the most recent available consolidated financial information of the Offeror are the consolidated financial statements of the Offeror as of, and for the year ending on, 31 December 2020 which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the additional requirements pursuant to section 245a of the Austrian Commercial Code (*Unternehmensgesetzbuch*). The consolidated financial statements of the Offeror as at 31 December 2020 have been audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and granted an unqualified audit opinion.

Translations of the German language originals of both the consolidated financial statements of the Offeror as at 31 December 2020 and the related auditor's report are attached to this Prospectus as Schedule 2.

4.8.4 Most recent available unconsolidated financial information of the Offeror

The most recent available unconsolidated financial information of the Offeror are the unconsolidated financial statements of the Offeror as of, and for the year ending on, 31 December 2020 which have been prepared in accordance with the generally accepted accounting principles in Austria. The unconsolidated financial statements of the Offeror as at 31 December 2020 have been audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and granted an unqualified audit opinion.

Translations of the German language originals of both the unconsolidated financial statements of the Offeror as at 31 December 2020 and the related auditor’s report are attached to this Prospectus as Schedule 3.

4.8.5 Approval of the recent available financial information of the Offeror

The audited unconsolidated annual financial statements as at 31 December 2020 have been approved by the supervisory board of the Offeror on 8 June 2021. Likewise, the supervisory board of the Offeror has examined and taken note of the audited consolidated annual financial statements as at 31 December 2020 in its meeting on 8 June 2021.

Under Austrian law, a separate or additional approval of these financial statements by the shareholders’ meeting of the Offeror is not required.

4.9 Persons acting in concert with the Offeror

There are no persons acting in concert with the Offeror.

4.10 Share purchase agreement between the Offeror and Bois Sauvage

On 14 May 2021, Bois Sauvage and Greiner entered into a share purchase agreement whereby Bois Sauvage agreed to sell and Greiner agreed to buy all 15,094,410 shares in the Target held by Bois Sauvage, representing 27.00% of the capital of Recticel (the “**Share Purchase Agreement**”). The purchase price is EUR 13.50 per share, which is the same as the Share Offer Price. The purchase price under the Share Purchase Agreement is fixed and final and not subject to any adjustment.

The completion of the sale under the Share Purchase Agreement is not subject to the outcome of the Offer. The acquisition of the shares in the Target held by Bois Sauvage is definitive with the sole exception that Greiner may terminate the agreement in case certain defensive measures would be approved by the shareholders’ meeting of Recticel.

The sale under the Share Purchase Agreement is also being reviewed by the European Commission and other relevant governmental authorities from a merger control perspective, although their respective decisions do no constitute conditions precedent. In the event that the sale would be prohibited by the European Commission or any other relevant governmental authority, Greiner will acquire the shares from Bois Sauvage with a view to immediately divest, to one or more third parties, at least such number of shares in Recticel obtained from Bois Sauvage as is required to ensure compliance with applicable merger control laws. Therefore, in any case, Greiner will be obligated to complete the transaction to the extent permissible under merger control laws and will become a shareholder of Recticel (i.e. below a shareholding level that would trigger merger filing obligations). Greiner will engage proactively with the relevant authorities to adequately address any potential concerns in order to obtain the necessary clearances as quickly as possible.

The transfer of the ownership of the shares to Greiner will only occur at closing of the sale, which is expected in the fourth quarter of 2021. Depending on the timing for the obtaining of merger control decisions from the European Commission and any other relevant governmental authority, the closing of this transaction could take place after the Initial Payment Date. In that case, pending the closing, the purchase price shall be transferred by Greiner to an escrow account.

Pending closing of the sale, Bois Sauvage will continue to exercise the voting rights attached to the shares in the Target independently, without any interference or instruction from Greiner.

As mentioned under Section 6.11.1 of this Prospectus, the Offeror has entered into a facilities agreement with BNP Paribas S.A. as lender on 14 May 2021 pursuant to which the Offeror will be able to draw loans in an amount sufficient for the purpose of paying the consideration for both the acquisition of the Securities pursuant to the Offer and the acquisition of the shares in the Target held by Bois Sauvage pursuant to the Share Purchase Agreement.

5 Information about the Target

5.1 Corporate details of the Target

Name:	Recticel SA/NV
Legal form:	Limited liability company (*société anonyme / naamloze vennootschap*)
Registered office:	Avenue du Bourget / Bourgetlaan 42, 1130 Brussels, Belgium
Date of incorporation and duration:	19 June 1896, undetermined duration
Register of legal persons:	0405.666.668
Auditor:	PwC Reviseurs d'Enterprises SRL / PwC Bedrijfsrevisoren BV, represented by Mr Marc Daelman

5.2 Corporate purpose of the Target

Article 3 of its articles of association defines the corporate purpose of the Target as follows:

The company's object is the development, production, processing, trade, purchase, sale and transport — either for its own account or for the account of third parties — of all plastics, polymers, polyurethanes and other synthetic components, natural substances, metal products, chemical and other products used by private individuals or by industry, trade and transport, in particular for furniture, bedding, insulation, the construction industry, the automotive industry, chemicals, petrochemicals and the products that belong to, are necessary for, result from or are derived from their production.

The company may achieve its object in whole or in part, either directly or indirectly, via subsidiaries, partnerships and participating interests in other companies, partnerships or associations.

In order to achieve this object, the company may carry out all industrial, real estate, financial or commercial activities that are related to its objects, either in whole or in part, either directly or indirectly, or that promote, develop or facilitate the company's operations or trade, or the operations or trade of the companies, partnerships or associations in which the company has a participation or interest. In particular, the company may develop, transfer, acquire, hire, let and operate all movable, immovable and intellectual property.

5.3 Activities of the Target

Recticel is a leading industrial player with a profound expertise in polyurethane chemistry. It manufactures foam, insulation and upholstery fillings for furniture, mattresses, office chairs, automotive, marine, construction and aerospace industries. Recticel is mainly active in the Europe, which accounts for 93% of its net sales, but is also active in the USA and Asia through strong production and sales networks. The Target has been listed on Euronext Brussels since 1954, initially under the name "*Poudrerie Réunies de Belgique*" ("PRB").

Recticel's portfolio is organised around three application areas: Engineered Foams, Insulation and Bedding.

The Engineered Foams business line is focused around the production, transformation and commercialisation of products in flexible polyurethane foam. The polyurethane foam is used both as bulk commodity for upholstered furniture and mattresses, as well as for higher value-added applications, such as sealing and silencing in passenger cars and industrial equipment. The Engineered Foams division operates 11 foaming plants and 22 converting plants across EMEA, Asia-Pacific and North America.

The Insulation business line develops and offers insulation solutions for thermal and acoustic applications in the construction market. Recticel's products can be used for the insulation of walls, flat and gable roofs and floors. Polyurethanes provide for the highest-performing insulation materials, which further supports the competitiveness of Recticel.

Lastly, the Bedding business line focuses on the development, production and commercialisation of mattresses, slats, bed bases and beds. The Bedding business line is Europe's second largest supplier of mattresses, slats, bed bases and beds.

The main overlaps with the Offeror relate to certain flexible foam products (in particular, technical foam and – to a smaller extent – comfort foam). Technical foams are polyether- or polyester-based flexible PU foams and have a large variety of specifications, uses and applications in diverse industries (such as the building, clothing, household and automotive industries) with functional substitutes on a non-polyurethane basis (textile fibres, PVC etc.). Comfort foams are polyether-based flexible PU foams which are mainly used as a core for mattresses and layers in the upholstery industry.

On the Engineered Foams side, Recticel's main competitors include – besides Greiner – The Vita Group, Olmo Group, Plama-pur and Flex2000 as well as Carpenter.

The Vita Group was founded in 1949 and is headquartered in the United Kingdom. The company develops, manufactures and markets a wide range of flexible polyurethane foams, Talalay Latex and flooring products via three divisions: Comfort, Technical and Flooring. From its European operating base, the company serves customers across the globe. Vita Group's products and applications span from bed-in-box mattresses to foam materials for medical and transport applications.

Olmo Group is one of the leading Italian manufacturers, an advanced and dynamic competitor with strong R&D capabilities. Olmo Group was founded in the late 1950. It includes industrial entities specialised in the production of polyurethane foam (both technical and comfort foam). Plama-pur is a manufacturer of flexible polyurethane foam headquartered in Slovenia; the company covers industries including automotive, upholstery, bedding, footwear, packaging, textile, construction and consumer goods. Flex2000, headquartered in Portugal and part of the CORDEX group, is the largest foam manufacturer on the Iberian Peninsula with a long-history as a foam producer going back to the mid-1970s. Flex2000 is a dynamic and growing competitor, which also has one of the largest plants in Europe for the production of flexible foams of polyurethane. Carpenter is a major comfort foam manufacturer and a strong market player active since the 1950s. Carpenter was founded in 1948 and is headquartered in Virginia (United States). The company engages in the manufacturing of cushioning products. Its product offering includes urethane foam, moulded foam, carpet cushion, furniture cushioning foam and fibre application, fibre, and bedding. The company has 41 locations in the U.S., Canada and Europe.

In addition to the competitors mentioned above (i.e., companies that compete with Greiner and Recticel in Europe), the following companies compete with Greiner and Recticel only on a global scale (i.e., have not yet established a sophisticated presence in Europe):

FXI is headquartered in Pennsylvania (United States). The company engages in the provision of foam solutions, offering bedding, furniture, transportation, and technical solutions. FXI serves a wide array of industries in North America, including home care, healthcare, electronics, industrials, personal care, and transportation.

The Inoac Corporation is headquartered in Japan and focuses on the development of functional materials based on polyurethane, rubber, plastics and composites. It was founded in 1926 and has sites in Asia as well as North and Central America. Future Foam is family-owned and headquartered in the United States. They have over 30 facilities in the United States, Germany and China, and manufacture carpet cushions, mattress toppers, and pillows, among others.

On the Insulation side, Recticel's main competitors are Armacell, Kingspan, Bauder and Puren.

Armacell is headquartered in Luxembourg and has regional head offices in Germany, the United States and Singapore. It operates two main businesses: Advanced Insulation and Engineered Foams, and focuses on expanding into fast-growing markets.

Kingspan was founded in 1965 and is headquartered in Ireland. It focuses on insulation solutions and building envelopes. It operates through the following segments: Insulated Panels; Insulation Boards; Light and Air; Water and Energy; and Data and Flooring

Technology. The company has over 160 manufacturing plants across more than 70 countries.

Bauder was founded more than 160 years ago and is headquartered in Germany. It manufactures and supplies modern waterproofing, thermal insulation, green roof and photovoltaic systems for the roof. The company has seven manufacturing plants in Germany and one in Austria. Additionally, it markets and distributes its products across Europe through its subsidiaries and commercial partners.

Puren was founded in 1968 and is headquartered in Germany. It offers systems for steep roof, flat roof, and sloped roof insulation, floor, wall, ceiling and facade insulation, as well as specialty products for parking levels, building conservation and roof refurbishment. The company offers its solutions to the building and construction industry, architects, engineers and fitters.

5.4 Recent events

For the most recent developments in relation to the Target, reference is made to the press release in relation to the completion of the acquisition of FoamPartner published on 1 April 2021, and the acquisition of the thermal insulation board business of Gór-Stal announced on 19 March 2021.

On 26 February 2021, the Target furthermore announced it would launch a divestment process for its Bedding division.

Additional reference is made to the press releases in relation to (i) the trading update for the first half-year 2021 published on 27 August 2021, (ii) the Target's guidance revision published 19 May 2021, (iii) the trading update for the first quarter 2021 published on 27 April 2021 and, (iv) the annual results for 2020 published on 26 February 2021. These press releases are published on the website of the Target (https://www.recticel.com/newsroom/press-releases.html).

5.5 Shareholding structure of the Target

In accordance with the transparency declarations concerning important shareholdings pursuant to the law of 2 May 2007, the shareholding structure of the Target is as indicated in the following table, based on the latest transparency declarations published by the Target on its website (https://www.recticel.com/investors/shareholders.html) until 3 August 2021.

Shareholder	Number of Shares held	% of total number of Shares
The Offeror(1)	-	-
Bois Sauvage(1)	15,094,410	27.08%
BNP Paribas Investments Partners S.A.	1,615,744	3.01%
KBC Asset Management NV	1,648,964	3.01%
Janus Hendersen Group plc	2,814,557	5.04%
Candriam Belgium	1,681,114	3.01%
Target (treasury shares)	326,800	0.59%
Public	32,716,831	58.53%

(1) Cf. Section 4.10 of this Prospectus.

Since the announcement of the Offer, the following transparency declarations were published:

Shareholder	Reporting Date	Number of Shares held prior to transparency declaration	Number of Shares held at reporting date	% of total number of Shares
Janus Hendersen Group plc	20 May 2021	1,669,584	2,814,557	5.04%
Candriam Belgium	26 August 2021	1,485,795	1,681,114	3.01%

5.6 Management structure of the Target

5.6.1 Board of Directors

According to the publications in the Annexes to the Belgian State Gazette as at 4 October 2021, the board of directors of the Target is composed as follows:

Name	Expiry of mandate	Function	Participation in Committees
Thijs Johnny BV, (represented by its permanent representative Johnny Thijs)	After the annual shareholders' meeting of 2022	Chairman, Independent Director	Member of the Audit Committee and the Remuneration and Nomination Committee
Olivier Chapelle SRL (represented by its permanent representative Olivier Chapelle)	After the annual shareholders' meeting of 2022	Managing Director, Executive Director	Member of the Management Committee
Compagnie du Bois Sauvage Services SA (represented by its permanent representative Benoit Deckers)	After the annual shareholders' meeting of 2024	Non-executive Director	Member of the Audit Committee
Imrada BV (represented by its permanent representative Ingrid Merckx)	After the annual shareholders' meeting of 2022	Independent Director	Member of the Audit Committee

Name	Expiry of mandate	Function	Participation in Committees
Lubis BV (represented by its permanent representative Luc Missorten)	After the annual shareholders' meeting of 2024	Independent Director	Member of the Audit Committee and the Remuneration and Nomination Committee
Carpe Valorem BV (represented by its permanent representative Kurt Pierloot)	After the annual shareholders' meeting of 2024	Independent Director	Member of the Remuneration and Nomination Committee
Bois Sauvage(represented by its permanent representative Frédéric Van Gansberghe)	After the annual shareholders' meeting of 2024	Non-executive Director	Member of the Remuneration and Nomination Committee
Moroxco BV (represented by its permanent representative Elisa Vlerick)	After the annual shareholders' meeting of 2022	Independent Director	-
Carla Sinanian	After the annual shareholders' meeting of 2022	Independent Director	-

5.6.2 Executive Management

Based on information made available on the website of the Target as at 4 October 2021, the executive management team of the Target is composed as follows:

Name	Function
Olivier Chapelle	Chief Executive Officer and Group General Manager Bedding
Ralf Becker	Group General Manager Insulation
Betty Bogaert	Chief Information Officer
Jean-Pierre De Kesel	Chief Sustainable Innovation Officer
François Desné	Group General Manager Flexible Foams
Rob Nijskens	Chief Human Resource Officer
François Petit	Chief Procurement Officer

Name	Function
Dirk Verbruggen	Chief Financial Officer & General Counsel

5.6.3 Committees

In accordance with article 7:98 of the BCCA, the board of directors of the Target has set up specialised committees of an advisory nature, mainly composed of independent directors, namely (i) an Audit Committee and (ii) a Remuneration and Nomination Committee.

(i) The Audit Committee

In accordance with Article 7:99 of the BCCA, the Audit Committee supervises and makes recommendations to the board of directors regarding the financial reporting process of the Target and the integrity of the financial information, the effectiveness of the internal control and risk management systems of the Target, the internal audit, the statutory control of the annual and consolidated accounts, and the auditor's independence.

Based on information made available on the website of the Target as at 4 October 2021, the Audit Committee is composed of the following members:

Name	Function
Lubis BV (represented by its permanent representative Luc Missorten)	Chairman, independent director
Thijs Johnny BV (represented by its permanent representative Johnny Thijs)	Member, independent director
Imrada BV (represented by its permanent representative Ingrid Merckx)	Member, independent director
Compagnie du Bois Sauvage Services SA (represented by its permanent representative Benoit Deckers)	Member, non-executive director

(ii) The Remuneration and Nomination Committee

The Remuneration and Nomination Committee makes proposals to the board of directors regarding the remuneration policy and the individual remuneration of directors and members of the Management committee and prepares and explains the remuneration report at the annual shareholders' meeting. The Remuneration and Nomination Committee also ensures that the appointment and re-election process of board members and senior executive managers is organised objectively and professionally by making the necessary recommendations to the board of directors regarding the procedures and selection criteria to be implemented for the appointment of members of the board of directors, the specialised committees and the executive management as well as regarding the size and composition of those governing bodies.

Based on information made available on the website of the Target as at 4 October 2021, the Remuneration and Nomination Committee is composed of the following members:

Name	Function
Thijs Johnny BV, (represented by its permanent representative Johnny Thijs)	Chairman, independent director
Lubis BV (represented by its permanent representative Luc Missorten)	Member, independent director
Kurt Pierloot	Member, independent director
Bois Sauvage (represented by its permanent representative Frédéric Van Gansberghe)	Member, non-executive director

5.7 Financial Information

The annual financial statements and the consolidated financial statements of the Target for the year ending on 31 December 2020, as well as the annual report of the Target for the year ending on 31 December 2020, may be consulted on the website of the Target (https://www.recticel.com/sites/default/files/investors/Annual_half_year_reports/2021/Recticel_Annual%20Report%202020_Full_spreads.pdf).

The consolidated financial statements for the year ending on 31 December 2020 have been prepared in accordance with IFRS, as endorsed by the European Union.

The annual financial statements for the year ending on 31 December 2020 have been approved by the shareholders' meeting of the Target held on 25 May 2021. The consolidated financial statements have been presented to the shareholders' meeting of the Target held on 25 May 2021.

The annual financial statements and the consolidated financial statements of the Target for the year ending on 31 December 2020 have been audited by Deloitte Bedrijfsrevisoren CVBA, represented by its permanent representative Kurt Dehoorne. The auditor has made no qualifications in respect of the annual financial statements or the consolidated financial statements of the Target.

On 28 August 2020, the Target announced its consolidated half-yearly financial results, which have been the subject of a limited review by the Target's auditor, as at 30 June 2020, as available on the Target's website (https://www.recticel.com/first-half-year-2020-results-mitigated-covid-19-impact-and-key-strategic-moves.html).

On 26 February 2021, the Target announced its yearly results for the year ending on 31 December 2020, as available on the Target's website (https://www.recticel.com/recticel-annual-results-2020-solid-2nd-half-2020-and-strategic-repositioning.html).

On 27 April 2021, the Target announced its trading update for the first quarter of the year 2021, as available on the Target's website (https://www.recticel.com/recticel-trading-update-1st-quarter-2021.html).

On 19 May 2021, the Target revised its full-year 2021 guidance following the integration of FoamPartner, as available on the Target's website (https://www.recticel.com/recticel-revises-its-full-year-2021-guidance-following-integration-foampartner.html).

On 27 July 2021, the Target announced a trading update with regard to expected revenues for the first half of 2021, reconfirming its full-year 2021 guidance, as available on the Target's website (https://www.recticel.com/1h2021-sales-eur-5962-million-593-full-year-2021-guidance-confirmed.html).

On 27 August 2021, the Target announced its consolidated half-yearly financial results, which have been the subject of a limited review by the Target's auditor, as at 30 June 2021, as available on the Target's website (https://www.recticel.com/first-half-year-2021-results-strong-volumes-solid-margins-integration-foampartner.html).

The above-mentioned documents as listed in the table below, which have been previously published by the Target, are incorporated by reference in this Prospectus, in accordance with Article 13, §3 of the Takeover Law:

Document	**Hyperlink**
The annual report of the Target for the year ending on 31 December 2020, for the following sections: • Financial statements, p. 130; • Auditor's report on the consolidated financial statements, p. 224	https://www.recticel.com/sites/default/files/investors/Annual_half_year_reports/2021/Recticel_Annual%20Report%202020_Full_spreads.pdf
The annual report of the Target for the year ending on 31 December 2019, for the following sections: • Financial statements, p.138; • Auditor's report on the consolidated financial statements, p. 222	https://www.recticel.com/sites/default/files/investors/Annual_half_year_reports/2020/Annual%20Report%20Recticel_FULL%20ENG%202019.pdf
Press release of the Target in relation to the half-yearly financial results on 30 June 2020	https://www.recticel.com/first-half-year-2020-results-mitigated-covid-19-impact-and-key-strategic-moves.html
Press release of the Target in relation to the yearly results for the year ending on 31 December 2020	https://www.recticel.com/recticel-annual-results-2020-solid-2nd-half-2020-and-strategic-repositioning.html
Press release of the Target in relation to the trading update for the first quarter of the year 2021	https://www.recticel.com/recticel-trading-update-1st-quarter-2021.html

Document	Hyperlink
Press release of the Target's revised full-year 2021 guidance	https://www.recticel.com/recticel-revises-its-full-year-2021-guidance-following-integration-foampartner.html
Press release of the Target in relation to a trading update with regard to expected revenues for the first half of 2021	https://www.recticel.com/1h2021-sales-eur-5962-million-593-full-year-2021-guidance-confirmed.html
Press release of the Target in relation to the half-yearly financial results on 30 June 2021	https://www.recticel.com/first-half-year-2021-results-strong-volumes-solid-margins-integration-foampartner.html

The information so incorporated by reference forms an integral part of this Prospectus, provided that any reference in any document so incorporated by reference shall, for the purposes of this Prospectus, be deemed to be modified or superseded whenever any provision of this Prospectus modifies or supersedes any such reference (whether expressly, by implication or otherwise). Any statement so modified forms part of this Prospectus only as modified or superseded.

A list of documents incorporated by reference is attached to this Prospectus as Schedule 4. Those parts of the documents not incorporated by reference in the Prospectus are either not relevant to the Shareholders or are dealt with elsewhere in the Prospectus.

5.8 Capital structure of the Target and Securities

5.8.1 Capital

Based on information made available on the website of the Target as at 4 October 2021, the capital of the Target amounts to EUR 139,746,050 and is represented by 55,898,420 Shares without nominal value.

5.8.2 Own Shares

The shareholders' meeting of the Target held on 26 May 2020 has authorised the board of directors of the Target to acquire the Target's own Shares, on or outside the stock market, in accordance with and within the limits provided for by the BCCA and under the following conditions: (i) the par value of the own Shares held by the Target may not be higher than 20% of the capital of the Target, (ii) the acquisition price may not be less than 20% below the average closing price of the Share on Euronext Brussels during the twenty (20) days prior to the acquisition and may not be more than 20% above said average. This authorisation is valid for a period of five (5) years.

Based on information made available on the website of the Target as at 4 October 2021, the Target holds 326,800 own Shares. Section 5.5 of this Prospectus contains details about the shareholding of the Target.

5.8.3 Other securities with voting rights or that may give access to voting rights, subscription rights

Based on information made available on the website of the Target as at 4 October 2021, the Target indicates that it has 1,777,500 outstanding Subscription Rights, which, if exercised, would represent 3.08% of the capital of the Target.

The Target further indicates that it has issued the following categories of Subscription Rights:

Issue	Number of Subscription Rights issued	Number of Subscription Rights not yet exercised
April 2016	317,500	112,500
June 2017	410,000	262,500
April 2018	460,000	427,500
June 2019	500,000	477,500
March 2020	512,000	497,500

Based on information made available on the website of the Target as at 4 October 2021, if all Subscription Rights were to be exercised, the Target indicates that such exercise would have the following dilutive effect:

Situation as per 3 August 2021	Number	% actual	% fully diluted
Ordinary shares (non-diluted)	55,898,420	100.0%	96.92%
Outstanding non-exercised Subscription Rights	1,777,500	-	3.08%
Total shares (fully diluted)	57,675,920	-	100.0%

According to information made available by the Target, the Subscription Rights have been issued to the members of the Management Committee of the Target in the framework of stock option plans.

The Subscription Right Holders have the right to exercise their Subscription Rights, if applicable under the conditions determined by the board of directors of the Target, immediately in the event of a change of control (meaning a transfer, in one or more transactions, of more than fifty percent (50%) of the voting rights) or in the case of the launch of a public takeover bid on the shares of the Target.

To the knowledge of the Offeror, the Target has issued no other securities with voting rights or that may give access to voting rights other than the Securities mentioned under this Section of the Prospectus.

5.9 Group structure

A list of the companies included in the scope of consolidation of the Target can be consulted in the annual report of the Target for the year ending on 31 December 2020 (p. 180-181) (https://www.recticel.com/sites/default/files/investors/Annual_half_year_reports/2021/Recticel_Annual%20Report%202020_Full_spreads.pdf).

5.10 Evolution of the share price on Euronext Brussels

Source: FactSet (as of 21 September 2021)

6 The Offer

6.1 Characteristics of the Offer

6.1.1 Nature of the Offer

The Offer is a conditional voluntary public takeover bid launched in accordance with Chapter II of the Takeover Decree. The Offer is a cash offer.

6.1.2 Object of the Offer

The Offer relates to all Shares issued by the Target other than the 15,094,410 Shares to be acquired pursuant to the Share Purchase Agreement. The Offer therefore relates to 40,804,010 Shares of the Target, which represent 73% of the total Shares issued by the Target.

In addition, the Offer relates to 1,777,500 Subscription Rights issued by the Target.

The Shares are admitted to trading on the regulated market of Euronext Brussels under ISIN code BE0003656676.

6.1.3 Conditions precedent of the Offer

The Offer is subject to the following conditions precedent:

(i) the tendered (and not withdrawn) Shares representing or giving access to at least 23.00% of the total number of Shares plus one (1) Share at the end of the Initial Acceptance Period of the Offer, which means that, together with the Shares to be acquired by the Offeror pursuant to the Share Purchase

Agreement , the Offeror aims at obtaining Shares representing 50% of the total number of Shares plus one (1) Share;

(ii) the obtaining of regulatory Phase I approvals from competent antitrust or competition law authorities in the European Union and other relevant jurisdictions;

(iii) during the period prior to the publication of the results of the Initial Acceptance Period, the closing price of the Bel 20 index has not decreased by more than 15.0% compared to the closing price of the Bel 20 index on the day prior to the formal notification of the Offer to the FSMA in accordance with Article 5 of the Takeover Decree (i.e. 4,072.15 points on 17 May 2021). If the Offeror decides not to withdraw the Offer at a time when the closing price of the Bel 20 index is below 3,461.33 points, and this closing price subsequently rises again to this level, the Offeror will no longer be able to take advantage of this earlier and temporary fall in the Bel 20 index. Any decision by the Offeror to maintain the Offer during a period in which the closing price of the Bel 20 index has temporarily fallen below 3,461.33 points is without prejudice to the right of the Offeror to nevertheless rely on the condition and to withdraw the Offer in the event that, after a recovery, the closing price of the Bel 20 index subsequently falls below 3,461.33 points again; and

(iv) during the period prior to the publication of the results of the Initial Acceptance Period, no change or event has occurred that results in, or is reasonably likely to result in (in such case, as confirmed by an independent expert), a loss (including loss of net asset value) or liability of the Target or its subsidiaries, taken as a whole, with an impact on the consolidated net asset value of the Target and its subsidiaries on an after tax basis exceeding EUR 50 million (a "**Material Adverse Change**"); provided, however, that none of the following shall be deemed of itself to constitute a Material Adverse Change: (i) any change in the market price or trading volume of Shares; (ii) any general evolution on the stock exchange markets; (iii) any adverse effect resulting from or arising out of the announcement or completion of the Offer including any such effects on employees, customers, vendors, suppliers, distributors, partners, lenders, contractors or other third parties; (iv) any changes in applicable law (or the interpretation thereof); (v) the threat, occurrence, escalation, outbreak or worsening of any natural disaster, force majeure event, acts of war, police or military action, armed hostilities, sabotage or terrorism or (vi) any change arising out of conditions affecting the economy or industry of the Target in general which does not affect the Target in a materially disproportionate manner relative to other participants in the economy or such industry, respectively.

These conditions precedent are stipulated exclusively in favour of the Offeror, who reserves the right to waive them in whole or in part.

If any of these conditions is not fulfilled, the Offeror will announce its decision whether or not to waive them at the latest at the time the results of the Initial Acceptance Period are made public, by means of a press release which will also be available on the following websites: www.bnpparibasfortis.be/sparenenbeleggen (in Dutch) and www.bnpparibasfortis.be/epargneretplacer (in French) and on the websites of the Target (https://www.recticel.com/newsroom/press-releases.html), and the Offeror (https://www.greiner.com/en/press/newsroom).

6.2 Price of the Offer

The total consideration for the outstanding Shares and Subscription Rights under the Offer amounts up to EUR 556 million[4] in cash. This amount is determined based upon the number of outstanding Shares and Subscription Rights at the date of this Prospectus, less the Shares to be acquired by the Offeror from Bois Sauvage.

A calculation of the fully diluted number of Shares, including the Shares to be acquired by the Offeror from Bois Sauvage, is provided in Section 6.3.1 of this Prospectus (*Justification of the Share Offer Price*).

6.2.1 The Share Offer Price

The price offered for each Share tendered to the Offer amounts to EUR 13.50.

A justification of the Share Offer Price is included in Section 6.3.1 of this Prospectus (*Justification of the Share Offer Price*).

6.2.2 The Subscription Right Offer Price

The price offered for each Subscription Right tendered to the Offer varies depending on the strike price and maturity and ranges between EUR 5.20 to EUR 8.07 for each Subscription Right.

A justification of the Subscription Right Offer Price is included in Section 6.3.2 of this Prospectus (*Justification of the Subscription Right Offer Price*).

6.3 Justification of the Offer Price

6.3.1 Justification of the Share Offer Price

The Offeror offers a Share Offer Price of EUR 13.50 per Share.

Building on well-established financial theory[5], the value of a company is commonly represented by the net present value of its future cash flows. So-called control premia, which are computed as the premium of an offer price over unaffected stock prices, simply reflect the difference between this intrinsic valuation and the stock price.

According to the discounted cash flow (DCF) valuation performed, Greiner is offering a price which is higher than the midpoint of this DCF valuation. As such, Greiner considers that the price is appropriate for the acquisition of control.

While the company has identified certain areas which could lead to potential synergies on the top line, or as part of a more effective purchasing, Greiner has not quantified such synergies, and accordingly did not take them into consideration with regard to its valuation of Recticel. Achieving reduced raw materials costs could potentially be done through a joint venture (or purchasing co-operation), with the benefits being shared by both groups. Yet, further work would need to be jointly

[4] Assuming that the 1,777,500 Subscription Rights will be tendered to the Offer.

[5] *i.a.* Damodaran, Aswath. “Damodaran on Valuation: Security Analysis for Investment and Corporate Finance.” 2nd edition, Wiley, 22 August 2006, p.45f, p.886ff.

undertaken to understand to what extent such synergies would materialize, and in what timeframe. As there are few overlaps between technical and comfort foams, the two businesses mainly bring together complementary, rather than similar strengths. Accordingly, Greiner does not anticipate material cost synergies which could be quantified with reasonable certainty.

In addition, Greiner considers that the Offer Price is also reasonable taking into account the indicative valuation methods, notably the transaction multiples approach which reflects prices paid by acquirers that often do take into account the fact that 100% is acquired and the existence of cost synergies.

(i) Fully diluted number of Shares

All calculations are based on a fully diluted number of Shares for Recticel equal to 56,315,609, corresponding to the number of issued Shares as of 3 August 2021, i.e., 55,898,420 Shares, increased by the number of Shares issued as a result of the exercise of some of the outstanding Subscription Rights (based on the treasury stock method calculation[6]), i.e., 743,989 Shares, and reduced by the amount of treasury shares, i.e., 326,800 own Shares.

Fully diluted number of shares	
Number of shares outstanding	
Number of shares issued	55,898,420
Treasury shares	(326,800)
Dilutive instruments	743,989
Fully diluted number of shares	**56,315,609**

(ii) Adjustments to enterprise value

The adjustments presented below have been established on the basis of Recticel's consolidated accounts as of 30 June 2021, as well as other information published by Recticel or estimated by the Offeror.

[6] As per IAS 33, the treasury stock method computes a theoretical dilution assuming that all outstanding Subscription Rights are exercised (1,777,500 new Shares created) and that all proceeds received from the exercise of these Subscription Rights (EUR 13,952,400) are used to buy back underlying Shares at the Share Offer Price (1,033,511 Shares).

Category (in EURm)		Comments
Net debt	**(251.6)**	
Net financial debt including Other investments	*(145.1)*	*Book value as of 30/06/2021*
Drawn amounts under factoring programs	*(45.2)*	*Book value as of 30/06/2021*
Lease debt (IFRS 16)	*(61.3)*	*Book value as of 30/06/2021*
Minorities	**(1.0)**	Book value as of 30/06/2021
Pensions and similar obligations	**(50.9)**	Book value as of 30/06/2021
Financial investments	**29.9**	Book value as of 30/06/2021
Other adjustments	**(24.0)**	
Non-current provisions	*(19.3)*	*Book value as of 30/06/2021*
Current provisions	*(6.0)*	*Book value as of 30/06/2021*
Assets held for sale	*1.3*	*Book value as of 30/06/2021*
EV-EqV	**(297.5)**	

(iii) Valuation methodology

The Share Offer Price has been assessed according to a multi-criteria approach relying on the valuation methods and points of reference below:

Valuation methods

(a) Analysis of discounted cash flows;

(b) Analysis of the trading multiples (for indicative purposes only);

(c) Analysis of the transaction multiples (for indicative purposes only).

Points of reference

(d) Analysis of the historical share price performance;

(e) Analysis of broker target prices.

(a) Analysis of discounted cash flows

This methodology consists in computing the value of Recticel's assets (intrinsic value) by discounting the expected cash flows generated by these assets. The equity value attributable to Recticel's Shareholders is obtained by adding to or subtracting from the enterprise value of Recticel, as the case may be, the sum of the net cash and other elements of adjustments.

The discounted cash flows valuation was computed as of 31 March 2021 (end of the first quarter of the financial year 2021). The valuation period encompasses the financial years 2021 to 2029 (from 1 April 2021 to 31 December 2029[7]). The cash flows were discounted using a conventional cash flow reception at mid-year. This valuation method has been applied over the financial years 2021 to 2029, with a

[7] For the cash flow retained and falling due for the period between 1 April 2021 and 31 December 2021, it is assumed this occurs in the mid-period between 1 April 2021 and 31 December 2021.

terminal value computation, using the Gordon-Shapiro formula, based on a normalised free cash flow after the financial year 2029.

Since the Offeror cannot reasonably judge to what extent a divestment of the Bedding business segment (the intention of which had been announced by the Target on 26 February 2021) is feasible, nor in what timeframe such a divestment could materialize, it has included the Bedding business segment as part of its DCF valuation throughout the forecasting period, and as part of the terminal value computation. Reference is made to the independent brokers covering the Recticel share, which unanimously include the Bedding segment either explicitly (Sum-of-the-Parts) or implicitly (Group DCF) as integral part of their valuations.

As for the indicative valuation methods, the treatment of the Bedding division has been explained in the respective sections.

(i) Business plan assumptions

The Offeror had no access to a business plan drawn up by Recticel's management and hence used all publicly available broker estimates for the financial years 2021 to 2023 for sales, operating margin and cash flows. An according table is presented below, with all broker reports published prior to 12 May 2021. The Offeror considers these estimates to be in line with its own views regarding the future business of Recticel. Over the financial years 2024 to 2029, business plan figures have been extrapolated based on the Offeror's own assumptions for Recticel's business development.

For its valuation of discounted cash flows, the Offeror has retained the average consensus. Due to the reasons presented in Section 6.3.1(iii)(a)(iv) of this Prospectus, the Offeror does not base its intrinsic valuation on a consensus post revision of the guidance, which was only issued after the Offeror's announcement of the intention to launch a public takeover bid. It is also noted that no guidance had been provided beyond fiscal year 2021.

However, for illustrative purposes, such exercise has been undertaken in Section 6.3.1(iii)(a)(iv)(iv)(v) of this Prospectus.

Based on the aforementioned estimates, the Offeror has built its own business plan with the following hypotheses:

- Sales growth rates according to broker estimates for the financial years 2021 to 2023 – representing a compounded annual growth rate of c.4.2% since the financial year 2021, driven mainly by Covid-19 rapid recovery as well as the acquisition of FoamPartner. This compares to a historical 2018 to 2020 CAGR of -3.4%[8];
- Steady increase in EBITDA expected according to broker estimates for the financial years 2021 to 2023 (c.13.6% compounded annual growth rate between the financial year 2021 and the financial year 2023); This compares to a historical 2019 to 2020 CAGR of -16.8%[9];

[8] excl. Sales from divested Automotive Division

[9] excl. EBITDA from divested Automotive Division – no IFRS-16 re-statements available for the financial year 2018 and before

- EBITDA margin expected to reach 9.6%, 10.9% and 11.4% in 2021, 2022 and 2023, respectively. This compares to a historical 2019 to 2020 average of 7.6%;

- Depreciation & Amortisation expense ("D&A") is computed as the difference between EBITDA and EBIT broker estimates. Implicitly, D&A is expected to be c.4.5% as the average percentage of sales for the financial years 2021 to 2023. This compares to a historical 2019 to 2020 average of 4.2% of sales;

- Capital expenditures ("Capex") expected to be stable as a percentage of sales (c.3.4%), according to the average of broker estimates for the financial years 2021 to 2023. This compares to a historical financial years 2018 to 2020 average capex over sales ratio of 3.8%[10];
- Changes in trade working capital levels as a percentage of sales projected to be c.-0.8% p.a. as working capital intensity shall stabilise, according to broker estimates for the financial years 2021 to 2023. This compares to a historical financial years 2019 to 2020 average change in working capital over sales ratio of 0.9% p.a.;
- Taxes projected according to Belgian nominal corporate income tax of 25.0% as of 2020.

[10] excl. Capex from divested Automotive Division

Broker consensus - Estimates used in prospectus			
P&L item (EURm)	**2021e**	**2022e**	**2023e**
Sales[(1)]			
Consensus average	1,138	1,219	1,245
Consensus median	1,119	1,221	1,239
Sales (excl. Gór-Stal acquisition)[(1)]			
Consensus average	1,131	1,204	1,228
Consensus median	1,114	1,209	1,228
Adjusted EBITDA[(1)]			
Consensus average	110	133	143
Consensus median	110	131	140
Adjusted EBITDA (excl. Gór-Stal acquisition)[(1)]			
Consensus average	109	131	140
Consensus median	109	129	138
Adjusted EBIT[(1)]			
Consensus average	57	79	88
Consensus median	56	75	83
Adjusted EBIT (excl. Gór-Stal acquisition)[(1)]			
Consensus average	57	77	87
Consensus median	55	74	82
Non-recurring items[(1)]			
Consensus average	(5)	(1)	0
Consensus median	(5)	0	0
Capex[(1)]			
Consensus average	39	42	42
Consensus median	38	39	38
Trade working capital[(2)]			
Consensus average	123	129	129
Consensus median	123	129	129

(1) Consensus includes estimates from Kepler Cheuvreux (29/04/2021), ING (24/03/2021), Berenberg (19/03/2021), KBC Securities (03/03/2021)
(2) Consensus includes estimates from Kepler Cheuvreux (29/04/2021), Berenberg (19/03/2021)

With the exception of KBC Securities, brokers include estimates resulting from the Gór-Stal acquisition in their forecasts. However, since this transaction has not yet been completed, and, per disclosure of the Target, will only close in the fourth quarter of 2021, it was not considered in this valuation methodology. Therefore, the Offeror retained the average consensus for sales, adjusted EBITDA and adjusted EBIT excluding the impact of Gór-Stal. These figures were computed by removing Gór-Stal's contributions from the average sales, adjusted EBITDA and adjusted EBIT consensus:

Kepler Cheuvreux - P&L estimates from Gór-Stal acquisition[(1)]			
Items (EURm)	**2021e**	**2022e**	**2023e**
Sales	9.2	20.2	22.2
Adj. EBITDA	1.4	3.0	3.3
Adj. EBIT	0.8	1.8	2.1

(1) Kepler Cheuvreux (31/03/2021)

Over the financial years 2024 to 2029, business plan figures have been extrapolated under the following assumptions:

- A compounded annual growth rate of sales of c.1.7% between the financial year 2024 and the financial year 2029 with the growth rate decreasing linearly to a normative perpetual growth rate of 1.5%;
- EBITDA margin stable as from the financial year 2023 onward;
- Capital expenditures are assumed to be stable at 3.4% as a percentage of sales from the financial year 2023 onward;
- The capital expenditures/Depreciation & Amortisation expense ratio stable at 100% as from the financial year 2026 onward;
- Trade working capital relative to sales stable as from the financial year 2023 onward;
- Belgian nominal corporate income tax rate (T) of 25.0%[11] as of 2020.

(ii) WACC computation and PGR assumption

A weighted average cost of capital equal ("WACC") of 9.41% has been retained. The following assumptions were applied:

- An unlevered beta (β_U) of 0.99 consistent with the average of betas implied by a sample of foam, insulation and bedding peer companies (Source: Barra, average between peers' local indices and MSCI Worldwide index);
- A leverage ratio (debt / equity value, Lr) of 20%, in line with the peers' average capital structure[12] (Source: FactSet and peers' information);
- A risk-free rate (Rf) of -0.29% corresponding to the 3-month average yield as of 11 May 2021 of the 10-year German government bond (Source: Bloomberg);
- An equity risk premium (ERP) of 7.77%, corresponding to the 3-month average as of 11 May 2021 of the equity risk premium computed by Exane BNP Paribas – reference market considers all Exane covered companies, therefore being a proxy to Stoxx Europe 600;
- A country risk premium (CRP) of 0.42%, based on FY 2020 geographic revenue split of Recticel[13] and BNP Paribas country risk premium calculation methodology:

[11] The Offeror cannot reasonably estimate the Target's projected effective tax rate. Historically, the Target's stated actual tax rate fluctuated between 23.5% (2018), 22.8% (2019) and 21.6% (2020). Accordingly, in line with well-established valuation practices, the Offeror opted for applying the marginal tax rate applicable per the Target's Annual Report 2020, which is the Belgian nominal corporate income tax rate of 25.0%.

[12] The peers considered are in accordance with listed comparable companies' methodology shown in Section 6.3.1(iii)(d) of this Prospectus. Foams: BASF, Covestro, Dow and Huntsman. Insulation: Kingspan, Owens Corning, Rockwool and Saint-Gobain. Bedding: Beter Bed, Tempur Sealy and Yatas Yatak. Additionally, peers' capital structures are according to IFRS 16 standards.

[13] The Offeror understands that Recticel conducts business in the following regions, which have been reflected in the calculation of the country risk premium by applying a weighted average approach based on Recticel's respective revenues in 2020 as published by the company and as provided by FactSet where estimates had been available: United Kingdom (16.5%), Belgium (15.7%), Germany (13.7%), France (12.9%), Italy (7.1%), Spain (5.0%), Netherlands (3.3%), Rest of Europe (15.7%, comprising Austria, Czech Republic, Estonia, Finland, Luxembourg, Norway, Poland, Romania, Slovenia, Sweden, Switzerland, and Turkey), United States of America (2.2%), and Rest of World (8.0%, comprising China, India, and Morocco).

– According to financial theory, the country risk premium is defined as the additional return that would be required by bond or equity holders to compensate i.a. for additional currency and political risk, but also for default risk. Greiner reflected inflation expectations and the real risk-free rate through application of the yield to maturity of 10-year German government bond, which is rated AAA by Standard & Poor's, Moody's Investors Services and Fitch Ratings (Source: Bloomberg).

– For indicative purposes, reference is made to the yield spread between the 10-year German government bond and the local 10-year Belgium government bond, rated AA by S&P, Aa3 by Moody's, and AA- (negative) by Fitch Ratings. On the reference date 11 May 2021, the yield spread amounted to 0.35% (spot rate), and 0.28% (3-month average yield), respectively (Source: Bloomberg).

- A size premium (Sp) of 1.93%; depending on their size, companies support additional risks due to several factors, such as smaller management teams, lower access to financing, lower efficiency in cost structure, greater sensitivity to economic environment from lack of diversification, etc. This motivates the use of a size premium in the weighted average cost of capital computation. Per data of Duff & Phelps (Source: Duff & Phelps 2018 Valuation Handbook – International Guide to Cost of Capital), the following size premiums are applicable to account for the aforementioned factors, with the equity value range being based on the equity value implied by the Share Offer Price:

Equity value	
Range	**Size premium**
€1m - €7m	13.72%
€7m - €15m	9.28%
€15m - €27m	6.75%
€27m - €41m	5.30%
€41m - €63m	4.32%
€63m - €99m	3.55%
€99m - €153m	2.95%
€153m - €227m	2.53%
€227m - €341m	2.25%
€341m - €543m	2.05%
€543m - €835m	1.93%
€835m - €1,411m	1.86%
€1,411m - €2,423m	1.80%
€2,423m - €4,589m	1.70%
€4,589m - €10,525m	1.44%
€10,525m - €69,863m	(0.49%)

The Offeror further notes that in its Annual Report 2020, Recticel applies a small cap premium in its calculation of its Group-based pre-tax discount rate of 1.65%.

- A pre-tax cost of debt (CoD) of 2.32%, in line with Recticel's cost of debt (Source: Recticel's Annual Report 2020).

The WACC was computed on the basis of the following formulas:

- WACC = [Lr x CoD x (1 – T) + CoE] / (1 + Lr)
- Cost of Equity = Rf + β_L x ERP + CRP + Sp
- β_L = β_U x [1 + Lr x (1 – T)]

Additionally, a perpetual growth rate ("PGR") of 1.5% has been retained. This perpetual growth rate is in line with the 10-15 year average rate of inflation in the Euro zone (Source: Average historical inflation rates for the last 15 years as quoted by the European Central Bank per 11 May 2021).

(iii) DCF valuation summary

A normalised free cash flow of EUR 86.3 million has been retained for the calculation of the terminal value. The terminal value represents 55% of the total enterprise value.

DCF valuation summary		
NPV of 2021-2029 FCF (EURm)	45%	430
NPV of Terminal Value (EURm)	55%	519
DCF central enterprise value (EURm)	**100%**	**949**
EV-Eq.V adjustments (EURm)		298
Fully diluted number of shares (m)		56
Equity price per share (EUR)		11.57
Share Bid Price premium		16.7%

Finally, some sensitivity analyses of the equity value per Share have been carried out, assuming small deviations of the cost of capital and the perpetual growth rate, as follows:

- Weighted average cost of capital (WACC) between 8.41% and 10.41% (+/- 50 basis points deviations)
- Perpetual growth rate between 1.00% and 2.00% (+/- 25 basis points deviations)

Share price (€)		WACC				
		8.41%	**8.91%**	**9.41%**	**9.91%**	**10.41%**
PGR	**1.00%**	13.27	12.08	11.02	10.09	9.25
	1.25%	13.64	**12.39**	**11.29**	**10.31**	9.45
	1.50%	14.04	**12.72**	**11.57**	**10.55**	9.65
	1.75%	14.47	**13.08**	**11.87**	**10.81**	9.87
	2.00%	14.93	13.46	12.19	11.08	10.11

On the basis of these analyses, for a WACC ranging from 8.91% to 9.91% and for a perpetual growth rate ranging from 1.25% to 1.75%, the enterprise value (post IFRS-16) of Recticel ranges between EUR 878 million and EUR 1,034 million, corresponding to an equity value per Share from EUR 10.31 to EUR 13.08. The Share Offer Price represents a premium of 16.7% on the central value obtained through the discounted cash flow (DCF) methodology, a 30.9% premium to the lower end of the discounted cash flow valuation range and 3.2% premium to the upper end.

For a WACC ranging from 8.41% to 10.41% and for a perpetual growth rate ranging from 1.00% to 2.00%, the enterprise value (post IFRS-16) of Recticel ranges between EUR 818 million and EUR 1,138 million, corresponding to an equity value per Share from EUR 9.25 to EUR 14.93. The Share Offer Price represents a premium of 16.7% on the central value obtained through the discounted cash flow (DCF) methodology, a 45.9% premium to the lower end of the discounted cash flow valuation range and 9.6% discount to the upper end.

It should be noted that, since the PGR is linked to inflation, it is unlikely that a higher PGR would occur at the same time as a lower WACC. Even in case of higher inflation, it is likely that interest rates would also be higher. The most common effect would be for a higher PGR to partially offset an increase in WACC due to higher interest rates.

(iv) Further considerations on business plan assumptions

The Offeror has taken due notice of the Target's trading update for the first quarter 2021, and reflected the financial data to the extent to which it could substantiate the information provided, notably with regard to the Target's financial position. The Offeror notes that in the outlook, the Target confined itself to largely qualitative statements, arguing that "underlying end-use markets remain difficult to predict in the context of the COVID-19 pandemic", and expecting to realize a "substantial increase in sales". Excluding the contributions from the FoamPartner and Gór-Stal acquisitions, the Target guided for an increase in its Adjusted EBITDA of "at least 30%". Since the Offeror did not have access to a detailed business plan explaining the qualitative statements, it could not verify, or extrapolate, Recticel's assumptions. To the extent independent broker reports discussing the trading update had been made accessible before the reference date 11 May 2021, which is the last trading day prior to exceptional share price developments unrelated to any general equity market developments nor company specific announcements, the Offeror had taken these reports into account as far as those provided a sufficient level of detail.

The Offeror has taken notice of the Target's revised guidance which was issued on 19 May 2021, which was after the Offeror's announcement of the intention to launch a public takeover bid (14 May 2021) and ahead of the update that was planned to be provided during the first half year results on 27 August 2021 as mentioned in Recticel's press release for the trading update of the first quarter of 2021.

In this revised guidance, Recticel discloses that instead of an increase in Adjusted EBITDA of "at least 30%", excluding the contributions from the FoamPartner and Gór-Stal acquisitions, Recticel now expects "Adjusted EBITDA to end up in a range between EUR 123 million to EUR 133 million for the full year 2021, including the contributions of FoamPartner (9 months) and its related synergies". Since the Offeror did not have access to a detailed business plan explaining the underlying assumptions, in particular with regard to expected group sales, synergy assumptions pertaining to the referenced FoamPartner acquisition, and margin development drivers, it cannot validate the statements made by Recticel. It is also noted that no guidance had been provided beyond fiscal year 2021.

(v) Illustrative discounted cash flows analysis based on the broker consensus after Recticel's guidance revision

Due to the reasons presented in Section 6.3.1(iii)(a)(iv) of this Prospectus, the Offeror does not base its intrinsic valuation on a consensus post revision of the guidance. Notwithstanding, the Offeror has performed such exercise for illustrative purposes in the following.

For its illustrative valuation of discounted cash flows, the Offeror has, consistent with the approach in Section 6.3.1(iii)(a)(iv)(iv)(i), retained the average consensus. An according table is presented below, showing the latest broker forecasts available to the Offeror as of 27 August 2021, after the Target's revised guidance, published on 19 May 2021, as well as, implicitly, any other share price relevant information the Target has issued after the announcement of the Offeror to launch a voluntary public tender offer for all shares outstanding of the Target.

Therefore, the Offeror has built an illustrative business plan with the following hypotheses:

- Sales growth rates according to broker estimates for the financial years 2021 to 2023 – representing a compounded annual growth rate of c.1.2% since the financial year 2021, driven mainly by Covid-19 rapid recovery as well as the acquisition of FoamPartner. This compares to a historical 2018 to 2020 CAGR of -3.4%[14];
- Steady increase in EBITDA expected according to broker estimates for the financial years 2021 to 2023 (c.9.0% compounded annual growth rate between the financial year 2021 and the financial year 2023); This compares to a historical 2019 to 2020 CAGR of -16.8%[15];
  - EBITDA margin expected to reach 10.2%, 11.1% and 11.8% in 2021, 2022 and 2023, respectively. This compares to a historical 2019 to 2020 average of 7.6%;
  - Depreciation & Amortisation expense ("D&A") is computed as the difference between EBITDA and EBIT broker estimates. Implicitly, D&A is expected to be c.4.1% as the average percentage of sales for the financial years 2021 to 2023. This compares to a historical 2019 to 2020 average of 4.2% of sales;
- Capital expenditures ("Capex") expected to be stable as a percentage of sales (c.3.0%), according to the average of broker estimates for the financial years 2021 to 2023. This compares to a historical financial years 2018 to 2020 average capex over sales ratio of 3.8%[16];

Changes in trade working capital levels as a percentage of sales projected to be c.-0.9% p.a. as working capital intensity shall stabilise, according to broker estimates for the financial years 2021 to 2023. This compares to a historical financial years 2019 to 2020 average change in working capital over sales ratio of 0.9% p.a.

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[14] excl. Sales from divested Automotive Division

[15] excl. EBITDA from divested Automotive Division – no IFRS-16 re-statements available for the financial year 2018 and before

[16] excl. Capex from divested Automotive Division

Broker consensus - Estimates used in prospectus (post revised guidance)

P&L item (EURm)	2021e	2022e	2023e
Sales(1)			
Consensus average	1,236	1,267	1,279
Consensus median	1,243	1,255	1,280
Sales (excl. Gór-Stal acquisition)(1)			
Consensus average	1,226	1,246	1,257
Consensus median	1,233	1,235	1,258
Adjusted EBITDA(1)			
Consensus average	126	141	152
Consensus median	126	143	155
Adjusted EBITDA (excl. Gór-Stal acquisition)(1)			
Consensus average	125	138	149
Consensus median	125	140	152
Adjusted EBIT(2)			
Consensus average	73	87	98
Consensus median	72	90	99
Adjusted EBIT (excl. Gór-Stal acquisition)(2)			
Consensus average	72	85	95
Consensus median	71	88	97
Non-recurring items(2)			
Consensus average	(7)	(2)	(1)
Consensus median	(7)	(2)	(1)
Capex(2)			
Consensus average	37	37	36
Consensus median	38	39	37
Trade working capital(3)			
Consensus average	129	135	135
Consensus median	132	132	133

(1) Consensus includes estimates from Kepler Cheuvreux (27/08/2021), KBC Securities (25/08/2021), ING (07/06/2021), Berenberg (27/05/2021)
(2) Consensus includes estimates from Kepler Cheuvreux (27/08/2021), ING (07/06/2021), Berenberg (27/05/2021)
(3) Consensus includes estimates from Kepler Cheuvreux (27/08/2021), Berenberg (27/05/2021)
Note: All brokers' estimates are based on post IFRS-16
Source: Factset, Refinitiv as of 27/08/2021

[17]

[17] The Offeror notes that in the file made available on its website (https://www.recticel.com/sites/default/files/investors/Consensus_estimates/Consensus_Input_Sheet_FY2021-2023_(May2021)_(Average_4_brokers).pdf), per its disclosure in the document, Recticel is assumed to provide the consensus as published in the period 27 May – 09 June 2021. To the knowledge of the Offeror, during this "Date of input" period, four brokers issued reports, namely KBC Securities (financial forecasts identical to the later report retained by the Offeror), Kepler Cheuvreux (financial forecasts identical to the later report retained by the Offeror), Berenberg, and ING. Based on the four brokers which published reports in the period referenced by Recticel, the Offeror derives a consensus for 2021e sales of EURm 1,236 (not adjusting for the Gór-Stal impact), which compares to EURm 1,219 as retained by Recticel; a consensus for 2022e sales of EURm 1,267, comparing to EURm 1,266 as determined by Recticel; a consensus for 2023e sales of EURm 1,279, comparing to EURm 1,290 as determined by Recticel. The Offeror cannot explain these differences, as per Recticel's disclosure, both parties should have referenced the same broker data as available to the public. The Offeror further notes that it cannot substantiate the financial data provided on a segment level, as to the knowledge of the Offeror, brokers such as e.g. Kepler Cheuvreux and Berenberg do not publicly disclose the data to the extent as published by Recticel.

All brokers include estimates resulting from the Gór-Stal acquisition in their forecasts. However, since this transaction has not yet been completed, it was not considered in this valuation methodology. Therefore, the methodology applied in Section 6.3.1(iii)(a)(iv)(iv)(iv) was replicated, where the Offeror retained the average consensus for sales, adjusted EBITDA and adjusted EBIT excluding the impact of Gór-Stal. These figures were computed by removing Gór-Stal's contributions from the average sales, adjusted EBITDA and adjusted EBIT consensus.

Over the financial years 2024 to 2029, business plan figures have been extrapolated under the following assumptions:

- A compounded annual growth rate of sales of c.1.2% between the financial year 2024 and the financial year 2029 with the growth rate increasing linearly to a normative perpetual growth rate of 1.5%; this compares to a previously retained compounded annual growth rate of 1.7%, also linearly extrapolated to reach the same normative perpetual growth rate of 1.5%, with the difference relating to the difference in the implied growth rates as forecast by brokers in the years 2022 and 2023. Whereas the broker consensus previously forecast on average an implied sales growth of 36.5%, 6.4%, and 2.1%, respectively, for the years 2021, 2022, and 2023, pursuant to Recticel's revised guidance, this had been adjusted to 48.0%, 1.6%, and 0.8%. As such, it appears that the guidance update has been rather interpreted by brokers as relating to market recovery in 2021 and to the integration of FoamPartner. Reference is made to the tables as provided on page 46, and page 52, respectively, of this Prospectus;
- EBITDA margin stable as from the financial year 2023 onward, i.e. 11.8%; this compares to a previously retained EBITDA margin of 11.4%;
- Capital expenditures are assumed to be stable at 3.0% as a percentage of sales from the financial year 2024 onward; this compares to previously retained capital expenditures assumed to be stable at 3.4% as a percentage of sales;
- The capital expenditures/Depreciation & Amortisation expense ratio stable at 100% as from the financial year 2026 onward;
- Trade working capital relative to sales stable as from the financial year 2023 onward;
- Belgian nominal corporate income tax rate (T) of 25.0%[18] as of 2020.

The same weighted average cost of capital equal ("WACC") of 9.41%, and the same perpetual growth rate ("PGR") of 1.5% have been retained for this exercise, to allow for comparability.

A normalised free cash flow of EUR 94.2 million has been retained for the calculation of the terminal value. The terminal value represents 54% of the total enterprise value.

[18] The Offeror cannot reasonably estimate the Target's projected effective tax rate. Historically, the Target's stated actual tax rate fluctuated between 23.5% (2018), 22.8% (2019) and 21.6% (2020). Accordingly, in line with well-established valuation practices, the Offeror opted for applying the marginal tax rate applicable per the Target's Annual Report 2020, which is the Belgian nominal corporate income tax rate of 25.0%.

DCF valuation summary		
NPV of 2021-2029 FCF (EURm)	46%	485
NPV of Terminal Value (EURm)	54%	567
DCF central enterprise value (EURm)	**100%**	**1,052**
EV-Eq.V adjustments (EURm)		298
Fully diluted number of shares (m)		56
Equity price per share (EUR)		13.40
Share Bid Price premium		0.7%

Finally, some sensitivity analyses of the equity value per Share have been carried out, assuming small deviations of the cost of capital and the perpetual growth rate, as follows:

- Weighted average cost of capital (WACC) between 8.41% and 10.41% (+/- 50 basis points deviations)
- Perpetual growth rate between 1.00% and 2.00% (+/- 25 basis points deviations)

Share price (€)						
		WACC				
		8.41%	**8.91%**	**9.41%**	**9.91%**	**10.41%**
PGR	**1.00%**	15.27	13.96	12.80	11.78	10.86
	1.25%	15.67	**14.30**	**13.09**	**12.03**	11.08
	1.50%	16.11	**14.66**	13.40	**12.29**	11.30
	1.75%	16.57	**15.05**	**13.73**	**12.57**	11.54
	2.00%	17.08	15.47	14.08	12.87	11.80

On the basis of these analyses, for a WACC ranging from 8.91% to 9.91% and for a perpetual growth rate ranging from 1.25% to 1.75%, the enterprise value (post IFRS-16) of Recticel ranges between EUR 975 million and EUR 1,145 million, corresponding to an equity value per Share from EUR 12.03 to EUR 15.05. The Share Offer Price represents a premium of 0.7% on the central value obtained through the discounted cash flow (DCF) methodology, a 12.3% premium to the lower end of the discounted cash flow valuation range and 10.3% discount to the upper end.

For a WACC ranging from 8.41% to 10.41% and for a perpetual growth rate ranging from 1.00% to 2.00%, the enterprise value (post IFRS-16) of Recticel ranges between EUR 909 million and EUR 1,259 million, corresponding to an equity value per Share from EUR 10.86 to EUR 17.08. The Share Offer Price represents a 24.3% premium to the lower end of the discounted cash flow valuation range and 20.9% discount to the upper end.

It should be noted that, since the PGR is linked to inflation, it is unlikely that a higher PGR would occur at the same time as a lower WACC. Even in case of higher inflation, it is likely that interest rates would also be higher. The most common effect would be for a higher PGR to partially offset an increase in WACC due to higher interest rates.

(b) Trading multiples of listed comparable companies (for indicative purposes only)

This methodology determines the value of Recticel by applying the multiples observed on a sample of comparable listed companies per Recticel business segment, admitted to trading on regulated markets, to the estimated financial aggregates of Recticel's respective business segments. The selected sample of comparable companies is composed of eleven companies based on the divisions of Recticel Engineered Foams, Insulation and Bedding.

Selected comparable companies

1 Engineered Foams

(a) BASF

Founded in 1865, BASF SE engages in the provision of chemical products. The company operates business through its six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF produces styrenic foams through the Petrochemicals sub-segment of its Chemicals segment.

(b) Covestro

Established as a legally independent company in 2015, Covestro AG arose from the Bayer Group's chemicals and plastics unit. The company currently operates through three business units: Polyurethanes (PUR), Polycarbonates (PCS), and Coatings, Adhesives, Specialties (CAS). As of July 21, 2021, the three business units were restructured into seven business entities: Tailored Urethanes, TPU, Coatings and Adhesives, Elastomers, Engineering Plastics, Specialty Firms and Performance Materials. In the PUR segment, Covestro develops, produces and markets chemical precursors for the manufacture of polyurethane foams.

(c) Dow

Founded in 1897, Dow Inc. is a materials science company. The company operates through three segments: Packaging & Specialty Plastics, Industrial Intermediates & Infrastructure and Performance Materials & Coatings. Through the Polyurethanes & Construction Chemicals sub-segment of its Industrial Intermediates & Infrastructure segment, the company produces fully formulated polyurethane systems for rigid, semi-rigid and flexible foams.

(d) Huntsman

Founded in 1970, Huntsman Corp. is a manufacturer of various organic chemical products. The company operates through its four segments: Polyurethanes, Advanced Materials, Performance Products and Textile Effects. Huntsman produces comfort foams for bedding and furniture through its Polyurethanes segment.

2 Bedding

(a) Beter Bed

Founded in 1981, Beter Bed Holding NV engages in the provision of beds and sleep products. Beter Bed operates through four brands: Beter Bed, Beddenreus, DBC International and Sängjätten.

(b) Tempur Sealy

Founded in 1992, Tempur Sealy International Inc. is the world's largest bedding provider. The company develops, manufactures and markets mattresses, adjustable bases, pillows and other sleep products. Tempur Sealy operates under two reporting segments: North America and International. The company's product brands include Tempur-Pedic, Stearns & Foster, Sealy, Cocoon by Sealy, Comfort Revolution and other non-branded products. Additionally, the company's retail brands include Tempur-Pedic, Sleep Outfitters, Sleep Solutions Outlet and SOVA.

(c) Yatas Yatak

Founded in 1976, Yatas Yatak ve Yorgan Sanayi Ticaret AS engages in the production and sale of home textile products and modular furniture. Its products include mattresses, storage beds and headboards, pillow and quilts, seat, modular and home textiles.

3 Insulation

(a) Kingspan

Founded in 1965, Kingspan Group Plc engages in the manufacture of insulation and building envelopes. The company operates its business through its five segments: Insulated Panels, Insulation Boards, Water & Energy, Data & Flooring and Light & Air. Kingspan offers insulation products through its Insulated Panels and Insulation Boards segments.

