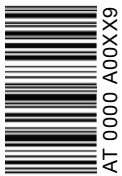
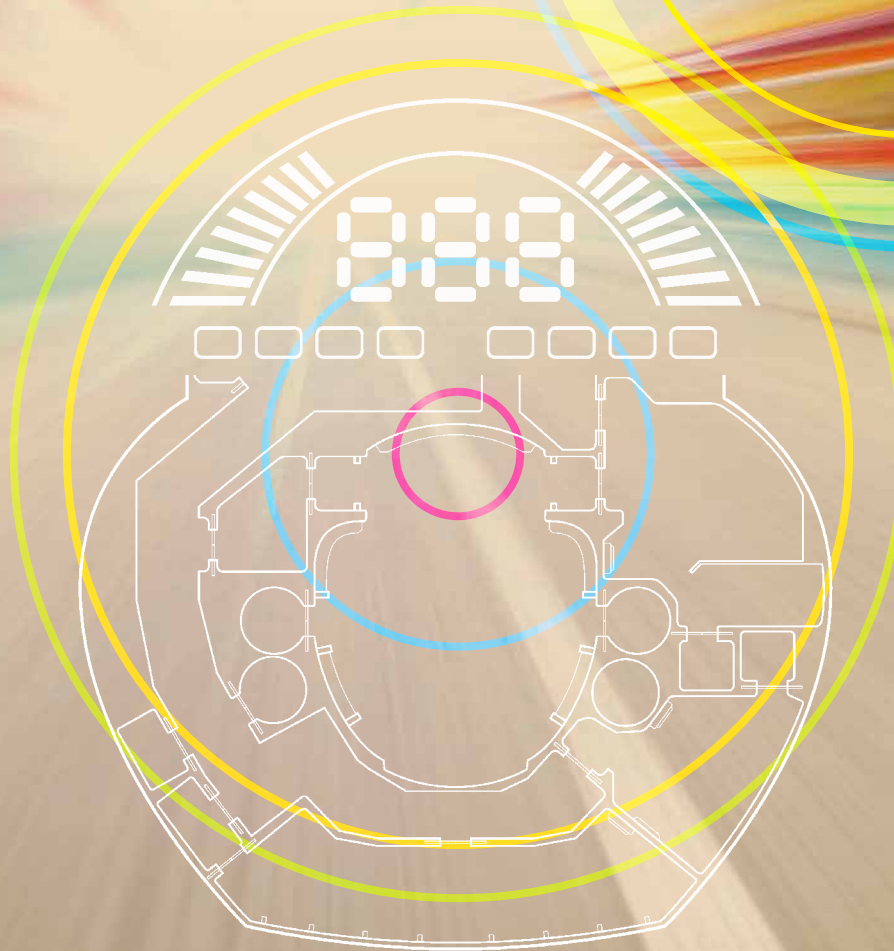


# POLYTEC

MEETING  
CHALLENGES.  
CREATING  
PERSPECTIVES.



POLYTEC GROUP

# KEY FIGURES 2017

| Key figures from the consolidated income statement | Unit        | 2017  | 2016  | 2015  |
|----------------------------------------------------|-------------|-------|-------|-------|
| Sales                                              | EUR million | 676.4 | 650.4 | 626.5 |
| thereof passenger cars                             | EUR million | 434.1 | 425.4 | 420.1 |
| thereof commercial vehicles                        | EUR million | 165.0 | 147.4 | 148.1 |
| thereof non-automotive                             | EUR million | 77.3  | 77.6  | 58.3  |
| EBITDA                                             | EUR million | 82.3  | 80.1  | 59.7  |
| EBITDA margin (EBITDA/sales)                       | %           | 12.2  | 12.3  | 9.5   |
| EBIT                                               | EUR million | 55.1  | 52.4  | 36.6  |
| EBIT margin (EBIT/sales)                           | %           | 8.1   | 8.1   | 5.8   |
| Earnings after tax                                 | EUR million | 39.0  | 37.0  | 24.2  |
| Earnings per share                                 | EUR         | 1.74  | 1.65  | 1.08  |

| Balance sheet key figures                       | Unit        | 2017  | 2016  | 2015  |
|-------------------------------------------------|-------------|-------|-------|-------|
| Balance sheet total                             | EUR million | 516.5 | 501.4 | 485.1 |
| Equity ratio (equity/balance sheet total)       | %           | 42.1  | 37.9  | 33.6  |
| Investments in tangible assets                  | EUR million | 36.6  | 33.2  | 134.4 |
| Net working capital                             | EUR million | 75.5  | 40.1  | 50.5  |
| Net working capital/sales                       | %           | 11.2  | 6.2   | 8.1   |
| Average capital employed                        | EUR million | 297.5 | 274.8 | 219.1 |
| ROCE before tax (EBIT/average capital employed) | %           | 18.5  | 19.1  | 16.7  |
| Net debt (+)/assets (-)                         | EUR million | 78.7  | 69.9  | 99.1  |
| Net debt (+)/assets (-) to EBITDA               | -           | 0.96  | 0.87  | 1.66  |
| Gearing (net debt (+)/assets (-)/equity)        | -           | 0.36  | 0.37  | 0.61  |

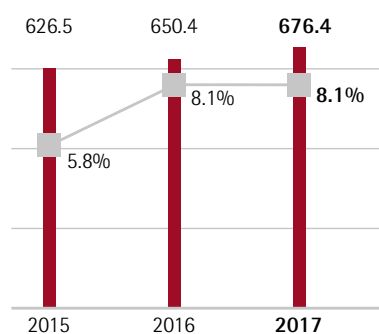
| Consolidated cash flow key figures  | Unit        | 2017  | 2016  | 2015  |
|-------------------------------------|-------------|-------|-------|-------|
| Cash flow from operating activities | EUR million | 38.3  | 70.7  | 51.3  |
| Cash flow from investing activities | EUR million | -38.0 | -28.8 | -69.2 |
| Cash flow from financing activities | EUR million | -22.7 | -20.0 | -36.4 |

| Personnel key figures (incl. leasing personnel) | Unit              | 2017  | 2016  | 2015  |
|-------------------------------------------------|-------------------|-------|-------|-------|
| Employees on annual average                     | FTE <sup>1)</sup> | 4,527 | 4,449 | 4,247 |
| Employees as of 31 December                     | FTE               | 4,522 | 4,427 | 4,223 |
| Sales per employee                              | EUR k             | 149   | 146   | 147   |

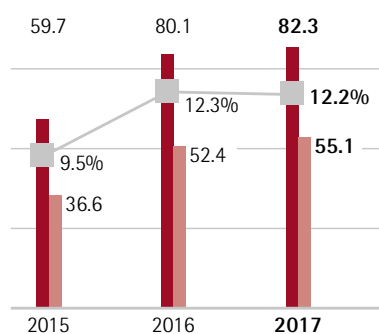
<sup>1)</sup> FTE: full-time equivalents

| POLYTEC share (AT0000A00XX9)                           | Unit        | 2017   | 2016   | 2015   |
|--------------------------------------------------------|-------------|--------|--------|--------|
| Year-end closing price                                 | EUR         | 18.50  | 10.39  | 7.66   |
| Highest closing price during the year                  | EUR         | 22.38  | 10.60  | 8.45   |
| Lowest closing price during the year                   | EUR         | 10.40  | 6.65   | 6.20   |
| Average closing price during the year                  | EUR         | 16.46  | 7.89   | 7.52   |
| Market capitalisation at year-end                      | EUR million | 413.1  | 231.9  | 171.0  |
| Money turnover (daily average, double counting)        | Shares      | 83,317 | 35,937 | 45,660 |
| Earnings per share                                     | EUR         | 1.74   | 1.65   | 1.08   |
| Proposed dividend per share                            | EUR         | 0.45   | 0.40   | 0.30   |
| Dividend yield on the basis of the average share price | %           | 2.7    | 5.1    | 4.0    |

