

FINANCIAL STATEMENTS

of Hawesko Holding Aktiengesellschaft for the 2017 financial year

CONSOLIDATED STATEMENT OF INCOME OF HAWESKO HOLDING AG, HAMBURG

(for the period from 1 January to 31 December 2017)

€ '000	Notes	1/1/-31/12/ 2017	1/1/-31/12/ 2016
SALES REVENUES	9.	506,993	480,930
Increase/decrease in finished goods inventories		-377	207
Other production for own assets capitalised		776	485
Other operating income	10.	24,169	24,799
Cost of purchased goods		-294,049	-276,487
Personnel expenses	11.	-57,348	-56,391
Depreciation/amortisation and impairment	12.	-8,155	-7,404
Other operating expenses	13.	-141,346	-136,468
Other taxes		-245	-52
OPERATING RESULT		30,418	29,619
Interest income	14.	72	72
Interest expense	14.	-675	-515
Other financial result	14.	-1,893	-1,770
Investment income	14.	849	918
EARNINGS BEFORE TAXES		28,771	28,324
Taxes on income	15.	-9,600	-8,893
CONSOLIDATED NET INCOME		19,171	19,431
of which attributable			
- to the shareholders of Hawesko Holding AG		18,474	18,542
- to non-controlling interests		697	889
Earnings per share (basic = diluted) (€)	16.	2.06	2.06

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF HAWESKO HOLDING AG, HAMBURG

(for the period from 1 January to 31 December 2017)

€ '000	1/1/-31/12/ 2017	1/1/-31/12/ 2016
CONSOLIDATED NET INCOME	19,171	19,431
AMOUNTS THAT CANNOT BE RECOGNISED AS PROFIT OR LOSS IN THE FUTURE	-31	-61
- Actuarial gains and losses from defined benefit plans, including deferred tax	-31	-61
AMOUNTS THAT MAY BE RECOGNISED AS PROFIT OR LOSS IN THE FUTURE	-20	39
- Effective portion of the gains/losses from cash flow hedges, including deferred tax	44	23
- Currency translation differences	-64	16
OTHER RESULT	-51	-22
TOTAL COMPREHENSIVE INCOME	19,120	19,409
of which attributable		
- to the shareholders of Hawesko Holding AG	18,555	18,524
- to non-controlling interests	565	885

CONSOLIDATED BALANCE SHEET OF HAWESKO HOLDING AG, HAMBURG

at 31 December 2017 (IFRS)

ASSETS € '000	Notes	31/12/2017	31/12/2016
NON-CURRENT ASSETS			
Intangible assets	17.	41,905	39,049
Property, plant and equipment	18.	20,533	20,854
Investments accounted for using the equity method	7.	3,402	3,263
Other financial assets	19.	138	160
Advance payments for inventories	21.	6,284	6,346
Receivables and other assets	22.	1,162	1,177
Deferred tax	20.	2,211	2,506
		75,635	73,355
CURRENT ASSETS			
Inventories	21.	110,751	91,026
Trade receivables	22.	51,956	46,520
Receivables and other assets	22.	4,678	3,976
Accounts receivable from taxes on income	22.	5,978	2,830
Cash in banking accounts and cash on hand	23.	10,736	13,581
		184,099	157,933
		259,734	231,288

SHAREHOLDERS' EQUITY AND LIABILITIES € '000	Notes	31/12/2017	31/12/2016
SHAREHOLDERS' EQUITY			
Subscribed capital of Hawesko Holding AG	24.	13,709	13,709
Capital reserve	25.	10,061	10,061
Retained earnings	26.	71,174	64,111
Other reserves	27.	-105	-186
EQUITY OF THE SHAREHOLDERS OF HAWESKO HOLDING AG		94,839	87,695
Non-controlling interests	28.	9,949	6,699
		104,788	94,394
LONG-TERM PROVISIONS AND LIABILITIES			
Provisions for pensions	29.	1,124	1,129
Other long-term provisions	30.	648	799
Borrowings	31.	534	868
Advances received	32.	4,681	3,873
Sundry liabilities	32.	1	1
Other financial liabilities	32.	5,045	17,066
Deferred tax	34.	2,717	2,280
		14,750	26,016
SHORT-TERM LIABILITIES			
Minority interest in the capital of unincorporated subsidiaries	32.	230	163
Borrowings	31.	20,059	11,074
Advances received	32.	8,443	5,227
Trade payables	32.	64,430	58,298
Income taxes payable	32.	2,574	1,543
Sundry liabilities	33.	30,571	34,543
Other financial liabilities	35.	13,889	30
		140,196	110,878
		259,734	231,288