(b) Owens Corning

Founded in 1938, Owens Corning engages in the development, manufacture and marketing of insulation, roofing and fiberglass composites. The company operates through three segments: Composites, Insulation and Roofing.

(c) Rockwool

Founded in 1909, Rockwool International A/S engages in the development and manufacturing of stone wools. The company operates its business through two segments: Insulation and Systems.

(d) Saint-Gobain

Founded in 1665, Compagnie de Saint-Gobain SA engages in the design, manufacture and distribution of materials and solutions for the construction, mobility, healthcare and other industrial application markets. The company operates through its five segments: High Performance Solutions (HPS), Northern Europe, Southern Europe – Middle East (ME) & Africa, Americas and Asia-Pacific. Saint-Gobain's insulation solutions are mainly sold under the global ISOVER brand.

Comparable companies' fiscal years end on 31 December of each year, therefore calendarisation of trading peers' financials was not required to allow comparability.

The subsequent tables benchmark historical financial metrics of the peers described above and selected projections related to these metrics derived from broker consensus:

All data in EURm May 11, 2021	Sales			EBITDA			EBIT		
	2019	2020	CAGR 19-20	2019	2020	CAGR 19-20	2019	2020	CAGR 19-20
Foam peers									
BASF	59,316	59,149	(0.3%)	8,324	7,435	(10.7%)	4,643	3,560	(23.3%)
Covestro	12,412	10,706	(13.7%)	1,604	1,472	(8.2%)	852	696	(18.3%)
Dow	35,850	32,170	(10.3%)	6,529	5,069	(22.4%)	3,706	2,328	(37.2%)
Huntsman	5,673	5,023	(11.5%)	753	595	(21.0%)	405	376	(7.1%)
Average - Foam peers	**28,313**	**26,762**	**(8.9%)**	**4,302**	**3,643**	**(15.6%)**	**2,402**	**1,740**	**(21.5%)**
Median - Foam peers	**24,131**	**21,438**	**(10.9%)**	**4,066**	**3,271**	**(15.8%)**	**2,279**	**1,512**	**(20.8%)**
Insulation peers									
Kingspan	4,659	4,576	(1.8%)	580	596	2.9%	475	485	2.0%
Owens Corning	5,976	5,889	(1.5%)	1,146	1,208	5.4%	697	737	5.8%
Rockwool	2,757	2,602	(5.6%)	548	522	(4.7%)	372	338	(9.1%)
Saint-Gobain	42,573	38,128	(10.4%)	4,870	4,415	(9.3%)	3,390	2,855	(15.8%)
Average - Insulation peers	**13,991**	**12,799**	**(4.8%)**	**1,786**	**1,685**	**(1.4%)**	**1,233**	**1,104**	**(4.3%)**
Median - Insulation peers	**5,318**	**5,232**	**(3.7%)**	**863**	**902**	**(0.9%)**	**586**	**611**	**(3.6%)**
Bedding peers									
Beter Bed	186	222	19.5%	21	33	57.5%	(0)	13	nm
Tempur Sealy	2,593	3,069	18.4%	477	714	49.6%	339	529	56.2%
Yatas Yatak	125	187	49.8%	23	35	53.0%	17	27	65.5%
Average - Bedding peers	**968**	**1,159**	**29.2%**	**174**	**261**	**53.4%**	**118**	**190**	**60.9%**
Median - Bedding peers	**186**	**222**	**19.5%**	**23**	**35**	**53.0%**	**17**	**27**	**60.9%**
Overall Average	**15,647**	**14,702**	**3.0%**	**2,261**	**2,009**	**8.4%**	**1,354**	**1,086**	**1.9%**
Overall Median	**5,673**	**5,023**	**(1.8%)**	**753**	**714**	**(4.7%)**	**475**	**529**	**(8.1%)**
Recticel	**878**	**829**	**(2.9%)**	**71**	**59**	**(8.8%)**	**35**	**23**	**(32.5%)**

Sources: Companies, FactSet as of 11 May 2021. For the US peers, in regards to IFRS-16, operating lease expenses are included in the EBITDA and their respective interest component in EBIT

All data in EURm Calendarised as of 31/12 May 11, 2021	Sales Growth (%)		EBITDA Margin (%)		EBIT Margin (%)	
	2021e	2022e	2021e	2022e	2021e	2022e
Foam peers						
BASF	12.9%	1.6%	14.6%	14.7%	8.7%	8.9%
Covestro	24.5%	4.9%	18.8%	17.6%	13.0%	11.8%
Dow	22.9%	1.0%	20.4%	19.1%	13.8%	12.5%
Huntsman	21.1%	3.6%	16.4%	16.1%	11.4%	11.5%
Average - Foam peers	**20.4%**	**2.8%**	**17.6%**	**16.9%**	**11.7%**	**11.2%**
Median - Foam peers	**22.0%**	**2.6%**	**17.6%**	**16.9%**	**12.2%**	**11.6%**
Insulation peers						
Kingspan	19.5%	8.0%	12.7%	12.9%	10.0%	10.3%
Owens Corning	12.4%	4.1%	22.6%	22.2%	15.8%	15.7%
Rockwool	7.8%	5.6%	19.9%	20.5%	12.3%	12.8%
Saint-Gobain	6.7%	2.9%	13.2%	13.5%	8.7%	9.1%
Average - Insulation peers	**11.6%**	**5.1%**	**17.1%**	**17.3%**	**11.7%**	**12.0%**
Median - Insulation peers	**10.1%**	**4.9%**	**16.6%**	**17.0%**	**11.1%**	**11.6%**
Bedding peers						
Beter Bed	(0.7%)	4.7%	15.5%	16.3%	8.4%	9.0%
Tempur Sealy	22.1%	5.6%	23.0%	23.2%	17.7%	18.0%
Yatas Yatak	41.7%	33.9%	18.0%	17.2%	14.7%	14.3%
Average - Bedding peers	**21.0%**	**14.7%**	**18.8%**	**18.9%**	**13.6%**	**13.8%**
Median - Bedding peers	**22.1%**	**5.6%**	**18.0%**	**17.2%**	**14.7%**	**14.3%**
Overall Average	**16.0%**	**4.0%**	**17.3%**	**17.1%**	**11.7%**	**11.6%**
Overall Median	**16.2%**	**3.8%**	**17.6%**	**16.9%**	**11.8%**	**11.6%**
Recticel[1]	**36.5%**	**6.4%**	**9.6%**	**10.9%**	**5.0%**	**6.4%**

Sources: Companies, FactSet as of 11 May 2021. For the US peers, in regards to IFRS-16, operating lease expenses are included in the EBITDA and their respective interest component in EBIT

(1) *Recticel's estimates are the same as the estimates used in DCF valuation methodology.*

For the purposes of this methodology, enterprise value over EBITDA and enterprise value over EBIT multiples have been retained as the most relevant. The Offeror does not consider enterprise value over sales as very relevant since this multiple does not take into account the comparative operational performance of each company.

Multiples have been computed as of 11 May 2021. The valuation has been performed by applying the financial year 2021 and the financial year 2022 multiples to the projected EBITDA and EBIT figures of Recticel's respective business segments for the financial year 2021 and the financial year 2022 as estimated by independent broker reports published prior to 12 May 2021. The Offeror notes that despite the fact that the FoamPartner transaction was only completed 31 March 2021, the estimates for the Engineered Foams' division include pro-forma EBITDA estimates for 12 months ("2021PF") for this transaction. The pro-forma estimates are based on ING's broker report dated 24 March 2021, estimating a 2021PF EBITDA of EURm 74. As there are no corresponding 2021PF EBIT estimates available from brokers, no valuation has been performed on the basis of 2021 EBIT estimates.

Additionally, the Offeror did not include the results from the acquisition of Gór-Stál, since this acquisition has not been completed yet, as also detailed in Section 6.3.1(iii)(a)(iv) of this Prospectus.

The subsequent table shows an overview of the computed multiples of comparable listed companies as described above per Recticel business segment:

All data in EURm Calendarised as of 31/12 May 11, 2021	Market cap.	EV	EV/EBITDA		EV/EBIT	
			2021e	2022e	2021e	2022e
Foam peers						
BASF	63,830	78,829	8.1x	7.9x	13.6x	13.1x
Covestro	11,118	12,936	5.2x	5.3x	7.5x	7.9x
Dow	43,579	59,687	7.4x	7.8x	10.9x	12.0x
Huntsman	5,833	7,070	7.1x	7.0x	10.2x	9.7x
Average - Foam peers			**6.9x**	**7.0x**	**10.5x**	**10.7x**
Median - Foam peers			**7.2x**	**7.4x**	**10.6x**	**10.8x**
Insulation peers						
Kingspan	13,827	14,493	20.8x	19.0x	26.5x	23.8x
Owens Corning	9,380	11,645	7.8x	7.6x	11.1x	10.8x
Rockwool	8,180	8,139	14.5x	13.4x	23.6x	21.4x
Saint-Gobain	29,372	38,302	7.1x	6.8x	10.8x	10.1x
Average - Insulation peers			**12.6x**	**11.7x**	**18.0x**	**16.5x**
Median - Insulation peers			**11.2x**	**10.5x**	**17.4x**	**16.1x**
Bedding peers						
Beter Bed	137	156	4.6x	4.2x	8.4x	7.5x
Tempur Sealy	6,634	8,114	9.4x	8.8x	12.3x	11.4x
Yatas Yatak	266	275	5.8x	4.5x	7.1x	5.4x
Average - Bedding peers			**6.6x**	**5.8x**	**9.3x**	**8.1x**
Median - Bedding peers			**5.8x**	**4.5x**	**8.4x**	**7.5x**
Overall Average			**8.9x**	**8.4x**	**12.9x**	**12.1x**
Overall Median			**7.4x**	**7.6x**	**10.9x**	**10.8x**
Recticel	**700**	**994**				

Sources: Companies, FactSet as of 11 May 2021. Enterprise values computed taking into account market capitalisations, net debt / net cash positions, pension obligations, associates and minority interests. For the US peers, in regards to IFRS-16, the present value of operating lease obligations is accounted for in the EV-Eq. Bridge.

Conclusion of the analysis of trading multiples of listed comparable companies

Trading comparables valuation summary			
	2021e	**2022e**	
	EBITDA	**EBITDA**	**EBIT**
Foam peers			
Broker consensus (EURm)	74	84	45
Median EV multiple from peers	7.2x	7.4x	10.8x
Implied enterprise value (EURm)	536	622	493
Insulation peers			
Broker consensus (EURm)	36	39	26
Median EV multiple from peers	11.2x	10.5x	16.1x
Implied enterprise value (EURm)	407	411	423
Bedding peers			
Broker consensus (EURm)	21	23	15
Median EV multiple from peers	5.8x	4.5x	7.5x
Implied enterprise value (EURm)	124	104	112
Corporate			
Broker consensus (EURm)	(14)	(14)	
Weighted average from peer set	8.6x	8.3x	
Implied enterprise value (EURm)	(121)	(114)	(114)
Sum-of-the-parts			
Total implied enterprise value (EURm)	946	1,023	914
EV-Eq.V adjustments (EURm)	298	298	298
Fully diluted number of shares (m)	56	56	56
Equity price per share (EUR)	11.52	12.88	10.94
Share Bid Price premium	17.2%	4.8%	23.3%

The application of the financial year 2021 and the financial year 2022 median EBITDA multiples of each peer set to Recticel's divisions for the financial year 2021 and the financial year 2022 EBITDA metrics as estimated by independent broker reports published prior to 12 May 2021 leads to an enterprise value range between EUR 946 million and EUR 1,023 million, respectively. The Share Offer Price represents a 17.2% premium and a 4.8% premium over the respective implied equity values per Share, i.e. EUR 11.52 and EUR 12.88.

The application of the financial year 2022 median EBIT multiples of each peer set to Recticel's divisions for the financial year 2022 EBIT metrics as estimated by independent broker reports published prior to 12 May 2021 leads to an enterprise value of EUR 914 million. For Corporate costs, the values derived from application of the respective weighted average EV/EBITDA multiples from the peer set have been retained. The Share Offer Price represents a 23.3% premium over the respective implied equity values per Share, i.e. EUR 10.94. The Offeror notes that consensus on EBIT by division draws on one broker.

Illustrative analysis of trading multiples of listed comparable companies based on the broker consensus after Recticel's guidance revision

For illustrative purposes, the same valuation has been performed by applying the financial year 2021 and the financial year 2022 multiples to the respective metrics as estimated by the single broker report forecasting on a segment level available to the Offeror as of 27 August 2021, after the Target's revised guidance published on 19 May 2021. Additionally, in order to account for the FoamPartner acquisition for 12 months in the estimates of 2021, the same normalisation was applied to the estimates of the Engineered Foams division. However, since independent brokers did not publish estimates for FoamPartner for the period of 1 January – 31 March 2021 after Recticel's guidance revision, the Offeror assumed the previously established delta between the 9 months and the 12 months estimates as established by one single broker remained the same (EUR 10 million). This amount was then added to the consensus estimate for Engineered Foams (EUR 75 million), which already included 12 months of Flexible Foams' estimates, and 9 months of FoamPartner.

Moreover, the Offeror notes that there are no EBIT estimates available in the public domain after the issuance of the Target's revised guidance.

Trading comparables valuation summary		
	2021e	2022e
	EBITDA	
Foam peers		
Broker consensus (EURm)	85	91
Median EV multiple from peers	7.2x	7.4x
Implied enterprise value (EURm)	615	673
Insulation peers		
Broker consensus (EURm)	46	40
Median EV multiple from peers	11.2x	10.5x
Implied enterprise value (EURm)	509	421
Bedding peers		
Broker consensus (EURm)	22	24
Median EV multiple from peers	5.8x	4.5x
Implied enterprise value (EURm)	127	108
Corporate		
Broker consensus (EURm)	(15)	(15)
Weighted average from peer set	8.7x	8.2x
Implied enterprise value (EURm)	(130)	(123)
Sum-of-the-parts		
Total implied enterprise value (EURm)	1,121	1,079
EV-Eq.V adjustments (EURm)	298	298
Fully diluted number of shares (m)	56	56
Equity price per share (EUR)	14.62	13.87
Share Bid Price premium	(7.7%)	(2.7%)

The application of the financial year 2021 and the financial year 2022 median EBITDA multiples of each peer set to Recticel's divisions for the financial year 2021 and the financial year 2022 EBITDA metrics as estimated by independent broker reports available to the Offeror as of 27 August 2021 leads to an enterprise value range between EUR 1,079 million and EUR 1,121 million, respectively. The Share Offer Price represents a 2.7% discount and a 7.7% discount over the respective implied equity values per Share, i.e. EUR 13.87 and EUR 14.62.

(c) Analysis of transaction multiples (for indicative purposes only)

This method consists in determining an enterprise value by applying the multiples observed in previous transactions to Recticel's business lines' financial aggregates of the last twelve months ("LTM") ranging from 1 July 2020 to 30 June 2021. The following transactions have been retained for the comparative analysis. However, the sample of available comparable transactions is small and no company is truly comparable to Recticel in terms of size or geography. Thus, this method is presented for informative purposes only.

1 Engineered Foams[19]

(a) Acquisition of FoamPartner by Recticel

On 10 November 2020, Recticel announced having reached an agreement with the Swiss-listed Conzzeta Holding AG to acquire 100% of the shares in FoamPartner. FoamPartner is a private Switzerland-based company engaged in processing, manufacturing, and supplying a range of polyurethane, polyethylene, and melamine foams.

2 Insulation

(a) Acquisition of Gór-Stal by Recticel

On 21 March 2021, Recticel announced that it has entered into preliminary agreements with the owners of the private Polish company Gór-Stal Sp. z o.o. ("Gór-Stal") to acquire 100% of the shares in Gór-Stal's thermal polyisocyanurate-based (PIR) insulation board business. Gór-Stal is mainly focused on the production of high-value-added termPIR® thermal insulation boards for the construction sector.

(b) Acquisition of Armacell by PAI Partners

On 4 December 2019, PAI Partners, along with Kirkbi A/S, announced having agreed to acquire a majority stake in Armacell International S.A., a private, Luxembourg-based technical foam manufacturer, from Blackstone Group LP. Founded in 2000 and headquartered in Munster, Germany, Armacell is the inventors of flexible foam for equipment insulation and a leading provider of engineered foams. Armacell develops innovative and safe thermal, acoustic and mechanical solutions that create sustainable value for its customers.

(c) Acquisition of Ursa by Xella

On 17 August 2017, Xella International GmbH signed an agreement with the investment firm KKR and other shareholders to acquire 100% of the shares in URSA, a privately-held, Spanish manufacturer of insulation materials. URSA is one of the major insulation players in Europe, focused on mineral wool and extruded polystyrene (XPS) as solutions for insulating residential and non-residential buildings, both new and being renovated.

3 Bedding

Because there are no relevant comparable transactions for the bedding division, a multiple of 6.5x Adjusted EBITDA has been used as derived from brokers:

[19] The Offeror does not consider the acquisition of Recticel's 50% stake in Eurofoam to be a comparable transaction, nor to have particular relevance, as it materially differs from the Offer under consideration. The transaction consisted of the acquisition of a stake in a Joint Venture and, as such, is by definition a minority transaction in nature. If such transaction was to be retained, at the minimum, the total cost of ownership would have to be considered to derive at an applicable valuation.

Broker	Report date	Multiple for Bedding	Metric	EV	Implied EV / LTM Adj. EBITDA
KBC	27/04/2021	5.5x	FY22 Adj. EBITDA	132.0	7.3x
Kepler Cheuvreux	29/04/2021	6.0x	FY22 Adj. EBITDA	125.0	6.9x
ING	24/03/2021	5.5x	FY21 Adj. EBITDA	98.8	5.4x
Average					**6.5x**

The following table provides an overview of selected transactions and the corresponding multiples:

Closing date	Target	Country	Acquiror	% Acquired	EV (€m)	x EBITDA*
Engineered Foams						
31/03/2021	FoamPartner	Switzerland	Recticel	100%	250	7.2x(1)
Insulation						
4Q 2021(2)	Gór-Stal	Poland	Recticel	100%	30	12.0x
28/02/2020	Armacell	Germany	PAI Partners	na	1,410	10.6x
27/10/2017	Ursa	Spain	Xella	100%	435	7.6x
Average						**10.0x**

(1) In its communication to the market, Recticel used a blended forward multiple for the FoamPartner transaction of 8.6x EV/EBITDA 2019a-2020e. This calculation was not applied by the market, however. Brokers referenced the deal with an EV/EBITDA 2019a multiple of 7.2x, in line with Recticel's disclosure
(2) Expected closing date
*Gór-Stal multiple is based on 2020 EBITDA, FoamPartner and Armacell on 2019 EBITDA, and Ursa on 2016/17 prorata LTM EBITDA

Sources: Recticel Analyst Meetings (10/11/2020 & 19/03/2021), and H1 2021 Reports, Xella and Armacell Annual Reports, Mergermarket

The multiple of the peer group corresponding with the relevant Recticel business line was applied to the business line's LTM EBITDA, with LTM being defined as the period of the last twelve months ranging from 1 July 2020 to 30 June 2021, in order to estimate its enterprise value. Because the acquisition of FoamPartner was completed on 31 March 2021, and consolidation started as of 1 April 2021, the EBITDA of the Engineered Foam business line has been normalised to reflect a consolidation of FoamPartner for a period of 12 months. The multiple applied to the corporate costs is the weighted average multiple of the Engineered Foams, Insulation and Bedding business lines. These corporate costs exclude any tax costs and other liabilities that could arise in case of a sale of divisions.

Comparable transactions valuation summary			
	LTM Adj. EBITDA (€m)	**EV/Adj. EBITDA**	**EV (€m)**
Recticel Engineered Foams*	72	7.2x	519
Recticel Insulation	45	10.0x	454
Recticel Bedding	18	6.5x	119
Corporate costs	(16)	8.1x	(132)
Implied Enterprise value			**960**
EV-EqV adjustments			(298)
Equity value			662
Fully diluted number of shares (m)			56.3
Price per share (€)			**11.76**
Share Bid Price Premium (%)			**15%**

LTM adj. EBITDA defined as the sum of the Adj. EBITDA of H2 2020 and H1 2021
*Considering FoamPartner would be consolidated for 12 months. Given FoamPartner is consolidated as of 1 April 2021, the adj. EBITDA is normalised for the remaining 9 months by adding 50% of the estimate for 2020 (€12m) and the estimate for Q1 2021 (€10m). As the Gor-Stal acquisition has not yet closed no adjustment was made for this
Source: Recticel's 2020 annual results and H1 2021 report

The application of the average EBITDA multiples to Recticel LTM EBITDA metric leads to EUR 11.76 for the implied equity value per share. The Share Offer Price represents a 15% premium over this value.

Because the LTM figures partially include the extraordinary impact of the COVID-19 pandemic, the multiple of the peer group corresponding with the relevant Recticel business line was also applied to the business line's 2022 EBITDA forecast in order to estimate its enterprise value. The 2022 EBITDA forecasts used are derived from the broker consensus published prior to 12 May 2021. While it is impossible to quantify the exact short- and long-term effects of the COVID-19 crisis on financial projections in addition to other macro-economic effects and the impact of sector- and company-specific developments, the 2022 forecasts are referred to as a proxy for the EBITDA excluding the impact from the pandemic. While this methodology has its limitations and the results should be interpreted with caution, it has the benefit of limiting the exceptional impact of the COVID-19 crisis on the valuation. This analysis is merely included for illustrative purposes.

Comparable transactions valuation summary			
	2022e Adj. EBITDA (€m)	**EV/Adj. EBITDA**	**EV (€m)**
Recticel Engineered Foams	84	7.2x	609
Recticel Insulation	39	10.0x	392
Recticel Bedding	23	6.5x	150
Corporate costs	(14)	7.9x	(108)
Implied Enterprise value			**1043**
EV-EqV adjustments			(298)
Equity value			745
Fully diluted number of shares (m)			56.3
Price per share (€)			**13.24**
Share Bid Price Premium (%)			**2%**

The application of the average LTM EBITDA multiples to Recticel 2022 EBITDA metric leads to EUR 13.24 for the implied equity value per Share. The Share Offer Price represents a 2% premium over this value.

For illustrative purposes, the multiple of the peer group corresponding with the relevant Recticel business line was also applied to the business line's 2022 EBITDA forecast derived from the broker consensus available to the Offeror as of 27 August 2021, after the Target's revised guidance, published on 19 May 2021, as well as, implicitly, any other share price relevant information the Target has issued after the announcement of the Offeror to launch a voluntary public tender offer for all shares outstanding of the Target.

As there is only one broker who published forecasts on a divisional level since the Target has issued a revised guidance, this consensus, as well as the updated multiple for the Bedding division, is based on a single source, limiting the interpretative value of this methodology. It is further noted that this broker, being ING Bank, maintains the highest target price, exceeding the average broker target price as of 7 September 2021 by 12.5%. The tables below depict the results of this methodology for illustrative purposes.

The following multiple for the Bedding division had been retained:

	Report date	Multiple for Bedding	Metric	EV	Implied EV / LTM Adj. EBITDA
ING	07/06/2021	6.0x	FY22 Adj. EBITDA	125.6	6.9x

Comparable transactions valuation summary			
	LTM Adj. EBITDA (€m)	EV/Adj. EBITDA	EV (€m)
Recticel Engineered Foams	72	7.2x	519
Recticel Insulation	45	10.0x	454
Recticel Bedding	18	6.9x	126
Corporate costs	(16)	8.1x	(133)
Implied Enterprise value			**966**
EV-EqV adjustments			(298)
Equity value			669
Fully diluted number of shares (m)			56.3
Price per share (€)			**11.87**
Share Bid Price Premium (%)			**14%**

The application of the average LTM EBITDA multiples to Recticel LTM EBITDA metric leads to EUR 11.87 for the implied equity value per share. The Share Offer Price represents a 14% premium to this value.

Comparable transactions valuation summary			
	2022e Adj. EBITDA (€m)	EV/Adj. EBITDA	EV (€m)
Recticel Engineered Foams	91	7.2x	659
Recticel Insulation	40	10.0x	402
Recticel Bedding	24	6.9x	166
Corporate costs	(15)	7.9x	(119)
Implied Enterprise value			**1,108**
EV-EqV adjustments			(298)
Equity value			810
Fully diluted number of shares (m)			56.3
Price per share (€)			**14.39**
Share Bid Price Premium (%)			**-6%**

The application of the average LTM EBITDA multiples to Recticel 2022 EBITDA metric leads to EUR 14.39 for the implied equity value per share. The Share Offer Price represents a 6% discount to this value.

(d) Analysis of the historical share price performance

Recticel has been listed since 1954, initially under the name "*Poudrerie Réunies de Belgique*" ("PRB"). The Shares are traded on Euronext Brussel under ISIN code BE0003656676.

Average daily volumes traded over the past 3 months prior to the Offer announcement stand at 80,516 Shares and represent 0.1% of the floating Shares of Recticel. Even if Recticel's liquidity is low in absolute value, the continuous listing of the Share on Euronext Brussels ensures a fair price determination. Although the analysis of the historical Share price performance does not constitute a valuation method, it remains an important reference for Shareholders in the context of a public tender offer on the Target.

The reference date to assess the Share Offer Price has been set at 11 May 2021, which is the last trading day prior to exceptional share price developments unrelated to any general equity market developments or company specific announcements.

The subsequent table shows Recticel's Share price and relative premiums in relation to the reference date.

	Share price (€)				Premium (%)				Average daily volume ('000)	Rotation (vol. in % of float)
	Closing price / VWAP	Average	Min	Max	Closing price / VWAP	Average	Min	Max		
As at 11/05/21	12.44	n.a.	n.a.	n.a.	8.5%	n.a.	n.a.	n.a.	43.0	0.11%
1-month period	12.91	12.93	12.44	13.36	4.6%	4.4%	8.5%	1.0%	86.6	0.21%
3-month period	12.55	12.52	11.78	13.36	7.6%	7.8%	14.6%	1.0%	80.5	0.20%
6-month period	11.73	11.77	8.91	13.36	15.1%	14.7%	51.5%	1.0%	91.3	0.23%
12-month period	10.31	10.03	6.27	13.36	31.0%	34.7%	115.3%	1.0%	77.1	0.19%

Note: Shares traded in Euronext Brussels. Source: FactSet and Bloomberg (as of 11 May 2021)

The Share Offer Price represents a premium of 8.5%, 4.6%, 7.6%, 15.1% and 31.0% respectively over the closing price, the 1-month, the 3-month, the 6-month and the 12-month volume weighted average prices as of the reference date.

For information purposes, the subsequent table shows Recticel's Share price and relative premiums in relation to the Offer announcement date.

	Share price (€)				Premium (%)				Average daily volume ('000)	Rotation (vol. in % of float)
	Closing price / VWAP	Average	Min	Max	Closing price / VWAP	Average	Min	Max		
As at 14/05/21	15.12	n.a.	n.a.	n.a.	-10.7%	n.a.	n.a.	n.a.	0.0	0.00%
1-month period	12.96	13.12	12.44	15.12	4.1%	2.9%	8.5%	-10.7%	113.6	0.28%
3-month period	12.73	12.62	11.78	15.12	6.0%	7.0%	14.6%	-10.7%	90.1	0.22%
6-month period	11.90	11.88	9.05	15.12	13.5%	13.6%	49.2%	-10.7%	95.8	0.24%
12-month period	10.47	10.12	6.35	15.12	29.0%	33.4%	112.6%	-10.7%	79.6	0.20%

Source: FactSet and Bloomberg (as of 14 May 2021)

The Share Offer Price represents a discount of 10.7% over the closing price on 13 May 2021, the last trading day before the Recticel Shares were suspended from trading, and also the day prior to the Offer announcement. The Share Offer Price represents a premium of 4.1%, 6.0%, 13.5% and 29.0% respectively over the 1-month, the 3-month, the 6-month and the 12-month volume weighted average prices prior to the Offer announcement.

Source: FactSet (as of 21 September 2021)

(e) Analysis of broker target prices

There are five brokers regularly covering Recticel: KBC Securities, Bank Degroof Petercam, Kepler Cheuvreux, ING Bank and Berenberg. KBC Securities, Kepler Cheuvreux and ING Bank use a Sum-of-the-Parts valuation methodology to arrive at their respective target prices. Berenberg uses a discounted cash flow valuation methodology to arrive at its target price.

With regard to the recently raised price targets in the aftermath of Recticel's revised guidance for the fiscal year 2021, the Offeror notes that the analyst target price is not a valuation method on its own as (i) the analyst bases its valuation solely on publicly available information and (ii) the Offeror cannot verify the valuation methods of the brokers. Further reference is made to the Offeror's statement in sub-section (a) (*Analysis of discounted cash flows*) of Section 6.3.1(iii) of this Prospectus. Research analysts customarily set a target price to be achieved 12 months after the publication date. In contrast, the Offer Price is effective on the initial announcement date.

The subsequent table shows the broker target prices as of the reference date 11 May 2021:

Broker	Report date	Recommendation	Target price (EUR)	Premium (discount)
ING Bank	12-May-21	Buy	18.00	(25.0%)
Kepler Cheuvreux	29-Apr-21	Hold	13.40	0.7%
KBC Securities	27-Apr-21	Buy	14.00	(3.6%)
Bank Degroof Petercam	27-Apr-21	Hold	13.00	3.8%
Berenberg	27-Apr-21	Buy	16.00	(15.6%)
Average			**14.88**	**(9.3%)**
Median			**14.00**	**(3.6%)**

Sources: FactSet and Bloomberg (as of 13 May 2021)
Premium/(discount) on the Offer Price)

The Share Offer Price represents a 9.3% discount to the average brokers' target price of EUR 14.88, and a 3.6% discount to the median target price of EUR 14.00.

Due to the reasons presented in Section 6.3.1(iii)(a)(iv)(iv)(iv) of this Prospectus, the Offeror regards the reference date as the relevant closing date to assess the relative attractiveness of the Offer. For illustrative purposes, however, the latest available consensus has been retained additionally.

The subsequent table shows the broker target prices as of 7 September 2021:

Broker	Report date	Recommendation	Target price (EUR)	Premium (discount)
Berenberg	1-Sep-21	Buy	19.00	(28.9%)
KBC Securities	27-Aug-21	Buy	16.00	(15.6%)
Bank Degroof Petercam	27-Aug-21	Buy	18.20	(25.8%)
ING Bank	27-Aug-21	Buy	20.00	(32.5%)
Kepler Cheuvreux	3-Jun-21	Hold	15.70	(14.0%)
Average			**17.78**	**(24.1%)**
Median			**18.20**	**(25.8%)**

Sources: FactSet and Bloomberg (as of 7 September 2021)

The Share Offer Price represents a 24.1% discount to the average brokers' target price of EUR 17.78, and a 25.8% discount to the median target price of EUR 18.20.

Conclusion

The Share Offer Price compares to the different valuation methodologies or references, as presented below:

Criteria	Equity value per share (€)			Premium offered per share		
	Min.	VWAP / central value	Max.	Min.	VWAP / central value	Max.
Valuation methods						
Discounted cash flows	10.31	**11.57**	13.08	30.9%	**16.7%**	3.2%
Assumptions retained						
WACC	9.91%	**9.41%**	8.91%			
Perpetual growth rate	1.25%	**1.50%**	1.75%			
For indicative purposes only						
Trading multiples of listed comparable companies (2021e EBITDA)	-	**11.52**	-	-	**17.2%**	-
Trading multiples of listed comparable companies (2022e EBITDA)	-	**12.88**	-	-	**4.8%**	-
Transaction multiples (LTM Adj. EBITDA 1-Jul-20 to 30-Jun-21)	-	**11.76**	-	-	**14.8%**	-
Transaction multiples (2022e Adj. EBITDA)	-	**13.24**	-	-	**2.0%**	-
Points of reference						
Historical share prices						
11/05/2021	n.a.	**12.44**	n.a.	n.a.	**8.5%**	n.a.
1-month period	12.44	**12.91**	13.36	8.5%	**4.6%**	1.0%
3-month period	11.78	**12.55**	13.36	14.6%	**7.6%**	1.0%
6-month period	8.91	**11.73**	13.36	51.5%	**15.1%**	1.0%
12-month period	6.27	**10.31**	13.36	115.3%	**31.0%**	1.0%
Analysts' target prices before offer announcement						
All brokers (average)	13.00	**14.88**	18.00	3.8%	**(9.3%)**	(25.0%)
All brokers (median)	13.00	**14.00**	18.00	3.8%	**(3.6%)**	(25.0%)

In conclusion, the Share Offer Price of EUR 13.50 implies a premium on the principal valuation and historical share price benchmarking methodologies retained, and a discount to the broker target prices benchmarking as of the reference date 11 May 2021:

- a premium of 16.7% on the central value derived from the discounting of future cash flows;
- a premium of 8.5%, 4.6%, 7.6%, 15.1% and 31.0% respectively over the Relevant Closing Price, the 1-month, the 3-month, the 6-month and the 12-month volume weighted average prices as of the same reference date;

- a 9.3% discount to the average brokers' target price, and a 3.6% discount to the median target price.

For illustrative purposes, the Share Offer Price compares to the different valuation methodologies or references when comparing to the Closing Price as of the Offer Announcement Date and incorporating the consensus of broker reports available to the Offeror as of 27 August 2021 as follows:

Criteria	Equity value per share (€)			Premium offered per share		
	Min.	VWAP / central value	Max.	Min.	VWAP / central value	Max.
Valuation methods						
Discounted cash flows	12.03	**13.40**	15.05	12.3%	**0.7%**	(10.3%)
Assumptions retained						
WACC	9.91%	**9.41%**	8.91%			
Perpetual growth rate	1.25%	**1.50%**	1.75%			
For indicative purposes only						
Trading multiples of listed comparable companies (2021e EBITDA)	-	**14.62**	-	-	**(7.7%)**	-
Trading multiples of listed comparable companies (2022e EBITDA)	-	**13.87**	-	-	**(2.7%)**	-
Transaction multiples (LTM Adj. EBITDA 1-Jul-20 to 30-Jun-21)	-	**11.87**	-	-	**13.7%**	-
Transaction multiples (2022e Adj. EBITDA)	-	**14.39**	-	-	**(6.2%)**	-
Points of reference						
Historical share prices						
14/05/2021	n.a.	**15.12**	n.a.	n.a.	**(10.7%)**	n.a.
1-month period	12.44	**12.96**	15.12	8.5%	**4.1%**	(10.7%)
3-month period	11.78	**12.73**	15.12	14.6%	**6.0%**	(10.7%)
6-month period	9.05	**11.90**	15.12	49.2%	**13.5%**	(10.7%)
12-month period	6.35	**10.47**	15.12	112.6%	**29.0%**	(10.7%)
Analysts' target prices						
All brokers (average)	15.70	**17.78**	20.00	(14.0%)	**(24.1%)**	(32.5%)
All brokers (median)	15.70	**18.20**	20.00	(14.0%)	**(25.8%)**	(32.5%)

The Share Offer Price of EUR 13.50 is on par with the analysis of discounted cash flows, and implies a discount to the broker target prices benchmarking as of 7 September 2021:

- a premium of 0.7% on the central value derived from the discounting of future cash flows;
- a discount of 10.7%, and premiums of 4.1%, 6.0%, 13.5% and 29.0% respectively over the Closing Price as of the Offer Announcement Date, the 1-month, the 3-month, the 6-month and the 12-month volume weighted average prices as of the same reference date;
- a 24.1% discount to the average brokers' target price, and a 25.8% discount to the median target price.

6.3.2 Justification of the Subscription Right Offer Price

The key features of the Subscription Rights are described in Section 5.8.3 of this Prospectus (*Other securities with voting rights or that may give access to voting rights, subscription rights*).

The Offeror has valued the Subscription Rights on the basis of the standard market model for the valuation of options, i.e. the Black & Scholes model. The Subscription Right Offer Price is different for each category of Subscription Rights and ranges between EUR 5.20 to EUR 8.07 for each Subscription Right. The model uses the following formula:

Option/Subscription Right Value = [EXP((0-Div)xT))xPxN(d1)] – [S x (EXP((0-RF)xT))xN(d2)]

Whereby:

Div: annualized Dividend Yield;

T: time to expiry (in years);

P: Share price (i.e. the Share Offer Price);

S: strike price of the Option;

RF: risk free interest for the period to expiry;

N(d1): normal distribution of d1;

whereby d1 = [ln (P/S)+((RF-Div)+((V^2)/2))xT] / [V x (T^0.5)];

whereby V: volatility;

N(d2): normal distribution of d2; whereby d2 = d1 – [V x (T^0.5)].

This approach takes into account the Share Offer Price and the exercise price of the Subscription Rights.

The consideration offered for the Subscription Rights is calculated using the standard market model for the valuation of options and subscription rights (i.e., the Black & Scholes methodology). This method takes into account the Share Offer Price, the exercise price of the Subscription Right, interest rates, any dividends, the exercise period of the Subscription Right and the expected future volatility of the underlying Share. In order to offer each Subscription Right Holder the same as each Shareholder, the consideration offered for the Shares of EUR 13.50 per Share has been used as the share price in the valuation of the Subscription Rights. The price per Subscription Right is consequently determined in such a way that the intrinsic value and the time value of the Subscription Rights is represented against the underlying Share Offer Price of EUR 13.50. The interest rates included are the risk-free interest rates represented by Belgian government bond yields as of 13 May 2021 (i.e., the day prior to the initial announcement date) corresponding to the remaining term to expiry of each Subscription Right[20]. The time to expiry is calculated as from the day of the announcement, 14 May 2021. Each current outstanding Subscription Right represents a possible conversion into one (1) Share. The total value of a subscription right consists of (i) the difference between the share price and the exercise price and (ii) the time value.

A key parameter in estimating the time value of a Subscription Right using the Black & Scholes methodology is the volatility. The volatility reflects the price fluctuation of a subscription right or option within a period of time. As no liquid market exists for subscription rights of Recticel, the volatility was derived from the historical volatility of Recticel's shares over the last 1 year prior to the reference date 11 May 2021, which was 37%. Despite the fact that the Subscription Rights are not listed, no illiquidity discount has been used in the valuation.

[20] Greiner used the Belgian government bond yields as proxy for the sum of the real risk free rate, the inflation and the country risk, given that unlike in the DCF, differing times to expiry per subscription right plan have been retained.

Also, in the valuation of the Subscription Rights, no dividend payments have been assumed (increasing the value of the Subscription Rights).

The total consideration in relation to the Offer for the Subscription Rights amounts to EUR 12.1 million.

The Black & Scholes valuation per Subscription Right at a Subscription Right Offer Price for each category of Subscription Rights is indicated in the table below:

Issue date	Number of warrants issued ('000)	Number of warrants not yet exercised ('000)	Expiry date	Strike price of the Option	Black & Scholes valuation per Warrant at bid price (€)
Apr-16	317.5	112.5	28/04/2025	5.73	8.07
Jun-17	410.0	262.5	29/06/2024	7.00	6.92
Apr-18	460.0	427.5	24/04/2025	10.21	5.20
Jun-19	500.0	477.5	27/06/2026	7.90	6.83
Mar-20	512.0	497.5	27/06/2027	6.70	7.80

6.4 Conduct of the Offer

6.4.1 Indicative timetable

Event	Date (expected)
Date of announcement of the Offeror's intention to launch the Offer (in accordance with Article 8 of the Takeover Decree)	14 May 2021
Formal notification of the Offer to the FSMA (in accordance with Article 5 of the Takeover Decree)	18 May 2021
Publication of the Offer by the FSMA (in accordance with Article 7 of the Takeover Decree)	19 May 2021
Approval of the Prospectus by the FSMA	5 October 2021
Publication of the Prospectus	6 October 2021
Opening of the Initial Acceptance Period	14 October 2021
Closing of the Initial Acceptance Period	17 December 2021
Publication of the results of the Initial Acceptance Period (and indication by the Offeror of whether the conditions of the Offer have been fulfilled or, if not, whether the Offeror has waived such condition(s))	21 December 2021
Initial Payment Date	23 December 2021
(i) If the conditions of the Offer are fulfilled and the Offeror and its Related Persons hold, as a result of the Offer, 90% or more of the securities with voting right (i.e. the Shares) of the Target: (a) Squeeze-out if the conditions for launching such a Squeeze-out, as defined in Article 42 of the Takeover Decree, are fulfilled; or (b) Mandatory reopening of the Offer if the conditions for launching a Squeeze-out are not fulfilled; or	3 January 2022

Event	Date (expected)
(ii) If the conditions of the Offer are fulfilled, but the Offeror and its Related Persons hold, as a result of the Offer, less than 90% of the securities with voting right (i.e. the Shares) of the Target: possibility of voluntary reopening of the Offer; or (iii) If the conditions of the Offer are not fulfilled, but the Offeror has waived them and holds, as a result of the Offer, together with its Related Persons, 90% or more of the securities with voting right (i.e. the Shares) of the Target: (a) Squeeze-out if the conditions for launching such a Squeeze-out, as defined in Article 42 of the Takeover Decree, are fulfilled; or (b) Mandatory reopening of the Offer if the conditions for launching a Squeeze-out are not fulfilled; or (iv) If the conditions for the Offer are not fulfilled, but the Offeror has waived them, and the Offeror and its Related Persons hold, as a result of the Offer, less than 90% of the securities with voting right (i.e. the Shares) of the Target: possibility of voluntary reopening of the Offer	
End of the Acceptance Period for the mandatory or voluntary reopening of the Offer (as the case may be)	12 January 2022
Publication of the results of the mandatory or voluntary reopening of the Offer (as applicable)	13 January 2022
If applicable, reopening of the Offer as a Squeeze-out (if the mandatory reopening of the Offer did not already have the effect of a Squeeze-out)	14 January 2022
Payment date for the mandatory or voluntary reopening of the Offer (as the case may be)	18 January 2022
Closing of the Acceptance Period of the Squeeze-out	4 February 2022
Publication of the results of the Squeeze-out	7 February 2022
Payment Date of the Squeeze-out	11 February 2022

If any of the dates listed in the timetable are changed, the Security Holders will be informed of such change(s) by means of a press release which will also be available on the following websites: www.bnpparibasfortis.be/sparenenbeleggen (in Dutch) and www.bnpparibasfortis.be/epargneretplacer (in French) and on the websites of the Target (https://www.recticel.com/newsroom/press-releases.html) and the Offeror (https://www.greiner.com/en/press/newsroom).

After the approval of the Prospectus, the FSMA shall forward the Prospectus to the Target, which shall have 5 Business Days to submit its draft response memorandum to the FSMA for approval in accordance with Article 27 of the Takeover Decree. The opening of the Initial Acceptance Period will not depend on the publication of such response memorandum.

The Initial Acceptance Period as set out in the above table is set at nine weeks. Greiner reserves the possibility to extend the Initial Acceptance Period to up to ten weeks in accordance with the Takeover Decree. Security Holders shall be informed of it through a supplement to the Prospectus. In addition, as described in Section 6.6.4(ii) of the Prospectus, Greiner may request the FSMA to grant a derogation to extend the duration of the Initial Acceptance Period beyond the maximum period of ten weeks under the Takeover Decree, in order to prevent a scenario where the merger control decisions might not be granted before the end of the Initial Acceptance Period. If requested and granted, such derogation would have an impact on the indicative timetable above. Security Holders shall be informed of any such extension through a supplement to the Prospectus.

6.4.2 Acquisition of Securities outside of the framework of the Offer

The Offeror may acquire Securities at any time outside of the framework of the Offer in order to increase its shareholding in the Target. If such acquisitions take place during period of the Offer, they will be published by the FSMA on its website (https://www.fsma.be/en/transactions-opa).

Regarding the potential impact of such acquisitions on the price of the Offer, please refer to Section 6.2 of this Prospectus.

6.4.3 Acceptance Period

(i) Initial Acceptance Period

The Initial Acceptance Period starts on 14 October 2021 and ends on 17 December 2021 at 4.00 p.m. (Belgian time).

(ii) Extension of the Initial Acceptance Period

In accordance with Article 31 of the Takeover Decree, the Initial Acceptance Period may be extended. This would be the case if, at any time during the Initial Acceptance Period, the Offeror (or a Related Person) acquires or agrees to acquire Securities other than through the Offer at a price higher than the Offer Price. In such event, the Offer Price will be adjusted to reflect such higher price and the Initial Acceptance Period will be extended by five (5) Business Days after the publication of such higher price to allow Security Holders to accept the Offer at such higher price.

Greiner reserves the possibility to extend the Initial Acceptance Period to the maximum period of ten weeks under the Takeover Decree. In that case, Security Holders shall be informed of it through a supplement to the Prospectus.

As described in Section 6.6.4(ii) of the Prospectus, Greiner may request the FSMA to grant a derogation to extend the duration of the Initial Acceptance Period beyond the maximum period of ten weeks under the Takeover Decree.

6.4.4 Reopening of the Offer

In accordance with Articles 32 and 33 of the Takeover Decree, the Offeror will, within five (5) Business Days following the end of the Initial Acceptance Period, announce the results of the Offer during the Initial Acceptance Period and indicate whether the conditions described in Section 6.1.3 of this Prospectus have been fulfilled and, if not, whether the Offeror has waived these conditions.

This announcement will be made by way of a press release, which will also be available on the following websites: www.bnpparibasfortis.be/sparenenbeleggen (in Dutch) and www.bnpparibasfortis.be/epargneretplacer (in French) and on the websites of the Target (https://www.recticel.com/newsroom/press-releases.html) and the Offeror (https://www.greiner.com/en/press/newsroom).

The Offer will (or must) be reopened in the following circumstances:

(i) The Offeror and its Related Persons acquire less than 90% of the Shares of the Target – Possibility of voluntary reopening of the Offer

The Offeror reserves the right to reopen the Offer, at its sole discretion, if the conditions of the Offer are fulfilled but the Offeror and its Related Persons together hold less than 90% of all securities with voting right (i.e. the Shares) of the Target at the end of the Initial Acceptance Period. In this case, the Offeror must announce its intention within five (5) Business Days from the end of the Initial Acceptance Period.

If the Offer is voluntarily reopened after the Initial Acceptance Period, it will be reopened within ten (10) Business Days of the publication of the results of the Initial Acceptance Period for an additional acceptance period of not less than five (5) Business Days and not more than fifteen (15) Business Days.

(ii) The Offeror and its Related Persons to the Offeror acquire at least 90% of the Shares of the Target – Mandatory Reopening of the Offer

If the Offeror and its Related Persons jointly hold at least 90% of all securities with voting right (i.e. the Shares) of the Target, at the end of the Initial Acceptance Period, the Offer will be reopened pursuant to Article 35, 1° of the Takeover Decree.

The mandatory reopening of the Offer pursuant to Article 35, 1° of the Takeover Decree will also apply if the aforementioned threshold of 90% is not immediately reached at the end of the Initial Acceptance Period, but only after a voluntary reopening, as referred to in Section 6.4.4(i) of this Prospectus.

If the Offer is mandatorily reopened pursuant to Article 35, 1° of the Takeover Decree, it will be reopened within ten (10) Business Days after the publication of the results of the last Acceptance Period for an additional acceptance period of not less than five (5) Business Days and not more than fifteen (15) Business Days

(iii) The Offeror and its Related Persons acquire at least 95% of the Shares of the Target – Reopening as a Squeeze-out

If, after the Initial Acceptance Period or a subsequent Acceptance Period (as the case may be), the Offeror and its Related Persons own more than 95% of all securities with voting right (i.e. the Shares), the Offeror shall be entitled to launch a Squeeze-out pursuant to Article 7:82, § 1 BCCA.

If after the Initial Acceptance Period or a subsequent Acceptance Period (as the case may be), the Offeror has additionally acquired, as a result of the Offer, at least 90% of the securities with voting right (i.e. the Shares) that are the subject of the Offer, the Offeror shall be entitled to launch a Squeeze-out pursuant to Article 7:82, § 1 BCCA and Articles 42 and 43 of the Takeover Decree. The conditions for launching such a Squeeze-out are, inter alia, fulfilled if the Offeror and its Related Persons as a result of the Offer (or its reopening) jointly own at least 95% of the securities with voting right (i.e. the Shares) issued by the Target.

The procedure for the Squeeze-out will commence within three (3) months from the end of the last Acceptance Period.

All Securities not tendered in the Squeeze-out will be deemed to have been transferred by operation of law to the Offeror, with the deposit of the funds necessary for the payment of the Offer Price at the Bank for Official Deposits (*Caisse des dépôts et consignations / Deposito- en Consignatiekas*), at the latest on the fifth (5^{th}) Business Day following the publication of the results of the Squeeze-out.

The risk and ownership of such Securities will pass to the Offeror on the Payment Date of the Squeeze-out at the time the payment of the Offer Price is made by the Centralizing Receiving Agent on behalf of the Offeror (i.e. at the time the Offeror's account is debited for these purposes) (see Section 6.9 of this Prospectus).

In the context of the Squeeze-out, the Shares in the Target that have been admitted to trading on the regulated market of Euronext Brussels will be delisted pursuant to Article 43, § 4 of the Takeover Decree.

If the conditions for a Squeeze-out are not fulfilled and the Offeror and its Related Persons themselves own more than 95% of all securities with voting rights (i.e. the Shares)in the Target, the Offeror reserves the right to launch an independent Takeover Offer for all Securities not yet owned by the Offeror and its Related Persons to the Offeror in accordance with the Takeover Decree at a later stage.

(iv) Delisting

Following the closing of the Offer, the Offeror will consider and reserves the right to apply for a delisting of the Shares on Euronext Brussels in accordance with applicable law.

Pursuant to Article 26, §1 of the Law of 21 November 2017 on the infrastructure of markets in financial instruments and transposing Directive 2014/65/EU, Euronext Brussels may delist financial instruments (i) when it concludes that, due to particular circumstances, a normal and regular market for these instruments can no longer be maintained; or (ii) where such instruments no longer comply with the rules of the regulated market, unless such action is likely to significantly harm the interests of investors or to jeopardise the orderly functioning of the market. Euronext Brussels must inform the FSMA of any proposed delisting. The FSMA may, where appropriate, in consultation with Euronext Brussels, oppose the delisting of securities in the interests of investor protection. As the FSMA has indicated in the past, however, it will not oppose a delisting if it has been preceded by a successful accompanying measure in favour of minority shareholders. On the other hand, the FSMA will oppose a delisting if no successful accompanying measures have been taken.

If a Squeeze-out, as referred to in Section 6.4.4 of this Prospectus, is launched, the delisting will automatically follow the closing of the Squeeze-out pursuant to Article 43, § 4 of the Takeover Decree.

If the Target submits a delisting request (upon indication of the Offeror) within three (3) months after the closing of the last Acceptance Period and provided that at that time the Squeeze-out, as referred to in Section 6.4.4 of this Prospectus, has not yet been issued, the Offeror is obliged to reopen the Offer within ten (10) Business Days of such introduction, for a new Acceptance Period of between five (5) and fifteen (15) Business Days, in accordance with Article 35, 2 of the Takeover Decree.

(v) *Right to sell*

If (i) the Offeror and its Related Persons hold, following the Offer or its reopening, at least 95% of the securities with voting right (i.e. the Shares) of the Target and have acquired, as a result of the Offer, securities with voting right (i.e. the Shares) representing at least 90% of the capital subject to the Offer and (ii) the Offeror does not initiate the Squeeze-out, as set forth in Section 6.4.4 of this Prospectus, any Security Holder may request the Offeror to purchase its Securities, subject to the terms and conditions of the Offer, in accordance with Article 44 of the Takeover Decree.

Security Holders wishing to exercise their right to sell must submit their request to the Offeror within three (3) months after the end of the last Acceptance Period by means of a registered letter with acknowledgement of receipt.

6.5 Intentions of the Offeror

6.5.1 Objectives of the Offeror

The immediate objective of the Offer is for the Offeror to increase its shareholding in the Target and acquire control of the Target.

6.5.2 Reasons for making the Offer

Greiner's close cooperation with Recticel will bring together two, solid players in adjacent market segments, comfort and technical foam, and strengthen Europe's foam industry to compete effectively on a global scale. In flexible foams, the two companies can benefit from their nearly 30 years of cooperation through their Eurofoam joint venture. In 2020, Greiner acquired Recticel's 50% stake in this joint venture and created NEVEON as the new brand for the combined business.

This new chapter is the next logical step in Greiner's growth strategy as it executes on its stated intention to upgrade its foam competence. This cooperation is about growth and best positioning the company to take advantage of emerging trends while also delivering immediate value to Recticel's shareholders. The Offeror does not anticipate material cost synergies.

- The flexible foam market is made up of comfort foams and technical foams. Greiner is a solid player in comfort foams, while Recticel is a solid player in technical foam. In rigid foams, Recticel is also a strong player in insulation, a segment where Greiner has not been present until now. As there are few overlaps between technical and comfort foams, the two businesses mainly bring together complementary, rather than similar portfolios.
- The NEVEON division is the recent consolidation of all flexible foam brands of Eurofoam under Greiner's Foam Division. The Offeror initiated this in January 2021 to streamline the production and development of its product offerings, maximize synergies and focus on sustainability.
- After taking stock of the full buyout of Eurofoam and working closely with former Eurofoam employees, Greiner developed a special antibacterial foam increasing the comfort and hygiene of cushions and covers for airplane seats. It has also experienced a high retention rate among employees.

Combining these complementary strengths, Greiner and Recticel will be stronger through a more diversified, high-quality portfolio and an expanded footprint in local markets. Based on Greiner's long-term cooperation with Recticel through the Eurofoam joint venture, Greiner has developed a deep appreciation for Recticel's business and people.

- With Recticel, Greiner gains new growth opportunities through scalable R&D capabilities. Through cooperation in R&D, both companies can deliver additional new products, improved processes and enhanced offerings to customers across Europe and globally.
- With Greiner, Recticel will gain a strong, long-term oriented partner to accelerate Recticel's strategy, deliver even greater value for customers and employees, and expand its presence into more markets.
- In Europe, Greiner has a stronger presence in the east and south, while Recticel has a stronger footprint in the west. Globally, Greiner has a stronger presence in regions such as markets in Africa, while Recticel leads in the Asia-Pacific regions and the US. In the medium-term, Greiner will expand its footprint with Recticel into new markets, such as the USA, Middle East, or Southeast Asia. There, Greiner and Recticel would focus on technical foams, where customers are looking for global providers with local solutions.
- Greiner also has good downstream knowledge of the applications where foam is needed. Together, both companies can cover customers' regional needs better and provide more choice and innovative solutions.

Both Greiner and Recticel are equally dedicated to the development of new products, the improvement of existing ones and the optimization of production processes. From a sustainability perspective, Recticel's R&D capabilities and its Sustainable Innovation Department (SID) further strengthen the combined group's capabilities in support of a more circular economy.

Through the planned investment, Greiner and Recticel can together reduce raw material costs and capture efficiencies of scale. The foam business is highly dependent on raw materials, and the entire industry has witnessed large, sudden price increases from 2017 to 2018. Through a larger and more streamlined combined business between NEVEON and Recticel, both businesses will increase cost efficiencies. These efficiencies will allow Greiner and Recticel to invest more in new products, in their people and in the communities they operate in, in line with their values and commitments.

For the past few years, there has been natural consolidation in the foam industry. Chinese producers are also entering into and expanding their presence in the European foam market. Greiner believes that, given this inevitable consolidation, it is better for two European partners to come together than a foreign and domestic partner.

6.5.3 Greiner's intentions with respect to Recticel

Given that Greiner did not have access to information of a confidential nature about Recticel in the context of the Offer, it is not in a position at this stage to present a precise plan and structural measures for the consolidation of Greiner and Recticel that would be implemented if the Offer were successful.

Greiner intends to acquire a majority stake in Recticel, convinced that further collaboration and cooperation between the two companies will lead to significant growth. Greiner believes the Offer delivers immediate value and certainty for Shareholders as well as long-term growth prospects for employees and customers of both Recticel and Greiner.

Greiner highly values Recticel's capabilities. Following the successful completion of the Offer, the Offeror intends to maintain Recticel's public listing on Euronext Brussels. The Offeror appreciates Recticel's business development and growth trajectory, and wants to help Recticel continue along this journey with our additional support.

As a 150-year-old family-owned business, Greiner takes a long-term perspective on its investment in Recticel. The Offeror believes that a business' success is linked to the achievements, enthusiasm, and talents of its employees.

Greiner fully supports Recticel management's decision to exit the bedding business and also sees further consolidation potential in the insulation foam market, an attractive business that Greiner will gain access to for the first time through the Offer. Recticel's insulation business is a strong and attractive franchise with great brands. It has excellent profitability and growth prospects given the growing demand for increased energy efficiency in the fight against climate change. Market dynamics may lead to further industry consolidation in the future. Greiner values Recticel's expertise in the segment and appreciates to understand the opportunities within the market in a collaborative approach with Recticel.

Greiner commits to continuing the sustainability journey of both companies, specifically reaching climate neutrality and becoming a fully circular business. Greiner believes in innovation that delivers future-ready products and solutions, with a clear commitment to be a climate-neutral and fully circular business by 2030.

(i) Recticel's position within Greiner following the successful completion of the Offer

Greiner intends to maintain Recticel's headquarters in Belgium and its listing on Euronext Brussels as a separate legal entity, in accordance with Belgian law.

At the date of this Prospectus, Greiner has no intention of carrying out any material restructuring or reorganisation of Recticel, beyond executing Recticel's own strategy of divesting its bedding division. Greiner appreciates Recticel's business development and growth trajectory, and wants to help Recticel continue along this journey with additional support.

Also, it is not Greiner's intention to immediately delist the Target following the Offer, unless the free float is reduced to less than 5% of the outstanding capital of Recticel, which entitles the Offeror to launch a Squeeze-out pursuant to Article 7:82, § 1 BCCA, as mentioned under Sections 6.4.4(iii) and 6.4.4(iv) of this Prospectus.

(ii) Impact on employment within Recticel

As a 150-year-old family-owned business, Greiner takes a long-term perspective on its investment in Recticel. It believes that a business' success is dependent on the achievements, enthusiasm, and talents of its employees. The Offeror will invest in Recticel's employees as it does in its own.

Greiner believes that the employees of Recticel will benefit from the increased opportunities that a larger group could offer. Greiner intends to maintain an attractive work environment for Recticel's employees.

At the date of this Prospectus, Greiner has no intention to amend the current terms and conditions of employment within Recticel.

Greiner has made no decision yet as to Recticel's current management and aims to work together with Recticel's current management and to take any future decisions regarding management positions based on how a closer cooperation develops in the future and what the parties determine is best for Recticel's business.

(iii) Impact on corporate governance of Recticel

Greiner intends to acquire a majority stake in Recticel. If Greiner obtains control of Recticel, Greiner intends for the board of directors of Recticel to be composed of a majority of directors who represent the majority shareholder.

Greiner further intends to ensure that three directors on Recticel's board of directors will qualify as independent directors (compared to six independent directors currently).

Greiner will follow a constructive approach and aims to work together with Recticel's current executive management. The Offeror would take any future management decisions based on how a closer cooperation develops in the future and what the parties determine is best for Recticel's business.

Greiner will use its voting rights in such a manner as to align the strategic, operational and financial objectives and policies of Recticel with those of Greiner, duly taking into account Recticel's corporate interest and independence as a separate legal entity. One of the goals of the Offer is to further develop Recticel into a world-class player in its sector. Whenever any business opportunities arise (whether as an acquisition, divestment or specific developments), it is Greiner's intention to assess each time at which level within the group it is more adequate for such opportunity to be seized and the decision to be taken, in order to maximise synergies. Consequently, each decision shall be weighted in light of the above objective on a case-by-case basis, each time duly taking into account Recticel's corporate interest.

From an organisational perspective, Greiner has made no decision yet as to the future organisation of Recticel but it is likely that some coordination of decision-making processes and reporting lines would be required in order to create a framework that would allow to realize the mutual benefits of the combination. Greiner aims to work together with Recticel's current executive management to realise these benefits. At this stage, Greiner does not intend to enter into a relationship agreement with Recticel.

In this framework, Greiner will comply with Belgian corporate law provisions on conflicts of interest and related party transactions to protect the interest of Recticel. Greiner will in any case ensure that any future transactions that may happen between the Offeror and the Target, or their respective group, take place under normal market conditions.

In addition, if the Offeror launches a Squeeze-out and implements a delisting as a result, as mentioned under Section 6.5.3(i) of this Prospectus, the corporate governance and articles of association of Recticel will be amended to reflect governance that Greiner believes is more appropriate for privately held companies. This may include a reduction of the number of directors as well as the removal of the need to appoint independent directors and maintain separate committees on Recticel's board of directors.

Greiner has contacted the board of directors of Recticel and remains willing to engage in discussions regarding the Offer and Recticel's corporate governance following the Offer, for the benefit of all stakeholders. Based on the nearly 30 years of cooperation between Greiner and Recticel through the Eurofoam joint-venture, Greiner feels confident that it can engage in constructive discussions with Recticel about their mutual strategic interest in growing their business. In 2020, Greiner acquired Recticel's 50% stake in this joint venture and created NEVEON as the new brand for the combined business.

If Greiner does not obtain control of Recticel, it will use its voting rights in such a manner as to maximise the value of its stake in Recticel. In particular, Greiner will seek to achieve results similar to those set out above, to the extent possible in view of the level of voting rights it will hold and always in accordance with Belgian corporate law provisions.

(iv) Dividend policy

Over the last years, Recticel has paid its shareholders the following dividend:

Figures in EUR	2016	2017	2018	2019	2020
Gross dividend (in millions)	7.5	9.7	12.0	13.2	14.5
Gross dividend per share	0.18	0.22	0.24	0.24	0.26

As a strategic investor, Greiner's investment in Recticel is not driven by set expectations regarding an annual dividend and Greiner's financing is not dependent on the level of dividends paid by Recticel. Shareholders should not assume that Recticel's dividend policy of the recent past will necessarily continue in the future. However, Greiner does not intend, at this stage, to substantially deviate from or modify the current dividend policy of Recticel.

Greiner will assess the future dividend policy based on Recticel's business performance, investment plans, the evolution of working capital requirements, business strategy as defined by Recticel's board of directors and whether a delisting of Recticel takes place.

(v) Intentions of Greiner with respect to Recticel's articles of association

At present, Greiner does not plan any amendments to the articles of association of Recticel, unless this would be required or appropriate in the context of a future delisting of Recticel following a Squeeze-out, as the case may be, as mentioned under Section 6.5.3(i) of this Prospectus.

(vi) Advantages for Security Holders

As the Offer is structured as a full cash offer, the main and immediate advantage of the Offer for Security Holders is the Offer Price and the premium implied by such price which amounts, for Shares, to 8.5%, 7.6%, 15.1% and 31% respectively over the Relevant Closing Price, the 3-month, the 6-month and the 12-month volume weighted average prices prior to the Offer announcement.[21]

The Offer Price also constitutes an opportunity for Security Holders to obtain immediate and certain liquidity. The Security Holders should take into account that the liquidity of the Securities may be reduced after the successful completion of the Offer and the Offeror has no plans to increase this liquidity following the Offer and no plans to delist (except as provided under Section 6.5.3(i) of this Prospectus).

In the long term, a family-owned business such as Greiner is a stable major shareholder that will allow Recticel to develop its activities in a strong group and create opportunities for Recticel that would not have been achievable on a standalone basis, as explained under Section 6.5.2 of this Prospectus.

(vii) Intentions of Greiner vis-à-vis Recticel in light of the results of the position of the competition authorities

As mentioned under Section 4.10 of this Prospectus, the acquisition by Greiner of all 15,094,410 shares in the Target held by Bois Sauvage pursuant to the Share Purchase Agreement is reviewed by the European Commission and by the competition authorities in Serbia, Morocco and Turkey from a merger control perspective, although their respective decisions do no constitute conditions precedent. Merger control clearance in Phase I has already been obtained in Serbia on 1 September 2021 and in Turkey on 9 September 2021.

The transfer of the ownership of the shares to Greiner will only occur at closing of the sale, which is expected in the fourth quarter of 2021. Depending on the timing for the obtaining of merger control decisions from the European Commission and other relevant governmental authorities, the closing of this transaction could take place after the publication of the results of the Initial Acceptance Period.

