



Consolidated financial statements as at 31 March 2021 and group management report

AUDIT REPORT

HIL International GmbH
Düsseldorf

KPMG AG Wirtschaftsprüfungsgesellschaft

The English language text below (Appendices 1.1 to 1.6 and Section 2) is a translation provided for information purposes only. The original German text (Appendices 3.1 to 3.6 and 4) 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 arise from the translation.

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To HIL International GmbH, Düsseldorf

1 Audit engagement

At the shareholders' meeting held on 28 April 2020 of

HIL International GmbH, headquartered in Düsseldorf,
– hereinafter also referred to as 'HIL' or the 'Parent Company' –

we were elected as group auditor for the financial year from 1 April 2020 to 31 March 2021. Accordingly, the management has engaged us to audit the consolidated financial statements as at 31 March 2021 and the group management report for financial year 2020/2021.

The terms governing this engagement are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as amended on 1 January 2017, which are attached to this report as Appendix 5. Our liability is governed by Clause 9 of the General Engagement Terms. Our liability towards third parties is defined under Clauses 1 (2) and 9 of the General Engagement Terms.

2 Reproduction of the Independent Auditor's Report (Translation)

For the annual financial statements and management report we have issued an unqualified auditor's report (Appendix 4). The English language text below is a translation of the independent auditor's report.



Independent Auditor's Report (Translation)

To HIL International GmbH, Düsseldorf

Opinions

We have audited the consolidated financial statements of HIL International GmbH, Düsseldorf, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated income statement, consolidated statement of cash flows and consolidated statement of changes in equity for the financial year from 1 April 2020 to 31 March 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of HIL International GmbH for the financial year from 1 April 2020 to 31 March 2021.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at 31 March 2021 and of its financial performance for the financial year from 1 April 2020 to 31 March 2021, in accordance with German Legally Required Accounting Principles, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the group management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the German Generally Accepted Standards of Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Responsibilities of Management for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with the requirements of German commercial law and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German Generally Accepted Standards of Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement 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 controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report 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 these systems.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

- 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 Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. 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 Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group’s position it provides.
- Perform audit procedures on the prospective information presented by management in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Düsseldorf, 10 June 2021

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

[signature] Kis
Wirtschaftsprüfer
[German Public Auditor]

[signature] Krantz
Wirtschaftsprüfer
[German Public Auditor]



3 Evaluation of management's assessment of the Group's position

In our opinion, the following key statements in the group management report are noteworthy:

- Besides the parent company, the Group consists of four companies: Parador GmbH, Parador Parkettwerke GmbH, Parador Holding GmbH and Parador (Shanghai) Trading Co. Ltd.
- PARADOR produces and sells high quality floor, wall and ceiling products for interior design. Production is at two locations. One location is in Germany (Coesfeld) and focuses in particular on laminate floors, vinyl floors and modular floors. The second location is in Austria (Güssing) with the factory for the production of parquet.
- According to management, the financial year 2020/2021 can be described by one term: COVID-19, the global pandemic that broke out in Wuhan in China and in just a few months affected, changed and shaped the whole world in many facets and will continue to shape it in the future.
- In this volatile year, due to the pandemic, gross domestic product in Germany fell by a price-adjusted 5.0 % in the 2020 calendar year; other countries around the world also experienced a corresponding decline, in some cases very significantly, in GDP. In contrast, according to the Central Association of the German Construction Industry, the construction industry grew by 8 % in the first half of 2020 and was able to defy the crisis. This driving element and the additional need for renovation, supported by a lot of free time and unused vacation funds in the own homes, has given wings to the building materials and flooring industries in Central Europe upon which PARADOR could benefit significantly.
- The **key financial performance indicators** of the Group are sales and earnings before interest, taxes, depreciation and amortisation (EBITDA).
 - Sales increased by 9.3 % from EUR 156.2 million in the previous year to EUR 169.2 million and are significantly higher than expected. Of the Parador products sold in this financial year (in terms of share of revenue), 51.6 % were attributable to Germany, 42.0 % to the rest of Europe and 6.4 % to overseas markets.
 - EBITDA increased by 40 % (or EUR 5.5 million) from EUR 13.6 million to EUR 19.1 million in the previous year.
 - From management's point of view, the Group's assets, financial and earnings position are very positive.
- Management summarises the following **opportunities and risks** for the future development of Parador:

- The main opportunity is seen in the ongoing private construction boom which will drive demand for flooring products in the future. Further, opportunities are seen in the development of the e-commerce business and the introduction of new products to the market.
- The main risk is seen in purchase price increases and scarcity on the raw material supply. Furthermore, uncertainties regarding economic developments due to the pandemic are described as risk for the Group.
- In the **outlook**, management expects the following developments:
 - According to the relevant institutes, an economic upturn is expected for the 2021/2022 financial year. The Group has drawn up a plan for the new financial year but is facing tough challenges in the context of the current raw material supply problems, especially in the area of wood-based materials and raw wood for parquet. Immense increases in raw material prices are expected. Consequently, price increases were already perpetrated and also planned in the future. In the future, a good order intake and order backlog may not be able to be served by sufficient availability of raw materials and could limit the sales potential.
 - Despite the challenges mentioned above, management expect a slight increase in sales and a slight decline in EBITDA.

As a result of our audit, we found that the group management report, as a whole, provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Please refer to Appendix 2 for the Parent Company's legal status.

4 Performance of the audit

4.1 Scope of the audit

We have audited the consolidated financial statements of HIL International GmbH, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated income statement, consolidated statement of cash flows and consolidated statement of changes in equity for the financial year from 1 April 2020 to 31 March 2021, and notes to the consolidated financial statements, including the group management report, for the financial year ended 31 March 2021.

Our responsibility is to express an opinion on these consolidated financial statements and the group management report based on our audit.

An audit of the consolidated financial statements only covers compliance with other legal regulations to the extent that these other regulations can be expected to have an impact on the consolidated financial statements or the group management report.

Pursuant to Section 317 (4a) HGB, an audit is not intended to extend to whether the Group's ability to continue as a going concern or the effectiveness and efficiency of management can be ensured.

4.2 Nature and scope of audit procedures

The general principles of our audit approach are already presented in the Independent Auditor's Report (see Section 2 of this report). In addition, we provide the following information on our audit approach and audit performance:



Phase I: Development of an audit strategy focused on business risks

Obtaining an understanding of the Group and its consolidated entities as well as knowledge of the accounting systems and the internal control system

Establishing audit focus areas based on our risk assessment:

- Existence, accuracy and valuation of intangible assets
- Completeness, existence, accuracy and valuation of inventories including accuracy of inventory obsolescence
- Completeness, existence, accuracy and valuation of trade receivables and accuracy of other assets
- Completeness, existence and accuracy of trade payables
- Completeness and accuracy of customer related provisions for warranty and bonuses
- Completeness, existence and accuracy of revenues
- Accuracy of decrease (increase) in finished goods and work in process
- Completeness and accuracy of cost of materials

Identifying significant group entities

Establishing the audit scope, audit strategy and timeline for the audit

Selecting the group engagement team and planning the deployment of specialists

Coordination with local auditors

Phase II: Selection and implementation of control-based audit procedures

Selection of control-based audit procedures based on risk assessments and knowledge of business processes and systems

Assessment of the design and effectiveness of selected accounting-related controls

Assessment of the consolidation process and group-wide controls

Phase III: Tests of details and analytical review of items in the financial statements

Performance of analytical reviews of items in the financial statements

Tests of details on a sample basis and assessment of individual items with a view to the accounting options and judgements exercised, e.g.:

- Obtaining the following confirmations: representative sample for customers and specified sample for suppliers
- Obtaining confirmations from lawyers, tax advisors and credit institutions including factoring confirmation as well as third party inventory stocks
- Audit of the consolidation entries in accordance with Section 300 et seqq. HGB
- Using the activities and audit findings of local auditors
- Observation of inventory stock-takings
- We used actuarial reports provided by independent experts to audit provisions for pensions

Review of disclosures in the notes and assessment of the group management report

Phase IV: Overall assessment of audit results and reporting

Formation of opinions on the basis of the overall assessment of audit results

Reporting in the audit report and the Independent Auditor's Report

Oral presentation of audit results to the management

We performed our audit (with interruptions) in the months of April to June 2021 until 10 June 2021. We carried out a preliminary audit in the months of February and March 2021.

All explanations and evidence requested by us were provided. The management of the Parent Company and its subsidiaries as well as the auditors of these companies complied with their obligation to provide information and to permit examination pursuant to Section 320 (3) HGB. The Parent Company's management confirmed in writing that the consolidated financial statements and the group management report are complete.

5 Findings on consolidated financial reporting

5.1 Scope of consolidation and group reporting date

The group of consolidated entities has been accurately determined and presented in the notes to the consolidated financial statements. The regulations on exemption from consolidation (Section 296 HGB) have been observed. The materiality principles for the consolidation of the entities have remained unchanged from the prior period.

The reporting dates for the annual financial statements of all consolidated subsidiaries correspond to the group reporting date.

5.2 Consolidated financial statements

The consolidated financial statements as at 31 March 2021 presented to us for audit were properly derived from the annual financial statements and reporting packages of the consolidated entities.

The Group's entire consolidation records (group accounting records) have been properly kept and maintained despite the following deficiencies:

Based on our audit we found the following indications pointing to a need for action as regards the security of IT systems and accounting-related data processed:

- **User management** (high number and lack of monitoring of users with privileged access, security audit log not activated, lack of authorization adjustment for movers and delayed blocking, deactivation and deletion for levers, low password complexity)
- **Program change management** (direct changes to the productive client without active change logging, implementations without approval)
- **Monitoring of operations** (logging of table transports not activates, large number of tables relevant to accounting not logged)

Based on these findings, we have expanded our audit procedures in order to obtain sufficient and appropriate audit evidence as to the accuracy of accounting. Therefore, we have tested SAP related automatic controls as manual controls and performed additional substantive testing.

Management already initiated remedial procedures during our audit and started to eliminate these deficiencies.

Our additional audit procedures have not provided any indication that the above issues had a material effect on the consolidated financial statements.

The consolidation methods applied are consistent with German legal requirements in all material respects. These are presented completely and accurately in the notes to the consolidated financial statements.

The consolidated balance sheet and consolidated income statement have been prepared, in all material respects, in accordance with the provisions of Section 290 HGB.

The consolidated statement of cash flows and consolidated statement of changes in equity have been properly prepared in all material respects.

The legally required disclosures in the notes to the consolidated financial statements are complete and accurate in all material respects.

In addition, we would like to draw attention to the fact that the following requirements of German Accounting Standard (GAS) 18.67 have so far not been implemented (reconciliation of the relationships between the tax expenses expected from application of a weighted group tax rate and the effective tax expenses). This is not a legal requirement and therefore not mandatory.

5.3 Group management report

The group management report prepared by management, in all material respects, complies with German legal requirements.

6 Opinion on the overall presentation of the consolidated financial statements

6.1 Comments on overall presentation

The accounting policies applied to the items of the consolidated financial statements, in all material respects, comply with the requirements of German commercial law. These are described in the notes to the consolidated financial statements (see Appendix 1.5 section B).

The exercise of accounting and valuation options as well as accounting judgements with regard to the following consolidated financial statement items has a material effect on the Group's assets, liabilities, financial position and financial performance:

Intangible assets

Intangible assets as of the closing date of the acquisition (27 August 2018) comprised goodwill (EUR 15.9 million), the Parador brand (EUR 7.4 million) and patents (EUR 1.9 million). Goodwill and the Parador brand are amortised over ten years in accordance with Section 253 (3) HGB, whereas patents are amortised over their useful lives of seven years. The book values as at 31 March 2021 are as follows: Goodwill EUR 11.8 million, Parador brand EUR 5.5 million, patents EUR 1.2 million.

Tangible fixed assets

Valuation of tangible fixed assets, land and buildings for the first-time consolidation of Parador Holding GmbH was carried out primarily on the basis of an appraisal provided by an independent expert as of the closing date of the acquisition (27 August 2019). The valuation is materially based on expected useful lives of the underlying property and management estimates. The fair values led to increased property plant and equipment (historic fair values at first time consolidation on 27 August 2019: total book value: EUR 21.1 million; total fair value: EUR 53.5 million). Furthermore, deferred tax liabilities were accrued for the difference of this valuation. Assets acquired succeeding the first-time consolidation are depreciated according to the estimated useful life of the respective asset in orientation to the tax depreciation tables and are within the following ranges: Buildings 10 – 25 years; Technical equipment and machinery 3 – 15 years, Other equipment, operating and office equipment 3 – 10 years.

Inventory

Inventory is recorded at the lower of cost or fair value as at the balance sheet date. Further, inventory allowances are recorded on the basis of the following expected time to sell:

Laminate/ Modular flooring:

0-1 year: 0 %;
>1-2 years: 10 %;
>2-3 years: 50 %;
>3 years: 100 %

Engineered wood:

0-1 year: 0 %
>1-2 years: 50 %;
>2 years: 100 %.

The total devaluation of inventories during the financial year amounts to EUR 1.6 million (PY: EUR 1.3 million).

Other provisions

Other provisions contain provisions for product guarantees, being calculated by applying a specific percentage – based on historic experiences - of total sales separated for laminate flooring and parquet.

The following transaction was carried out which had a material effect on the overall presentation of the consolidated financial statements:

Factoring of accounts receivables

Real and disclosed factoring of customer accounts receivables is carried out for the purpose of working capital financing by Parador. As of the balance sheet date, EUR 17.1 million were sold to a factoring company (of which EUR 8.3 million were paid to the Group). Factoring leads to an early inflow of liquidity. Without factoring, the Group would have increased short-term financial requirements.

6.2 Conclusion on the overall presentation of the consolidated financial statements

Based on an overall consideration of the accounting policies and material transaction described above, we are of the opinion that the consolidated financial statements provide a true and fair view of the assets, liabilities, financial position and financial performance of the Group in accordance with German Legally Required Accounting Principles.

7 Concluding remarks

This audit report has been prepared in accordance with the principles of Auditing Standard 450 (as amended), promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

We hereby confirm pursuant to Section 321 (4a) HGB that we have conducted our audit in accordance with the applicable independence regulations.

The Independent Auditor's Report (Translation) is presented in Section 2. The original Independent Auditor's Report is presented as Appendix 4.