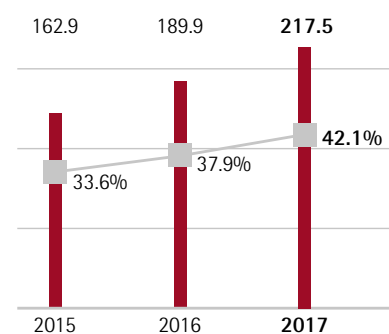
### SALES REVENUES, EBIT MARGIN



### EBITDA, EBITDA MARGIN, EBIT

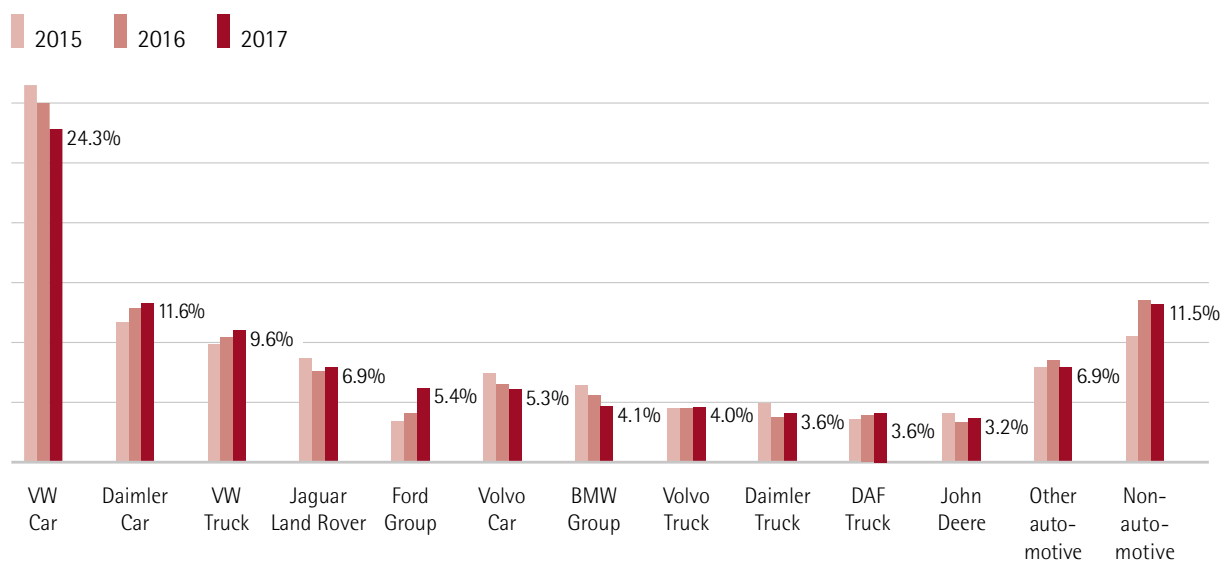


### EQUITY, EQUITY RATIO



■ Sales revenues ■ EBIT margin ■ EBITDA ■ EBITDA margin ■ EBIT ■ Equity ■ Equity ratio

### GROUP SALES BY CUSTOMER



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# POLYTEC HOLDING AG

## GROUP MANAGEMENT REPORT

### FOR THE 2017 FINANCIAL YEAR

#### 1. BUSINESS DEVELOPMENT AND ECONOMIC SITUATION

##### AUTOMOTIVE INDUSTRY DEVELOPMENT 2017

##### REGISTRATIONS OF NEW CARS IN THE MAJOR INTERNATIONAL MARKET

| in pieces                        | 2017              | Share       | 2016              | Share       | Change      |
|----------------------------------|-------------------|-------------|-------------------|-------------|-------------|
| China                            | 24,171,400        | 42.8%       | 23,693,400        | 42.5%       | 2.0%        |
| USA                              | 17,134,700        | 30.4%       | 17,465,000        | 31.3%       | -1.9%       |
| European Union                   | 15,137,700        | 26.8%       | 14,641,400        | 26.2%       | 3.4%        |
| <b>Total three major markets</b> | <b>56,443,800</b> | <b>100%</b> | <b>55,799,800</b> | <b>100%</b> | <b>1.2%</b> |
| Other selected countries         |                   |             |                   |             |             |
| Japan                            | 4,386,400         |             | 4,146,500         |             | 5.8%        |
| India                            | 3,229,100         |             | 2,966,600         |             | 8.8%        |
| Brazil                           | 2,176,000         |             | 1,988,600         |             | 9.4%        |
| Russia                           | 1,595,700         |             | 1,425,800         |             | 11.9%       |

The global automotive industry continued to demonstrate positive development in 2017. Both the Chinese and European markets registered new sales records, although the USA eased slightly. Nevertheless, new car registrations in these three predominant markets rose by over 0.6 million to a total of 56.4 million vehicles. Japan, the world's fourth largest car market, also showed strong sales growth with an increase of 5.8% to roughly 4.4 million cars. Moreover, the Indian market was even more dynamic in 2017 with an 8.8% rise in car sales to over 3.2 million new vehicles. Russia also achieved pleasing double-digit expansion of around 12% and Brazil maintained its successful recovery in 2017 with eight consecutive months of growth that culminated in a 9.4% increase in new registrations.

##### **China consolidates its global no.1 ranking**

For years, China has been the worldwide leader with regard to new car registrations and in 2017 was able to further strengthen this position. Some 24.2 million vehicles were newly registered, which as compared to the preceding year represented growth of 2.0%.

##### **USA registrations showed a minus in 2017, but remained at a high level**

While in 2016 the US light vehicle market (cars and light trucks) demonstrated slight overall growth of 0.4%, registrations already started to decline in the first quarter of 2017. Consequently, over the year as a whole, new registrations fell by 1.9% to 17.1 million new vehicles. However, despite this downturn, with two million units, the USA continued to surpass the number of new registrations in Europe.

## REGISTRATIONS OF NEW CARS IN THE EUROPEAN UNION

| in pieces             | 2017              | Share       | 2016              | Share       | Change      |
|-----------------------|-------------------|-------------|-------------------|-------------|-------------|
| Germany               | 3,441,300         | 22.7%       | 3,351,600         | 22.9%       | 2.7%        |
| United Kingdom        | 2,540,600         | 16.8%       | 2,692,800         | 18.4%       | -5.7%       |
| France                | 2,110,700         | 13.9%       | 2,015,200         | 13.8%       | 4.7%        |
| Italy                 | 1,970,500         | 13.0%       | 1,825,900         | 12.5%       | 7.9%        |
| Spain                 | 1,234,900         | 8.2%        | 1,147,000         | 7.8%        | 7.7%        |
| Other EU countries    | 3,839,700         | 25.4%       | 3,608,900         | 24.6%       | 6.4%        |
| <b>European Union</b> | <b>15,137,700</b> | <b>100%</b> | <b>14,641,400</b> | <b>100%</b> | <b>3.4%</b> |

**The EU car market grows by 3.4%**

In absolute terms, the number of new registrations in the EU nations during 2017 again lagged behind those of the USA, which meant third place among the world's large volume markets. New car registrations in the EU rose by 0.5 million units, or 3.4%, to over 15.1 million vehicles (2016: 14.6 million).

In virtually all of the 28 EU states, the car markets reflected the general improvement in the economic situation. Four of the five main EU markets, in which a combined total of nearly three-quarters (74.6%) of all new registrations took place, saw growth. However, the UK, which remains Europe's second largest car market, was unable to maintain the high levels of the past and for the first time in six years experienced a fall of 5.7%, as opposed to growth in 2016 of 2.3%. Moreover, Ireland witnessed an even more marked decline of 10.4%, while Denmark and Finland showed slight falls of 0.5% and 0.4% respectively.

A third of the EU nations even achieved double-digit growth as displayed by Hungary (20.4%), Poland (16.9%), Croatia (17.2%) and even Greece (11.7%).

**New registrations of vehicles with alternative drive systems gather momentum**

The new registrations of vehicles with alternative powertrains (alternative fuel vehicles – AFV) in the European Union accelerated markedly in 2017. The registrations of battery electric

vehicles, hybrid electric vehicles and vehicles using propanol, ethanol and natural gas drives rose by a total of 39.7% to roughly 852,900 units (2016: approx. 610,500). The most notable increase by 54.8% related to hybrid electric vehicles (HEV), which with more than a half of all the newly registered units also represented the most important market segment. In addition, new registrations of electrically-chargeable vehicles (ECV) were some 39% up on the figure for the comparable period of 2016. When looking at their market share, with 5.7% AFV still only play a minor role in the EU.

As in the preceding periods, with 230,000 vehicles, Italy was the nation with the highest number of registrations in absolute terms and thus demonstrated growth of 24.0%. Thereof over 70% were registrations of liquefied petroleum gas-fuelled cars (LPG). Consequently, over a quarter of cars employing alternative drive systems were registered in Italy. The UK was ranked second with approximately 119,800 vehicles (growth of 34.8%), followed by Germany with 118,000 cars (79.6%), France with around 108,300 registrations (32.7%) and Spain with 67,900 units, which represented an increase of 87.5%.

According to information from the Center of Automotive Management (CAM) some 777,000 e-cars were registered in China, which was roughly 53% more than in the previous year (507,000). In the USA, the number of new e-car registrations rose by around 24% to about 194,500 units.

## REGISTRATIONS OF NEW COMMERCIAL VEHICLES IN THE EUROPEAN UNION

| in pieces                                 | 2017             | Share       | 2016             | Share       | Change      |
|-------------------------------------------|------------------|-------------|------------------|-------------|-------------|
| Light commercial vehicles <=3.5t          | 1,995,800        | 83.0%       | 1,920,000        | 82.4%       | 3.9%        |
| Medium commercial vehicles >3.5t to <=16t | 69,900           | 2.9%        | 72,400           | 3.1%        | -3.5%       |
| Heavy commercial vehicles >16t            | 297,200          | 12.4%       | 295,600          | 12.7%       | 0.5%        |
| Medium and heavy buses and coaches >3.5t  | 40,500           | 1.7%        | 40,700           | 1.7%        | -0.5%       |
| <b>European Union</b>                     | <b>2,403,400</b> | <b>100%</b> | <b>2,328,700</b> | <b>100%</b> | <b>3.2%</b> |

New commercial vehicle registrations in the EU during 2017 were nearly 0.1 million units higher at around 2.4 million vehicles, which corresponded with slight growth of 3.2%. This was opposed to the previous year, which with a rise of 11.6% saw more than treble this figure.

In the five most important sales markets, with 13.5% Spain again demonstrated the strongest expansion and occupied fourth place in terms of volume with 227,300 vehicles. The largest commercial vehicle market was again France (495,000 new registrations), which grew by 6.9%, while Germany (369,200) also showed 3.3% growth. In the UK (420,400) new registrations fell by 4.4% as compared to 2016 (+1.2%), as was the case in Italy (221,300), which suffered a decline of 2.3%. However, it should be noted that in 2016, Italy registered exceptional growth of 49.9%.