The European Commission's merger control process may be summarised as follows:

(i) The European Commission can decide in a Phase I decision to either unconditionally approve Greiner's acquisition of control over Recticel or to approve it subject to remedies.

[21] The Share Offer Price represents a discount of 10.7% over the closing price on 13 May 2021, the last trading day before the Recticel Shares were suspended from trading, and also the day prior to the Offer announcement. The Share Offer Price represents a premium of 4.1%, 6.0%, 13.5% and 29.0% respectively over the 1-month, the 3-month, the 6-month and the 12-month volume weighted average prices prior to the Offer announcement.

(ii) Should the European Commission initiate Phase II, it will adopt a decision on Phase II within 90 working days of the date on which proceedings are initiated. This period can be extended.

(iii) In the hypothetical scenario of the European Commission initiating Phase II and Greiner deciding to waive the Phase I approval condition precedent at the end of the Initial Acceptance Period, it is possible that the Offer would be effected without knowing the final outcome of the European Commission's merger control process and/or that the closing of the Share Purchase Agreement occurs before a merger control decision is adopted.

(iv) In that framework, it is possible that an obligation to launch a mandatory takeover offer for crossing the 30% threshold set out in Article 50 of the Takeover Decree would be triggered. Indeed, Greiner cannot rule out the unlikely scenario where, at the end of the Initial Acceptance Period, less than 30% of the Securities would be tendered to the Offer before the closing of the Share Purchase Agreement and where such closing may trigger a mandatory takeover offer.

In the event that the sale would be prohibited by the European Commission or other relevant governmental authorities, Greiner will acquire the shares from Bois Sauvage with a view to immediately divest, to one or more third parties, at least such number of shares in Recticel obtained from Bois Sauvage as is required to ensure compliance with applicable merger control laws. Therefore, in any case, Greiner will be obligated to complete the transaction to the extent permissible under merger control laws. At the date of this Prospectus, Greiner has no commitment of whatever sort or agreement with any third party in relation to a potential divestment of some of the shares in Recticel currently held by Bois Sauvage as contemplated under this paragraph.

Greiner is engaged in pre-notification discussions with the European Commission and has filed the transaction in Serbia, Turkey and Morocco. The results of the European Commission's investigations will depend in particular on feedback that the European Commission will collect from market participants following the notification. As mentioned above, merger control clearance in Phase I has already been obtained in Serbia and in Turkey.

At this stage, Greiner cannot anticipate whether the European Commission's clearance will require remedies. In any event, Greiner is prepared to evaluate together with the European Commission the need for potential remedies. In the event that remedies would become relevant, such discussions would take place after the Commission's initial market investigation, approximately 15 working days after the formal notification. If Greiner were to propose remedies to the European Commission, this would immediately become public as the European Commission's Phase I review period would be extended by ten working days to 35 working days. Greiner is confident that it will obtain merger control clearance, even if remedies would need to be implemented. Greiner is preparing for several scenarios, including this one and is in contact with several market participants in order to be ready should such scenario materialise. At the date of this Prospectus, Greiner has no commitment of whatever sort or agreement for a divestment of any part, division or asset of Recticel by Greiner vis-à-vis any market participant or vis-à-vis the European Commission.

Horizontal overlaps between Greiner and Recticel have been identified in the markets for polyurethane foams (in particular, technical foam and – to a smaller extent – comfort foam), production of finished mattresses and composite foams. Technical foams are polyether- or polyester-based flexible PU foams and have a large variety of specifications, uses and applications in diverse industries (such as the building, clothing, household and automotive industries) with functional substitutes on a non-polyurethane basis (textile fibres, PVC etc.). Comfort foams are polyether-based flexible PU foams which are mainly used as a core for mattresses and layers in the upholstery industry. Further, there is a minor overlap with the bedding division since both Greiner (though to an insignificant extent) and Recticel produce finished mattresses.

Greiner aims to formally submit the notification when the customary pre-notification discussions with the European Commission's services are completed. On that basis, Greiner aims to formally submit the notification with the European Commission, and hence initiate the Phase I review, in the first half of October 2021. Against this background, the Offeror plans to notify so timely that Phase I will have ended at the moment in time when a decision whether to waive the condition mentioned under Section 6.1.3(ii) of this Prospectus will have to be made. Hence, the Offeror currently expects to be in a position to indicate whether the condition precedent of the European Commission's Phase I clearance has been fulfilled within five Business Days

from the end of the Initial Acceptance Period.

Further, the Offeror has already filed with the competent competition authorities in Morocco on 2 July 2021, in Serbia on 28 May 2021 (where clearance has already been obtained on 1 September 2021), and in Turkey on 6 July 2021 (where clearance has already been obtained on 9 September 2021). In principal, all competition authorities reviewing the transaction are bound by legal deadlines pursuant to their respective merger control regimes. Depending on the respective jurisdiction, authorities have however a certain discretion to extend deadlines by issuing requests for information, which may stop (or even re-start) the clock. In any event, the Offeror emphasized the tight timeline of the Offer towards the competent competition authorities.

Indicative timelines of the currently ongoing merger control proceedings:

(i) European Commission: as mentioned, Greiner aims to formally notify in the first half of October 2021. Thus, a European Commission's Phase I clearance decision is expected to be issued by the end of November or early December 2021. As currently expected, Greiner would be in a position to indicate whether the condition precedent of the European Commission's Phase I clearance as foreseen in the takeover bid has been fulfilled within five Business Days from the end of the Initial Acceptance Period.

(ii) Morocco: the review period for a clearance decision in Phase I without commitments is 60 calendar days after confirmation by the Competition Council that the filing is complete. To serve a best estimate, approx. 3 months after the formal submission of the filing are expected for Phase I clearance in the case at hand.

(viii) Intentions of Greiner towards other stakeholders such as Recticel's customers, suppliers and retired employees

Regarding customers and suppliers:

The future cooperation between the Offeror and the Target is about growth and best positioning both companies to take advantage of emerging trends, cover customers' regional needs, and provide more choice and innovative solutions.

Through cooperation in R&D, both companies can deliver additional new products, improved processes and enhanced offerings to customers across Europe and globally. In the medium-term, Greiner will expand its footprint with Recticel into new markets, such as the USA, Middle East, or Southeast Asia. There, Greiner and Recticel would focus on technical foams, where customers are looking for global providers with local solutions.

Regarding (retired) employees:

At the date of this Prospectus, Greiner has no intention to amend the current terms and conditions of employment within Recticel.

Greiner believes that the employees of Recticel will benefit from the increased opportunities that a larger group could offer. Greiner intends to maintain an attractive work environment for Recticel's employees. Greiner makes its investment with a long-term view on developing the business.

6.6 Regularity and validity of the Offer

6.6.1 Decision of the Offeror to launch the Offer

On the basis of a framework resolution of the supervisory board (*Aufsichtsrat*) of the Offeror adopted in its extraordinary meeting on 28 April 2021, the management board (*Vorstand*) of the Offeror resolved to launch the Offer on the Target. In accordance with the articles of association of the Offeror and Austrian law, the management board (*Vorstand*) of the Offeror is the competent body to decide on this matter.

6.6.2 Requirements of Article 3 of the Takeover Decree

The Offer is launched in accordance with the requirements of Article 3 of the Takeover Decree, i.e.:

(a) the Offeror intends to acquire all Securities in the Target, and more specifically all outstanding Securities issued by the Target, via the combination of the Offer and the Share Purchase Agreement . As described in Section 6.4.4(i) of this Prospectus, at the request of the Offeror, the FSMA granted a derogation, as far as necessary, to the offer requirement that the Offer shall apply to all voting securities set out in article 3, 1° of the Takeover Decree;

(b) the unconditional and irrevocable availability of the funds necessary for the payment of the Offer Price for all Securities subject to the Offer (excluding Shares acquired from Bois Sauvage) in the form of an irrevocable and unconditional credit facility made available by BNP Paribas S.A. to the Offeror (in respect of which BNP Paribas S.A. has issued a certificate to the FSMA on 18 May 2021);

(c) the Offer and its terms and conditions comply with the applicable legislation, in particular the Takeover Law and the Takeover Decree. The Offeror is of the opinion that these conditions, in particular the Offer Price, are such as to enable the Offeror to achieve its objective;

(d) the Offeror undertakes, as far as it is concerned, to do its best to complete the Offer;

(e) the Centralizing Receiving Agent will centralise the receipt of Acceptance Forms, either directly or indirectly, and ensure payment of the Offer Price (see Section 6.9 of this Prospectus).

6.6.3 Regulatory approvals

The FSMA approved the English version of the Prospectus on 5 October 2021, in accordance with Article 19, § 3 of the Takeover Law. This approval does not imply an assessment or evaluation of the merits or quality of the Offer or the position of the Offeror.

In addition to the approval of the Prospectus by the FSMA, the Offer is subject to the obtaining of regulatory Phase I approvals from competent antitrust or competition law authorities in the European Union and other relevant jurisdictions; the Offeror will engage proactively with the relevant authorities to adequately address any potential concerns in order to obtain the necessary clearances as quickly as possible.

6.6.4 Derogations to the Takeover Law and Takeover Decree

(i) Voting securities concerned by the Offer

At the request of the Offeror, the FSMA granted, as far as necessary, in accordance with article 35, §1 of the Takeover Law, a derogation to the offer requirement that the Offer shall apply to all voting securities set out in article 3, 1° of the Takeover Decree.

The reasons for this derogation are discussed in more detail below.

As described in Section 4.10 of the Prospectus, Greiner entered into the Share Purchase Agreement, whereby Bois Sauvage agreed to sell and Greiner agreed to buy all 15,094,410 shares in Recticel held by Bois Sauvage, currently representing 27.00% of the capital of Recticel.

The completion of the sale under the Share Purchase Agreement is not subject to the outcome of the Offer. The acquisition of the shares in the Target held by Bois Sauvage is definitive with the sole exception that Greiner may terminate the agreement in case certain defensive measures would be approved by the shareholders' meeting of Recticel. The sale under the Share Purchase Agreement is also being reviewed by the European Commission and other relevant governmental authorities from a merger control perspective, although their respective decisions do no constitute conditions precedent.

The purchase of the shares under the Share Purchase Agreement is a private transaction which took place before the announcement of the Offer but the closing of which (and transfer of ownership of the shares) will only occur once the merger control review is finalised (although without conditionality). The shares to be acquired under the Share Purchase Agreement are therefore not yet owned by Greiner at the time of the launch of the Offer. As Bois Sauvage has undertaken to dispose of them under the Share Purchase Agreement, it cannot tender them to the Offer.

The derogation has been granted by the FSMA, as far as necessary, because Greiner is addressing, through the combination of the Share Purchase Agreement and the Offer, all holders of Recticel securities who have either a contractual obligation or the possibility (by tendering their Securities to the Offer) to transfer their securities to Greiner. If the Offer were to include the Recticel shares which are the subject of the Share Purchase Agreement, this would negate the existence of an agreement which was concluded before the Offer was published.

The derogation is justified by the fact that it does not infringe the principle of equal treatment of all holders of securities belonging to the same class (Article 9, 1° Takeover Law). Bois Sauvage entered into the Share Purchase Agreement with the knowledge of Greiner's intention to launch a subsequent public takeover bid. Moreover, the Offer Price is equal to the price under the Share Purchase Agreement.

In addition, the derogation does not infringe the principle of Article 9, 4° of the Takeover Law, i.e. the prohibition of creating false markets for the securities in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted. The Offer Price is indeed equal to the price under the Share Purchase Agreement. Therefore, the fact that a (large) number of shares is acquired under the Share Purchase Agreement rather than under the Offer will not have an artificial impact on the price of the Shares.

The derogation has been granted under the condition that the Share Purchase Agreement is not terminated (or otherwise ended) during the Acceptance Period.

Consequently, the Offer relates to all the Securities other than the 15,094,410 shares to be acquired pursuant to the Share Purchase Agreement.

(ii) Maximum duration of the offer period

Greiner may request the FSMA to grant a derogation to extend the duration of the Initial Acceptance Period beyond the maximum period of ten weeks under the Takeover Decree.

The reasons for this potential derogation request are discussed in more detail below.

Depending on the timing for the obtaining of merger control decisions from the European Commission and other relevant governmental authorities, the merger control decisions could take place after the end of the Initial Acceptance Period and the publication of the results of the Offer. The timing of those merger control processes, especially the merger control review before the European Commission, is not solely driven and determined by Greiner. There are several elements outside the control of Greiner which may impact timing. The most important of such factors is the feedback provided by market participants (e.g. Greiner's customers and competitors) to the European Commission within the official merger control review in Phase I. The complexity of the merger control process at hand is further accentuated by the absence of cooperation from the Target vis-à-vis the Offeror. In such cases, detailed information on the Target's business is often not available or available only from public sources. An investigation in such set-up increases the risk of unexpected developments, including with respect to the information-gathering process and timetable.

A request derogation to the maximum duration of the Initial Acceptance Period, which is set at a maximum of ten (10) weeks under article 30 of the Takeover Decree, may need to be made during the Initial Acceptance Period, in order to prevent a scenario where the merger control decisions, in particular the Phase I decision of the European Commission, might not be granted before the end of the Initial Acceptance Period.

Such an extension would be formally requested by Greiner if and when it would become clear that an extension of the Initial Acceptance Period would be necessary to ensure that the European Commission can issue the required Phase I decision before the end of the Initial Acceptance Period.

6.7 Acceptance of the Offer and ownership of the Securities

6.7.1 Acceptance of the Offer

Security Holders may tender their Securities in the Offer by completing, signing and submitting the applicable Acceptance Form in accordance with the instructions set out in the form no later than 4.00 pm (Belgian time) on 17 December 2021, or such later date as may be announced in the event of an extension, or such earlier deadline as may be set by the relevant Security Holder's financial intermediary.

Acceptance of the Offer may be made free of charge to BNP Paribas Fortis SA, which acts as the Centralizing Receiving Agent in the framework of the Offer, by submitting the Acceptance Form. Security Holders who register their acceptance with a financial intermediary that is not the Centralizing Receiving Agent must inform themselves of any additional fees that may be charged by such parties and are responsible for the payment of such additional fees.

Such other financial intermediaries must, where applicable, comply with the procedures described in the Prospectus.

Shareholders who hold Shares in dematerialised form and who wish to tender their Shares in the Offer instruct the financial intermediary where such dematerialised Shares are held to transfer the tendered Shares directly from their securities account with the Centralizing Receiving Agent to the Offeror.

Shareholders who hold registered Shares will receive a letter from the Target indicating the procedure to be followed by Shareholders to tender their registered Shares in the Offer.

Shareholders holding both registered Shares and dematerialised Shares must complete two separate Acceptance Forms: (i) a form for the registered Shares to be submitted to the Centralizing Receiving Agent and (ii) a form for the dematerialised Shares to be submitted to the financial intermediary where such dematerialised Shares are held.

Subscription Right Holders will receive a letter from the Target indicating the procedure to be followed by Subscription Right Holders to tender their Subscription Rights in the Offer.

6.7.2 Ownership of the Securities

Security Holders tendering their Securities represent and warrant that (i) they are the owners of the tendered Securities, (ii) they have the requisite power and capacity to accept the Offer, and (iii) the tendered Securities are free from any encumbrance, claim, security interest or interest.

If the Securities are held by two or more persons, the holders must jointly sign the Acceptance Form.

If the Shares are subject to usufruct, the usufructuary and the bare owner must jointly sign the Acceptance Form.

If the Securities are pledged, the pledgee and the pledgor must jointly sign the Acceptance Form, it being understood that the pledgee shall be deemed to have unconditionally and irrevocably waived the pledge and released the pledge on the Securities.

If the Securities are encumbered or subject to a charge, claim, security or interest, the Security Holder and all beneficiaries of such charge, claim, security interest or interest must jointly sign the Acceptance Form, it being understood that such beneficiaries shall be deemed to have unconditionally and irrevocably waived any charge, claim, security interest or interest in respect of the Shares.

Risk in and ownership of Securities validly tendered during the Initial Acceptance Period or any subsequent Acceptance Period passes to the Offeror on the Initial Payment Date at the time payment of the Offer Price is made by the Centralizing Receiving Agent on behalf of the Offeror (i.e. at the time the Offeror's account is debited for such purposes) (see Section 6.9 of this Prospectus).

6.7.3 Subsequent increase of the Offer Price

In accordance with Article 25, 2° of the Takeover Decree, any increase in the Offer Price during the Acceptance Period will also be applicable to Security Holders who have already tendered their Securities to the Offeror prior to the increase in the Offer Price.

6.7.4 Withdrawal of the acceptance of the Offer

In accordance with Article 25, 1° of the Takeover Decree, Security Holders who have accepted the Offer during the Initial Acceptance Period may still withdraw their acceptance during the Initial Acceptance Period.

To validly withdraw an acceptance, written notice must be given directly to the financial intermediary with whom the Security Holders has submitted the Acceptance Form, indicating the number of Securities for which acceptance is being withdrawn. Shareholders who hold registered Shares and Subscription Right Holders will be informed by the Target of the procedure to be followed to withdraw their acceptance. In the event that the Security Holders informs a financial intermediary who is not the Centralizing Receiving Agent of the withdrawal, such financial intermediary is obliged and responsible to inform the Centralizing Receiving Agent of the withdrawal in a timely manner. Such notification of the Centralizing Receiving Agent must occur no later than 4.00 pm (Belgian time) on 17 December 2021 or, as the case may be, on the date to be specified in the relevant notification and/or press release.

Security Holders who have validly tendered their Securities during the Initial Acceptance Period will not be able to withdraw their acceptance after the end of the Initial Acceptance Period.

6.8 Publication of the results of the Offer

In accordance with Articles 32 and 33 of the Takeover Decree, the Offeror shall, within five (5) Business Days of the end of the Initial Acceptance Period, (i) publish the results of the Initial Acceptance Period, as well as the number of Securities that the Offeror and its Related Persons hold as a result of the Offer, and (ii) disclose whether the conditions of the Offer have been fulfilled and, if not, whether the conditions have been waived.

Where the Offer is reopened as described in Section 6.4.4 of this Prospectus, the Offeror shall, within five (5) Business Days after the end of the new Acceptance Period, publish the results of the relevant reopening and the number of Securities held by the Offeror and its Related Persons as a result of the reopening.

These communications are made by means of a press release, which will also be available on the following websites: www.bnpparibasfortis.be/sparenenbeleggen (in Dutch) and www.bnpparibasfortis.be/epargneretplacer (in French) and on the websites of the Target (https://www.recticel.com/newsroom/press-releases.html) and of the Offeror (https://www.greiner.com/en/press/newsroom).

6.9 Date and modalities of payment of the Offer Price

The Offeror shall pay the Offer Price to those Security Holders who have validly tendered their Securities during the Initial Acceptance Period no later than the tenth (10^{th}) Business Day following the publication of the results of the Offer during the Initial Acceptance Period.

The Offer Price for Securities tendered in connection with a reopening of the Offer, as described in Section 6.4.4 of this Prospectus, shall be paid no later than the fifth (5^{th}) Business Day following the publication of the results of the relevant Acceptance Period(s).

Payment of the Offer Price to Security Holders who have duly accepted the Offer shall be made without any conditions or restrictions by transfer to the bank account specified by the Security Holder in the Acceptance Form.

The Offeror shall bear the tax on stock exchange transactions (see Section 7.3 of this Prospectus for further details). The Centralizing Receiving Agent shall not charge any commission, compensation or other costs to Security Holders in connection with the Offer.

Security Holders who register their acceptance with a financial intermediary other than the Centralizing Receiving Agent should inform themselves of any additional fees that may be charged by such intermediaries and are themselves responsible for payment.

6.10 Counter-offer and higher offer

In the event of a counter-offer and/or a higher offer (the price of which must be at least 5% higher than the Offer Price) in accordance with Articles 37 to 41 of the Takeover Decree, the Initial Acceptance Period shall be extended until the expiry of the Acceptance Period of this counter-offer.

In the event of a valid and more advantageous counter-offer and/or higher offer, all Security Holders who had already tendered their Securities in the Offer are entitled to exercise their right of withdrawal in accordance with Article 25, 1° of the Takeover Decree and the procedure described in Section 6.7.4 of this Prospectus.

If the Offeror is able to make a higher offer in response to a counter-offer, this increased price benefits all Security Holders, including those who accepted the Offer, in accordance with Article 25, 2° of the Takeover Decree (see also Section 6.7.3 of this Prospectus).

6.11 Other aspects of the Offer

6.11.1 Financing of the Offer

(i) Availability of the necessary funds

As required by Article 3 of the Takeover Decree, the funds necessary for the payment of the Offer Price are available to the Offeror in the form of an irrevocable and unconditional credit facility granted by BNP Paribas S.A. together with syndicate of banks.

(ii) Details on the financing of the Offer and its impact on the assets, the results and the activities of the Offeror

The Offeror has entered into a facilities agreement with BNP Paribas S.A. as lender on 14 May 2021, which was syndicated to a syndicate of banks and amended and restated, each with the effect of 16 July 2021 (the "**Facilities Agreement**").

Under the Facilities Agreement, the Offeror will be able to draw loans in an amount sufficient for paying the Offer Price and for the acquisition of the shares in the Target held by Bois Sauvage pursuant to the Share Purchase Agreement (the "**Bois Sauvage SPA Purchase Price**").

All funds necessary for the payment of the Offer Price are available to Greiner in the form of the aforementioned irrevocable and unconditional bank credit facility granted to Greiner pursuant to the Facilities Agreement. The amounts available to Greiner pursuant to the Facilities Agreement are available exclusively for payment of the

Offer Price, the Bois Sauvage SPA Purchase Price and related costs, and may not be utilised for any other purpose.

The Facilities Agreement provides for a structured repayment schedule of the amounts drawn. The final maturity date is in May 2026 with 10% of the loan being due for repayment in May 2024 and May 2025, respectively. The Facilities Agreement also contains a bridge facility in the amount of EUR 300,000,000 (the "**Bridge Facility**"), which will be due for repayment within 12 months of payment of the Offer Price. The Bridge Facility is also available to Greiner irrevocably and unconditionally. However, Greiner will only draw the Bridge Facility to the extent the financing requirement stemming from a significant acceptance rate requires it.

Post the Offer and assuming a 100% acceptance, Greiner's pro forma indebtedness is expected to reach between 3.0 to 3.5x net debt / EBITDA per end of 2021 and decline to circa 2.0x by 2025.

In case of a lower offer acceptance rate, the resulting leverage is expected to be similar or lower in terms of resulting pro forma net debt / EBITDA.

Although not rated by rating agencies, the financing obtained by Greiner is the same as for investment grade companies, which shows the financial strength of Greiner in the market. The financial strength of Greiner can be derived from the financial statements that are part of this Prospectus.

Moreover, as a strategic investor, Greiner's investment in Recticel is not driven by set expectations regarding an annual dividend, and Greiner's financing is not dependent on the level of dividends paid by Recticel, nor on any divestments.

6.11.2 Response memorandum

The board of directors of the Target will prepare a response memorandum in accordance with the Takeover Law and the Takeover Decree, which will be available, after approval of the response memorandum by the FSMA, on the following websites: www.bnpparibasfortis.be/sparenenbeleggen (in Dutch) and www.bnpparibasfortis.be/epargneretplacer (in French) and on the websites of the Target (https://www.recticel.com) and the Offeror (https://www.greiner.com/en/press/newsroom/). The response memorandum can be obtained in hard copy, free of charge, upon request to the Target.

6.11.3 Agreements which may impact the Offer

Except for the Share Purchase Agreement, there is no agreement to which the Offeror, Related Persons, persons acting in concert with the Offeror and persons acting as intermediaries are party that could have a material impact on the evaluation, conduct or outcome of the Offer.

6.11.4 Governing law and competent jurisdiction

The Offer and the resulting agreements between the Offeror and the Shareholders are subject to Belgian law and in particular to the Takeover Law and the Takeover Decree.

The Market Court (*la Cour des marchés / het Marktenhof*) is competent to hear any dispute arising from or in connection with this Offer.

7 Tax treatment of the Offer

7.1 Preliminary remarks

This Section contains a summary of certain tax considerations that, as of the date of this Prospectus, are applicable to the transfer of Shares and Subscription Rights in the Offer under Belgian tax law and is not intended to describe in detail all tax considerations that may be relevant to the decision to offer the Securities in the Offer.

This summary is based on tax laws, regulations and administrative interpretations as in effect at the date of this Prospectus and is subject to changes in applicable tax law, including changes with retroactive effect.

Security Holders should appreciate that, as a result of evolutions in law or practice, the eventual tax consequences may be different from what is stated below.

This summary does not purport to address all tax consequences of the investment in, ownership in and disposal of the Securities, and does not take into account the specific circumstances of particular Security Holders, some of which may be subject to special rules, or the tax laws of any country other than Belgium. This summary does not describe the tax treatment of Security Holders that are subject to special rules, such as banks, insurance companies, collective investment undertakings, dealers in securities or currencies, persons that hold, or will hold, Securities as a position in a straddle, share-repurchase transaction, conversion transactions, a synthetic security or other integrated financial transactions. This summary does not address the local taxes that may be due in connection with an investment in the Securities, other than Belgian local surcharges which generally vary from 0 per cent. to 9 per cent. of the investor's income tax liability.

Shareholders who require further information on the Belgian and foreign tax consequences of the transfer of Securities in the Offer are requested to consult their own financial and tax advisors.

For the purposes of this summary:

(a) a **resident individual** means a person subject to Belgian personal income tax (i.e. an individual who is domiciled in Belgium or has his seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law);

(b) a **resident company** means a company subject to Belgian corporate income tax (i.e. a corporate entity that has its main establishment, its administrative seat or seat of management in Belgium and that is not excluded from the scope of the Belgian corporate income tax);

(c) a **resident legal entity** means an entity subject to Belgian income tax on legal entities (i.e. a legal entity other than a company subject to Belgian corporate income tax, whose principal place of business, or place of management or administration is located in Belgium);

(d) **resident** means a resident individual, a resident company or a resident legal entity;

(e) a **non-resident** means any person that is not a Belgian resident.

7.2 Taxation of the transfer of Shares

7.2.1 Resident individuals

In principle, a resident individual who realises a capital gain on the sale of the Shares in the scope of the normal management of his/her private estate is not subject to tax. Capital losses on such Shares are not tax deductible.

However, capital gains realised by a private individual are taxable at 33 per cent. (plus local surcharges) if the capital gain is deemed to be realised outside the scope of the normal management of the individual's private estate. Capital losses are, however, not tax deductible in such event.

Moreover, capital gains realised by Belgian resident individuals on the disposal of the Shares, outside the exercise of a professional activity, to a non-resident company (or body constituted in a similar legal form), to a foreign State (or one of its political subdivisions or local authorities) or to a non-resident legal entity, each time established outside the EEA, are in principle taxable at a rate of 16.5 per cent. (plus local surcharges) if, at any time during the five years preceding the sale, the Belgian resident individual has owned, directly or indirectly, alone or with his/her spouse or with certain relatives, a substantial shareholding in the Target (i.e., a shareholding of more than 25 per cent. in the Target). Capital losses are, however, not tax deductible in such event.

Belgian resident individuals who hold Shares of the Target for professional purposes are taxable at the ordinary progressive personal income tax rates (plus local surcharges) on any capital gains realised upon the disposal of the Shares, except for: (i) capital gains on Shares realised in the framework of the cessation of activities, which are taxable at a separate rate of 10 per cent. or 16.5 per cent. (depending on the circumstances) or (ii) Shares held for more than five years, which are taxable at 16.5 per cent., plus local surcharges. Capital losses on the Shares incurred by Belgian resident individuals who hold the Shares for professional purposes are, in principle, tax deductible.

7.2.2 Resident legal entities

Capital gains realised on the Shares by a legal entity subject to income tax on legal entities are, in principle, not taxable.

Capital gains realised upon disposal of (part of) a substantial participation in a Belgian company (i.e., a participation representing more than 25 per cent. of the share capital of the Target at any time during the last five years prior to the disposal) may, however, under certain circumstances be subject to income tax in Belgium at a rate of 16.5 per cent.

Capital losses on Shares incurred by Belgian resident legal entities are not tax deductible.

7.2.3 Resident companies

Belgian resident companies are normally not subject to Belgian capital gains taxation on gains realised upon the disposal of the Shares provided that the following conditions (the "**Conditions**") are met:

(a) the taxation condition: the conditions relating to the taxation of the underlying distributed income, as described in Article 203 ITC are met;

(b) the participation condition: the Belgian resident company holds Shares representing at least 10 per cent. of the share capital of the Target or a participation in the Target with an acquisition value of at least EUR 2,500,000;

(c) the permanence condition: the Shares have been held or will be held in full ownership for an uninterrupted period of at least one year.

If one or more of the Conditions are not met, any capital gain realised on the Shares would be taxable at the standard corporate income tax rate of 25 per cent., unless the reduced corporate income tax rate of 20 per cent. applies.

Capital losses on the Shares incurred by Belgian resident companies are as a general rule not tax deductible.

Shares held in the trading portfolios of Belgian qualifying credit institutions, investment enterprises and management companies of collective investment undertakings are subject to a different regime. The capital gains on such Shares are taxable at the ordinary corporate income tax rate of 25 per cent., unless the reduced corporate income tax rate of 20 per cent. applies, and the capital losses on such Shares are tax deductible. Internal transfers to and from the trading portfolio are assimilated to a realisation.

7.2.4 Non-residents

Non-resident individuals, companies or entities are, in principle, not subject to Belgian income tax on capital gains realised upon disposal of the Shares, unless the Shares are held as part of a business conducted in Belgium through a fixed base in Belgium or a Belgian permanent establishment. In such a case, the same principles apply as described with regard to Belgian individuals (holding the Shares for professional purposes), Belgian companies or Belgian resident legal entities subject to Belgian legal entities tax.

Non-resident individuals who do not use the Shares for professional purposes and who have their fiscal residence in a country with which Belgium has not concluded a tax treaty or with which Belgium has concluded a tax treaty that confers the authority to tax capital gains on the Shares to Belgium, might be subject to tax in Belgium if the capital gains are obtained or received in Belgium and arise from transactions which are to be considered speculative or beyond the normal management of one's private estate or in the event of disposal of a substantial participation in a Belgian company as mentioned in the tax treatment of the disposal of the Shares by Belgian individuals (see above). Such non-resident individuals might therefore be obliged to file a tax return and should consult their own tax adviser.

7.3 Taxation of the transfer of the Subscription Rights

This Section contains a summary of certain tax considerations that, as of the date of this Prospectus, are applicable to the transfer of the Subscription Rights in the context of the Offer only for Subscription Right Holders who are Belgian individuals.

The below assumes that the Subscription Rights are currently vested or will become vested at the occasion of the Offer.

The Belgian social security aspects are not discussed in this Section.

The Subscription Right Holders who require further information on the Belgian and foreign tax consequences of the transfer of Subscription Rights and on the Belgian social security aspects thereof are requested to consult their own financial and tax advisors.

7.3.1 Resident individuals

(i) Transfer of Subscription Rights

Any capital gains realised on the transfer of the Subscription Rights will in principle be subject to the tax regime for Shares described under Section 7.2.1 of this Prospectus (*Resident individuals*) above.

The transfer of Subscription Rights which have been granted under the application of the law of 26 March 1999 (and have been subject to an up-front taxation calculated on a formulary basis) could, under certain circumstances, trigger additional taxation for the Subscription Right Holders, who should consult their own tax advisor.

We recommend to Subscription Right Holders that obtained their Subscription Rights under the application of the law of 26 March 1999 to consult their own tax advisor.

(ii) Exercise of Subscription Rights during the Offer

If the Subscription Rights are exercised prior to the closing of the Offer, the newly issued Shares that result from that exercise can be tendered in the Offer. Any capital gains realised on the transfer of the Subscription Rights will in principle be subject to the tax regime for Shares described under Section 7.2.1 of this Prospectus (*Resident individuals*) above.

Capital gains realised on Shares that were obtained as a consequence of the above exercise by the Subscription Right Holders and that are tendered in the Offer will in principle be subject to the tax regime for Shares described under Section 7.2.1 of this Prospectus (*Resident individuals*) above.

With regard to capital gains realised on Shares that were obtained as a consequence of the above exercise by Subscription Right Holders that obtained their Subscription Rights under the application of the law of 26 March 1999 (and have been subject to an up-front taxation calculated on a formulary basis) and that are tendered in the Offer will in principle be subject to the tax regime for Shares described under Section 7.2.1 above of this Prospectus (*Resident individuals*) (but can in principle not be considered as professional income based on Article 42 (2) of the law of 26 March 1999).

We recommend to Subscription Right Holders that obtained their Subscription Rights under the application of the law of 26 March 1999 to consult their own tax advisor.

(iii) Transfer of Subscription Rights in the framework of a Squeeze-out

Capital gains realized on the transfer of the Subscription Rights in the framework of a Squeeze-out will in principle be subject to the tax regime for Shares described under Section 7.2.1 above of this Prospectus (*Resident individuals*).

The Belgian tax authorities generally accept that an automatic transfer of a Subscription Right under a Squeeze-out may be considered as a case of force majeure and that such transfer should therefore not trigger additional income taxes for the holders of those Subscription Rights (even if the Subscription Rights contained transfer restrictions) under the application of the law of 26 March 1999. However, in the event that the Belgian tax authorities would change their position, this might, in certain circumstances, result in adverse tax consequences. We recommend to Subscription Right Holders that obtained their Subscription Rights under the application of the law of 26 March 1999 to consult their own tax advisor.

7.4 Tax on stock exchange transactions

The purchase and the sale and any other acquisition or transfer for consideration of existing Shares or Subscription Rights (secondary market transactions) is subject to the Belgian tax on stock exchange transactions (*taxe sur les opérations de bourse / taks op de beursverrichtingen*) if (i) it is entered into or carried out in Belgium through a professional intermediary, or (ii) deemed to be entered into or carried out in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence in Belgium, or legal entities for the account of their seat or establishment in Belgium (both referred to as a "**Belgian Investor**").

The tax on stock exchange transactions is levied at a rate of 0.35 per cent. of the purchase price, capped at EUR 1,600 per transaction and per party.

Such tax is separately due by each party to the transaction, and each of those is collected by the professional intermediary. However, if the order is made directly or indirectly to a professional intermediary established outside of Belgium, the tax will in principle be due by the Belgian Investor, unless that Belgian Investor can demonstrate that the tax has already been paid. In the latter case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*bordereau / borderel*), at the latest on the business day after the day the transaction concerned was realised. The qualifying order statements must be numbered in series and a duplicate must be retained by the financial intermediary. The duplicate can be replaced by a qualifying day-to-day listing, numbered in series. Alternatively, professional intermediaries established outside of Belgium can, subject to certain conditions and formalities, appoint a Belgian stock exchange tax representative ("**Stock Exchange Tax Representative**"), which will be liable for the tax on stock exchange transactions in respect of the transactions executed through the professional intermediary and for complying with the reporting obligations and the obligations relating to the order statement in that respect. If such a Stock Exchange Tax Representative has paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transaction.

No tax on stock exchange transactions is due on transactions entered into by the following parties, provided they are acting for their own account: (i) professional intermediaries described in Article 2, 9° and 10° of the Belgian Law of 2 August 2002 on the supervision of the financial sector and financial services; (ii) insurance companies described in Article 2, §1 of the Belgian Law of 9 July 1975 on the supervision of insurance companies; (iii) pension institutions referred to in Article 2, 1° of the Belgian Law of 27 October 2006 concerning the supervision of pension institutions; (iv) undertakings for collective investment; (v) regulated real estate companies and (vi) Belgian non-residents provided they deliver a certificate to their financial intermediary in Belgium confirming their non-resident status.

The Offeror shall bear the tax on stock exchange transactions.

List of Schedules to the Prospectus:

1. Acceptance Form

2. Consolidated financial statements of the Offeror as at 31 December 2020 and the related auditor's report

3. Unconsolidated financial statements of the Offeror as at 31 December 2020 and the related auditor's report

4. Documents incorporated by reference in the Prospectus

SCHEDULE 1 – ACCEPTANCE FORM

Acceptance Form for Registered Shares

To be completed and sent to the Centralizing Receiving Agent (BNP Paribas Fortis SA) at the following e-mail address cfcm-ecm@bnpparibasfortis.com, no later than 17 December 2021 at 4.00 pm CET, or at any later date announced in case of extension

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ACCEPTANCE FORM FOR REGISTERED SHARES ONLY

Acceptance form for the conditional voluntary public takeover offer in cash possibly followed by a squeeze-out issued by Greiner AG (the Offeror) on all Securities issued by Recticel SA not already held by the Offeror

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I, the undersigned:

Legal entity:

Name:	
Address of the registered office:	
Validly represented by:	(1) Name: Title: (2) Name: Title:

Natural person:

Full name:	
domicile:	

Declare, having had the opportunity to read the Prospectus, that:

(i) I accept the terms of the Offer as described in the Prospectus;

(ii) I agree to transfer to the Offeror the Shares which are identified in this Acceptance Form and which I hold in full, in accordance with the terms of the Prospectus, at the Share Offer Price which corresponds to a cash payment of EUR 13.50 per Share;

(iii) I transfer my Shares in accordance with the acceptance procedure described in the Prospectus; and

(iv) I acknowledge that all warranties and obligations that I purport to have made in respect of the transfer of my Shares are included in this Acceptance Form in accordance with the Prospectus.

Shares		
Number	**Form**	**Instructions**
………………….	Registered shares	The following documents are attached to this Acceptance Form: • proof of registration of my registered Shares in the Target's share register; and • *for natural persons*: a copy of my identity card or passport including a specimen signature; or • *for legal entities*: a certified copy of the Articles of Association of the Shareholder, proof of authority to represent the Shareholder from the persons who have signed this Acceptance Form, if applicable a power of attorney, and a copy of the identity card or passport including a specimen signature of the person(s) authorised to represent the Shareholder who has (have) signed this Acceptance Form I hereby request that (i) these Shares be transferred to the Offeror, (ii) the transfer of these Shares be duly recorded in the share register of the Target and, for this purpose, I authorise each director of the Target and the Offeror, each acting individually and with right of substitution, to sign the share register of the Target in my name and on my behalf, and to do all things necessary or useful for this purpose.

I hereby request that on the Initial Payment Date the Share Offer Price for the transfer of the Shares referred to in this Acceptance Form be credited to my account:

Name of the bank:	
IBAN:	
BIC/SWIFT:	

I am aware that:

(a) In order to be valid, this Acceptance Form must be sent to the Centralizing Receiving Agent at the following e-mail address cfcm-ecm@bnpparibasfortis.com, in accordance with the applicable acceptance procedure as described in the Prospectus (Section 6.7.1), no later than the last day of the Initial Acceptance Period (as extended from time to time), i.e. 17 December 2021 at 4.00 pm CET;

(b) I am duly authorised to transfer my Shares and all authorisations, formalities or procedures required for this purpose have been duly and successfully obtained, accepted, completed and/or executed;

(c) (i) if the Shares are owned by two or more persons, the Acceptance Form must be signed jointly by all such persons; (ii) if the Shares are subject to a right of usufruct, the Acceptance Form must be signed jointly by the usufructuary and the bare owner (iii) if the Shares are subject to a pledge, the Acceptance Form must be signed jointly by the pledgor and the pledgee, it being understood that the pledgor will be deemed to have unconditionally and irrevocably waived the pledge and released the pledge on the relevant Shares (iv) if the Shares are encumbered or subject to a charge, claim, security interest or interest, the Shareholder and all beneficiaries of such charge, claim, security interest or interest must jointly execute the Acceptance Form, it being understood that such beneficiaries will be deemed to have unconditionally and irrevocably waived any charge, claim, security interest or interest in respect of such Shares;

(d) there is no charge to me for accepting the Offer as this Acceptance Form is deposited directly with the Centralizing Receiving Agent;

(e) acceptance of the Offer made during the Initial Acceptance Period may be withdrawn during the Initial Acceptance Period by written notification directly to the Centralizing Receiving Agent, stating the number of Shares being withdrawn. To the extent that I hold registered Shares, I will be informed by the Target as to the procedure for withdrawing my acceptance. This notification of withdrawal must be made no later than on 17 December 2021 at 4.00 pm or, as the case may be, on the date to be determined in the relevant notification and/or press release; and

(f) the Offeror shall bear the tax on stock exchange transactions.

I acknowledge that I have received all the information necessary to make a fully informed decision as to whether or not to tender my Shares in the Offer. I am fully aware of the legality of the Offer and the risks associated with it, and I have made inquiries as to the taxes that I may be liable to pay in connection with the sale of my Shares to the Offeror, which taxes, if any, I will bear alone.

Unless otherwise specified, terms used in this Acceptance Form shall have the same meaning as in the Prospectus.

Done in duplicate at (*place*): ___________________________

On (*date*): ____________________

The Shareholder	**The Centralizing Receiving Agent**
(signature) (surname, first name, company name)	(signature) (financial intermediary)

Acceptance Form for Dematerialised Shares

To be completed and submitted in duplicate to the financial intermediary where such dematerialised Shares are held by no later than 4.00 pm CET on 17 December 2021, or such later date as may be announced in the event of an extension, or such earlier date as may be specified by the financial intermediary

ACCEPTANCE FORM FOR DEMATERIALISED SHARES ONLY

Acceptance form for the conditional voluntary public takeover offer in cash possibly followed by a squeeze-out issued by Greiner AG (the Offeror) on all Securities issued by Recticel SA not already held by the Offeror

I, the undersigned:

Legal entity:

Name:	
Address of the registered office:	
Validly represented by:	(1) Name: Title: (2) Name: Title:

Natural person:

Full name:	
domicile:	

Declare, having had the opportunity to read the Prospectus, that:

(i) I accept the terms of the Offer as described in the Prospectus;

(ii) I agree to transfer to the Offeror the Shares which are identified in this Acceptance Form and which I hold in full, in accordance with the terms of the Prospectus, at the Offer Price which corresponds to a cash payment of EUR 13.50 per Share;

(iii) I transfer my Shares in accordance with the acceptance procedure described in the Prospectus; and

(iv) I acknowledge that all warranties and obligations that I purport to have made in respect of the transfer of my Shares are included in this Acceptance Form in accordance with the Prospectus.

Shares		
Number	**Form**	**Instructions**
………………….	Dematerialised Shares	These Shares are available on my securities account, the details of which are as follows: *Bank name: ....* *IBAN:...* *BIC/SWIFT:.................................* I hereby instruct the financial intermediary with whom I hold my dematerialised Shares and authorise each director of the Target and the Offeror, each acting individually and with the right of substitution, to immediately transfer these Shares from my securities account to the account of the Receiving Centralizing Agent.

I hereby request that on the Initial Payment Date the Offer Price for the transfer of the Shares referred to in this Acceptance Form be credited to my account:

Name of the bank:	
IBAN:	
BIC/SWIFT:	

I am aware that:

(a) To be valid, this Acceptance Form must be lodged in duplicate, in accordance with the applicable acceptance procedure as described in the Prospectus (Section 6.7.1), with the Dealer or another financial intermediary no later than the last day of the Initial Acceptance Period (as extended from time to time), namely 4.00 pm on 17 December 2021, or such earlier date as may be specified by the financial intermediary;

(b) I am duly authorised to transfer my Shares and all authorisations, formalities or procedures required for this purpose have been duly and successfully obtained, accepted, completed and/or executed;

(c) (i) if the Shares are owned by two or more persons, the Acceptance Form must be signed jointly by all such persons; (ii) if the Shares are subject to a right of usufruct, the Acceptance Form must be signed jointly by the usufructuary and the bare owner (iii) if the Shares are subject to a pledge, the Acceptance Form must be signed jointly by the pledgor and the pledgee, it being understood that the pledgor will be deemed to have unconditionally and irrevocably waived the pledge and released the pledge on the relevant Shares (iv) if the Shares are encumbered or subject to a charge, claim, security interest or interest, the Shareholder and all beneficiaries of such charge, claim, security interest or interest must jointly execute the Acceptance Form, it being understood that such beneficiaries will be deemed to have unconditionally and irrevocably waived any charge, claim, security interest or interest in respect of such Shares;

(d) acceptance of the Offer does not entail any costs for me, provided that (i) I tender my Shares directly to the Centralizing Receiving Agent and (ii) my dematerialised Shares are registered in an account with the Centralizing Receiving Agent;

(e) I shall personally bear any costs that may be charged by a financial intermediary other than the Centralizing Receiving Agent;

(f) acceptance of the Offer made during the Initial Acceptance Period may be withdrawn during the Initial Acceptance Period by giving written notice directly to the financial intermediary with whom I have lodged my Acceptance Form, stating the number of Shares being withdrawn. In the event that I notify a financial intermediary other than the Centralizing Receiving Agent of my withdrawal, such financial intermediary shall be obliged and responsible to inform the Centralizing Receiving Agent of the withdrawal in a timely manner. This notification to the Centralizing Receiving Agent must be made no later than 4.00 pm CET on 17 December 2021 or, if applicable, on the date to be determined in the relevant notification and/or press release; and

(g) the Offeror shall bear the tax on stock exchange transactions.

I acknowledge that I have received all the information necessary to make a fully informed decision as to whether or not to tender my Shares in the Offer. I am fully aware of the legality of the Offer and the risks associated with it, and I have made inquiries as to the taxes that I may be liable to pay in connection with the sale of my Shares to the Offeror, which taxes, if any, I will bear alone.

Unless otherwise specified, terms used in this Acceptance Form shall have the same meaning as in the Prospectus.

Done in duplicate at (*place*): ____________________________

On (*date*): ____________________

The Shareholder	**Centralizing receiving Agent**
(signature) (surname, first name, company name)	(signature) (financial intermediary)

Acceptance Form for Subscription Rights

To be completed and sent to the Centralizing Receiving Agent (BNP Paribas Fortis SA) at the following e-mail address cfcm-ecm@bnpparibasfortis.com, no later than 4.00 pm CET on 17 December 2021, or at any later date announced in case of extension

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ACCEPTANCE FORM FOR SUBSCRIPTION RIGHTS ONLY

Acceptance form for the conditional voluntary public takeover offer in cash possibly followed by a squeeze-out issued by Greiner AG (the Offeror) on all Securities issued by Recticel SA not already held by the Offeror

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I, the undersigned:

Legal entity:

Name:	
Address of the registered office:	
Validly represented by:	(1) Name: Title: (2) Name: Title:

Natural person:

Full name:	
domicile:	

Declare, having had the opportunity to read the Prospectus, that:

(i) I accept the terms of the Offer as described in the Prospectus;

(ii) I agree to transfer to the Offeror the Subscription Rights which are identified in this Acceptance Form and which I hold in full, in accordance with the terms of the Prospectus, at the following Subscription Right Offer Price:

Issue date	Subscription Right Offer Price
April 2016	EUR 8.07
June 2017	EUR 6.92
April 2018	EUR 5.20

Issue date	Subscription Right Offer Price
June 2019	EUR 6.83
March 2020	EUR 7.80

(iii) I transfer my Subscription Rights in accordance with the acceptance procedure described in the Prospectus; and

(iv) I acknowledge that all warranties and obligations that I purport to have made in respect of the transfer of my Subscription Rights are included in this Acceptance Form in accordance with the Prospectus.

Subscription Rights			
Number	**Issue date**	**Form**	**Instructions**
………………….	………………….	Registered Subscription Rights	The following documents are attached to this Acceptance Form: • proof of registration of my registered Subscription Rights in the Target Subscription Rights register; and • *for natural persons*: a copy of my identity card or passport including a specimen signature; or • *for legal entities*: a certified copy of the Articles of Association of the Holder of Subscription Rights, proof of authority to represent the Holder of Subscription Rights from the persons who have signed this Acceptance Form, if applicable a power of attorney, and a copy of the identity card or passport including a specimen signature of the person(s) authorised to represent the Holder of Subscription Rights

			who has (have) signed this Acceptance Form I hereby request that (i) these Subscription Rights be transferred to the Offeror, (ii) the transfer of these Subscription Rights be duly recorded in the Subscription Rights register of the Target and, for this purpose, I authorise each director of the Target and the Offeror, each acting individually and with right of substitution, to sign the Subscription Rights register of the Target in my name and on my behalf, and to do all things necessary or useful for this purpose.

I hereby request that on the Initial Payment Date the Subscription Rights Offer Price for the transfer of the Subscription Rights referred to in this Acceptance Form be credited to my account:

Name of the bank:	
IBAN:	
BIC/SWIFT:	

I am aware that:

(a) In order to be valid, this Acceptance Form must be sent to the Centralizing Receiving Agent at the following e-mail address cfcm-ecm@bnpparibasfortis.com, in accordance with the applicable acceptance procedure as described in the Prospectus (Section 6.7.1), no later than the last day of the Initial Acceptance Period (as extended from time to time), i.e. 17 December 2021 at 4.00 pm CET;

(b) I am duly authorised to transfer my Subscription Rights and all authorisations, formalities or procedures required for this purpose have been duly and successfully obtained, accepted, completed and/or executed;

(c) there is no charge to me for accepting the Offer as this Acceptance Form is deposited directly with the Centralizing Receiving Agent;

(d) acceptance of the Offer made during the Initial Acceptance Period may be withdrawn during the Initial Acceptance Period by written notification directly to the Centralizing Receiving Agent, stating the number of Subscription Rights being withdrawn. To the extent that I hold registered Subscription Rights, I will be informed by the Target as to the procedure for withdrawing my acceptance. This notification of withdrawal must be made no later than 4.00 pm CET on 17 December 2021 or, as the case may be, on the date to be determined in the relevant notification and/or press release; and

(e) the Offeror shall bear the tax on stock exchange transactions.

I acknowledge that I have received all the information necessary to make a fully informed decision as to whether or not to tender my Subscription Rights in the Offer. I am fully aware of the legality of the Offer and the risks associated with it, and I have made inquiries as to the taxes that I may be liable to pay in connection with the sale of my Subscription Rights to the Offeror, which taxes, if any, I will bear alone.

Unless otherwise specified, terms used in this Acceptance Form shall have the same meaning as in the Prospectus.

Done in duplicate at (*place*): ___________________________

On (*date*): ____________________

The Holder of Subscription Rights	**The Centralizing Receiving Agent**
(signature) (surname, first name, company name)	(signature) (financial intermediary)

Schedule 2 – Consolidated financial statements of the Offeror as at 31 December 2020 and the related auditor's report

[logo:] KPMG

Greiner AG,
Kremsmünster

Translation of the Audit Report for the consolidated financial statements as of 31 December 2020

[logo:] KPMG

**Greiner AG,
Kremsmünster**

Translation of the Audit Report for the consolidated financial statements as of 31 December 2020

30 April 2021

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft [Auditors and tax consultancy firm]
10190877

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List of annexes

Note on rounding

When totalling rounded amounts and percentages, minor differences caused by rounding may occur due to the use of automatic calculation tools.

To the members of the Management Board and the Supervisory Board of
Greiner AG,
Kremsmünster

We have audited the consolidated financial statements as of 31 December 2020 for

Greiner AG,
Kremsmünster
(referred to below as "the Company"),

and hereby submit the following **report** on the results of this audit:

1. Audit agreement and performance of the engagement

At the annual general meeting of Greiner AG, Kremsmünster, on 22 June 2020, we were elected as auditors for financial year 2020. Under Section 270 (2) UGB, we are also considered to be auditors of the consolidated financial statements, as no different auditor was appointed for the consolidated accounts.

The Company, represented by the Supervisory Board, entered into an **audit agreement** with us for the audit of the consolidated financial statements as of 31 December 2020, including the accounting and the management report, in accordance with Sections 269 et seq. UGB (*Unternehmensgesetzbuch* [Austrian Commercial Code]). [1)]

The audited Company is an **extremely large company** as defined in Section 271a (1) UGB. The Company is therefore required to set up a **Supervisory Board.**

The present audit is a **mandatory audit.**

This **audit is to determine** whether the statutory provisions were observed during the preparation of the consolidated financial statements and the accounting. The Group management report must be audited to check that it is consistent with the consolidated financial statements, and whether it was prepared in accordance with the applicable legal requirements.

For reporting under Article 11 of Regulation (EU) No. 537/2014, we refer to our separate report to the Audit Committee; the reporting under Article 11 of the above regulation does not form part of the present report.

1) We will report separately on the agreed audit of the annual financial statements as of 31 December 2020.

During our audit, we complied with the **statutory provisions** that apply in Austria and the **professionally accepted principles** for the proper execution of annual audits of financial statements. These principles require the application of the International Standards on Auditing (ISA). We would like to point out that the purpose of the audit is to obtain sufficient certainty as to whether the consolidated financial statements as a whole are free of material misstatements. There can never be absolute certainty because the possibility of errors is inherent in every internal control system, and there is an unavoidable risk when using a random sample-based audit that material misstatements in the consolidated financial statements remain undetected. The audit did not extend to those areas that usually only form part of special audits.

As part of the audit of the consolidated financial statements, we audited the summary financial information of the consolidated companies included in the consolidated financial statements to determine whether they comply with the principles of proper accounting and whether the relevant provisions for their inclusion in the consolidated financial statements had been observed.

Some of the companies included in the consolidated financial statements were audited by other auditors. We have adequately monitored their work.

We carried out the audit in several parts in December 2020 (preliminary audit) and in the **period** from March to April 2021 (main audit). As of the date shown on this report, we have completed the audit.

The proper performance of the engagement is the **responsibility** of Mr Michael Ahammer, Auditor.

The basis for our audit is the audit agreement concluded with the Company, of which the “General **Terms and Conditions** of Engagement for the Accounting and Auditing Professions” (Annex IV), issued by the Chamber of Tax Consultants and Auditors, form an integral part. These Terms and Conditions of Engagement apply not only between the Company and the auditor, but also to third parties. Section 275 UGB applies in respect of our responsibility and liability as auditors towards the Company and towards third parties.

2. Summary of the audit results

2.1. Conclusions on the legality of the accounting, consolidated financial statements and Group management report

During the audit of the consolidation and of the financial information of the consolidated companies, we determined the compliance of the **accounting** with the statutory provisions. The financial information contained in the consolidated financial statements essentially follows the standard accounting and valuation guidelines laid down by the parent company for the consolidated financial statements, and represents a suitable basis for inclusion in the consolidated financial statements. The relevant provisions for inclusion in the consolidated financial statements were observed.

As part of our risk- and control-oriented audit approach, we included in the audit the internal controls in certain areas of the accounting process, as far as we considered this to be necessary for our audit opinion.

With regard to the legality of the **consolidated financial statements** and the **Group management report**, we refer to our comments in the audit opinion.

2.2. Information provided

The legal representatives of the Company provided us with the information and evidence we requested, and signed a declaration of completeness.

2.3. Opinion on the facts under Section 273 (2) UGB (auditor's obligation to report)

When carrying out our duties as auditors of consolidated financial statements, we have not determined any facts that could jeopardize the existence of the Company or significantly impair its future performance, or that indicate any serious violations of the law or of the articles of association on the part of either the legal representatives or employees. We did not become aware of any significant weaknesses in the internal controls of the accounting process.

3. Audit opinion

Report on the consolidated financial statements

Audit opinion

We have audited the consolidated financial statements of

Greiner AG,
Kremsmünster,

and its subsidiaries ("the Group"), consisting of the consolidated balance sheet, the consolidated statement of comprehensive income, the consolidated cash flow statement and the changes in Group equity for the financial year ending on this reporting date, and the notes to the consolidated financial statements.

In our opinion, the consolidated financial statements comply with the statutory provisions, and provide a true and fair view of the asset and financial situation of the Group as of 31 December 2020, as well as the earnings situation and the cash flows of the Group for the financial year ending on that date, in accordance with the International Financial Reporting Standards (IFRS), as they are to be applied in the EU, and the additional requirements of Section 245a UGB (*Unternehmensgesetzbuch* [Austrian Commercial Code]).

Basis for the audit opinion

We carried out our audit of the financial statements in accordance with the Austrian principles of proper auditing of financial statements. These principles require the application of the International Standards on Auditing (ISA). Our responsibilities under these provisions and standards are described in more detail in the section "Responsibilities of the auditor during the audit of the consolidated financial statements" of our audit opinion. We are independent of the Group as required by Austrian company and professional law regulations, and we have fulfilled our other professional obligations in accordance with these requirements. We are of the opinion that the audit evidence obtained by us up to the date of this audit opinion is sufficient and suitable to serve as a basis for our audit opinion on this date.

Responsibilities of the legal representatives and the Audit Committee for the consolidated financial statements

The legal representatives are responsible for preparing the consolidated financial statements and for ensuring that they provide a true and fair view of the asset, financial and earnings situation of the Group in accordance with IFRS as applied in the EU and the additional requirements of Section 245a UGB. In addition, the legal representatives are responsible for the internal controls that they consider necessary to enable the preparation of consolidated financial statements that are free from material misstatements due to either fraudulent acts or errors.

When preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue its business activities as a going concern, for disclosing any circumstances that might impact the continuation of the business activity – if such exist – as well as for preparing the accounts on a going concern basis, unless the legal representatives intend to either liquidate the Group or to discontinue business activity or have no other realistic alternative.

The Audit Committee is responsible for monitoring the Group's accounting process.

Responsibilities of the auditor during the audit of the consolidated financial statements

Our objectives are to obtain sufficient certainty as to whether the consolidated financial statements as a whole are free of material misstatements whether due to fraudulent acts or errors, and to issue an audit certificate that includes our audit opinion. Sufficient certainty is a high degree of certainty, but not a guarantee, that an audit of annual accounts carried out in accordance with Austrian principles of proper auditing, which require the application of ISA, will always reveals any material misrepresentation, should one exist. Misrepresentations may result from fraudulent acts or from errors, and are considered material if, taken either individually or as a whole, they could reasonably be expected to influence the business decisions of users made on the basis of these consolidated financial statements.

As part of an audit of the financial statements in accordance with Austrian principles of proper audit of financial statements, which require the application of the ISA, we exercise our professional judgement throughout the audit of the financial statements and maintain a critical attitude.

In addition, the following applies:

— We identify and assess the risks of material misstatements in the financial statements based on fraudulent actions or errors, we plan our audit activities in response to these risks, perform them and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinion. The risk of not being discovered is greater for material misrepresentations resulting from fraudulent acts than for misrepresentation resulting from an error since fraudulent acts may involve collusive collaboration, forgery, intentional incompleteness, deceptive representations, or the bypassing of internal controls.

— We obtain an understanding of the internal control system relevant for the audit of the annual financial statements in order to plan audit activities that are appropriate under the existing circumstances, but not with the goal of submitting an audit opinion on the effectiveness of the Company's internal control system.

— We assess the appropriateness of the accounting methods applied by the legal representatives, as well as the reasonableness of the estimated values used by the legal representatives in the accounting and related information.

— We draw conclusions about the appropriateness of the application of the going concern accounting principle by the legal representatives and, on the basis of the audit evidence obtained, about whether there is any significant uncertainty in relation to events or circumstances that might cast substantial doubts on the ability of the Group to continue its business activity. If we reach the conclusion that there is a significant uncertainty, we are required to draw attention to the relevant disclosures in the consolidated financial statements in our audit certificate or, if these disclosures are inappropriate, to modify our audit opinion. We draw our conclusions on the basis of the audit evidence obtained prior to the date of our audit opinion. However, future events or circumstances may result in the Group ceasing to continue its business activity.

— We assess the overall presentation, structure and content of the consolidated financial statements, including the figures and whether the consolidated financial statements reflect the underlying business transactions and events in such a way that a true and fair view is achieved.

— We obtain sufficient suitable audit evidence about the financial information of the units or business activities within the Group in order to issue an audit opinion on the consolidated financial statements. We are responsible for the guidance, monitoring and implementation of the consolidated financial statement audit. We are solely responsible for our audit opinion.

— We discuss with the Audit Committee, among other things, the planned scope and planned scheduling of the audit as well as any significant audit findings, including any significant deficiencies in the internal control system, that we identify during our audit.

Report on the Group management report

Under the provisions of Austrian company law, the Group management report must be audited to check whether it is consistent with the consolidated financial statements and whether it was prepared in accordance with the applicable legal requirements.

The legal representatives are responsible for preparing the Group management report in accordance with the provisions of Austrian company law.

We conducted our audit in accordance with the professional principles for auditing the Group management report.

Opinion

In our opinion, the Group management report has been prepared in accordance with the applicable legal requirements and is consistent with the consolidated financial statements.

Declaration

Taking into account the insights we gained during our audit of the consolidated financial statements and our understanding of the Group and its environment, we did not find any materially incorrect information in the Group management report.

Auditor responsible for the audit

The auditor contractually responsible for the annual audit is Mr Michael Ahammer.

Linz, 30 April 2021

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft [Auditors and tax consultancy firm]

valid electronic signature:
Mr Michael Ahammer
Auditor

[electronic signature:] [logo:] KPMG	**Signatory**	Michael Otto Ahammer
	Date/time UTC	2021-05-03T15:09:43+02:00
Audit information	Under Regulation (EU) No. 910/2014 (eIDAS), this signature is the legal equivalent of the handwritten signature. Information on verification can be found at: http://www.signaturpruefung.gv.at	

This document was validly signed electronically, and only this version is valid. The consolidated financial statements, including our audit certificate, may only be published or passed on in the version we have certified. This audit opinion relates exclusively to the German language version of the complete consolidated financial statements, including the Group management report. For any other versions, the provisions of Section 281 (2) UGB (*Unternehmensgesetzbuch* [Austrian Commercial Code]) must be observed.