Düsseldorf, 10 June 2021

KPMG AG
Wirtschaftsprüfungsgesellschaft

Signiert von
Ergün Kis
am 10.06.2021

Kis
Wirtschaftsprüfer
[German Public Auditor]

Signiert von
Benedikt Krantz
am 10.06.2021

Krantz
Wirtschaftsprüfer
[German Public Auditor]



Appendices

Appendix 1

Consolidated financial statements as at 31 March 2021 and group management report (translation)

1.1 Consolidated balance sheet

1.2 Consolidated income statement

1.3 Consolidated statement of cash flows

1.4 Consolidated statement of changes in equity

1.5 Notes to the consolidated financial statements

1.6 Group management report

HIL International GmbH, Düsseldorf

Consolidated balance sheet as at 31 March 2021

Assets

	31 Mar. 2021		31 Mar. 2020	
	KEUR	KEUR	KEUR	KEUR
A. Fixed assets				
I. Intangible assets				
1. Concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets acquired for a consideration	7,183		8,010	
2. Goodwill	11,790	18,973	13,380	21,390
II. Property, plant and equipment				
1. Land, leasehold rights and buildings, including buildings on third-party land	24,007		23,138	
2. Technical equipment and machinery	13,962		16,523	
3. Other equipment, operating and office equipment	1,443		1,657	
4. Advance payments and construction in progress	1,235	40,647	918	42,236
III. Financial assets				
Shares in affiliated companies		100		100
		59,720		63,726
B. Current assets				
I. Inventories				
1. Raw materials and supplies	14,511		14,771	
2. Work in progress	3,875		4,270	
3. Finished goods and merchandise	12,944	31,330	14,913	33,954
II. Receivables and other assets				
1. Trade receivables	1,838		2,397	
2. Receivables from other long-term investees and investors	230		649	
3. Other assets	10,164	12,232	8,913	11,959
III. Cash and cash equivalents		13,446		9,559
		57,008		55,472
C. Prepaid expenses		93		264
		116,821		119,462

Equity and liabilities

[illegible]

HIL International GmbH, Düsseldorf

Consolidated income statement for the period from 1 April 2020 to 31 March 2021

	1 Apr. 2020 – 31 Mar. 2021		1 Apr. 2019 – 31 Mar. 2020	
	KEUR	KEUR	KEUR	KEUR
1. Revenue		169,219		156,195
2. Decrease (Increase) in finished goods and work in process		-2,186		2,291
3. Other own work capitalised		26		50
4. Other operating income		1,377		1,054
5. Cost of materials				
a) Cost of raw materials, supplies purchased goods		88,469		87,666
6. Personnel expenses				
a) Wages and salaries	24,957		23,800	
b) Social security, pension and other benefits	5,444	30,401	5,354	29,154
7. Amortisation of intangible assets and depreciation of property, plant and equipment		8,427		8,069
8. Other operating expenses		30,427		29,208
9. Other interest and similar income		3		3
10. Interest and similar expenses		2,063		2,666
11. Income taxes		2,966		1,211
12. Consolidated result after taxes		5,686		1,619
13. Other taxes		266		157
14. Consolidated net profit for the year		5,420		1,462

HIL International GmbH, Düsseldorf

Consolidated statement of cash flows for the financial year from 1 April 2020 to 31 March 2021

	1 Apr. 2020 – 31 Mar. 2021	1 Jan. – 31 Mar. 2020
	KEUR	KEUR
Consolidated net profit for the year	5,420	1,462
Amortisation and depreciation of fixed assets (+)	8,427	8,079
Increase (+)/decrease (-) in provisions	3,246	693
Increase (-)/decrease (+) in inventories, trade receivables and other assets not attributable to investing or financing activities	2,523	792
Increase (+)/decrease (-) in trade payables and other liabilities not related to investing or financing activities	-3,407	-5,855
Sum of Interest expense (+)/income (-)	2,060	2,664
Income tax expense (+)	2,966	1,211
Income taxes paid (-)	-4,077	-2,037
Cash flows from operating activities	17,158	7,009
Payments (-) for investments in property, plant and equipment	-4,268	-3,699
Acquisition (-) of intangible assets	-153	-40
Interest received (+)	3	3
Cash flows from investing activities	-4,418	-3,736
Repayment (-) of bonds and borrowings	-6,790	1,694
Interest paid (-)	-2,063	-2,666
Cash flows from financing activities	-8,853	-972
Net increase (+) /decrease (-) in cash and cash equivalents	3,887	2,301
Cash and cash equivalents at beginning of period (+)	9,559	7,258
Cash and cash equivalents at the end of the period	13,446	9,559

HIL International GmbH, Düsseldorf

Consolidated statement of changes in equity for the financial year from 1 April 2019 to 31 March 2020

	Subscribed capital	Capital reserve	Consolidated retained earnings/ accumulated deficit	Consolidated equity
	KEUR	KEUR	KEUR	KEUR
Balance at 1 April 2019	34,025	0	-759	33,266
Consolidated net profit for the year	0	0	1,462	1,462
Capital increase/decrease	0	0	0	0
Balance at 31 March 2020	34,025	0	703	34,728

Consolidated statement of changes in equity for the financial year from 1 April 2020 to 31 March 2021

	Subscribed capital	Capital reserve	Consolidated retained earnings/ accumulated deficit	Consolidated equity
	KEUR	KEUR	KEUR	KEUR
1 April 2020	34,025	0	703	34,728
Consolidated net profit for the year	0	0	5,420	5,420
Capital increase/decrease	0	0	0	0
31 March 2021	34,025	0	6,123	40,148

HIL International GmbH, Düsseldorf

Notes to the consolidated financial statements for the financial year from 1 April 2020 to 31 March 2021

A. General Information

The Group's parent company is HIL International GmbH, Düsseldorf, which is registered with the Commercial Register of the Düsseldorf District Court under commercial register file number 83991.

The consolidated financial statements were prepared in accordance with Sections 290 et seqq. HGB.

The accounting policies upon which the consolidated financial statements as at 31 March 2021 are based comply with the provisions of the German Commercial Code.

The consolidated income statement was prepared using the nature of expense method pursuant to Section 275 (2) HGB.

Parador GmbH and Parador Holding GmbH, which as subsidiaries are included in these consolidated financial statements, make use of the exemption provisions provided under Section 264 (3) HGB, under which they waive the audit and publication of their separate financial statements.

B. General accounting and consolidation policies

Scope of consolidation

Besides the parent company, the following subsidiaries are included in the consolidated financial statements within the scope of full consolidation:

Name	Registered office	Equity interest
Parador Holding GmbH	Coesfeld, Germany	100%
Parador GmbH	Coesfeld, Germany	100%
Parador Parkettwerke GmbH	Güssing, Austria	100%

Besides the aforementioned entities, Parador GmbH has a 50% investment in Parador (Shanghai) Trading Co. Ltd., which has its registered office in Shanghai, China. Since this company is only of minor importance in relation to the Group's assets, liabilities, financial position and financial performance, it is not included in the consolidated financial statements pursuant to Section 296 (2) HGB.

Consolidation policies

Full consolidation was carried out pursuant to Sections 300 to 307 HGB.

Capital consolidation as at 27 August 2018 was performed in accordance with Section 301 HGB in that the cost of the shares in the subsidiaries included in the consolidated financial statements were offset by the amount of equity attributable to these shares as well as the "special item from investment subsidies". Pursuant to Section 301 (1) sentence 2 HGB, equity is recognised at the amount of the fair value of assets, liabilities and deferred items to be included in the consolidated financial statements on 1 September 2018. Provisions were measured pursuant to Section 253 (1) sentence 2 and 3 (2) HGB and deferred tax pursuant to Section 274 (2) HGB.

Hidden reserves and charges were identified in fixed assets in the course of first-time consolidation as at 27 August 2018. After offsetting the remaining difference between the resulting proportionate equity and the investment book value, goodwill was disclosed in accordance with Section 301 (1) HGB and is subject to scheduled depreciation over ten years in accordance with § 253 (3) sentence 3 HGB.

Receivables and liabilities between the Company and the consolidated group were offset against each other pursuant to Section 303 HGB (elimination of IC payables and receivables).

Intercompany revenue as well as expenses and income between the companies of the consolidated entities were offset against each other pursuant to Section 305 HGB (consolidation of income and expenses).

Interim profits were eliminated pursuant to Section 304 (1) HGB.

Deferred tax assets have been recognised through profit or loss pursuant to Section 306 (1) HGB at the average Group's tax rate of 30.0%, to the extent that these differences presumably offset each other in later financial years. The temporary differences in accordance to § 274 HGB relate mainly to inventories and pension provisions.

Deferred tax liabilities were recognised for the difference between the book values of the single entities and the group value (fair values) as at 31 March 2021 on consolidation measures affecting income pursuant to Section 306 (1) HGB. These were recognised using the average tax rate of 31.6% on the difference for Parador GmbH, Germany, and 25.0% on the difference for Parador Parkettwerke, Austria.

Deferred tax assets and liabilities are shown net.

Accounting policies

The financial statements of the aforementioned companies included in the consolidated financial statements as at 31 March 2021 were prepared using uniform accounting policies under German commercial law in accordance with § 308 HGB.

The cost of fixed assets with a limited life are depreciated or amortised using the straight-line method. The depreciation/amortisation amounts are determined according to the estimated useful life of the respective asset in orientation to the tax depreciation tables and are within the following ranges:

Buildings	10 – 25 years
Technical equipment and machinery	3 – 15 years
Other equipment, operating and office equipment	3 – 10 years

Assets are depreciated pro rata temporis in the year of their acquisition. Moveable assets purchased second hand are subject to accelerated depreciation.

The intangible assets mainly include goodwill, the brand and patents. Pursuant to Section 253 (3) HGB, goodwill and the brand are amortised over 10 years; patents are written down over their actual useful lives of 7 years.

Inventory is recorded at the lower of cost or fair value as at the balance sheet date. Inventory allowances are recorded on the basis of the following expected time to sell: Laminate/ Modular flooring: 0-1 years: 0%; >1-2 years: 10%; >2-3 years: 50%; >3 years: 100% / Engineered wood: >1-2 years: 50%; >2 years: 100%. The cost includes direct costs as well as factory and material overheads, including depreciation. Interest on borrowings is not included in cost. Permitted simplified valuation methods are applied in the case of raw materials and supplies.

Receivables and other assets are measured at their nominal value taking into account the lower of cost or market principle. All discernible individual risks and the general credit risk were taken into account by recognising appropriate impairment losses.

Cash and cash equivalents include both cash on hand and bank balances and are carried at nominal value.

Prepaid expenses are expenses prior to the balance sheet date if they represent expenses for a specific period after this date.

Subscribed capital is recognised at the nominal amount.

Pension provisions include both pension provisions for Parador GmbH, Germany and provisions for Parador Parkettwerke GmbH, Austria, and are determined according to the projected unit credit method (PUCM) using Klaus Heubeck's 2018 G mortality tables. Pursuant to the German

Ordinance on the Discounting of Provisions [RückAbzinsV] and using the simplification rule found in Section 253 (2) sentence 2 HGB, as well as assuming a remaining period of 15 years, the discount rate for Parador GmbH equalled 2.19% p.a. as at 31 March 2021 (PY: 2.61%). Where indicated, expected pension growth of 1.75% was used as a basis for the calculation. The provisions of Parador Parkettwerke GmbH were calculated on the basis of an interest rate of 2.04 % (PY: 2.52%) (10-year average interest rate based on market interest rates of companies with a high credit rating and a 15-year term, according to the publication of the German Federal Bank), taking into account an average reference increase of 2.40% (PY: 3.10%) and the statutory retirement age.

The tax provisions are recognised in the anticipated settlement amount.

Other provisions take account of all identifiable risks from pending transactions and contingent liabilities and are stated at the settlement amount deemed necessary according to prudent commercial judgement. All short-term provisions are not discounted.

The general warranty provisions are calculated as a percentage of the revenue generated from sales covered by warranties. The percentage rate used here is based on past operating experience.

Other provisions take into account all identifiable risks from pending transactions and contingent liabilities. Provisions with a term of less than one year are not discounted.

Liabilities are recognised at their settlement amounts.

C. Notes on the consolidated financial statements

Fixed assets

The breakdown of the amount of and movement in fixed assets is presented in the consolidated statement of movements in fixed assets (appendix to the notes).

Receivables and other assets

Both trade receivables as well as other assets only contain items with a remaining term of up to one year. Other assets include a factoring line not utilised in the amount of KEUR 3,473 (PY: KEUR 3,400). Receivables contain receivables from the shareholder in the amount of KEUR 47 (PY: KEUR 162) and result from deliveries and services.

Real and disclosed factoring of customer accounts receivable is carried out for the purpose of working capital financing. As of balance sheet date KEUR 17,056 (PY: KEUR 17,005) were sold to a factoring company. Factoring leads to an early inflow of liquidity. Without factoring, the Group would have increased short-term financial requirements.

Subscribed capital

The statutory capital of HIL International GmbH remains unchanged at KEUR 34,025 with a nominal value of EUR 1 each.

Pension provisions

Please refer to the comments in Section B for information on the accounting and valuation principles.

Various pension obligations are covered by reinsurance policies, which are pledged as security to the beneficiary. Pursuant to Section 246 (2) sentence 2 HGB, such assets (plan assets) whose fair value corresponds to the cost of KEUR 247 are offset against the corresponding pension obligations (KEUR 2,927). There was no income from plan assets that could be netted during the financial year. Interest expenses include expenses from the compounding of pension obligations (KEUR 53, PY: KEUR 59). The difference pursuant to Section 253 (6) sentence 1 HGB amounted to KEUR 239 (PY: KEUR 249) as at the balance sheet date.

Provisions

Other provisions as at 31 March 2021 amounts KEUR 9,222 (PY: KEUR 6,638) included in particular provisions for warranty claims and other customer related provisions of KEUR 3,250 (PY: 2,224), provisions for outstanding supplier invoices KEUR 2,192 (PY: KEUR 874), provisions for bonuses and target-achievement awards of KEUR 991 (PY: KEUR 999), as well as provisions for other employee benefits of KEUR 1,909 (PY: KEUR 1,796).

Liabilities

Liabilities in the balance sheet as at 31 March 2021 can be broken down as follows in regard to their remaining terms pursuant to Section 268 (5) HGB and Section 314 (1) HGB:

Liabilities	Up to 1 year KEUR	> 1 to 5 years KEUR	More than 5 years KEUR	Total KEUR
To banks	8,845	22,335	0	31,180
From trade payables	11,555	0	0	11,555
To shareholders	210	0	9,500	9,710
Other liabilities	3,202	0	0	3,202
– thereof for taxes	1,121	0	0	1,121
- thereof for social security	175	0	0	175
Total	23,812	22,335	9,500	55,647

Liabilities in the balance sheet as at 31 March 2020 can be broken down as follows in regards to their remaining terms pursuant to Section 268 (5) HGB and Section 314 (1) HGB:

Liabilities	Up to 1 year KEUR	> 1 to 5 years KEUR	More than 5 years KEUR	Total KEUR
To banks	8,290	17,098	12,582	37,970
From trade payables	8,473	0	0	8,473
To affiliated companies				
- thereof to shareholders:	1,170	0	15,000	16,170
Other liabilities	3,230	0	0	3,230
- thereof for taxes:	1,071	0	0	1,071
- thereof for social security	145	0	0	145
Total	21,163	17,098	27,582	65,843

Liabilities to banks are collateralised by land charges (KEUR 17,000) in Coesfeld, Germany, and Güssing, Austria, as well by pledging moveable assets, all current assets, patents and trademarks.