CONSOLIDATED CASH FLOW STATEMENT OF HAWESKO HOLDING AG, HAMBURG

(for the period from 1 January to 31 December 2017)

€ '000	Notes	1/1/ - 31/12/ 2017	1/1/ - 31/12/ 2016
Earnings before taxes	40.	28,771	28,324
+ Depreciation and amortisation of fixed assets		8,155	7,404
+/- Other non-cash expenses and income		-776	-918
+ Interest result	40.	2,496	2,213
+/- Result from the disposal of fixed assets		-107	-70
+/- Result from companies reported using the equity method		-849	-
+/- Dividend payments received from investments		710	344
+/- Change in inventories		-12,422	-2,060
+/- Change in receivables and other assets		-4,509	-3,787
+/- Change in provisions		-194	-1,079
+/- Change in liabilities (excluding borrowings)		1,009	6,838
- Taxes on income paid out	40.	-8,492	-8,357
= NET INFLOW OF PAYMENTS FROM CURRENT OPERATIONS		13,792	28,852
- Acquisition of subsidiaries net of cash acquired		-3,353	-5,571
- Outpayments for property, plant and equipment and for intangible assets		-7,446	-7,372
- Outpayments for the acquisition of other financial assets		-	-2,643
+ In-/outpayments from the disposal of intangible assets and property, plant and equipment		313	141
+ Inpayments from the disposal of financial assets		-	44
= NET CASH EMPLOYED FOR INVESTING ACTIVITIES		-10,486	-15,401
- Outpayments for dividend		-11,678	-11,678
- Outpayments to non-controlling interests		-1,462	-968
- Payments of finance lease liabilities		-66	-78
+ Change in short-term borrowings		7,505	-1,191
- Repayments of medium and long-term borrowings		-	-
+ Interest received		70	71
- Interest paid	40.	-534	-472
= OUTFLOW OF NET CASH FROM FINANCING ACTIVITIES		-6,165	-14,316
Effects of exchange rate changes on cash (up to 3 months to maturity)		14	-13
= NET DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS		-2,845	-878
+ Funds at start of period		13,581	14,459
= FUNDS AT END OF PERIOD	40.	10,736	13,581

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY HAWESKO GROUP

(for the period 31 December 2015-31 December 2016)

€ '000	Other reserves							Ownership interest of Hawesko Holding AG shareholders	Minority interest	Shareholders' equity
	Subscribed capital	Capital reserve	Retained earnings	Balancing item from currency translation	Revaluation component for retirement benefit obligations	Reserve for cash flow hedge				
31/12/2015	13,709	10,061	61,554	15	-137	-46	85,156	6,166	91,322	
Put option non-controlling interests	-	-	-3,959	-	-	-	-3,959	-	-3,959	
Consolidation changes	-	-	-348	-	-	-	-348	616	268	
Dividends	-	-	-11,678	-	-	-	-11,678	-968	-12,646	
Consolidated net income	-	-	18,542	-	-	-	18,542	889	19,431	
Other result	-	-	-	20	-75	33	-22	-4	-26	
Deferred tax on other result	-	-	-	-	14	-10	4	-	4	
31/12/2016	13,709	10,061	64,111	35	-198	-23	87,695	6,699	94,394	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY HAWESKO GROUP

(for the period 31 December 2016-31 December 2017)

€ '000	Other reserves							Ownership interest of Hawesko Holding AG shareholders	Minority interest	Shareholders' equity
	Subscribed capital	Capital reserve	Retained earnings	Balancing item from currency translation	Revaluation component for retirement benefit obligations	Reserve for cash flow hedge				
31/12/2016	13,709	10,061	64,111	35	-198	-23	87,695	6,699	94,394	
Successive purchases	-	-	-	-	-	-	-	442	442	
Put option non-controlling interests	-	-	-	-	-	-	-	-	-	
Consolidation changes	-	-	267	-	-	-	267	3,705	3,972	
Dividends	-	-	-11,678	-	-	-	-11,678	-1,462	-13,140	
Consolidated net income	-	-	18,474	-	-	-	18,474	697	19,171	
Other result	-	-	-	68	-37	62	93	-132	-39	
Deferred tax on other result	-	-	-	-	6	-18	-12	-	-12	
31/12/2017	13,709	10,061	71,174	103	-229	21	94,839	9,949	104,788	