Annex I

Greiner AG,

Kremsmünster

[logo:] greiner

Consolidated financial statements as of 31 December 2020

Consolidated statement of comprehensive income for financial year 2020

in EUR '000	Notes to the accounts, Annex IX	2020	2019
Sales revenue	1	1,827,159	1,462,322
Change in inventories of finished and unfinished products, as well as of services not yet billable		1,544	-5,904
Capitalised own production		575	468
Operating performance		**1,829,278**	**1,456,887**
Expenses for materials and other purchased production services	2	-785,442	-688,515
Personnel expenses	3	-447,380	-395,108
Amortisation and depreciation	4	-216,337	-101,170
Other operating income	5	32,966	21,135
Other operating expenses	6	-239,825	-209,407
Earnings before interest and taxes (EBIT)		**173,260**	**83,822**
Income from companies accounted for under the equity method	7	81,123	11,214
Other investment income	8	219	120
Net interest income	9	-10,520	-10,629
Other financial earnings	10	-10,042	929
Financial result		**60,780**	**1,634**
Earnings before tax (EBT)		**234,040**	**85,456**
Income taxes	11	-46,551	-18,793
Earnings after taxes (EAT) = Consolidated net income for the year		**187,489**	**66,664**
of which share of earnings to shareholders of the parent company		183,136	63,116
of which share of earnings to minority shareholders	12	4,353	3,548

Consolidated statement of comprehensive income for financial year 2020

in EUR '000		2020	2019
Other income:			
items that are not later reclassified to the profit and loss:			
Actuarial gains and losses		-1,440	-6,768
Share of earnings from companies recognized at equity		0	-704
Tax effect		277	1,253
		-1,163	**-6,219**
Items that are later reclassified to the profit and loss:			
From foreign currency translation of foreign companies		-35,804	9,787
Share of earnings from companies accounted for under the equity method		-1,684	-241
		-37,488	**9,546**
Other earnings after taxes		**-38,651**	**3,327**
Total earnings		**148,838**	**69,990**
of which share of earnings to shareholders of the parent company		146,484	65,446
of which share of earnings to minority shareholders		2,354	4,545
outstanding shares	Unit	14,688,000	14,688,000
Earnings per share	EUR	12.47	4.30
Planned or paid dividend per share	EUR	2.72	1.11

Consolidated balance sheet
31 December 2020

in EUR '000	Notes to the accounts, Annex X	31 December 2020	31 December 2019
Assets:			
Intangible fixed assets	1	78,317	29,480
Goodwill	2	49,881	8,406
Tangible fixed assets	3	893,802	751,528
Shares in companies accounted for under the equity method	4	11,788	54,440
Financial and other long-term assets Assets	5	24,341	19,447
Long-term contract assets	IX 1	1,113	1,992
Deferred tax assets	6	20,672	19,289
Long-term assets		**1,079,913**	**884,581**
Inventories	7	196,043	160,221
Short-term contract assets	IX 1	50,524	49,059
Trade receivables	8	286,847	211,045
Other current assets and advance payments	9	38,282	33,480
Cash and cash equivalents	10	220,268	80,185
Current assets		**791,964**	**533,990**
Long-term assets held for sale	11	**0**	**3,269**
Total assets		**1,871,877**	**1,421,841**

in EUR '000	Notes to the accounts, Annex X	31 December 2020	31 December 2019
Consolidated equity and liabilities:			
Share capital	12	14,688	14,688
Capital reserves	13	32,814	32,814
Retained earnings	14	642,406	511,261
Shareholders' equity of the parent company		**689,908**	**558,763**
Shares of minority shareholders	15	**28,881**	**27,430**
Equity		**718,789**	**586,193**
Obligations towards employees	16	87,957	72,829
Long-term provisions	17	1,902	1,926
Deferred tax liabilities	6	39,409	17,117
Financial liabilities	18	426,061	293,899
Other long-term liabilities	20	16,609	17,159
Long-term liabilities		**571,938**	**402,930**
Short-term provisions	17	22,731	18,708
Trade payables	19	167,861	126,538
Short-term contractual liabilities	IX 1	17,498	16,256
Financial liabilities	18	267,183	204,856
Liabilities from income taxes		19,869	8,019
Other current liabilities	20	86,008	58,340
Short-term liabilities		**581,150**	**432,717**
Total assets		**1,871,877**	**1,421,841**

Consolidated cash flow statement for financial year 2020

in EUR '000	2020	2019
Consolidated cash flow from operations		
Earnings from operations (EBIT)	173,260	83,822
Non-cash items included in EBIT:		
Amortisation, depreciation, write-downs (revaluations) of fixed assets	216,037	99,533
Changes in long-term provisions	-3,226	2,763
Gains (losses) from disposal of fixed assets	-603	-1,191
Gains (losses) from prior periods from companies consolidated for the first time	0	-63
Loss provision for non-consolidated companies	1,542	3,822
Gains (losses) from value adjustments of contingent considerations	63	843
Exchange gains (losses) from the valuation of monetary items in foreign currency	4,368	-1,794
Non-cash income from investment grants	-800	-876
Other non-cash expenses (income)	-16	-31
Group cash flow from earnings	**390,627**	**186,828**
Changes to assets and liabilities from operations:		
Inventories	-17,243	5,807
Contractual assets and liabilities	-5,139	4,174
Trade receivables, other assets	-53,488	9,284
Trade payables, other liabilities	33,376	292
Short-term provisions	3,587	-3,873
Other changes not affecting profit or loss	-728	-334
Changes in working capital	**-39,635**	**15,350**
Income taxes paid	-37,031	-20,627
Consolidated cash flow from operations	**313,960**	**181,551**

in EUR '000	2020	2019
Group cash flow from investment activities		
Investments in fixed tangible and intangible assets [1] (cash outflow for investments)	-111,849	-99,373
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	-153,906	0
Carried forward:	-265.755	-99,373

1) Without non-cash acquisitions of rights of use under IFRS 16 totalling EUR 12,480,000 (prior year: EUR 25,965,000)

in EUR '000	2020	2019
Carried forward:	-265,755	-99,373
Acquisition of or investment in companies shown at equity	-696	-387
Investments in shareholdings or subsidies in non-consolidated shown at equity	-1,854	-1,288
Acquisition of other financial assets	-2,914	0
Changes in financial receivables	417	-2,341
Dividends from companies accounted for under the equity method	1,794	7,431
Other dividends received	169	221
Interest received	1,381	1,351
Proceeds from disposal of shareholdings and other financial assets	0	3,642
Proceeds from disposal of fixed assets	10,307	5,565
Receipts or repayments of investment subsidies	1,713	317
Group cash flow from investment activities	**-255,439**	**-84,862**

in EUR '000	2020	2019
Consolidated cash flow from financing activities		
Interest paid	-10,832	-10,195
Dividends due to shareholders of the parent company	-16,304	-11,604
Dividends to minority shareholders	-3,645	-2,576
Acquisition/increase in minority interests where control already exists	0	-3,000
Inclusion of financial liabilities [1)]	258,998	47,923
Repayment of financial liabilities [1)]	-141,032	-95,235
Payment from the settlement of derivatives	-69	-245
Consolidated cash flow from financing activities	**87,116**	**-74,933**
Consolidated cash flow from operations	313,960	181,551
Group cash flow from investment activities	-255,439	-84,862
Consolidated cash flow from financing activities	87,116	-74,933
Consolidated cash flow total	**145,637**	**21,757**
Cash and cash equivalents as of 1 January	80,185	56,092
Impairment under IFRS 9 Financial instruments	-147	-1
Effects of exchange rate changes on cash and cash equivalents	-5,407	1,618
Changes in cash and cash equivalents due to changes in consolidation scope	0	720
Cash and cash equivalents as of 31 December	**220,268**	**80,185**

1) See List of details under Item XII.

Changes to Group equity in financial year 2020

in EUR '000	Share capital	Capital reserves	Foreign currency conversion	OCI from personnel commitments	Cumulative earnings	Total	Shares of minority shareholders	Total group equity
	Shareholder equity of the parent company							
			Cumulative earnings or reserves					
As of 31/12/2019 = as of 01/01/2020	**14,688**	**32,814**	**16,824**	**-30,096**	**524,534**	**558,763**	**27,430**	**586,193**
Total earnings								
Profit	-	-	-	-	183,136	183,136	4,353	187,489
Other income	-	-	-35,501	-1,151	-	- 36,652	-1,999	- 38,651
Total earnings	**-**	**-**	**-35,501**	**-1,151**	**183,136**	**146,484**	**2,354**	**148,838**
Transactions with owners								
Deposits and dividends								
Dividends	-	-	-	-	-16,304	-16,304	-3,350	-19,654
Changes in shareholding ratios								
Gradual acquisition of subsidiaries with minority interests	-	-	3,656[1)]	-	-3,921	-265	2,641	2,376
Total transactions with owners	**-**	**-**	**3,656**	**-**	**-20,225**	**-16,568**	**-709**	**-17,278**
Other changes in equity								
Other changes	-	-	485	372	372	1,229	-194	1,035
Other changes in equity	**-**	**-**	**485**	**372**	**372**	**1,229**	**-194**	**1,035**
As of 31/12/2020	**14,688**	**32,814**	**-14,536**	**-30,875**	**687,818**	**689,908**	**28,881**	**718,789**

1) Reclassification of foreign currency losses into profits as part of the later acquisition of a subsidiary

Changes to Group equity
in financial year 2020

			Shareholder equity of the parent company					
			Cumulative earnings or reserves					
in EUR '000	Share capital	Capital reserves	Foreign currency conversion	OCI from personnel commitments	Cumulative earnings	Total	**Shares of minority shareholders**	**Total group equity**
As of 31/12/2019 = as of 01/01/2020	**14,688**	**32,814**	**8,842**	**-23,879**	**470,883**	**503,348**	**27,654**	**531,002**
Total earnings								
Profit	-	-	-	-	**63,116**	**63,166**	**3,548**	**66,664**
Other income	**-**	**-**	**8,547**	**-6,217**	**-**	**2,330**	**997**	**3,327**
Total earnings	**-**	**-**	**8,547**	**-6,217**	**63,116**	**65,446**	**4,545**	**69,990**
Transactions with owners								
Deposits and dividends								
Dividends	-	-	-	-	**-11,604**	**-11,604**	**-3,019**	**-14,622**
Changes in shareholding ratios								
Acquisition of minority interests without change of control	**-**	**-**	**-565**	**-**	**2,316**	**1,750**	**-1,750**	**-**
Total transactions with owners	**-**	**-**	**-565**	**-**	**-9,288**	**-9,853**	**-4,769**	**-14,622**
Other changes in equity								
Other changes	**-**	**-**	**-**	**-**	**-177**	**-177**	**-**	**-177**
Other changes in equity	**-**	**-**	**-**	**-**	**-177**	**-177**	**-**	**-177**
As of 31/12/2019	**14,688**	**32,814**	**-16,824**	**-30,096**	**524,534**	**558,763**	**27,430**	**586,193**

Notes to the consolidated financial statements

Notes to the consolidated financial statements for financial year 2020 for Greiner AG, Kremsmünster

I. Information about the Group

Greiner AG (hereinafter referred to as “Greiner”) is a leading global supplier of plastic and foam solutions based at Greinerstrasse 70, 4550 Kremsmünster, Austria. Its business activities are split into four divisions, which are:

(1) GPI - Greiner Packaging International

GPI is one of the leading European packaging manufacturers and is an innovation partner for well-known customers in the food and non-food sectors.

The **Packaging Business Unit** produces cups, lids, cans, buckets, closures, capsules, tubs, as well as containers, trays and bottles for the food, cosmetic and pharmaceutical and chemical industries. Technologies such as injection stretch blow moulding, extrusion blow moulding, Kavoblow production and injection moulding are used. This means that the Packaging Business Unit can offer a broad range of products in both the standard and the premium segments.

The **Assistec Business Unit** is dedicated to the manufacture of plastic parts and products, plus their assembly and individual further processing. As a technology integrator, it offers a variety of technology in different combinations for a wide mix of markets, such as appliances, automotive, building technologies, trays and boxes, do-it-yourself and HVAC (heating, ventilation and air conditioning technology).

(2) GBO - Greiner Bio-One

GBO operates globally in the areas of biotechnology, the diagnostic and pharmaceutical industry, medical and in vitro diagnostics.

In the **Pre-analytics** area, innovative solutions for the collection of human samples (e.g. blood, urine, saliva) as well as infusion therapy for safe and simple use in clinics, laboratories and in doctor’s practices are sold under the brand VACUETTE®.

BioScience is a leading technology partner for universities, research institutes and for the diagnostic, pharmaceutical and biotechnology industries. It develops and produces special products for the cultivation and analysis of cell cultures and microplates for high throughput screening.

Mediscan includes the sterilisation of medical products, the sterilisation of food packaging and the functional improvement of plastics and semiconductors. Electron beam and gamma and X-ray treatment are the methods used.

(3) NEVEON (formerly: GFI - Greiner Foam)

In the NEVEON division, Greiner's foam expertise for the Living & Care, Mobility and Specialties divisions is brought together under one roof.

Eurofoam is the European market leader in the production and processing of flexible polyurethane foam. The broad product range includes foams for upholstered furniture and mattresses, for the packaging, sports and automotive industries, as well as solutions for acoustics and noise insulation across various industries.

Greiner **MULTIfoam** produces and processes composite flock foam based on offcuts of flexible polyurethane foam to create products for the sports, construction, agricultural and footwear industries, and develops rubber cork applications for acoustics, load securing, construction and sports floors.

Greiner **aerospace** is a leading international manufacturer of innovative solutions for aircraft seating. Cushions and covers are designed, developed and produced for well-known seat manufacturers and airlines.

Greiner **PURtec** is a market and technology leader in the field of thermal insulation in the European water heating market. PURtec specialises in the development and production of innovative and efficient water storage tank insulation.

Unifoam (PTY) Ltd. is a local foam manufacturer in South Africa, near Durban, and Greiner’s first production site on the African continent. Unifoam produces flexible foam materials for a variety of applications such as mattresses and upholstered furniture.

Greiner **Perfoam** develops and produces visible trim for the premium vehicle industry, for interiors and car luggage spaces, as well as specially coordinated acoustic components for the interior and engine compartment. Thermally embossed PP fleece, PU, glass and natural fibres, as well as new and recycled foams are used.

(4) GEG - Greiner Extrusion

Greiner Extrusion is the world's leading supplier of extrusion lines, tools and complete systems for profile extrusion. With one of the largest development centres in the industry, our customers enjoy the benefits of improvements in profile extrusion.

The **Windows division** is the global market leader in the manufacture of machines, tools and systems for the extrusion of window and door profiles. The range of services stretches from individual tool production to construction of a complete plant for any areas in the premium, mid and economy segments.

The **Technical Profiles division** focuses on tools, machines and systems for the production of technical plastic profiles made from a wide variety of plastics, such as full wall profiles, hollow profiles, foamed profiles, WPC profiles and glass-fibre reinforced profiles. This covers a wide field of applications in both the construction industry and the technical sector.

II. Principles of accounting

The present consolidated financial statements of Greiner AG for financial year 2020 were prepared in accordance with the International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB), and in accordance with the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU, in the version that applies for the 2020 financial year.

This consolidated financial statements prepared in accordance with IFRS constitute exempting consolidated financial statements in accordance with Section 245a of the Austrian Commercial Code (UGB).

These consolidated financial statements are presented in thousands of euro (EUR ‘000); results of the sensitivity analysis relating to IAS 36 are in some cases in millions of euros (EUR million).

When totalling rounded amounts and percentages, minor differences caused by rounding may occur due to the use of automatic calculation tools.

III. Changes to International Financial Reporting Standards

Mandatory new or revised standards and interpretations that have been applied

The IASB has adopted the following amendments to existing IFRS, as well as some new IFRS and IFRIC, which have already been adopted by the EU Commission and have therefore been mandatory since 01/01/2020:

Standard/interpretation	Obligation to apply IASB	Already adopted by EU	Obligatio n to apply in EU
Conceptual framework: Changes to references in the IFRS standards to the conceptual framework	01/01/2020	Yes	01/01/2020
Amendment to IAS 1 and IAS 8: Definition of materiality	01/01/2020	Yes	01/01/2020
Amendment to IFRS 3: Business combinations Definition of a business operation	01/01/2020	Yes	01/01/2020
Amendments to IFRS 9, IAS 39 and IFRS 7: Reform of reference interest rates (phase 1)	01/01/2020	Yes	01/01/2020

In the case of **changes in the references to the conceptual framework**, the European Financial Reporting Advisory Group (EFRAG) revised the references in various standards to the conceptual framework.

With the amendments to **IAS 1 and IAS 8 - "Definition of materiality",** a uniform definition of the materiality of financial statement information was created. According to this, information is material if it can be reasonably expected that its omission, misrepresentation and/or concealment could influence the decisions made by primary users of IFRS financial statements on the basis of these financial statements.

The amendments to **IFRS 3 – "Definition of a business operation"** serve to clarify that a business operation exists if a group of assets and activities include at least an input of resources and a substantial process that together contribute significantly to the ability to produce an output.

The amendments to **IFRS 9, IFRS 39 and IFRS 7 - "Reform of reference interest rates"** relate to simplification provisions relating to hedge accounting in connection with the IBOR reform. Since no hedge accounting is used at Greiner, these changes have no impact on the Greiner Group.

For the consolidated financial statements of Greiner AG, the changes and details listed have no significant effects on the earnings or on the net assets and financial situation.

2. Standards and interpretations already published and that are only to be applied in later financial years

The IASB and the IFRIC have adopted further standards and interpretations that are either not yet mandatory in the 2020 financial year, or have not yet been adopted by the EU Commission.

Standard/interpretation	Obligation to apply IASB	Already adopted by EU	Obligation to apply in EU
Additions to IFRS 16: Consideration COVID-19 related rent concessions	01/06/2020	Yes	01/06/2020
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Reform of reference interest rates (phase 2)	01/01/2021	Yes	01/01/2021
Amendment to IAS 16: Tangible fixed assets - income before planned use	01/01/2022	No	01/01/2022
Amendment to IAS 37: Onerous contracts - costs for the performance of a contract	01/01/2022	No	01/01/2022
IFRS 3: References to the conceptual framework	01/01/2022	No	01/01/2022
Annual improvements 2018-2020	01/01/2022	No	01/01/2022
IFRS 17: Insurance contracts	01/01/2023	No	01/01/2023
Amendment to IAS 1: Presentation of financial statements - classification of liabilities as short- or long-term	01/01/2023	No	01/01/2023

In May 2020, the IASB published the **amendment to IFRS 16** to offer lessees a practical simplification in the accounting presentation of rental concessions that were granted as a direct consequence of the COVID-19 pandemic. The practical simplification allows lessees to waive the requirement to assess whether rent concessions (such as deferrals of lease payments) that were granted as a direct consequence of the COVID-19 pandemic constitute a contractual amendment. This way, a modification that does fundamentally exist is not recognized as such in the accounts.

The simplification refers only to rental concessions that were received up to 30 June 2021. Greiner has made use of the option to apply the amended IFRS 16 ahead of time. See also the explanations under Item X.3 on this subject.

The **amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16** relate to further simplification provisions concerning interest-bearing original financial instruments and hedging relationships in connection with the IBOR reform.

The **amendment to IAS 16** clarifies that income from the sale of the items produced while a tangible fixed asset is being installed in its location and made ready for operation under the conditions planned by management may not be deducted from the acquisition or production costs of this fixed asset, but must be recorded on the income statement.

The **amendments to IAS 37** stipulate that all costs of contractual performance directly attributable to a given contract must be included when determining whether the contract is considered onerous within the meaning of IAS 37.

The **amendments to IFRS 3** include an update of the references in IFRS 3 to the revised IFRS conceptual framework. In addition, a clarification was added that there is an explicit prohibition on the recognition of acquired contingent receivables within the framework of a merger.

The **improvements cycle 2018-2020** includes clarifications under IFRS 1 - First-time Adoption, IFRS 9 - Financial Instruments, IFRS 16 - Leases and IAS 41 - Agriculture.

IFRS 17 governs the recognition, valuation and disclosure or required disclosures for insurance contracts. This standard is not relevant for Greiner.

With the **amendment to IAS 1,** the assessment criteria for the classification of liabilities have been amended. This means that to be classified as a long-term liability, it is not the planned repayment date that is decisive, but instead the right to postpone the repayment date of the liability by at least twelve months past the balance sheet date. This right must clearly exist. If the right is linked to the fulfilment of certain conditions, these conditions must have been met by the balance sheet date, otherwise the liability must be classified as short-term.

With the exception of the “Changes to IFRS 16” applied early during this financial year, Greiner does not plan to apply these standards early. Greiner currently assumes that these new or changed standards will not have any significant effects on the earnings, net assets or financial position of the Group.

IV Consolidation principles and scope of consolidation

1. Consolidation methods

All companies that fall under the controlling influence of the parent company - Greiner AG - are included in the consolidated financial statements using full consolidation. A controlling influence exists where the parent company is exposed to variable returns from the subsidiaries, and can influence these returns through its decision-making powers over the relevant processes.

First-time inclusion in the consolidated financial statements happens in the event of an acquisition, and the acquisition method in IFRS 3 is used. The acquisition costs of the acquired shares are compared to the pro rata equity before the acquisition. The value of the acquisition cost that exceeds the current value of the identifiable assets, liabilities and contingent liabilities acquired as of the time of acquisition is recognized as goodwill, and its intrinsic value is reviewed annually by means of an impairment test. No amortisation is applied. Supplementary acquisition costs are not recognized, but recorded instead in the income statement.

If the net result of this comparison is a liability, this is recognized in the consolidated statement of comprehensive income after rechecking the valuations of the assets and liabilities.

Minority interests in the equity of the consolidated companies are shown as a separate item within equity. They are initially valued at the time of acquisition with the corresponding pro rata share of the identifiable net assets of the acquired company. Changes in the Group's share in a subsidiary that do not lead to a loss of control are recognized as equity transactions.

The shares of earnings included in the net income/loss for the year and that are due to the minority shareholders are shown in the consolidated statement of comprehensive income separately from the share of earnings due to the owners of the parent company.

Business combinations under IFRS 11 and companies over which significant influence is exercised (associated companies) are included in the consolidated financial statements using the equity method, provided they are materially significant enough to be required in order to convey a true and fair view of the asset, financial and earnings situation. Under the equity method, the shares are initially recognized at acquisition cost and subsequently increased or reduced by the pro rata changes in equity of the companies.

All receivables and liabilities, sales revenue, interest expenses and income as well as other income and expenses from charging between companies within the consolidated group are eliminated. Interim results from intra-Group deliveries are also eliminated, unless they are of negligible importance.

For timing differences arising from consolidation transactions, the income tax effects are taken into account, and deferred taxes are recognised.

2. Consolidation scope

The consolidation scope is defined in accordance with the principles of IFRS 10.

This means that the consolidated financial statements include 20 (prior year: 19) domestic companies including Greiner AG, and 69 (prior year: 61) foreign companies in which Greiner AG directly or indirectly holds the majority of voting rights.

26 (prior year: 21) affiliated companies that have a minor impact on the asset, financial and earnings situation of the Group are not included.

For 1 (prior year: 2) joint venture, there is joint management. This company is also accounted for using the equity method, together with 10 companies (prior year: 5) over which there is significant influence.

More detailed information on the companies consolidated with Greiner AG or excluded is shown in the shareholding schedule as of 31/12/2020 in Appendix 2 to the notes to the accounts.

The balance sheet date for all companies included in the consolidated financial statements is 31/12/2020.

Changes to the scope of consolidation in financial year 2020:

The scope of consolidation changed as follows during the financial year:

		Full consolidation	Equity method accounting
As of 01/01/2019		**80**	**7**
Disposals by:	Merger	-1	0
Acquisitions by:	Change of consolidation type	3	0
As of 31/12/2019		**82**	**7**
Disposals by:	Change in the type of consolidation as a result of gaining control through acquisition of shares	0	-2
Acquisitions by:	Change in the type of consolidation as a result of gaining control through acquisition of shares	7	5
	Change of consolidation type	0	1
As of 31/12/2020		**89**	**11**

During the financial year, additional shares were acquired in the Eurofoam Group and Simplas S.p.A., which led to a gain of control. As a result, these companies are now no longer accounted for under the equity method, but are fully consolidated.

Eurofoam GmbH

On 2 April 2020, Greiner AG signed a purchase and takeover agreement for the 50% of the shares in Eurofoam GmbH previously held by Recticel Holding Noord B.V. with its registered office in Kesteren, The Netherlands. The closing of the transaction and therefore the transfer of the beneficial ownership took place following the necessary antitrust approvals on 30 June 2020.

Eurofoam, founded in 1992 as a 50:50 joint venture by Greiner AG and Recticel S.A. in Belgium, is the leading manufacturer of flexible polyurethane foam in Central and Eastern Europe. In two business areas, it supplies comfort foams and technical foams in almost all industrial sectors through a strong network of 36 production and processing companies. The product range includes solutions made from special foams for home and sleep comfort, the automotive industry, leisure and sports, medicine and health, environment and industry as well as packaging solutions.

With the NEVEON division, Greiner is pursuing the goal of sustainable global growth. With Eurofoam as a wholly owned subsidiary, the aim is to extend its leading position in the foam area in Central and Eastern Europe and thus further strengthen global competence.

The 50% shares in Eurofoam that, until the time of acquisition were shown in the accounts using the equity method, were revalued on acquisition of the other shares at fair value in the amount of EUR 124,600,000. Taking into account the amounts from currency translations totalling EUR -

3,656,000 held in equity, which were recognised in the past without affecting net income, the transition to full consolidation resulted in non-cash income of EUR 75,115,000, which was recognised in earnings from companies accounted for under the equity method.

The fair value of the identifiable assets and liabilities of Eurofoam at the time of acquisition were as follows:

Identifiable assets minus liabilities (net assets)	EUR '000
Intangible fixed assets	74,512
of which customer relationships [1)]	*70,738*
Assets	159,330
Shares in companies accounted for under the equity method	4,628
Financial and other long-term assets	3,597
Deferred tax assets	1,541
Inventories	27,958
Trade receivables	38,800
Other current assets and advance payments	4,831
Cash and cash equivalents	29,984
Obligations towards employees	-16,603
Deferred tax liabilities	-24,717
Long-term financial debt	-35,231
Short-term provisions	-2,019
Trade payables	-22,355
Short-term contractual liabilities	-4,023
Short-term financial debt	-35,422
Liabilities from income taxes	-1,252
Other current liabilities	-15,530
	188,029

1) The value of the customer base was determined on the basis of a DCF valuation based on historical customer data using a range of WACCs from 7.24% - 11.46%. The useful life of these customer relationships was set at 10 years.

The fair values of tangible fixed assets were determined on the basis of external expert valuations using recognised valuation techniques. The valuation technique used for real estate was the real value method. For technical installations, machines and other systems, the fair value was determined on the basis of depreciated replacement cost, which also reflects adjustments for any physical deterioration, as well as functional reconditioning and economic obsolescence.

The fair value of trade receivables and other receivables amounts to EUR 41,558,000. The gross value of the receivables amounts to EUR 43,783,000. The impairment for expected uncollectible receivables amounts to EUR 2,225,000.

The calculation of goodwill that cannot be used for tax purposes is as follows:

	EUR ‘000
Transferred consideration	
Fair value of the share held previously	124,600
Cash and cash equivalents	184,523
minus balance of identifiable assets	-188,029
Goodwill	**121,094**

The customer relationships taken into account are amortised over a period of 10 years.

If Eurofoam had already been fully consolidated on 01/01/2020, its contribution to the Group's sales revenue would have amounted to EUR 398,815,000, and its contribution to earnings after taxes would have been EUR 10,036,000. In actuality, since 30/06/2020, the company has contributed sales revenue of EUR 230,201,000 to the Group's sales revenue. The contribution to earnings after taxes for the same period was EUR 2,273,000.

The income since takeover is encumbered by expenses from the impairment of rights of use and customer relationships.

Costs associated with the company merger totalling EUR 2,359,000 were incurred for legal and other consulting costs. They are included under other expenses.

Simplas S.p.A (Italy)

In 2018, Greiner Extrusion Group GmbH acquired 40% of the shares in Simplas S.p.A. which has its registered office in Varese, Northern Italy. Simplas S.p.A. is one of the leading suppliers of tools for plastic film and plate extrusions, as well as for laminating and coating applications.

As part of the shareholder agreement dated 11/06/2018, option agreements were created to provide the opportunity to acquire an additional 20% in 2020 and the remaining 40% of the shares in 2022.

On 24 June 2020, Greiner Extrusion Group GmbH exercised its call option to acquire a further 20%. In the Joint Declaration dated 25 June 2020, the transfer of beneficial ownership and therefore the acquisition of control was set for 30 June.

The 40% shares in Simplas S.p.A. that until the time of acquisition were shown in the accounts under the equity method were revalued at a fair value of EUR 4,457,000 upon acquisition of the remaining shares. Taking into account the current proportional takeover of earnings, there was a profit from the revaluation of the old shares at fair value amounting to EUR 516,000.

The fair value of the identifiable assets and liabilities of Simplas S.p.A. at the time of acquisition was as follows:

Identifiable assets minus liabilities (net assets)	EUR '000
Intangible fixed assets	1,502
of which customer relationships [1)]	*1,480*
Assets	4,152
Inventories	2,456
Trade receivables	805
Other current assets and advance payments	327
Cash and cash equivalents	2,643
Obligations towards employees	-711
Long-term provision	-90
Deferred tax liabilities	-847
Long-term financial debt	-157
Short-term provisions	-43
Trade payables	-1,320
Short-term contractual liabilities	-1,256
Short-term financial debt	-286
Other current liabilities	-574
	6,602

1) The value of the customer base was determined on the basis of a DCF valuation based on historical customer data and a WACC of 8.89%. The useful life of these customer relationships was set at 10 years.

The fair values of fixed assets were determined on the basis of external expert valuations using recognised valuation techniques.

None of the trade and other receivables were written down, and there is no need for any write-down for expected uncollectible receivables.

The calculation of the goodwill that cannot be used for tax purposes, which was carried out using the **partial goodwill method**, is as follows:

	EUR ‘000
Net balance of identifiable assets and liabilities taken over	6,602
Of which 60% belonging to Greiner Extrusion Group GmbH	3,961
Transferred consideration	
Fair value of the share held previously	4,457
Cash and cash equivalents	1,942
Goodwill	**2,437**

The customer relationships taken into account are amortised over a period of 10 years.

A call option exists for Greiner Extrusion Group GmbH to acquire the remaining 40% of the shares in Simplas S.p.A., and also a put option for the non-controlling shareholders, which can be exercised in 2022 on the basis of EBITDA multipliers. Since there is no restriction of the shareholder rights of the minority shareholders in relation to voting rights, decision-making powers and dividend claims, no “present ownership” was established and a share held by non-controlling shareholders in the amount of EUR 2,641,000 was recognised.

At the same time, due to the put option for the non-controlling shareholders, a liability of EUR 2,921,000 was recognised for the expected purchase price. The determination of the liability is based on the budget plans of Simplas S.p.A. and was discounted using a debt capital interest rate of 1.0%. The liability is shown under the item “Other long-term liabilities”.

If Simplas S.p.A. had already been fully consolidated as of 01/01/2020, its contribution to the Group's sales revenue would have totalled EUR 8,068,000 and its contribution to Group earnings after tax would have been EUR 604,000. In actuality, since 30/06/2020, the company has contributed sales revenue of EUR 5,429,000 to the Group's sales revenue. The contribution to earnings after income tax for the same period was EUR 468,000.

The result since takeover is encumbered by expenses from the impairment of customer relationships.

Costs were incurred in relation to the company merger for an amount of EUR 27,000 for legal and other consulting costs. They are included under other expenses.

V Currency translation

The reporting currency of the Greiner Group is the euro. The annual financial statements of the companies included in the consolidated financial statements that are not prepared in the reporting currency are converted into euro using the concept of a functional currency. For every company, this is their own national currency since each company operates its business independently in financial, economic and organisational terms.

The translation takes place using the reference date rate method. All assets and liabilities are converted at the relevant average exchange rate on the balance sheet date, and equity items are converted at the historical acquisition or creation date rates. Income and expenses are converted at average annual rates. The translation differences resulting from this are recognised in other comprehensive income, without affecting earnings.

The changes in the consolidated assets and consolidated provisions schedules are converted at average rates. Changes in the average exchange rates as of the balance sheet date compared to the previous year, as well as the differences arising from the use of average rates for the conversion of changes during the financial year, are shown separately in the consolidated assets and consolidated provisions schedule as “currency differences”.

Currency translation differences from the conversion of monetary foreign currency items in the individual company financial statements, which are caused by exchange rate fluctuations between the date the transaction is posted and the balance sheet date, are posted in the income statement for the respective period. Exchange rate gains are reported under other operating income, and exchange rate losses under other operating expenses.

Exchange gains and losses for financial liabilities and cash and cash equivalents and financial receivables are recognised in financial earnings.

Currency differences in monetary foreign currency items that form part of a shareholding in a foreign subsidiary, such as long-term loan receivables, are offset against equity without affecting earnings.

Non-monetary items valued at acquisition or production cost are converted at their historical rate.

The exchange rates for the conversion of those currencies outside the euro zone that are significant for the consolidated financial statements have moved as follows:

		Reference date rate		Average annual rate	
EUR 1 equals		31/12/2020	31/12/2019	2020	2019
US dollars	USD	1.227	1.123	1.147	1.119
Swiss francs	CHF	1.080	1.085	1.071	1.111
Pounds sterling	GBP	0.899	0.851	0.889	0.876
Czech crowns	CZK	26.242	25.408	26.498	25.659
Polish zloty	PLN	4.560	4.257	4.468	4.299
Hungarian forints	HUF	363.890	330.530	354.052	325.752
Romanian lei	RON	4.868	4.783	4.843	4.750
Swedish crowns	SEK	10.034	10.447	10.482	10.582
Chinese renminbi	CNY	8.023	7.821	7.897	7.724
Turkish lira	TRY	9.113	6.684	8.158	6.358
Mexican pesos	MXN	24.416	21.220	24.730	21.608
Serbian dinars	RSD	117.580	117.593	117.573	117.848
Russian roubles	RUB	91.467	69.956	84.225	72.218
Bosnian marks	BAM	1.956	1.956	1.956	1.956
South African rands	ZAR	18.022	15.777	18.914	16.170
Thai baht	THB	36.727	33.415	35.902	34.592
Japanese yen	JPY	126.490	121.940	121.884	121.959
Brazilian reals	BRL	6.374	4.516	5.999	4.417

Looking at the year-on-year comparisons (reporting date rates), the following currencies in particular weakened against the euro: BRL by 41.1%, TRY by 36.3% and RUB by 30.7%. In 2020, the only increases compared to the EUR were in the SEK by 3.9% and the CHF by 0.5%.

VI. Accounting and valuation principles

The annual financial statements of the companies included in the consolidated financial statements are prepared according to uniform accounting and valuation principles. To ensure this, the financial statements prepared under country-specific or international standards are adjusted to follow the Group-wide accounting and valuation principles. The auditors of the foreign subsidiaries have confirmed that the accounting principles described were complied with in all material points.

Accounting and valuation principles that are applied to individual balance sheet items are described in the notes on the respective assets and liabilities.

In addition, the following principles are applied uniformly to the presentation and valuation of assets and liabilities for all the reporting periods being reported:

Timing of earnings recognition

Recognition of earnings is applied at the time of acquisition of the right to dispose of the agreed goods and services, and at the time of the inflow of benefits to the customer from them. The recognition of earnings is applied for the amount that the company is expecting to receive in exchange for the goods and services. Interest income is recognised pro rata, applying the effective interest method. Dividend income is shown when the legal entitlement is created (see Item IX.1).

Impairment under IAS 36

Under IAS 36, a check is carried out for intangible and tangible fixed assets at each balance sheet date as to whether there are indications that write-downs may be required. If such indications exist, an impairment test is performed. Irrespective of whether there are indications of potential impairments, intangible assets with an indefinite useful life, as well as goodwill, are reviewed annually to see if any write-down requirements exist. Goodwill determined using the “partial goodwill” method is extrapolated to 100% for the purposes of the impairment test, using the current percentage shareholding.

The recoverable amount of the asset is determined by the impairment tests. The recoverable amount is defined as the higher of fair value less costs of disposal and its value in use.

The recoverable amount is checked using the discounted cash flow method, applying an annually updated cost of capital interest rate (WACC), which is determined for each division using a group of values for comparison (peer group). The WACC after tax that is applied reflects current market estimates and the specific risk profile, taking into account the relevant currency. The WACCs used in the reporting year ranged from 5.9% to 14.1% (prior year: 5.1% to 16.0%).

The cash flows underlying the discounted cash flow method are based on a 2021 financial year budget approved by management and medium-term planning for a period of an additional 3 years (2022-2024). After the detailed planning period, the value contribution from 2025 onwards is calculated based on the assumptions of the final year using the perpetual annuity approach, which takes into account the planning uncertainties arising from the planning horizon and the strong volatility of the financial and commodity markets by discounting future payment flows. No growth rate was set for the perpetual annuity.

The Greiner Group has reviewed all the required assumptions for the impairment tests against the background of the COVID-19 crisis using the previously adopted methods. For the cash-generating units, the medium-term planning necessary for the cash flow forecasts was updated as needed; for companies in the Aerospace and Perfoam Group, the detailed planning phase was extended by another 2 years.

For goodwill, as well as for individual assets where the recoverable amount cannot be determined separately, the impairment test is carried out on the basis of a cash generating unit (CGU). The smallest unit to which goodwill or the respective asset to be reviewed can be allocated on a foreseeably constant basis is used as the CGU. In the Greiner Group, the legally independent company units each form a CGU.

Impairments are recorded by means of write-downs, which are shown in the consolidated statement of comprehensive income under the item “Amortisation, depreciation and write-downs”.

Should the reasons for an impairment disappear, the write-down is fully or partly reversed, except in the case of goodwill. The increased book value that results from the reversal of the value may not exceed the amortised or depreciated acquisition and production costs. The reversals are recorded in the consolidated statement of comprehensive income under other operating income.

Public sector subsidies

Investment subsidies for assets from public funds are shown under accruals and deferrals under the balance sheet item “Other liabilities” from the time of the binding commitment, and are released to the income statement over the planned useful life of the asset. Their release is shown in the item “Other operating income”.

In the case of subsidised loans bearing no or low interest rates (below the market interest rate), the present cash value benefit is released and recorded separately. The difference between the nominal value and the present value is accounted for as accruals and deferrals under liabilities over the useful life of the subsidised investments.

Other subsidies from the public sector for costs are recognised as other operating income in the same period as the corresponding costs are incurred unless the receipt of the subsidy is subject to conditions that are not yet sufficiently probable.

Long-term assets held for sale

Non-current assets held for sale are valued at the lower of book value and fair value minus selling costs. Depreciation is not applied in accordance with IFRS 5.

Determination of fair value under IFRS 13

The fair value is determined in the Greiner Group according to the principles of IFRS 13.

Under this standard, the fair value to be applied is defined as the price that would be paid in an orderly business transaction between market participants on the measurement date for the sale of an asset or for the transfer of a debt.

For this purpose, the valuation assumptions are (assumption of best use), the most advantageous market for the asset or the liability as well as an appropriate valuation technique, depending on the available data, must be defined.

When determining the fair value of an asset or liability, the Group uses data that can be observed on the market as much as possible.

Based on the input factors used in the valuation techniques, the fair values are classified into different levels in the fair value hierarchy:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.

- Level 2 inputs are inputs other than the quoted market prices included under Level 1 that are either directly or indirectly observable for the asset or liability (such as quoted prices for similar assets or liabilities in active or inactive markets), or inputs other than quoted prices that are observable for the asset or liability (such as interest rates and yield curves, implied volatilities, credit spreads).

- Level 3 inputs are inputs that cannot be observed.

Further information on the assumptions made in the determination of fair values can be found in the notes on “Property held as financial investments” (Item X.3) and on Financial instruments (Item XI.1).

VII Effects of the COVID-19 crisis on the consolidated financial statements

The Greiner Group is characterised by strong diversification of its product ranges and sales markets, and this contributed significantly to the fact that, while some individual business areas were severely affected by the COVID-19 pandemic, the Group as a whole nevertheless reported a stable and very successful financial year.

Since there are no uncertainties regarding Greiner's ability to continue to operate, assets and liabilities are accounted for and valued based on the going concern principle.

Effects on the earnings situation:

In the Greiner Bio-One division, we have managed to develop innovative products to combat the COVID-19 pandemic and have brought them to market with great success, which has meant above-average orders received and significant increases in revenue. In the Greiner Packaging division, there were strong fluctuations in demand within the year, but overall, there was a slight increase in sales, although customers behaved cautiously in relation to new projects.

On the other hand, the Extrusion and NEVEON business divisions were severely affected, primarily in the Mobility division of the latter, along with the Aerospace and Perfoam groups. From the second quarter onwards, there were huge declines in orders, many orders from OEM customers and airlines being either cancelled or postponed. Due to the large-scale factory closures of our main customers, Perfoam posted a decline in sales of around 20% in the first half of the year. In the Living & Care sector, a significant decline in demand for upholstered furniture and mattresses was recorded in the first half of the year as a result of the retail lockdown, but the disproportionately high demand for home furnishings in the second half of the year made up for the decline entirely.

The Greiner Extrusion division ended this financial year with significantly lower operating earnings than the prior year. Due to temporary works closures at numerous customers, as well as customers' strong reluctance to invest, the Greiner Extrusion division faced a sharp drop in incoming orders especially for window profiles and therefore a drastic drop in capacity utilisation, especially in the second and third quarters.

Negative trends in the Extrusion and NEVEON divisions were offset by cost-saving programs and short-time working hours. Public assistance packages were used, but their scope differed for each country. At the Austrian sites, Greiner received state support primarily related to reduced working hours. During the reporting period, subsidies from public funds totalling EUR 6,562,000 were recognised as other operating income on the income statement.

Under the rules for a COVID-19 investment premium for businesses introduced during financial year 2020, Greiner applied for investment subsidies totalling around EUR 3.7 million based on an investment volume of around EUR 33 million. The investment subsidies are only recorded once there is sufficient certainty both that they will be approved, and that the conditions for the grant have been met. They are recognised as income proportionally over the useful life of the acquired assets. As a result, there are no effects on the earnings for this financial year.

Raw material prices well below those of the prior year had a positive effect on earnings, with a significant decline in the second quarter in particular. On the other hand, this trend reversed in the fourth quarter due to loss of production at raw material suppliers, leading to a very tense supply situation, which then led to a wave of price increases.

We were able to reduce other expenses (especially in the area of administration and sales) due to the effects of COVID-19 and due to strict cost discipline. On the other hand, foreign exchange losses, totalling around EUR 11.7 million as a result of wildly fluctuating exchange rates had a significant negative impact on earnings.

Effects on the assets and financial situation:

When certain indicators (“triggering events”) are present, IAS 36 requires an impairment test to be carried out. The existing uncertainties and the negative impact of the COVID-19 pandemic on the business performance of the Extrusion and NEVEON business divisions were classified as triggering events for impairment testing of intangible and tangible fixed assets.

The impairment tests that were carried out consisted of checking the validity of the approved budget for 2021-2023. In particular, the short- and medium-term earnings and cash flow forecasts were reviewed and adjusted, and also extended into a further budget year, taking special account of the COVID-19 pandemic on the basis of the management’s current assessment.

The impairment tests applied resulted in a required devaluation of intangible assets by EUR 18,145,000 and of tangible fixed assets by EUR 4,204,000. Rights of use were written down by EUR 3,180,000.

Due to the COVID-19 pandemic, more stringent receivables management and monitoring was carried out. In addition, the expected credit loss (ECL) rates were adjusted in the area of trade receivables (see also the statements on this point under Item XI.2). The effects of this were not significant in terms of value, and no significant defaults have been observed to date.

The exemption under IFRS 16 from an assessment of whether rental concessions granted due to the COVID-19 pandemic constitute a lease amendment was applied, but there were no significant deferrals or rent-free lease periods resulting from the COVID-19 pandemic.

In the course of the COVID-19 pandemic, fiscal support measures were offered in some countries. In individual cases, Greiner was able to claim interest-free tax deferrals or the delay of tax due dates, but to an insignificant extent. Overall, there were no significant visible impacts on the application of tax losses brought forward, although impairments to deferred tax assets were recognised for the first time in individual companies.

In the context of income taxes, no noteworthy tax rate changes were noted in the countries where Greiner pays tax.

Within the Greiner Group, the COVID-19 pandemic did not have a negative effect on either its liquidity situation or its financial stability. No renegotiations were necessary in any location to extend terms, nor were any amendments to financial covenants imposed by external finance providers.

In order to secure liquidity, the Greiner Group took out special loans at the start of the COVID-19 pandemic as part of the control bank refinancing for an amount of EUR 42,420,000, of which an amount of EUR 28,460,000 has already been repaid early.

Further information on the business impact of the COVID-19 pandemic on the Greiner Group can be found in the management report.

VIII Estimates and uncertainties in assessments and assumptions requiring judgements

The preparation of the consolidated financial statements requires the use of judgement in various decisions, estimates and assumptions about future developments which can affect the assets and liabilities in the balance sheet, the disclosure of other commitments as of the balance sheet date, and the disclosure of expenses and income during the financial year. Actual results may differ from these estimates. The estimates and assumptions made are continuously reviewed and, when necessary, adjusted according to the current outlook.

The principle of a true and fair view was maintained without any restrictions when working with estimates.

With respect to the following assumptions and estimates, Greiner is particularly exposed to the risk of an adjustment being needed to assets and liabilities in future financial years:

- Assumptions about future cash surpluses or future cash flows and the underlying discount rates used to perform the **impairment tests** for intangible assets, goodwill and fixed assets.

- The assumptions to be applied in the course of **revenue recognition** under IFRS 15, in particular in relation to period-based orders, such as the estimation of likely revenue and future order costs that are still accruing. Further details on revenue recognition are provided in Item IX.1.

- **Credit risk** assumptions based on which **write-downs** are applied to trade receivables, such as the estimation of a customer's creditworthiness, expectations derived from analysis of past payment behaviour, and forward-looking forecasts. Information about these impairments can be found under Item XI.2.

- The assumptions underlying the valuation of **long-term obligations to employees** relating to the actuarial interest rate, retirement age, life expectancy, staff turnover rates and future salary and pension increases. The resulting sensitivities are presented in Item X.16.

- Assumptions about the likelihood of future events occurring and the amount of the resulting outflow of funds in the context of the accounting for **other provisions**. Further information on this can be found in Item X.17.

- Assumptions about the generation of sufficient taxable income, which underlie the accounting for **deferred tax assets on losses carried forward**.

- Discretionary decisions when determining a **lease term** to assess whether it is sufficiently certain whether contractually permitted renewal or termination options will be exercised or not. In addition, assumptions regarding the expected lease term of contracts with an indefinite term. Further information on this can be found in Item X.3.

- The interest rates used to **discount future lease payments** are subject to assumptions unless they are contractually agreed. In this case, a marginal debt capital interest rate is used to reflect the risk associated with the leasing contract. Further information on this can be found in Item X.3.

Due to the global COVID-19 pandemic, all these assumptions, estimates and judgement-based decisions are subject to increased uncertainty.

This primarily affects estimates in determining possible impairments of non-financial assets, such as goodwill and other intangible assets. In particular, increased uncertainty about future cash flows has inevitably found its way into the sensitivity analyses described under Item [sic].

The major fluctuations in raw material prices have also created increased uncertainties in determining the net sales value of inventories, and valuing provisions for impending losses from pending contracts.

On the other hand, the risk of increased bad debt losses from customers, which was covered by increasing the expected credit losses, is assessed by management as comparatively low. See also the explanations about this in Item XI.2.

Likewise, the risk of having insufficient future taxable income to absorb deferred tax assets created by timing differences, and losses carried forward through the creation of impairments has already been covered appropriately. See also the explanations about this in Item X.6.

IX. Notes to the consolidated statement of comprehensive income

Sales revenue

Sales revenue is derived from the following regions (country of final destination):

in EUR ‘000	2020	2019
Austria	87,681	82,442
Germany	353,588	300,394
Other EU countries	687,312	515,000
Other Europe	165,383	141,299
North America	319,786	181,719
Central and South America	45,132	57,237
Asia	133,539	150,211
Rest of the world	34,737	34,021
	1,827,159	**1,462,322**

Greiner generates its sales revenue primarily from the sale of its own products and merchandise. The sales revenue shown in the statement of comprehensive income relates entirely to revenue from contracts with customers. Sales revenue is measured on the basis of the consideration contractually agreed with customers. Where it also includes variable components, as is the case with bonuses, for example, these are taken into account to the extent that they are highly likely to occur.

Revenue recognition takes place either over a certain period of time or at a certain point in time. At Greiner, **sales revenue is realised over a period** particularly for the following performance commitments:

- Development services that are provided in the Greiner Perfoam area of the NEVEON division to customers in the automotive industry before the start of mass production, as well as development services in connection with the “Greiner eHealth Technologies” product, a software solution for customers of Greiner Bio-One.

- Customer-specific tools developed and manufactured for subsequent mass production. Such tool projects mainly affect Greiner Perfoam, Greiner Packaging (for some customers in the food and non-food sector), and Greiner Bio-One (for OEM customers).

- Customer-specific mass production parts that are produced and sold for some customers in the areas of Greiner Packaging, NEVEON and Greiner Bio-One.

- Production of extrusion lines, tools and complete profile extrusion systems, which relates only to orders for customers of Greiner Extrusion.

Within the context of the above performance commitments, revenue is realised over a time period because customer-specific assets with no alternative use, and for which the request for payment covers services already provided in the course of performing the contract (costs plus appropriate profit margin), are generally created.

The recognition of revenue and earnings for a sale over a longer period is carried out using the input-oriented “cost-to-cost” method based on the progress of performance. Under the “cost-to-cost” method, sales and order revenue is recognised as a proportion of the actual manufacturing costs incurred compared to the expected total costs. This recognition is based on estimates made using all available information as of the balance sheet date. Changes are possible based on actual values after the balance sheet date.

Anticipated losses on a contract with customers are recognised immediately as an expense under IFRS 15 in conjunction with IAS 37, and by the creation of a provision in accordance with IAS 37.66. Particularly in the case of complex and demanding performance commitments, there is a risk that the actual costs incurred may vary from the original estimate of the total costs.

If there are changes in the assumptions and judgement-based decisions made, these can lead to adjustments to the assets and provisions which then affect the earnings in subsequent periods.

If the conditions for period-related revenue recognition have not been met, revenue recognition occurs at the point in time when the customer acquires the right to dispose of the agreed goods and services and can derive benefits from them. The performance commitment is generally regarded as complete upon acceptance of the asset by the customer or upon transfer of ownership according to the terms of supply.

The model of **recognition of revenue at a single point in time** is mainly applied by Greiner for standard products in the areas of Greiner Packaging, Greiner Bio-One and NEVEON.

Invoices are issued in accordance with the contractual terms and conditions, in which terms and conditions of payment may depend on the nature of the performance commitment and the credit risk of the customer and may vary accordingly.

In the area of contract manufacturing, there are some contracts that contain implied financing agreements and a significant financing component. During this financial year, interest income of EUR 69,000 (prior year: EUR 125,000) was booked under financial earnings.

There are no return, refund or similar obligations that created a refund liability with simultaneous recording of an asset for the expected returns.

Provisions are recorded for warranty obligations in accordance with IAS 37. Extended guarantees that go beyond the statutory minimum warranty obligation only occur at Greiner in specific individual cases. However, these are not warranty services that exceed the industry standard, which is why there are no service-type warranties where a separate performance commitment must be taken into account.

Contract balances

The following table shows the opening and closing values of receivables and other assets and liabilities related to customers:

in EUR '000	31/12/2020	31/12/2019
Trade receivables	**286,847**	**211,045**
Long-term contract assets arising from		
Development services [1]	1,114	1,942
Customer-specific tools	0	50
minus impairment under IFRS 9	-1	-1
Book value	**1,113**	**1,992**
Short-term contract assets arising from		
Development services	1,029	1,162
Customer-specific tools	10,875	11,667
Order production of	4,810	5,259
Customer-specific mass-produced parts	32,320	29,537
Consideration paid to customers [2]	1,577	1,476
minus impairment under IFRS 9	-86	-42
Book value	**50,524**	**49,059**
Short-term contractual liabilities from		
Customer-specific tools	-2,393	-2,338
Order production of	-4,929	-5,093
Customer-specific mass-produced parts	-1,018	-4
Variable considerations	-3,986	-2,855
Prepayments for services provided and recognised at one time	-5,172	-5,966
Book value	**-17,498**	**-16,256**

1) after impairment totalling EUR 367,000
2) after impairment totalling EUR 360,000

The contract assets result primarily from staged revenue recognition, provided that the progress of performance exceeds the advance payments received from customers for this. The amounts shown as contractual assets are reclassified to trade receivables at the time at which the right to payment is no longer subject to any conditions. This usually happens at the time an invoice is issued to the customer. Further explanations regarding trade receivables can be found under Item X.8.

Considerations (from order acquisition) paid to customers are also shown under contractual assets. These are recorded as a reduction in sales revenue when the performance commitment has been fulfilled. They are cleared at the latest during the production cycle underlying the relevant customer order.

No recording of contract costs under contract assets was necessary as of 31/12/2020.

Information on the impairment of trade debtors and contractual assets under IFRS 9 can be found in the risk reporting under Item XI.2.

Contractual liabilities include primarily advance payments received from customers for delivery commitments for which the sales revenue is recognised at a defined moment, as well as advance payments received in the context of staged revenue recognition, where these exceed the progress of performance. The sales revenue recognised in the financial year and that was included in contractual liabilities at the start of the period amounts to EUR 16,126,000 (prior year: EUR 14,456,000).

In addition, contractually agreed variable considerations are accrued under contractual liabilities. These are essentially sales accruals relating to bonuses and price volume discounts, where these have not yet been agreed with the customer.

As in the previous year, no sales revenue from performance commitments fulfilled (or partially fulfilled) in earlier periods was recorded in fiscal year 2020.

Greiner applies IFRS 15.121 and does not provide any information on the remaining performance commitments as of 31/12/2020 where these have an expected original term of one year or less.

For performance commitments with an originally expected term of more than one year that were not yet fulfilled (or were only partially fulfilled) as of 31/12/2020 and that will only be performed in future, the following overview shows the expected sales revenue:

in EUR ‘000	2021	2022	2023	2024	after 2024
Expected revenue	97,687	100,306	94,754	74,323	133,216

2. Cost of materials and other purchased manufacturing services

in EUR '000	2020	2019
Expenses for materials	738,704	644,710
Cost of purchased services	46,738	43,805
	785,442	**688,515**

3. Personnel expenses

in EUR '000	2020	2019
Wages	154,442	135,066
Salaries	186,938	169,437
Expenses for severance payments and contributions to company employee pension funds	8,039	4,271
Expenses for pension scheme	7,939	7,470
Expenses for statutory social security contributions as well as salary-related taxes and mandatory contributions	74,233	65,834
Other social security expenses	15,788	13,030
	447,380	**395,108**

4. Amortisation, depreciation and write-downs

in EUR '000	2020	2019
Amortisation and depreciation	109,054	95,884
Impairment losses	107,283	5,286
	216,337	**101,170**

The breakdown of depreciation and amortisation across tangible and intangible fixed assets is shown in the consolidated asset schedule (Annex 1 to the notes to the accounts).

During the reporting year, EUR 18,266,000 (prior year: EUR 15,831,000) of depreciation was derived from current depreciation of rights of use under IFRS 16.

Impairments relate to goodwill and intangible assets from acquisitions recorded in the course of the purchase price allocation for an amount of EUR 99,617,000 (prior year: EUR 5,013,000).

EUR 3,043,000 (prior year: EUR 237,000) derives from the impairment of technical systems and machines, EUR 552,000 (prior year: EUR 0) from fixtures and fittings, EUR 619,000 (prior year: EUR 0) from buildings and facilities under construction and EUR 273,000 (prior year: EUR 0) from intangible assets. Rights of use under IFRS 16 were impaired by EUR 3,180,000 (prior year: EUR 36,000).

5. Other operating income

in EUR '000	2020	2019
Foreign exchange gains	10,704	4,074
Income from the reversal of provisions	1,430	2,214
Income from asset disposals, other than long-term financial assets	1,420	1,985
Reversal of asset impairments, other than long-term financial assets	300	1,637
Income from value adjustments of contingent considerations	161	0
Income from derivative financial instruments	105	28
Other income	18,846	11,197
	32,966	**21,135**

"Other income" is made up of the following:

in EUR '000	2020	2019
Income from support measures relating to COVID-19	6,562	0
Income from services and passing on of charges	1,989	2,513
Public investment grants and tax-neutral premiums	1,797	1,973
Income from insurance compensation (of which for lost assets EUR 24,000; prior year: EUR 46,000)	831	747
Profits from prior periods from the initial consolidation of companies	0	207
Other	7,667	5,757
	18,846	**11,197**

6. Other operating expenses

in EUR '000	2020	2019
Taxes on operations	5,044	4,165
Foreign exchange losses	12,995	4,406
Losses from derivative financial instruments	17	85
Loss events, risk provisions and write-downs [1)]	5,156	3,391
Book losses from asset disposals	817	793
Other expenses	215,796	196,566
	239,825	**209,407**

1) of which write-downs under IFRS 9 EUR 836,000 (prior year: EUR 616,000)

"Other expenses" can be broken down as follows:

in EUR '000	2020	2019
Outgoing freight and transport costs	59,547	41,978
Expenses for temporary staff and other external services	41,788	35,632
Maintenance and repair costs	38,858	33,900
Legal and consulting expenses	18,363	13,049
Sales expenses	8,120	19,753
Disposal and cleaning expenses	7,179	6,148
Commission expenses	6,261	5,955
Rental, lease and tenancy expenses	5,789	5,721
Insurance expenses	5,442	4,317
Patent and license costs	4,373	3,789
Vehicle expenses	3,541	4,721
Trial, inspection and test costs	2,566	3,139
Loss provision for non-consolidated companies	1,542	3,822
Expenses from value adjustments for contingent considerations	224	843
Losses from prior periods from initial consolidation of companies	0	144
Other	12,203	13,655
	215,796	**196,566**

The legal and consulting costs include expenses for services provided by the Group auditor KPMG Austria GmbH Auditing and Tax Consultancy Company during financial year 2020, totalling EUR 513,000 (prior year: EUR 461,000). Of this, EUR 399,000 (prior year: EUR 388,000) relate to the audit of financial statements, EUR 56,000 (prior year: EUR 44,000) to other services, and EUR 58,000 (prior year: EUR 29,000) to other assurance services.

The rental, lease and tenancy expenses shown in the reporting year are made up of the following:

in EUR '000	2020	2019
Expenses for short-term leases	541	1,985
Leasing expenses for low-value assets	309	326
Expenses for variable lease payments	100	120
Expenses for one-time rents and other leasing payments	4,840	3,289
	5,789	**5,721**

7. Income from companies accounted for under the equity method

in EUR '000	2020	2019
Share of profits from companies accounted for under the equity method	5,788	11,564
Share of losses from companies accounted for under the equity method	-274	-302
Income from termination of accounting under the equity method:		
Inclusion of cumulative foreign exchange losses	-3,656	0
Adjustment to fair value	79,288	0
Depreciation/amortisation of items derived from purchase price allocations	-23	-48
	81,123	**11,214**

8. Other investment income

in EUR '000	2020	2019
Income from shareholdings held as investments	169	221
Earnings from disposal of investments	0	49
Impairment of investments	-350	-150
Revaluation of investments	400	0
	219	**120**

9. Net interest income

in EUR '000	2020	2019
Interest and similar income	970	1,053
Interest and similar expenses	-11,490	-11,682
	-10,520	**-10,629**

The item “Interest and similar expenses” includes interest expenses in connection with lease contracts totalling EUR 1,754,000 (prior year: EUR 2,013,000).

Interest expenses and income related to defined benefit commitments to employees are reported under personnel expenses.

10. Other financial earnings

in EUR '000	2020	2019
Current income from securities	534	542
Expenses/income from write-downs/revaluations of securities and financial receivables [1)]	-1,216	302
Gains on disposal of securities	0	88
Exchange gains and losses from financing	-9,430	39
Earnings from derivatives	70	-42
	-10,042	**929**

11. Income taxes

Income taxes include both taxes paid or owed within the individual companies on income, as well as tax deferrals:

in EUR '000	2020	2019
Current year	-48,860	-23,473
Adjustments for prior years	410	-229
Expenses for current taxes	**-48,450**	**-23,702**
Creation or release of timing differences	9,160	4,890
Effects from changes in tax rates	-95	1,115
Changes to recognised tax losses carried forward	-6,258	-1,490
Changes resulting from a write-down or reversal of a previous write-down of a deferred tax asset	-908	394
Changes to deferred taxes	**1,899**	**4,909**
Tax expense	**-46,551**	**-18,793**

1) of which expenses from write-downs under IFRS 9 EUR 1,068,000 (prior year: EUR 0)
of which income from the reversal of write-downs under IFRS 9 EUR 410,000 (prior year: EUR 25,000)

The effective tax rate in the reporting year is 19.9% (prior year: 22.0%). The difference between the calculated income tax expense/income (earnings before taxes multiplied by the national tax rate for 2020 of 25% (prior year: 25%) and the income tax expense of the financial year according to the consolidated statement of comprehensive income results from the following causes:

in EUR ‘000	2020	2019
Earnings before tax (EBT)	234,040	85,456
Income tax expense at tax rate of 25% (prior year: 25%)	-58,510	-21,364
Differing tax rates	7,706	3,707
Effects from changes in tax rates	-989	1,023
Taxes included in the net income/loss of companies accounted for under the equity method	20,281	2,804
Expiry of losses carried forward	0	-5
Changes in write-downs to deferred tax assets	238	-7,578
Expenses and income relating to investments	8,197	5,753
Tax expenses and income relating to other periods	410	-229
Non-timing differences and other effects	-23,884	-2,904
Effective tax charge	**-46,551**	**-18,793**
Effective tax rate as a %	19.9	22.0

The tax income of EUR 277,000 (prior year: EUR 1,253,000) shown in other comprehensive income relates exclusively to deferred taxes on actuarial earnings when calculating defined benefit obligations to employees.

Group and tax distribution agreement

There are Group and tax distribution agreements between Greiner AG, Kremsmünster (as parent of the Group), and the Group members for the Group of companies within the meaning of Section 9 KStG (Körperschaftsteuergesetz [Corporation Tax Act]) under an agreement dated 10/12/2009 and a supplement dated 02/11/2011.

The accounting for tax burden distribution resulting from the tax allocation agreement with the Group parent company is carried out using the so-called periodic settlement method, under which the expected benefit of a lower tax burden for the Group as a whole is shared with the individual Group members on the basis of a fixed allocation rate. If an individual Group member generates net income within the meaning of Section 9 (6) no. 1 KStG (Körperschaftsteuergesetz [Corporation Tax Act]) in conjunction with Section 9 (6) no. 4 KStG, then the tax allocation to be paid by the Group member to the Group parent is 28% of the net income for tax purposes of the individual Group member. If the individual Group member generates a net loss within the meaning of Section 9 (6) no. 1 KStG, the negative tax allocation to be paid by the Group parent company to the respective Group member amounts to 15% of the net loss for tax purposes generated by the Group member.

12. Share of earnings due to minority shareholders

The share of profit and loss to be assumed by non-controlling shareholders is made up as follows:

in EUR ‘000	2020	2019
Non-controlling shareholders’ shares of losses	-213	-364
Non-controlling shareholders’ shares of profits	4,566	3,912
	4,353	**3,548**

X. Notes to the consolidated balance sheet

1. Intangible fixed assets

Purchased **intangible assets** are valued under IAS 38 at acquisition cost minus straight-line amortisation.

Intangible assets with an indefinite useful life are not amortised, but subject to an annual impairment test. As of the balance sheet date, there are no intangible assets with an indefinite useful life.

Intangible assets created through research are not recognised under IAS 38.54; instead, **development costs** are capitalised and amortised over the expected useful life, provided the criteria defined in IAS 38.57 are met.

No development costs were capitalised in the current financial year or in the prior year.

Research and development costs totalling EUR 16,332,000 (prior year: EUR 16,055,000) were expensed in financial year 2020.

The amortisation rates are based on the expected economic useful life. Amortisation is calculated on a straight-line basis based on the following useful lives applied Group-wide:

Type of asset	Useful life in years
Concessions, industrial property rights and similar	
Rights and benefits, and licences derived from these	3-20
Development costs	5
Customer relationships	10

In fiscal year 2020, impairment losses on intangible assets were recognised under IAS 36 for a total amount of EUR18,144,000 (prior year: EUR 947,000), of which EUR 17,872,000 (prior year: EUR 947,000) was attributable to customer relationships and other intangible assets recognised in the course of purchase price allocation.

These are specifically made up of the following:

in EUR ‘000	31/12/2020	31/12/2019
Eurofoam GmbH, AT (customer base)	6,256	0
Eurofoam Deutschland GmbH foams, DE (customer base)	2,500	0
Eurofoam Bohemia s.r.o. (customer base)	3,804	0
Vigmed AB, SE (patented expertise)	5,192	0
Others, each less than EUR 1 million	120	947
	17,872	947

In addition, write-downs of EUR 255,000 for intellectual property rights and EUR 18,000 for development costs were applied.

These impairment losses were offset by reversals of impairment losses totalling EUR 300,000 (prior year: EUR 1,483,000) for customer relationships that were recognised as part of the purchase price allocation.

A detailed breakdown and the changes in intangible assets are shown in the consolidated asset schedule (Annex 1 to the notes to the accounts).

As of the balance sheet date, there are commitments for the acquisition of intangible assets in the amount of approx. EUR 35,000 (prior year: approx. EUR 72,000).

2. Goodwill

The changes in goodwill are shown in the consolidated asset schedule (Annex 1 to the notes to the accounts).

Goodwill is valued at acquisition cost minus accumulated impairments. Goodwill from the acquisition of a foreign business operation is managed in its functional currency, then converted at the current exchange rate on the reporting date.