In 2017, light trucks with weights of up to 3.5t remained the EU's most important commercial vehicle segment and with sales of around 2.0 million units grew by 3.9% over the preceding year. Sales of heavy trucks with weights in excess of 16t rose marginally to be slightly up on the level of 2016.

Sources: German Automotive Industry Association (VDA), European Automobile Manufacturers Association (ACEA) and the Center of Automotive Management (CAM)

## 2. GROUP BUSINESS DEVELOPMENT AND STATUS

### SALES REVENUES

In the 2017 financial year, POLYTEC GROUP sales revenues increased by 4.0% over the preceding year to stand at EUR 676.4 million (2016: EUR 650.4 million).

### SALES BY MARKET AREA

|                      | Unit         | 2017         | 2016         | 2015         |
|----------------------|--------------|--------------|--------------|--------------|
| Passenger cars       | EUR m        | 434.1        | 425.4        | 420.1        |
| Commercial vehicles  | EUR m        | 165.0        | 147.4        | 148.1        |
| Non-automotive       | EUR m        | 77.3         | 77.6         | 58.3         |
| <b>POLYTEC GROUP</b> | <b>EUR m</b> | <b>676.4</b> | <b>650.4</b> | <b>626.5</b> |

As compared to 2016, sales revenues in the passenger car market area, which with 64.2% (2016: 65.4%) forms the strongest sales area within the POLYTEC GROUP, rose slightly by

around 2.0% to EUR 434.1 million (2016: EUR 425.4 million). On the basis of POLYTEC's consolidated sales revenues, relative growth resulted from the customers Ford Group (+1.8 percentage points), Daimler Car (+0.4 percentage points) and Jaguar/Land Rover (+0.3 percentage points). By comparison with the preceding year, 2017 sales revenues from the customer VW Car, which amongst the car clients contributes the largest share of POLYTEC consolidated sales revenues were down by 1.9 percentage points to 24.3%.

Sales in the commercial vehicle market area (24.4%, 2016: 22.7%) rose markedly as opposed to those of 2016, increasing by around 12.0% from EUR 147.4 million to EUR 165.0 million. All the commercial vehicle customers demonstrated growth with the highest relative increase in sales revenues deriving from VW Truck (+0.5 percentage points on the basis of total POLYTEC consolidated sales revenues).

In spite of a slight decline, the non-automotive market area contributed 11.4% to POLYTEC consolidated sales and thus virtually maintained the 11.9% level of the preceding year.

### SALES BY CATEGORY

|                                     | Unit         | 2017         | 2016         | 2015         |
|-------------------------------------|--------------|--------------|--------------|--------------|
| Parts and other sales               | EUR m        | 605.8        | 594.5        | 556.4        |
| Tooling and other engineering sales | EUR m        | 70.6         | 55.9         | 70.1         |
| <b>POLYTEC GROUP</b>                | <b>EUR m</b> | <b>676.4</b> | <b>650.4</b> | <b>626.5</b> |

As compared to 2016, the serial production area showed a small increase of 1.9% to EUR 605.8 million. Tooling and other engineering sales revenues are subject to cyclical fluctuations and as opposed to the previous year rose considerably by 26.3% or EUR 14.7 million. This positive development, which in the medium term will lead to new part sales, was registered in both the passenger car and the commercial vehicles segments.



## SALES BY REGION

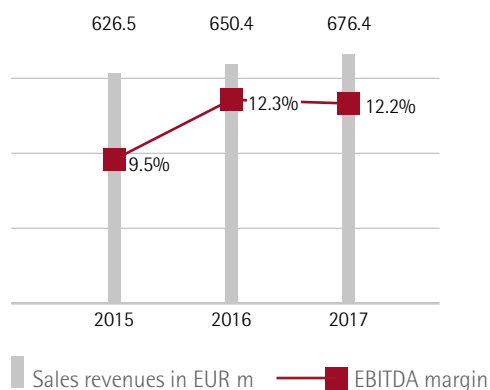
|                      | Unit         | 2017         | 2016         | 2015         |
|----------------------|--------------|--------------|--------------|--------------|
| Austria              | EUR m        | 23.4         | 17.4         | 15.5         |
| Germany              | EUR m        | 383.1        | 365.9        | 342.9        |
| Rest of EU           | EUR m        | 228.3        | 226.3        | 220.3        |
| Other countries      | EUR m        | 41.6         | 40.8         | 47.8         |
| <b>POLYTEC GROUP</b> | <b>EUR m</b> | <b>676.4</b> | <b>650.4</b> | <b>626.5</b> |

## EARNINGS DEVELOPMENT

### GROUP EARNINGS FIGURES

|                                                 | Unit  | 2017  | 2016  | 2015  |
|-------------------------------------------------|-------|-------|-------|-------|
| Sales revenues                                  | EUR m | 676.4 | 650.4 | 626.5 |
| EBITDA                                          | EUR m | 82.3  | 80.1  | 59.7  |
| EBITDA margin (EBITDA/sales)                    | %     | 12.2  | 12.3  | 9.5   |
| EBIT                                            | EUR m | 55.1  | 52.4  | 36.6  |
| EBIT margin (EBIT/sales)                        | %     | 8.1   | 8.1   | 5.8   |
| Result after income tax                         | EUR m | 39.0  | 37.0  | 24.2  |
| Average capital employed                        | EUR m | 297.5 | 274.8 | 219.1 |
| ROCE before tax (EBIT/average capital employed) | %     | 18.5  | 19.1  | 16.7  |
| Earnings per share                              | EUR   | 1.74  | 1.65  | 1.08  |
| Dividend per share (proposal to the AGM)        | EUR   | 0.45  | 0.40  | 0.30  |

## SALES AND EBITDA MARGIN DEVELOPMENT



## MATERIAL EXPENSES

In the 2017 financial year, material expenses rose by EUR 16.4 million from EUR 305.7 million to EUR 322.1 million due largely to higher prices and increased costs for purchased services. At 47.6%, the material to sales ratio remained at roughly the level of the previous year (2016: 47.0%).

## PERSONNEL EXPENSES

In 2017, the group's personnel expenses increased by EUR 7.9 million from EUR 211.6 million to EUR 219.5 million. This rise was largely the result of restructuring costs amounting to EUR 4.9 million, which emanated from the planned closure of two plants in Germany. Owing to the parallel upturn in sales revenues, the group's personnel ratio (personnel expense/sales revenues) remained virtually unchanged at 32.4% (2016: 32.5%).

## EBITDA

In the 2017 financial year, POLYTEC GROUP EBITDA rose by EUR 2.2 million to EUR 82.3 million and was thus slightly higher than in the preceding year (EUR 80.1 million). As neither the material and personnel ratios, nor the other items in the income statement demonstrated major changes, the EBITDA margin corresponded with that of 2016 at 12.2%.

## AMORTISATION AND DEPRECIATION

In the 2017 financial year, with EUR 27.2 million amortisation and depreciation remained at approximately the level of the preceding year. This was due to the fact that material investments in plant enlargements were uncompleted on the balance sheet date and could therefore not be written down.

## EBIT

Group EBIT improved by 5.1%, or EUR 2.7 million, in 2017 and therewith rose from EUR 52.4 million to EUR 55.1 million. As a consequence, in the 2017 financial year the POLYTEC GROUP achieved the best operating result in its more than 30-year history. As compared to the preceding year, the EBIT margin remained unchanged at 8.1%.

## FINANCIAL AND GROUP RESULT

Owing to an improved financing structure, the financial result fell to minus EUR 3.0 million (2016: minus EUR 4.3 million). Taking into account deferrals, the POLYTEC GROUP tax ratio (tax expenses/result before tax) in the 2017 financial year amounted to 25.2%, which was 2.2 percentage points higher than in the previous year. Group net profit improved by 5.4%, or EUR 1.9 million, over 2016 to stand at EUR 38.2 million (2016: EUR 36.3 million). This corresponds with earnings per share of EUR 1.74 (2016: EUR 1.65).

## ASSETS AND FINANCIAL STATUS

### INVESTMENTS

|                                | Unit  | 2017 | 2016 | 2015  |
|--------------------------------|-------|------|------|-------|
| Investments in tangible assets | EUR m | 36.6 | 33.2 | 134.4 |

During the 2017 financial year, additions to tangible assets amounted to EUR 36.6 million (2016: EUR 33.2 million). In particular, investment focused on both the Telford location in the English Midlands, where a new paint shop is being built, and the plant enlargement at the Chodová Planá location in the Czech Republic. In addition, the POLYTEC GROUP implemented improvements to its production plants and infrastructure, as well as ongoing maintenance investments.

The comparatively high investments in 2015 resulted primarily from the purchase of the Huemer Holding GmbH real estate portfolio, which included numerous POLYTEC GROUP production locations.