D. Explanatory notes to the income statement

Revenue

Revenue solely consists of the sale of floor products and is broken down as follows for the financial year 2021:

	KEUR
Germany	87,265
International	81,954
Total	169,219

Other operating income

Other operating income in the reporting year did not include any income relating to prior periods. This item includes KEUR 419 (PY: KEUR 218) in foreign currency translation gains.

Other operating expenses

Other operating expenses in the reporting year did not include any significant expenses from prior periods. This item includes foreign currency translation expenses of KEUR 414 (PY: KEUR 280). Interest and similar expenses amount to KEUR 2,063 (PY: KEUR 2,666), thereof KEUR 980 (PY: KEUR 1,545) to affiliated companies/shareholders.

Deferred taxes

Deferred tax liabilities as of 31 March 2021 were offset against deferred tax assets and equal KEUR 7,152 (PY: KEUR 8,264).

	As of 01.04.2020 KEUR	Changes KEUR	As of 31.03.2021 KEUR
Deferred tax assets	590	88	678
- thereof for pension provisions	264	107	371
Deferred tax liabilities	-8,854	1,024	-7,830
- thereof for the difference in the book values of the fixed assets of the individual companies and the market values of the group	-8,854	1,024	-7,830

Deferred tax liabilities are fully due to the difference between the book values of fixed assets of the single entities and the fair values of the recognised group values. These were recognised using the average tax rate of 31.6% on the difference for Parador GmbH, Germany, and 25.0% on the difference for Parador Parkettwerke, Austria.

Deferred tax assets are attributable especially to the difference between the figures for commercial and tax purposes reported by the single entities Parador GmbH, Parador Parkettwerke GmbH and Parador Holding GmbH and to consolidation measures as part of drawing up the consolidated financial statements.

E. Explanatory notes on the statement of cash flows

Cash and cash equivalents consist of cash on hand and bank balances and amount to KEUR 13,446 (PY: KEUR 9,559).

F. Other disclosures

Other financial obligations

Other financial commitments from rental and leasing contracts are as follows:

Commitments	Up to 1 year	> 1 to 5 years	More than 5 years	Total
	KEUR	KEUR	KEUR	KEUR
Rent	747	954	239	1,940
Leasing	317	539	0	856
Total	1,064	1,493	239	2,796

Managing Directors

The following persons were appointed as Managing Directors of the company:

- Dhirup Roy Choudhary (Electrical & Electronics Engineer)
- Dr Stephan Degmair (Lawyer)
- Dr Bettina Wawretschek (Lawyer)
- Dr Arvind Sahay (University Lecturer)

The managing directors did not receive any remuneration for their management activities from the corporation.

Personnel

The average number of employees in the Group equalled 512 (PY: 501), of which 211 were salaried staff (PY: 208) and 301 wage earners (PY: 293).

In March 2020, the company reported short-time work to the responsible Federal Employment Agency for the period from April 2020 to June 2020. For the period mentioned, a total of KEUR 240 thousand was reimbursed and offset as part of personnel expenses.

Group affiliation

HIL International GmbH is a wholly owned subsidiary of HIL Ltd., Hyderabad, India, listed on the "BSE Limited" and "National Stock Exchange of India". The company is included in the consolidated financial statements of HIL Ltd. Hyderabad/India, which prepares consolidated financial statements for the largest group of companies. The consolidated financial statements are published on <https://hil.in/>.

Audit fee

The auditors' fee pursuant to Section 314 (1) No. 9 HGB for the financial year 2021 amounts to KEUR 81 and relates entirely to audit services.

Subsequent events

In May 2021, a legal dispute of several years was ended by a court settlement and Parador Parkettwerke GmbH, Austria, was promised compensation of KEUR 590. Beyond this, there are no other subsequent events.

Others

The net income of the parent company for the fiscal year 2020/21 amounts to KEUR 11,146 and will be carried forward at the proposal of the shareholder.

Düsseldorf, 10 June 2021

HIL International GmbH



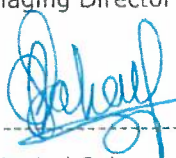
Dhirup Roy Choudhary
Managing Director



Dr Stephan Degmair
Managing Director



Dr Bettina Wawretschek
Managing Director



Dr Arvind Sahay
Managing Director

HIL International GmbH, Düsseldorf

Development of consolidated fixed assets in the financial year from 1 April 2020 to 31 March 2021

	Acquisition costs				31 Mar. 2021
	1 Apr. 2020	Additions	Disposals	Reclassi- fications	
	KEUR	KEUR	KEUR	KEUR	KEUR
I. Intangible assets					
1. Concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets acquired for a consideration	9,919	153	0	310	10,382
2. Goodwill	15,897	0	0	0	15,897
	25,816	153	0	310	26,279
II. Property, plant and equipment					
1. Land, leasehold rights and buildings, including buildings on third-party land	24,383	1,253	0	393	26,029
2. Technical equipment and machinery	21,569	1,010	457	120	22,242
3. Other equipment, operating and office equipment	2,934	992	306	12	3,632
4. Advance payments and construction in progress	918	1,152	0	-835	1,235
	49,804	4,407	763	-310	53,138
III. Financial assets					
Shares in affiliated companies	100	0	0	0	100
	100	0	0	0	100
	75,720	4,560	763	0	79,517

Accumulated depreciation			Net book values		
1 Apr. 2020	Additions	Disposals	31 Mar. 2021	31 Mar. 2021	31 Mar. 2020
KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
1,909	1,290	0	3,199	7,183	8,010
2,517	1,590	0	4,107	11,790	13,380
4,426	2,880	0	7,306	18,973	21,390
1,245	777	0	2,022	24,007	23,138
5,046	3,594	360	8,280	13,962	16,523
1,277	1,176	264	2,189	1,443	1,657
0	0	0	0	1,235	918
7,568	5,547	624	12,491	40,647	42,236
0	0	0	0	100	100
0	0	0	0	100	100
11,994	8,427	624	19,797	59,720	63,726

PARADOR

HIL International GmbH, Düsseldorf

Group management report for the financial year from 1 April 2020 to 31 March 2021

I. Principles of the Group

HIL International GmbH is a large-sized German corporation which, together with its subsidiaries, forms a group of companies (PARADOR) and consists of four companies (Parador GmbH, Parador Parkettwerke GmbH, Parador Shanghai Trading Co. Ltd and Parador Holding GmbH). This Company is a wholly owned subsidiary of HIL Ltd., which is based in Hyderabad, India.

Parador manufactures and sells high-quality floor, wall and ceiling products for interior design. The products are manufactured at two locations. One location is in Germany (Coesfeld) and focuses in particular on laminate floors, vinyl floors and modular floors on a polypropylene basis, as well as on skirtings and wall and ceiling panels. The second location is in Austria (Güssing), where there is a plant for manufacturing prefabricated parquet. Parador Shanghai Trading Ltd. Co. is an equally owned sales joint venture, which was established in August 2018 to strategically develop the Chinese market and which is based in Shanghai, China. Parador is an international renowned design brand for floor and wall designs.

Sales intermediaries include specialist retailers, suitable large-scale providers (DIY markets), online retail and increasingly 2-tier speciality-store-oriented sales systems in Europe as well as overseas importers. The project business via partners or in direct processing with property developers/processors is developing. A new sales channel since June 2020 is PARADOR's own online brand store in Germany, which enables customers in Germany to buy directly online. An expansion of this sales channel is planned for other countries in the coming financial year and is currently in preparation.

The administration and the central PARADOR showroom (Trend Centre) are located in Coesfeld. Here, the current PARADOR brand collection is continuously presented on an exhibition area of 3,000 m². The Trend Centre extensively shows the new product ranges, the modern point-of-sale concept for the stationary trade as well as the additionally offered e-commerce support for the PARADOR trade

partners. The product exhibition and the PoS concepts are continuously updated in line with the product and concept launches of the stores during the year, including to a large extent in the current 2020/2021 financial year.

II. Economic report

1. Macroeconomic environment and business performance

The financial year 2020/21 can be described by one term: COVID-19, the global pandemic that broke out in Wuhan in China and in a few months has affected, changed and shaped the entire world in many facets and will continue to shape it in the future. Within a few weeks, this virus knocked out budgets and activity planning in many companies and confronted many people in business and also in private life with new challenges and demands. On the part of the management, agility and flexibility were in high demand from one day to the next – situations had to be mastered for which there tended to be no process descriptions or instructions for action.

For PARADOR, there were two main objectives that were clearly communicated: to safeguard the health of all employees and their families, and to ensure a solid cash flow for the group of companies.

In this volatile year, the gross domestic product in Germany fell by 5.0% in price-adjusted terms in the calendar year 2020 due to the pandemic; other countries around the world also experienced a corresponding decline in GDP, in some cases very significantly. In contrast, according to the Central Association of the German Construction Industry (ZDB), the construction industry grew by 8.0% in the first half of 2020 and was able to defy the crisis. This driving element and additionally high renovation demand, supported by a lot of free time and unused holiday funds at home, has boosted the building materials as well as the flooring industry in Central Europe. In Germany alone, this resulted in a 17.2% increase in sales for PARADOR compared to the previous year.

In Europe, an increase in sales of +7.9% was generated compared to the previous year, although this was distributed very differently across the various countries. Hard lockdowns, such as in Spain and France, caused sales in these countries to fall significantly short of the planned level. Other countries, such as the Nordics and Eastern Europe, generated significant growth despite the pandemic.

PARADOR

The overseas markets, which are very strongly characterised by project business, were not able to hold their own successfully; many projects were postponed or cancelled altogether. As a result, the overseas region achieved a decline in sales of -23.1% compared to the previous year and thus fell far short of the original budget.

A distinct trend in Europe continues to be resilient flooring (design flooring), such as vinyl or polypropylene and polyurethane-based flooring. The design variance, the feel and authenticity of surfaces and structures, coupled with features such as water resistance, have led to significant growth in these product groups. The laminate product group was unfortunately only able to maintain the previous year's level (+1.2%), as strong countries such as Spain and France were unable to reach the target figures despite all efforts. This also reflects the fact that laminate is declining in Central Europe and is being substituted by design flooring. Furthermore, parquet flooring in Europe is also showing a negative trend, although it cannot be surpassed in terms of authenticity and elegance. In the project business worldwide, however, parquet flooring still enjoys a very high reputation and is marketed in corresponding quantities and qualities. In addition, high volumes are also required in the Nordics, which allowed us to stabilise the parquet volume at the previous year's level (-0.6%) through the acquisition of new customers in Denmark and Sweden.

In the last financial year, the entire industry benefited from the demand boom in Central Europe, although competition continued to be strong. A high demand for trendy designs continues to drive innovation among all manufacturers. At PARADOR alone, articles that were developed no later than than 3 years ago, and are therefore seen as innovations, account for around 50% of total sales worldwide.

The hard flooring industry, which is characterised by the splitting into cost- and market-oriented competitors, continues to suffer from high margin pressure and cut-throat competition. Volume suppliers need a high capacity utilisation and thus drive the price spiral downwards; this price war is particularly pronounced in the laminate product environment. PARADOR, on the other hand, aims for a strategy that focuses on the premium segment due to the clear market orientation in the customer portfolio. This is supported by PARADOR's brand positioning and the product range orientation in the mid-range and premium segment.

PARADOR

The targeted and intensive brand building that has been going on for years is paying off; PARADOR is one of the the best-known brands in Germany in the hard flooring sector.

The alignment of the defined business model was successfully continued in 2020 – existing markets and sales channels, especially in the retail business in Europe and China, were further expanded. There was strong growth in e-commerce, but still of minor importance in the financial year, driven by the online activities of our customers as well as the development of our own online brand store in Germany. The DIY/multiples sector, which includes DIY stores and larger retail chains, has been able to hold its own even in times of pandemic and has contributed significantly to PARADOR's growth, mainly through the online business of these customers and our dropshipping options, which enable delivery directly to the end customer. The corporate strategy, which focuses on increasing flexibility in production and logistics, service, online competence and a broad, modern product portfolio, was also successful in the pandemic year and led PARADOR to the highest sales and earnings year of all time.

The key financial performance indicators by which we manage our Group are revenue and earnings before interest, taxes, depreciation and amortization (EBITDA). We would like to point out that the following non-financial performance indicators are important to us, but they are not currently used for the direct management of our company.

- Work safety
- Sustainability (EMAS certification, FSC certified products)
- Process stability (ISO 9001, 14001)
- Brand awareness, supported and unsupported

2. Company's position

2.1 Assets and liabilities

The main intangible assets include the goodwill (EUR 11.8 million) resulting from the initial consolidation and the "Parador" brand (EUR 5.5 million). Amortisation of intangible assets and depreciation of property, plant and equipment recognised in the financial year totalled approx. EUR 8.4 million. Running counter to the depreciation and amortisation recognised in the financial year 2021 was EUR 3.8 million in capital expenditures, in particular for expanding technical capacity.

PARADOR

Compared to 31 March 2020, there was a reduction of approximately EUR 2.6 million. The inventory of raw materials and supplies was maintained with a deviation of EUR -0.3 million. The inventory of semi-finished and finished products was reduced by EUR 2.3 million, in particular due to the growth in the area of design flooring. In addition, there was a targeted inventory reduction in parquet due to the declining demand of the project business overseas as a result of COVID-19.

The assets of HIL International GmbH equalled approx. EUR 116.8 million as at 31 March 2021 (PY: EUR 119.5 million). Approx. 34.8% (PY: 44.3%) of these assets are financed by credit and shareholder loans. The equity ratio reported on the balance sheet amounts to 34.4% (PY: 29.1%). Including the subordinated shareholder loan of 9.5 million (PY: 15 million), which we consider to be similar to equity, the economic equity ratio is 42.5% (PY: 41.6%)¹.

2.2 Financial position

Sales are materially financed through open/genuine factoring. As of the reporting date, receivables of EUR 17.1 million were sold to the factor, which were financed in the amount of EUR 8.3 million.

Liabilities to banks amount to EUR 31.2 million (PY: EUR 38.0 million). The short-term bank liabilities of EUR 8.8 million include an annual revolving loan of EUR 4.0 million and regular repayments. In addition to the regular repayments of EUR 4.3 million, further extraordinary repayments of EUR 2.5 million were made in the 2020/2021 financial year. No other current account lines were used.

Free cash flow (**Net increase in cash and cash equivalents**) in the financial year 2020/21 amounts to EUR 3.89 million. Adjusted for the tax liabilities still to be paid of EUR 1.12 million and the tax provisions of EUR 1.97 million, this results in an excess cash flow of EUR 0.80 million.

The leverage ratio is 0.96 (PY: 2.15)².

¹ Calculation of economic equity: ((balance sheet equity EUR 40.15 million + shareholder loan EUR 9.5 million) / balance sheet total EUR 116.82 million) x 100 = 42.5%.