Goodwill as of the reporting date was as follows:

in EUR '000	31/12/2020	31/12/2019
Eurofoam Polska Sp. z.o.o., PL	30,178	0
S.C. Eurofoam S.R.L., RO	6,385	0
Eurofoam Hungary Kft., HU	3,849	0
GREINER PACKAGING Sp. z o.o., PL	2,720	2,720
Simplas S.p.A., IT	2,287	0
Greiner Packaging S.R.L., RO	1,713	1,713
Unifoam (Pty) Ltd., SA	650	1,543
Others, each less than EUR 1 million	2,099	2,430
	49,881	8,406

Impairments are determined by applying the principles described under Item VI. During this financial year, **impairments** of EUR 81,745,000 (prior year: EUR 4,066,000) were recorded, of which EUR 80,682,000 related to goodwill in the Eurofoam companies that was created in the course of the acquisition of control during the financial year. These impairments are specifically made up of the following:

in EUR '000	31/12/2020	31/12/2019
Eurofoam Polska Sp. z.o.o., PL	20,896	0
Eurofoam GmbH, AT	20,490	0
Eurofoam Hungary Kft., HU	11,046	0
S.C. Eurofoam S.R.L., RO	14,532	0
Eurofoam Deutschland GmbH Schaumstoffe, DE	8,879	0
Eurofoam Bohemia s.r.o., CZ	4,839	0
Unifoam (Pty) Ltd., SA	668	2,476
Others, each less than EUR 1 million	395	1,590
	81,745	4,066

In addition to the impairment test, **sensitivity analyses** were carried out for all material CGUs in relation to all material valuation assumptions. The following table summarises the results of these analyses and shows the corresponding risk of goodwill impairment:

	31/12/2020 EUR million	31/12/2019 EUR million
Increase in discount rate by 1%		
Eurofoam Polska Sp. z.o.o., PL	13.1	0.0
S.C. Eurofoam S.R.L., RO	3.1	0.0
Others, above EUR 1 million each	3.2	0.7
Reduction of expected net payment flows by 10%		
Eurofoam Polska Sp. z.o.o., PL	12.6	0.0
S.C. Eurofoam S.R.L., RO	3.3	0.0
Others, above EUR 1 million each	3.6	0.8
Increase of the discount rate by 1% and reduction of expected net payment flows by 10%		
Eurofoam Polska Sp. z.o.o., PL	24.4	0.0
S.C. Eurofoam S.R.L., RO	6.2	0.0
Others, above EUR 1 million each	6.5	1.5

3. Tangible fixed assets

Fixed assets are recognised at acquisition or production cost under IAS 16, and if subject to depreciation, are valued minus straight-line depreciation.

The acquisition or manufacturing costs include all costs incurred to get the item into an operational condition. For qualifying assets for which it takes more than 12 months to get them into their intended condition for use or sale, costs of borrowing are capitalised as part of the cost of acquisition and production.

No costs of borrowing were capitalised in this financial year (prior year: EUR 51,000). The determination of the cost of capital borrowing for the prior year was based on a financing cost rate of 0.8%.

Low-value assets are fully depreciated in the year of acquisition, unless they are considered to be significant once grouped. Maintenance and repair costs are recorded as current expenses; renovation and maintenance expenses are only capitalised if they lead to a significant increase in the potential future use of the item.

Depreciation rates are based on the following expected economic useful lives. Amortisation is calculated on a straight-line basis based on the following useful lives applied Group-wide:

Type of asset	Useful life in years
Buildings and facilities	15 - 40
Technical installations and machines	5 - 20
Other equipment, fixtures and fittings	3 - 15

In financial year 2020, impairments of EUR 4,214,000 were recorded under IAS 36, with EUR 1,954,000 being related to two factory closures. The impairment losses totalled EUR 3,043,000 (prior year: EUR 237,000) for technical installations and machinery. Further impairments affected other fixtures and fittings for EUR 552,000, buildings for EUR 514,000 and assets under construction for EUR 105,000.

No revaluations were made in the financial year that involved impairment reversals. In the prior year, they amounted to EUR 153,000 and related to machines.

In 2020, compensation payments received from insurance companies were included for tangible fixed assets that were written off or impaired for a total of EUR 24,000 (prior year: EUR 46,000).

A detailed breakdown and the changes in the tangible fixed assets included in the consolidated balance sheet are presented in the consolidated asset schedule (Annex 1 to the notes to the accounts).

Rights of use from leases

A lease exists under IFRS 16 when the lessor grants the lessee the right to use an identifiable asset for a specific period of time against a payment or a series of payments.

When a lease exists, a lease liability is recognised for the obligation to make future lease payments, and the right to use the underlying asset is capitalised.

The lease liability is valued at the net present value of future lease payments, discounted at the interest rate underlying the lease. If this interest rate cannot be easily determined, the marginal cost of capital rate will be applied. This is determined on the basis of a reference interest rate plus a risk premium relating to the country, currency and term.

The future lease payments include all fixed and de facto fixed payments, as well as any variable lease payments that depend on an index or a count. The exercise price of a purchase option must also be included if its exercise is sufficiently certain, as well as the amounts that are expected to be paid as part of any residual value guarantee. Contractual penalties for premature termination must be taken into account when it is sufficiently certain that the contract will be terminated prematurely. Non-refundable value added tax amounts resulting from liabilities related to leases are not to be classified as part of the lease payments, and are recognised as expenses provided they are lease arrangements that are recognised as operating leases under tax law.

The lease term generally corresponds to the contractually fixed, non-cancellable period for which the lessee was granted the right to use the underlying asset. This period is extended if the lessee is sufficiently certain it will take advantage of an extension option and/or will not exercise contractually permitted termination options. In the case of real estate lease contracts with extension and termination options, criteria defined by the Group are applied to determine what is used as the term.

The lease liabilities are shown as part of financial liabilities. Details of these and their term structure are shown under Item X.18 and Item XI.2.

The right to use a leased asset is valued at acquisition cost. This includes, at the time of initial valuation, the amount of the lease liability plus any initial direct costs incurred and any lease payments made on or before operational readiness, minus any lease incentives received. In addition, estimated costs for reinstatement obligations must be applied.

Subsequent valuations of the rights of use are made at acquisition cost minus impairments and depreciation, similar to fixed assets.

The depreciation of rights of use is applied on a straight-line basis over the period of the useful life of the right of use, or over any potentially shorter term of the lease. In the case of sufficiently certain purchase options or of automatic transfer of ownership at the end of the term, the economic useful life of the underlying asset is used as a basis. Any impairments are determined in accordance with IAS 36.

During financial year 2020, impairment losses on rights of use amounted to EUR 3,180,000 (prior year: EUR 36,000). Of these, EUR 3,120,000 (prior year: EUR 36,000) concerned the impairment of capitalised usage rights to buildings with no early cancellation options, and EUR 60,000 (prior year: EUR 0) were attributable to usage rights for fixtures and fittings.

Rights of use are shown in the balance sheet under the tangible fixed assets category, in which the underlying assets would be shown in the event of a purchase.

A remeasurement of the lease liability is carried out if future lease payments change due to adjustment of the underlying index or (interest) rate, changes to the lease term, a reassessment of the purchase option, or a change in the amounts to be paid under a residual value guarantee. If the leasing liability is revalued in this way, the book value of the right of use is adjusted accordingly (= reassessment).

Due to deferred leasing payments in connection with the practical expedients for COVID-19-related rent concessions issued by the IASB, other liabilities from deferred leasing payments of EUR 33,000 arose during the financial year.

The following table shows the changes in rights of use by class of underlying assets.

in EUR '000	Land and buildings	Technical installations and machines	Production and office equipment	Total
As of 01/01/2020	**71,620**	**1,629**	**8,955**	**82,205**
Acquisitions	8,272	136	4,149	12,557
Additions from changes to scope of consolidation	38,980	25	1,295	40,300
Reassessment	4,807	23	-17	4,813
Depreciation in current year	-16,804	-411	-4,231	-21,446 [1)]
Disposals	-5,537	-565	-549	-6,651
Currency translation	-2,448	-38	-284	-2,770
As of 31/12/2020	**98,890**	**798**	**9,318**	**109,007**

The material leasing contracts relate to production buildings as well as office and storage buildings, both domestically and abroad. Fixtures and fittings also include the leased vehicle fleet.

1) Of which, EUR 3,120,000 from the write-down of rights of use of buildings and EUR 60,000 from right of use of fixtures and fittings.

Leasing contracts relating to intangible assets are not recognised.

The same is true of leasing arrangements with a maximum term of twelve months and leasing arrangements for assets with acquisition costs below EUR 5,000. They continue to be shown under leasing expenses as one-time rents or variable lease payments.

A breakdown of the remaining expenses for rent and leasing is shown under Item IX.6.

Including all extension options to their maximum extent would result in potential future leasing payments totalling EUR 19,196,000 (prior year: EUR 18,655,000). In the case of contracts with an indefinite term, an extension or reduction in terms by 12 months would lead to an increase or decrease in lease payments of EUR 9,728,000 (EUR 5,978,000).

There are no significant residual value guarantees or restrictions on usage rights from leasing contracts. There are also no significant sub-letting arrangements.

As of the balance sheet date, there are no payments for leases that Greiner has already signed but has not yet started.

Greiner as lessor

As lessor, Greiner has only entered into operating leases. In the case of an operating lease, the material opportunities and risks associated with the use of the asset remain with the lessor. Rental income is recognised on a straight-line basis over the term of the respective lease. The initial direct costs incurred in negotiating and brokering an operating lease are added to the asset's book value and recognised on a straight-line basis over the lease term.

In financial year 2020, income of EUR 606,000 (prior year: EUR 797,000) was generated from leases. The contracts mainly concern the leasing of real estate. The future minimum lease payments from the non-cancellable leases are as follows:

in EUR ‘000	2020	2019
Minimum lease payments within one year	1,018	1,089
Minimum lease payments between 1 and 2 years	383	421
Minimum lease payments between 2 and 3 years	165	116
Minimum lease payments between 3 and 4 years	165	116
Minimum lease payments between 4 and 5 years	111	116
Minimum lease payments after 5 years	2,268	2,386
Total undiscounted lease payments	**4,109**	**4,245**

Property held as financial investments

Investment property includes those properties that are held to generate rental income and/or for the purpose of value increases and which could be sold individually.

Property held as financial investments are valued and recorded using the acquisition cost method. Depreciation is carried out on a straight-line basis on the basis of a useful life of 10 to 40 years.

Tangible fixed assets include properties that do not serve the ongoing business operations of the Group for a total of EUR 1,680,000 (prior year: EUR 1,792,000).

The fair value of the properties held as financial investments, as estimated by an independent expert, is EUR 957,000 (prior year: EUR 957,000); their book value is EUR 430,000 (prior year: EUR 430,000). The depreciated book value for the buildings of EUR 1,250,000 (prior year: EUR 1,362,000) is EUR 2,793,000 (prior year: EUR 2,681,000) below the building values estimated by the expert and reduced by depreciation.

In summary, the fair values to be applied within the meaning of IFRS 13 (fair value hierarchy) are as follows:

	Level 1		Level 2		Level 3	
	2020	2019	2020	2019	2020	2019
Property held as financial investments		-		-	5.000	5.000

The market value is determined on the basis of the real value and earnings method. The capitalised earnings figure derives mainly from capitalised rental income minus operating costs. Comparative values of land in a similar location and classification are used to determine the basic value; current production costs less technical and economic impairments are used to estimate the reconstruction value of the buildings and installations.

In financial year 2020, rental income of EUR 433,000 (prior year: EUR 416,000) was generated from real estate held as financial investments. Operating costs amounted to EUR 32,000 (prior year: EUR 32,000).

Liens, pledges and other limitations on disposal

As of the balance sheet date, the following assets are pledged or otherwise limited in their availability:

in EUR '000	31/12/2020	31/12/2019
Developed and undeveloped land	4,821	5,403
Buildings	76,089	84,243
Technical installations and machines	25,051	27,971
Other equipment, fixtures and fittings	514	729
Advance payments made and assets under construction	974	1,619
	107,450	119,965

As of the balance sheet date, there are **commitments for the acquisition** of tangible assets totalling around EUR 18,112,000 (prior year: around EUR 19,453,000).

4. Shares in companies accounted for under the equity method

Shares in associated companies and shares in joint ventures, unless they are of minor significance, are accounted for in the consolidated financial statements in accordance with IAS 28 under the equity method (see also Item IV.1). The bases used for this are the current annual financial statements or consolidated financial statements of these companies.

The book values are made up as follows:

in EUR '000	31/12/2020	31/12/2019
Shares in joint ventures	3,982	47,163
Share in associated companies	7,806	7,277
	11,788	54,440

Joint ventures:

Of the joint ventures, the Eurofoam Group has been the most important for Greiner. Eurofoam is the European market leader in the production and processing of flexible polyurethane foam. On 2 April 2020, Greiner AG signed a purchase and takeover agreement for the shares held previously by Recticel Holding Noord B.V., NL. Since 30 June 2020, when the transaction was completed, the Eurofoam Group has been fully consolidated in the financial statements of the Greiner Group. More details on this are shown under Item IV.2.

You will find below the summarised financial information for the Eurofoam Group from the first half of the reporting year, and the prior year:

in EUR ‘000	01-06/2020	01-12/2019
Sales revenue	168,614	398,619
Amortisation and depreciation	-4,501	-15,752
Interest income	40	425
Interest expense	-523	-896
Income taxes	-2,369	-4,032
Profit	7,763	20,176
Other income	-3,152	-1,711
Total earnings	4,611	18,465
Greiner’s share of total earnings (50%)	2,306	9,233

The Eurofoam Group paid EUR 6,300,000 of dividends to Greiner in financial year 2019.

in EUR ‘000	31/12/2019
Current assets	94,453
of which cash and cash equivalents	23,462
Long-term assets	102,658
Short-term liabilities	49,975
of which short-term financial liabilities[1)]	8,228
Long-term liabilities	60,090
of which long-term financial liabilities [1)]	42,541
Net assets	87,046
Greiner’s share of net assets (50%) = book value of the Eurofoam Group in the consolidated financial statements	43,523

In 2019, due to a change in the consolidation scope in the Eurofoam Group, a change in equity of EUR 526,000 was recorded in net assets.

The joint ventures accounted for under the equity method, which are not individually significant for the Group, show pro rata the following items in the consolidated statement of comprehensive income as of the balance sheet date:

in EUR ‘000	2020	2019
Profit	944	680
Other income	-70	-111
Total earnings	874	569

The total book value of these joint ventures is EUR 3,982,000 (prior year: EUR 3,639,000).

1) Financial liabilities excluding trade creditors, other liabilities and provisions.

Associated companies

With the full consolidation of the Eurofoam Group, the shares in three Czech and two Polish companies were also consolidated for the first time under the equity method in this financial year.

On the other hand, the shares in Simplas S.p.A., IT, are no longer consolidated under the equity method. Greiner gained control with the acquisition of a further 20% of the shares through the exercise of a call option. As a result of this, the company has been fully consolidated since 30 June 2020. Further details of this can be found in Item IV.2.

The associated companies consolidated under the equity method show the following items in the consolidated statement of comprehensive income as a single total on the balance sheet date:

in EUR '000	2020	2019
Profit [1)]	667	446
Other income	-39	21
Total earnings	628	467

5. Financial and other long-term assets

The financial and other long-term assets consist of the following:

in EUR '000	31/12/2020	31/12/2019
Shares in non-consolidated companies	2,499	1,982
Other shareholdings as investments	169	141
Securities (book-entry securities)	18,405	15,709
of which at cost	*7,930*	*7,901*
of which at fair value through profit and loss	*10,474*	*7,807*
Other long-term assets		
and financial receivables from third parties	3,268	1,614
of which from related companies	*2,377*	*749*
	24,341	19,447

of which financial instruments handled under IFRS 9

1) including the earnings (40%) of Simplas S.p.A., IT (EUR 187,000) and the write-down of the client base recorded on the allocation of purchased assets, for an amount of EUR 23,000 for the first half of the year.

Shares in non-consolidated companies, due to their minor significance to Greiner, are not fully consolidated under IFRS 3. Goodwill is valued at acquisition cost minus accumulated impairments. If there are indications of potential impairments, they are subjected to an impairment test. Write-downs and revaluations are shown in the financial earnings. There is currently no intention to sell these shareholdings.

Financial assets within the meaning of IFRS 9 are either classified as financial assets at amortised cost or recognised at fair value, with changes taken in the profit and loss. This classification is based on the business model for managing financial assets and the characteristics of the contractual cash flows from the financial asset.

The existing securities portfolio is held under a business model whose objective is to receive the contractual cash flows.

Bonds and debentures are classified as **“valued at amortised cost” (AC)** if their cash flows consist exclusively of repayment of principal and interest payments on the outstanding capital amount.

The remaining securities include, on the one hand, shares and investment funds, and, on the other hand, bonds that do not meet the SPPI test (“Solely payments of principal and interest”). Like the other investments in accordance with IFRS 9, **they are “valued at fair value through profit and loss” (FVTPL).**

The securities are each recorded on the settlement date. Realised and unrealised profits and losses are reported in financial earnings, as are current income and impairments.

A total of EUR 2,005,000 (prior year: EUR 2,007,000) of the securities portfolio are pledged as of the balance sheet date as collateral for Group liabilities.

The **long-term financial receivables and other assets** are debt instruments that are held without any intention to sell, and which meet the cash flow criteria. They are therefore allocated to the “at cost” (AC) category and valued at amortised acquisition cost. If there are indications of an impaired value, a write-down is posted and taken in the profit and loss. Interest-bearing receivables are recognised at nominal value, non-interest bearing at their present values.

All receivables shown in this item have a remaining term of more than one year.

Further details on the classification, valuation and the write-down of financial assets can be found under Item XI.1 and Item XI.2.

6. Deferred tax assets and liabilities

Deferred taxes are determined using the balance sheet liability method for all timing differences between the book values according to the IFRS consolidated financial statements and the corresponding tax values.

Deferred tax assets are recognised when it is probable that the tax benefit they represent can be realised. The recognition of deferred tax assets on taxable losses carried forward is continued while it remains likely that taxable income will be available in the foreseeable future.

Deferred taxes are determined on the basis of the tax rates that are expected to apply in the individual countries at the expected time of application of the value, and those that are valid or have been announced on the balance sheet date. For Austrian group companies, a corporate income tax rate of 25% has been applied to determine tax deferrals.

The differences in valuations for tax and for the IFRS consolidated balance sheet result from the following differences, or have the following deferred taxation effect:

	31/12/2020		31/12/2019	
in EUR '000	Assets	Liabilities	Assets	Liabilities
Assets:				
Intangible fixed assets	380	13,467	149	4,666
Goodwill	565	291	46	2
Tangible fixed assets	1,492	69,543	2,358	50,626
Long-term financial assets	15,876	343	14,621	253
Inventories	5,035	403	2,991	387
Contract assets	533	4,578	0	3,098
Other assets	2,827	751	3,444	2,172
Liabilities:				
Special tax-related write-downs	357	637	535	820
Long-term provisions	13,223	34	10,991	12
Short-term provisions	924	680	1,663	675
Contract liabilities	847	192	241	275
Other liabilities	30,260	262	21,356	457
Subtotal	**72,320**	**91,180**	**58,395**	**63,442**
Deferred tax assets on losses carried forward	43,147	0	52,364	0
Reductions in valuations of deferred tax assets	-43,025	0	-45,146	0
Gross deferred tax assets/liabilities	**72,442**	**91,180**	**65,614**	**63,442**
Offsetting	-51,770	-51,770	-46,325	-46,325
Net deferred tax assets/liabilities	**20,672**	**39,409**	**19,289**	**17,117**

Under the item for long-term financial assets, deferred tax assets include amounts for tax write-downs and losses on the sale of investments, which must be spread over seven years in accordance with Section 12 of the Austrian Corporation Tax Act. As of the balance sheet date, these amount to EUR 15,944,000 (prior year: EUR 14,609,000). In the current year, additional tax expenses of this kind from write-downs have been recorded at an amount of EUR 4,912,000 (prior year: 12,587,000).

For timing differences related to shares in subsidiaries, totalling EUR 613,664,000 (prior year: EUR 390,440,000), no tax deferrals were created under IAS 12.39, since the Group is able to control the timing of the application of the differences and it is unlikely that they will be applied in the foreseeable future. Likewise, no deferred taxes were recognised on differences from goodwill that cannot be deducted for tax purposes.

Deferred tax assets and liabilities are offset against each other whenever possible. After offsetting, deferred tax assets and liabilities are reported as follows:

in EUR ‘000	31/12/2020	31/12/2020
Deferred tax assets	20,672	19,289
Deferred tax liabilities	-39,409	-17,117
	-18,738	2,172

The deferred taxes changed during the financial year as follows:

in EUR ‘000	2020	2019
Deferred taxes (net) on 01/01	2,172	-3,554
Changes due to restatement		0
Changes to scope of consolidation	-24,023	12
Deferred taxes		
recognised on the income statement	1,900	4,909
Currency translation effects		
from obligations to employees reported in other comprehensive income		
recognised on the income statement	277	1,253
and with no effect on net income	938	-447
Deferred taxes (net) on 31/12	-18,738	2,172

Deferred taxes on tax losses carried forward and asset book value differences were only recognised to the extent that the management expects future taxable income. The basis for the assessment of the recoverability of deferred tax assets is - after deduction of timing difference liabilities - the future positive taxable earnings according to the plans approved by the Management Board. In assessing the tax losses carried forward and the tax credits that have not yet been used, the conditions for their use are also taken into account.

Deferred tax assets were not recognised in respect of the following items, as it is unlikely that there will be sufficient taxable income available in the future against which the Group could apply the deferred tax assets:

in EUR ‘000	31/12/2020	31/12/2019
Deductible timing differences (do not expire)	1,762	1,821
Tax losses carried forward	41,263	43,325
	43,025	45,146

Where companies have shown negative earnings in the current period, a cumulative deferred tax asset in the amount of EUR 861,000 (prior year: EUR 11,655,000) was capitalised since the realisation of the tax asset is likely based on the expected reversal of deferred tax liabilities and the taxable earnings budgets.

As of 31/12/2020, the Group has tax losses carried forward of EUR 169,724,000 (prior year: EUR 201,398,000). The existing losses carried forward can be used as follows:

in EUR ‘000	31/12/2020	31/12/2019
Total	169,724	201,398
Of which capitalised losses carried forward	9,360	34,506
Of which non-capitalised losses carried forward	160,364	166,892
Possible expiry of non-capitalised losses carried forward		
Unrestricted ability to carry forward	129,071	137,836
Within 5 years	13,263	13,562
Within 5 to 10 years	117	0
Within 10 to 20 years	17,913	15,494

A positive effect of EUR 5,423,000 (prior year: EUR 513,000) arose from the use of tax losses carried forward for which no deferred tax assets had yet been formed.

The accumulated deferred tax assets on actuarial gains and losses and recognised in other comprehensive income amount to EUR 6,852,000 (prior year: EUR 6,703,000).

7. Inventories

Inventories under IAS 2 comprise assets that are intended for sale in the course of normal business operations (finished products and goods), that are under production for sale (unfinished products and not yet billable services), or that are consumed in the course of manufacture or the provision of services (raw materials and supplies). Advance payments made for the purchase of inventories are also shown under this item.

The inventories are valued at the lower of their acquisition and production costs, or at their net realizable value on the balance sheet date. The moving average price method is generally used as the stock rotation method. Appropriate write-downs are applied for inventory risks resulting from the storage period or from reduced usability.

Acquisition or production costs include all costs of acquisition and processing as well as other costs incurred to transfer the inventories to their current location in their current condition. Production costs include all directly attributable material and specific production costs, as well as an appropriate, systematically assigned share of material and production overhead costs. This also includes pro rata costs for the company pension scheme and for voluntary social benefits.

in EUR ‘000	31/12/2020	31/12/2019
Raw materials and supplies	85,762	65,493
Unfinished products	29,226	18,399
Finished products and goods	76,075	70,542
Services not yet billable	2,034	1,072
Advance payments made	2,947	4,715
	196,043	160,221

Of the inventory shown as of the balance sheet date, EUR 2,448,000 (prior year: EUR 2,478,000) are recognised at their net realizable value. The net realizable prices are determined as estimated sales prices minus outstanding costs incurred until completion and sales costs incurred.

During the financial year, write-downs were applied to inventories for a total amount of EUR 3,743,000 (prior year: EUR 2,019,000) and revaluations of inventories for a total amount of EUR 1,034,000 (prior year: EUR 673,000), both of which were taken to the profit and loss.

As of the balance sheet date, inventories with a book value of EUR 10,491,000 (prior year: EUR 10,849,000) were pledged as collateral.

8. Trade receivables

Trade receivables are held within a business model whose objective is to collect the contractual payment flows. The payment flow criterion is met for these instruments. The receivables are therefore classified as “at-cost”.

The valuation on initial recognition is carried out at fair value; the subsequent valuation is carried out at amortised cost, minus impairments for expected credit defaults. For details of the determination of impairments using the **impairment model** under IFRS 9, we refer you to Item XI.2.

Receivables are only written off in the event of insolvency or unsuccessful legal claims.

Interest-free or low interest receivables with a term of more than one year are discounted to their present value. Foreign currency receivables are revalued at the average exchange rate on the balance sheet date.

As of the balance sheet date, trade receivables consisted of the following:

in EUR ‘000	31/12/2020	31/12/2019
Trade receivables	283,125	206,494
Trade receivables from related companies	3,722	4,551
	286,847	211,045

Trade receivables include receivables with a remaining term of more than one year totalling EUR 159,000 (prior year: EUR 899,000).

Of the existing total of receivables on the balance sheet date, EUR 314,000 (prior year: EUR 424,000) are backed by bills of exchange, EUR 71,867,000 (prior year: EUR 71,432,000) are assigned as guarantees for Group liabilities.

9. Other current assets and advance payments

in EUR ‘000	31/12/2020 Total	of which with remaining term < 1 year	of which with remaining term > 1 year	31/12/2019 Total	of which with remaining term < 1 year	of which with remaining term > 1 year
Receivables from related companies	4,527	4,527	0	5,670	5,670	0
Receivables from income taxes	3,333	3,307	26	1,430	1,411	19
Receivables from other taxes	15,449	15,356	93	11,902	11,819	83
Derivative financial instruments	82	82	0	0	0	0
Other receivables Assets	8,866	8,646	220	9,260	9,075	185
and advance payments	6,027	5,307	720	5,218	4,657	561
	38,282	37,223	1,059	33,480	32,633	847
of which financial instruments handled under IFRS 9	*12,466*			*11,854*		

Other receivables under IFRS 9 are held under a business model whose objective is to collect the contractual cash flows. The payment flow criterion is met for these instruments. The receivables are therefore classified as “at-cost” or at amortised cost, reduced by impairments for expected credit defaults.

Derivative financial instruments are to be measured under IFRS 9 at fair value through the income statement. Realised and unrealised gains and losses on valuation are recognised in the income statement.

For details of the determination of impairments using the **impairment model** under IFRS 9, we refer you to Item XI.2.

Of the total of other receivables shown at the balance sheet date, EUR 1,138,000 (prior year: EUR 287,000) are assigned as guarantees for Group liabilities.

10. Cash and cash equivalents

This item essentially includes cash on hand, checks, credit balances at credit institutions and short-term, highly liquid financial assets with a maximum term of three months at the time of acquisition.

Cash and cash equivalents are classified as financial instruments and at cost, and valued at amortised cost less impairments for expected credit defaults under IFRS 9.

For details of the determination of impairments using the **impairment model** under IFRS 9, we refer you to Item XI.2.

11. Long-term assets held for sale

Long-term assets are classified as held for sale if their associated book value will be realised primarily by a sale transaction and not through continued use. This condition is only deemed to be met if a sale is highly probable, and the long-term asset is available in its current condition for immediate sale. They are valued at the lower of their carrying amount and fair value minus selling costs.

The “long-term assets held for sale” reported in the annual financial statements of the prior year concerned a property of Greiner Real Estate GmbH in Wernberg, Austria. This property was sold during financial year 2020 with a sales contract dated 03/12/2020. This resulted in a capital gain of EUR 457,000, which is shown in other operating income.

12. Share capital

As of the balance sheet date, the share capital of Greiner AG remains unchanged at EUR 14,688,000 and is split into 14,688,000 par shares with a nominal value of EUR 1.00 each.

13. Capital reserves

The capital reserves relate only to restricted capital reserves (premiums) and amount to EUR 32,814,000 (prior year: EUR 32,814,000).

14. Retained earnings

Retained earnings include

- the retained earnings and the unappropriated surplus of Greiner AG and all the consolidated subsidiaries (unless these are eliminated by capital consolidation) minus the earnings attributable to non-controlling interests,

- the currency translation reserve from the translation of foreign subsidiaries with a functional currency different to the reporting currency,

- other comprehensive income resulting from actuarial gains and losses from the valuation of commitments to employees for severance and pension obligations, minus the deferred taxes attributable to these,

- as well as the shares in the other comprehensive income of companies valued under the equity method.

15. Shares of minority shareholders

Shares due to non-controlling shareholders relate to the shares held by third parties in the fully consolidated Group companies. The companies with direct and then also those with indirect non-controlling interests are shown in Appendix 2 to the notes.

Four companies that report shares due to non-controlling shareholders relate to the Greiner Packaging division, three companies to the Greiner Bio-One division, one company to the NEVEON division and one company to the Greiner Extrusion division.

We present below the financial information of the major companies with shares of non-controlling shareholders. This concerns information prior to elimination within the Group. Only Group-internal eliminations within the included companies are taken into account:

As of 31/12/2020 in EUR '000	OOO Greiner Packaging, RU	Unifoam (Pty) Ltd., SA	part of company Bio-One China	part of company Balkans	Simplas S.p.A., IT	Other subsidiaries [2]	**Total**
Percentage of non-controlling interests	49.00%	20.00%	49.00%	48.16%	40.00%		
Long-term assets	4,150	5,934	6,491	21,535	5,451	2,393	45,953
Current assets	8,631	7,685	27,116	16,302	6,478	11,424	77,634
Long-term liabilities	1	2,051	1,832	9,964	1,669	2,356	17,873
Short-term liabilities	2,951	4,211	7,393	16,720	3,198	4,447	38,920
Net assets	**9,828**	**7,356**	**24,381**	**11,152**[1]	**7,062**	**7,014**	**66,794**
Net assets of the non-controlling interests	4,816	1,471	11,947	7,711	2,825	111	28,881
Sales revenue	25,555	16,794	30,378	38,925	5,429	19,904	136,986
Profit	2,987	2,003	-453	3,708[1]	468	1,545	10,259
Other income	-2,857	-1,279	-669	-14[1]	-9	-262	-5,090
Total earnings	**130**	**724**	**-1,122**	**3,695**	**459**	**1,282**	**5,168**
Profit allocated to non-controlling interests	1,464	401	-222	2,486	187	38	4,353
Other earnings allocated to non-controlling interests	-1,400	-256	-328	-7	-4	-4	-1,999
Total earnings allocated to non-controlling interests	64	145	-550	2,478	184	33	2,354
Cash flow from earnings	4,609	3,604	2,725	7,767	690	2,924	22,319
Dividends on non-controlling interests	-1,533	-634	-208	-975	-	-	-3,350

1) the shares included for non-controlling shareholders total EUR 4,514,000 of net assets, EUR 1,345,000 of profits and EUR -2,000 in other comprehensive income

2) including Group internal eliminations

As of 31/12/2019 in EUR '000	OOO Greiner Packaging, RU	Unifoam (Pty) Ltd., SA	Part of company Bio-One China	part of company Balkans	Other subsidiaries [2]	Total
Percentage of non-controlling interests	49.00%	20.00%	49.00%	48.16%		
Long-term assets	5,188	6,916	9,564	21,552	2,741	45,960
Current assets	12,662	8,514	27,592	16,660	9,183	74,612
Long-term liabilities	191	2,324	3,448	12,271	2,475	20,710
Short-term liabilities	4,838	3,302	7,781	16,785	3,717	36,423
Net assets	**12,820**	**9,804**	**25,927**	**9,155**[1]	**5,731**	**63,439**
Net assets of the non-controlling interests	6,282	1,961	12,704	6,405	78	27,430
Sales revenue	29,660	17,260	39,616	34,837	18,350	139,722
Profit	3,335	1,831	596	1,758[1]	748	8,269
Other income	1,626	383	150	71[1]	156	2,386
Total earnings	**4,962**	**2,214**	**746**	**1,829**	**904**	**10,655**
Profit allocated to non-controlling interests	1,634	366	292	1,255		3,548
Other earnings allocated to non-controlling interests	797	77	74	46	3	997
Total earnings allocated to non-controlling interests	2,431	443	366	1,302	3	4,545
Cash flow from earnings Dividends due to non-controlling interests	4,831 -2,021	3,571 -124	4,436 -188	3,019 -686	1,926 -	17,783 -3,019

16. Obligations towards employees

This item is made up as follows:

in EUR '000	31/12/2020	31/12/2019
Severance provisions	30,772	27,101
Pension provisions	40,826	32,642
Provisions for anniversary bonuses	16,214	13,059
Provision for other long-term personnel expenses	145	27
	87,957	72,829

1) the included shares of non-controlling shareholders total EUR 3,854,000 in net assets, EUR 795,000 in profits and EUR 25,000 in other comprehensive income

2) including Group internal eliminations

Severance provisions

Employees whose employment relationship started before 01/01/2003 in the Austrian Group companies have a legal entitlement to a one-time severance payment on reaching retirement age or in the event of the termination of the employment relationship by the employer. The amount of the severance pay depends on the duration of the employment relationship and on the current salary applicable at the time of severance. Cash must be made available for these **defined benefit pension plans** in the form of a provision.

For employees whose employment relationship started after 01/01/2003, the severance payment obligations are settled by regular payments of contributions to an external employee pension fund. There is no further legal obligation beyond this to make severance payments upon the departure of these employees. Therefore, no provision is created under this **defined benefit pension model**.

In addition, there are similar defined contribution or defined benefit models in other subsidiaries based on the legal provisions that apply in the respective countries. However, the vast majority, or around 86% of the obligations from defined benefit plans exist within Austrian Group companies.

The provisions for severance payments are determined on the balance sheet date - based on actuarial expert reports - using the projected unit credit method. The earliest possible statutory retirement age (which is graduated in Austria up to 65 years for women and men) was set as the planned retirement age, allowing for the transitional regulations. The staff turnover rate applied is based on Company-specific circumstances. The AVÖ 2018-P calculation bases for pension insurance - from Pagler & Pagler - are applied for the calculation of provisions for severance pay.

Actuarial gains and losses are fully recognised in other comprehensive income in the period in which they are incurred in accordance with IAS 19.57 (d). The past service cost is recognised immediately in the profit and loss.

The fair value at the balance sheet date of the plan assets held to cover these obligations is deducted from the calculated present value of this defined benefit obligation (DBO).

The following parameters (= weighted averages) have been included in the calculation of the severance provisions:

	31/12/2020	31/12/2019
Actuarial interest rate:		
Austria	0.9 %	1.0 %
Other countries	2.8 %	4.4 %
Salary increases:		
Austria	3.0 %	3.0 %
Other countries	3.8 %	4.2 %
Staff turnover discount (graduated):		
Austria	0.0 %	0.0 %
Other countries	6.5 %	9.5 %

The provisions for defined benefit obligations have changed over time as follows:

	Performance-based commitment		Fair value of plan assets		Net liability from defined benefit plans	
in EUR '000	2020	2019	2020	2019	2020	2019
As of 01/01	**27,117**	**23,890**	**-15**	**-15**	**27,101**	**23,875**
Changes to scope of consolidation	5,073	20	-	-	5,073	20
Recorded in profit and loss:						
Current service cost	1,417	1,178	-	-	1,417	1,178
Past service cost to apply	-49	31	-	-	-49	31
Result from settlements	-636	-	-	-	-636	-
Interest expense	362	528	-	-	362	528
	1,094	**1,736**	**-**	**-**	**1,094**	**1,736**
Recorded under other comprehensive income:						
Actuarial profit/loss from						
- demographic assumptions	-15	-32	-	-	-15	-32
- financial assumptions	642	2,771	-	-	642	2,771
- experience-based assumptions	401	272	-	-	401	272
	1,028	**3,011**	**-**	**-**	**1,028**	**3,011**
Other:						
Severance payments	-2,555	-1,514	-	-	-2,555	-1,514
Settlements paid	-656	-	-	-	-656	-
Currency conversion differences	-320	-26	-	-	-320	-26
Other	6	-	-	-	6	-
	-3,525	**-1,540**	**-**	**-**	**-3,525**	**-1,540**
As of 31/12	**30,787**	**27,117**	**-15**	**-15**	**30,772**	**27,101**

As of 31/12/2020, the weighted average term for severance payment provisions was 12.0 years (prior year: 12.4 years).

The expense of defined contribution plans included in the severance expenses for 2020 amounts to EUR 1,984,000 (prior year: EUR 1,507,000).

Pension provisions

Depending on the country-specific legal, economic and tax circumstances, different pension scheme models have developed at the individual locations of the Group. There are both defined contribution and defined benefit pension commitments.

In Austria, there are individual **defined benefit** obligations at Greiner AG based on contractual agreements. The scope of payments was agreed based on the final salary level of the future beneficiaries. In some cases there are tied insurance policies that are recorded as plan assets. For the calculation of the pension provision, the Pagler & Pagler AVÖ 2018-P employee calculation bases for pension insurance are applied.

In addition to the Austrian obligations, the majority of the defined benefit pension obligations are found at Group locations in Germany and Switzerland.

The pension plan model in Switzerland is financed by the payment of contributions by employers and partly also by employees, with the contributions being paid to a company pension fund or pension trustee. The scope of benefits for retirement pensions is graduated by retirement age and depends on the total of the paid-in credits. In the event of disability or death, the beneficiaries are entitled to a pension benefit representing a certain percentage of the assessment basis. Obligations are recognised in accordance with the rules on defined benefit plans.

In Germany, there are individual defined benefit commitments to former managing directors, partners and senior managers on the one hand, and on the other hand, performance-oriented commitments to active and former employees based on various company pension schemes - depending on employment by a certain company. Direct insurance policies have been taken out for some beneficiaries and are offset against the obligations.

In addition, there are defined benefit obligations from a general pension scheme of CA Greiner & Söhne GmbH & Co. KG, which were taken over along with the employees in other German Greiner companies. They exist with respect to current employees, former employees who have left the company with vested entitlements, and pension recipients.

Defined benefit pension commitments also exist in The Netherlands with respect to current employees, former employees with vested claims and pension recipients. The approved old-age pension, which is financed by contribution payments from employers to a company pension plan, is based on an average salary system. In addition, in the event of the beneficiary's death, surviving spouses and orphans are entitled to a pro rata survivors' pension.

Reinsurance policies that meet the requirements for classification as plan assets have been taken out for a portion of the obligations.

As with severance payment obligations, **pension obligations** are valued on the basis of actuarial expert reports using the projected unit credit method. The pension benefits to be provided are spread across the entire period of employment of the employees up to their retirement date. Future salary and pension increases are included in the calculations.

Actuarial gains and losses are fully recognised in other comprehensive income in the period in which they are incurred in accordance with IAS 19.57 (d). The past service cost is recognised immediately in the profit and loss.

The fair value at the balance sheet date of the plan assets held to cover these obligations is deducted from the calculated present value of this defined benefit obligation (DBO).

The following parameters (= weighted averages) are included in the calculation of pension provisions:

	31/12/2020	31/12/2019
Actuarial interest rate:		
Austria	1.3 %	1.4 %
Germany	0.9 %	0.9 %
The Netherlands	1.2 %	1.5 %
Switzerland	0.2 %	0.3 %
Pension increase rate:		
Austria	1.1 %	1.1 %
Germany	1.4 %	0.9 %
Switzerland / Netherlands	0.0 %	0.0 %
Salary increases:		
Austria	3.0 %	2.2 %
Germany	1.4 %	1.7 %
Switzerland	0.7 %	0.7 %
The Netherlands	3.0 %	3.0 %
Staff turnover discount (graduated):		
Austria / Germany	0.0 %	0.0 %
Switzerland	9.9 %	9.9 %
The Netherlands	2.1 %	2.4 %

Pension provisions have shown the following trends:[1)]

in EUR '000	Performance-based commitment 2020	Performance-based commitment 2019	Fair value of plan assets 2020	Fair value of plan assets 2019	Net liability from defined benefit plans 2020	Net liability from defined benefit plans 2019
As of 01/01	**73,134**	**64,315**	**-40,492**	**-34,995**	**32,642**	**29,320**
Changes to scope of consolidation	10,032	-	-1,189	-	8,843	-
Recorded in profit and loss:						
Current service cost	2,089	1,935	-	-	2,089	1,935
Past service cost to apply	-23	-119	-	-	-23	-119
Interest expense (interest income)	577	942	-268	-478	309	464
	2,643	**2,758**	**-268**	**-478**	**2,375**	**2,280**
Recorded under other comprehensive income:						
Actuarial gain/loss from						
- demographic assumptions	-1,595	-	-	-	-1,595	-
- financial assumptions	1,838	5,636	-	-	1,838	5,636
- experience-based assumptions	715	-1,239	-	-	715	-1,239
Expense / income from plan assets (excluding interest income)	-	-	-546	-640	-546	-640
	958	**4,397**	**-546**	**-640**	**412**	**3,757**
Other:						
Contributions paid by employer	-	-	-2,265	-2,206	-2,265	-2,206
Contributions paid by employee	1,166	1,131	-1,166	-1,131	-	-
Pension payments made	-1,177	-5,356	-54	3,949	-1,231	-1,407
Currency conversion differences	166	1,378	-116	-1,042	51	336
Other	-	4,510	-	-3,949	-	562
	155	**1,664**	**-3,601**	**-4,379**	**-3,446**	**-2,715**
As of 31/12	**86,922**	**73,134**	**-46,096**	**-40,492**	**40,826**	**32,642**

The plan assets are made up of the following:

in EUR '000	31/12/2020	31/12/2019
Cash and cash equivalents	1,575	1,452
Equity instruments	8,403	7,756
Debt instruments	7,771	7,141
Real estate	5,635	5,175
Derivatives	4,275	3,442
Other	18,438	15,526
	46,096	**40,492**

On 31/12/2020, the weighted average term of pension provisions was 16.8 years (prior year: 15.8 years).

1) The Group has several defined benefit plans and has basically provided aggregated information for these plans, given that these plans are not exposed to materially different risks.

The Group expects that in 2021, contributions of EUR 2,720,000 (prior year: EUR 2,264,000) will be paid into the defined benefit plans.

For defined contribution pension plans, Greiner pays into pension fund companies and similar external funds. In Austria, there are contribution-oriented pension plans at Greiner AG and the vast majority of its Austrian subsidiaries. The contribution-based pension model provides for ongoing contribution payments to the pension fund by the company of a percentage of the gross monthly salary, determined by the classification of the employee under the collective agreement. In addition, employees are entitled to make their own contributions to the pension fund.

In addition, defined contribution pension plans are also offered at locations in the US, United Kingdom, Czech Republic, France, Sweden, Belgium, South Africa, The Netherlands, Germany and Italy, which are largely based on contractual obligations. Depending on the contractual agreement, a certain percentage of the beneficiaries' income is paid to an external fund or insurance provider.

The expenses for defined contribution plans included in pension expenses for 2020 amount to EUR 5,789,000 (prior year: EUR 5,190,000).

Long-service bonus provisions

Under (collective) contractual arrangements, Greiner AG and its Austrian subsidiaries, as well as its subsidiaries in Germany, Czech Republic, Hungary, Poland and Switzerland, are required to make long-service payments to employees after a certain period of service with the company. These payments are fundamentally based on the amount of their salary at the time of the relevant employment anniversary.

The commitments for anniversary bonuses are also calculated on the basis of actuarial reports, using the projected unit credit method. The expected benefits are spread across the entire period of employment. Future salary increases are taken into account. Actuarial gains and losses are recognised immediately in the profit and loss.

The earliest possible statutory retirement age is applied as the planned retirement age while taking into account transitional provisions. The staff turnover rate applied is based on Company-specific circumstances.

The following parameters (= weighted average values) are included in the calculation of the anniversary bonus provisions:

	31/12/2020	31/12/2019
Actuarial interest rate:		
Austria	1.1 %	1.0 %
Other countries	0.5 %	0.9 %
Salary increases:		
Austria	3.0 %	3.0 %
Other countries	2.2 %	3.1 %
Staff turnover discount (graduated):		
Austria	23.9 %	24.0 %
Other countries	11.9 %	14.3 %

The provisions for anniversary bonuses changed as follows:

in EUR '000	2020	2019
Opening balance of anniversary bonus provisions as of 01/01	13,059	9,915
Changes to scope of consolidation	3,271	0
Recorded in profit and loss:		
Past service costs	1,819	905
Result of settlements	-372	0
Effect of plan changes	0	75
Interest expense	146	187
Actuarial gains/losses	-751	999
Other:		
Currency conversion differences	-225	17
Anniversary bonus payments	-737	-495
Transfers from related companies	4	2
Other	0	1,455
Final balance of the anniversary bonus provisions as of 31/12	**16,214**	**13,059**

Sensitivity analysis

The defined benefit plans encumber the Group with actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Changing the actuarial parameters would result in changes to the present values of obligations from defined benefit plans. The following sensitivity analyses represent the impact of hypothetical changes to key parameters on the present value of the obligations. This covers the parameters of interest rates, salary increases and pension increases.

If all other assumptions were to be held constant, possible changes in one of these relevant actuarial assumptions would change the defined benefit obligations as follows:

Severance provisions

	2020		2019	
	Increase	Reduction	Increase	Reduction
Discount rate (1% change)	-5,719	6,891	-4,227	4,904
Future wage or salary increases (1% change)	6,767	-5,709	4,862	-4,144

Pension provisions

	2020		2019	
	Increase	Reduction	Increase	Reduction
Discount rate (1% change)	-11,651	15,183	-10,235	13,244
Future wage or salary increases (1% change)	1,974	-1,677	1,813	-1,500
Future pension increases (1% change)	6,990	-6,884	7,962	-5,779

17. Provisions

Provisions are created in each case for the amount the Group requires to cover future payment obligations, identifiable risks and uncertain obligations of the Group towards third parties that exist due to a past event. The provisions are recognised at the value that represents the best possible estimate of the outflow of funds required to meet the obligations.

The assumptions underlying the provisions are continuously reviewed. The actual values may deviate from the assumptions made if general economic conditions do not develop in line with the expectations as of the balance sheet date. Once there is better insight, changes are applied in the income statement and the assumptions are adjusted accordingly.

If the net present value of the provision calculated using a standard market interest rate differs significantly from the nominal value, the net present value of the obligation is recognised.

The long-term provisions comprise the following:

in EUR '000	31/12/2020	31/12/2019
Provisions for waste disposal costs	1,882	1,745
Other long-term provisions	19	182
	1,902	**1,926**

The long-term provisions changed over the financial year as follows:

in EUR '000	As of 01/01/2020	Currency differences	Released	Applied	Assigned	Change of consolidation scope	As of 31/12/2020
Provisions for waste disposal costs	1,745	-2	0	-80	219	0	1,882
Other long-term provisions	182	-16	-91	-145	0	90	19
	1,926	-17	-91	-225	219	90	1,902

The allocation of provisions for waste disposal costs includes an interest expense for the financial year totalling EUR 0 (prior year: EUR 7,000).

The long-term provisions comprise the following:

in EUR '000	31/12/2020	31/12/2019
Provisions for guarantees and warranties	6,350	5,463
Provisions for impending losses	2,114	1,815
Other personnel provisions	10,047	6,218
Other short-term provisions	4,220	5,212
	22,731	**18,708**

Other short-term provisions include precautions relating to the closure of two production sites in the form of a restructuring provision totalling EUR 692,000.

Long-term provisions changed over the financial year as follows:

in EUR '000	As of 01/01/2020	Currency differences	Released	Applied	Assigned	Change of consolidation scope	As of 31/12/2020
Provisions for guarantees and warranties	5,463	-11	-538	-879	1,260	1,053	6,350
Provisions for impending losses	1,815	-46	-99	-351	796	0	2,114
Other personnel provisions	6,218	-33	-361	-5,318	8,693	847	10,047
Other short-term provisions	5,212	-101	-340	-3,859	3,147	162	4,220
	18,708	-190	-1,338	-10,406	13,896	2,062	22,731

18. Financial liabilities

Under IFRS 9, financial liabilities are valued at amortised cost, unless they fall under the exemption of IFRS 9.4.2.1. Accordingly, all financial liabilities are valued at amortised acquisition cost.

Only the negative market values of derivative financial instruments shown under financial liabilities fall within the exemption, and are therefore valued at fair value.

Financial liabilities are shown at the time of recognition at the amount actually received. Premiums, discounts or other differences between the amount received and the repayment amount are spread over the term of the financing and shown under financial earnings.

Leasing liabilities are valued at the present value of future lease payments. Subsequent revaluations are carried out using the effective interest rate method. The lease liability is revalued whenever future lease payments change due to a change in the underlying index or (interest) rate or the lease term, if the purchase option is reassessed, or if there is a change in the amounts to be paid under a residual value guarantee.

Long-term financial debt
(with a remaining term of more than one year)

in EUR '000	31/12/2020	31/12/2019
Liabilities to credit institutions	250,427	94,544
Promissory note loans	79,885	129,796
Liabilities from leasing contracts	94,986	68,679
Other interest-bearing liabilities	637	688
Liabilities from derivative financial instruments	126	192
	426,061	**293,899**

Short-term financial debt
(with a remaining term of less than one year)

in EUR '000	31/12/2020	31/12/2019
Liabilities to credit institutions	171,663	188,861
Promissory note loans	74,976	0
Liabilities from leasing contracts	19,889	14,510
Other interest-bearing liabilities	150	1,113
Other financial liabilities	491	327
Liabilities from derivative financial instruments	13	45
	267,183	**204,856**

Short-term and long-term liabilities to banks totalling EUR 121,387,000 (prior year: EUR 125,037,000) are secured in the form of liens, mortgages or other in rem collateral. These values also include the short-term portions of interest-bearing liabilities, such as subsidised export loans, totalling EUR 76,031,000 (prior year: EUR 59,390,000), which are secured against an assignment of receivables.

19. Trade payables

Trade payables are valued when the liability is created at the fair value of the goods or services received. They are later valued at amortised cost in accordance with the provisions of IFRS 9.

Foreign currency liabilities are converted at the average exchange rate on the balance sheet date.

Trade payables comprise the following liabilities:

in EUR ‘000	31/12/2020	31/12/2019
To third parties	167,055	123,949
To related companies	806	2,589
	167,861	**126,538**

All trade payables have a remaining term of less than one year.

20. Other liabilities

Remaining liabilities are valued at amortised cost in accordance with IFRS 9. Only contingent considerations are subject to the exemption of IFRS 9.4.2.1 and are therefore measured at fair value. Changes are recognised in the income statement.

Other liabilities not resulting from supply relationships are recognised at their repayment amount.

Other long-term liabilities

(with a remaining term of more than one year)

in EUR ‘000	31/12/2020	31/12/2019
Accruals and deferrals (liabilities)	7,589	6,995
Contingent considerations	4,134	3,753
Liabilities from non-controlling interests that can be terminated	4,826	6,270
Other liabilities	60	140
	16,609	**17,159**
of which financial instruments handled under IFRS 9	*9,020*	*3,893*

Other current liabilities

(with a remaining term of less than one year)

in EUR ‘000	31/12/2020	31/12/2019
Social security liabilities	9,564	6,790
Other tax liabilities	15,921	8,135
Liabilities from unused vacations	15,959	12,781
Other liabilities to employees	33,975	22,548
Other liabilities to related companies	0	705
Contingent considerations	3,553	83
Other liabilities	4,931	5,090
Accruals and deferrals (liabilities)	2,105	2,209
	86,008	**58,340**
of which financial instruments handled under IFRS 9	*8,484*	*5,878*

Accruals and deferrals (liabilities) include investment subsidies from public funds (see Item VI) for an amount of EUR 9,215,000 (prior year: EUR 8,463,000), of which EUR 7,516,000 (prior year: EUR 6,956,000) are reported as long-term liabilities.

XI Financial instruments, financial risk and capital management

1. Financial instruments

A financial instrument is a contract that simultaneously creates a financial asset for one party to the contract and a financial liability or an equity instrument for the other party to the contract. Financial instruments are recorded if Greiner becomes a contractual partner to the financial instrument and thereby acquires rights under the financial instrument, or enters into comparable obligations.

Cash-based financial instruments

The cash-based financial instruments existing in the Group include primarily financial assets, trade receivables and payables, cash and cash equivalent assets, financial receivables and financial liabilities.

Derivative financial instruments

Derivative financial instruments are used in the Greiner Group exclusively for hedging purposes. Balance sheet hedge accounting is not applied due to its minor importance. Valuation is carried out at fair value.

In the case of positive market values, the derivative financial instruments are reported under financial and other long-term assets, or under other short-term assets and advance payments, and in the case of negative market values under financial liabilities.

Changes in the fair value of derivative financial instruments are directly recognised as a gain or loss in the consolidated comprehensive income statement, with changes in the fair value of forward exchange transactions and currency options being shown in operating earnings, and changes in the fair value of interest rate swaps and CAPs in financial earnings.

As of the balance sheet date, there are no significant offsetting items or claims from offsetting framework contracts relating to derivatives.

The following table shows the nominal[1] and fair values of the derivative financial instruments that existed at the balance sheet date.

31/12/2020	Currency	Nominal in transaction currencies '000	Fair value in EUR '000	Remaining term in months
Interest rate swaps	EUR	29,563	-137	2-26
Forward currency contract	EUR	3,300	80	10
Currency swaps	EUR	5,640	0	1
Currency swaps	USD	25	0	1

31/12/2019	Currency	Nominal in transaction currencies '000	Fair value in EUR '000	Remaining term in months
Interest rate swaps	EUR	21,303	-227	12-38
Interest option (CAP)	EUR	1,125	0	9
Currency swaps	EUR	5,520	-10	1
Currency swaps	USD	60	0	1

Valuations and valuation categories

IFRS 9 provides for three basic valuation categories for financial instruments: "valued at amortised cost" (amortised cost - AC), "valued at fair value with changes in profit or loss" (Fair Value through Profit or Loss - FVTPL) and "valued at fair value with changes through other comprehensive income" (Fair Value through OCI - FVTOCI).

The allocation of financial instruments to one of these valuation categories is done firstly on the basis of the identification of the financial instrument as a debt or equity instrument, and secondly on the basis of the business model under which they are held, and the contractual payment flows (Solely payments of principal and interests - SPPI criterion).

All financial instruments in the FVTPL category are measured at fair value, with changes taken as profit or loss on the basis of the provisions of IFRS 9. No use has been made of the fair value option.

Financial liabilities, with the exception of derivative financial instruments and contingent considerations, are valued at amortised cost using the effective interest method.

1) The nominal values correspond to the sum of the purchase or sales amounts in the respective transaction currency.

The following tables show the book values, valuations and fair values by valuation category of the cash-based and derivative financial instruments.

Information on the fair value of financial assets and liabilities that are not measured at fair value is not shown if the carrying amount represents an appropriate approximation of the fair value.

			IFRS 9 value recognition			
in EUR '000	**Disclosure in notes**	**Book value as of 31/12/2020**	At amortised acquisition cost (AC)	Fair value through profit or loss (FVTPL)	**IFRS 15 / IFRS 16 / IAS 32 / IFRS 10 valuation**	**Fair value as of 31/12/2020**
Financial assets						
Cash and cash equivalents	X.10	220,268	220,268	-	-	-
Trade receivables	X.8	286,847	286,847	-	-	-
Other receivables	X.9	12,384	12,384	-	-	-
Short-term contract assets	IX.1	50,524	-	-	50,524	-
Other shareholdings as investments	X.5	169	-	169	-	169
Securities - at cost	X.5	7,930	7,930	-	-	8,641
Securities - FVTPL	X.5	10,474	-	10,474	-	10,474
Long-term financial receivables and other assets	X.5	3,268	3,268	-	-	-
Long-term contract assets	IX.1	1,113	-	-	1,113	-
Derivatives	X.5	82	-	82	-	82
Financial liabilities						
Liabilities to credit institutions	X.18	422,090	422,090	-	-	423,338
Promissory note loans	X.18	154,861	154,861	-	-	155,507
Liabilities from leasing contracts	X.18	114,875	-	-	114,875	-
Other interest-bearing liabilities	X.18	1,278	1,278	-	-	1,276
Contract liabilities	IX.1	17,498	-	-	17,498	-
Trade payables	X.19	167,861	167,861	-	_	_
Contingent considerations	X.20	7,687	-	7,687	-	7,687
Liabilities from non-controlling interests that can be terminated	X.20	4,826	-	-	4,826	-
Other liabilities	X.20	4,991	4,991	-	-	-
Derivatives	X.18	139	-	139	-	139

Grouped by IFRS 9 valuation categories

Financial assets	
At amortised acquisition cost (AC)	530,698
(mandatory) at fair value through profit or loss (FVTPL)	10,725
Financial liabilities	
At amortised acquisition cost (AC)	751,081
(mandatory) at fair value through profit or loss (FVTPL)	7,826

in EUR '000	**Disclosure in notes**	**Book value as of 31/12/2019**	**IFRS 9 value recognition** At amortised acquisition cost (AC)	Fair value through profit or loss (FVTPL)	**IFRS 15 / IFRS 16 / IAS 32 / IFRS 10 valuation**	**Fair value as of 31/12/2019**
Financial assets						
Cash and cash equivalents	X.10	80,185	80,185	-	-	-
Trade receivables	X.8	211,045	211,045	-	-	-
Other receivables	X.9	11,855	11,855	-	-	-
Short-term contract assets	IX.1	49,059	-	-	49,059	-
Other shareholdings as investments	X.5	141	-	141	-	141
Securities - at cost	X.5	7,901	7,901	-	-	8,745
Securities - FVTPL	X.5	7,807	-	7,807	-	7,807
Long-term financial receivables and other assets	X.5	1,614	1,614	-	-	-
Long-term contract assets	IX.1	1,992	-	-	1,992	-
Financial liabilities						
Liabilities to credit institutions	X.18	283,405	283,405	-	-	284,436
Promissory note loans	X.18	129,796	129,796	-	-	130,587
Liabilities from leasing contracts	X.18	83,189	-	-	83,189	-
Other interest-bearing liabilities	X.18	2,128	2,128	-	-	2,125
Contract liabilities	IX.1	16,256	-	-	16,256	-
Trade payables	X.19	126,538	126,538	-	-	-
Contingent considerations	X.20	3,836	-	3,836	-	3,836
Liabilities from non-controlling shares that can be terminated	X.20	6,270	-	-	6,270	-
Other liabilities	X.20	5,935	5,935	-	-	-
Derivatives	X.18	237	-	237	-	237

Grouped by IFRS 9 valuation categories

Financial assets	
At amortised acquisition cost (AC)	312,600
(mandatory) at fair value through profit or loss (FVTPL)	7,948
Financial liabilities	
At amortised acquisition cost (AC)	547,802
(mandatory) at fair value through profit or loss (FVTPL)	4,073

Valuation or fair value hierarchy

All financial assets and liabilities valued at fair value are valued on the basis of prices or rates, or valuation procedures (discounted cash flow, option price models) based on input factors (interest rates, exchange rates) that result from observable market data. The item being valued is the individual financial instrument.

Depending on observability, the fair values of financial instruments are allocated to levels 1 - 3 of the fair value hierarchy under IFRS 13.72.

Level 1: Market prices quoted on active markets for identical financial assets and liabilities.

Level 2: Fair values are determined using quoted prices or valuation methods where the essential parameters for the valuation are based on observable market data.

Level 3: Fair values are calculated by models where the parameters required for valuation are based on data that cannot be observed on the market.

The following table shows the fair values of financial instruments in which **fair values are measured through profit or loss** in the consolidated balance sheet, using valuation categories, and the fair value hierarchy level to which the fair value measurement is to be classified:

	Level 1		Level 2		Level 3	
	2020	2019	2020	2019	2020	2019
Financial assets required to be recognised at fair value through profit or loss						
Derivatives	-	-	82	-	-	-
Financial assets at FVTPL	-	-	10,474	7,807	169	141
Financial assets required to be recognised at fair value through profit or loss						
Contingent considerations	-	-	-	-	7,687	3,836
Derivatives	-	-	139	237	-	-

Significant, non-observable input factors that are included in the assessment of the fair values of contingent considerations are the expected cash flows from budget calculations discounted at a (risk-weighted) discount rate. The following input parameters were used to determine the fair value:

	2020	2019
Discount rate	1.0 - 2.3%	11.0 - 17.0%

The changes in contingent considerations are shown in the following table:

in EUR '000	Contingent considerations
As of 01/01/2020	**3,836**
Profit recognised in other operating income	
Net change in fair value (unrealised)	-161
Loss recognised in other operating expenses	
Net change in fair value (unrealised)	224
Loss recognised in net interest income	
Net change in fair value (unrealised)	351
Addition	3,921
Disposal via payment	-68
Currency conversion differences	-416
As of 31/12/2020	**7,687**

in EUR '000	Contingent considerations
As of 01/01/2020	**5,651**
Profit recognised in other operating income	
Net change in fair value (unrealised)	-35
Loss recognised in other operating expenses	
Net change in fair value (unrealised)	961
Loss recognised in net interest income	
Net change in fair value (unrealised)	258
Disposal via payment	-3,000
As of 31/12/2020	**3,836**

The estimated fair value would increase (decrease) if the expected cash flows were higher (lower), or if the risk-adjusted discount rate were lower (higher). For the fair values of the contingent considerations, a change in one of the material, non-observable input factors, while maintaining the other input factors, would have the following effects.

	2020		2019	
	Increase	Reduction	Increase	Reduction
Discount rate (1% change)	-80	83	-37	54
Future cash flows (10% change)	29	-19	267	-244

The following table shows the fair values of financial instruments in which the fair values are measured only for information in the notes to the accounts, grouped by valuation categories, and the fair value hierarchy level to which the fair value measurement is assigned:

	Level 1		Level 2		Level 3	
	2020	2019	2020	2019	2020	2019
Financial assets at amortised acquisition cost						
Acquisition costs recognised on the balance sheet:						
Securities at cost	-	-	8,641	8,745	-	-
Financial liabilities at amortised acquisition cost						
Acquisition costs recognised on the balance sheet:						
Liabilities to credit institutions	-	-	-	-	423,338	284,436
Promissory note loans	-	-	-	-	155,507	130,587
Other interest-bearing liabilities	-	-	-	-	1,276	2,125

The fair values of cash and cash equivalents, trade receivables and payables, and other short-term receivables and payables correspond approximately to the carrying amount of these financial instruments, due to the short-term maturities.

The fair values of liabilities to credit institutions, promissory note loans, bonds and other long-term financial debt is determined by discounting the expected future cash flows at the interest rates applicable to similar financial debts with comparable remaining terms.

The Group records **reallocations** to different levels of the fair value hierarchy at the end of the reporting period in which the change occurred. No reallocations occurred in either this financial year or in the prior year.

Net earnings according to valuation categories

The net earnings by valuation category are summarised in the following tables:

2020 in EUR ‘000	IFRS 9 category	from interest	from revaluation	from disposal	Total
Financial assets recognised at amortised cost	AC	1,275	-1,494	-523	-742
Financial assets required to be recognised at fair value through profit or loss	FVPL	160	-470	3	-307
Financial liabilities recognised at amortised cost	AC	-9,385	-	-	-9,385
Financial liabilities required to be recognised at fair value through profit or loss	FVPL	-	-274	-5	-278
		-7,950	-2,238	-525	-10,712

2019 in EUR ‘000	IFRS 9 category	from interest	from revaluation	from disposal	Total
Financial assets recognised at amortised cost	AC	1,301	-591	-327	383

Financial assets required to be recognised at fair value through profit or loss	FVPL	169	277	88	534
Financial liabilities recognised at amortised cost	AC	-9,662	-	-	-9,662
Financial liabilities required to be recognised at fair value through profit or loss	FVPL	-	296	-395	-99
		-8,192	-18	-634	-8,844

The interest income and expenses for financial assets and liabilities calculated using the effective interest method, except for financial instruments valued at fair value through profit or loss, are as follows:

in EUR '000	**2020**	**2019**
Interest income		
Financial and other long-term assets	22	21
Interest expense		
Financial liabilities	-1,826	-2,115
Financial and other long-term assets	-2	-2

In addition, foreign exchange gains and losses for a total of EUR -11,721,000 (prior year: EUR -293,000) need to be added for assets and liabilities valued at cost.