### GROUP KEY BALANCE SHEET AND FINANCIAL FIGURES

|                                           | Unit  | 31.12.2017 | 31.12.2016 | 31.12.2015 |
|-------------------------------------------|-------|------------|------------|------------|
| Equity                                    | EUR m | 217.5      | 189.9      | 162.9      |
| Equity ratio (equity/balance sheet total) | %     | 42.1       | 37.9       | 33.6       |
| Balance sheet total                       | EUR m | 516.5      | 501.4      | 485.1      |
| Net working capital <sup>1)</sup>         | EUR m | 75.5       | 40.1       | 50.5       |
| Net working capital/sales                 | %     | 11.2       | 6.2        | 8.1        |

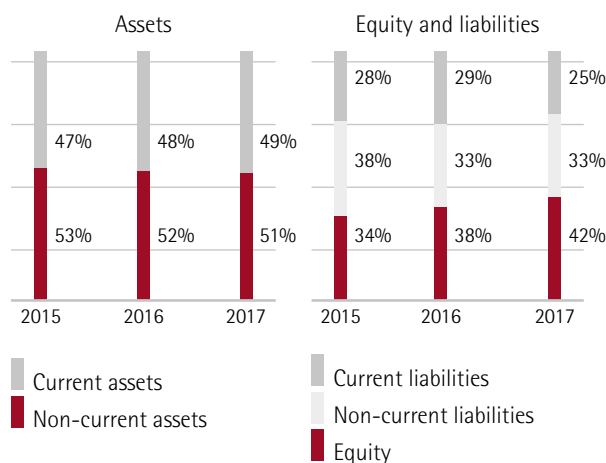
<sup>1)</sup> Net working capital = current assets less current liabilities

In 2017, the group's balance sheet total increased by EUR 15.1 million to EUR 516.5 million. On the assets side, apart from investments in tangible assets, this rise can be traced primarily to net working capital, which due largely to a significant intensification of project activities, rose sharply by EUR 35.4 million to stand at EUR 75.5 million. The main impetus in this regard derived from services not yet invoiced or paid. Conversely, the increase on the equity and liabilities side emanated mainly from the rise in equity, which in turn was also influenced positively by the group result.

The equity ratio as at 31 December 2017 was 4.2 percentage points up on that on the balance sheet closing date of the preceding year at 42.1%.

As at the balance sheet date of 31 December 2017, the POLYTEC GROUP held 334,041 treasury shares (corresponds with 1.5% of share capital) with a stock market value on the closing date of around EUR 6.2 million (2016: EUR 3.4 million) and an acquisition value of EUR 1.9 million. No treasury shares were purchased or sold by the company during the 2017 financial year.

### BALANCE SHEET STRUCTURE (IN %)



|                                           | Unit  | 2017 | 2016 | 2015 |
|-------------------------------------------|-------|------|------|------|
| Net debt (+)/-assets (-)                  | EUR m | 78.7 | 69.9 | 99.1 |
| Net debt (+)/-assets (-)/EBITDA           | -     | 0.96 | 0.87 | 1.66 |
| Gearing (net debt (+)/-assets (-)/equity) | -     | 0.36 | 0.37 | 0.61 |

In spite of reduced financial liabilities, as opposed to the 31 December 2016 balance sheet date, net debt went up by EUR 8.8 million to EUR 78.7 million. This increase can be traced to a reduction in cash and cash equivalents. Correspondingly, the key figure for the notional debt repayment period rose slightly from 0.87 to 0.96. At 0.36, the gearing ratio remained at the level of the preceding year.

**CASH FLOW**

|                                     | Unit  | 2017  | 2016  | 2015  |
|-------------------------------------|-------|-------|-------|-------|
| Cash flow from operating activities | EUR m | 38.3  | 70.7  | 51.3  |
| Cash flow from investing activities | EUR m | -38.0 | -28.8 | -69.2 |
| Cash flow from financing activities | EUR m | -22.7 | -20.0 | -36.4 |
| Change in cash and cash equivalents | EUR m | -22.4 | 21.9  | -54.3 |

In the 2017 financial year, owing to an increase in working capital, the cash flow from operating activities fell by EUR 32.4 million to EUR 38.3 million. The cash flow from investing activities rose by EUR 9.2 million to minus EUR 38.0 million, while the cash flow from financing activities increased slightly to minus EUR 22.7 million (2016: minus EUR 20.0 million). The cash flow from operating activities was employed primarily for investments, whereby cash reserves were used mainly for debt repayment. On the balance sheet date, cash and cash equivalents totalled a final amount of EUR 56.9 million.

**EMPLOYEES**

The average number of POLYTEC GROUP employees (including leasing personnel) in terms of full-time equivalents (FTE) and their geographic spread in the past three years was as follows:

|                      | Unit       | 2017         | 2016         | 2015         |
|----------------------|------------|--------------|--------------|--------------|
| Austria              | FTE        | 539          | 553          | 579          |
| Germany              | FTE        | 2,211        | 2,220        | 2,321        |
| Rest of EU           | FTE        | 1,591        | 1,504        | 1,180        |
| Other countries      | FTE        | 186          | 172          | 167          |
| <b>POLYTEC GROUP</b> | <b>FTE</b> | <b>4,527</b> | <b>4,449</b> | <b>4,247</b> |
| Sales per employee   | EUR k      | 149          | 146          | 147          |

In terms of an annual comparison, average group workforce numbers (including leasing personnel) rose by 78 (FTE), or 1.8%, to 4,527 employees. The average leasing personnel quota totalled 11.3% (2016: 8.9%). Sales per employee (including leasing personnel) amounted to EUR 149 k and were therefore slightly higher than in the previous year. On the 2017 balance sheet date, the POLYTEC GROUP workforce (excluding leasing personnel) numbered 4,046 and was thus 37 persons larger than in the preceding year.

**3. REPORT ON EXPECTED GROUP DEVELOPMENT AND RISKS****AUTOMOTIVE INDUSTRY DEVELOPMENT OUTLOOK**

The international automotive markets made a largely positive start to 2018. From a global perspective, analysts and the automobile associations foresee further growth for the year as a whole. The German Automotive Industry Association anticipates that the worldwide car market will gain 1% to stand at 86 million units. Other analysts expect higher figures, as exemplified by M.M.Warburg Research, which predicts growth of 2% and approximately 95 million new registrations, and Euler-Hermes, which estimates sales as high as 98 million units.

The experts also await differing trends in the various national markets. A continuation of healthy growth in the 3% to 4% range is assumed for China, the world's most significant car market. In the USA, the decline in the number of new registrations might continue, but by contrast the registration figure for second-hand vehicles is likely to rise markedly. The tentential outlook in the British car market, which is Europe's second largest, remains gloomy. The UK already saw a fall in new registrations in 2017 and the unpredictable course of the Brexit negotiations has led to political and economic uncertainties, as well as declining consumer confidence.

In spite of the generally solid economic situation, it is probable that both the car and commercial vehicles markets in Europe will only demonstrate slight growth in 2018. The positive developments in Russia and Brazil should be maintained and double-digit growth rates for new car registrations might be possible.

The sales figure trend with regard to vehicles with alternative powertrains is the object of intense interest. However, although double-digit growth rates may be expected in 2018, the share of the overall market will again be of only minor significance.

**GROUP RESULT DEVELOPMENT OUTLOOK**

Based on economic stability, the POLYTEC GROUP executive management assumes that in 2018 group sales and operating results will again attain the excellent level of last year. Against the background of the latest decision of the Federal Administrative Court in Germany regarding possible driving bans on older diesel models, as well as the intervening, noticeable decline in call-ups for diesel vehicle products, this constitutes an ambitious target.

#### 4. RISK REPORTING AND FINANCIAL INSTRUMENTS

The exhaust gas affair in the automotive industry has resulted in uncertainties amongst manufacturers, suppliers and consumers alike. Therefore, the POLYTEC GROUP management has constantly monitored developments, especially in connection with the shift in the vehicle drive technology trend.

As was the case in the 2016 financial year, the exhaust gas issue did not have a material effect upon the group's operative business in 2017. Nonetheless, since the beginning of this year, the sales of products for vehicles with diesel engines have fallen noticeable and the management is keeping a close eye on this development. However, it is likely that the demand for products relating to vehicles with diesel engines will move to vehicles using petrol engines or alternative drives, thus creating a counterbalance.

Prior to 31 December 2017 and beyond to the closing date of this report in mid-March 2018, no significant impact upon the operative business of the POLYTEC GROUP was recognisable, which could be traced back to the intention of the United Kingdom to leave the European Union, or the possible consequences of international trade restrictions. Whether or not in future other risks and uncertainties may exert an influence on the development of the POLYTEC GROUP's sales and income cannot be fully estimated at present.

As far as risk reporting is concerned, we would also refer you to the information contained under Item G.2 in the group notes.

#### 5. RESEARCH AND DEVELOPMENT REPORT

During the 2017 financial year, the POLYTEC GROUP intensified its research activities, which raised the related costs by around EUR 4.4 million to EUR 14.5 million. This represented an almost 50% increase on the EUR 10.1 million of the previous year and resulted in a rise in the research cost ratio (R&D costs/sales) from 1.6% to 2.1%.

The development of new products and applications, primarily for the automotive industry, constitutes one of the POLYTEC GROUP's key competence. As a strategic cornerstone, it is an integral part of the group's foundations and over the years has made a major contribution to its success. Moreover, the requirements of the group's long-term customers represent the constant focal point of the numerous and labour-intensive new and further developments.