² Calculation of leverage ratio: (liabilities to banks EUR 31.2 million + bank guarantees given of EUR 0.6 million ./ liquid funds EUR 13.4 million) / EBITDA EUR 19.1 million = 0.96

2.3 Financial performance

Gross sales (Sales before rebates and cash discounts), which amounted to EUR 183.7 million in the financial year, thus far exceeded the previous year, which closed at EUR 167.7 million, by EUR 16.1 million, representing growth of 9.6%, and this in a volatile year of crisis and significant shifts. Net sales grew by 8.3% to EUR 169.2 million, compared to EUR 156.2 million in the prior year and are significantly above plan.

Sales of PARADOR products in the financial year were generated with the following regional shares: 51.6% in Germany, 42.0% in the rest of Europe and 6.4% in overseas markets.

Europe was able to maintain its position with a plus of 7.9% (EUR +5.7 million compared to the previous year, despite a lack of sales volume in important markets such as Spain and the UK. Germany was able to achieve a considerable increase of +17.2%, which means a plus of EUR 13.9 million. Only overseas had to record a decline of EUR -3.5 million (-23.1%) compared to the previous year, but this loss in sales was fortunately more than compensated for by the other regions and led PARADOR to its strongest sales year ever.

In addition to the positive development in the sector, one of the drivers for the sales and margin success was the DIY/Multiples sales channel through increased online presence, which was further expanded through corresponding logistics concepts and capacities as well as through the company's own online brand shop, which was launched in Germany. The classic channels, such as specialist retailers and associations, also made a positive contribution to the success. The project business in overseas markets, however, recorded due to COVID-19 a significant decline compared to the previous year.

The most significant growth in the product groups was again achieved in resilient flooring (LVT and modular flooring) with a plus of 21.0% (EUR +13.3 million) compared to the previous year. The product group laminate could only be kept slightly above the previous year's level (+1.2% / EUR +0.5 million), this also applies to parquet flooring (-0.6% / EUR -0.2 million). However, wall/ceiling articles as well as accessories achieved a good growth compared to the previous year with +16.4 % or EUR +2.3 million. This is due to the Central Europeans' willingness to renovate as well as the start-up of the online brand store, which also drove accessory articles.

PARADOR

In the financial year 2020/21, EBIT (item 12 minus item 9 and plus items 10 and 11 of the income statement) of EUR 10.7 million and EBITDA (item 12 minus item 9 plus items 10, 11 and 7 of the income statement) of EUR 19.1 million were achieved. The EBITDA is thus significantly [+41.1%] above the previous year's value forecast.

3. Personnel

In the human resources area, the focus in the financial year 2020/21 was on the implementation of and compliance with Corona laws and the establishment of corresponding protective measures. In the process, measures beyond the legal regulations were permanently introduced (for example, procedural instructions and air purification devices). The introduction of further digital communication solutions and mobile applications have meant that Parador has remained operationally capable of acting. 51 new employees joined the company in the financial year 2020/2021. On average, 570 people (including temporary workers and trainees) were employed in the Group (PY: 501 employees), of whom 438 worked at the Coesfeld site and 132 at the Güssing site. In order to counteract the effects of demographic change and to meet the future demand for skilled workers, the range of apprenticeships was expanded (process technician and e-commerce clerk) and the offer to conclude partial retirement contracts was continued.

Furthermore, health management was further developed and operational personnel processes in the areas of accounting and time recording were optimised and stabilised in order to secure the company.

4. Overall statement

From the management's point of view, the company's net assets, financial position and results of operations are very positive. Sales increased by 8.3% from EUR 156.2 million in the previous year to EUR 169.2 million. EBITDA increased by 41,1% from EUR 13.6 million in the previous year to EUR 19.1 million.

III. Forecast, opportunity and risk report

1. Opportunity and risk report

Opportunities

The construction industry, especially in the private sector, continues to record good economic activity and corresponding growth. This secures the future demand in the flooring market, which is currently evident in the high order intake and order backlog.

The e-commerce channel continues to offer a high sales opportunity, where PARADOR offers its existing online B2B customers, its hybrid customers (stationary and online active) and its own online brand store many possibilities in the portfolio and also in processing, which defy physical contact at the PoS. This channel will be further expanded and pushed in all existing formats, regionally, in the processing and also in the product portfolio.

Due to the rather weaker international contract business in the past financial year, we expect a significant backlog demand in this area for the coming financial year. This is already becoming apparent through corresponding project enquiries.

The start-up of new products in February and May 2021 also opens up the possibility of further sales growth.

Risks

Appropriate insurance policies have been taken out to cover potential damage and liability risks. These policies ensure that the possible consequences of risks occurring are kept within reasonable limits or are completely excluded. The scope of these policies is reviewed on an ongoing basis and adjusted as necessary.

In order to counter possible risks arising from tax, competition, patent, antitrust and environmental regulations and laws, decisions as well as the design of business processes are based on legal advice and external consultants.

PARADOR

Our products are regularly tested by independent institutes for their quality characteristics and environmental compatibility. In spring 2020, the internationally recognised quality management standard DIN EN ISO 9001 was introduced.

ISO 9001 is a quality management standard designed to ensure that a company does everything it can to produce good products or provide a good service. The standard also shows that a company follows internationally recognised quality management principles and makes its actions measurable and comparable.

Price increases and shortages on the raw materials side have dominated daily business since the beginning of 2021 and is seen as the main risk affecting the future development. In the procurement market, the Group aims to counteract the significant risks in raw material procurement and ward off the dynamics of sharply rising raw material prices. Within the supplier portfolio, products were relocated and new suppliers qualified. Future further increases in procurement prices due to raw material shortages are therefore seen as a risk.

In addition, the continuance of the corona pandemic is classified as a moderate risk. Depending on the continuance of the pandemic, the economic development and purchasing power may be affected and thus lead to a decline in sales. The Corona pandemic affected the various sales markets differently, so that the corresponding effects must be viewed differently depending on the country in terms of time and intensity. Hard lockdowns have clearly restricted and paralysed the business environment in some countries, and this was immediately reflected in the development of sales. Looking ahead, the further course of events in the various countries essentially depends on how quickly a high vaccination rate can be achieved in the respective country and how quickly the pandemic can be brought under control in the respective country. Looking at China, normality seems to have returned there to some extent; domestic air travel, open shops and restaurants are gradually making their mark on cityscapes again.

Developments in neighbouring European countries and overseas are therefore uncertain and not clearly predictable from today's perspective. Important sales markets for PARADOR, such as Spain and France, but also North America, are still struggling against high incidence values and therefore continue to cause sales losses. Project business overseas is also only moderately starting up again, not least because many property developers have run into financial difficulties or insolvency.

PARADOR

2. Forecast report

According to relevant institutes, the economy is expected to pick up in the financial year 2021/22. PARADOR has drawn up a plan for the new financial year, but is facing major challenges in the context of the current raw material supply problems, especially in the area of wood-based materials and raw wood for parquet flooring. Immense increases in raw material prices are expected. As a consequence, a first unplanned price increase has been implemented and further increases are currently being examined. A good order intake and order backlog may not be served by sufficient availability of raw materials in the future and could limit the sales potential. The outlook for raw material supply is also difficult to assess, as the procurement market is currently highly volatile.

Despite the challenges mentioned above, we expect a slight increase in sales compared to the financial year 2020/21. We expect a slight decline in EBITDA. This assessment is supported by the very high order backlog at the time of preparing the balance sheet.

In addition to the price increase of our products, the further catalogue of measures also includes the areas of personnel, accounts payable, working capital, investments and costs, as required. Depending on further developments, necessary measures will be implemented in the short term in order to preserve the company's liquidity.

The overall scenario includes the assumption that the most severe supply problems will continue until at least the end of September 2021 and then a normalisation of the procurement markets in our industry will set in.

Thus, it will be important to keep the company's liquidity stable, especially in the second and third quarters of calendar year 2021.

Active participation in exhibitions by PARADOR, nationally or internationally, is doubtful and depends on the further development of the pandemic and the incidence value. If it is possible to participate in a exhibition, it will certainly only take place in a smaller format. PARADOR's well-known in-house exhibition "Handelstage", which is highly valued by customers, was cancelled in 2020 due to the pandemic and has not been planned or budgeted for in 2021.

PARADOR

The new products planned for the financial year 2020/21 will therefore be launched in two stages, on 1 February 2021 and 1 May 2021. Since the launch will take place without trade fair support, a new format was chosen that builds on digital possibilities. The newly designed and equipped "Digital Customer Studio" is an in-house studio of approx. 50 sqm equipped with state-of-the-art camera and presentation technology, which provides the ideal opportunity to present PARADOR's wide product range to existing and new customers in a professional and authentic manner.

In parallel, an "in-house video studio" is currently being built and set up, which in future will create images and films, live streams and other opportunities to generate digital content at short notice and at attractive prices.

In sum, this makes a complete product launch possible even without physical contact, but in a very professional and convincing manner for national and all international contacts.

PARADOR thus continues to be well and flexibly positioned and in a position to take advantage of opportunities in the German and international environment. It will thus be essential to keep the company liquid, to intensify the business model even further and thus to realise every market opportunity in the relevant market.

PARADOR

PARADOR continues to see itself in a position to further develop the company and continue on its planned growth course despite the current volatile conditions caused by the pandemic and the current shortages of raw materials.

The measures taken and decided are geared towards securing earnings and liquidity.

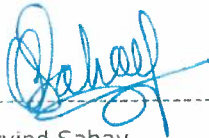
Düsseldorf, 10 June 2021

HIL International GmbH

Management



Dhirup Roy Choudhary
Managing Director



Dr. Arvind Sahay
Managing Director



Dr. Stephan Degmair
Managing Director



Dr. Bettina Wawretschek
Managing Director

Legal status of the Parent Company

Date of formation	11 July 2018 (day of registration at the commercial register)
Registered name	HIL International GmbH
Registered office	Düsseldorf, Germany
Articles of Association	Original articles of association as of 3 July 2018. Latest change on 13 December 2018.
Commercial register	Local Court Düsseldorf under HR B 83991. Commercial register excerpt from 16 April 2021 with last entry from 11 April 2019.
Company's purpose	Company's purpose is the marketing and sale of building materials and corresponding services.
Financial year	The financial year originally corresponded to the calendar year. At the shareholders' meeting held on 13 December 2018, the financial year has been changed. The financial year of the Company commences now on 1 April and ends on 31 March of the following year.
Share capital	KEUR 34,025 The statutory capital of HIL International GmbH in the amount of KEUR 25 was increased by shareholder resolution dated 23 August 2018 by KEUR 34,000 to KEUR 34,025 by issuing 34,000 shares with nominal value of EUR 1 each. The registration in the trade registry was made on 29 January 2019.
Capital structure	The Company is a wholly owned subsidiary of HIL Ltd., Hyderabad, India.
Size of the Company	The Company is a large-sized corporation as defined by Section 267 (3) of the German Commercial Code [HGB].
Affiliated companies	Subsidiaries: – Parador Holding GmbH, Coesfeld, Germany (100%) – Parador GmbH, Coesfeld, Germany (100%) – Parador Parkettwerke GmbH, Güssing, Austria (100%) – Parador Shanghai Trading Ltd. Co., Shanghai, China (50%)

Managing Directors	The members of management are listed in the Company's notes to the financial statements (Appendix 1.5). The required disclosures pursuant to Section 285 (9, 10) HGB are provided in the notes under item F.
Tax status	The Company's tax number is: 143/146/11455 and 312/6866/2202.

Appendix 3

Konzernabschluss zum 31. März 2021 und Konzernlagebericht

3.1 Konzernbilanz

3.2 Konzern-Gewinn- und Verlustrechnung

3.3 Konzern-Kapitalflussrechnung

3.4 Konzern-Eigenkapital- veränderungsrechnung

3.5 Konzernanhang

3.6 Konzernlagebericht

HIL International GmbH, Düsseldorf

Konzernbilanz zum 31. März 2021

Aktiva

	31.03.2021		31.03.2020	
	TEUR	TEUR	TEUR	TEUR
A. Anlagevermögen				
I. Immaterielle Vermögensgegenstände				
1. Entgeltlich erworbene Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Werte sowie Lizenzen an solchen Rechten und Werten	7.183		8.010	
2. Geschäfts- oder Firmenwert	11.790	18.973	13.380	21.390
II. Sachanlagen				
1. Grundstücke, grundstücksgleiche Rechte und Bauten einschließlich der Bauten auf fremden Grundstücken	24.007		23.138	
2. Technische Anlagen und Maschinen	13.962		16.523	
3. Andere Anlagen, Betriebs- und Geschäftsausstattung	1.443		1.657	
4. Geleistete Anzahlungen und Anlagen im Bau	1.235	40.647	918	42.236
III. Finanzanlagen				
Beteiligungen		100		100
		59.720		63.726
B. Umlaufvermögen				
I. Vorräte				
1. Roh-, Hilfs- und Betriebsstoffe	14.511		14.771	
2. Unfertige Erzeugnisse	3.875		4.270	
3. Fertige Erzeugnisse und Waren	12.944	31.330	14.913	33.954
II. Forderungen und sonstige Vermögensgegenstände				
1. Forderungen aus Lieferungen und Leistungen	1.838		2.397	
2. Forderungen gegen Unternehmen, mit denen ein Beteiligungsverhältnis besteht	230		649	
3. Sonstige Vermögensgegenstände	10.164	12.232	8.913	11.959
III. Kassenbestand und Guthaben bei Kreditinstituten				
		13.446		9.559
		57.008		55.472
C. Rechnungsabgrenzungsposten		93		264
		116.821		119.462

Passiva

	31.03.2021	31.03.2020
	TEUR	TEUR
A. Eigenkapital		
I. Gezeichnetes Kapital	34.025	34.025
II. Gewinn (Verlust)-Vortrag	704	-759
III. Konzernjahresüberschuss	5.420	1.462
	40.149	34.728
B. Rückstellungen		
1. Rückstellungen für Pensionen und ähnliche Verpflichtungen	2.680	2.593
2. Steuerrückstellungen	1.973	1.396
3. Sonstige Rückstellungen	9.221	6.639
	13.874	10.628
C. Verbindlichkeiten		
1. Verbindlichkeiten gegenüber Kreditinstituten	31.180	37.970
2. Verbindlichkeiten aus Lieferungen und Leistungen	11.554	8.473
3. Verbindlichkeiten gegenüber verbundenen Unternehmen	9.710	16.170
4. Sonstige Verbindlichkeiten	3.202	3.230
	55.646	65.843
D. Passive latente Steuern	7.152	8.263
	116.821	119.462

HIL International GmbH, Düsseldorf

Konzern-Gewinn- und Verlustrechnung für die Zeit vom 1. April 2020 bis 31. März 2021