The average interest rate on all financial debts in 2020 (excluding liabilities from leases that fall under IFRS 16) is 1.19% (prior year: 1.40%). Of these, liabilities totalling EUR 348,919,000 (prior year: EUR 248,589,000) are subject to variable interest at an average of 1.07% (prior year: 1.10%), while the remaining EUR 228,820,000 (prior year: EUR 166,413,000) is based on fixed interest rates with an average interest rate of 1.37% (prior year: 1.84%).

The type of interest as well as the currency mix of the financial liabilities as of the balance sheet date is as follows:

in EUR ‘000	Interest fixed	Interest variable	Total 31/12/2020
EUR - Euro	215,749	333,760	549,509
CZK- Czech Crown	1,927	5,560	7,486
USD - US Dollar	163	2,282	2,445
BRL - Brazilian Real	7,845	0	7,845
PLN - Polish Zloty	0	1,549	1,549
GBP - British Pound	1,114	964	2,078
TRY - Turkish Lira	0	3,791	3,791
RUB - Russian Rouble	2,021	0	2,021
CHF - Swiss Francs	0	815	815
HUF - Hungarian Forint	2	198	199
Total 31/12/2020	228,820	348,919	577,739

in EUR ‘000	Interest fixed	Interest variable	Total 31/12/2020
EUR - Euro	145,464	226,462	371,926
CZK- Czech Crown	2,558	9,576	12,134
USD - US Dollar	6,231	4,151	10,382
BRL - Brazilian Real	7,972	0	7,972
PLN - Polish Zloty	0	3,316	3,316
GBP - British Pound	1,458	1,171	2,629
TRY - Turkish Lira	0	3,311	3,311
RUB - Russian Rouble	1,572	0	1,572
CHF - Swiss Francs	1,152	0	1,152
HUF - Hungarian Forint	3	602	605
Other currencies	2	0	2
Total 31/12/2019	166,413	248,589	415,002

2. Financial risks and financial risk management

Due to its global activities, Greiner is exposed to financial risks and market risks which could influence the financial and earnings situation as part of its normal business activities.

Using a Group-wide risk management system, potential risks are identified and assessed, and rapid countermeasures are taken, while maintaining close observation of market developments.

The relevant financial risks from financial instruments for Greiner are as follows:

Counterparty risk

A counterparty default risk exists to the extent that the value of the assets could be impaired if business partners do not meet their contractual obligations. The risk of late payment or default relates to both customers and financing partners with whom the Group holds receivables.

The maximum default or credit risk, without allowing for any collateral received, is the full value of the financial assets recognised in the balance sheet.

For all financial assets valued at amortised cost, for contract assets and for debt instruments valued at fair value without effect on profit or loss (although this last valuation category is not used by Greiner), IFRS 9 provides for a forward–looking impairment model, which focuses on the expected credit loss.

IFRS 9 basically provides for a three-stage procedure for impairments. A risk provision is either formed on the basis of the expected credit loss within the next twelve months (Level 1) or on the basis of the expected credit loss over the entire term if the credit risk has increased significantly since it was first posted (Level 2). If an impaired credit rating is determined, an individually measured impairment (Level 3) is applied.

In the case of **trade receivables** and **contract assets**, a valuation using the life-long loan defaults, or the simplified approach, must always be applied, so long as they do not include a significant financing component. In addition to the application of individual impairments in the case of reduced creditworthiness, the estimated expected credit defaults are determined on the basis of experience of actual credit defaults, also taking account of forward-looking information.

At each balance sheet date, receivables are reviewed to determine whether there are any indications of impaired creditworthiness. Indicators for this are conspicuous changes in payment behaviour, overdue payments, but above all the initiation of enforcement or insolvency proceedings. In these cases, corresponding individual impairments are applied. Receivables are only written off in the event of insolvency or unsuccessful legal claims. If the reasons for an existing impairment no longer apply, the corresponding amount is reversed with an effect on the income statement.

To determine expected credit defaults in the case of a non-impaired credit rating, the credit risks were analysed according to divisional and regional factors based on past actual defaults over the last five years. No significant differences could be determined on a regional basis, but variances showed up from a divisional perspective. Given these findings, the expected credit loss rates (ECL rates) applied for impairment under IFRS 9 are based only on divisional factors; regional aspects were disregarded.

Experience with actual credit defaults has been adjusted to reflect the economic conditions over the expected term of the receivables. On the one hand, the change in “NPL ratios”, predicted as a result of the COVID-19 pandemic, were included, weighted by sales markets. The NPL ratio of a country is the ratio of non-performing loans to total loans. On the other hand, sectoral factors were taken into account in calculating the ECL rates. In the previous year, forecasts for 2020 of the gross domestic product, weighted by sales markets, were included.

The calculated ECL rates were between 0.03% and 1.25% in the individual divisions (prior year: between 0.04% and 0.09%).

In general, the counterparty risk at Greiner for trade receivables and contract assets can be regarded as low since it is partially covered by credit insurance and bank collateral (guarantees or letters of credit). The book value of receivables for which no specific impairment was applied due to credit insurance is EUR 29,031,000 (prior year: EUR 6,502,000), that of receivables with collateral is EUR 190,000 (prior year: EUR 42,000).

In addition, the creditworthiness of new and existing customers is continuously checked. Due to the wide diversification of products in the Greiner Group and across markets, there are no significant concentration risks.

The impairments of trade receivables and contract assets as of the balance sheet date were as follows:

31/12/2020 (in EUR '000)	Contract assets	Trade receivables	Total
Gross receivables	51,724	292,825	344,549
Specific impairment (impaired credit rating)	0	-5,470	-5,470
IFRS 9 impairment (expected credit loss without impaired creditworthiness)	-87	-507	-594
	51,637	286,847	338,484

31/12/2019 (in EUR '000)	Contract assets	Trade receivables	Total
Gross receivables	51,093	215,522	266,616
Specific impairment (impaired credit rating)	0	-4,330	-4,330
IFRS 9 impairment (expected credit loss without impaired credit rating)	-42	-147	-189
	51,051	211,045	262,097

The age structure of the trade receivables and the impairments applied to the receivables are as follows:

31/12/2020 (in EUR '000)	Gross book value	Impairment without impaired credit rating	Impairment with impaired credit rating	Expected credit loss
Not overdue	238,914	-453	-98	-551
1-30 days overdue	29,178	-35	0	-35
31-60 days overdue	12,875	-12	-25	-37
61-90 days overdue	2,115	-3	-24	-26
More than 90 days overdue	9,743	-4	-5,324	-5,328
Trade receivables	292,825	-507	-5,470	-5,977

31/12/2019 (in EUR '000)	Gross book value	Impairment without impaired credit rating	Impairment with impaired credit rating	Expected credit loss
Not overdue	171,070	-122	-82	-204
1-30 days overdue	25,580	-16	-52	-68
31-60 days overdue	6,307	-3	-20	-23
61-90 days overdue	2,263	-1	-23	-24
More than 90 days overdue	10,302	-5	-4,153	-4,158
Trade receivables	215,522	-147	-4,330	-4,477

For receivables totalling EUR 4,065,000 (prior year: EUR 5,681,000), no impairment was applied for impaired creditworthiness, despite an overdue date of more than 90 days since there were valid arguments against assuming default.

There are no trade receivables where the due date was renegotiated because they would otherwise be more than 30 days overdue.

Other receivables and assets (excluding derivative financial instruments) include mainly receivables from the financing of non-consolidated companies or companies accounted for under the equity method. In addition, this item primarily includes receivables from bonuses and payments from suppliers, securities deposited or claims against insurance companies.

Where creditworthiness is reduced, which is assumed in the case of conspicuous changes in payment behaviour, overdue payments or the initiation of enforcement or insolvency proceedings, corresponding specific impairments are also applied, as they are for disputed claims.

In addition to the consideration of individual impairments where creditworthiness is reduced, the expected credit losses for the other receivables and assets are determined under the general approach of IFRS 9 for expected defaults over the next 12 months, or over the full term of the receivable.

The expected credit loss is defined on the basis of generally accepted rating classes and externally available credit ratings. In addition, internally available information is used to assess the default risk.

The risk of a credit default is classified as low for receivables with an unaffected credit rating. The majority of the reported receivables are due in the short term; there are hardly any that are overdue; and individual receivables often have an outstanding amount of less than EUR 0.1 million.

From the analysis of past history, no increased default risk could be determined for receivables that are 30 days overdue, so that no significant increase in the credit risk can be assumed in these cases. Rather, behaviour-based indicators, such as changes in behaviour relating to cooperation and payment by the counterparties, are used to assess whether the default risk has increased significantly. During the reporting year, there has been no change in the assessment of the solvency of counterparties; the entire impairments in accordance with IFRS 9 (expected credit loss without impaired credit rating) are assigned to level 1.

As of the balance sheet date, the impairments for other receivables and assets were as follows:

in EUR ‘000	31/12/2020	31/12/2019
Gross receivables	18,056	13,805
Specific impairment (impaired credit rating)	-2,385	-319
IFRS 9 impairment (expected credit loss without impaired credit rating) - Level 1	-20	-18
	15,651	13,468

There are no significant overdue amounts in other receivables either in the current year, or in the previous year.

The default risk from **cash and cash equivalents, securities and derivative financial instruments** with a positive market value is deemed to be low since the contractual partners are exclusively financial institutions with high credit ratings.

Greiner also pursues a conservative investment strategy with the broadest possible diversification. The maximum investment limits for counterparties are determined and continuously monitored while taking into account the current credit rating of the counterparty (ratings by international rating agencies such as Moody's, Standard Poor's, Fitch) and published Credit Default Swap spreads (CDS spreads indicator of the probability of default by the counterparty).

The expected credit losses are determined using the general IFRS 9 approach exclusively for the amount of the expected credit loss within the next twelve months, or the full term of the receivable, since there was no significant increase in the credit risk during the financial year. In addition, none of the contractual partners had a reduced credit rating. The expected credit losses are derived from the rating of the contractual partners (issuers of the securities or account-holding financial institutions).

The impairments under IFRS 9 total EUR 16,000 for securities valued at amortised costs (prior year: EUR 29,000), and EUR 231,000 for cash and cash equivalents (prior year: EUR 84,000).

Impairments of financial instruments changed during the financial year as follows:

	Trade receivables	Contract assets	Other receivables	Cash and cash equivalents	Securities - at cost (AC)	Total
As of 01/01/2020	**4,477**	**42**	**337**	**84**	**29**	**4,969**
Allocation to specific allowance for loss (credit impaired)	1,568	0	2,148	0	0	3,716
Change in expected credit loss impairments	360	45	-2	147	-13	537
Application of impairments	-1,320	0	-75	0	0	-1,395
Incoming payments and reversal of impairments	-913	0	-400	0	0	-1,313
Currency conversion differences	-364	0	-4	0	0	-368
Changes to scope of consolidation	2,170	0	400	0	0	2,570
As of 31/12/2019	**5,977**	**87**	**2,405**	**231**	**16**	**8,716**

	Trade receivables	Contract assets	Other receivables	Cash and cash equivalents	Securities - at cost (AC)	Total
As of 01/01/2020	**4,865**	**37**	**257**	**85**	**54**	**5,299**
Allocation to specific allowance for loss (credit impaired)	781	0	77	0	0	858
Change in expected credit loss impairments	23	5	1	-1	-25	3
Application of impairments	-835	0	0	0	0	-835
Incoming payments and reversal of impairments	-275	0	1	0	0	-274
Currency conversion differences	-81	0	0	0	0	-81
As of 31/12/2020	**4,477**	**42**	**337**	**84**	**29**	**4,969**

During the reporting year, trade receivables totalling EUR 531,000 (prior year: EUR 337,000) and other receivables totalling EUR 0 (prior year: EUR 0) were written off because collection no longer appeared possible. Payment receipts for EUR 8,000 (prior year: EUR 10,000) were posted to income that related to trade receivables that had previously been written off.

There are no receivables written off during 2020 or in previous years that are still subject to court collection measures.

Liquidity risk

Greiner counters the risk of not being able to procure sufficient financial resources to settle liabilities entered into at all times through access to Group-wide financial and liquidity planning, which ensures that sufficient liquid funds and liquidity reserves are available in the form of credit lines and ensures solvency and financial flexibility at all times.
The following table shows all contractually agreed payments as of the balance sheet date for repayments and interest on financial short- and long-term liabilities on the balance sheet. In the case of financial debt with variable interest, the terms that apply as of the balance sheet date are used to calculate future interest payments:

As of 31/12/2020 in EUR '000	Cash flows from financial liabilities 2021 Interest	2021 Repayments	2022 Interest	2022 Repayments	2023-2025 Interest	2023-2025 Repayments	from 2026 Interest	from 2026 Repayments
Liabilities to credit institutions	4,108	171,663	2,416	57,188	4,550	89,148	1,987	104,092
Promissory note loans	1,898	74,976	955	0	1,618	71,899	262	7,986
Liabilities from leasing contracts	1,688	19,773	1,214	17,995	2,348	36,768	6,993	40,338
Other interest-bearing liabilities	5	150	2	522	0	115	0	0
Other financial liabilities	0	491	0	0	0	0	0	0
Other liabilities	0	8,487	0	4,025	0	138	0	31
Trade payables	0	167,861	0	0	0	0	0	0
Derivatives:								
Interest rate swaps	96	0	38	0	2	0	0	0
Currency swap	0	2	0	0	0	0	0	0
	7,795	**443,403**	**4,625**	**79,730**	**8,519**	**198,068**	**9,241**	**152,446**
of which fixed interest	3,110		1,981		3,346		1,249	
of which variable interest	4,685		2,644		5,173		7,992	

As of 31/12/2020 in EUR '000	Cash flows from financial liabilities 2020 Interest	2020 Repayments	2021 Interest	2021 Repayments	2022-2024 Interest	2022-2024 Repayments	from 2025 Interest	from 2025 Repayments
Liabilities to credit institutions	5,465	188,861	1,620	36,490	2,017	45,146	459	12,908
Promissory note loans	1,412	0	1,409	49,946	2,240	56,874	501	22,976
Liabilities from leasing contracts	1,581	14,510	1,089	13,367	2,248	26,353	6,028	28,959
Other interest-bearing liabilities	37	1,113	3	303	2	385	0	0
Other financial liabilities	0	327	0	0	0	0	0	0
Other liabilities	0	5,878	0	200	0	3,670	0	23
Trade payables	0	126,538	0	0	0	0	0	0
Derivatives:								
Interest rate swaps	135	0	64	0	27	0	0	0
Currency swap	0	10	0	0	0	0	0	0
	8,630	**337,237**	**4,185**	**100,306**	**6,534**	**132,428**	**6,988**	**64,866**
of which fixed interest	4,551		1,982		2,745		738	
of which variable interest	4,079		2,203		3,789		6,250	

Interest risk

Interest rate risks exist due to potential changes in the market interest rate and include the cash value at risk for fixed-interest balance sheet items and the cash flow risk for variable-interest financial instruments.

Interest rate risk therefore primarily exists for long-term receivables and liabilities which are not materially significant to the operational area.

Long-term financial assets have an inherent interest rate risk when they involve securities, but this cannot be considered material because they are predominantly held via investment funds and can be liquidated at any time. Loans issued are mainly variable interest, or play a minor role in the Group.

The interest rate risk on the liabilities side is managed in such a way that an appropriate ratio is maintained between financing using fixed and variable interest rates, taking into account cost-risk balance and maturity matching. To a lesser extent, interest rate swaps are also concluded to hedge against the risk of rising interest rates.

The type of interest on financial debt (excluding leasing liabilities as per IFRS 16) at the balance sheet date is shown in the table presented in Item XI.1 under “Net results by valuation categories”.

Sensitivity analyses are carried out for the interest rate risk from variable interest financial debts, which also takes into account the use of interest rate derivatives. They represent the effects of hypothetical changes in interest rate changes on profit or loss or equity:

An increase (decrease) in interest rates of 100 basis points for the variable-interest bearing loan portfolio on the balance sheet date would lead to lower (higher) earnings and equity before tax of around EUR 3.2 million (prior year: EUR 2.3 million).

Foreign currency risk

Currency risks on the assets on the consolidated balance sheet arise primarily from the invoicing of supplies and services in foreign currencies. Hedging results, on the one hand, from naturally balanced positions where sales receivables in foreign currency are offset by liabilities for raw materials or services purchased in the same foreign currency, and on the other hand, through the use of derivative hedging instruments.

Investments by Group companies are made almost exclusively in their own currency area, so there is no significant currency risk in this respect.
Loan financing is carried out regularly in the various national currencies of the consolidated Group companies. Exceptions to this rule exist in Central and Eastern Europe, Asia and Central and South America, where there is a significant portion of interest-bearing liabilities in euro, while sales are largely invoiced in a local currency.

The foreign currency risk in the Group was determined on the basis of all existing assets and liabilities in foreign currency at the balance sheet date. During this process, consideration was also given to the currency risk that arises for the individual Group company and its functional currency compared to all other relevant foreign currencies.

The following tables show the net foreign currency risk in each of the principal individual currencies as of the balance sheet date (assets shown as positive and liabilities as negative amounts).

If there is no intention to resell investments (the normal case), the respective investment approaches are not distinguished when analysing the currency risk. The first column lists the local currencies of the individual Group companies exposed to foreign currency risk. In the following columns, the specific net foreign currency risk arising from one of the main currencies listed in the columns is shown:

	Net foreign currency risk as of 31/12/2020						
in EUR '000	**EUR**	**USD**	**CHF**	**CZK**	**GBP**	**Other**	**Total**
Local currencies:							
EUR	-	25,366	38	198	3,687	-194	29,095
CZK	-10,756	-9	-21	-	185	-156	-10,757
USD	-11,159	-	-	-	-	-446	-11,605
RON	-7,361	43	-	-	-	-	-7,318
CHF	8,987	306	-	-	2,321	-	11,614
RUB	-6,185	-	-	-	-	-	-6,185
RSD	-13,764	-	-	-	-	-	-13,764
BRL	-6,542	94	-	-	-	-	-6,448
PLN	-10,354	30	1	-	1	-	-10,322
MXN	-5,235	1,861	-	-	-	-	-3,374
Other	-22,060	1,017	-2	-	-	26	-21,019
	-84,427	**28,710**	**16**	**198**	**6,194**	**-770**	**-50,081**

	Net foreign currency risk as of 31/12/2019						
in EUR '000	**EUR**	**USD**	**CHF**	**CZK**	**GBP**	**Other**	**Total**
Local currencies:							
EUR	-	17,523	-60	9	119	-585	17,006
CZK	-10,535	-36	-20	-	-91	-173	-10,855
USD	-4,695	-	-	-	-	-106	-4,801
RON	-5,193	-8	-	-	-33	-	-5,234
HUF	-10,689	-6	-	-	-	1	-10,694
RUB	-6,991	-3	-	-	-	-	-6,994
RSD	-14,685	-	-	-	-	-	-14,685
BRL	-5,053	7	-	-	-	-	-5,046
THB	1,036	-	-	-	-	-	1,036
TRY	-1,896	-1,105	-	-	-	-	-3,001
Other	-13,098	3,123	-2	-	2,061	-3	-7,919
	-71,799	**19,494**	**-82**	**9**	**2,056**	**-866**	**-51,187**

The effect of a 10-percent devaluation (revaluation) of the respective local currency compared to the Group currency was simulated to determine the foreign currency sensitivity. This devaluation (revaluation) would have led to an improvement (worsening) of earnings after tax and equity for the following currency combinations as of 31/12/2020 due to the following increases (reductions) of future cash flows:

31/12/2020 (in EUR '000)	Sensitivity +10%	Sensitivity -10%
USD / EUR	1,087	-1,087
RSD / EUR	-1,032	1,032
CZK / EUR	-792	792
PLN / EUR	-777	777
CHF / EUR	677	-677
Other	-2,877	2,877
	-3,713	3,713

In the prior year, this analysis was performed for the respective local currencies compared to all other foreign currencies taken together. This resulted in an increase (reduction) in future cash flows of EUR 3,818,000 and so an improvement (worsening) of earnings after taxes and of equity.

Other risks

Some financing contracts include financial covenants that relate specifically to the amount of equity and the ratio between net financial debt and EBITDA of the Group or of individual, sometimes consolidated Group companies.
In the event of a failure to comply with these financial covenants, lenders may demand partial early repayment of the financial liabilities. Depending on the volume of the relevant financial

liabilities and the available refinancing options on the market at that time, this could lead to a refinancing risk and therefore also a liquidity risk. In addition, future interest charges could also increase because higher credit risk premiums have to be paid. For this reason, the financial covenants are continuously monitored by Treasury.

Due to the covenants that existed at the balance sheet date, and the consistently good growth in business of the Group as a whole, this risk can be classified as not significant.

No other risks are known of at the time of preparation of the balance sheet.

3. Consolidated equity management

Group equity management at Greiner is aimed at ensuring the financial stability and flexibility of the Group, as well as the ability to withstand crises thanks to a strong equity base and an adequate rate of return on Group equity.

Despite steady growth, the Group’s equity ratio has remained stable at a high level in recent years. Due to the first-time inclusion of the Eurofoam Group under full consolidation following the acquisition of control, and the expansion of the balance sheet this involved, the equity ratio has again fallen slightly below the 40% mark for the first time in 2 years and is now at 38.4% (prior year: 41.2%).

XII Cash flow statement

The consolidated cash flow statement for Greiner AG was derived from the consolidated financial statements using the indirect method.

The net cash flow from the acquisition of subsidiaries is as follows:

in EUR ‘000	Simplas S.p.A., (IT)	Eurofoam GmbH
Payment of purchase price	-1,942	-184,523
Cash and cash equivalents received	2,643	29,984
Net cash flow from acquisition	**701**	**-154,539**

Changes in financial debts

in EUR ‘000		Liabilities to credit institutions[1]	Liabilities from promissory note loans	Liabilities from leasing contracts	Other interest-bearing liabilities [1]	Derivative financial instruments	Total
As of 01/01/2020		283,729	129,796	83,189	1,804	237	498,756
Cash items	Acquisition of financial liabilities	258,906	-	-	92	-	258,998
	Repayment of financial liabilities	[2] -122,109	-	-17,807	-1,116	-	-141,032
	Payment from the settlement of derivatives	-	-	-	-	[3] -70	-70
Non-cash items	Change in consolidation scope	5,714	25,000	40,325	8	49	71,096
	Deferred interest and transaction costs	242	64	-	-	-	306
	Currency conversion differences	-3,900	-	-1,905	-	-	-5,805
	Changes in fair value	-	-	-	-	-77	-77
	Changes from leasing	-	-	[4] 11,073	-	-	11,073
As of 31/12/2020		422,581	154,861	114,875	787	139	693,243

1) Including accrued interest

2) Of which changes with cash effects of the outstanding balance of revolving available credit lines EUR -14,758,000.

3) Of which EUR -69,000 from derivatives shown in financial earnings.

4) Increase/decrease in leasing liabilities from investments/divestments and reassessments of rights of use under IFRS 16, since there is no cash impact at the time of the investment/divestment or reassessment

in EUR '000		Liabilities to credit institutions[1)]	Liabilities from promissory note loans	Liabilities under financial leases	Other interest-bearing liabilities	Derivative financial instruments	Total
As of 01/01/2020		300,097	144,202	3,645[2)]	1,881	534	450,359
Cash items	Acquisition of financial liabilities	47,733	-	-	190	-	47,923
	Repayment of financial liabilities	-65,382[3)]	-14,500	-15,092	-262	-	-95,235
	Payment from the settlement of derivatives	-	-	-	-	-395[4)]	-395
Non-cash items	IFRS 16 Restatement	-	-	75,315	-	-	75,315
	Change in consolidation scope	-	*	3,378	-	-	3,378
	Deferred interest and transaction costs	1,003	94	-	-	-	1,097
	Currency conversion differences	346	-	1,044	-	-	1,390
	Changes in fair value	-	-	-	-	98	98
	Changes from leasing	-	-	14,898[5)]	-	-	14,898
	Other changes	-69	-	-	-5	-	-74
As of 31/12/2019		283,729	129,796	83,189	1,804	237	498,755

The cash and cash equivalents are made up of the following:

in EUR '000	31/12/2020	31/12/2020
Cash on hand, cheques, credit balances with credit institutions	220,268	80,185

There are no significant restrictions regarding availability of the funds.

1) Including accrued interest

2) Liabilities from financial leases under IAS 17

3) Of which cash changes to the outstanding balance of revolving available credit lines EUR -18,613.000.

4) Of which EUR -245,000 from derivatives shown in financial earnings.

5) Increase/decrease in leasing liabilities from investments/divestments and reassessments of rights of use under IFRS 16, as there is no cash impact at the time of the investment/divestment or reassessment.

XIII Other information

Contingent liabilities, other financial obligations and legal risks

Contingent liabilities

in EUR '000	31/12/2020	31/12/2019
Guarantees	52	363
of which with related companies	*52*	*363*
Guarantees	8,020	8,534
of which with related companies	*1,757*	*1,457*
Other guarantees	2,088	2,845
of which with related companies	*2,088*	*2,835*
	10,160	**11,742**
of which with related companies	*3,897*	*4,655*

Other financial obligations

Apart from the obligations arising from rental and lease relationships (see Item X.3), there are other financial obligations totalling EUR 16,936,000 (prior year: EUR 12,779,000). They relate primarily to obligations arising from maintenance and other service agreements.

2. Business relationships with related companies and persons

Business relationships with related companies covered by IAS 24

Related companies include the companies within the consolidation scope of Greiner AG, Kremsmünster, as well as Greiner AG & Co KG, Kremsmünster, and CA Greiner & Söhne GmbH & Co. KG, Nürtingen, Germany.

These were as follows:

in EUR '000	Associated companies accounted for under the equity method	Joint ventures accounted for under the equity method	Non-consolidated affiliated companies	Non-consolidated associated companies	Total
Value of business transactions in financial year 2020					
Sales revenue	4,434	1,172	7,735	-	13,342
Other income	139	214	347	7	708
Other expenses	-121	-13	-3,493	-	-3,627
Cost of materials	-7,291	-2,347	-2,175	-	-11,813
Interest income	6	-	342	15	364
Income from dividends	123	1,891	169	-	2,182
Investment expenses	-	-	50	-	50
Balances outstanding as of 31/12/2020					
Financial receivables	-	-	5,480	750	6,230
of which long-term	-	-	*1,629*	*749*	2,377
Trade receivables	1,329	34	2,350	9	3,722
Receivables from dividends	413	260	-	-	674
Trade payables	196	16	595	-	806
Guarantees provided as of 31/12/2020					
Guarantees	52	-	-	-	52
Guarantees	-	-	1,757	-	1,757
Other guarantees	-	-	2,088	-	2,088

in EUR '000	Associated companies accounted for under the equity method	Joint ventures accounted for under the equity method	Non-consolidated affiliated companies	Non-consolidated associated companies	Total
Value of business transactions in financial year 2019					
Sales revenue	1,504	2,276	4,721	1	8,502
Other income	42	551	279	102	974
Other expenses	-43	-97	-3,356	-264	-3,760
Cost of materials	-7,341	-7,734	-35	-29	-15,139
Interest income	-	-	247	7	254
Income from dividends	245	7,333	221	-	7,799
Investment expenses	-	-	-150	-	-150
Gains on disposal of investments	-	-	-	49	49
Balances outstanding as of 31/12/2019					
Financial receivables	1	-	5,278	749	6,028
of which long-term	-	-	-	*749*	749
Trade receivables	1,097	265	3,189	9	4,551
Receivables from dividends	-	391	-	-	391
Trade payables	1,120	690	779	-	2,589
Other liabilities	-	-	705	-	705
Guarantees provided as of 31/12/2019					
Guarantees	363	-	-	-	363
Guarantees	-	-	1,457	-	1,457
Other guarantees	453	28	2,354	-	2,835

Since 01/01/1999, there have been service agreements between the Austrian group companies and Greiner AG & Co KG for the performance of administrative tasks. For financial year 2020, a total of around EUR 2,245,000 (prior year: EUR 1,888,000) was charged for these services. In addition, rental agreements with Greiner AG & Co KG as landlord of buildings and constructions were also introduced on this date. For 2020, EUR 1,439,000 (prior year: EUR 547,000) were charged under these. The contracts were concluded for an indefinite period of time. Under IFRS 16, a right of use of EUR 16,162,000 (prior year: EUR 2,485,000) was defined for these contracts in 2020.

In addition, Greiner AG & Co KG charged other expenses totalling EUR 39,000 (prior year: EUR 7,000) and Greiner AG & Co KG received income amounting to EUR 636,000 (prior year: EUR 1,063,000).

An amount of EUR 6,263,000 (prior year: EUR 7,000,000) was paid in guarantees and other collateral for liabilities of Greiner AG & Co KG.

There are rental agreements with CA Greiner & Söhne GmbH & Co. KG, Nürtingen, as landlord of buildings and constructions, that led to rental costs of EUR 1,885,000 (prior year: EUR 1,864,000). For these, in 2020, rights of use totalling EUR 18,343,000 (prior year: EUR 9,984,000) were capitalised under IFRS 16. In addition, other expenses totalling EUR 1,000 (prior year: EUR 2,000) were charged. Charges to CA Greiner & Söhne GmbH & Co. KG, Nürtingen, resulted in other operating income of EUR 70,000 (prior year: EUR 88,000).

Business relationships with related companies covered by IAS 24

Related persons include the members of the Management Board, the managing directors of the holding companies in each division (= managers in key positions), members of the Supervisory Board and non-controlling shareholders, together with their close family members or companies which they control.

These were as follows:

in EUR ‘000	31/12/2020	31/12/2019
Value of business transactions in this financial year		
Rent of manufacturing and office buildings [1)]	416	415
Other expenses	592	518
Other income	29	33
Balances outstanding on balance sheet date		
Trade payables	81	87
Trade receivables	6	8

Other expenses for 2019 and 2020 result from services used for consulting and seminars, as well as management fees.

Other income comes from leasing office space and the vehicle fleet.

All business relationships with related companies and persons are focussed on service relationships, and take place on the basis of normal arm's length third-party terms.

1) Rights of use were capitalised under IFRS 16 in relation to these rental and leasing relationships, totalling EUR 3,368,000 (prior year: EUR 2,149,000), which are offset by leasing liabilities totalling EUR 3,391,000 (prior year: EUR 2,155,000).

3. Information about controlling bodies and employees

Headcount

Average number of employees	2020	2019
Manual workers	7,516 [1)]	6,276
Salaried workers	3,765 [2)]	3,064
	11,281	**9,340**

Expenses for severance payments and pensions are made up of the following:

in EUR '000	2020	2019
Severance pay:		
Members of the Management Board, managing directors and senior executives	806	546
Other employees	7,233	3,725
	8,039	**4,271**

The significant increase in severance pay costs in this financial year is due to two upcoming plant closures.

in EUR '000	2020	2019
Pensions:		
Members of the Management Board, managing directors and senior executives	2,521	2,529
Other employees	5,419	4,941
	7,939	**7,470**

This year EUR 4,123,000 (previous year: EUR 3,453,000) of emoluments were paid to managers in key positions.

During the reporting period, emoluments of EUR 371,000 (previous year: EUR 416,000) was paid to members of the Supervisory Board of Greiner AG.

1) of which an increase of 1,464 from changes to consolidation scope

2) of which an increase of 625 from changes to consolidation scope

Members of the Management Board:

Mr Dipl.-Bw. Axel Kühner
Mr Mag. Hannes Moser

Members of the Supervisory Board:

Mr Dkfm. Erich Gebhardt (Chair)
Mr Mag. (FH) Dominik Greiner (Deputy Chairman)
Mr Dipl.-Kfm. Christoph Greiner
Dr Regine Hagen-Eck
Dr Nico Hansen
Dr Andreas Ludwig
Mr Dipl.-Ing. Jakob Mosser
Mr Mag. Gerald Schinagl

Appointed by Works Council:

Mr Maximilian Gressenbauer
Mr Georg Kofler
Mr Markus Rohrauer
Mr Ernst Zimmermann

4. Events after the balance sheet date

No events have occurred since the balance sheet date that have a significant impact on valuations as of the balance sheet date, such as open legal cases or claims for damages, or any other commitments or impending losses that need to be posted or disclosed under IAS 10.

5. Earnings per share and proposal for the appropriation of earnings

Earnings per share

Under IAS 33 (Earnings per share), the basic earnings per share result from the division of the earnings for the period due to ordinary shareholders (annual surplus which is assigned to the parent company shareholders) by the weighted number of ordinary shares outstanding during the period. The number of issued shares is the same as the average number of common shares outstanding during the period. The undiluted earnings per share match the diluted earnings per share.

Proposal for the appropriation of earnings

Under the provisions of the Austrian Stock Corporation Act, it is the company financial statements of Greiner AG as of 31/12/2020, prepared under Austrian accounting regulations, which form the basis for the distribution of profits.

These annual financial statements show an unappropriated surplus of EUR 84,660,851.34. The Management Board proposes to pay out a dividend of EUR 39,951,360.00 in total from the net profit, which corresponds to a dividend of EUR 2.72 per share, and also to transfer EUR 29,376,000.00 to the earnings reserve. The remaining profit totalling EUR 15,333,491.34 should be carried forward as retained earnings into financial year 2021.

Release and approval of the annual accounts

In Austria, the consolidated financial statements prepared by the Management Board of public limited companies are audited by the Audit Committee.

The present consolidated financial statements were approved on 30 April 2021 for review by the Supervisory Board, for submission to the Annual General Meeting and for subsequent publication.

The meeting of the Supervisory Board of Greiner AG to adopt the annual financial statements as of 31/12/2020 will take place on 08/06/2021.

Kremsmünster, 30 April 2021

Management Board

[Signature]
Dipl.-BW Axel Kühner

[Signature]
Mr Hannes Moser

Annex 1 to the Notes to the accounts: Group asset schedule as of 31/12/2020 and 31/12/2019
Annex 2 to the Notes to the accounts: Companies in which there is a shareholding as of 31/12/2020

Consolidated asset schedule as of 31 December 2020

in EUR '000	Acquisition and manufacturing costs									Accumulated depreciation								Book value	
	As of 01/01/2020	Changes to scope of consolidation	Currency differences	Acquisitions	Reassessment of acquisitions under IFRS 16	Disposals	Reassessment of disposals under IFRS 16	Reclassifications	As of 31/12/2020	As of 01/01/2020	Changes to scope of consolidation	Currency differences	Acquisitions	Disposals	Reclassifications	Revaluations	As of 31/12/2020	As of 31/12/2020	As of 31/12/2019
Intangible fixed assets																			
1. Concessions, industrial property rights and similar rights and benefits, as well as licences based on these	68,594	14 065	-679	3,447	0	1,344	0	842	84,926	53,533	10,325	-444	10 127	1,193	-17	0	72,331	12 595	15,061
2. Customer relationships	38,951	72,218	-3,691	0	0	0	0	0	107,478	25,352	0	-1,896	19,001	0	0	300	42,157	65,321	13,599
3. Development costs	2,132	0	63	0	0	0	0	0	2,195	1,750	0	63	256	0	0	0	2,069	126	382
4. Advance payments made	438	56	-3	227	0	0	0	-442	275	0	0	0	0	0	0	0	0	275	438
	110,116	**86,339**	**-4,311**	**3,674**	**0**	**1,344**	**0**	**400**	**194,874**	**80,635**	**10,325**	**-2,277**	**29,384**	**1,193**	**-17**	**300**	**116,557**	**78,317**	**29,480**
Goodwill	**12,117**	**123,531**	**-594**	**0**	**0**	**40,106**	**0**	**0**	**94,947**	**3,711**	**0**	**-283**	**81,745**	**40,106**	**0**	**0**	**45,067**	**49,881**	**8,406**
Tangible fixed assets																			
1. Developed and undeveloped land, as well as rights equivalent to land	27,627	7,441	-901	114	55	518	0	1	33,818	232	486	-12	175	2	0	0	879	32,939	27,395
2. Buildings, including buildings on third-party land	478,017	111,084	-15,218	19,342	5,261	9,095	509	6854	595 736	164,374	21,878	-4,346	31 097	3,234	-14	0	209,755	385 982	313,643
3. Properties held as financial investments	4,544	0	0	0	0	0	0	0	4,544	2,752	0	0	112	0	0	0	2,864	1 680	1,792
4 Technical installations and machines	795,677	113,996	-33,755	30,663	29	29,946	6	30,477	907,134	512,812	62,135	-19,840	52,496	28,509	-138	0	578,956	328,178	282,865
5. Other equipment, fixtures and fittings	214,829	30,886	-4 585	16,921	176	16,155	192	6,189	248 069	150,555	19,645	-2,763	21,223	15,048	169	0	173,782	74,286	64,274
6. Advance payments made and assets under construction	61,558	4,221	-2,965	53,614	0	3,800	0	-41,786	70,842	0	0	1	105	0	0	0	106	70,736	61,558
	1,582,253	**267,627**	**-57,425**	**120,655**	**5,521**	**59,514**	**708**	**1,735**	**1,860,143**	**830,725**	**104,144**	**-26,960**	**105,208**	**46,793**	**17**	**0**	**966,342**	**893,802**	**751,528**
	1,704,486	**477,497**	**-62,329**	**124,329**	**5,521**	**100,964**	**708**	**2,135**	**2,149,965**	**915,072**	**114,469**	**-29,520**	**216,337**	**88,092**	**0**	**300**	**1,127,966**	**1,021,999**	**789,414**

Greiner AG,
Kremsmünster

Annex 1/1
to the Notes to the accounts

Consolidated asset schedule as of 31 December 2020

	Acquisition and manufacturing costs											Accumulated depreciation									Book value	
in EUR '000	As of 01/01/ 2019	Restate- ment	Changes to scope of consolida- tion	Currency differences	Acquisi- tions	Reassess- ment of acquisition s under IFRS 16	Disposals	Reassess- ment of disposals under IFRS 16	Reclassifi- cations	Reclassifi- cation under IFRS 5	As of 31/12/ 2019	As of 01/01/ 2019	Changes to scope of consolida- tion	Currency differences	Acquisi- tions	Disposals	Reclassifi- cations	Reclassifi- cation under IFRS 5	Revalua- tions	As of 31/12/ 2019	As of 31/12/ 2019	As of 31/12/ 2018
Intangible fixed assets																						
1. Concessions, industrial property rights and similar rights and benefits, as well as licences based on these	66,842	0	15	-5	3,151	0	1,903	0	494	0	68,594	52,767	10	48	3604	1,899	8	0	1,004	53,533	15 061	14,076
2. Customer relationships	38,537	0	188	226	0	0	0	0	0	0	38,951	21,974	60	-287	4,085	0	0	0	479	25,352	13,599	16,563
3. Development costs	2,162	0	0	-29	0	0	0	0	0	0	2,132	1,457	0	-20	313	0	0	0	0	1,750	382	705
4. Advance payments made	393	0	0	0	366	0	235	0	-87	0	438	0	0	0	0	0	0	0	0	0	438	393
	107,934	**0**	**203**	**192**	**3,517**	**0**	**2,138**	**0**	**408**	**0**	**110,116**	**76,197**	**70**	**-259**	**8,002**	**1,899**	**8**	**0**	**1,483**	**80,635**	**29,480**	**31,737**
Goodwill	13,510	0	0	197	0	0	1,590	0	0	0	12,117	1,174	0	62	4,066	1,590	0	0	0	3,711	8,406	12,336
Tangible fixed assets																						
1. Developed and undeveloped land, as well as rights equivalent to land	21,956	3,818	0	447	951	61	6	0	400	0	27,627	73	0	2	158	0	0	0	0	232	27,395	21,883
2. Buildings, including buildings on third-party land	383,584	64,939	3360	4,763	29,071	876	13,630	990	11,327	-5,281	478,017	144,173	0	2,126	23,476	3390	0	-2,012	0	164,374	313 643	239 411
3. Properties held as financial investments	4,544	0	0	0	0	0	0	0	0	0	4,544	2,633	0	0	119	0	0	0	0	2,752	1 792	1,911
4. Technical installations and machines	777,017	380	0	8,490	29,175	0	36,744	0	17,359	0	795,677	493,934	0	5,260	47,345	33160	-414	0	153	512,812	282 865	283,083
5. Other assets. Fixtures and fittings	197,574	5 938	471	1,549	18,366	87	16,767	23	7,634	0	214,829	147,049	172	1,174	18 004	16,250	407	0	0	150,555	64 274	50 525
6. Advance payments made and assets under construction	53,907	0	415	1 102	44,259	0	997	0	-37,128	0	61,558	0	0	0	0	0	0	0	0	0	61 558	53,907
	1,438,583	**75,074**	**4,246**	**16,351**	**121,821**	**1,024**	**68,144**	**1,013**	**-408**	**-5,281**	**1,582,252**	**787,862**	**172**	**8,561**	**89,102**	**52,800**	**-8**	**-2,012**	**153**	**830,725**	**751,528**	**650,721**
	1,560,027	**75,074**	**4,448**	**16,740**	**125,338**	**1,024**	**71,872**	**1,013**	**0**	**-5,281**	**1,704,485**	**865,234**	**241**	**8,364**	**101,170**	**56,289**	**0**	**-2,012**	**1,637**	**915,072**	**789,414**	**694,794**

Companies in which a shareholding is held as of 31 December 2020

(The direct and indirect shares were calculated from the Group point of view)

Company	Registered office of the company	Country	currency	31 December 2020 Nominal capital in thousands in local currency	Group share as %	Type of consolidation[1]	31 December 2019 Nominal capital in thousands in local currency	Group share as %	Type of consolidation[1]
Greiner AG	Kremsmünster	AT	EUR	14,688.0	-	KV	14,688.0	-	KV
GPI division:									
Greiner Packaging International GmbH	Kremsmünster	AT	EUR	8,000.0	100.00%	KV	8,000.0	100.00%	KV
Greiner Packaging GmbH	Kremsmünster	AT	EUR	5,000.0	100.00%	KV	5,000.0	100.00%	KV
greiner packaging slusovice s.r.o.	Slusovice	CZ	CZK	399,870.0	100.00%	KV	399,870.0	100.00%	KV
greiner assistec s.r.o.	Brezovä	CZ	CZK	200.0	100.00%	KV	200.0	100.00%	KV
greiner packaging s.r.o.	Luoka and Litvinova	CZ	CZK	373,900.0	100.00%	KV	373,900.0	100.00%	KV
Greiner Packaging Kft.	Seregelyes	HU	HUF	280,100.0	100.00%	KV	280,100.0	100.00%	KV
GREINER PACKAGING Sp. z o.o.	Teresin	PL	PLN	26,250.0	100.00%	KV	26,250.0	100.00%	KV
AS Greiner Packaging	Tabasalu	EE	EUR	543.3	100.00%	KV	543.3	100.00%	KV
Greiner Packaging S.R.L.	Sibiu	RO	RON	5,825.0	100.00%	KV	5,825.0	100.00%	KV
greiner packaging holding ag	Diepoldsau	CH	CHF	2,673.0	100.00%	KV	2,673.0	100.00%	KV
greiner packaging ag	Diepoldsau	CH	CHF	1,500.0	100.00%	KV	1,500.0	100.00%	KV
Greiner Packaging Distribution SARL	Wiwersheim	FR	EUR	10.0	100.00%	KO	10.0	100.00%	KO
Greiner Packaging GmbH	Rastatt	DE	EUR	2,500.0	100.00%	KV	2,500.0	100.00%	KV
Greiner Packaging Vertriebs GmbH	Würzburg	DE	EUR	25.0	100.00%	KO	25.0	100.00%	KO
Greiner Packaging Limited	Dungannon	GB	GBP	1,499.8	100.00%	KV	1,499.8	100.00%	KV
OOO Greiner Packaging	Vladimir	RU	RUB	14,500.0	51.00%	KV	14,500.0	51.00%	KV
OOO Greiner Packaging System	Noginsk	RU	RUB	47,036.9	100.00%	KV	47,036.9	70.00%	KV
Greiner Assistec GmbH	Kremsmünster	AT	EUR	500.0	100.00%	KV	500.0	100.00%	KV
Greiner Assistec S.R.L.	Arges	RO	RON	12,227.0	100.00%	KV	12,227.0	100.00%	KV
Greiner Assistec S.A. de C.V.	Monterrey	MX	MXN	82,520.6	100.00%	KV	82,520.6	100.00%	KV
THRACE GREINER PACKAGING S.R.L.	Sibiu	RO	RON	8,948.2	50.00%	KJV	8,948.2	50.00%	KJV
Greiner Packaging d.o.o.	Bistrica ob Dravi	SI	EUR	1,754.0	51.84%	KV	1,754.0	51.84%	KV
Greiner i JP Packaging d.o.o.	Nova Pazova	RS	RSD	340,010.0	26.44%	KV	340,010.0	26.44%	KV
Greiner Packaging d.o.o.	Odzaci	RS	RSD	231,341.4	51.84%	KV	231,341.4	51.84%	KV
Greiner Packaging B.V.	Barneveld	NL	EUR	18.2	100.00%	KO	18.2	100.00%	KO
TOV Greiner Packaging	Kiev	UA	UAH	3,371.1	100.00%	KO	3,371.1	100.00%	KO
TOV Greiner Real Estate	Kiev	UA	UAH	417.9	100.00%	KO	417.9	100.00%	KO
GREINER PACKAGING CORP.	Pittston (Pennsylvania)	US	USD	10.0	100.00%	KV	10.0	100.00%	KV
Greiner Ambalaj Sanayi Ve Ticaret A.S.	Tuzla (Istanbul)	TR	TRY	58,776.0	100.00%	KV	58,776.0	100.00%	KV
Greiner Packaging India Private Limited	New Delhi	IN	INR	415,814.3	100.00%	KO	370,814.3	100.00%	KO
Cardbox Packaging s.r.o.	Brezovä	CZ	CZK	1,000.0	49.00%	KEA	1,000.0	49.00%	KEA
Cardbox Packaging Inc. (USA)	Wilmington (Delaware)	US	USD	0.1	49.00%	KEA	0.1	49.00%	KO
Cardbox Greiner Packaging GmbH	Vienna	AT	EUR	50.0	49.00%	KO	-	-	-
GBO division:									
Greiner Bio-One International GmbH	Kremsmünster	AT	EUR	12,400.0	100.00%	KV	12,400.0	100.00%	KV
Greiner Bio-One GmbH	Kremsmünster	AT	EUR	5,000.0	100.00%	KV	5,000.0	100.00%	KV
Greiner Bio-One Hungary Kft.	Mosonmagyärövar	HU	HUF	1,618,600.0	100.00%	KV	1,618,600.0	100.00%	KV
Greiner Bio-One North America, Inc.	Monroe (North Carolina)	US	USD	0.5	100.00%	KV	0.5	100.00%	KV
Greiner Bio-One North America Sales Corp.	Monroe (North Carolina)	US	USD	2.5	100.00%	KV	2.5	100.00%	KV
Greiner Bio-One France S.A.S.	Courtaboeuf Cedex	FR	EUR	2,000.0	100.00%	KV	2,000.0	100.00%	KV
Greiner Bio-One Brasil Produtos Medicos Hospitalares Ltda.	Sao Paulo	BR	BRL	15,682.0	100.00%	KV	15,682.0	100.00%	KV
Greiner Bio-One Brasil Service Tech Sistemas, Produtos E Servicos para saude Ltda.	Sao Paulo	BR	BRL	100.0	100.00%	KV	100.0	100.00%	KV
Greiner Bio-One (Thailand) Ltd.	Chonburi	TH	THB	300,000.0	100.00%	KV	300,000.0	100.00%	KV
Greiner Bio-One VACUETTE Schweiz GmbH	St. Gallen	CH	CHF	20.0	100.00%	KV	20.0	100.00%	KV
Greiner Bio-One Shanghai Co., Ltd.	Shanghai	CN	CNY	3,500.0	100.00%	KV	2,000.0	100.00%	KV
Greiner Bio-One Suns Co., Ltd.	Beijing	CN	CNY	21,700.0	51.00%	KV	21,700.0	51.00%	KV
Beijing GBO Suns Medical Devices Co., Ltd.	Beijing	CN	CNY	10,000.0	51.00%	KV	10,000.0	51.00%	KV
Greiner Bio-One India Private Limited	Ahmedabad (Gujarat)	IN	INR	20,000.0	100.00%	KO	20,000.0	85.00%	KO
Greiner Bio-One GmbH	Frickenhausen	DE	EUR	2,407.0	100.00%	KV	2,407.0	100.00%	KV
Greiner Bio-One B.V.	Alphen ad Rijn	NL	EUR	1,815.0	100.00%	KV	1,815.0	100.00%	KV
Greiner Bio-One nv/sa	Vilvoorde	BE	EUR	440.0	100.00%	KV	440.0	100.00%	KV
Greiner Bio-One Ltd.	Stonehouse	GB	GBP	1,000.0	100.00%	KV	1,000.0	100.00%	KV
Greiner Bio-One Co. Ltd.	Tokyo	JP	JPY	180,000.0	98.33%	KV	180,000.0	98.33%	KV
Mediscan GmbH & Co KG	Kremsmünster	AT	EUR	0.0	100.00%	KV	0.0	100.00%	KV
Mediscan GmbH	Kremsmünster	AT	EUR	17.5	100.00%	KO	17.5	100.00%	KO
Greiner Bio-One Turkey Laboratuvar Ürünleri Limited Sirketi	Ataşehir Istanbul	TR	TRY	10.0	100.00%	KO	10.0	100.00%	KO
Greiner Bio-One Italia S.R.L.	Cassina de Pecchi (Milan)	IT	EUR	50.0	100.00%	KV	50.0	100.00%	KV
VACUETTE PORTUGAL Importacao e Exportacao de Material Hospitalar S.A.	Vila do Conde	PT	EUR	50.0	100.00%	KV	50.0	100.00%	KV
Greiner Bio-One Espana, S.A.U.	San Sebastian de Los Reyes (Madrid)	ES	EUR	1,060.1	100.00%	KV	1,060.1	100.00%	KV
Vigmed AB	Helsingborg	SE	SEK	905.0	100.00%	KV	905.0	100.00%	KV
Vigmed Holding AB	Helsingborg	SE	SEK	1,474.5	100.00%	KV	1,474.5	100.00%	KV
Vigmed Asia, Ltd.	Hong Kong	HK	USD	1.3	70.00%	KO	1.3	70.00%	KO
Vigmed Medical Beijing Co. Ltd.	Beijing	CN	USD	2.5	70.00%	KO	2.5	70.00%	KO

[1] KV = fully consolidated companies
KJV = joint ventures accounted for under the equity method
KEA = associated companies accounted for under the equity method
KO = companies outside scope of consolidation

				31 December 2020			31 December 2019		
Company	Registered office of the company	Country	currency	Nominal capital in thousands in local currency	Group share as %	Type of consolidation[1])	Nominal capital in thousands in local currency	Group share as %	Type of consolidation[1)]
GEG division:									
Greiner Extrusion Group GmbH	Kremsmünster	AT	EUR	2,500.0	100.00%	KV	2,500.0	100.00%	KV
Greiner Extrusion GmbH	Kremsmünster	AT	EUR	100.0	100.00%	KV	100.0	100.00%	KV
GPN GmbH	Kremsmünster	AT	EUR	100.0	100.00%	KV	100.0	100.00%	KV
Greiner Extrusion US, Inc.	Meadville	US	USD	0.0	100.00%	KV	0.0	100.00%	KV
Greiner Extrusion Technology [Shanghai] Co., Ltd.	Shanghai	CN	RMB	23,906.0	100.00%	KV	17,381.0	100.00%	KV
Greiner Extrusion S.A.S.	Perrignier	FR	EUR	98.0	100.00%	KV	98.0	100.00%	KV
Greiner Extrusion, Inc.	Anoca (Minnesota)	US	USD	2,865.0	100.00%	KV	2,865.0	100.00%	KV
vendorfinance GmbH	Kremsmünster	AT	EUR	35.0	49.00%	KEA	35.0	49.00%	KEA
GPN strojirna s.r.o.	Trhove Sviny	CZ	CZK	22,500.0	100.00%	KV	22,500.0	100.00%	KV
Greiner Extrusion sp. z o.o.	Teresin	PL	PLN	40.0	100.00%	KO	40.0	100.00%	KO
Simplas S.p.A.	Arcisate	IT	EUR	882.0	60.00%	KV	882.0	40.00%	KEA
Greiner Extrusion Deutschland GmbH	Chemnitz	DE	EUR	50.0	100.00%	KO	50.0	100.00%	KO
Greiner Extrusion Limited	Birmingham	UK	GBP	30.0	100.00%	KO	0.0	100.00%	KO
Süarte NEVEON (formerly GFI):									
Greiner Foam International GmbH	Kremsmünster	AT	EUR	8,000.0	100.00%	KV	35.0	100.00%	KV
Greiner Foam South Africa (Pty) Ltd.	Gauteng	SA	ZAR	30,000.0	100.00%	KV	30,000.0	100.00%	KV
Unifoam (Pty) Ltd.	Isithebe	SA	ZAR	1.0	80.00%	KV	1.0	80.00%	KV
Eurofoam GmbH	Kremsmünster	AT	EUR	4,640.0	100.00%	KV	4,640.0	50.00%	KJV [2)]
Eurofoam Deutschland GmbH Schaumstoffe	Wiesbaden	DE	EUR	51.2	100.00%	KV	-	-	-
Eurofoam Bohemia s.r.o.	Klästerec	CZ	CZK	200.0	100.00%	KV	-	-	-
Eurofoam Polska Sp. z.o.o.	Zgierz	PL	PLN	18,000.0	100.00%	KV	-	-	-
Caria Sp. z.o.o.	Kalwaria Zebrzydowska	PL	PLN	895.0	51.00%	KEA	-	-	-
PPHiU "Kerko" Sp. z.o.o.	Strazow	PL	PLN	139.2	51.72%	KEA	-	-	-
Eurofoam-Kaliningrad LLC	Kaliningrad	RU	RUB	3,400.0	100.00%	KO	-	-	-
S.C. Eurofoam S.R.L.	Sibiu	RO	RON	17,036.0	100.00%	KV	-	-	-
Eurofoam Hungary Kft.	Sajöbäbony	HU	HUF	1,791,610.0	100.00%	KV	-	-	-
LLC "POROLON"	Lviv	UA	UAH	870.4	95.00%	KO	-	-	-
EUROFOAM Sunderi d.o.o.	Stara Pazova	RS	RSD	190,690.0	100.00%	KO	-	-	-
Poly spol. s.r.o.	Zilina	SK	EUR	1,001.5	100.00%	KO	-	-	-
BPP spol. s.r.o.	Brno-Turany	CZ	CZK	1,752.0	51.37%	KEA	-	-	-
SINFO spol. s.r.o.	Mladä Vozice	CZ	CZK	7,755.0	51.00%	KEA	-	-	-
EUROFOAM TP spol. s.r.o.	Brno-slatina	CZ	CZK	100.0	80.00%	KEA	-	-	-
Eurofoam BG ood	Sofia	BG	BGN	1.0	100.00%	KO	-	-	-
Greiner MULTIfoam GmbH	Kremsmünster	AT	EUR	100.0	100.00%	KV	100.0	100.00%	KV
Greiner MULTIfoam Sp. z.o.o.	Ozorkow	PL	PLN	2,000.0	100.00%	KV	2,000.0	100.00%	KV
GuKo Tech GmbH	Nürtingen	DE	EUR	25.0	100.00%	KV	25.0	100.00%	KV
Greiner PURTEC GmbH	Kremsmünster	AT	EUR	1,000.0	100.00%	KV	1,000.0	100.00%	KV
Greiner PURTEC spol. s.r.o.	Nyrsko	CZ	CZK	100.0	100.00%	KV	100.0	100.00%	KV
Greiner aerospace GmbH	Kremsmünster	AT	EUR	35.0	100.00%	KV	35.0	100.00%	KV
Greiner aerospace CZ spol. s.r.o.	Nyrsko	CZ	CZK	200.0	100.00%	KV	200.0	100.00%	KV
Greineraerospace Inc.	Wilmington (Delaware)	US	USD	1.0	100.00%	KV	1.0	100.00%	KV
Greiner Aerospace (Shanghai) Co. Ltd.	Shanghai	CN	CNY	7,562.5	100.00%	KV	7,562.5	100.00%	KV
Greiner aerospace GmbH	Plauen	DE	EUR	25.0	100.00%	KV	25.0	100.00%	KV
Greiner aerospace d.o.o.	Zepce	BA	BAM	1.0	100.00%	KV	1.0	100.00%	KV
Greiner Perfoam GmbH	Kremsmünster	AT	EUR	2,000.0	100.00%	KV	2,000.0	100.00%	KV
Greiner Perfoam GmbH	Wangen	DE	EUR	792.5	100.00%	KV	792.5	100.00%	KV
Greiner perfoam spol. s.r.o.	Tabor	CZ	CZK	6,678.0	100.00%	KV	6,678.0	100.00%	KV
Greiner Perfoam GmbH	Crimmitschau-Neukirchen	DE	EUR	25.6	100.00%	KV	25.6	100.00%	KV
GREINER PERFOAM USA, INC.	Wilmington (Delaware)	US	USD	350.0	100.00%	KO	350.0	100.00%	KO
SA-Greiner Perfoam Automotive Components, LLC	Delaware	US	USD	355.0	96.50%	KO	355.0	96.50%	KO
SA-Greiner Perfoam Automotive Components, S. de R.L de C.V.	Apaseo El Grande	MX	MXN	32,037.1	93.70%	KO	32,037.1	93.70%	KO
Shenyang Greiner Automotive Components Co., Ltd.	Shenyang	CN	CNY	21,000.0	49.00%	KEA	21,000.0	49.00%	KEA
Tianjin Greiner Automotive Components Co., Ltd.	Tianjin	CN	CNY	26,700.0	49.00%	KEA	15,000.0	49.00%	KEA
Other companies:									
Greiner Real Estate GmbH	Kremsmünster	AT	EUR	500.0	100.00%	KV	500.0	100.00%	KV
Greiner Real Estate Vermietung St. Gallen GmbH	Kremsmünster	AT	EUR	50.0	100.00%	KV	50.0	100.00%	KV
Greiner Real Estate s.r.o.	Slusovice	CZ	CZK	25,000.0	100.00%	KV	25,000.0	100.00%	KV
Greiner Real Estate Sp. z o.o.	Ozorkow	PL	PLN	1,700.0	100.00%	KV	1,700.0	100.00%	KV
OOO Greiner Real Estate	Vladimir	RU	RUB	105,000.0	100.00%	KV	105,000.0	100.00%	KV
Greiner Technology & Innovation GmbH	Kremsmünster	AT	EUR	35.0	100.00%	KV	35.0	100.00%	KV
Greiner Renewable Energy GmbH	Kremsmünster	AT	EUR	815.0	100.00%	KV	815.0	100.00%	KV
Greiner GmbH	Nürtingen	DE	EUR	2,699.6	100.00%	KV	2,699.6	100.00%	KV
Greiner AG & Co KG	Kremsmünster	AT	EUR	2,914.2	0.25%	KO	2,914.2	0.25%	KO
Greiner Enterprise Management Consulting (Beijing) Co. Ltd.	Beijing	CN	CNY	3,264.2	100.00%	KO	3,264.2	100.00%	KO
Greiner Group Services s.r.o.	Slusovice	CZ	CZK	200.0	100.00%	KO	200.0	100.00%	KO

[1]) KV = fully consolidated companies
KJV = joint ventures accounted for under the equity method
KEA = associated companies accounted for under the equity method
KO = companies outside scope of consolidation
[2]) Inclusion of the Eurofoam GmbH group

GROUP MANAGEMENT REPORT
FOR FINANCIAL YEAR 2020

Report on business performance and the economic situation 2020

Business performance and company stability

The diversification of the Group is one of the strategic pillars on which Greiner AG has built its business model. This broad spread of activities is intended on the one hand to ensure company stability, and on the other hand to absorb fluctuations in the global economy. Recurring challenges here are volatile currency markets, as well as a certain level of dependency on the prices of the commodity markets. Negative FX effects had a strong impact on the otherwise very good business performance in 2020.
The COVID-19 virus affected demand in the foam sector (automotive and aviation sector) above all. The home furnishings sector, on the other hand, showed a rapid recovery.
The demand for packaging and, above all, medical products was never affected by the crisis on the other hand, but instead enjoyed strong sales.

Economic analysis / economic trends

The start of 2020 saw the swearing in of a new turquoise-green government in Austria, under Federal Chancellor Sebastian Kurz, on 7 January.
The world economy was on stage again between 21 and 24 January in Davos in Switzerland: topics such as trade wars, climate justice and the 5G mobile communication standard were discussed.

In the meantime, the novel respiratory tract disease COVID-19 had made its way from the Chinese province of Wuhan across the mainland and the ocean to the United States, where the government announced a national shutdown on 16 March.
Other countries, including Austria, attempted to master the fast-spreading pandemic in the same way.
On 29 May, the US under then President Donald Trump quit the World Health Organisation (WHO) after the country’s infection figures rose to epic levels.

On 3 November 2020, he was voted out of office and Joe Biden was elected as his successor.
In Austria, we were preparing for the second lockdown by then, after the improvement in numbers of new infections during the summer months disappeared again.

Globally, the pandemic caused the global economy to shrink by -3.5% in 2020. The same value as in the US. China was one of the few countries worldwide that was able to grow its economy by 2.7%.
The eurozone fell by a whopping 7.5%, with Germany coming off best at -5.8%. Austria fell a total of 6.6% compared to the previous year.
France and Italy both fell by about 9.5%; Spain was clearly hit worst at -12.0%.

Greiner Packaging International (GPI)

The 2020 financial year was very positive for the Greiner Packaging Group. Of course, the year was obviously dominated by the global COVID-19 pandemic, with a large number of effects, both negative and positive, felt by the business. On balance at the end of the year, the positive effects outweighed the negative.

A total of 377 employees in the division (of over 5,000) had COVID-19 infections confirmed by tests. The high level of environmental, health and safety requirements within the business, partly as a result of our position in the food industry value chain, definitely helped to keep the number of infections in the Group as low as possible. There were no significant losses of production or deliveries due to COVID-19.

The prices of raw materials in 2020 were below those in 2019, with the second quarter of 2020 in particular being characterised by significant falls in prices. The majority of price agreements in customer contracts include price escalation clauses, by means of which price fluctuations for materials are passed on to our customers with a delay. This time lag between the raw material prices, which are reflected in sales, and those which are reflected in the production costs, had a positive effect on earnings in a situation where raw material prices were falling. At the end of the fourth quarter of 2020, commodity prices began to rise significantly, which is why the opposite effect is expected for the first quarter of 2021.

Although the global economy was dominated for the year as a whole by the COVID-19 pandemic, the European Commission and national governments continued to take measures to transform the plastics industry into a circular economy industry. Greiner Packaging has not only adopted a strong position on this subject and communicated a visionary view, but in 2020 we also strengthened the Circular Economy Team and defined our Circular Economy Strategy in detail. Since the second half of 2020, the strategy is already being implemented rapidly in operational projects. We are confident that by injecting the necessary insistence and speed into the work in this area, we will make a contribution to a circular economy. The many awards won by our products prove this. The Worldstar Global Packaging Award, which was won for a particularly sustainable product in the “Household” category, is especially noteworthy.

Greiner Bio-One International (GBO)

In 2020, the Greiner Bio-One Group succeeded in launching innovative products to combat the COVID-19 pandemic and thereby further expanded its own position in a challenging market environment. Furthermore, the organisation was reorganised as part of a revised corporate strategy and a new corporate slogan was established that puts employees at the core: “We empower people to make a difference in health.”

With the strategy mapped out until 2025, significant prerequisites are being put in place to develop the Company in a targeted manner. In this context, a new organisation of senior management and their areas of responsibility at the highest level was introduced in July 2020. The main focus of this is on Greiner Bio-One's core business, a consistent follow-up of trends, and a strengthening of our presence in growth markets. In addition, operational efficiency needs to be further improved, and the focus on customer requirements intensified. The newly established areas of responsibility enable overall and efficient control in order to achieve the Group's goals.