POLYTEC endeavours to impress its customers proactively at any early stage with innovative applications and technology combinations, as well as complete product and manufacturing concepts, which are also aimed at strengthening group competitiveness. In this connection, the group does not think in terms of technologies, but rather solutions and thus convinces already during the engineering phase with an imposing depth of value added that extends from material production and concept development to simulation. At POLYTEC, almost 200 engineers develop and plan innovative solutions in a diversity of plastic technology areas on the basis of comprehensive experience and profound specialist knowledge.

In combination with the latest production know-how, an enormous diversity of materials and processes ranging from injection moulding and various fibre composite to polyurethane applications enables the POLYTEC GROUP to supply its customers with tailor-made solutions that offer top quality at an attractive price-performance ratio. Apart from the integration of an increasing number of functions in plastic parts and the ongoing expansion of the possibilities for the substitution of metals, the development of new materials and processes aimed at making plastic parts still lighter and more stable represents one of the POLYTEC GROUP's core activities.

With the introduction of the new material "Sylothan", POLYTEC has created a valuable addition to its product portfolio in the vibration engineering field. Sylothan is a PUR elastomer with a fine cellular structure, which guarantees a high deformation capacity under static and dynamic loads. Above all, processing in combination with a hard polyurethane cover has met with major interest amongst POLYTEC's clientele.

The experience gathered by POLYTEC during the manufacture of highly complex vehicle parts and systems can also be utilised in the non-automotive area. Not only is development, material and production know-how involved in this connection, but also logistics, product complexity and operational excellence. Above all, this makes POLYTEC's capabilities interesting for customers seeking solutions for products subject to stringent demands regarding surfaces or strict technological requirements, as well as multi-stage production processes and complex logistical problems. The POLYTEC GROUP not only possesses the necessary competence in this respect, but also the required resources.

The topic of e-mobility offers clear-cut opportunities for the POLYTEC GROUP and in recent years, its development engineers have placed a special focus on the question as to which components in an e-vehicle can be manufactured from lightweight materials. This is because in view of the heavy batteries required for the drive system, e-powered vehicles should weigh as little as possible in every other regard.

In many cases, plastic components such as trunk lids, gear oil pans, battery boxes and complex acoustic solutions meet this demand for lightness to perfection. Conversely, the e-mobility trend also confronts POLYTEC with fresh challenges, as the components for e-vehicles partly require completely different solutions to those needed by vehicles with conventional drive systems. This is exemplified by the Acoustic Solutions area, in which over the years the POLYTEC GROUP has established a strong position with regard to combustion engines. However, in e-vehicles the focus is no longer on engine insulation, but rather the minimisation of exterior and road noise. Therefore, concepts have to be newly evolved and developed in a process to which the latest initiative for a further increase in POLYTEC's development competence should make a major contribution.

In order to be able to deal with these complex assignments promptly and effectively, during the 2017 financial year POLYTEC continued to optimise its processes and organisational framework across the group and took important decisions for the further consolidation of resources.

Since the end of the year, POLYTEC's engineering capacity has been boosted further by arrival of specialists from POLYTEC ENGINEERING SERVICES (PES) in Neckarsulm, Germany. This team was acquired from an insolvent supplier of development services and ten employees from the product and concept development and jig design areas are already considering what the market of tomorrow might demand. The team operates outside the sphere of daily operations and concentrates on innovative products, applications and solutions, but naturally without losing sight of market needs. Not least, the PES engineers benefit from the wide-ranging know-how of the personnel at POLYTEC's three existing development competence centres, who already link up their expertise in a diversity of technological and production areas.

## 6. KEY FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM WITH REGARD TO THE ACCOUNTING PROCESS

The Board of Directors is responsible for implementing an adequate internal control and risk management system for the accounting process and financial reporting. Appropriate organisational measures and controls ensure that all the relevant legal requirements necessary for complete, correct, timely and orderly entries in the books and other records are met.

The entire process, from procurement to payment, is subject to strict regulations and group-wide valid guidelines that are intended to avoid any related risks such as CEO fraud scenarios. These measures and rules include, among others, the separation of functions, signature directives and signatory powers for payment authorisations on an exclusively collective basis that are restricted to a small number of employees, as well as system-supported checks by the software employed.

The most important management control instrument is the planning and reporting system, which has been implemented across the group. In particular, this includes medium-term planning with a three-year horizon, annual budget planning and monthly reporting. The monthly financial reports, which are drawn up by POLYTEC GROUP Financial Services show the current development of all group companies. The content of these reports has been standardised throughout the group and apart from an income statement and balance sheet, also contains the main extrapolated key indicators and an annotated deviation analysis.

The Board of Directors is constantly kept up to speed regarding all relevant issues and risks by means of a standardised, group-wide financial reporting system and ad hoc reports on major events. At its meetings, which are held at least once a quarter, the Supervisory Board is informed about current business developments, operative planning and medium-term group strategy. In special cases the Supervisory Board is also provided with direct and immediate information. Among other topics, the audit committee meetings consider internal controls and risk management.

## 7. DISCLOSURES REGARDING CAPITAL, SHARE, VOTING AND CONTROL RIGHTS, AND ASSOCIATED OBLIGATIONS PURSUANT TO § 243A OF THE AUSTRIAN COMMERCIAL CODE

As at the balance sheet date of 31 December 2017, the share capital of POLYTEC Holding AG remained unchanged at EUR 22.3 million divided into 22,329,585 bearer shares. The group has no other types of shares. All shares have been admitted to trading in the prime market segment of the Vienna Stock Exchange.

As at the 31 December 2017 balance sheet date, the Huemer Group was the only investor holding more than 10.0% of share capital. The Huemer Group holds 29.04% (16.00% Huemer Holding GmbH and 13.04% Huemer Invest GmbH) of POLYTEC Holding AG share capital. As compared to the 31 December 2016 balance sheet date, the holding in companies belonging to POLYTEC Holding AG that can be attributed to Friedrich Huemer, the POLYTEC GROUP CEO, remained unchanged. Apart from the aforementioned, on the balance sheet date the Board of Directors knew of no shareholders with an interest in excess of 10.0% of share capital. No shareholder disposes over special control rights.

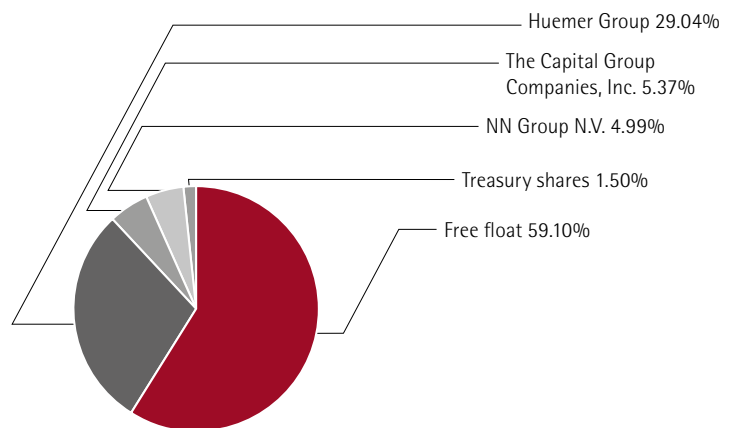
During the 2017 financial year, POLYTEC Holding AG received two voting right communications from stockholders in accordance with § 91 of the Austrian Stock Exchange Act (now § 130 Stock Exchange Act 2018).

On 10 April 2017, the NN Group N.V. Amsterdam (Netherlands) notified POLYTEC Holding AG that with effect from 7 April 2017, it had purchased all the shares of the Amsterdam-based Delta Lloyd N.V. (Netherlands) and its affiliated companies. Therefore, from 7 April 2017 onwards, the entire POLYTEC Holding AG shares held by Delta Lloyd N.V. and its affiliated companies are to be classified as being under NN Group N.V. ownership. According to own information, as at 7 April 2017 NN Group N.V. held 1,400,000 POLYTEC Holding AG shares, or 6.27% of share capital. On 11 April 2017, POLYTEC Holding AG issued a report to this effect in accordance with § 93 Para. 2 of the Austrian Stock Exchange Act.

On 18 October 2017, the shareholder NN Group N.V. Amsterdam (Netherlands) informed POLYTEC Holding AG that on 17 October 2017 it fell short of a reporting threshold. As at 17 October 2017, two administered funds received a joint interest of 4.99%,

or 1,115,250 shares in POLYTEC Holding AG. Accordingly, on 18 October 2017 POLYTEC Holding AG issued a report pursuant to § 93 of the Austrian Stock Exchange Act (now § 135 Para. 2 of Stock Exchange Act 2018).

As at 31 December 2017, on the basis of the 22,329,585 issued shares, the shareholder structure of POLYTEC Holding AG had the following form:



After the balance sheet date, a further change in a significant participation was announced, as at the end of February 2018, the shareholder The Capital Group Companies, Inc., which is based in Los Angeles (USA), notified POLYTEC Holding AG that on 23 February 2018 it fell short of a reporting threshold and that on this date the shareholder held 976,139 shares, or 4.37% of POLYTEC Holding AG stock.

### TREASURY SHARES

During the 2017 financial year, the group did not purchase or sell any treasury shares. On the balance sheet date of 31 December 2017, POLYTEC Holding AG held an unchanged total of 334,041 treasury shares, which represented a holding of roughly 1.5% of share capital.