	1. April 2020 - 31. März 2021		1. April 2019 - 31. März 2020	
	TEUR	TEUR	TEUR	TEUR
1. Umsatzerlöse		169.219		156.195
2. Verminderung (Erhöhung) des Bestands an fertigen und unfertigen Erzeugnissen		-2.186		2.291
3. Andere aktivierte Eigenleistungen		26		50
4. Sonstige betriebliche Erträge		1.377		1.054
5. Materialaufwand				
a) Aufwendungen für Roh-, Hilfs- und Betriebsstoffe und für bezogene Waren		88.469		87.666
6. Personalaufwand				
a) Löhne und Gehälter	24.957		23.800	
b) Soziale Abgaben und Aufwendungen für Altersversorgung und für Unterstützung	5.444	30.401	5.354	29.154
7. Abschreibungen auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen		8.427		8.069
8. Sonstige betriebliche Aufwendungen		30.427		29.208
9. Sonstige Zinsen und ähnliche Erträge		3		3
10. Zinsen und ähnliche Aufwendungen		2.063		2.666
11. Steuern vom Einkommen und vom Ertrag		2.966		1.211
12. Konzernergebnis nach Steuern		5.686		1.619
13. Sonstige Steuern		266		157
14. Konzernjahresüberschuss		5.420		1.462

HIL International GmbH, Düsseldorf

Konzern-Kapitalflussrechnung für das Geschäftsjahr vom 1. April 2020 bis 31. März 2021

	1.4.2020 – 31. März 2021	1.1. – 31.3.2020
	TEUR	TEUR
Konzernjahresüberschuss	5.420	1.462
Abschreibungen auf das Anlagevermögen	8.427	8.079
Zunahme (+)/Abnahme (-) der Rückstellungen	3.246	693
Zunahme (-)/Abnahme (+) der Vorräte, der Forderungen aus Lieferungen und Leistungen sowie anderer Aktiva, die nicht der Investitions- oder Finanzierungstätigkeit zuzuordnen sind	2.523	792
Abnahme (-) der Verbindlichkeiten aus Lieferungen und Leistungen sowie anderer Passiva, die nicht der Investitions- oder Finanzierungstätigkeit zuzuordnen sind	-3.407	-5.855
Summe von Zinsaufwendungen (+)/Zinsertrag (-)	2.060	2.664
Ertragsteueraufwand (+)	2.966	1.211
Ertragsteuerzahlungen (-)	-4.077	-2.037
Cashflow aus laufender Geschäftstätigkeit	17.158	7.009
Auszahlungen (-) für Investitionen in Sachanlagen	-4.268	-3.699
Auszahlungen (-) für Investitionen in immaterielle Anlagen	-153	-40
Erhaltene Zinsen (+)	3	3
Cashflow aus der Investitionstätigkeit	-4.418	-3.736
Auszahlungen (-) zur Tilgung von Anleihen und (Finanz-)Krediten	-6.790	1.694
Gezahlten Zinsen	-2.063	-2.666
Cashflow aus der Finanzierungstätigkeit	-8.853	-972
Zahlungswirksame Veränderungen des Finanzmittelfonds	3.887	2.301
Finanzmittelfonds am Anfang der Periode	9.559	7.258
Finanzmittelfonds am Ende der Periode	13.446	9.559

HIL International GmbH, Düsseldorf

Konzern-Eigenkapitalspiegel für das Geschäftsjahr vom 1. April 2020 bis 31. März 2021

	Gezeichnetes Kapital	Kapital- rücklage	Konzern- bilanzgewinn/ -verlust	Konzern- eigenkapital
	TEUR	TEUR	TEUR	TEUR
Stand am 1. Januar 2020	34.025	0	-759	33.266
Konzernjahresüberschuss	0	0	1.462	1.462
Kapitalerhöhung/-herabsetzung	0	0	0	0
Stand am 31. März 2020	34.025	0	703	34.728

Konzern-Eigenkapitalspiegel für das Geschäftsjahr vom 1. April 2020 bis 31. März 2021

	Gezeichnetes Kapital	Kapital- rücklage	Konzern- bilanzgewinn/ -verlust	Konzern- eigenkapital
	TEUR	TEUR	TEUR	TEUR
1. April 2020	34.025	0	703	34.728
Konzernjahresüberschuss	0	0	5.420	5.420
Kapitalerhöhung/-herabsetzung	0	0	0	0
31. März 2021	34.025	0	6.123	40.148

HIL International GmbH, Düsseldorf

Konzern-Anhang für das Geschäftsjahr vom 1. April 2020 bis 31. März 2021

A. Allgemeine Angaben

Das Mutterunternehmen des Konzerns ist die HIL International GmbH, Düsseldorf, die im Handelsregister des Amtsgerichts Düsseldorf unter HRB 83991 eingetragen ist.

Der vorliegende Konzernabschluss wurde gemäß §§ 290 ff. HGB aufgestellt.

Die dem Konzernabschluss zum 31. März 2021 zugrundeliegenden Bilanzierungs- und Bewertungsmethoden entsprechen den Vorschriften des Handelsgesetzbuches.

Für die Konzerngewinn- und Verlustrechnung wird das Gliederungsschema des Gesamtkostenverfahrens im Sinne des § 275 Abs. 2 HGB angewendet.

Die Parador GmbH und die Parador Holding GmbH, die als Tochterunternehmen in den vorliegenden Konzernabschluss einbezogen sind, machen von den Befreiungsvorschriften gemäß § 264 Abs. 3 HGB dergestalt Gebrauch, dass auf die Prüfung und Offenlegung der beiden Jahresabschlüsse verzichtet wird.

B. Allgemeine Bilanzierungs-, Bewertungs- und Konsolidierungsgrundsätze

Konsolidierungskreis

Neben der Muttergesellschaft werden folgende Tochterunternehmen im Rahmen der Vollkonsolidierung in den Konzernabschluss einbezogen:

Name	Sitz	Anteil am Kapital
Parador Holding GmbH	Coesfeld, Deutschland	100 %
Parador GmbH	Coesfeld, Deutschland	100 %
Parador Parkettwerke GmbH	Güssing, Österreich	100 %

Neben den o.g. Firmen hält die Parador GmbH eine 50 %ige Beteiligung an der Parador (Shanghai) Trading Co. Ltd. mit Sitz in Shanghai, China. Da das Unternehmen im Verhältnis zur Vermögens-, Finanz- und Ertragslage des Konzerns eine untergeordnete Bedeutung hat, wird nach § 296 Abs. 2 HGB auf eine Einbeziehung in den Konzernabschluss verzichtet.

Konsolidierungsgrundsätze

Es wurde eine Vollkonsolidierung nach den §§ 300 bis 307 HGB durchgeführt.

Die erstmalige Kapitalkonsolidierung erfolgte zum 27. August 2018 nach der Neubewertungsmethode gemäß § 301 HGB in der Gestalt, dass die Anschaffungskosten der Anteile an einem in den Konzernabschluss einbezogenen Tochterunternehmen mit dem auf diese Anteile entfallenden Betrag seines Eigenkapitals sowie „Sonderposten aus Investitionszuschüssen“ verrechnet wurden. Das Eigenkapital wurde nach § 301 Abs. 1 Satz 2 HGB mit dem Betrag angesetzt, der dem Zeitwert der in den Konzernabschluss aufzunehmenden Vermögensgegenstände, Schulden und Rechnungsabgrenzungsposten entspricht, der diesen am 1. September 2018 beizulegen war. Rückstellungen sind nach § 253 Abs. 1 Satz 2 und 3, Abs. 2 und latente Steuern nach § 274 Abs. 2 HGB bewertet worden.

Im Rahmen der Erstkonsolidierung zum 27. August 2018 wurden die stillen Reserven und Lasten im Anlagevermögen aufgedeckt. Der nach Verrechnung verbleibende aktive Unterschiedsbetrag zwischen dem sich dabei ergebenden anteiligen Eigenkapital und dem Beteiligungsbuchwert wurde als Firmenwert nach § 301 Abs. 1 HGB ausgewiesen und wird über zehn Jahre gemäß § 253 Abs. 3 S.3 HGB planmäßig abgeschrieben.

Forderungen und Verbindlichkeiten zwischen den Unternehmen des Konsolidierungskreises wurden gemäß § 303 HGB gegeneinander aufgerechnet (Schuldenkonsolidierung).

Konzerninterne Umsätze sowie Aufwendungen und Erträge zwischen den Unternehmen des Konsolidierungskreises wurden gemäß § 305 HGB miteinander verrechnet (Aufwands- und Ertragskonsolidierung).

Zwischengewinne wurden gemäß § 304 Abs. 1 HGB eliminiert.

Eine Abgrenzung aktiver latenter Steuern auf erfolgswirksame Konsolidierungsmaßnahmen nach § 306 Abs.1 HGB wurde mit dem durchschnittlichen Konzernsteuersatz von 30,0 % vorgenommen, soweit sich diese Differenzen in späteren Geschäftsjahren voraussichtlich ausgleichen. Die temporären Differenzen gem. § 274 HGB betreffen im Wesentlichen Vorräte und Pensionsrückstellungen.

Auf den Unterschiedsbetrag zwischen den Buchwerten der Einzelgesellschaften und den Konzernwerten (Fair Value) per 31.03.2021 wurde eine Abgrenzung passiver latenter Steuern auf erfolgswirksame Konsolidierungsmaßnahmen nach § 306 Abs. 1 HGB vorgenommen. Diese wurden mit dem durchschnittlichen Steuersatz von 31,6 % auf den für Parador GmbH, Deutschland, und 25,0 % auf den für die Parador Parkettwerke, Österreich, entfallenen Unterschiedsbetrag vorgenommen.

Die aktiven und passiven latenten Steuern wurden saldiert.

Bilanzierungs- und Bewertungsgrundsätze

Die in den Konzernabschluss einbezogenen Jahresabschlüsse zum 31. März 2021 der oben genannten Unternehmen wurden einheitlich nach den deutschen handelsrechtlichen Bilanzierungs- und Bewertungsvorschriften gem. § 308 HGB aufgestellt.

Bei den Gegenständen des Anlagevermögens, deren Nutzung zeitlich begrenzt ist, sind die Anschaffungs-/Herstellungskosten um planmäßige lineare Abschreibungen vermindert. Die Abschreibungsbeträge werden anhand der voraussichtlichen Nutzungsdauer der jeweiligen Vermögensgegenstände in Anlehnung an die steuerlichen AfA-Tabellen ermittelt und bewegen sich in folgenden Rahmen.

Gebäude	10 – 25 Jahre
Technische Anlagen und Maschinen	3 – 15 Jahre
Andere Anlagen, Betriebs- und Geschäftsausstattung	3 – 10 Jahre

Im Jahr des Zugangs erfolgt die Abschreibung pro rata temporis. Gebraucht erworbene bewegliche Anlagegegenstände werden verkürzt abgeschrieben.

Bei den immateriellen Vermögenswerten handelt es sich um Firmenwert, Marke und Patente. Der Firmenwert und die Marke werden nach §253 Abs. 3 HGB über 10 Jahre abgeschrieben, die Patente mit der tatsächlichen Nutzungsdauer über 7 Jahre.

Die Vorräte werden zu Anschaffungs- oder Herstellungskosten oder mit dem niedrigeren beizulegenden Wert zum Bilanzstichtag angesetzt. Der beizulegende Wert wird innerhalb einer Reichweitenanalyse ermittelt (Laminat/Modulare Böden: Abschlagssatz 0-1 Jahre: 0 %; >1-2 Jahre: 10 %; >2-3 Jahre: 50 %; >3 Jahre: 100 %/ Parkett: Abschlagssatz >1-2 Jahre: 50 %; >2 Jahre: 100 %). In die Herstellungskosten werden neben den direkt zurechenbaren Kosten auch Fertigungs- und Materialgemeinkosten einschließlich Abschreibungen einbezogen. Zinsen für Fremdkapital werden nicht in den Herstellungskosten einbezogen. Bei den Roh-, Hilfs- und Betriebsstoffen wird von zulässigen Bewertungsvereinfachungsverfahren Gebrauch gemacht.

Die Bewertung der Forderungen und sonstigen Vermögensgegenstände erfolgte zum Nennwert unter Beachtung des Niederstwertprinzips. Allen erkennbaren Einzelrisiken und dem allgemeinen Ausfallrisiko wurde durch angemessene Abwertung in Form von Wertberichtigungen Rechnung getragen.

Die liquiden Mittel beinhalten sowohl Kassenbestände als auch Guthaben bei Kreditinstituten und werden zum Nennwert angesetzt.

Als aktive Rechnungsabgrenzungsposten sind Ausgaben vor dem Abschlussstichtag angesetzt, soweit sie Aufwand für einen bestimmten Zeitraum nach diesem Zeitpunkt darstellen.

Das gezeichnete Kapital ist zum Nennwert angesetzt.

Die Pensionsrückstellungen beinhalten sowohl Pensionsrückstellungen für die Parador GmbH, Deutschland und Rückstellungen der Parador Parkettwerke GmbH, Österreich, und werden basierend auf den „Richttafeln 2018 G“ von Klaus Heubeck nach der Projected-Unit-Credit-Method (PUCM) berechnet. Der Abzinsungssatz der Parador GmbH zum 31. März 2021 gem. RückAbzinsV beträgt unter Inanspruchnahme der Vereinfachungsregel gem. § 253 Abs. 2 S. 2 HGB bei einer angenommenen Restlaufzeit von 15 Jahren 2,19 % (Vorjahr: 2,61 %). Soweit angezeigt, wird bei der Berechnung eine erwartete Rentensteigerung von p.a. 1,75 % (Vorjahr: 1,75 %) zugrunde gelegt. Die Rückstellungen der Parador Parkettwerke GmbH wurde auf Basis eines Rechnungszinssatzes von 2,04 % (Vorjahr: 2,52 %) (10-jähriger Durchschnittszinssatz basierend auf Marktzinssätzen von Unternehmen hoher Bonität mit 15-jähriger Laufzeit, entsprechend der Veröffentlichung der deutschen Bundesbank) unter Berücksichtigung einer durchschnittlichen Bezugserhöhung von 2,40 % (Vorjahr: 3,10 %) und des gesetzlichen Pensionsantrittsalters ermittelt.

Die Steuerrückstellungen sind in Höhe des voraussichtlichen Erfüllungsbetrags gebildet.

Die sonstigen Rückstellungen sind für alle erkennbaren Risiken aus schwebenden Geschäften und ungewissen Verpflichtungen in Höhe des nach vernünftiger kaufmännischer Beurteilung notwendigen Erfüllungsbetrags angesetzt.

Die gebildeten pauschalen Gewährleistungsrückstellungen werden grundsätzlich prozentual auf den gewährleistungspflichtigen Umsatz berechnet. Der hierfür verwendete Prozentsatz wird aus betrieblichen Erfahrungen abgeleitet.

Die übrigen Rückstellungen berücksichtigen alle erkennbaren Risiken aus schwebenden Geschäften und ungewissen Verpflichtungen. Rückstellungen mit einer Laufzeit von weniger als einem Jahr werden nicht abgezinst.