Management currently assumes that various external factors, such as a comprehensive vaccination strategy, the use of rapid tests and the COVID-19 relevant business of the subsidiaries will influence 2021. In the medium and long term, the positive trend in the core business, plus development of strategic products and markets, even with a possible decline in the sales of COVID-19 related products, will ensure a positive trend in business and the expansion of our market position.

NEVEON

During financial year 2020, NEVEON employed over 3,600 people at 62 locations in 17 countries. Despite challenging economic conditions – salient points being the coronavirus pandemic and a scarcity of raw materials – NEVEON was able to some extent to maintain or even further expand its current market position over the past financial year.

The completed takeover of Eurofoam and the related transformation of Greiner Foam International into NEVEON, a world-leading integrated foam group, marked the high point in the history of the Greiner foam division so far. Thanks to this strategically important step, NEVEON was able to further expand its leadership position, and can now offer almost anything that can be made from foam with the three new business divisions “Living & Care”, “Mobility” and “Specialties”.

Apart from the Eurofoam takeover, the coronavirus pandemic and its associated economic effects, combined with supply bottlenecks and at times dramatic price increases in isocyanates and polyols, were the main themes. NEVEON's diversification in terms of both products and markets has proved its worth in this turbulent period and contributed to the Company's favourable growth.

While the aviation sector was hit hard by the coronavirus and we also came under pressure in the automotive sector, we were able to enjoy full order books and very good sales in the comfort foams sector, after a good first quarter and then a 3-month coronavirus shock freeze. The specialties sector also performed positively thanks to solid demand for heat insulation, footstep sound insulation and in the construction industry.

Greiner Extrusion Group (GEG)

The Greiner Extrusion division ended this financial year with significantly lower operating earnings than the prior year.

Due to the COVID-19 pandemic, temporary works closures by numerous customers, and customers' strong reluctance to invest, the Greiner Extrusion division faced a sharp drop in order intake, and therefore a drastic drop in capacity utilisation, especially in the second and third quarters of 2020. The core business of "window profile extrusion products" was primarily affected. In order to maintain earnings, cost reductions and postponement of projects were consistently applied in all areas. Government subsidies, in particular subsidies for short-time working, had a positive effect.

Thanks to increased demand in the DIY segment, the technical profile area did not show any major fall off in orders in the past financial year. Greiner Extrusion, Inc. (US) was even able to turn in the best year in the Company's history, helping to partially compensate for loss of sales in other countries.

The film and sheet dies segment (Simplas S.p.A.) was largely spared by the crisis. The effects of COVID-19 were only noticeable in the form of delivery delays in the supply area. Furthermore, the project for “Relocation of the mid-quality MPT tool from China to Austria and the Czech Republic” was started in financial year 2020.

Revenue performance

Consolidated sales revenue of the Greiner Group grew in 2020 from EUR 1,462.3 million to EUR 1,827.2 million. This represents an increase of 25%.

Revenue by region

The Greiner Group sells its products predominantly in Europe. Around 70.8% of sales were generated here. 7.3% of sales revenue was achieved in Asia, and 17.5% in North America. The rest of the world accounted for 4.4%.

Locations

Greiner AG currently has 139 locations in 34 countries.

Investments

In 2020, investments by Greiner AG totalled around EUR 124.3 million. This included, among other things, the extension and conversion of various buildings, as well as investments in machines and installations in individual divisions.

Branch offices

Greiner AG does not have any branches.

Financial and non-financial performance indicators

KPI	Calculation formula	Unit	2020	2019	2018
Sales revenue	from Consolidated statement of comprehensive income	EUR ‘000	1,827,159	1,462,322	1,398,002
EBT	from Consolidated statement of comprehensive income	EUR ‘000	234,040	85,456	55,820
Equity ratio	Equity capital * 100 / total assets	%	38.4	41.2	40.3
Cash flow from earnings		EUR ‘000	390,627	186,828	142,378
Number of employees	Average		11,281	9,340	9,403
Investments	Acquisitions according to consolidated asset schedule	EUR ‘000	124,329	125,338	108,880

Employee development, training and continuing education

Headcount

The number of employees rose in 2020 from 9,340 to 11,281. This sharp increase is mainly due to the takeover of Eurofoam. An average of 2,599 people were employed in Austria, 917 in Germany and 4,705 in other EU countries. Greiner AG had 574 employees in Asia in 2020, 978 in America, 126 in Africa and 1,382 in the rest of Europe.

Education and training

For many companies, it has become difficult to hire suitable qualified personnel. The “war for talent” has spread to Greiner. Therefore, training and development within the Company is particularly important. With the Greiner Campus, which opened in 2019, and its state-of-the-art training workshop, we are clearly committed to the Kremsmünster site on the one hand, and on the other hand already creating an appropriate framework for the next generation of skilled workers.

The Greiner Academy exists as a Company-wide facility that offers Greiner AG employees internal education and further training opportunities.

As part of the GEMS (Greiner Expert & Management Succession) program, we target selected up-and-coming young managers to help them up the next step on the career ladder.

A graduate trainee programme supplements the training within the Company: for 18 months, the participants get to know the Group and its different divisions and departments comprehensively, and gain initial project experience at Greiner.

Employees benefit

Greiner AG offers a wide range of social benefits for its employees. We mention, just as an example, the Greiner Krabbelstube, where infants and young children aged from one year up to kindergarten age are looked after for half-days.

There are also profit sharing plans for employees, as well as a wide range of services, flexible working hours and discounts on offer at the Greiner Campus.

Environmental aspects

Companies that operate globally need to be aware of their responsibility to the environment and to future generations. Greiner AG is well aware of this, and can draw on years of experience of working with recycling technologies, as well as sustainable treatment of the environment and resources.

In 2019, for the first time in Greiner’s history, a sustainability report was published and sets clear goals and values for each of the divisions: In addition to a more efficient energy policy and greater use of recyclates within the Company, we also agreed to have a higher percentage of women in management positions. In 2021, the next report will follow and show our progress in achieving goals.
A sustainability platform has been created for producers, customers and recycling companies to study efficient packaging, and we joined the Alliance to End Plastic Waste. These are just two points from the list of Greiner's numerous efforts to deal with our responsibility to our planet.

Report on the Group's anticipated performance and risks

Greiner AG expects to further increase its sales revenue in 2021. This is no easy undertaking, given the only moderate growth in the European economy for several years, the volatile currency markets and the effects of the COVID-19 pandemic, which has not only affected individual business areas, but above all, also our customers. However, Greiner is benefitting from its geographical spread and product diversity. Our name and reputation have also been established for years and make long-term customer relationships possible. Since the Company mainly produces for the local market in individual countries, we are for the most part unaffected by import tariffs and trade barriers.

Given the backdrop of the still ongoing coronavirus crisis, however, any forecast must have a high level of planning uncertainty associated with it. Based on the current market position, the Management Board expects a positive trend in demand over the medium and long term.

Political and economic risks in 2021

The economic consequences of the COVID-19 pandemic are serious worldwide. In order to rescue their economies, countries have burdened themselves with high levels of debt. In 2021, the main intention is to bring about a return to healthy growth and prosperity.
However, it is also expected that this recovery will only start late in this year. It will take months before vaccinations have an effect, and the millions of people who have slipped into unemployment can climb out of it again.

The plans drawn up by the major central banks, the FED (Federal Reserve System) in the US and the ECB (European Central Bank) in Europe were successfully thwarted by what happened in 2020. Due to the enormous increase in demand for capital from states worldwide, the banks will also have to maintain their expansive monetary policy during the next few years, which means very little change from low and negative interest rates.

Government debt will therefore remain unchanged. It will take some time before we can return to the values of 2019.
Despite an at times negligent handling of the pandemic, the US economy is likely to return to pre-crisis levels by the end of 2021. The policy of incoming President Joe Biden will aim predominantly to relieve the situation for parts of the population with low incomes, and thereby stimulate the economy.
However, any further lockdown would destroy these forecasts and any upward trend.

China has probably been the most effective in fighting the virus so far. In the Middle Kingdom, a V-shaped recovery is expected in 2021.
What remains uncertain is how the tense relationship between Asians and Americans will develop, and above all what will remain of Donald Trump's trade war.

The eurozone is still affected by various lockdowns and rising infection figures, which means that consumer demand in the coming year will be very cautious, at least for the first few months. However, the economy should have recovered by the end of the year, particularly thanks to national and EU-wide fiscal policy interventions.

Economic growth of approximately 4.5% is expected for Europe (Germany 4.0%), 3.6% for the USA and as much as 7.5% for China. The global economy should therefore be able to grow by about 5.4%.

Contingent liabilities

In certain cases, Greiner AG guarantees the bank borrowings of its subsidiaries.

Significant risks and uncertainties

2020 was all about the novel COVID-19 virus. The aim was to maintain supply chains and avoid losing production shifts by applying stricter hygiene measures.
2021 will start with a new lockdown. We will only know after the next few months how the infection figures will change, whether the vaccinations will work or if a new lockdown will be necessary.

Risk management

Risk management at Greiner AG is being continuously reviewed and is summarised in a manual. The ICS (internal control system) also undergoes continuous improvement. Internal audits, which are carried out at several selected locations per year, help to reduce risks and set modern standards that guarantee consistent quality throughout the Group.
According to plan, those audits that were unable to take place due to the 2020 crisis will be caught up during 2021.

Procurement market risks

The Greiner AG companies are mainly dependent on the movements in prices of raw materials and energy. There is hardly any potential for long-term hedging in these areas. This risk is countered by seeking out new suppliers and, where possible, alternative or recycled raw materials for production.

Market risks

A strong feature of Greiner AG's divisions is their strong diversification, which allows us to minimise the risks in sales markets.

Credit risk

Customer credit risk has remained stable. Greiner AG maintains a comprehensive information system on a monthly basis for banks, supervisory boards and shareholders. The open and transparent communication of all relevant economic data is a fundamental prerequisite for a trusting relationship with our investors.

Currency risks

The constantly changing competitive situation arising from currency fluctuations (transaction risks), can only be countered in the medium term by setting up production operations in each separate economic area. For example, this is the case in Eastern Europe, where the reduction of the currency risk through natural hedging has already been achieved to a large degree. This means that customer receivables in the local currency are for the most part offset by supply liabilities, as well as financing, all in the same currency. This minimises the transaction risks.

Interest rate risks

Greiner AG attaches great importance to a balanced ratio between variable and fixed interest-bearing liabilities, where preference is given to a fixed interest structure, especially in the long-term area.

Use of financial instruments

Cash-based financial instruments are trade liabilities and payables (trading transactions), to which financial receivables and liabilities are added. An inventory of this can be found in the balance sheet and the notes to the accounts.
In the case of orders of significant magnitude, derivative hedging instruments (forward exchange transactions or currency and interest rate swaps) are used to hedge individual cases against currency and interest rate movements.

Report on research and development

Innovation is a key success factor in the European and international environment. In order to open up new opportunities for Greiner AG, research and development will be further internationalised, and collaboration with external research institutes and companies will gain a stronger focus.

Greiner AG's combined innovative strength has been bundled into GTI (Greiner Technology and Innovation) since September 2013. However, the business divisions also have their own R&D departments and seek advice from external partners and consultants as needed.

Kremsmünster, 30 April 2021

Management Board

[Signature]	[Signature]
Dipl.-Bw. Axel Kühner	Mr Hannes Moser

Presentation of asset and financial positions and earnings

Consolidated income statement

In the following, we present a summary consolidated statement of comprehensive income with a comparison to the prior year figures:

	2020		2019		Change	
	EUR ‘000	%	EUR ‘000	%	EUR ‘000	%
Sales revenue	1,827,159	99.9	1,462,322	100.4	364,837	24.9
Changes in inventories	1,544	0.1	-5,904	-0.4	7,448	n/a
Capitalised own production	575	0.0	468	0.0	107	22.9
Operating performance	1,829,278	100.0	1,456,887	100.0	372,392	25.6
Cost of materials and other purchased manufacturing services	-785,442	-42.9	-688,515	-47.3	-96,927	-14.1
Personnel expenses	-447,380	-24.5	-395,108	-27.1	-52,272	-13.2
Other operating expenses	-239,825	-13.1	-209,407	-14.4	-30,418	-14.5
Other operating income	32,966	1.8	21,135	1.5	11,831	56.0
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	389,597	21.3	184,992	12.7	204,605	n/a
Amortisation and depreciation	-216,337	-11.8	-101,170	-6.9	-115,167	n/a
Earnings before interest and taxes (EBIT)	**173,260**	**9.5**	**83,822**	**5.8**	**89,438**	106.7
Income from companies accounted for under the equity method	81,123	4.4	11,214	0.8	69,909	n/a
Other investment income	219	0.0	120	0.0	99	82.5
Net interest income	-10,520	-0.6	-10,629	-0.7	109	1.0
Other financial earnings	-10,042	-0.5	929	0.1	-10,971	n/a
Financial result	**60,780**	**3.3**	**1,634**	**0.2**	**59,146**	n/a
Earnings before tax (EBT)	**234,040**	**12.8**	**85,456**	**6.0**	**148,584**	n/a
Income taxes	-46,551	-2.5	-18,793	-1.3	-27,758	n/a
Earnings after tax (EAT) = Group net surplus for the year	**187,489**	**10.3**	**66,664**	**4.7**	**120,826**	n/a
of which share of earnings to shareholders of the parent company	183,136		63,116		120,020	
of which share of earnings to minority shareholders	4,353		3,548		805	

Consolidated balance sheet

In the following, we present a summary consolidated balance sheet, with a comparison to the prior year figures:

	31/12/2020		31/12/2019		Change	
	EUR '000	%	EUR '000	%	EUR '000	%
Assets: Long-term assets:						
Intangible fixed assets	78,317	4.2	29,480	2.1	48,837	n/a
Goodwill	49,881	2.7	8,406	0.6	41,475	n/a
Tangible fixed assets	893,802	47.7	751,528	52.9	142,274	18.9
Shares in companies accounted for under the equity method	11,788	0.6	54,440	3.8	-42,652	-78.3
Financial assets	24,341	1.3	19,447	1.4	4,894	25.2
Long-term contract assets	1,113	0.1	1,992	0.1	-879	-44.1
Deferred tax assets	20,672	1.1	19,289	1.4	1,383	7.2
	1,079,913	**57.7**	**884,581**	**62.3**	**195,333**	22.1
Current assets:						
Inventories	196,043	10.5	160,221	11.3	35,822	22.4
Short-term contract assets	50,524	2.7	49,059	3.5	1,465	3.0
Trade receivables	286,847	15.3	211,045	14.8	75,802	35.9
Other assets	38,282	2.0	33,480	2.3	4,802	14.3
Cash and cash equivalents	220,268	11.8	80,185	5.6	140,083	n/a
	791,964	**42.3**	**533,990**	**37.5**	**257,974**	48.3
Long-term assets held for sale	**0**	**0.0**	**3,269**	**0.2**	**-3,269**	-100.0
	1,871,877	**100.0**	**1,421,841**	**100.0**	**450,036**	31.7

	31/12/2020		31/12/2019		Change	
	EUR '000	%	EUR '000	%	EUR '000	%
Consolidated equity and liabilities:						
Consolidated equity:						
Share capital	14,688	0.8	14,688	1.0	0	0.0
Capital reserves	32,814	1.8	32,814	2.3	0	0.0
Retained earnings	642,406	34.3	511,261	36.0	131,145	25.7
Shares of minority shareholders	28,881	1.5	27,430	1.9	1,451	5.3
	718,789	**38.4**	**586,193**	**41.2**	**132,596**	22.6
Liabilities:						
Long-term:						
Commitments to employees	87,957	4.7	72,829	5.1	15,128	20.8
Deferred tax liabilities	39,409	2.1	17,117	1.2	22,292	n/a
Financial liabilities	426,061	22.8	293,899	20.7	132,162	45.0
Other long-term liabilities and provisions	18,511	1.0	19,085	1.3	-574	-3.0
	571,938	*30.6*	*402,930*	*28.3*	*169,008*	41.9
Short-term:						
Short-term provisions	22,731	1.2	18,708	1.3	4,023	21.5
Trade payables	167,861	9.0	126,538	8.9	41,323	32.7
Short-term contractual liabilities	17,498	0.9	16,256	1.1	1,242	7.6
Financial liabilities	267,183	14.3	204,856	14.4	62,327	30.4
Liabilities from income taxes and other short-term liabilities	105,877	5.7	66,359	4.8	39,518	59.6
	581,150	*31.1*	*432,717*	*30.5*	*148,433*	34.3
	1,153,088	**61.7**	**835,647**	**58.8**	**317,441**	38.0
	1,871,877	**100.0**	**1,421,841**	**100.0**	**450,036**	31.7

Financial position

The summary **consolidated statement of cash flow** is shown in Annexes I/5 and I/6 and can be summarised as follows:

	2020 EUR '000	2019 EUR '000
Group cash flow from earnings	390,627	186,828
+(-) Group cash flow from operations	313,960	181,551
+(-) Group cash flow from investment activities	-255,439	-84,862
Free Group cash flow	58,521	96,689
+(-) Group cash flow from financing activities	87,116	-74,933
Change in cash and cash equivalents	145,637	21,757
+ Opening balance of cash and cash equivalents	80,185	56,092
- Write-down under IFRS 9 Financial instruments	-147	-1
+(-) Effects of exchange rate movements on cash and cash equivalents	-5,407	1,618
+ Changes in cash and cash equivalents due to changes in consolidation scope	0	720
Closing balance cash and cash equivalents	**220,268**	**80,185**

	2020 EUR '000	2019 EUR '000
Composition of cash and cash equivalents:		
Cash on hand, cheques, credit balances with credit institutions		

[logo:] KSW CHAMBER OF ACCOUNTANTS AND AUDITORS

General Terms and Conditions of Engagement for Accounting and Auditing Professions (AAB 2018)

Recommended by the Board of the Chamber of Accountants and Auditors, most recently in a resolution dated 18/04/2018

Preamble and General Information

(1) An engagement within the meaning of these Terms and Conditions refers to any contract for the provision of services by a person authorised to practice an accounting or auditing profession (de facto activities as well as providing or performing legal transactions or legal acts, in each case within the framework of Sections 2 or 3 of the Austrian Accounting and Auditing Professions Act (Wirtschaftstreuhandberufsgesetz) of 2017 (WTGB 2017). The parties to the engagement are hereinafter referred to as the “Contractor” and the “Client”).

(2) These General Terms and Conditions of Engagement for the Accounting and Auditing Professions are divided into two parts: The Terms and Conditions of Engagement in Part I apply to engagements where the awarding of engagements is part of the operations of the Client’s company (an entrepreneur within the meaning of the Austrian Consumer Protection Act [Konsumentenschutzgesetz, KSchG]). They also apply to consumer transactions in accordance with the Consumer Protection Act (Federal Act dated 08/03/1979/Federal Gazette No. 140, as amended), insofar as Part II does not provide otherwise for such transactions.

(3) In the event that any individual provision should prove to be invalid, it will be replaced by an effective provision that comes as close as possible to the intended objective.

PART I

1. Scope and performance of the engagement

(1) The scope of the engagement is generally based on a written agreement between the Client and the Contractor. If there is no detailed written agreement, (2)-(4) will apply in case of doubt:

(2) When contracting for tax accountancy services, the consulting activity includes the following activities:
a) Preparing the annual tax returns for income or corporation tax, as well as VAT on the basis of the annual financial statements to be provided by the Client or (if so agreed) prepared by the Contractor, and other statements and documentary evidence required for taxation. Unless expressly agreed otherwise, the Client shall provide the necessary statements and evidence for tax purposes.
b) Examining the tax rulings concerning the declarations referred to under a).
c) Negotiating with the tax authorities in connection with the declarations and rulings mentioned under a) and b).
d) Participating in tax audits and evaluating the results of company audits relating to the taxes mentioned under a).
e) Participating in appeal proceedings relating to the taxes mentioned under a).
If the Contractor receives a flat-rate fee for ongoing tax advice, the activities listed under d) and e) must be paid separately, unless otherwise agreed in writing.

(3) If the preparation of one or more annual tax return(s) forms part of the accepted engagement, this will not include the review of any special accounting requirements or a review of whether all possible tax reliefs, in particular those available under VAT law, have been claimed, unless there is an explicit and written instruction in this regard.

(4) In any case, any obligation to provide other services under Sections 2 and 3 WTBG 2017 shall require a separate contract.

(5) The above paragraphs (2) to (4) do not apply to expertise activities.

(6) There are no obligations on the Contractor to provide services, warnings or clarifications beyond the scope of the contract.

(7) The Contractor may use suitable employees and other vicarious agents (subcontractors) for the performance of the engagement, as well as substitute a professionally qualified person for themselves during the performance of the engagement. “Employees” within the meaning of these Terms and Conditions refers to all persons who assist the Contractor on a regular or permanent basis in their business activity, irrespective of the legal basis that exists.

(8) The Contractor is only requited to take account of Austrian law when providing their services; foreign legislation will only be taken into account if expressly agreed in writing.

(9) If the legal situation changes after the submission of the final written and verbal professional opinions, the Contractor is not obliged to inform the Client of the changes or of their consequences. This applies equally to completed parts of an engagement.

(10) The Client shall take steps to ensure that the data they provide may be processed by the Contractor when providing services. In this case, the Client must in particular, but not only, observe the data protection and labour law provisions that apply.

(11) If the Contractor files a submission electronically with a public administration, it is acting only as the messenger – unless explicitly agreed otherwise – and this will not constitute any declaration of intent or knowledge on their part, or on the part of any authorised representative making the submission.

(12) The Client shall employ persons who are or were employees of the Contractor either during the contractual relationship or within one year from the end of the contractual relationship, either in their company or in a company related to them. Otherwise, they shall pay the Contractor the equivalent of one year’s salary of the acquired employee.

2. Client’s obligation to provide information; declaration of completeness

(1) The Client shall ensure that all documents needed to complete the engagement are provided to the Contractor without special request on the agreed dates, and in good time if no such date exists, and that the Contractor is informed of all events and circumstances that may be of significance for the performance of the engagement. This also applies to any documents, events and circumstances that only become known in the course of the Contractor’s activity.

(2) The Contractor may assume that the information and documents the Client provides to it, in particular numerical information, are correct and complete and use them as the basis for the engagement. The Contractor is not obliged to detect inaccuracies, unless under a separate engagement in writing. This also applies, in particular, to the accuracy and completeness of invoices. However, if the Contractor does find inaccuracies, they must inform the Client of these. They must protect the rights of the Client in any criminal financial proceedings.

(3) The Client must confirm to the Contractor in writing the completeness of the submitted documents, as well as of the information and statements provided in relation to audits, expert opinions and other expert activities.

(4) If significant risks were not disclosed by the Client during the preparation of the annual financial statements and other financial statements, the Contractor is under no obligation to pay compensation in respect of these if the risks materialise.

(5) Dates and schedules specified by the Contractor for the completion of the Contractor’s products or parts thereof are best estimates and, unless otherwise agreed in writing, are not binding. The same applies to any estimates of fees: these are provided to the best of their knowledge; however, they are never binding.

(6) The Client must provide the Contractor with up-to-date contact details (in particular a delivery address). The Contractor may rely on the validity of the contact details last provided by the Client until new contact details are provided, in particular they may deliver items to the most recent address provided.

3. Ensuring independence

(1) The Client shall take all necessary precautions to prevent the independence of the Contractor's employees from being jeopardised, and shall itself refrain from any action that may put this independence at risk. This applies in particular to offers of employment and offers to take over engagements on their own account.

(2) The Client acknowledges that any of their personal data that is necessary for this purpose, together with the type, scope and timing of the provision of the services agreed between the Contractor and the Client (both audit and non-audit services), may be processed in a network to which the Contractor belongs, and may be transmitted overseas to other members of this network for the purpose of checking the existence of any grounds for bias or exclusion as well as the existence of conflicts of interest. For this purpose, the Client expressly releases the Contractor from its duty of confidentiality under the Data Protection Act and in accordance with Section 80 (4) no. 2 WTBG 2017. The Client may revoke this release from the duty of confidentiality at any time.

4. Reporting and communication

(1) (Reporting by the Contractor) Unless otherwise agreed, a written report must be delivered for audits and expert opinions.

(2) (Communication with the Client) All engagement-related information and opinions, including reports (all statements of current knowledge) made by the Contractor, its employees, other vicarious agents or substitutes ("professional statements") are only binding once they are made in writing. Professional statements in electronic file formats that are made, transmitted or confirmed by fax or email or by using similar forms of electronic communication (capable of being stored and reproduced, and not spoken, i.e. SMS but not telephone) are deemed to be in writing; this applies exclusively to professional statements. The Client shall bear the risk of professional statements being made by unauthorised persons, and the Contractor shall bear the risk of their transmission.

(3) (Communications with the Client) The Client hereby agrees that the Contractor may use electronic communication with the Client (e.g. email) in unencrypted form. The Client declares that it is aware of the risks associated with the use of electronic communication (in particular access, confidentiality, alteration of messages during transmission). The Contractor, its employees, other vicarious agents or substitutes shall not be liable for damages caused by the use of electronic means of communication.

(4) (Communication with the Contractor) The receipt and forwarding of information to the Contractor and its employees cannot always be guaranteed when using the telephone – in particular in combination with automatic answering systems, fax, email and other forms of electronic communication. Engagements and important information are therefore only deemed to have been received by the Contractor if they have also been received physically (not verbally, by phone, or electronically), unless receipt is explicitly confirmed in individual cases. Automatic confirmation of transmission and reading are not accepted as being explicit confirmations of receipt. This applies in particular to the transmission of tax rulings and other information about deadlines. Critical and important notifications must therefore be sent to the Contractor by post or courier. The handover of documents to employees outside of the firm's offices does not count as delivery.

(5) (General) In writing, unless otherwise defined in Item 4 (2), means the written form as defined in Section 886 of the Austrian Civil Code (Allgemeines bürgerliches Gesetzbuch, ABGB) (confirmed by signature). An advanced electronic signature (Art. 26 eIDAS Regulation (EU) No. 910/2014) meets the requirement of being in writing within the meaning of Section 886 ABGB (confirmed by signature), provided this is within the scope of the parties' agreement.

(6) (Advertising information) The Contractor shall send the Client general tax law and general commercial law information electronically (e.g. by email) on a regular basis. The Client acknowledges that it has the right to object to the sending of direct advertising at any time.

5. Protection of the Contractor's intellectual property

(1) The Client shall ensure that the reports, expert opinions, organisational plans, drafts, drawings, calculations and similar created by the Contractor within the framework of the engagement are used only for the purposes of the engagement (e.g. under Section 44 (3) of the Personal Income Tax Act [Einkommensteuergesetz, EStG] of 1988). In addition, the transfer of either written or verbal professional statements by the Contractor for use by a third party requires the Contractor's written consent.

(2) The use of either written or verbal professional statements by the Contractor for advertising purposes is not permitted; a violation entitles the Contractor to terminate without notice all engagements with the Client not yet carried out.

(3) The Contractor retains the copyright to its services. Granting permission for the use of their work requires written consent from the Contractor.

6. Rectification of defects

(1) The Contractor is entitled and obligated to eliminate any inaccuracies and defects found subsequently in its written and verbal professional statements, and undertakes to inform the Client immediately. The Contractor may also inform third parties of changes to the original professional statement.

(2) The Client is entitled to have inaccuracies eliminated free of charge, insofar as they are the responsibility of the Contractor; this right expires six months after the Contractor has completed its services or – if no written professional statement is provided – six months after the end of the Contractor's contested activity.

(3) In the event of a failure to rectify defects, the Client is entitled to a reduction in price. Insofar as claims for damages exist beyond this, Item 7 will apply.

7. Liability

(1) Any liability arrangements apply to all disputes in connection with the contractual relationship, irrespective of their legal basis. The Contractor will only be liable for damages in connection with the contractual relationship (including its termination) in the event of intent and gross negligence. Section 1298 sentence 2 ABGB will not apply.

(2) In the event of gross negligence, the Contractor's obligation to pay compensation will not exceed ten times the minimum sum insured by professional liability insurance under Section 11 of the Austrian Accounting and Auditing Professions Act of 2017 (WTBG 2017), as amended.

(3) The limitation of liability in Item 7 (2) refers to each individual claim. An individual claim includes all consequences of a breach of duty, regardless of whether damage occurred in one or in several consecutive years. In such cases, multiple actions or omissions based on the same or similar sources of error are considered to be a single breach of duty if the matters in question are legally and economically linked to each other. Single damages remain individual cases of damage, even if they are based on multiple breaches of duty. In addition, except in the case of wilful damages, the Contractor's liability excludes loss of earnings and collateral, consequential, supplementary or similar damages.

(4) Any claim for damages may only be asserted in court within six months from the time that the claimant becomes aware of the damage, but at the latest within three years from the occurrence of the (primary) damage following the event on which the claim is based, unless other limitation periods are stipulated in statutory provisions.

(5) In the event that Section 275 UGB applies (based on the elements of the case), its liability standards will also apply if several persons were involved in the performance of the engagement, or several actions requiring compensation have been committed, and regardless of whether the other parties involved acted intentionally.

(6) In cases where a formal audit certificate is issued, the limitation period begins at the latest with the issue of the audit certificate.

(7) If the activity is carried out with the involvement of a third party, e.g. a data processing company, existing or new warranty and compensation claims against the third party are deemed to be assigned to the Client with notification of the Client in accordance with the law or contract. Without prejudice to Item 4 (3), the Contractor is liable in this case only for their fault in the selection of the third party.

(8) Any liability of the Contractor towards third parties is excluded in any case. If third parties come into contact with the work of the Contractor in any form whatsoever via the Client, the Client must expressly inform the former of this fact. Insofar as such an exclusion of liability is not legally permissible, or liability towards third parties has, in an exceptional case, been assumed by the Contractor, these limitations of liability also apply subsidiarily to third parties. In any case, third parties may not assert claims that go beyond any claim by the Client. The maximum level of liability applies in total only once to all injured parties, including compensation claims by the Client itself, even if several persons (the Client and one or more third parties) have been injured; injured parties shall be compensated only after they come forward. The Client shall indemnify and hold harmless the Contractor and its employees against all claims by third parties in connection with the transmission of written and verbal professional statements from the Contractor to these third parties.

(9) Item 7 shall also apply to any liability claims by the Client in connection with the contractual relationship with third parties (vicarious agents of the Contractor) and substitutes of the Contractor.

8. Duty of confidentiality, data protection

(1) In accordance with Section 80 WTBG 2017, the Contractor shall maintain confidentiality with regard to all matters that become known to it in connection with its work for the Client, unless the Client releases them from this duty of confidentiality or legal obligations to disclose the information apply.

(2) Insofar as it is necessary to pursue claims by the Contractor (particularly claims for fees) or to dispute claims against the Contractor (particularly claims for damages by the Client or third parties against the Contractor), the Contractor will be released from its professional duty of confidentiality.

(3) The Contractor may only hand over reports, expert opinions and other written professional statements about the results of its work to third parties with the consent of the Client, unless there is a legal obligation to do so.

(4) The Contractor is the data protection controller within the meaning of the General Data Protection Regulation ("GDPR") with regard to all personal data processed within the context of the engagement. The Contractor is therefore authorised to process personal data entrusted to it within the scope of the engagement. Materials provided to the Contractor (whether on paper or data media) will generally be handed back to the Client or to third parties named by the Client at the end of the provision of relevant services, or they will be stored or destroyed by the Contractor if this has been agreed separately. The Contractor is entitled to keep copies of these if it requires them for the proper documentation of its services or if it is legally required to do so or it is customary in the profession.

(5) Insofar as the Contractor supports the Client in fulfilling the Client's obligations to data subjects as data controller for data protection purposes, the Contractor may charge the Client for the actual costs incurred. The same applies to the costs incurred for information relating to the contractual relationship that is passed to third parties after release from the duty of confidentiality by the Client in relation to such third parties.

9. Withdrawal and notice period ("termination")

(1) The notification of termination of an engagement must be made in writing (see also Item 4 (4) and (5)). The expiration of an existing power of attorney does not result in the termination of the engagement.

(2) Unless otherwise agreed in writing or required by law, the contracting parties may terminate the contract at any time with immediate effect. Any claim for remuneration is determined under Item 11.

(3) However, unless otherwise agreed in writing, an ongoing engagement (fixed-term or open-ended engagement for, but not limited to, the provision of recurring individual services, also with a flat fee) may only be terminated without a compelling reason with a notice period of three months ("termination period") at the end of any calendar month.

(4) After the termination of an ongoing engagement has been notified, only those remaining individual jobs by the Contractor (assignments to be completed) whose complete performance is (generally) possible within the termination period must be completed, unless otherwise agreed below, provided this is notified to the Client in writing within one month from the start of the termination period as defined in Item 4 (2). The assignments to be completed must be completed within the termination period, provided that all necessary documents are provided in good time and unless there is due cause that prevents this.

(5) If more than 2 similar jobs usually only to be performed once per year (e.g. annual financial statements, tax returns, etc.) are to be completed for an ongoing engagement, then any jobs over and above these two are only counted as part of the assignments to be completed with the express consent of the Client. This circumstance, should it exist, must be expressly pointed out to the Client in the notification under Item 9 (4).

10. Termination in the event of a delay in acceptance and failure to cooperate on the part of the Client, and legal obstacles to performance

(1) If the Client delays the acceptance of the service proposed by the Contractor, or if the Client fails to cooperate as required under Item 2 or in other respects, the Contractor may terminate the contract without notice. The same shall apply if the Client demands (even partially) the performance of the engagement in a manner, which, in the legitimate view of the Contractor, does not comply with legal requirements or professional standards. Their right to remuneration is determined according to Item 11. Delay in acceptance and/or failure to cooperate on the part of the Client will also justify the Contractor claiming compensation for additional expenses that result from this, as well as the damage caused if the Contractor does not exercise its right of termination.

(2) In the case of contracts for bookkeeping, personnel payroll processing and administration and assessment of payroll-related taxes and contributions, termination without notice by the Contractor in accordance with Item 10 (1) is permitted if the Client demonstrably fails to comply with its obligation to cooperate in accordance with Item 2. (1) on two occasions.

11. Right to remuneration

(1) If the performance of the engagement is not completed (e.g. due to withdrawal or termination), the Contractor shall nevertheless be paid the agreed remuneration (fee) if the Contractor was ready to perform it and was prevented from doing so due to circumstances caused by the Client, whereby merely contributory negligence on the part of the Contractor is to be disregarded; in this case, the Contractor does not need to take into account the amount it earned or failed to earn through deployment of itself or its employees elsewhere.

(2) On termination of an ongoing engagement, the agreed remuneration for the assignments to be completed will be due if they are completed, or if they are not completed for reasons attributable to the Client (see Item 11. (1)). Agreed flat-rate fees will be calculated based on the services rendered up to that point.

(3) If the Client fails to cooperate and the assignment cannot be carried out as a result, the Contractor may also set a reasonable grace period on the understanding that, if this grace period expires without results, the contract will be deemed ineffective and the consequences indicated in Item 11. (1) will apply.

(4) If the Client does not observe the termination period under Item 9. (3) and the contract is terminated by the Contractor in accordance with Item 10. (2), the Contractor remains entitled to the full fee for three months.

12. Fees

(1) Unless the parties explicitly agreed that the services would be rendered free of charge, an appropriate remuneration is always owed under Section 1004 and Section 1152 ABGB. The amount and type of the Contractor's right to a fee derive from the agreement concluded between the Contractor and its Client. Unless another agreement can be shown to have been made, payments by the Client must always be applied to the oldest outstanding debt.

(2) The smallest chargeable unit of work is a quarter of an hour.

(3) Travel time will also be charged as necessary.

(4) Review of documents in the Contractor's own office, which may be necessary as preparatory work for the Contractor depending on the type and scope, may be charged separately.

(5) If, due to special unforeseen circumstances, or due to special demands by the Client, a fee that was already agreed proves to be inadequate, the Contractor shall inform the Client of this and renegotiations must be conducted to agree an appropriate fee (including in the case of inadequate flat-rate fees).

(6) The Contractor shall also charge supplementary costs and VAT. For example, but not exhaustively, in the following (7) to (9):

(7) Chargeable supplementary costs include cash expenses either based on receipts or fixed rate, travel expenses (for first class train travel), daily expenses, mileage allowances, copying costs and similar supplementary costs.

(8) In the case of special liability insurance requirements, the relevant insurance premiums (including insurance tax) are included as supplementary costs.

(9) Other supplementary costs include personnel and materials costs for the preparation of reports, expert opinions, etc.

(10) For the performance of an engagement the completion of which has been assigned to several contractors jointly, each contractor shall invoice their own remuneration for their activity separately.

(11) Unless agreed otherwise, fees and advance payments are due immediately after they have been billed in writing. Default interest may be charged where payment is made more than 14 days after the due date. In the case of business-to-business transactions, default interest shall apply at the rates defined in Section 456 sentences 1 and 2 UGB.

(12) The statute of limitations is based on Section 1486 ABGB and starts from the end of the performance of the service, or from invoicing within an appropriate time limit at a later date.

(13) Objections to invoices can be raised in writing with the Contractor within four weeks of the invoice date. Otherwise, the invoice is deemed to be accepted. The inclusion of an invoice in the books of account is always deemed to be an acknowledgement.

(14) The application of Section 934 ABGB (Austrian Civil Code) within the meaning of Section 351 UGB, i.e. rescission for laesio enormis (lesion beyond moiety) between businesses, is waived.

(15) If a flat-rate fee is agreed for engagements relating to bookkeeping, personnel payroll processing and administration and assessment of payroll-related taxes and contributions, unless otherwise agreed in writing, any representation in matters concerning all types of tax audits and audits of payroll-related taxes and social security contributions, including the negotiation of settlements on tax assessment or contribution bases, reporting, legal remedies, etc., are to be invoiced separately. Unless otherwise agreed in writing, the fee shall be deemed to have been agreed for one engagement year.

(16) The processing of special individual issues relating to the activities listed in Item 12. (15), particularly conclusions on the existence of compulsory insurance, shall only be done on the basis of a specific engagement.

(17) The Contractor may demand corresponding advances, and may make its (continued) activity dependent on the payment of these advances. In the case of ongoing engagements, the provision of further services may be refused until the payment is made for earlier services (as well as any advance payments in accordance with sentence 1). This shall apply mutatis mutandis to the provision of partial services and unpaid partial remuneration.

(18) Any complaints about the work of the Contractor, except in the case of obvious material defects, will not create any entitlement to even a partial retention of the fees, other remuneration, cost reimbursements and advance payments (remuneration) to which the Contractor is entitled under Item 12.

(19) Offsetting the remuneration claims of the Contractor under Item 12 is only permitted for undisputed or legally established claims.

13. Other provisions

(1) In connection with Item 12. (17), we refer to the statutory right of retention (Section 471 ABGB, Section 369 UGB); if the right of retention is exercised incorrectly, the Contractor is fundamentally liable in accordance with Item 7, but in derogation of this, only up to the amount of the debt still outstanding.

(2) The Client has no right to claim the handover of the working papers and similar documents created by the Contractor while performing the engagement. In the case of engagement performance using electronic accounting systems, the Contractor may delete the data after handing over all data based thereon – which was prepared by the Contractor in relation to the engagement and which the client is obliged to keep – to the Client and/or the succeeding public accountant in a structured, common and machine-readable format. The Contractor is entitled to an appropriate fee (Item 12 applies mutatis mutandis) for the handover of this data in a structured, common and machine-readable format. If the handover of the data in a structured, common and machine-readable format is impossible or not feasible for special reasons, it may alternatively be handed over as a full printout. In this case, no fee is payable.

(3) At the request and expense of the Client, the Contractor must surrender all documents that it has received from the Client within the scope of its activities. However, this does not apply to correspondence between the Contractor and the Client, or to documents where the Client is in possession of the original, or to documents that are subject to a duty of retention under legal provisions for the prevention of money laundering that apply to the Contractor. The Contractor may make copies or photocopies of documents that the Contractor returns to the Client. If these documents have already been transmitted to the Client previously, the Contractor is entitled to an appropriate fee (Item 12 applies mutatis mutandis).

(4) The Client must collect the documents handed over to the Contractor within 3 months from completion of the work. In the event of non-collection of the provided documents, the Contractor may, after two documented requests to the Client to collect the documents, return them at the latter's expense and/or charge an appropriate fee (Item 12 applies mutatis mutandis). Such documents may also continue to be stored by third parties at the Client's expense. In addition, the Contractor will not be liable for the consequences of damage, loss or destruction of these documents.

(5) The Contractor may offset any billed fees due against any deposit balances, clearing funds, trustee funds or other liquid funds in its custody, even in the case of express custody, provided that the Client would have known that a counterclaim by the Contractor was likely.

(6) To secure an existing or future fee payable, the Contractor shall have the right to transfer to a trust account a balance held by the Client with the tax office or another balance held by the Client in connection with charges and contributions. In this case, the Client must be informed of the transfer. Thereafter, the secured amount can be collected either by agreement with the Client or when the fee becomes legally enforceable.

14. Applicable law, place of performance, place of jurisdiction

(1) Austrian law applies exclusively to the engagement, its performance and the claims arising from it, excluding national referral rules.

(2) The place of performance is the location of the Contractor's professional office.

(3) Unless otherwise agreed in writing, the place of jurisdiction is the competent court of the place of performance.

PART II

15. Supplementary provisions for consumer transactions

(1) The mandatory provisions of the Consumer Protection Act apply to contracts between consumers and accountants or auditors.

(2) The Contractor is only liable for intentional and grossly negligent breaches of the obligations assumed.

(3) In place of the standard limitation in Item 7 (2), the Contractor's liability to pay compensation is unlimited in the case of gross negligence.

(4) Item 6 (2) (period for right to correction of errors) and Item 7 (4) (asserting claims for damages within a certain period) do not apply.

(5) Right of withdrawal under Section 3 KSchG:

if the consumer has not made its contractual declaration at the permanent offices used by the Contractor, the consumer may withdraw from its contract application or from the contract. This withdrawal can be declared at any time up until the contract takes effect, or within one week thereafter; the period starts from the date of issuance a document to the consumer that includes at least the name and address of the Contractor, together with information about the right of withdrawal, but at the earliest upon conclusion of the contract. The consumer may not withdraw

1. if the consumer initiated the business relationship with the Contractor or its agent for the purposes of concluding this contract,

2. if the conclusion of the contract was not preceded by any discussions between the parties or their representatives, or

3. in the case of contracts for which mutual performance is required immediately, and they would normally be concluded by Contractors outside of their offices, and the agreed fee does not exceed EUR 15.

Withdrawal must be stated in writing in order to be legally valid. It is sufficient for the consumer to return a document containing the consumer's contractual declaration, or that of the Contractor, to the Contractor with a comment indicating that the consumer refuses to enter into or continue with the contract. It is sufficient if the declaration is sent within one week.

If the consumer withdraws from the contract under Section 3 KSchG (Consumer Protection Act),

1. the Contractor shall reimburse all considerations received from the date of receipt plus statutory interest, and reimburse any necessary and relevant expenses incurred by the consumer in relation to the matter,

2. the consumer shall compensate the Contractor for the value of the services provided, to the extent that they are clearly and predominantly of benefit to them.

Claims for damages remain unaffected in accordance with Section 4 (3) KSchG.

(6) Cost estimates under Section 5 KSchG:

For the preparation of a cost estimate by the Contractor within the meaning of Section 1170a ABGB, the consumer need only pay a fee if it was informed in advance of this payment obligation.

If the contract is based on a cost estimate by the Contractor, its accuracy is deemed to be guaranteed unless explicitly stated otherwise.

(7) Correction of defects: The following is added to Item 6:

If the Contractor is required under Section 932 ABGB to correct what it delivered or to add anything missing, it must fulfil this obligation at the place where the item was handed over. If it is in the interest of the consumer to have the work and the documents transferred by the Contractor, the consumer may carry out this transfer at the consumer's own risk and expense.

(8) Place of jurisdiction: The following applies instead of Item 14 (3):

If the consumer has its domicile or habitual residence within the country, or if the consumer is employed within the country, then only a court within whose jurisdiction the domicile, habitual residence or place of employment is located can be selected for an action against them according to Sections 88, 89, 93 (2) and 104 (1) of the Court Jurisdiction Act [Jurisdiktionsnorm, JN].

(9) Contracts for recurring services:

(a) Contracts in which the Contractor undertakes to perform work and the consumer undertakes to make repeated cash payments, and which are concluded for an indefinite period or a period exceeding one year, can be terminated by the consumer at the end of the first year, or at the end of each half year thereafter, in each case with the observance of a two-month notice period.

(b) If the total services form a whole that is indivisible in type, and its scope and price were defined at the time of conclusion of the contract, the first possible termination date can be postponed until the end of the second year. For such contracts, the notice period can be extended up to a maximum of six months.

(c) If the fulfilment of a specific contract of the type referred to in letter a) requires considerable expenses on the part of the Contractor, and if the Contractor has informed the consumer of this at the latest on signature of the contract, then other reasonable termination dates and notice periods that differ from those referred to in letters a) and b) may be agreed.

(d) Any termination by the consumer that is not notified in a timely manner will take effect on the next termination date after the expiry of the notice period.

Schedule 3 – Unconsolidated financial statements of the Offeror as at 31 December 2020 and the related auditor's report

Greiner AG,
Kremsmünster, Austria

Translation of the local Report on the Audit of the Financial Statements for the year ended 31 December 2020

This English language audit report is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Greiner AG,
Kremsmünster, Austria

Translation of the local Report on the Audit of the Financial Statements for the year ended 31 December 2020

15 March 2021

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
10190879

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List of Enclosures

Note

The use of automated calculation systems may give rise to rounding differences.

To the Members of the Board of Directors and Supervisory Board of
Greiner AG,
Kremsmünster, Austria

We have audited the financial statements for the year ended 31 December 2020 of

Greiner AG,
Kremsmünster, Austria
(referred to as "the Company"),

and **report** on the result of our audit as follows:

1. Audit Contract and Scope of the Engagement

In the Annual General Meeting of Greiner AG, Kremsmünster, Austria, dated June 22, 2020, we were elected as auditors for the financial year 2020. The Company, represented by the supervisory board concluded an **audit contract** with us to audit the financial statements of the Company as at 31 December 2020. Our audit also comprised the accounting system and the management report in accordance with Section 269 et seq UGB (Austrian Commercial Code). 1)

The audited Company is a **large corporation** in accordance with Section 221 UGB. The Company meets the criteria for the mandatory establishment of a **supervisory board**

The audit is a **statutory** audit.

The **audit includes** assessing whether the statutory requirements concerning the preparation of the financial statements were adhered to. The management report is to be audited as to whether it is consistent with the financial statements and whether it was prepared in accordance with legal requirements.

Our audit was performed in accordance with the **legal requirements and Austrian Standards on Auditing**. These standards require that we comply with International Standards on Auditing – (ISAs). We would like to emphasize that the goal of the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Absolute assurance is not attainable due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system. There is an unavoidable risk that even material misstatements may remain undetected. Areas which are generally covered in special engagements were not included in our scope of work.

1) A separate report is issued on the audit of the consolidated financial statements as at 31 December 2020.

We performed the audit with interruptions in December 2020 (interim audit) as well as between January and March 2021 (final audit). The audit was substantially completed at the date of this report.

Engagement partner of the engagement is Mr Mag. Michael Ahammer, Wirtschaftsprüfer (Austrian Chartered Accountant).

Our audit is based on the audit contract concluded with the Company. The "General Conditions of Contract" issued by the Chamber of Tax Advisers and Auditors (see Annex V), form an integral part of the audit contract. The conditions of contract do not only apply to the Company and the auditor, but to third parties as well. Our liability as auditors is guided under Section 275 UGB.

2. Breakdown and Description of Significant Financial Statement Items

The breakdown and description of all significant financial statement items are included in the notes to the financial statements and the management report.

3. Summary of Audit Findings

3.1. Compliance with Statutory Requirements of the Accounting System, Financial Statements and Management Report

We obtain evidence that the accounting system is in compliance with statutory requirements.

In line with our risk and controls based audit approach and to the extent we considered necessary for the purpose of expressing an opinion, we considered internal controls related to sub processes of the financial reporting process as part of our audit.

With regard to the compliance of the financial statements and the management report, with all applicable statutory requirements, we refer to the auditor's report.

3.2. Explanations and Evidence

Management has sufficiently provided all evidence and explanations requested by us as well as their signed management representation letter.

3.3. Reporting per Section 273 Paragraphs 2 and 3 UGB

During our audit we did not note any facts which indicate that there could be substantial doubt about the Company's ability to continue as a going concern nor indicate a material deterioration of the Company's performance. Neither did we note any indications of non-compliance with Austrian law or the Company's articles of association. We did not note any material weaknesses in the internal controls over the financial reporting process. The criteria for reorganization per Section 22 Paragraph 1 Subsection 1 URG (Austrian Corporate Restructuring Act) were not met.

4. Auditor's Report

Report on the Financial Statements

Audit Opinion

We have audited the financial statements of

Greiner AG,
Kremsmünster, Austria,

which comprise the Balance Sheet as at 31 December 2020, the Income Statement for the year then ended, and the Notes.

In our opinion, the financial statements comply with the legal requirements and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance for the year then ended, in accordance with Austrian Generally Accepted Accounting Principles.

Basis for our Opinion

We conducted our audit in accordance with Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the Company, in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the audit committee regarding, amongst other matters the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.

Management Report

In accordance with Austrian company law, the management report is to be audited as to whether it is consistent with the financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of management reports.

Opinion

In our opinion, the management report is consistent with the financial statements and has been prepared in accordance with legal requirements.

Statement

Based on our knowledge gained in the course of the audit of the financial statements and our understanding of the Company and its environment, we did not note any material misstatements in the management report.

Engagement Partner

The engagement partner is Mr Mag. Michael Ahammer.

Linz, 15 March 2021

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

qualified electronically signed:
Mag. Michael Ahammer
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.

This document was signed with a qualified electronic signature and only this electronic version is valid. The financial statements, together with our auditor's opinion, may only be published if the financial statements and the management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

Financial Statements as at 31 December 2020

Balance sheet as at 31 December 2020

Assets

	31/12/2020 EUR	31/12/2019 EUR '000
A. Fixed assets:		
I. Intangible assets:		
1. Concessions, industrial property rights and similar rights and benefits, as well as licences based on these	1,156,267.01	664
2. Advance payments made	581,309.09	515
	1,737,576.10	1,178
II. Tangible fixed assets:		
1. Land, rights equivalent to real property, and buildings, including buildings on third-party land	*18,152,349.72*	19,361
2. Technical installations and machines	*560,521.90*	614
3. Other equipment, fixtures and fittings	*3,767,264.52*	3,989
4. Advance payments made and assets under construction	*47,970.63*	222
	22,528,106.77	24,186
III. Financial assets:		
1. Shares in affiliated companies	*298,705,703.13*	115,373
2. Shareholdings	*7,267.28*	7
3. Securities (book-entry securities) held as fixed assets	*9,359,946.47*	6,446
	308,072,916.88	121,826
	332,338,599.75	147,191
B. Current assets:		
I. Inventories:		
1. Raw materials and supplies	*143,478.67*	105
2. Finished goods	*142,433.91*	152
	285,912.58	257
II. Receivables and other assets:		
1. Trade receivables	*1,690.95*	54
of which with a remaining term of more than one year	*0.00*	*0*
2. Receivables from affiliated companies	*53,761,877.08*	88,896
of which with a remaining term of more than one year	*0.00*	*0*
3. Other receivables and assets	*5,192,215.12*	4,312
of which with a remaining term of more than one year	*0.00*	*0*
	58,955,783.15	93,263
III. Cash on hand, credit balances with credit institutions	64,169,687.78	46
	123,411,383.51	93,565
C. Accruals and deferrals	**1,095,835.02**	1,161
D. Deferred tax assets	**8,003,410.90**	7,916
	464,849,229.18	249,833

Equity and liabilities

	31/12/2020 EUR	31/12/2019 EUR '000
A. Equity:		
I. Paid-up and called-up nominal capital (core capital):		
Subscribed nominal capital (share capital)	14,688,000.00	14,688
II. Capital reserves:		
Non-distributable	32,813,704.10	32,814
III. earnings reserves:		
Other reserves (distributable reserves)	100,000,000.00	90,000
IV. Retained earnings	84,660,851.34	53,244
of which earnings brought forward	*26,940,225.05*	*15,746*
	232,162,555.44	190,746
B. Provisions:		
1. Provisions for redundancies	639,051.00	609
2. Provisions for pensions	8,801,853.15	7,887
3. Tax provisions	5,235,131.00	0
4. Other provisions	5,501,309.44	3,616
	20,177,344.59	12,111
C. Liabilities:		
1. Liabilities to credit institutions	188,268,960.87	25,125
of which with a remaining term of one year or less	*19,831,460.87*	*22,062*
of which with a remaining term of more than one year	*168,437,500.00*	*3,063*
2. Trade payables	2,849,674.39	2,524
of which with a remaining term of one year or less	*2,849,674.39*	*2,524*
3. Liabilities to affiliated companies	20,784,272.67	18,377
of which with a remaining term of one year or less	*20,784,272.67*	*18,377*
4. Liabilities to companies in which a shareholding interest exists	79,353.92	244
of which with a remaining term of one year or less	*79,353.92*	*244*
5. Other liabilities	325,466.35	650
of which taxes	*30,672.84*	*27*
of which relating to social security	*215,127.36*	*205*
of which with a remaining term of one year or less	*325,466.35*	*650*
	212,307,728.20	46,920
of which with a remaining term of one year or less	*43,870,228.20*	*43,858*
of which with a remaining term of more than one year	*168,437,500.00*	*3,063*
D. Accruals and deferrals:		
Other	**201,600.95**	56
	464,849,229.18	249,833

Income statement for financial year 2020

	2020 EUR	2019 EUR '000
1. Sales revenue	22,723,289.55	20,999
2. Change in level of inventory of services not yet billable	0.00	-1
3. Other operating income:		
a) Income from the disposal of fixed assets, excluding financial assets	*20,228.85*	17
b) Income from the reversal of provisions	*4,477.00*	229
c) Other	*136,885.05*	162
	161,590.90	409
4. Cost of materials and other purchased manufacturing services:		
a) Cost of materials	*-466,200.22*	-852
b) Cost of purchased services	*-426,751.64*	-705
	-892,951.86	-1,556
5. Personnel expenses:		
a) Salaries	*-12,084,692.60*	-9,429
b) Social charges	*-4,850,707.16*	-5,255
of which for pension schemes	*-1,938,904.93*	*-2,709*
of which for severance payments and payments to employee occupational pension funds	*-178,547.68*	*-246*
of which for statutory social security contributions, and remuneration-based contributions and mandatory contributions	*-2,427,605.40*	*-2,003*
	-16,935,399.76	-14,684
6. Amortisation and depreciation of intangible and tangible fixed assets	-2,820,821.68	-3,008
7. Other operating expenses:		
a) Taxes other than taxes on income	*-269,462.87*	-242
b) Other	*-20,006,062.93*	-18,149
	-20,275,525.80	-18,390
8. Subtotal of Z 1 to Z 7 **(operating earnings)** (carry forward)	**-18,039,818.65**	-16,233

	2020 EUR	2019 EUR '000
Carried forward:	**-18,039,818.65**	-16,233
9. Income from investments	71,500,000.00	50,308
of which from affiliated companies	*71,500,000.00*	*50,308*
10. Income from other securities held as financial assets	137,184.32	146
of which from affiliated companies	*0.00*	*0*
11. Other interest and similar income	568,878.14	649
of which from affiliated companies	*568,406.64*	*648*
12. Expenses from financial assets	-17,246,297.22	-57
of which amortisation	*-3,550,000.00*	*0*
of which from affiliated companies	*-17,246,297.22*	*0*
13. Interest and similar expenses	-1,442,791.49	-670
of which relating to affiliated companies	*-376,913.56*	*-390*
14. Subtotal of Z 9 to Z 13 **(financial income)**	**53,516,973.75**	50,376
15. Earnings before tax	**35,477,155.10**	34,144
16. Tax on earnings	22,243,471.19	3,354
of which deferred taxes	*87,343.90*	*1,292*
17. Net income after taxes = net income for the year	**57,720,626.29**	37,498
18. Earnings carried forward from prior year	26,940,225.05	15,746
19. Retained earnings	**84,660,851.34**	53,244

Notes to the accounts for financial year 2020 for Greiner AG, Kremsmünster

I. General information

The present annual financial statements as at 31/12/2020 were prepared by the Company's Management Board in accordance with the provisions of the Austrian Commercial Code (UGB).

The Company is classified as a large corporation under Section 221 UGB.

The income statement is prepared in tabular form using the nature-of-expense method.

The previous form of presentation has been generally maintained in the preparation of all the current annual financial statements.

The Company is a parent company subject to consolidation rules within the meaning of Section 244 UGB. The consolidated financial statements are filed with the District and Trade Court in Steyr.

Additional information is provided in the notes as necessary to convey a true and fair view of the asset, financial and earnings situations.

II. Accounting and valuation methods

The annual financial statements were prepared in accordance with the principles of proper accounting and the general standards to provide a true and fair view of the asset, financial and earnings situations of the Company.

The principle of completeness was complied with when preparing the annual financial statements.

Valuations were based on the Company being a going concern.

Individual valuations were applied in principle to assets and liabilities.

The prudence principle was applied, in particular by only showing profits that had been realised as at the balance sheet date. All identifiable risks and potential losses that existed by the balance sheet date were taken into account.

Estimates are based on a prudent assessment. Wherever statistically calculated examples under similar circumstances were available, these were taken into account in estimates.

The valuation methods used in the past have been maintained.

Intangible assets are capitalised at acquisition cost if acquired for a fee. Low-value intangible assets (individual acquisition value below EUR 800.00 each) are capitalised and written off immediately.

Self-produced intangible assets are recognised as expenses.

The straight-line amortisation method is used based on the following useful lives:

	Years	
	from	to
Software	3	5
Other	3	20

Write-downs to the lower of cost or market value on the balance sheet date are applied whenever an impairment is expected to be long-term.

Tangible fixed assets are valued at acquisition or production cost minus depreciation. Low-value fixed assets (individual acquisition value equal to or lower than EUR 800.00 each) are capitalised in the year of acquisition and written off immediately. Under the tax regulations, full annual depreciation is applied for acquisitions made in the first half of the year, and half the annual depreciation for acquisitions made in the second half of the year.

Depreciation is applied using the straight-line method based on the following useful lives:

	Years	
	from	to
Buildings, including buildings on third-party land	10	40
Technical installations and machines	2	10
Other equipment, fixtures and fittings	3	25

Write-downs to the lower of cost or market value on the balance sheet date are applied when an impairment is expected to be long-term.

Financial assets are recognised at acquisition cost or at market value if the latter is lower and if the impairment losses are expected to be long-term.

Write-ups are applied to fixed assets if the reasons for the write-down have ceased to exist permanently. The write-up is applied up to a maximum of the net book value, calculated by applying the normal depreciation that would have applied in the meantime.

Inventories are valued at acquisition cost or at the lower of cost or market value at the balance sheet date. The acquisition costs are determined individually or according to the moving average price method.

Receivables and other assets are valued at nominal value, unless a lower fair value is applied in the case of specific, identifiable risks.

Write-ups are applied to current assets if the reasons for the impairment have ceased to exist permanently.

Deferred taxes are created in accordance with Section 198 (9) and (10) UGB using the balance sheet-oriented approach, and without discounting. No deferred taxes on tax losses carried forward are taken into account.

Provisions for severance payments are created using the projected-unit-credit-method under IAS 19. The provision is calculated using an actuarial interest rate of 0.85% (prior year: 1.00%) and including a salary increase rate of 3.00% (prior year: 3.00%) and the statutory retirement age (which in Austria is graduated up to 65 years for men and women). The AVÖ 2018-P calculation bases for pension insurance - from Pagler & Pagler - have been applied for the calculation of provisions for severance pay since financial year 2018. The staff turnover rate applied is based on Company-specific circumstances.

Provisions for severance pay obligations are taken into account for calculating anniversary bonuses. Apart from the application of an actuarial interest rate of 1.05% (prior year: 1%) and a turnover discount of 10.35% (prior year: 13.17%), the parameters underlying the calculation correspond to those of the severance provisions.

The actuarial interest rate for all employee benefit provisions is the interest rate on the reference date, based on the market interest rates for companies with a high credit rating.

The **provisions for pensions** are calculated using actuarial principles recognised under IAS 19 on the basis of an actuarial interest rate of 1.25% (prior year: 1.40%) and including a salary increase rate of 3.00% (prior year: 3.00%) and the statutory retirement age (which in Austria is graduated up to 65 years for men and women). For the calculation of pension provisions, since financial year 2018, we have used the Pagler & Pagler AVÖ 2018-P employee calculation bases for pension insurance. The provision was created on the basis of actuarial reports from Mercer (Austria) GmbH.

The effects of the interest rate change were recognised directly in the income statement in financial year 2020.

The currently created pension provision totals EUR 8,801,853.15 (prior year: EUR 7,887,000) minus the asset item for its reinsurance.

The reinsurance policies for pensions that are netted off against the pension provision amount to EUR 4,646,432.85 as at 31/12/2020 (prior year: EUR 3,824,000).

The interest on the provisions for employee benefits and the effects of a change in the interest rate are recognised in the operating result.

For the **other provisions**, all identifiable risks under application of the prudence principle, as well as both the amounts and reasons for uncertain liabilities at the time of preparation of the balance sheet, are taken into account in determining the provisions that are needed based on a reasonable commercial assessment.

Liabilities are recognised at their settlement amount.

Currency conversion is applied on the date of the business transaction at the current rate at the time. As of the balance sheet date, receivables are written down if the rate at the balance sheet date is lower than the original rate, and liabilities are revalued if the rate at the balance sheet date is higher than the original rate. In the case of hedging by way of forward transactions, the valuation uses the forward rate. Fixed or current assets acquired in foreign currency are booked at the historic rate, and no further conversion takes place.

Income taxes

The accounting for tax burden distribution resulting from the tax allocation agreement with the Group parent company is carried out using the so-called periodic settlement method, under which the expected benefit of a lower tax burden for the Group as a whole is shared with the individual Group members on the basis of a fixed allocation rate. If an individual Group member generates net income within the meaning of Section 9 (6) no. 1 KStG (Körperschaftsteuergesetz [Corporation Tax Act]) in conjunction with Section 9 (6) no. 4 KStG, then the tax allocation to be paid by the Group member to the Group parent is 28% of the net income for tax purposes of the individual Group member. If the individual Group member generates a net loss within the meaning of Section 9 (6) no. 1 KStG, the negative tax allocation to be paid by the Group parent company to the respective Group member amounts to 15% of the net loss for tax purposes generated by the Group member. In financial year 2020, positive tax allocations of EUR 32,699,612.90 (prior year: EUR 3,920,000) and negative tax allocations of EUR 5,276,854.61 (prior year: EUR 6,013,000) were transferred to Group members.

By offsetting tax allocations, the tax expense is reduced in the income statement of the Group parent company.

III. Notes to the balance sheet

Fixed assets

The breakdown of fixed assets and their changes during the reporting year is shown in the fixed assets schedule (cf. Annex 1 to the Notes).

Financial fixed assets

The breakdown of the shareholdings can be found in the list of investments (Annex 2 to the Notes).

Receivables and other assets

Of the receivables from affiliated companies, EUR 38,570,000.00 (prior year: EUR 44,000,000) relates to financial receivables, EUR 50,000,000.00 (prior year: EUR 44,500,000) receivables from dividends, EUR 666,969.30 (prior year: EUR 822,000) from corporation tax allocations, EUR 1,859,859.74 (prior year: EUR 1,475,000) from current cost transfers and EUR 0.00 (prior year: profit: EUR 5,809,000) from profit transfers. Against these, liabilities from financing totalling EUR 33,460,000.00 (prior year: EUR 6,700,000), liabilities from other settlements of EUR 1,189,421.96 (prior year: EUR 927,000) as well as liabilities from corporation tax reallocations of EUR 189,169.55 (prior year: EUR 82,000) and liabilities from loss transfers in the amount of EUR 2,496,360.45 (prior year: EUR 0) were netted off.