### AUTHORISED CAPITAL

The empowerment of the Board of Directors on the basis of a resolution passed during the 16<sup>th</sup> Ordinary Annual General Meeting on 19 May 2016 to undertake the renewed creation of authorised capital (§169 of the Austrian Stock Corporation Act) for the purpose of an increase in cash or non-cash capital up to an amount of EUR 6,698,875.00, with the possibility of the exclusion of the subscription rights of the shareholders, as well as the corresponding amendment of the Articles of Association, is valid until 24 August 2019.

## OTHER INFORMATION

No indemnification agreements exist between the company and the members of the Board of Directors in the eventuality of a change in control. Equally, there are no indemnification agreements for the Supervisory Board members and employees or any other major agreements, which would be affected by a change in control or a public takeover bid. There are no provisions in the Articles of Association that go beyond the statutory provisions for the appointment of members of the Board of Directors and the Supervisory Board, or are intended for amending the Articles of Association. The POLYTEC Holding AG website is entered in the company register under: [www.polytec-group.com](http://www.polytec-group.com)

## 8. NON-FINANCIAL DECLARATION PURSUANT TO § 267A AUSTRIAN COMMERCIAL CODE

Non-financial declaration pursuant to § 267a of the Austrian Commercial Code and reporting with regard to the Austrian Sustainability and Diversity Improvement Act (NaDiVeG):

## BUSINESS MODEL

Founded in 1986, the POLYTEC GROUP is a leading developer and manufacturer of high-quality plastic components with 28 locations and some 4,500 employees worldwide. For more than 30 years, the Austria-based company has been offering its customers experience and know-how, not only as a complete supplier in the injection moulding field, but also a specialist for fibre-reinforced plastics, a producer of original accessories made from plastic and special steel, and a relevant developer of individualised industrial solutions in polyurethane, as well as the machinery and plants needed for this purpose.

POLYTEC numbers globally renowned marques from the car and commercial vehicle industry among its customers and is also increasingly supplying markets outside this sector. In both cases, the most important criteria for success consist of innovative technologies, perfect quality and absolute punctuality of delivery in combination with competitive prices. In both the automotive and non-automotive fields, POLYTEC provides outstanding value-added depth in every segment. This entails design and project development, as well as the production of tooling and semis for fibre composites, component simulation and examination, as well as virtually all the available plastics processing technologies. Furthermore, POLYTEC convinces through excellent performance with regard to downstream processes such as painting, assembly and just-in-time or just-in-sequence delivery.

## MATERIALITY

Stakeholders are persons or groups, who have a justifiable interest in the development of the POLYTEC GROUP. The prompt recognition of their interests and expectations leads to important findings in connection with opportunities and risks. This information plays a significant role in the actions of the POLYTEC GROUP management and the following external and internal stakeholders have been identified as being of relevance to group activities:

### CUSTOMERS

- OEMs
- Non-automotive customers

### EMPLOYEES

- Members of the Board of Directors and executive managers
- Blue- and white-collar employees (including leasing personnel)
- Employee representatives
- The job applicant market

### SUPPLIERS

- Suppliers of raw materials, materials, energy, etc.
- Subcontractors, sub-suppliers for production (e.g. tooling)
- Plant and machinery manufacturers, building outfitters
- Services suppliers and consultants (maintenance, IT, legal matters, further education bodies)

### PUBLIC SECTOR

- Legislators at European Union, national, federal province and district level
- Agencies and authorities (especially for anti-trust and competition law, commerce, labour inspection, finance and taxation, financial market supervision)

### CAPITAL MARKET

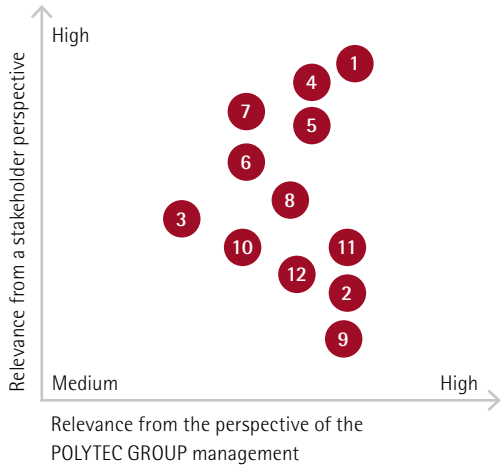
- Investors – the founding family Huemer
- Investors – institutional and private
- Debt capital markets
- Stock exchanges, banks and insurance companies, auditors, credit protection associations
- Analysts, proxy and rating agencies
- Financial market media

### OTHER STAKEHOLDERS

- Members of the Supervisory Board
- Media (specialist and social)
- NGOs (environmental, social), consumer protection
- Politicians, branch associations, trades unions, other interest group representatives
- Competitors and other market participants
- Universities, research bodies and schools
- Neighbours

## IDENTIFIED MATERIAL ISSUES

The following relevant themes were defined and prioritised according to materiality (medium to high) on the basis of the POLYTEC GROUP's corporate strategy (relevance from a company perspective) and taking into consideration stakeholder interests and expectations (relevance from an external perspective):



- 1 Long-term business success and value increase
- 2 Enhanced cost efficiency and value-added generation
- 3 A consistent dividend policy
- 4 Customer advantages and satisfaction
- 5 Production of top quality, innovative plastic products
- 6 Compliance
- 7 Work health and safety protection
- 8 Employee advancement
- 9 Optimisation and digitisation of company processes
- 10 Efficient energy use
- 11 Efficient use of raw and other materials
- 12 Waste avoidance and reduction

## RISK REPORTING

Within the scope of its business activities, the POLYTEC GROUP is subject to a variety of risks, which relate directly to corporate transactions. Risk management is an integral part of group strategy and business processes. The comprehensive certifications required by an automotive industry supplier (e.g. TS ISO/16949:2002) already specify appropriate regulations, which are also monitored via external audits. In line with the organisational structure of the POLYTEC GROUP, risks are locally managed and monitored close to the market, especially in the course of ongoing business processes. However, group headquarters provides central financial risk management.

The following major risk areas can be identified:

**Specific company risks.** This risk group includes general sales market, volume, sourcing market, investment and production risks.

**Cyber crime.** The POLYTEC GROUP is also subject to an increase in cyber crime attacks, but to date has been able to defend itself successfully. Nonetheless, the growing professionalism in this regard has come to represent a serious risk area in operative business. The POLYTEC GROUP's internal controls are being continually tightened and employee sensibility with regard to this topic is addressed and evaluated at regular intervals.

**Financial risks.** These include credit, liquidity, currency and interest rate change risks.

With respect to detailed risk reporting, in order to avoid redundant text, we would refer you to the information contained in Item G.2 of the group notes.

## THE POLYTEC GROUP MISSION STATEMENT

In 2015, the group's targets, culture and self-perception were combined in the formulation of a new corporate mission statement, which, taking the three strategic keystones into consideration, defines the main areas of activity of a management programme for the individual business units. POLYTEC GROUP employees participate either directly or indirectly in the concretisation of the actions to be taken within the framework of this management programme and are thus able to make individual contributions to the realisation of the group's vision.

The new mission statement, which literally describes POLYTEC's "DNA" word for word, has been in force since the beginning of 2016. It provides the entire workforce with a point of reference and serves as a binding guideline for the conduct of POLYTEC GROUP employees with respect to many major issues, ranging from quality and environmental targets to activities, decisions and strategies. In particular, with its mission statement the group undertakes to constantly adhere to legal statutes, maintain an open dialogue with its customers, suppliers, authorities and the general public, and conserve natural resources. These basic principles are intended to guide the POLYTEC GROUP towards a successful future.



## OUR VISION

We are the European industry's first point of address and preferred supplier with regard to trendsetting plastics solutions of the highest technological standard. Our primary focus is on the automotive sector.

## OUR MISSION

An enthusiastic POLYTEC team creates sustained value for both our group and its customers. We develop carefully conceived solutions with a high degree of system knowledge, which extends along the entire chain of value-added activities from the initial idea to just-in-sequence delivery and thus regularly surpass customer expectations. We meet individual requirements in optimum fashion through the use of numerous plastics technologies that match the respective application to perfection. Moreover, we attain a competitive price level and the lasting esteem of our customers by means of an efficient cost structure, coordinated procedures and best-in-class production and service processes.

As an international player, we combine uncompromising financial transparency with a strong sense of responsibility towards our entire business environment.

## OUR VALUES

### Passion ...

Our desire to achieve ideal solutions inculcates every working phase.

### ... creates ...

- We owe our problem-solving skills to people. Therefore we ensure that we always have the right persons in the right places and support and challenge them accordingly.
- We are open-minded and cultivate the exchange of ideas. In this way we use the synergies within the POLYTEC GROUP to the full and thereby create top technologies with an optimum price-performance ratio.
- We accept responsibility and act only in accordance with ethical principles. This is because we also feel bound by conscience to the agreements made with our customers and partners.

### ... innovation

We serve our customers as a competent development partner. We act with esprit, reliability and purpose.

## CODE OF CONDUCT

In our Code of Conduct we describe our mission statement, the values that we share and how we wish to work together. The code provides us with a clear target image for the employment of ethical norms such as integrity, openness, honesty and law-abidance. Adherence to all the mandatory regulations and internal rules that apply to POLYTEC Holding AG and its subsidiaries forms the basis of the cooperation of our employees with shareholders, owners, authorities, the public, customers, suppliers, service providers, colleagues, competitors and other stakeholders.