Verbindlichkeiten sind mit den Erfüllungsbeträgen ausgewiesen.

C. Erläuterungen zum Konzernabschluss

Anlagevermögen

Die Zusammensetzung des Bestandes und die Entwicklung der einzelnen Posten sind aus dem Konzern-Anlagenspiegel (Anlage zum Anhang) ersichtlich.

Forderungen und sonstige Vermögensgegenstände

Sowohl die Forderungen aus Lieferungen und Leistungen als auch die sonstigen Vermögensgegenstände enthalten nur Posten mit einer Restlaufzeit von bis zu einem Jahr. In den sonstigen Vermögensgegenständen ist eine nicht abgerufene Factoringlinie in Höhe von TEUR 3.473 (i.Vj. TEUR 3.400) enthalten. Forderungen gegenüber dem Gesellschafter betragen TEUR 47 (i.Vj. TEUR 162) und resultieren aus Lieferungen und Leistungen.

Zum Zwecke der Working Capital Finanzierung wird ein echtes/offenes Factoring der Kundenforderungen durchgeführt. Zum Bilanzstichtag wurden Forderungen in Höhe von TEUR 17.056 (i.Vj. TEUR 17.005) an den Factor verkauft. Das Factoring führt zu einem vorgezogenen Liquiditätszufluss. Bei einer Beendigung des Vertrags würde sich kurzfristig ein erhöhter Finanzbedarf ergeben.

Gezeichnetes Kapital

Das Stammkapital der HIL International GmbH beträgt unverändert TEUR 34.025 im Nennbetrag von je EUR 1.

Pensionsrückstellungen

Zur Bilanzierung und Bewertung wird auf die Ausführungen in Abschnitt B verwiesen.

Für Pensionsverpflichtungen des Konzerns existieren Rückdeckungsversicherungen, welche an die Begünstigten verpfändet sind. Gemäß § 246 Abs. 2 S. 2 HGB werden solche Vermögensgegenstände (Deckungsvermögen) mit einem Zeitwert, der den Anschaffungskosten entspricht, von TEUR 247 mit entsprechenden Pensionsverpflichtungen (TEUR 2.927) saldiert. Im Geschäftsjahr hat es keine Erträge aus dem Deckungsvermögen gegeben. Innerhalb der Zinsaufwendungen sind Aufwendungen aus der Aufzinsung der Pensionsverpflichtungen (TEUR 53, i. Vj. TEUR 59) enthalten. Der Unterschiedsbetrag gem. § 253 Abs. 6 S.1 HGB beläuft sich zum Bilanzstichtag auf insgesamt TEUR 239 (i.Vj. TEUR 249).

Rückstellungen

Die sonstigen Rückstellungen in Höhe von TEUR 9.222 (i. Vj. TEUR 6.638) beinhalten zum 31. März 2021 vor allem Rückstellungen für Gewährleistungsansprüche und sonstige kundenbezogene Rückstellungen i.H.v. 3.250 TEUR (i.Vj. 2.224 TEUR), für Rückstellungen für ausstehende Lieferantenrechnungen i.H.v. 2.192 TEUR (i.Vj. 874 TEUR), für Tantiemen und Zielerreichungsprämien i. H. v. TEUR 991 (i. Vj. TEUR 999) sowie für sonstige Personalverpflichtungen i. H. v. TEUR 1.909 (i. Vj. TEUR 1.796).

Verbindlichkeiten

Die in der Bilanz ausgewiesenen Verbindlichkeiten zum 31. März 2021 teilen sich hinsichtlich der Restlaufzeiten gem. § 268 Abs. 5 HGB und § 314 Abs. 1 HGB wie folgt auf:

Verbindlichkeiten	> 1 bis 5			Gesamt TEUR
	Bis 1 Jahr TEUR	Jahre TEUR	Über 5 Jahre TEUR	
gegenüber Kreditinstituten	8.845	22.335	0	31.180
aus Lieferungen und Leistungen	11.555	0	0	11.555
gegenüber Gesellschaftern	210	0	9.500	9.710
Sonstige Verbindlichkeiten	3.202	0	0	3.202
- davon aus Steuern	1.121	0	0	1.121
- davon im Rahmen sozialer Sicherheit	175	0	0	175
Summe	23.812	22.335	9.500	55.647

Die in der Bilanz ausgewiesenen Verbindlichkeiten zum 31. März 2020 teilen sich hinsichtlich der Restlaufzeiten gem. § 268 Abs. 5 HGB und § 314 Abs. 1 HGB wie folgt auf:

Verbindlichkeiten	> 1 bis 5			Gesamt TEUR
	Bis 1 Jahr TEUR	Jahre TEUR	Über 5 Jahre TEUR	
gegenüber Kreditinstituten	8.290	17.098	12.582	37.970
aus Lieferungen und Leistungen	8.473	0	0	8.473
gegenüber Gesellschaftern	1.170	0	15.000	16.170
Sonstige Verbindlichkeiten	3.230	0	0	3.230
- davon aus Steuern	1.071	0	0	1.071
- davon im Rahmen sozialer Sicherheit	145	0	0	145
Summe	21.163	17.098	27.582	65.843

Die Verbindlichkeiten gegenüber Kreditinstituten sind mit Grundschulden (TEUR 17.000.) in Coesfeld, Deutschland und Güssing, Österreich sowie Verpfändungen des beweglichen Anlagevermögens, des gesamten Umlaufvermögens, gewerblicher Schutzrechte und Patente besichert.

D. Erläuterungen zur Konzern-Gewinn- und Verlustrechnung

Umsatzerlöse

Die Umsatzerlöse betreffen sämtlich den Verkauf von Bodenbelägen und gliedern sich im Geschäftsjahr 2021 wie folgt:

	TEUR
Inland	87.265
Ausland	81.954
Gesamt	169.219

Sonstige betriebliche Erträge

Die sonstigen betrieblichen Erträge enthalten im Berichtsjahr keine periodenfremden Erträge. Es sind Erträge aus Währungsumrechnungen in Höhe von TEUR 419 (i. Vj. TEUR 218) enthalten.

Sonstige betriebliche Aufwendungen und Zinsen

Die sonstigen betrieblichen Aufwendungen enthalten im Berichtsjahr keine wesentlichen periodenfremden Aufwendungen. Es sind Aufwendungen aus Währungsumrechnungen in Höhe von TEUR 414 (i. Vj. TEUR 280) enthalten. Die Zinsen und ähnliche Aufwendungen betragen TEUR 2.063 (i. Vj. TEUR 2.666), davon an verbundene Unternehmen/Gesellschafter TEUR 980 (i. Vj. TEUR 1.545).

Latente Steuern

Die zum 31. März 2021 erfassten passiven latenten Steuern wurden mit den aktiven latenten Steuern saldiert und betragen TEUR 7.152 (i. Vj. TEUR 8.264).

	Stand 01.04.2020 in TEUR	Veränderung in TEUR	Stand 31.03.2021 in TEUR
Aktive latente Steuern	590	88	678
- davon aus Pensionsrückstellungen	264	107	371
Passive latente Steuern	-8.854	1.024	-7.830
- davon aus Unterschiedsbetrag Buchwerten Anlagevermögen der Einzelgesellschaften und den Markt- werten des Konzerns	-8.854	1.024	-7.830

Die passiven latenten Steuern ergeben sich vollumfänglich aus dem Unterschiedsbetrag zwischen den Buchwerten des Anlagevermögens der Einzelgesellschaften und den zu Marktwerten bilanzierten Konzernwerten. Diese wurden mit dem durchschnittlichen Steuersatz von 31,6 % auf den für Parador GmbH, Deutschland und 25,0 % auf den für die Parador Parkettwerke GmbH, Österreich entfallenen Unterschiedsbetrag vorgenommen.

Die aktiven latenten Steuern fallen insbesondere auf den Unterschiedsbetrag zwischen handels- und steuerrechtlichen Wertansätzen der Einzelgesellschaften Parador GmbH, Parador Parkettwerke GmbH und Parador Holding GmbH und auf Konsolidierungsmaßnahmen im Rahmen der Konzernabschlusserstellung an.

E. Erläuterungen zur Kapitalflussrechnung

Der Finanzmittelfonds setzt sich aus Kassenbeständen und Guthaben bei Kreditinstituten zusammen und beläuft sich auf TEUR 13.446 (i. Vj. TEUR 9.559).

F. Sonstige Angaben

Sonstige finanzielle Verpflichtungen

Die sonstigen finanziellen Verpflichtungen aus Miet- und Leasingverträgen stellen sich wie folgt dar:

Verpflichtungen	Bis 1 Jahr TEUR	> 1 bis 5 Jahre		Gesamt TEUR
		TEUR	Über 5 Jahre TEUR	
Mieten	747	954	239	1.940
Leasing	317	539	0	856
Summe	1.064	1.493	239	2.796

Geschäftsführung

Die Geschäftsführung besteht aus folgenden Personen:

- Dhirup Roy Choudhary (Electrical & Electronics Ingenieur)
- Dr. Stephan Degmair (Rechtsanwalt)
- Dr. Bettina Wawretschek (Rechtsanwältin)
- Dr. Arvind Sahay, (Hochschullehrer)

Die Geschäftsführer haben für Ihre Geschäftsführertätigkeit keine Vergütung durch die Gesellschaft erhalten.

Mitarbeiter

Die Anzahl der durchschnittlich beschäftigten Mitarbeiter beträgt im Konzern 512 (i. Vj. 501), davon 211 Gehaltsempfänger (i. Vj. 208) und 301 Lohnempfänger (i. Vj. 293).

Im März 2020 hat die Gesellschaft bei der zuständigen Bundesagentur für Arbeit Kurzarbeit für die Zeit von April 2020 bis Juni 2020 angezeigt. Für den genannten Zeitraum wurden insgesamt TEUR 240 erstattet und im Rahmen des Personalaufwands saldiert.

Konzernzugehörigkeit

Die HIL International GmbH ist eine 100 %-ige Tochtergesellschaft der HIL Ltd., Hyderabad, Indien, gelistet an der „BSE Limited“ und „National Stock Exchange of India“. Die Gesellschaft wird in den Konzernabschluss der HIL Ltd. Hyderabad/Indien, einbezogen, die für den größten Kreis von Unternehmen einen Konzernabschluss aufstellt. Der Konzernabschluss wird auf <https://hil.in/> veröffentlicht.

Prüfungshonorar

Das Honorar des Abschlussprüfers nach § 314 Abs. 1 Nr. 9 HGB für das Geschäftsjahr 2021 beträgt TEUR 81 und betrifft ausschließlich Abschlussprüfungsleistungen.

Nachtragsbericht

Im Mai 2021 wurde ein mehrjähriger Rechtsstreit durch einen gerichtlichen Vergleich beendet und der Parador Parkettwerke GmbH, Österreich, eine Schadensersatzleistung von TEUR 590 zugesagt. Darüber hinaus bestehen keine weiteren werterhellenden Ereignisse.

Sonstiges

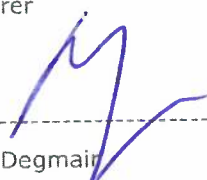
Der Jahresüberschuss des Mutterunternehmens HIL International GmbH für das Geschäftsjahr 2020/21 beträgt TEUR 11.146 und wird auf Vorschlag des Gesellschafters auf neue Rechnung vorgetragen.

Düsseldorf, den 10. Juni 2021

HIL International GmbH



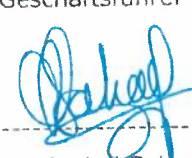
Dhirup Roy Choudhary
Geschäftsführer



Dr. Stephan Degmair
Geschäftsführer



Dr. Bettina Wawretschek
Geschäftsführer



Dr. Arvind Sahay
Geschäftsführer

HIL International GmbH, Düsseldorf

Entwicklung des Konzernanlagevermögens im Geschäftsjahr vom 1. April 2020 bis 31. März 2021

	Anschaffungs- und Herstellungskosten				
	1.4.2020	Zugänge	Abgänge	Um- buchungen	31.3.2021
	TEUR	TEUR	TEUR	TEUR	TEUR
I. Immaterielle Vermögens- gegenstände					
1. Entgeltlich erworbene Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Werte sowie Lizenzen an solchen Rechten und Werten	9.919	153	0	310	10.382
2. Geschäfts- oder Firmenwert	15.897	0	0	0	15.897
	25.816	153	0	310	26.279
II. Sachanlagen					
1. Grundstücke, grundstücks- gleiche Rechte und Bauten einschließlich der Bauten auf fremden Grundstücken	24.383	1.253	0	393	26.029
2. Technische Anlagen und Maschinen	21.569	1.010	457	120	22.242
3. Andere Anlagen, Betriebs- und Geschäftsausstattung	2.934	992	306	12	3.632
4. Geleistete Anzahlungen und Anlagen im Bau	918	1.152	0	-835	1.235
	49.804	4.407	763	-310	53.138
III. Finanzanlagen					
Beteiligungen	100	0	0	0	100
	100	0	0	0	100
	75.720	4.560	763	0	79.517

Kumulierte Abschreibungen				Nettobuchwerte	
1.4.2020	Zugänge	Abgänge	31.3.2021	31.3.2021	31.3.2020
TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
1.909	1.290	0	3.199	7.183	8.010
2.517	1.590	0	4.107	11.790	13.380
4.426	2.880	0	7.306	18.973	21.390
1.245	777	0	2.022	24.007	23.138
5.046	3.594	360	8.280	13.962	16.523
1.277	1.176	264	2.189	1.443	1.657
0	0	0	0	1.235	918
7.568	5.547	624	12.491	40.647	42.236
0	0	0	0	100	100
0	0	0	0	100	100
11.994	8.427	624	19.797	59.720	63.726

HIL International GmbH, Düsseldorf

Konzernlagebericht für das Geschäftsjahr vom 1. April 2020 bis zum 31. März 2021

I. Grundlagen des Konzerns

Die HIL International GmbH ist eine deutsche große Kapitalgesellschaft, die mit ihren vier Tochtergesellschaften (PARADOR) eine Unternehmensgruppe bildet (Parador GmbH, Parador Parkettwerke GmbH, Parador (Shanghai) Trading Co. Ltd. sowie der Parador Holding GmbH). Die HIL International GmbH ist eine 100 %ige Tochtergesellschaft der HIL Ltd. mit Sitz in Hyderabad / Indien.

PARADOR produziert und vertreibt qualitativ hochwertige Boden-, Wand- und Deckenprodukte für den Innenausbau. Es wird an zwei Standorten produziert. Der eine Standort befindet sich in Deutschland (Coesfeld) und konzentriert sich insbesondere auf Laminatböden, Vinylböden und modulare Böden auf Polypropylen Basis sowie Leisten, Wand- und Deckenpaneele. Der zweite Standort liegt in Österreich (Güssing) mit dem Werk für die Herstellung von Fertigparkett. Die Parador (Shanghai) Trading Co. Ltd. ist ein im August 2018 gegründetes paritätisches Vertriebs - Joint Venture zur strategischen Erschließung des chinesischen Marktes mit Sitz in Shanghai / China. PARADOR ist eine internationale bekannte Designmarke für Boden- und Wandgestaltung.