The item “Other receivables and assets” includes income of EUR 135,947.86 (prior year: EUR 62,000), which are only realised after the balance sheet date.

Deferred tax assets

The deferred tax assets were created as a result of differences between the tax and corporate valuations at the balance sheet date for the following items:

	31/12/2020 EUR	31/12/2019 EUR '000
Tangible fixed assets	550,870.47	477
Shareholdings	85,714.30	129
Accruals and deferrals	0.00	1
Long-term personnel provisions	10,719,545.20	9,412
Other provisions, accruals and deferrals	18,201.50	-1
Untaxed reserves	-1,679,368.00	-1,806
Employee reserves	172,792.61	166
	9,867,756.08	8,376
Deferred tax assets resulting from these (25%)	2,886,781.02	2,546
Deferred taxes of Group members	5,536,471.88	5,822
minus: Netting off against deferred tax liabilities	-419,842.00	-451
As of 31/12	8,003,410.90	7,916

Deferred tax assets changed as follows:

	2020 EUR	2019 EUR '000
As of 01/01	7,916,067.00	6,624
Change affecting profit and loss	87,343.90	1,292
As of 31/12	8,003,410.90	7,916

The Company has made use of the option to apply declining balance depreciation under the Economic Strengthening Act of 2020.

The item for deferred taxes from Group members relates to those Group members who create deferred taxes at a lower rate under tax transfer agreements, compared to the applicable corporation tax rate of 25%, or who do not provide for deferred taxes due to a profit/loss transfer agreement. In these cases, the Group parent company must post deferred taxes for the amount of the difference compared to the applicable corporation tax rate.

Equity

The paid-up and called-up nominal capital (share capital) of the Company amounts to EUR 14,688,000.00 (prior year: EUR 14,688,000). It is divided into 14,688,000 par value shares with a nominal value of EUR 1.00 each.

Provisions

Other provisions mainly include provisions for purchase invoices not yet received and personnel expenses.

Liabilities

	< one year EUR	Remaining term > one year EUR	> five years EUR	Book value 31/12/2020 EUR	Collateral in rem in EUR
1. Liabilities to credit institutions	19,831,460.87	168,437,500.00	94,925,000.00	188,268,960.87	0.00
Prior year in EUR ‘000	22,062	3,063	0	25,125	0
2. Trade payables	2,849,674.39	0.00	0.00	2,849,674.39	0.00
Prior year in EUR ‘000	2,524	0	0	2,524	0
3. Liabilities to affiliated companies	20,784,272.67	0.00	0.00	20,784,272.67	0.00
Prior year in EUR ‘000	18.377	0	0	18,377	0
4. Liabilities to companies in which a shareholding interest exists	79,353.92	0.00	0.00	79,353.92	0.00
Prior year in EUR ‘000	244	0	0	244	0
5. Other liabilities	325,466.35	0.00	0.00	325,466.35	0.00
Prior year in EUR ‘000	650	0	0	650	0
	43,870,228.20	168,437,500.00	94,925,000.00	212,307,728.20	0.00
Prior year in EUR ‘000	43,858	3,063	0	46,920	0

Liabilities to affiliated companies consist of EUR 28,970,000.00 (prior year: EUR 16,400,000) relating to financing, EUR 3,238,409.14 (prior year: EUR 2,310,000) to other settlements and EUR 1,517,931.88 (prior year: EUR 667,000) to liabilities due to corporation tax reallocations. Of this amount, EUR 11,500,000.00 (prior year: EUR 0) of receivables from dividends and profit transfers, EUR 1,065,629.91 (prior year: EUR 720,000) of receivables from current settlements for services, and EUR 376,438.44 (prior year: EUR 280,000) of receivables from corporation tax allocations were netted off.

The “Other liabilities” item includes expenses totalling EUR 262,201.15 (prior year: EUR 238,000), which are only realised after the balance sheet date.

Accruals and deferrals

The investment subsidies were as follows during the financial year:

	01/01/2020 EUR	Allocated EUR	Released EUR	31/12/2020 EUR
Land, rights equivalent to real property, and buildings, including buildings on third-party land	56,332.50	110,686.76	22,388.52	144,630,74
Fixtures and fittings	0.00	1,932.68	322.11	1,610.57
Data processing programs	0.00	55,359.64	0.00	55,359.64
	56,332.50	167,979.08	22,710.63	201,600.95

The “Accruals and deferrals” under liabilities includes amounts received under the national government’s AWS COVID-19 investment premium for depreciable/amortisable intangible and tangible assets, totalling EUR 67,536.43, which were reported according to the gross method. These are recorded as income only after the respective assets have been commissioned. They are shown as Other receivables until the funding is paid out.

Contingent liabilities

	31/12/2020 EUR	31/12/2019 EUR ‘000
Guarantees	29,521,835.68	20,463
Letters of comfort	3,065,617.29	12,751
Guarantees	34,618,587.93	40,707
Collateral in rem for liabilities	0.00	1,064
Other contingent liabilities	5,700,000.00	9,453
	72,906,040.90	84,437
of which to affiliated companies	66,642,880.78	76,956
of which to associated companies	0.00	481

As of the balance sheet date, there are no contingent liabilities secured in rem.

From the use of fixed assets not shown in the balance sheet, the following obligations arise based on long-term rental, lease and usufructuary lease agreements:

as at 31/12/2020	for 2021 EUR	for 2021 - 2025 EUR ‘000
Obligations arising from lease agreements	263,825.80	528
of which to affiliated companies	0.00	0
Obligations from rental and tenancy agreements	1,909,772.86	9,540
of which to affiliated companies	1,856,856.00	9,284
	2,173,598.66	10,068

Comparative figures as at 31/12/2019	for 2020 EUR	for 2020 - 2024 EUR ‘000
Obligations arising from lease agreements	270,584.12	652
of which to affiliated companies	0.00	0
Obligations from rental and tenancy agreements	1,879,127.41	9,315
of which to affiliated companies	1,809,528.00	9,048
	2,149,711.53	9,968

The total liability from other financial obligations amounts to EUR 7,349,788.05 (prior year: EUR 6,958,000).

IV. Notes to the income statement

Sales revenue

	2020 EUR	2019 EUR ‘000
Sales revenue broken down by sales markets:		
Domestic	21,864,561.80	20,162
Foreign	858,727.75	836
	22,723,289.55	20,999

Other operating income

The other operating income shown includes in particular tax-privileged premiums, releases of investment subsidies (including the COVID-19 investment premium) and subsidies for reduced working hours.

Personnel expenses and **employees**

Wages and salaries include the following components:

	2020 EUR	2019 EUR ‘000
Allocation/reversal of the provision for anniversary bonuses:		
Under salaries	53,443.00	107

The **expenses for retirement pension schemes** include EUR 1,767,592.26 (prior year: EUR 2,542,000) relating to defined benefit commitments and EUR 171,312.67 (prior year: EUR 167,000) to defined contribution benefits.

The **expenses for severance payments and payments to company employee pension funds** relate to defined benefit commitments for a total of EUR 30,488.00 (prior year: EUR 119,000) and to defined contribution commitments totalling EUR 148,059.68 (prior year: EUR 127,000).

With regard to the disclosures in the Notes for Section 239 (1) no. 3 UGB, the protection clause under Section 242 (4) UGB was invoked.

Other operating expenses

Other operating expenses include in particular insurance premiums, legal and consulting expenses, rents and leasing payments, centralised and management costs, maintenance and hospitality expenses.

With regard to the auditors' fees for financial year 2020, the exemption provision under Section 238 (1) no. 18 UGB was invoked. The same applies to the prior year amounts.

Income from investments

Of the investment income totalling EUR 71,500,000.00 (prior year: EUR 50,308,000), EUR 71,500,000.00 (prior year: EUR 44,500,000) are the result of phase-matching dividends and EUR 0.00 (prior year: EUR 5,809,000) the result of a profit and loss transfer agreement.

There is a profit transfer agreement with the affiliated company Greiner Perfoam GmbH, Kremsmünster; and with the affiliated company Greiner Technology & Innovation GmbH, Kremsmünster, there is a loss absorption agreement.

Expenses from financial assets

Of the expenses from affiliated companies in the amount of EUR 17,246,297.22 (prior year: EUR 0), an amount of EUR 11,199,936.77 (prior year: EUR 0) is the result of the reduction in a dividend from a subsidiary company, which was shown in a phase-matching manner in 2019, EUR 3,550,000.00 (prior year: EUR 0) the result of the write-down of two investment shareholdings, which became necessary due to changes in their value, and EUR 2,496,360.45 (prior year: EUR 0) the result of a profit/loss transfer agreement.

V. Additional information

Employees
(annual average)

	2020	2019
Number of persons	128	116
Employed FTEs	114	102

Information on management bodies and related companies

Supervisory Board:

Mr Dkfm. Erich G e b h a r d t , Bremen, Germany (Chair)
Mr Mag. (FH) Dominik G r e i n e r , Vienna
Mr Dipl.-Kfm. Christoph G r e i n e r , Scharnstein
Dr Regine H a g e n - E c k , Stuttgart, Germany
Dr Andreas L u d w i g , Vienna
Mr Dipl.-Ing. Jakob M o s s e r , Baden
Mr Mag. Gerald S c h i n a g l , Leonding
Dr Nico H a n s e n , Munich, Germany

Members appointed by the **Works Council**:

Mr Georg K o f l e r , Inzersdorf
Mr Maximilian G r e s s e n b a u e r , Kremsmünster
Mr Ernst Z i m m e r m a n n , Rohr in Kremstal
Mr Markus R o h r a u e r , Windischgarsten

Management Board:

Mr Dipl.-Bw. Axel K ü h n e r , Kremsmünster
Mr Mag. Hannes M o s e r , Ohlsdorf

With regard to the Section 239 (1) no. 4 UGB disclosure in the notes, the protection clause under Section 242 (4) UGB was invoked.

Supervisory Board remuneration totalled EUR 371,053.42 in the reporting period (prior year: EUR 416,000).

Significant events after the balance sheet date

No significant events occurred after the balance sheet date.

Appropriation of profits

The Management Board has not yet made any decision regarding a proposal for the appropriation of profits.

Kremsmünster, 15 March 2021

Management Board

[Signature]
Dipl.-Bw. Axel Kühner

[Signature]
Mr Hannes Moser

Annex 1 to the Notes to the accounts: Asset schedule
Annex 2 to the Notes to the accounts: List of shareholdings

Asset schedule as at 31 December 2020

	Acquisition and manufacturing costs					Accumulated depreciation				Net book values	
	As of 01/01/2020 EUR	Acquisitions EUR	Transfers in EUR	Disposals EUR	As of 31/12/2020 EUR	As of 01/01/2020 EUR	Acquisitions EUR	Disposals EUR	As of 31/12/2020 EUR	As of 31/12/2020 EUR	As of 31/12/2020 EUR
I. Intangible assets:											
1. Concessions, industrial property rights and similar rights and benefits, as well as licences based on these	4,397,885.30	693,851.50	168,635.98	145,139.72	5,115,233.06	3,734,178.84	369,926.93	145,139.72	3,958,966.05	1,156,267.01	663,706.46
2. Advance payments made	514,750.02	220,296.06	-153,736.99	0.00	581,309.09	0.00	0.00	0.00	0.00	581,309.09	514,750.02
	4,912,635.32	**914,147.56**	**14,898.99**	**145,139.72**	**5,696,542,15**	**3,734,178.84**	**369,926.93**	**145,139.72**	**3,958,966.05**	**1,737,57.10**	**1,178,456.48**
II. Tangible fixed assets:											
1. Land, rights equivalent to real property, and buildings, including buildings on third-party land (land value EUR 4,580,088.88; prior year: EUR 4,580,000)	54,657,898.53	430,024.81	81,446.69	535,989.12	54,633,380.91	35,296,876.82	1,203,398.37	19,244.00	36,481,031.19	18,152,349.72	19,361,021.71
2. Technical installations and machines	1,024,063.17	93,342.03	0.00	0.00	1,117,405.20	409,841.00	147,042.30	0.00	556,883.30	560,521.90	614,222.17
3. Other equipment, fixtures and fittings	9,524,535.11	907,053.89	1,304.71	299,822.45	10,133,071.26	5,535,579.80	1,100,454.08	270,227.14	6,365,806.74	3,767,264.52	3,988,955.31
4. Advance payments made and assets under construction	222,081.72	16,981.49	-97,650.39	93,442.19	47,970.63	0.00	0.00	0.00	0.00	47,970.63	222,081.72
	65,428,578.53	1,447,402.22	-14,898.99	929,253.76	65,931,828.00	41,242,297.62	2,450,894.75	289,471.14	43,403,721.23	22,528,106.77	24,186,280.91
III. Financial assets:											
1. Shares in affiliated companies	131,813,477.25	186,882,225.88	0.00	0.00	318,695,703.13	16,440,000.00	3,550,000.00	0.00	19,990,000.00	298,705,703.13	115,373,477.25
2. Shareholdings	7,267.28	0.00	0.00	0.00	7,267.28	0.00	0.00	0.00	0.00	7,267.28	7,267.28
3. Securities (book-entry securities) held as fixed assets	6,446,564.79	2,914,313.52	0.00	0.00	9,360,878.31	931.84	0.00	0.00	931.84	9,359,946.47	6,445,632.95
	138,267,309.32	**189,796,539.40**	**0.00**	**0.00**	**328,063,848.72**	**16,440,931.84**	**3,550,000.00**	**0.00**	**19,990,931.84**	**308,072,916.88**	**121,826,377.48**
	208,608,523.17	**192,158,089.18**	**0.00**	**1,074,393.48**	**399,692,218.87**	**61,417,408.30**	**6,370,821.68**	**434,610.86**	**67,353,619.12**	**332,338,599.75**	**147,191,114.87**

List of shareholdings

The Company holds shares in the following companies (Section 189a no. 2 UGB):

Companies held as investments	% share of capital	Equity capital/ foreign currency EUR ‘000	Earnings from last financial year Foreign currency EUR ‘000	Balance sheet date
Greiner Packaging	100.00	97,903	17,491	31/12/2020
International GmbH	100.00	80,412	224	31/12/2019
Greiner GmbH	100.00	4,483	-1,074	31/12/2020
	100.00	5,556	-633	31/12/2019
Greiner Extrusion	100.00	21,373	-5,040	31/12/2020
Group GmbH	100.00	34,413	3,450	31/12/2019
Greiner Perfoam	100.00	11,322	-2,496	31/12/2020
GmbH	100.00	11,322	6,359	31/12/2019
Greiner Real	100.00	11,332	370	31/12/2020
Estate GmbH	100.00	10,963	849	31/12/2019
NEVEON Holding GmbH (formerly:	100.00	220,458	12,862	31/12/2020
Greiner Foam International GmbH)	100.00	28,214	6,382	31/12/2019
Greiner Technology	100.00	781	-197	31/12/2020
& Innovation GmbH	100.00	977	-233	31/12/2019
Greiner Group	100.00	69	6	31/12/2020
Services s.r.o.	100.00	69	-1	31/12/2019
Greiner Enterprise				
Management Consulting	100.00	219	2	31/12/2020
(Beijing) Co. Ltd.	100.00	153	6	31/12/2019
Greiner Bio-One	99.99	93,281	32,872	31/12/2020
International GmbH	99.99	78,210	29,134	31/12/2019

MANAGEMENT REPORT
FOR FINANCIAL YEAR 2020

Report on business performance and the economic situation 2020

Business performance and company stability

The diversification of the Group is one of the strategic pillars on which Greiner AG has built its business model. This broad spread of activities is intended on the one hand to ensure company stability, and on the other hand to absorb fluctuations in the global economy. Recurring challenges here are volatile currency markets, as well as a certain level of dependency on the prices of the commodity markets. Negative FX effects had a strong impact on the otherwise very good business performance in 2020.
The COVID-19 virus affected demand in the foam sector (automotive and aviation sector) above all. The home furnishings sector, on the other hand, showed a rapid recovery.
The demand for packaging and, above all, medical products was never affected by the crisis on the other hand, but instead enjoyed strong sales.

In total, Greiner AG achieved sales revenue of EUR 22.7 million in financial year 2020 (following EUR 21.0 million in 2019). This represents an increase of 8.2%.
The sales revenue results from the passing on of costs for central services and the leasing of properties. The net loss is attributable to shareholder activities.

Economic analysis / economic trends

The start of 2020 saw the swearing in of a new black-green government in Austria under Federal Chancellor Sebastian Kurz, on 7 January.

The world economy was on stage again between 21 and 24 January in Davos in Switzerland: topics such as trade wars, climate justice and the 5G mobile communication standard were discussed.

In the meantime, the novel respiratory tract disease COVID-19 had made its way from the Chinese province of Wuhan across the mainland and the ocean to the United States, where the government announced a national shutdown on 16 March.
Other countries, including Austria, attempted to master the fast-spreading pandemic in the same way.
On 29 May, the US under President Donald Trump quit the World Health Organisation (WHO) after the country's infection figures rose to epic levels.
On 3 November 2020, he was voted out of office and Joe Biden was voted in as his successor.
In Austria, we were preparing for the second lockdown by then, after the improvement in numbers of new infections during the summer months disappeared again.

Globally, the pandemic caused the global economy to shrink by 3.5% in 2020. The same value as in the US. China was one of the few countries worldwide that was able to grow its economy by 2.7%.
The Eurozone fell a whopping 7.5%, with Germany coming off best at -5.8%. Austria fell a total of 7.3% compared to the previous year.
France and Italy both fell by about 9.5%, and Spain was the worst at -12.0%.

Greiner Packaging International (GPI)

The 2020 financial year was very positive for the Greiner Packaging Group. Of course, the year was obviously dominated by the global COVID-19 pandemic, with a large number of effects, both negative and positive, felt by the business. On balance at the end of the year, the positive effects outweighed the negative.

A total of 377 employees in the Company had COVID-19 infections confirmed by tests. The high level of environmental, health and safety requirements within the business, partly as a result of our position in the food industry value chain, definitely helped to keep the number of infections in the Company as low as possible. There were no significant losses of production or deliveries due to COVID-19.

The prices of raw materials in 2020 were below those in 2019, with the second quarter of 2020 in particular being characterised by significant falls in prices. The majority of price agreements in customer contracts include price escalation clauses, by means of which price fluctuations for materials are passed on to our customers with a delay. This time lag between the raw material prices, which are reflected in sales, and those which are reflected in the production costs, had a positive effect on earnings in a situation where raw material prices were falling. At the end of the fourth quarter of 2020, commodity prices began to rise significantly, which is why the opposite effect is expected for the first quarter of 2021.

Although the global economy was dominated for the year as a whole by the COVID-19 pandemic, the European Commission and national governments continued to take measures to transform the plastics industry into a circular economy industry. Greiner Packaging has not only adopted a strong position on this subject and communicated a visionary view, but in 2020 we also strengthened the Circular Economy Team and defined our Circular Economy Strategy in detail, which means that since the second half of 2020 the strategy is already being implemented rapidly in operational projects. We are confident that by injecting the necessary insistence and speed into the work in this area, we will make a contribution to a circular economy. The many awards won by our products prove this. The Worldstar Global Packaging Award, which was won for a particularly sustainable product in the “Household” category, is especially noteworthy.

Greiner Bio-One International (GBO)

The performance and current situation of Greiner Bio-One International GmbH as the senior company is of course heavily impacted by the performance of its subsidiaries, operating both domestically and abroad, especially since it controls and influences all its subsidiaries.

The Company's sales revenue in financial year 2020 was EUR 13,729,000 (prior year: EUR 12,923,000), exceeding the prior year total by EUR 806,000, which was almost exclusively earned from supplying Group companies. This includes sales revenue from services as well as rents and leases.

Operating earnings fell by EUR 1,086,000 in a year-on-year comparison to EUR -812,000 (previous year EUR 274,000).

Income from investments increased compared to the prior year by EUR 16,000,000. Earnings before tax were EUR 34,042,000 higher than the prior year figure of EUR 30,385,000. EUR 16,000,000. The extraordinary result in financial year 2020 is primarily due to the successful development and marketing of products relevant to COVID-19, a high level of capacity utilisation, successful cooperation with major customers and a positive growth in margins, based on changes in the product mix of our subsidiaries.

Total assets fell in 2020 to EUR 185,695,000 (prior year EUR 193,782,000).

NEVEON (formerly: Greiner Foam International)

In financial year 2020, NEVEON (formerly: Greiner Foam International) generated sales of EUR 394 million (FY 2019 EUR 401 million). During this year, NEVEON employed over 3,600 people at 62 locations in 17 countries. Despite challenging economic conditions – salient points being the coronavirus pandemic and a scarcity of raw materials – NEVEON was able to some extent to maintain or even further expand its current market position over the past financial year.

The completed takeover of Eurofoam and the related transformation of Greiner Foam International into NEVEON, a world-leading integrated foam group, marked the high point in the history of the Greiner foam division so far. Thanks to this strategically important step, NEVEON was able to further expand its leadership position and can now offer almost anything that can be made from foam with the three new business divisions “Living & Care”, “Mobility” and “Specialties”.

Apart from the Eurofoam takeover, the coronavirus pandemic and its associated economic effects, combined with supply bottlenecks and at times dramatic price increases in isocyanates and polyols, were the main themes of 2020. NEVEON’s diversification in terms of both products and markets has proved its worth in this turbulent period and contributed to the Company’s favourable growth. While the aviation sector was hit hard by the coronavirus and we also came under pressure in the automotive sector, we were able to enjoy full order books and very good sales in the comfort foams sector, after a good first quarter and then a 3-month coronavirus shock freeze. The specialties sector also performed positively thanks to solid demand for heat insulation, footstep sound insulation and in the construction industry.

Greiner Extrusion Group (GEG)

The Greiner Extrusion division ended this financial year with significantly lower operating earnings than the prior year. Due to the COVID-19 pandemic, temporary works closures by numerous customers, and customers’ strong reluctance to invest, the Greiner Extrusion division faced a sharp drop in order intake, and therefore a drastic drop in capacity utilisation, especially in the second and third quarters of 2020. The core business of “window profile extrusion products” was primarily affected. Nevertheless, sales increased by 0.5% in value compared to the previous year.

The 2020 financial year includes subsidies for reduced working hours. In order to maintain earnings, cost reductions and postponement of projects were consistently applied in all areas.

Thanks to increased demand in the DIY segment, the technical profile area did not show any major fall off in orders in the past financial year. Greiner Extrusion, Inc. (US) was even able to turn in the best year in the Company's history, helping to partially compensate for loss of sales in other countries. The film and sheet dies segment (Simplas S.p.A.) was largely spared by the crisis. The effects of COVID-19 were only noticeable in the form of delivery delays in the supply area.

Furthermore, the project for “Relocation of the mid-quality MPT tool from China to Austria and the Czech Republic” was started in financial year 2020.

Branch offices

Greiner AG does not have any branches.

Financial and non-financial performance indicators

KPI	Calculation formula	Unit	2020	2019	2018
Sales revenue	from Income Statement	EUR ‘000	22,723	20,999	18,694
EBIT	from Income Statement	EUR ‘000	35,477	34,144	30,878
Equity ratio	Equity * 100 / Total assets	%	49.9	76.3	63.2
Cash flow from earnings		EUR ‘000	1,567	-9,142	-7,120
Number of employees (FTEs)	Average		114	102	89
Investments		EUR ‘000	192,158	6,925	4,327

Employee development, training and continuing education

Employee team expanded

The average number of employees (FTEs) at Greiner AG has increased from 102 to 114. This number includes 3 apprentices and 8 trainees. Overall, the number of employees increased by 11.8% (prior year: 14.6%).

Education and training

For many companies, it has become difficult to hire suitable qualified personnel. The “war for talent” has spread to Greiner. Therefore, training and development within the Company is particularly important. With the Greiner Campus, which opened in 2019, and its state-of-the-art training workshop, we are clearly committed to the Kremsmünster site on the one hand, and on the other hand already creating an appropriate framework for the next generation of skilled workers.

The Greiner Academy exists as a Company-wide facility that offers Greiner AG employees internal education and further training opportunities.

As part of the GEM programme (Greiner Expert & Management Succession), we target selected up-and-coming young managers to help them up the next step on the career ladder.

A graduate trainee programme supplements the training within the Company: for 18 months, the participants get to know the Group and its different divisions and departments comprehensively, and gain initial project experience at Greiner.

Employees benefit

Greiner AG offers a wide range of social benefits for its employees. We mention, just as an example, the Greiner Krabbelstube, where infants and young children aged from one year up to kindergarten age are looked after for half-days.

There are also profit sharing plans for employees, as well as a wide range of services, flexible working hours and discounts on offer at the Greiner Campus.

Environmental aspects

Companies that operate globally need to be aware of their responsibility to the environment and to future generations. Greiner AG is well aware of this, and can draw on years of experience of working with recycling technologies, as well as sustainable treatment of the environment and resources.

In 2019, for the first time in Greiner's history, a sustainability report was published and sets clear goals and values for each of the divisions: In addition to a more efficient energy policy and the greater use of recyclates within the Company, we also have a higher percentage of women in management positions. In 2021, the next report will follow and show our progress in achieving goals.
A sustainability platform has been created for producers, customers and recycling companies to study efficient packaging, and we joined the Alliance to End Plastic Waste. These are just two points from the list of Greiner's numerous efforts to deal with our responsibility to our planet.

Report on the Company's anticipated trends and risks

Greiner AG expects to further increase its sales revenue in 2021. This is no easy undertaking, given the only moderate growth in the European economy for several years, the volatile currency markets and the effects of the COVID-19 pandemic, which has not only affected individual business areas, but above all, also our customers. However, Greiner is benefitting from its geographical spread and product diversity. Our name and reputation have also been established for years and make long-term customer relationships possible. Since the Company mainly produces for the local market in individual countries, we are for the most part unaffected by import tariffs and trade barriers.

Given the backdrop of the still ongoing coronavirus crisis, however, any forecast must have a high level of planning uncertainty associated with it. Based on the current market position, management expects a positive growth in demand over the medium and long term.

Political and economic risks in 2021

The economic consequences of the COVID-19 pandemic are serious worldwide. In order to save the economy, countries have burdened themselves with high levels of debt. In 2021, the main intention is to bring about a return to healthy growth and prosperity.
However, it is also expected that this recovery will only start late in this year. It will take months before vaccinations have an effect, and the millions of people who have slipped into unemployment can climb out of it again.

The plans drawn up by the major central banks, the FED (Federal Reserve System) in the US and the ECB (European Central Bank) in Europe were successfully thwarted by what happened in 2020. Due to the enormous increase in demand for capital from states worldwide, the banks will also have to maintain their expansive monetary policy over the coming years, which means very little change to low and negative interest rates.
Government debt will therefore remain unchanged. It will take some time before we can return to the values of 2019.

Despite an at times negligent handling of the pandemic, the US economy is likely to return to pre-crisis levels by the end of 2021. The policy of incoming President Joe Biden will aim predominantly to relieve the situation for parts of the population with low incomes, and thereby stimulate the economy.
However, any further lockdown would destroy these forecasts and any upward trend.

China has probably been the most effective in fighting the virus so far. In the Middle Kingdom, a V-shaped recovery is expected in 2021.

What remains uncertain is how the tense relationship between Asians and Americans will develop, and above all what will remain of Donald Trump's trade war.

The Eurozone is still affected by various lockdowns and rising infection figures, which means that consumer demand in the coming year will be very cautious, at least for the first few months. However, the economy should have recovered by the end of the year, particularly thanks to national and EU-wide fiscal policy interventions.

Economic growth of approximately 4.5% is expected for Europe (Germany 4.0%), 3.6% for the USA and about 7.5% for China. The global economy should therefore be able to grow by about 5.4%.

Contingent liabilities

In certain cases, Greiner AG guarantees the bank borrowings of its subsidiaries.

Significant risks and uncertainties

2020 was all about the novel COVID-19 virus. The aim was to maintain supply chains and avoid losing production shifts by applying stricter hygiene measures.
2021 will start with a new lockdown. We will only know after the next few months how the infection figures will change, whether the vaccinations will work or if a new lockdown will be necessary.

Risk management

Risk management at Greiner AG is being continuously reviewed and is summarised in a manual. The ICS (internal control system) also undergoes continuous improvement.

Internal audits, which are carried out at several selected locations per year, help to reduce risks and set modern standards that guarantee consistent quality throughout the Group.
In 2021, there are plans to catch up on those audits that were unable to take place due to the 2020 crisis.

Procurement market risks

The Greiner AG companies are mainly dependent on the movements in prices of raw materials and energy. There is hardly any potential for long-term hedging in these areas. This risk is countered by seeking out new suppliers and, where possible, alternative or recycled raw materials for production.

Market risks

A strong feature of Greiner AG's divisions is their strong diversification, which allows us to minimise the risks in sales markets.

Credit risk

Customer credit risk has remained stable. Greiner AG maintains a comprehensive information system on a monthly basis for banks, supervisory boards and shareholders. The open and transparent communication of all relevant economic data is a fundamental prerequisite for a trusting relationship with our investors.

Currency risks

The constantly changing competitive situation arising from currency fluctuations (transaction risks) can only be countered in the medium term by setting up production operations in each separate economic area. For example, this is the case in Eastern Europe, where the reduction of the currency risk through natural hedging has already been achieved to a high degree. This means that customer receivables in the local currency are primarily offset by supply liabilities, as well as financing, all in the same currency. This minimises the transaction risks.

Interest rate risks

Greiner AG attaches great importance to a balanced ratio between variable and fixed interest-bearing liabilities, where preference is given to a fixed interest structure, especially in the long-term area.

Use of financial instruments

Original financial instruments are trade receivables and payables (trading transactions), to which financial receivables and liabilities are added. An inventory of this can be found in the balance sheet and the notes to the accounts.
In the case of orders of significant magnitude, derivative hedging instruments (forward exchange transactions or currency and interest rate swaps) are used to hedge individual cases against currency and interest rate movements.

Opportunities

Opportunities arising from the growth strategy

Investments in expanding capacity and modernisation should also enable Greiner in the future to continue to meet the growing demand for its products while maintaining high quality standards.
In addition, efforts are being made to further expand our international presence through acquisitions and their integration into the Company. This should continue to have a positive effect on Greiner's sales revenue and earnings and ensure long-term success.
Sales declines are not expected to occur in the coming year with the continuation of the pandemic in 2021. The Greiner Group is too heavily diversified for this.

Opportunities through employees

The GEM (Greiner Expert & Management Succession) programme encourages the targeted promotion and further development of employees. This process is intended to quite deliberately identify key positions in the individual divisions and train up suitable successors and representatives. In addition to actively managing risk prevention, this should also result in an increase in employee motivation. Greiner will continue to support and move forward with this form of targeted development of personnel, moving them into taking on expert roles.

<u>Report on research and development</u>

Innovation is a key success factor in the European and international environment. In order to open up new opportunities for Greiner AG, research and development will be further internationalised, and collaboration with external research institutes and companies will gain a stronger focus.

Greiner AG’s combined innovative strength has been bundled into GTI (Greiner Technology and Innovation) since September 2013. However, the business divisions also have their own R&D departments and seek advice from external partners and consultants as needed.

Kremsmünster, 15 March 2021

Management Board

[Signature]	[Signature]
Dipl.-Bw. Axel Kühner	Mr Hannes Moser

Cash flow statement

	2020 EUR '000	2019 EUR '000
Net cash flow from current business activities:		
Net income for the year	57,721	37,498
+ Amortisation and depreciation of intangible and tangible fixed assets	2,821	3,008
- Release of investment grants	-23	-17
+ Losses/gains from the disposal of financial assets	2,496	57
+ Adjustments to long-term provisions	324	1,919
- Losses/gains from the disposal of other assets	-184	-7
- Paid dividends or dividends still to be paid	-61,500	-50,308
- Changes in deferred tax	-87	-1,292
Cash flow I	*1,567*	*-9,142*
- Changes in inventories	-29	-166
+/- Changes in trade receivables	53	-27
+ Changes in receivables from affiliated and associated companies	29,746	43,435
- Changes in other assets and accruals and deferrals	-815	-260
+ Changes in trade payables	326	56
+ Changes in liabilities to affiliated and associated companies	37,088	701
+ Changes in other short-term provisions	7,742	410
-/+ Changes in other short-term liabilities	-179	146
	73,931	*44,296*
Operating cash flow	**75,499**	**35,154**
Net cash flow from investment activity:		
- Investments in intangible and tangible fixed assets	-2,362	-6,914
+ Receipts from the disposal of intangible and tangible fixed assets	43	42
+ Receipts from the disposal of financial assets	0	3,041
- Investments in financial assets	-189,796	-11
Cash flow from investing activities	**-192,115**	**-3,841**
Free cash flow (carried forward)	**-116,616**	**31,312**

	2020 EUR '000	2019 EUR '000
Carried forward:	**-116,616**	**31,312**
Net cash flow from financing activities:		
- Dividend payments	-16,304	-11,604
+/- Changes in receivables and liabilities from Group financing	33,900	-2,650
+/- Changes in long-term financial liabilities	165,375	-11,750
- Changes in short-term financial liabilities	-2,231	-5,312
Cash flow from financing activities	**180,740**	**-31,316**
Changes in cash and cash equivalents	**64,124**	**-3**
Opening balance cash and cash equivalents	46	49
Closing balance cash and cash equivalents	**64,170**	**46**

Breakdown of significant items in the annual financial statements

Balance sheet

Financial assets

	EUR
As of 1 January 2020	121,826,377,48
Acquisitions	189,796,539,40
Write-downs	-3,550,000.00
As of 31 December 2020	**308,072,916.88**

The **acquisitions** relate in particular to the purchase of the remaining shares in Eurofoam GmbH, which were subsequently transferred to NEVEON Holding GmbH (formerly: Greiner Foam International GmbH).

The **write-downs** relate to both Greiner Extrusion Group GmbH and Greiner Technology & Innovation GmbH.

The **portfolio** of financial assets as at 31 December 2020 is made up of the following:

	Shareholdings %	Book value EUR
Shares in affiliated companies:		
Greiner Bio-One International GmbH, Kremsmünster	99.999	27,891,188.44
NEVEON Holding GmbH (formerly: Greiner Foam International GmbH), Kremsmünster	100.000	211,503,086.77
Greiner Packaging International GmbH, Kremsmünster	100.000	24,474,925.05
Greiner Extrusion Group GmbH, Kremsmünster	100.000	14,285,262.88
Greiner Real Estate GmbH, Kremsmünster	100.000	10,745,021.83
Greiner Perfoam GmbH, Kremsmünster	100.000	6,973,368.86
Greiner GmbH, Nürtingen, Germany	100.000	1,915,636.63
Greiner Technology & Innovation GmbH, Kremsmünster	100.000	785,000.00
Greiner Enterprise Management Consulting (Beijing) Co. Ltd., Beijing, China	100.000	117,213.67
Greiner Group Services s.r.o., Slusovice, Czech Republic	100.000	14,999.00
		298,705,703.13
Shareholdings:		
Greiner AG & Co. KG	0.250	**7,267.28**
Securities (book-entry securities) held as fixed assets:		
Assets for reinsurance		506,838.30
Other securities		8,853,108.17
		9,359,946.47
		308,072,916.88

[logo:] KSW CHAMBER OF ACCOUNTANTS AND AUDITORS

General Terms and Conditions of Engagement for the Accounting and Auditing Professions (AAB 2018)

Recommended by the Board of the Chamber of Accountants and Auditors, most recently in a resolution dated 18/04/2018

Preamble and General Information

(1) An engagement within the meaning of these Terms and Conditions refers to any contract for the provision of services by a person authorised to practice an accounting or auditing profession (de facto activities as well as providing or performing legal transactions or legal acts, in each case within the framework of Sections 2 or 3 of the Austrian Accounting and Auditing Professions Act (Wirtschaftstreuhandberufsgesetz) of 2017 (WTGB 2017). The parties to the engagement are hereinafter referred to as the "Contractor" and the "Client").

(2) These General Terms and Conditions of Engagement for the Accounting and Auditing Professions are divided into two parts: The Terms and Conditions of Engagement in Part I apply to engagements where the awarding of engagements is part of the operations of the Client's company (an entrepreneur within the meaning of the Austrian Consumer Protection Act [Konsumentenschutzgesetz, KSchG]). They also apply to consumer transactions in accordance with the Consumer Protection Act (Federal Act dated 08/03/1979/Federal Gazette No. 140, as amended), insofar as Part II does not provide otherwise for such transactions.

(3) In the event that any individual provision should prove to be invalid, it will be replaced by an effective provision that comes as close as possible to the intended objective.

PART I

1. Scope and performance of the engagement

(1) The scope of the engagement is generally based on a written agreement between the Client and the Contractor. If there is no detailed written agreement, (2)-(4) will apply in case of doubt:

(2) When contracting for tax accountancy services, the consulting activity includes the following activities:
a) Preparing the annual tax returns for income or corporation tax, as well as VAT on the basis of the annual financial statements to be provided by the Client or (if so agreed) prepared by the Contractor, and other statements and documentary evidence required for taxation. Unless expressly agreed otherwise, the Client shall provide the necessary statements and evidence for tax purposes.
b) Examining the tax rulings concerning the declarations referred to under a).
c) Negotiating with the tax authorities in connection with the declarations and rulings mentioned under a) and b).
d) Participating in tax audits and evaluating the results of company audits relating to the taxes mentioned under a).
e) Participating in appeal proceedings relating to the taxes mentioned under a).
If the Contractor receives a flat-rate fee for ongoing tax advice, the activities listed under d) and e) must be paid separately, unless otherwise agreed in writing.

(3) If the preparation of one or more annual tax return(s) forms part of the accepted engagement, this will not include the review of any special accounting requirements or a review of whether all possible tax reliefs, in particular those available under VAT law, have been claimed, unless there is an explicit and written instruction in this regard.

(4) In any case, any obligation to provide other services under Sections 2 and 3 WTBG 2017 shall require a separate contract.

(5) The above paragraphs (2) to (4) do not apply to expertise activities.

(6) There are no obligations on the Contractor to provide services, warnings or clarifications beyond the scope of the contract.

(7) The Contractor may use suitable employees and other vicarious agents (subcontractors) for the performance of the engagement, as well as substitute a professionally qualified person for themselves during the performance of the engagement. "Employees" within the meaning of these Terms and Conditions refers to all persons who assist the Contractor on a regular or permanent basis in their business activity, irrespective of the legal basis that exists.

(8) The Contractor is only requited to take account of Austrian law when providing their services; foreign legislation will only be taken into account if expressly agreed in writing.

(9) If the legal situation changes after the submission of the final written and verbal professional opinions, the Contractor is not obliged to inform the Client of the changes or of their consequences. This applies equally to completed parts of an engagement.

(10) The Client shall take steps to ensure that the data they provide may be processed by the Contractor when providing services. In this case, the Client must in particular, but not only, observe the data protection and labour law provisions that apply.

(11) If the Contractor files a submission electronically with a public administration, it is acting only as the messenger – unless explicitly agreed otherwise – and this will not constitute any declaration of intent or knowledge on their part, or on the part of any authorised representative making the submission.

(12) The Client shall employ persons who are or were employees of the Contractor either during the contractual relationship or within one year from the end of the contractual relationship, either in their company or in a company related to them. Otherwise, they shall pay the Contractor the equivalent of one year's salary of the acquired employee.

2. Client's obligation to provide information; declaration of completeness

(1) The Client shall ensure that all documents needed to complete the engagement are provided to the Contractor without special request on the agreed dates, and in good time if no such date exists, and that the Contractor is informed of all events and circumstances that may be of significance for the performance of the engagement. This also applies to any documents, events and circumstances that only become known in the course of the Contractor's activity.

(2) The Contractor may assume that the information and documents the Client provides to it, in particular numerical information, are correct and complete and use them as the basis for the engagement. The Contractor is not obliged to detect inaccuracies, unless under a separate engagement in writing. This also applies, in particular, to the accuracy and completeness of invoices. However, if the Contractor does find inaccuracies, they must inform the Client of these. They must protect the rights of the Client in any criminal financial proceedings.

(3) The Client must confirm to the Contractor in writing the completeness of the submitted documents, as well as of the information and statements provided in relation to audits, expert opinions and other expert activities.

(4) If significant risks were not disclosed by the Client during the preparation of the annual financial statements and other financial statements, the Contractor is under no obligation to pay compensation in respect of these if the risks materialise.

(5) Dates and schedules specified by the Contractor for the completion of the Contractor's products or parts thereof are best estimates and, unless otherwise agreed in writing, are not binding. The same applies to any estimates of fees: these are provided to the best of their knowledge; however, they are never binding.

(6) The Client must provide the Contractor with up-to-date contact details (in particular a delivery address). The Contractor may rely on the validity of the contact details last provided by the Client until new contact details are provided, in particular they may deliver items to the most recent address provided.

3. Ensuring independence

(1) The Client shall take all necessary precautions to prevent the independence of the Contractor's employees from being jeopardised, and shall itself refrain from any action that may put this independence at risk. This applies in particular to offers of employment and offers to take over engagements on their own account.

(2) The Client acknowledges that any of their personal data that is necessary for this purpose, together with the type, scope and timing of the provision of the services agreed between the Contractor and the Client (both audit and non-audit services), may be processed in a network to which the Contractor belongs, and may be transmitted overseas to other members of this network for the purpose of checking the existence of any grounds for bias or exclusion as well as the existence of conflicts of interest. For this purpose, the Client expressly releases the Contractor from its duty of confidentiality under the Data Protection Act and in accordance with Section 80 (4) no. 2 WTBG 2017. The Client may revoke this release from the duty of confidentiality at any time.

4. Reporting and communication

(1) (Reporting by the Contractor) Unless otherwise agreed, a written report must be delivered for audits and expert opinions.

(2) (Communication with the Client) All engagement-related information and opinions, including reports (all statements of current knowledge) made by the Contractor, its employees, other vicarious agents or substitutes ("professional statements") are only binding once they are made in writing. Professional statements in electronic file formats that are made, transmitted or confirmed by fax or email or by using similar forms of electronic communication (capable of being stored and reproduced, and not spoken, i.e. SMS but not telephone) are deemed to be in writing; this applies exclusively to professional statements. The Client shall bear the risk of professional statements being made by unauthorised persons, and the Contractor shall bear the risk of their transmission.

(3) (Communications with the Client) The Client hereby agrees that the Contractor may use electronic communication with the Client (e.g. email) in unencrypted form. The Client declares that it is aware of the risks associated with the use of electronic communication (in particular access, confidentiality, alteration of messages during transmission). The Contractor, its employees, other vicarious agents or substitutes shall not be liable for damages caused by the use of electronic means of communication.

(4) (Communication with the Contractor) The receipt and forwarding of information to the Contractor and its employees cannot always be guaranteed when using the telephone – in particular in combination with automatic answering systems, fax, email and other forms of electronic communication. Engagements and important information are therefore only deemed to have been received by the Contractor if they have also been received physically (not verbally, by phone, or electronically), unless receipt is explicitly confirmed in individual cases. Automatic confirmation of transmission and reading are not accepted as being explicit confirmations of receipt. This applies in particular to the transmission of tax rulings and other information about deadlines. Critical and important notifications must therefore be sent to the Contractor by post or courier. The handover of documents to employees outside of the firm's offices does not count as delivery.

(5) (General) In writing, unless otherwise defined in Item 4 (2), means the written form as defined in Section 886 of the Austrian Civil Code (Allgemeines bürgerliches Gesetzbuch, ABGB) (confirmed by signature). An advanced electronic signature (Art. 26 eIDAS Regulation (EU) No. 910/2014) meets the requirement of being in writing within the meaning of Section 886 ABGB (confirmed by signature), provided this is within the scope of the parties' agreement.

(6) (Advertising information) The Contractor shall send the Client general tax law and general commercial law information electronically (e.g. by email) on a regular basis. The Client acknowledges that it has the right to object to the sending of direct advertising at any time.

5. Protection of the Contractor's intellectual property

(1) The Client shall ensure that the reports, expert opinions, organisational plans, drafts, drawings, calculations and similar created by the Contractor within the framework of the engagement are used only for the purposes of the engagement (e.g. under Section 44 (3) of the Personal Income Tax Act [Einkommensteuergesetz, EStG] of 1988). In addition, the transfer of either written or verbal professional statements by the Contractor for use by a third party requires the Contractor's written consent.

(2) The use of either written or verbal professional statements by the Contractor for advertising purposes is not permitted; a violation entitles the Contractor to terminate without notice all engagements with the Client not yet carried out.

(3) The Contractor retains the copyright to its services. Granting permission for the use of their work requires written consent from the Contractor.

6. Rectification of defects

(1) The Contractor is entitled and obligated to eliminate any inaccuracies and defects found subsequently in its written and verbal professional statements, and undertakes to inform the Client immediately. The Contractor may also inform third parties of changes to the original professional statement.

(2) The Client is entitled to have inaccuracies eliminated free of charge, insofar as they are the responsibility of the Contractor; this right expires six months after the Contractor has completed its services or – if no written professional statement is provided – six months after the end of the Contractor's contested activity.

(3) In the event of a failure to rectify defects, the Client is entitled to a reduction in price. Insofar as claims for damages exist beyond this, Item 7 will apply.

7. Liability

(1) Any liability arrangements apply to all disputes in connection with the contractual relationship, irrespective of their legal basis. The Contractor will only be liable for damages in connection with the contractual relationship (including its termination) in the event of intent and gross negligence. Section 1298 sentence 2 ABGB will not apply.

(2) In the event of gross negligence, the Contractor's obligation to pay compensation will not exceed ten times the minimum sum insured by professional liability insurance under Section 11 of the Austrian Accounting and Auditing Professions Act of 2017 (WTBG 2017), as amended.

(3) The limitation of liability in Item 7 (2) refers to each individual claim. An individual claim includes all consequences of a breach of duty, regardless of whether damage occurred in one or in several consecutive years. In such cases, multiple actions or omissions based on the same or similar sources of error are considered to be a single breach of duty if the matters in question are legally and economically linked to each other. Single damages remain individual cases of damage, even if they are based on multiple breaches of duty. Furthermore, except in the case of intentional damage, the Contractor's liability excludes loss of earnings and accompanying, consequential, ancillary or similar damages.

(4) Any claim for damages may only be asserted in court within six months from the time that the claimant becomes aware of the damage, but at the latest within three years from the occurrence of the (primary) damage following the event on which the claim is based, unless other limitation periods are stipulated in statutory provisions.

(5) In the event that Section 275 UGB applies (based on the elements of the case), its liability standards will also apply if several persons were involved in the performance of the engagement, or several actions requiring compensation have been committed, and regardless of whether the other parties involved acted intentionally.

(6) In cases where a formal audit certificate is issued, the limitation period begins at the latest with the issue of the audit certificate.

(7) If the activity is carried out with the involvement of a third party, e.g. a data processing company, existing or new warranty and compensation claims against the third party are deemed to be assigned to the Client with notification of the Client in accordance with the law or contract. Without prejudice to Item 4 (3), the Contractor is liable in this case only for their fault in the selection of the third party.

(8) Any liability of the Contractor towards third parties is excluded in any case. If third parties come into contact with the work of the Contractor in any form whatsoever via the Client, the Client must expressly inform the former of this fact. Insofar as such an exclusion of liability is not legally permissible, or liability towards third parties has, in an exceptional case, been assumed by the Contractor, these limitations of liability also apply subsidiarily to third parties. In any case, third parties may not assert claims that go beyond any claim by the Client. The maximum level of liability applies in total only once to all injured parties, including compensation claims by the Client itself, even if several persons (the Client and one or more third parties) have been injured; injured parties shall be compensated only after they come forward. The Client shall indemnify and hold harmless the Contractor and its employees against all claims by third parties in connection with the transmission of written and verbal professional statements from the Contractor to these third parties.

(9) Item 7 shall also apply to any liability claims by the Client in connection with the contractual relationship with third parties (vicarious agents of the Contractor) and substitutes of the Contractor.

8. Duty of confidentiality, data protection

(1) In accordance with Section 80 WTBG 2017, the Contractor shall maintain confidentiality with regard to all matters that become known to it in connection with its work for the Client, unless the Client releases them from this duty of confidentiality or legal obligations to disclose the information apply.

(2) Insofar as it is necessary to pursue claims by the Contractor (particularly claims for fees) or to dispute claims against the Contractor (particularly claims for damages by the Client or third parties against the Contractor), the Contractor will be released from its professional duty of confidentiality.

(3) The Contractor may only hand over reports, expert opinions and other written professional statements about the results of its work to third parties with the consent of the Client, unless there is a legal obligation to do so.

(4) The Contractor is the data protection controller within the meaning of the General Data Protection Regulation ("GDPR") with regard to all personal data processed within the context of the engagement. The Contractor is therefore authorised to process personal data entrusted to it within the scope of the engagement. Materials provided to the Contractor (whether on paper or data media) will generally be handed back to the Client or to third parties named by the Client at the end of the provision of relevant services, or they will be stored or destroyed by the Contractor if this has been agreed separately. The Contractor is entitled to keep copies of these if it requires them for the proper documentation of its services or if it is legally required to do so or it is customary in the profession.

(5) Insofar as the Contractor supports the Client in fulfilling the Client's obligations to data subjects as data controller for data protection purposes, the Contractor may charge the Client for the actual costs incurred. The same applies to the costs incurred for information relating to the contractual relationship that is passed to third parties after release from the duty of confidentiality by the Client in relation to such third parties.

9. Withdrawal and notice period ("termination")

(1) The notification of termination of an engagement must be made in writing (see also Item 4 (4) and (5)). The expiration of an existing power of attorney does not result in the termination of the engagement.

(2) Unless otherwise agreed in writing or required by law, the contracting parties may terminate the contract at any time with immediate effect. Any claim for remuneration is determined under Item 11.

(3) However, unless otherwise agreed in writing, an ongoing engagement (fixed-term or open-ended engagement for, but not limited to, the provision of recurring individual services, also with a flat fee) may only be terminated without a compelling reason with a notice period of three months ("termination period") at the end of any calendar month.

(4) After the termination of an ongoing engagement has been notified, only those remaining individual jobs by the Contractor (assignments to be completed) whose complete performance is (generally) possible within the termination period must be completed, unless otherwise agreed below, provided this is notified to the Client in writing within one month from the start of the termination period as defined in Item 4 (2). The assignments to be completed must be completed within the termination period, provided that all necessary documents are provided in good time and unless there is due cause that prevents this.

(5) If more than 2 similar jobs usually only to be performed once per year (e.g. annual financial statements, tax returns, etc.) are to be completed for an ongoing engagement, then any jobs over and above these two are only counted as part of the assignments to be completed with the express consent of the Client. This circumstance, should it exist, must be expressly pointed out to the Client in the notification under Item 9 (4).

10. Termination in the event of a delay in acceptance and failure to cooperate on the part of the Client, and legal obstacles to performance

(1) If the Client delays the acceptance of the service proposed by the Contractor, or if the Client fails to cooperate as required under Item 2 or in other respects, the Contractor may terminate the contract without notice. The same shall apply if the Client demands (even partially) the performance of the engagement in a manner, which, in the legitimate view of the Contractor, does not comply with legal requirements or professional standards. Their right to remuneration is determined according to Item 11. Delay in acceptance and/or failure to cooperate on the part of the Client will also justify the Contractor claiming compensation for additional expenses that result from this, as well as the damage caused if the Contractor does not exercise its right of termination.

(2) In the case of contracts for bookkeeping, personnel payroll processing and administration and assessment of payroll-related taxes and contributions, termination without notice by the Contractor in accordance with Item 10 (1) is permitted if the Client demonstrably fails to comply with its obligation to cooperate in accordance with Item 2. (1) on two occasions.

11. Right to remuneration

(1) If the performance of the engagement is not completed (e.g. due to withdrawal or termination), the Contractor shall nevertheless be paid the agreed remuneration (fee) if the Contractor was ready to perform it and was prevented from doing so due to circumstances caused by the Client, whereby merely contributory negligence on the part of the Contractor is to be disregarded; in this case, the Contractor does not need to take into account the amount it earned or failed to earn through deployment of itself or its employees elsewhere.

(2) On termination of an ongoing engagement, the agreed remuneration for the assignments to be completed will be due if they are completed, or if they are not completed for reasons attributable to the Client (see Item 11. (1)). Agreed flat-rate fees will be calculated based on the services rendered up to that point.

(3) If the Client fails to cooperate and the assignment cannot be carried out as a result, the Contractor may also set a reasonable grace period on the understanding that, if this grace period expires without results, the contract will be deemed ineffective and the consequences indicated in Item 11. (1) will apply.

(4) If the Client does not observe the termination period under Item 9. (3) and the contract is terminated by the Contractor in accordance with Item 10. (2), the Contractor remains entitled to the full fee for three months.

12. Fees

(1) Unless the parties explicitly agreed that the services would be rendered free of charge, an appropriate remuneration is always owed under Section 1004 and Section 1152 ABGB. The amount and type of the Contractor's right to a fee derive from the agreement concluded between the Contractor and its Client. Unless another agreement can be shown to have been made, payments by the Client must always be applied to the oldest outstanding debt.

(2) The smallest chargeable unit of work is a quarter of an hour.

(3) Travel time will also be charged as necessary.

(4) Review of documents in the Contractor's own office, which may be necessary as preparatory work for the Contractor depending on the type and scope, may be charged separately.

(5) If, due to special unforeseen circumstances, or due to special demands by the Client, a fee that was already agreed proves to be inadequate, the Contractor shall inform the Client of this and renegotiations must be conducted to agree an appropriate fee (including in the case of inadequate flat-rate fees).

(6) The Contractor shall also charge supplementary costs and VAT. For example, but not exhaustively, in the following (7) to (9):

(7) Chargeable supplementary costs include cash expenses either based on receipts or fixed rate, travel expenses (for first class train travel), daily expenses, mileage allowances, copying costs and similar supplementary costs.

(8) In the case of special liability insurance requirements, the relevant insurance premiums (including insurance tax) are included as supplementary costs.

(9) Other supplementary costs include personnel and materials costs for the preparation of reports, expert opinions, etc.

(10) For the performance of an engagement the completion of which has been assigned to several contractors jointly, each contractor shall invoice their own remuneration for their activity separately.

(11) Unless agreed otherwise, fees and advance payments are due immediately after they have been billed in writing. Default interest may be charged where payment is made more than 14 days after the due date. In the case of business-to-business transactions, default interest shall apply at the rates defined in Section 456 sentences 1 and 2 UGB.

(12) The statute of limitations is based on Section 1486 ABGB and starts from the end of the performance of the service, or from invoicing within an appropriate time limit at a later date.

(13) Objections to invoices can be raised in writing with the Contractor within four weeks of the invoice date. Otherwise, the invoice is deemed to be accepted. The inclusion of an invoice in the books of account is always deemed to be an acknowledgement.

(14) The application of Section 934 ABGB (Austrian Civil Code) within the meaning of Section 351 UGB, i.e. rescission for laesio enormis (lesion beyond moiety) between businesses, is waived.

(15) If a flat-rate fee is agreed for engagements relating to bookkeeping, personnel payroll processing and administration and assessment of payroll-related taxes and contributions, unless otherwise agreed in writing, any representation in matters concerning all types of tax audits and audits of payroll-related taxes and social security contributions, including the negotiation of settlements on tax assessment or contribution bases, reporting, legal remedies, etc., are to be invoiced separately. Unless otherwise agreed in writing, the fee shall be deemed to have been agreed for one engagement year.

(16) The processing of special individual issues relating to the activities listed in Item 12. (15), particularly conclusions on the existence of compulsory insurance, shall only be done on the basis of a specific engagement.

(17) The Contractor may demand corresponding advances, and may make its (continued) activity dependent on the payment of these advances. In the case of ongoing engagements, the provision of further services may be refused until the payment is made for earlier services (as well as any advance payments in accordance with sentence 1). This shall apply mutatis mutandis to the provision of partial services and unpaid partial remuneration.

(18) Any complaints about the work of the Contractor, except in the case of obvious material defects, will not create any entitlement to even a partial retention of the fees, other remuneration, cost reimbursements and advance payments (remuneration) to which the Contractor is entitled under Item 12.

(19) Offsetting the remuneration claims of the Contractor under Item 12 is only permitted for undisputed or legally established claims.

13. Other provisions

(1) In connection with Item 12. (17), we refer to the statutory right of retention (Section 471 ABGB, Section 369 UGB); if the right of retention is exercised incorrectly, the Contractor is fundamentally liable in accordance with Item 7, but in derogation of this, only up to the amount of the debt still outstanding.

(2) The Client has no right to claim the handover of the working papers and similar documents created by the Contractor while performing the engagement. In the case of engagement performance using electronic accounting systems, the Contractor may delete the data after handing over all data based thereon – which was prepared by the Contractor in relation to the engagement and which the client is obliged to keep – to the Client and/or the succeeding public accountant in a structured, common and machine-readable format. The Contractor is entitled to an appropriate fee (Item 12 applies mutatis mutandis) for the handover of this data in a structured, common and machine-readable format. If the handover of the data in a structured, common and machine-readable format is impossible or not feasible for special reasons, it may alternatively be handed over as a full printout. In this case, no fee is payable.

(3) At the request and expense of the Client, the Contractor must surrender all documents that it has received from the Client within the scope of its activities. However, this does not apply to correspondence between the Contractor and the Client, or to documents where the Client is in possession of the original, or to documents that are subject to a duty of retention under legal provisions for the prevention of money laundering that apply to the Contractor. The Contractor may make copies or photocopies of documents that the Contractor returns to the Client. If these documents have already been transmitted to the Client previously, the Contractor is entitled to an appropriate fee (Item 12 applies mutatis mutandis).

(4) The Client must collect the documents handed over to the Contractor within 3 months from completion of the work. In the event of non-collection of the provided documents, the Contractor may, after two documented requests to the Client to collect the documents, return them at the latter's expense and/or charge an appropriate fee (Item 12 applies mutatis mutandis). Such documents may also continue to be stored by third parties at the Client's expense. In addition, the Contractor will not be liable for the consequences of damage, loss or destruction of these documents.

(5) The Contractor may offset any billed fees due against any deposit balances, clearing funds, trustee funds or other liquid funds in its custody, even in the case of express custody, provided that the Client would have known that a counterclaim by the Contractor was likely.

(6) To secure an existing or future fee payable, the Contractor shall have the right to transfer to a trust account a balance held by the Client with the tax office or another balance held by the Client in connection with charges and contributions. In this case, the Client must be informed of the transfer. Thereafter, the secured amount can be collected either by agreement with the Client or when the fee becomes legally enforceable.

14. Applicable law, place of performance, place of jurisdiction

(1) Austrian law applies exclusively to the engagement, its performance and the claims arising from it, excluding national referral rules.

(2) The place of performance is the location of the Contractor's professional office.

(3) Unless otherwise agreed in writing, the place of jurisdiction is the competent court of the place of performance.

PART II

15. Supplementary provisions for consumer transactions

(1) The mandatory provisions of the Consumer Protection Act apply to contracts between consumers and accountants or auditors.

(2) The Contractor is only liable for intentional and grossly negligent breaches of the obligations assumed.

(3) In place of the standard limitation in Item 7 (2), the Contractor's liability to pay compensation is unlimited in the case of gross negligence.

(4) Item 6 (2) (period for right to correction of errors) and Item 7 (4) (asserting claims for damages within a certain period) do not apply.

(5) Right of withdrawal under Section 3 KSchG:

If the consumer has not made its contractual declaration at the permanent offices used by the Contractor, the consumer may withdraw from its contract application or from the contract. This withdrawal can be declared at any time up until the contract takes effect, or within one week thereafter; the period starts from the date of issuance a document to the consumer that includes at least the name and address of the Contractor, together with information about the right of withdrawal, but at the earliest upon conclusion of the contract. The consumer may not withdraw

1. if the consumer initiated the business relationship with the Contractor or its agent for the purposes of concluding this contract,

2. if the conclusion of the contract was not preceded by any discussions between the parties or their representatives, or

3. in the case of contracts for which mutual performance is required immediately, and they would normally be concluded by Contractors outside of their offices, and the agreed fee does not exceed EUR 15.

Withdrawal must be stated in writing in order to be legally valid. It is sufficient for the consumer to return a document containing the consumer's contractual declaration, or that of the Contractor, to the Contractor with a comment indicating that the consumer refuses to enter into or continue with the contract. It is sufficient if the declaration is sent within one week.

If the consumer withdraws from the contract under Section 3 KSchG (Consumer Protection Act),

1. the Contractor shall reimburse all considerations received from the date of receipt plus statutory interest, and reimburse any necessary and relevant expenses incurred by the consumer in relation to the matter,

2. the consumer shall compensate the Contractor for the value of the services provided, to the extent that they are clearly and predominantly of benefit to them.

Claims for damages remain unaffected in accordance with Section 4 (3) KSchG.

(6) Cost estimates under Section 5 KSchG:

For the preparation of a cost estimate by the Contractor within the meaning of Section 1170a ABGB, the consumer need only pay a fee if it was informed in advance of this payment obligation.

If the contract is based on a cost estimate by the Contractor, its accuracy is deemed to be guaranteed unless explicitly stated otherwise.

(7) Correction of defects: The following is added to Item 6:

If the Contractor is required under Section 932 ABGB to correct what it delivered or to add anything missing, it must fulfil this obligation at the place where the item was handed over. If it is in the interest of the consumer to have the work and the documents transferred by the Contractor, the consumer may carry out this transfer at the consumer's own risk and expense.

(8) Place of jurisdiction: The following applies instead of Item 14 (3):

If the consumer has its domicile or habitual residence within the country, or if the consumer is employed within the country, then only a court within whose jurisdiction the domicile, habitual residence or place of employment is located can be selected for an action against them according to Sections 88, 89, 93 (2) and 104 (1) of the Court Jurisdiction Act [Jurisdiktionsnorm, JN].

(9) Contracts for recurring services:

(a) Contracts in which the Contractor undertakes to perform work and the consumer undertakes to make repeated cash payments, and which are concluded for an indefinite period or a period exceeding one year, can be terminated by the consumer at the end of the first year, or at the end of each half year thereafter, in each case with the observance of a two-month notice period.

(b) If the total services form a whole that is indivisible in type, and its scope and price were defined at the time of conclusion of the contract, the first possible termination date can be postponed until the end of the second year. For such contracts, the notice period can be extended up to a maximum of six months.

(c) If the fulfilment of a specific contract of the type referred to in letter a) requires considerable expenses on the part of the Contractor, and if the Contractor has informed the consumer of this at the latest on signature of the contract, then other reasonable termination dates and notice periods that differ from those referred to in letters a) and b) may be agreed.

(d) Any termination by the consumer that is not notified in a timely manner will take effect on the next termination date after the expiry of the notice period.

Schedule 4 – Documents incorporated by reference in the Prospectus

Documents / Information	**Reference**
Information About the Target	
5.4 Recent Developments	Press release in relation to the completion of the acquisition of FoamPartner
5.4 Recent Developments	Press release in relation to the acquisition of the thermal insulation board business of Gór-Stal
5.4 Recent Developments	Press releases in relation to the Target's trading update for the first quarter 2021
5.4 Recent Developments	Press release in relation to the Target's annual results for 2020
5.7 Financial Information	The annual report of the Target for the year ending on 31 December 2020, for the following sections: • Financial statements, p. 130; • Auditor's report on the consolidated financial statements, p. 224
5.7 Financial Information	The annual report of the Target for the year ending on 31 December 2019, for the following sections: • Financial statements, p.138; • Auditor's report on the consolidated financial statements, p. 222
5.7 Financial Information	Press release of the Target in relation to the half-yearly financial results on 30 June 2020
5.7 Financial Information	Press release of the Target in relation to the yearly results for the year ending on 31 December 2020
5.7 Financial Information	Press release of the Target in relation to the trading update for the first quarter of the year 2021
5.7 Financial Information	Press release of the Target's revised full-year 2021 guidance
5.7 Financial Information	Press release of the Target in relation a trading update with regard to expected revenues for the first half of 2021
5.7 Financial Information	Press release of the Target in relation to the half-yearly financial results on 30 June 2021
5.9 Group Structure	The annual report of the Target for the year ending on 31 December 2020, p. 180-181

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