It provides the foundation for the morally, ethically and legally correct conduct of all POLYTEC GROUP employees and business partners, and is therefore a significant part of our company culture.

### Code of Conduct regulatives

Behaviour in the business environment. Adherence to the law, free and fair competition, the relationships to customers, competitors and suppliers, the avoidance of conflicts of interest and the prevention of money laundering.

Behaviour towards colleagues and fellow-employees. Equal treatment and non-discrimination, observance of human and employee rights, as well as health and safety.

Behaviour in society. Sustainable environmental and climate protection, and public image.

Handling of information. Reporting, confidential company information, the treatment of insider information and information of capital market relevance, as well as data protection and information security.

All POLYTEC GROUP employees are expected to examine their conduct in the light of the guidelines laid down in this Code of Conduct and ensure adherence. Infringements and pointers can be reported via an established channel and are then carefully examined and handled with complete confidentiality.

With regard to detailed information concerning the Code of Conduct, we would refer you to a document on the POLYTEC GROUP website, [www.polytec-group.com](http://www.polytec-group.com) in the Group, Mission Statement section, which is ready for downloading.

## ENVIRONMENTAL PROTECTION

As an automotive industry supplier, the POLYTEC GROUP provides significant solutions for the optimisation of new vehicle generations. Moreover, owing to its innovative capacity and flexibility, during the past thirty years POLYTEC has established a notable reputation in the automotive sector. By means of comprehensive research and development work, POLYTEC is able to continually furnish improvements to the products of its customers, which ultimately have a positive environmental effect. For example, the dead weight of vehicles is lowered through material substitution and in the case of some components, as compared to steel, weight reductions of as much as 60% are possible. This leads to lower fuel consumption and hence a cut in CO<sub>2</sub> emissions.

Systematic ecological impact analyses represent a permanent feature of POLYTEC's product development processes and are carried out by the group's specialists in close coordination with its customers. In combination with perfect quality and absolute punctuality of delivery, optimisation successes in areas such as weight reduction, material substitution and savings, noise reduction, etc. constitute POLYTEC's main strengths and are greatly valued by its clientele.

POLYTEC constantly upgrades the products and services supplied to customers and all internal production processes are regularly subjected to analysis using a coordinated environmental, quality and lean management system with the aim of optimising in-house material and energy consumption. Plastics processing demands large quantities of resources and thus the careful use of production materials constitutes both an ecological and an economic necessity. In-group production phases are therefore continually improved with the same objectives in view and consequently process water and various cleaning solutions are virtually always utilised in closed cycles. As far as the use of paints is concerned, POLYTEC fulfils stringent indoor and waste air standards, which serve the protection of employees and the environment to an equal extent.

The majority of the parts, top quality component modules and multifunctional plastics systems designed by POLYTEC are manufactured in accordance with certificated development and production processes. POLYTEC's production locations possess internationally recognised environmental and quality management norms such as ISO 16949, ISO 14001 and ISO 50001. Furthermore, they must continually meet numerous special customer standards. All in all, this represents confirmation of the long-term commitment and successes that POLYTEC can point to in the environmental protection field.

The POLYTEC GROUP's environmental strategy pursues three main objectives consisting of a scaling down of raw material consumption, enhanced energy efficiency and intensified recycling. Over the years, POLYTEC has launched pilot projects related to each of these focal points in individual plants and after successful testing these have been gradually implemented at other group locations.

**1. Raw material savings.** In recent years, POLYTEC has made major progress in the area of raw material economies. Particularly in the injection moulding field, the increased employment of regranulate and modern dosing systems enables the optimum use of materials. The sprue derived from production is milled directly at the machine and returned to the process without any loss of quality. Moreover, apart from the quantity of raw materials processed, their chemical composition is also of environmental relevance. Therefore, today POLYTEC mainly uses water-soluble products for painting purposes and has thus markedly reduced solvent consumption.

**2. Enhanced energy efficiency.** A particularly important resource and thus cost item for the POLYTEC GROUP is energy and consequently it has put together a comprehensive package of measures aimed at cutting consumption. The investments adopted to date have already resulted in a considerable reduction in energy costs, as exemplified by the transition from oil to natural gas-fired systems with markedly higher efficiency levels, building insulation, the use of efficient compressed air compressors and similar other measures. Within the framework of the installed energy management systems, individual production phases are examined with regard to their energy efficiency and if necessary, improvement measures are extrapolated from the findings. Heat recovery projects have already been successfully concluded and further schemes for a comprehensive switch to LED lighting technology have been already initiated.

**3. A focus on recycling.** Despite the careful use of raw materials waste cannot be excluded entirely. Therefore, it is all the more important that this unavoidable waste be separated as far as possible and then employed in practical recycling. At POLYTEC, appropriate waste classification is assisted by a uniform, colour coding system, which not only prevents wastage but also reduces disposal costs.

## EXAMPLES OF INCREASED ENERGY EFFICIENCY AT THE HÖRSCHING LOCATION

As examples of the implementation of energy efficiency measures for a sustained reduction in consumption, the following projects at the POLYTEC CAR STYLING plant in Hörsching are worthy of special note.

In the autumn of 2017, work commenced on the general renovation of the production hall, which will be completed in spring 2018. The heating requirement is to be cut by two-thirds through the thermal optimisation of the building's shell and in addition the heating system is to be switched from blowers to radiant panels on the ceiling, which warm all surfaces evenly and create a particularly pleasant sensation of warmth. In future, the waste heat from the compressed air compressors will also be fed into the heating system and in the summer months will alone suffice for the supply of the southern section of the plant premises. Enough daylight will enter the production hall through large windows and roof light domes and sensor-controlled LED lighting is also to be installed, which will automatically adjust the illumination level and create optimum lighting conditions.

Furthermore, numerous measures for the optimisation of the heating supply have been realised, which first showed their full potential during the company closure for the 2016/2017 Christ-

mas break. New pumps now regulate the water volume in the system infinitely and thus the amount of heat produced corresponds precisely with the actual requirement. A further improvement has been achieved through the modification of the heat exchangers on the boilers, which now demonstrate optimum throughflow. As a result, some 82,500 kWh of electricity are being saved annually and gas consumption has been cut by 10%. An investment in an efficient compressed air compressor and the removal of leaks in the compressed air network are also furnishing significant additional savings. The initial improvement phase has already facilitated a reduction in energy consumption of 85,000 kWh.

During 2017, painting capacity in Hörsching was enlarged through the addition of two further cabins. A current evaluation of electricity and gas consumption shows that the optimisation measures have more than compensated for the extra energy requirements caused by the new cabins.

One important objective of the sustainability measures is the separation of energy consumption from economic growth. In the long term, ways must be found to markedly reduce energy needs in spite of consistent or increasing production volumes. Therefore, POLYTEC intends to fulfil the growing demands with regard to environmental and resource conservation through even more effective energy concepts.

## ENERGY AND ENVIRONMENTAL TARGETS

A list of the selected inter-plant targets in the energy and environmental field in the period up to 2020:

| Target definition                                                                                                        | Dimension                       | Basis                                                                                 | Key indicator               |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------|-----------------------------|
| Increased injection moulding machine efficiency                                                                          | Yearly by 1%                    | Ratio of machine energy consumption to the raw materials employed, based on 2016      | kWh/kg                      |
| Minimisation of electricity consumption during lengthy plant standstills through the shutdown of unnecessary peripherals | Reduction by 1%                 | Ratio of machine energy consumption to the raw materials employed, based on 2016      | kWh/kg                      |
| Adherence to the energy efficiently standards for Level D buildings                                                      | 110 kWh/m <sup>2</sup> per year | Ratio of climate-adjusted heating gas consumption to the heated areas                 | kWh/m <sup>2</sup> per year |
| Optimisation of the energy data logging system, which incorporates the main consumers                                    | Number of consumers             | Registered main consumers/main consumers                                              | %                           |
| Minimisation of overall environmental impact (emissions, waste and used water)                                           | Yearly by 1%                    | Ratio of total pollutants per year to the volume of materials employed, based on 2013 | t/t                         |
| Reduction in energy intensity                                                                                            | Yearly by 1.3%                  | Ratio of total energy consumption to the operating result, based on 2012              | kWh/EUR                     |
| Reduction in environmental impact through a search for health-friendlier materials                                       | Reduction to zero               | Number of materials representing a hazard to the environment and health               | Number                      |
| Improvement in environmental controlling with regard to quantity and costs                                               | 80%                             | Ratio of allotted quantities and costs to total quantities and costs                  | %                           |

## KEY INDICATORS

### Energy use

| in MWh               | 2017           | 2016           | 2015           |
|----------------------|----------------|----------------|----------------|
| Electricity          | 140,139        | 137,268        | 125,033        |
| Natural gas/oil      | 108,072        | 102,139        | 94,359         |
| Heating              | 1,701          | 1,576          | 1,219          |
| Other                | 3,068          | 2,543          | 2,583          |
| <b>POLYTEC GROUP</b> | <b>252,980</b> | <b>243,527</b> | <b>223,194</b> |

As opposed to the preceding year, energy consumption throughout the group rose by 3.9%, or 9,453 MWh, to 252,980 MWh. In relation to sale revenues, the ratio remained at exactly the 37.4% level of 2016.