Die Absatzvermittler für PARADOR sind der Facheinzelhandel, geeignete Großflächenanbieter (Baumärkte) und Fachhandelsketten, der Onlinehandel, zunehmend 2-stufige fachhandelsorientierte Vertriebssysteme in Europa sowie Importeure in Übersee. Das Projektgeschäft über Partner oder in der direkten Abwicklung mit Bauträgern/Verarbeitern entwickelt sich. Neu hinzugekommen ist seit Juni 2020 freigeschaltete eigene PARADOR Online-Brand-Store in Deutschland, der für Endkunden in Deutschland eine direkte Kaufmöglichkeit online ermöglicht. Eine Ausweitung dieses Vertriebskanals ist im kommenden Geschäftsjahr für weitere Länder geplant und befindet sich in Vorbereitung.

Die Verwaltung und die zentrale PARADOR-Ausstellung (Trendcenter) befinden sich in Coesfeld. Hier wird kontinuierlich die aktuelle PARADOR - Markenkollektion auf einer Ausstellungsfläche von 3.000 qm präsentiert. Das Trendcenter zeigt die neuen Sortimente, das moderne Point-of-Sale Konzept für den stationären Handel sowie die zusätzlich angebotenen E-Commerce Unterstützungen

für die PARADOR-Handelspartner umfangreich. Die Produktausstellung und die PoS-Konzepte werden kontinuierlich entlang der unterjährig durchgeführten Produkt- und Konzeptführungen der Märkte aktualisiert, so auch zu einem Großteil im aktuellen Geschäftsjahr 2020/2021.

II. Wirtschaftsbericht

1. Gesamtwirtschaftliche Rahmenbedingungen und Geschäftsverlauf

Das Geschäftsjahr 2020/21 kann durch einen Begriff umschrieben werden: COVID-19, die weltweite Pandemie, die in Wuhan in China ausbrach und in wenigen Monaten die ganze Welt heimgesucht, verändert und in vielen Facetten geprägt hat und perspektivisch weiter prägen wird. Innerhalb von wenigen Wochen hebelte dieses Virus in vielen Unternehmen Budgets und Aktivitätenplanung aus und stellte viele Menschen im Geschäftlichen und auch im Privaten vor neue Herausforderungen und Anforderungen. Seitens des Managements waren von einem auf den anderen Tag Agilität und Flexibilität in höchstem Maße gefragt – es mussten Situationen gemeistert werden, für die es tendenziell noch keine Prozessbeschreibungen oder Handlungsanweisungen gab.

Für PARADOR gab es zwei wesentliche Ziele, die klar kommuniziert wurden: die Gesundheit aller Mitarbeiter und deren Familien absichern sowie einen stabilen Cash-Flow für die Unternehmensgruppe zu gewährleisten.

Das Bruttoinlandsprodukt ist in diesem volatilen Jahr pandemiebedingt in Deutschland im Kalenderjahr 2020 preisbereinigt um 5,0 % gesunken, auch weltweit haben andere Länder einen entsprechenden Rückgang, z.T. sehr deutlich, im BIP erfahren müssen. Demgegenüber ist die Bauwirtschaft nach Angaben des Zentralverbandes der Deutschen Bauwirtschaft (ZDB) im ersten Halbjahr 2020 um 8,0 % gewachsen und konnte der Krise trotzen. Dieses treibende Element und zusätzlich hoher Renovierungsbedarf, unterstützt durch viel freie Zeit und nicht genutzte Urlaubskassen im eigenen Heim, hat die Baumaterial- sowie die Fußbodenbranche in Zentraleuropa beflügelt. Dieses hat bei PARADOR allein in Deutschland für einen Umsatzzuwachs zum Vorjahr in Höhe von +17,2 % gesorgt.

In Europa konnte mit +7,9 % eine Umsatzsteigerung zum Vorjahr generiert werden, wenngleich sich dieses sehr unterschiedlich über die diversen Länder verteilt hat. Harte Lockdowns, wie z.B. in Spanien und Frankreich, haben in diesen Ländern das Planumsatzniveau deutlich verfehlen lassen. Andere Länder, wie in den Nordics oder Länder Osteuropas, haben trotz Pandemie deutliche Zuwächse generiert.

Die Überseemärkte, welche sehr stark vom Projektgeschäft geprägt sind, konnten sich nicht erfolgreich behaupten, hier wurden viele Projekte geschoben oder gänzlich gestrichen. Das bewirkte, dass die Region Übersee einen Rückgang von -23,1 % zu Vorjahr im Umsatz erzielte und damit den originären Budgetansatz weit verfehlte.

Ein klarer Trend in Europa gilt weiterhin den elastischen Böden (Designböden), wie Vinyl-, oder Böden auf Polypropylen- und Polyurethan-Basis. Die Designvarianz, die Haptik sowie Authentik in Oberflächen und Strukturen gepaart mit Features wie Wasserfestigkeit, haben bei diesen Produktgruppen zu deutlichen Zuwächsen geführt. Die Produktgruppe Laminat konnte sich leider nur auf Vorjahresniveau behaupten (+1,2 %), da starke Länder wie Spanien und Frankreich die Planzahlen trotz aller Bestrebungen nicht erreichen konnten. Hier kommt auch zum Tragen, dass Laminat in Zentraleuropa eher rückläufig ist und durch die Designböden ersetzt wird. Weiterhin verzeichnen auch die Parkettböden in Europa einen negativen Trend, obwohl dieser an Echtheit und Eleganz nicht zu überbieten ist. Im Projektgeschäft weltweit genießt allerdings der Parkettboden immer noch sehr hohes Ansehen und wird in entsprechenden Mengen und Qualitäten vermarktet. Zudem werden auch hohe Mengen in den Nordics benötigt, welches uns durch die Akquisition von Neukunden in Dänemark und Schweden das Parkettvolumen auf Vorjahresniveau (-0,6 %) stabilisieren ließ.

Im letzten Geschäftsjahr konnte durch den Nachfrageboom in Zentraleuropa die gesamte Branche profitieren, obwohl der Wettbewerb weiter intensiv war. Ein hoher Anspruch an trendigen Designs bewirkt weiterhin eine treibende Innovationsquote aller Hersteller. Allein bei PARADOR machen Artikel, die vor weniger als 3 Jahren entwickelt wurden, und daher als Innovationen gesehen werden, rund 50 % des Gesamtumsatzes weltweit aus.

Die Hartbodenbranche, welche durch die Splittung in kosten- und marktorientierte Wettbewerber geprägt ist, leidet weiterhin unter hohem Margendruck und Verdrängungskämpfe. Volumenanbieter benötigen eine hohe kapazitive Auslastung und treiben damit die Preisspirale nach unten, gerade im Produktumfeld Laminat ist dieser Preiskampf sehr ausgeprägt. PARADOR hingegen zielt auf eine Politik ab, die durch die klare Marktausrichtung im Kundenportfolio auf das Premiumsegment fokussiert. Hier greifen unterstützend die Markenpositionierung von PARADOR sowie die Sortimentsausrichtung im mittleren und hochwertigen Bereich.

Der seit Jahren gezielte und intensive Markenaufbau zahlt sich aus, PARADOR ist im Hartbodenbereich mit deutlichem Abstand eine der bekanntesten Marken in Deutschland.

Die Ausrichtung des definierten Geschäftsmodells wurde im Jahr 2020 weiter erfolgreich fortgesetzt – bestehende Märkte und Vertriebskanäle, gerade im Retailgeschäft in Europa und China, wurden weiter ausgebaut. Stark gewachsen, aber im Geschäftsjahr noch von insgesamt untergeordneter Bedeutung, ist der Bereich E-Commerce, der durch die Onlineaktivitäten unserer Kunden sowie durch den Aufbau des eigenen Online-Brand-Stores in Deutschland getrieben wurde. Der Bereich DIY/Multiples, welches Baumärkte und größere Handelsketten umschreibt, hat sich auch in Zeiten der Pandemie behaupten können und wesentlich zum Wachstum bei PARADOR beigetragen, dieses maßgeblich durch das Onlinegeschäft dieser Kunden und unserer Dropshipping-Möglichkeiten, die eine Lieferung direkt zum Endkunden ermöglichen.

Die Unternehmensstrategie, die auf Zunehmende Flexibilität in Fertigung und Logistik, auf Service, Online-Kompetenz und ein breit gefächertes, modernes Produktportfolio setzt, ging auch im Pandemiejahr auf und hat PARADOR zum umsatz- und ertragsreichsten Geschäftsjahr aller Zeiten geführt.

Die wesentlichen finanziellen Leistungsindikatoren, nach denen wir den Konzern steuern, sind (netto) Umsatz und Ergebnis vor Zinsen, Steuern und Abschreibungen (EBITDA).

Wir weisen darauf hin, dass uns nachstehende nichtfinanzielle Leistungsindikatoren wichtig sind, allerdings werden sie derzeit nicht zur unmittelbaren Steuerung des Konzerns eingesetzt.

- Arbeitssicherheit
- Nachhaltigkeit (EMAS Zertifizierung, FSC zertifizierte Produkte)
- Prozessstabilität (ISO 9001, 14001)
- Markenbekanntheit, gestützt und ungestützt

2. Lage

2.1 Vermögenslage

Die wesentlichen immateriellen Vermögensgegenstände beinhalten den sich aus der Erstkonsolidierung ergebenden Firmenwert von EUR 11,8 Mio., sowie die Marke „Parador“ von EUR 5,5 Mio. Die im Geschäftsjahr getätigten Abschreibungen auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen summierten sich im Berichtszeitraum auf rd. EUR 8,4 Mio. Den Abschreibungen standen im Geschäftsjahr 2021 getätigte Investitionen von EUR 3,8 Mio. gegenüber, insbesondere zur Ausweitung der technischen Kapazitäten.

Die Vorräte betrugen zum Stichtag rd. EUR 31,3 Mio. Im Vergleich zum 31. März 2020 ergab sich ein Abbau von ca. EUR 2,6 Mio. Der Bestand an Roh-, Hilfs- und Betriebsstoffen konnte mit einer Abweichung von EUR -0,3 Mio. gehalten werden. Der Bestand an Halb- und Fertigerzeugnissen wurde um EUR 2,3 Mio. abgebaut, dies insbesondere durch das Wachstum im Bereich der Designböden. Hinzu kam ein gezielter Bestandsabbau im Parkett durch die durch COVID-19 nachlassende Nachfrage des Projektgeschäfts in Übersee.

Das Vermögen der HIL International GmbH beträgt per 31. März 2021 rd. EUR 116,8 Mio. (VJ: EUR 119,5 Mio.). Es ist mit ca. 34,8% (VJ: 44,3 %) durch Bankkredite und Gesellschafterdarlehen finanziert. Die bilanzielle Eigenkapitalquote beläuft sich auf 34,4 % (VJ: 29,1 %). Bei Einschließen des nachrangigen Gesellschafterdarlehen über 9,5 Mio. (VJ: 15 Mio.), welchen wir eigenkapitalähnlichen Charakter zuschreiben, ergibt sich eine wirtschaftliche Eigenkapitalquote von 42,5 % (VJ: 41,6 %)¹.

2.2 Finanzlage

Die Umsatzfinanzierung erfolgt im Wesentlichen über offenes/echtes Factoring. Zum Stichtag wurden Forderungen in Höhe von EUR 17,1 Mio. an den Factor verkauft, die in Höhe von EUR 8,3 Mio. finanziert wurden.

Die Bankverbindlichkeiten gegenüber Kreditinstituten belaufen sich auf EUR 31,2 Mio. (VJ: EUR 38,0 Mio.). Die kurzfristigen Bankverbindlichkeiten in Höhe von EUR 8,8 Mio. beinhalten ein jährlich revolvinges Darlehen in Höhe von EUR 4,0 Mio sowie planmäßige Tilgungen. Im Geschäftsjahr 2020/2021 wurden zusätzlich zu den regulären Tilgungen über EUR 4,3 Mio. weitere außerordentliche Tilgungen über EUR 2,5 Mio. geleistet. Weitere Kontokorrentlinien wurden nicht in Anspruch genommen.

Der Free Cashflow (= **Zahlungswirksame Veränderungen des Finanzmittelfonds**) beläuft sich im Geschäftsjahr 2020/21 auf EUR 3,89 Mio. Bereinigt um die noch zu zahlenden Steuerverbindlichkeiten von EUR 1,12 Mio. und der Steuerrückstellungen von EUR 1,97 Mio., ergibt sich ein Excess Cashflow von EUR 0,80 Mio.

Der Verschuldungsgrad beläuft sich 0,96² (VJ: 2,15).

¹ Berechnung Wirtschaftliches EK: ((Bilanzielles Eigenkapital EUR 40,15 Mio.+ Gesellschafterdarlehen EUR 9,5 Mio.) / Bilanzsumme EUR 116,82 Mio.) x 100 = 42,5%

² Berechnung Verschuldungsgrad: (Verbindlichkeiten gegenüber Kreditinstituten EUR 31,2 Mio. + gegebener Bankgarantien über EUR 0,6 Mio. ./ liquidier Mittel EUR 13,4 Mio.) / EBITDA EUR 19,1 Mio. = 0,96

2.3 Ertragslage

Der Bruttoumsatz (Umsatz vor Rabatten und Skonti), der im Geschäftsjahr mit EUR 183,7 Mio. erzielt wurde, hat damit das Vorjahr, welches mit EUR 167,7 Mio. abgeschlossen wurde, um EUR 16,1 Mio. weit übertroffen, was ein Wachstum von 9,6 % bedeutet, und dieses in einem volatilen Krisenjahr und deutlichen Verschiebungen. Die netto Umsätze sind mit EUR 169,2 Mio. um 8,3 % gegenüber dem Vorjahr (EUR 156,2 Mio.) gestiegen und liegen ebenfalls deutlich über den Erwartungen, der Vorjahresplanung.

Der Umsatz von PARADOR-Produkten erfolgte im Geschäftsjahr mit folgenden regionalen Anteilen: 51,6 % in Deutschland, 42,0 % im übrigen Europa und 6,4 % in Überseemärkten.

Europa konnte sich mit einem Plus von 7,9 % (+5,7 Mio. Euro) zum Vorjahr behaupten, dieses trotz fehlender Umsatzvolumen in wichtigen Märkten wie Spanien und UK. Deutschland hat einen erheblichen Zuwachs in Höhe von +17,2 % erzielen können, was ein Plus von 13,9 Mio. Euro bedeutet. Lediglich Übersee musste einen Rückgang zu Vorjahr in Höhe von -3,5 Mio. Euro (-23,1 %) verzeichnen, dieser Umsatzverlust konnte aber glücklicherweise durch die anderen Regionen überkompensiert werden und hat PARADOR zum umsatzstärksten Geschäftsjahr aller Zeiten geführt.

Neben der positiven Branchenentwicklung war ein Treiber für den Umsatz- und Margenerfolg u.a. der Absatzkanal DIY/Multiples durch verstärkte Online-Präsenz, welche weiter ausgebaut wurde durch entsprechende Logistikkonzepte und -kapazitäten sowie durch den eigenen Online-Brand-Shop, der in Deutschland gestartet wurde. Auch die klassischen Kanäle, wie Fachhandel und Verbände, haben positiv zum Erfolg beigetragen. Das Projektgeschäft in den Überseemärkten hat allerdings coronabedingt einen deutlichen Rückgang zum Vorjahr verzeichnen müssen.

Das deutlichste Wachstum in den Produktgruppen konnte weiterhin bei den elastischen Böden (LVT- und Modulare Böden) erreicht werden mit einem Plus zu Vorjahr in Höhe von 21,0 % (+13,3 Mio. Euro). Die Produktgruppe Laminat konnte lediglich leicht über Vorjahresniveau gehalten werden (+1,2 % / +0,5 Mio. Euro), dieses gilt auch für Parkettböden (-0,6 % / -0,2 Mio. Euro). Die Wand/Deckenartikel sowie Zubehörartikel haben jedoch einen guten Zuwachs zu Vorjahr erzielt mit + 16,4 % bzw. + 2,3 Mio. Euro. Hier greift die Renovierungsfreudigkeit der Zentraleuropäer sowie auch der Anlauf des Online-Brand-Stores, durch den auch die Zubehörartikel sehr getrieben wurden.

Im Geschäftsjahr 2020/21 konnte ein EBIT (Position 12 abzüglich Position 9 und zuzüglich Positionen 10 und 11 der Gewinn- und Verlustrechnung) i. H. v. EUR 10,7 Mio. und ein EBITDA (Position 12 zuzüglich Positionen 10, 11 und 7 der Gewinn- und Verlustrechnung) von EUR 19,1 Mio. erzielt werden. Das EBITDA liegt damit deutlich [+41,1 %] über dem Vorjahreswert und den Erwartungen.

3. Personalbereich

Im Personalbereich lag der Schwerpunkt im Geschäftsjahr 2020/21 bei der Umsetzung und Einhaltung von Corona-Gesetzen und Einrichtung entsprechender Schutzmaßnahmen. Dabei wurden Maßnahmen über die gesetzlichen Regelungen hinaus dauerhaft eingeführt (zum Beispiel Verfahrensanweisungen und Luftreinigungsgeräte). Die Einführung weiterer digitaler Kommunikationslösungen und mobiler Anwendungen haben dazu geführt, dass PARADOR operativ handlungsfähig blieb. 51 neue Mitarbeiter sind im Geschäftsjahr 2020/2021 in die Gesellschaft eingetreten. Es waren im Durchschnitt 570 Mitarbeiter (inklusive Leiharbeitnehmer und Auszubildende) im Konzern beschäftigt (VJ: 501 Mitarbeiter), wobei hiervon 438 Mitarbeiter am Standort Coesfeld und 132 Mitarbeiter am Standort in Güssing tätig waren. Um den Auswirkungen des demografischen Wandels entgegenzuwirken und den zukünftigen Fachkräftebedarf zu bedienen, wurde das Ausbildungsangebot ausgeweitet (Prozesstechniker-/in und Kauffrau-/mann für E-Commerce) und das Angebot zum Abschluss von Altersteilzeitverträgen fortgeführt.

Weiterhin wurden zur Sicherung des Unternehmens das Gesundheitsmanagement weiterentwickelt und operative Personalprozesse im Bereich Abrechnung und Zeiterfassung optimiert und stabilisiert.

4. Gesamtaussage

Aus Sicht der Geschäftsführung stellt sich die Vermögens-, Finanz- und Ertragslage der Gesellschaft sehr positiv dar. Die Nettoumsatzerlöse sind zum Vorjahr von EUR 156,2 Mio. auf EUR 169,2 Mio. um 8,3% gestiegen. Das EBITDA konnte zum Vorjahr von EUR 13,6 Mio. auf EUR 19,1 Mio. um 41,1 % gesteigert werden.

III. Prognose-, Chancen- und Risikobericht

1. Chancen- und Risikobericht

Chancen

Die Bauwirtschaft, gerade im privaten Umfeld, verzeichnet weiterhin eine gute Konjunktur und entsprechende Zuwächse. Dieses sichert perspektivisch Bedarfe im Bodenmarkt ab, welche sich aktuell durch einen hohen Auftragseingang und -bestand abzeichnen.

Eine hohe Umsatzchance bietet weiterhin der Kanal E-Commerce, wo PARADOR seinen bestehenden Online-B2B-Kunden, seinen Hybridkunden (stationär und online aktiv) sowie dem eigenen Online-Brand-Store viele Möglichkeiten im Portfolio und auch in der Abwicklung bietet, die dem einem physischen Kontakt am PoS trotzen. Dieser Kanal wird weiter ausgebaut und forciert, in allen bestehenden Formaten, regional, in den Abwicklungen und auch im Produktportfolio.

Durch das im vergangenen Geschäftsjahr eher schwächer verlaufende internationale Objektgeschäft erwarten wir für das kommende Geschäftsjahr einen deutlichen Nachholbedarf in diesem Bereich. Dieser zeichnet sich durch entsprechende Projektanfragen bereits jetzt schon ab.

Der Anlauf von Neuprodukten im Februar und Mai 2021 eröffnet ebenfalls die Möglichkeit zu einem weiteren Umsatzwachstum.

Risiken

Für mögliche Schadensfälle und Haftungsrisiken sind entsprechende Versicherungen abgeschlossen, die sicherstellen, dass sich mögliche Folgen eintretender Risiken in Grenzen halten bzw. ganz ausgeschlossen werden. Deren Umfang wird laufend geprüft und bei Bedarf angepasst.

Um möglichen Risiken aus steuerlichen, wettbewerbs-, patent-, kartell- und umweltrechtlichen Regelungen und Gesetzen begegnen zu können, werden Entscheidungen sowie die Gestaltung der Geschäftsprozesse auf rechtliche Beratung und externe Berater gestützt.

Unsere Produkte werden regelmäßig von unabhängigen Instituten auf ihre Qualitätsmerkmale und ihre Umweltverträglichkeit hin geprüft. Im Frühjahr 2020 erfolgte die Einführung der international anerkannten Qualitätsmanagement-Norm nach DIN EN ISO 9001.

ISO 9001 ist eine Qualitätsmanagement-Norm, die sicherstellen soll, dass ein Unternehmen alles tut, um gute Produkte herzustellen oder eine gute Dienstleistung zu erbringen. Die Norm zeigt auch, dass ein Unternehmen international anerkannte Qualitätsmanagement-Prinzipien befolgt und sein Handeln messbar und vergleichbar macht.

Preiserhöhungen und Knappheit auf der Rohstoffseite beherrschen seit Anfang 2021 das Tagesgeschäft und wird als wesentlichstes Risiko der künftigen Entwicklung gesehen. Im Beschaffungsmarkt strebt die Gruppe an, den bedeutsamen Risiken in der Rohstoffbeschaffung entgegenzuwirken und die Dynamik der stark steigenden Rohstoffpreisen abzuwehren. Innerhalb des Lieferantenportfolios wurden Produkte verlagert und neue Lieferanten qualifiziert. Künftig weiter steigende Beschaffungspreise, bedingt durch Rohstoffverknappungen, werden daher als Risiko gesehen.

Darüber hinaus wird der Fortgang der Corona-Pandemie als moderates Risiko eingestuft. Je nach Verlauf kann die wirtschaftliche Entwicklung und Kaufkraft beeinflusst werden und somit zu Umsatzeinbußen führen. Die Corona-Pandemie hat die verschiedenen Absatzmärkte unterschiedlich getroffen, insofern sind entsprechende Auswirkungen je nach Land zeitlich gesehen als auch in der Intensität differenziert zu betrachten. Harte Lockdowns haben einige Länder deutlicher im Geschäftsumfeld eingeschränkt und gelähmt, dieses hat sich dann auch sofort in der Umsatzentwicklung widerspiegelt. Perspektivisch hängt der weitere Verlauf in den verschiedenen Ländern im Wesentlichen davon ab, wie schnell eine hohe Impfquote im jeweiligen Land erreicht werden kann und wie schnell dadurch die Pandemie im jeweiligen Land in den Griff bekommen zu ist. Blickt man auf China, scheint dort die Normalität ein Stück weit wieder eingetreten zu sein, Inlandsflugreisen, geöffnete Geschäfte und Restaurants prägen nach und nach wieder die Stadtbilder.

Die Entwicklung in den europäischen Nachbarländern sowie in Übersee ist daher unsicher und aus heutiger Perspektive nicht klar vorhersehbar. Wichtige Absatzmärkte für PARADOR, wie Spanien und Frankreich, aber auch Nordamerika, kämpfen noch immer gegen hohe Inzidenzwerte und sorgen daher weiterhin für Umsatzeinbußen. Auch das Projektgeschäft in Übersee kommt erst wieder moderat zum Anlaufen, dieses nicht zuletzt, weil viele Bauträger in finanzielle Schwierigkeiten oder Insolvenz geraten sind.

2. Prognosebericht

Für das Geschäftsjahr 2021/22 wird laut einschlägiger Institute ein Anlauf der Konjunktur erwartet. PARADOR hat eine Planung für das neue Geschäftsjahr aufgesetzt, ist allerdings im Rahmen der aktuellen Rohstoffversorgungsprobleme, gerade im Bereich Holzwerkstoffe sowie Rohholz für Parkett, mit starken Herausforderungen belegt. Es werden immense Rohstoffpreisanstiege erwartet. Als Konsequenz daraus wurde eine erste ungeplante Preiserhöhung umgesetzt, weitere werden gegenwärtig geprüft. Ein guter Auftragseingang sowie Auftragsbestand kann künftig ggf. nicht über eine ausreichende Verfügbarkeit von Rohstoffen bedient werden und könnte das Umsatzpotenzial einschränken. Die Perspektive in der Rohstoffversorgung ist ebenso schwierig einzuschätzen, da der Beschaffungsmarkt derzeitig höchst volatil agiert.

Trotz oben genannter Herausforderungen erwarten wir im Umsatz eine leichte Steigerung gegenüber dem Geschäftsjahr 2020/21. Im EBITDA rechnen wir mit einem leicht rückläufigen Verlauf. Diese Einschätzung wird durch den zum Zeitpunkt der Bilanzerstellung sehr hohen Auftragsbestand gestützt.

Neben der Preiserhöhung unserer Produkte umfasst der weitere Maßnahmenkatalog je nach Bedarf auch die Bereiche Personal, Kreditoren, Working Capital, Investitionen und Kosten. Je nach weiterer Entwicklung werden kurzfristig notwendige Maßnahmen umgesetzt, um die Liquidität der Gesellschaft zu schonen. Das Gesamtszenario beinhaltet die Annahme, dass die stärksten Versorgungsprobleme bis mindestens Ende September 2021 anhalten werden und dann eine Normalisierung der Beschaffungsmärkte in unserer Branche einsetzt.

Somit wird es vor allem im zweiten und dritten Quartal des Kalenderjahres 2021 darauf ankommen, die Liquidität der Gesellschaft stabil zu halten.

Die Umsatzprognose stützt sich insbesondere auch auf die folgenden Erwartungen und Maßnahmen. Eine aktive Messeteilnahme seitens PARADOR, national oder auch international, steht aktuell sehr in Frage und ist maßgeblich abhängig von der weiteren Entwicklung der Pandemie und des Inzidenzwertes. Sollte eine Messe abgehalten werden können, findet diese sicherlich nur in kleinerem Format statt. Die bekannte und im Kundenkreis hoch geschätzte Hausmesse von PARADOR, die Handelstage, wurden im Jahr 2020 pandemiebedingt gestrichen und ist auch nicht für das Jahr 2021 geplant und budgetiert worden.

Somit werden die im Geschäftsjahr 2020/21 vorgesehenen Produktneuheiten in zwei Stufen in den Markt gebracht, zum 1. Februar 2021 sowie zum 1. Mai 2021. Da die Lancierung ohne Messeunterstützung erfolgen wird, wurde ein neues Format gewählt, was auf digitale Möglichkeiten aufbaut. Das neu konzipierte und eingerichtete „Digitale Kundenstudio“ ist ein ca. 50 qm großes Inhousestudio, welches mit modernster Kamera- und Präsentationstechnik ausgestattet wurde und welches die optimale Möglichkeit schafft, hier den Bestands- und Neukunden die breite Produktpalette seitens PARADOR professionell und authentisch zu vermitteln.

Parallel befindet sich gerade ein „Inhouse-Videostudio“ im Aufbau und im Setting, welches zukünftig Bilder und Filme, Live-Streams und weitere Möglichkeiten schafft, um digitalen Content kurzfristig und preisinteressant zu generieren.

In Summe ist damit eine komplette Produktneuheiteneinführung auch ohne physischen Kontakt möglich, dieses jedoch in einer sehr professionellen und überzeugenden Weise für nationale und alle internationalen Kontakte.

PARADOR ist damit weiterhin gut und flexibel aufgestellt und in der Lage, die Möglichkeiten im deutschen und internationalen Umfeld zu nutzen. Es wird somit wesentlich sein, die Gesellschaft liquide zu halten, das Geschäftsmodell noch zu intensivieren und damit jede Marktchance im relevanten Markt umzusetzen.

PARADOR sieht sich weiterhin in der Lage, trotz der derzeitigen volatilen Rahmenbedingungen durch die Pandemie und die aktuellen Rohstoffengpässe, das Unternehmen weiter zu entwickeln und den geplanten Wachstumskurs fortzusetzen.

Die getroffenen und entschiedenen Maßnahmen sind ausgerichtet auf Ertrags- und Liquiditätssicherung.

Düsseldorf, den 10. Juni 2021

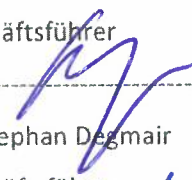
HIL International GmbH

Die Geschäftsführung



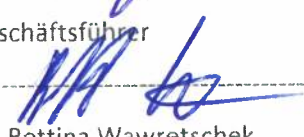
Dhirup Roy Choudhary

Geschäftsführer



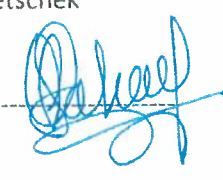
Dr. Stephan Degmair

Geschäftsführer



Dr. Bettina Wawretschek

Geschäftsführerin



Dr. Sahay Arvind

Geschäftsführer

Appendix 4
Bestätigungsvermerk
des unabhängigen
Abschlussprüfers

**The Independent Auditor's Report
bearing a qualified electronic
signature is attached to this report
as an appendix (in file format).**

Appendix 5

General Engagement Terms

General Engagement Terms

for

Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]

as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translators Note: The German term "Textform" means in written form, but without requiring a signature] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.