### Materials use

| in tonnes                             | 2017          | 2016          | 2015          |
|---------------------------------------|---------------|---------------|---------------|
| PP – polypropylene                    | 28,893        | 29,428        | 17,893        |
| PA – polyamide                        | 10,678        | 10,745        | 10,067        |
| ABS – acrylonitrile butadiene styrene | 4,038         | 3,201         | 1,491         |
| PUR – polyurethane                    | 1,607         | 1,085         | 972           |
| Glass fibres                          | 8,457         | 7,648         | 6,719         |
| Resins                                | 4,913         | 4,432         | 3,995         |
| Paints                                | 1,003         | 903           | 737           |
| Others                                | 26,794        | 24,956        | 26,538        |
| <b>POLYTEC GROUP</b>                  | <b>86,383</b> | <b>82,398</b> | <b>68,412</b> |

As compared to 2016, materials consumption across the group in 2017 was up by 4.8%, or 3,985 t, at 86,383 t. In relation to sale revenues, the ratio increased slightly by 0.1 percentage points to 12.8%.

### Waste volumes

| in tonnes            | 2017         | 2016         | 2015         |
|----------------------|--------------|--------------|--------------|
| Non-hazardous waste  | 7,523        | 7,441        | 6,682        |
| Hazardous waste      | 2,308        | 1,757        | 1,588        |
| <b>POLYTEC GROUP</b> | <b>9,831</b> | <b>9,198</b> | <b>8,270</b> |

During the 2017 financial year, the volume of hazardous and non-hazardous waste in the POLYTEC GROUP increased by 6.9%, or 633 t, over the previous year to 9,831 t. In relation to sale revenues, the ratio increased by 0.1 percentage points to 1.5%.

## EMPLOYEES

Owing to the internationality of the POLYTEC GROUP, diversity, respect, equality of opportunity and the integration of employees from differing cultures represent integral elements within corporate culture. Any form of personal discrimination whether due to origin, gender, skin colour, age, religion, sexual orientation or handicap is strictly rejected. During recruitment for vacant positions, a focus is placed on performance orientation, knowledge, skills, equal opportunity and treatment. Candidates are selected primarily on the basis of the qualifications and experience they can contribute to the POLYTEC GROUP.

In the corporate human resources area, the POLYTEC GROUP has adapted its recruiting processes to the fresh challenges posed by the age of social media with the aim of presenting itself as an attractive employer. At POLYTEC GROUP, personnel development means giving young people a pledge of confidence and then accompanying them on their career path.

Programmes such as the "POLYTEC Leadership Academy" and the "Lean Management Academy" furnish many such youngsters with the necessary support. However, apart from these measures, it is essential that new employees be recruited and in this regard POLYTEC is in a competition for the best talents. Therefore, the group undertakes a great deal to strengthen the "POLYTEC" employer brand, not least through its slogan "PASSION FOR PEOPLE".

In addition to pages on the XING (DACH region) and LinkedIn (international) networks, which have already been in place for some time, POLYTEC has been represented on Twitter (@POLYTEC\_career) and Facebook (@polytecgrouppkariere) since the autumn of 2017. Current information, photos and videos relating to the topic of "Careers at POLYTEC" are disseminated via these channels so that in particular young people are addressed. Furthermore, the POLYTEC job portal and the group's YouTube channel have also been linked to the Facebook site. Consequently, persons looking for a career can quickly gain comprehensive insights into the "POLYTEC World".

One special highlight is provided by our career videos, which were shot during the summer of 2017 with the aim of providing potential job applicants with an authentic look into POLYTEC's working environment. In front of the camera, personnel from the Czech Republic, the Netherlands, Germany and Austria furnish insights into their working lives, recount why they decided to join POLYTEC, and explain their personal contributions to a positive working climate.

Direct contact with job applicants outside the World Wide Web also constitutes an important element in POLYTEC's talent recruiting mosaic and for this purpose the group attends career

fairs in many countries and cities, and thereby demonstrates possible career paths and profession-related impressions. Such career fairs are held at universities, schools of applied sciences, secondary schools and public event venues. They enable interested persons to put their questions directly to POLYTEC specialists and managers, and thus receive genuine impressions. At the job fair in Cloppenburg, Germany, youngsters looking for an apprenticeship were even able to try their hand on an injection moulding machine.

The POLYTEC GROUP promotes the ongoing further training and development of its employees. For example, the POLYTEC Leadership Academy (PLA) has been created in order to evaluate and expand upon the important and sensitive topic of personnel management. Since 2015, over 150 managerial employees have successfully completed a modular qualification programme. The focus of the programme is repeatedly updated and adjusted to new requirements. For example, on one occasion the PLA placed a special emphasis on the training of managers from the production area. The trainees were divided into peer groups in line with the management tiers and the latter also determined the teaching content, which was targeted on

the respective, concrete demands and problems. Apart from the dissemination of managerial skills, the PLA creates a platform for networking within the POLYTEC GROUP and an extensive exchange of experience. Coaching also continues even after the official end of Academy training, in order to ensure that attendees are able to continually develop further and also receive support with regard to complex issues.

The POLYTEC Performance System (PPS) is used to disseminate and implement the group's holistic, lean management programme throughout the organisation. In addition, the PPS Academy trains POLYTEC personnel in all the lean management disciplines of relevance to their assignments, in order to simplify daily working and initiate long-term improvements.

During so-called "POLYTEC Employee Days" personnel from the administrative areas have an opportunity to experience manufacturing procedures at close quarters and personally lend a hand. Salaried staff can work in production, turning out and packing components during a complete shift. In this way, both a higher regard for POLYTEC products and improved transparency of internal procedures are created.

## WORK SAFETY TARGETS

A list of the selected inter-plant targets in the work safety field in the period up to 2020:

| Target definition                                                                       | Dimension | Basis                                                                                                        | Key indicator                          |
|-----------------------------------------------------------------------------------------|-----------|--------------------------------------------------------------------------------------------------------------|----------------------------------------|
| Reduction in the frequency of work accidents                                            | To zero   | Accident frequency (number of working accidents with at least one work day lost in ratio to 1 million hours) | Number of accidents / 1 million h      |
| Reduction in the severity of work accidents                                             | To zero   | Accident burden (number of work days lost in ratio to 1 million hours)                                       | Number of work days lost / 1 million h |
| Reduction in the number of work-related health hazards, skeletal and muscular disorders | To 100%   | Number of ergonomically optimised work stations in ratio to the total number of workplaces                   | %                                      |
| Protection and improvement of health with regard to work-related psychological stress   | To 100%   | Adequate consideration of inappropriate psychological stress in hazard assessment                            | %                                      |

## KEY EMPLOYEE INDICATORS

| Employees excluding leasing personnel                | Unit       | 2017         | 2016         | 2015         |
|------------------------------------------------------|------------|--------------|--------------|--------------|
| <b>Key indicators by geography</b><br>(as at 31.12.) |            |              |              |              |
| Austria                                              | FTE        | 486          | 504          | 512          |
| Germany                                              | FTE        | 1,966        | 1,963        | 2,164        |
| Other EU countries                                   | FTE        | 1,392        | 1,374        | 1,087        |
| Other countries                                      | FTE        | 202          | 168          | 165          |
| <b>POLYTEC GROUP</b>                                 | <b>FTE</b> | <b>4,046</b> | <b>4,009</b> | <b>3,928</b> |
| <b>Key indicators by gender</b><br>(as at 31.12.)    |            |              |              |              |
| Men                                                  | %          | 79.6         | 79.7         | 79.4         |
| Women                                                | %          | 20.4         | 20.3         | 20.6         |
| <b>Key indicators by age</b><br>(as at 31.12.)       |            |              |              |              |
| < 30 years                                           | %          | 16.5         | 16.7         | 17.6         |
| 30–50 years                                          | %          | 49.9         | 49.2         | 50.7         |
| > 50 years                                           | %          | 33.6         | 34.1         | 31.7         |
| Fluctuation rate<br>(annual average)                 | %          | 13.5         | 16.4         | 13.2         |
| <b>Work safety key indicators</b> (yearly values)    |            |              |              |              |
| Work accidents                                       | Number     | 161          | 138          | 169          |
| Average accident-related sick leave                  | Days       | 10           | 14           | 16           |
| Fatal work accidents                                 | Number     | 0            | 0            | 0            |

The key indicators shown in the table relate to full time employees and exclude leasing personnel. If the latter are included, on the 2017 balance sheet date the POLYTEC GROUP had a total workforce of 4,522, which was 2.1%, or 95 persons (FTE – full time equivalent), larger than in the preceding year.

The workforce in the automotive supply industry is still predominately male, as this sector continues to be primarily oriented towards technology. On 31 December 2017, the quota of female employees in the POLYTEC GROUP (excluding leasing personnel) amounted to 20.4%, which was slightly higher than on the balance sheet date of the previous year (20.3%).

As far as the age group structure is concerned, roughly half of the group workforce is in the 30 to 50 years category. Female employees are in a minority in all three age groups.

The group fluctuation rate is calculated by dividing the number of leavers (terminations of employment by employees and employer, arrangements by mutual consent, as well as short-term employment contracts) by the average total POLYTEC GROUP workforce. The rise in the fluctuation rate in 2016 can be traced to the adjustments to personnel capacity in the commercial area, which took place largely at German plants.

Although by comparison the number of work accidents in 2017 was higher than in the previous year, a positive trend towards less serious incidents and thus shorter recovery periods can be ascertained. As a result of targeted accident prevention measures, the average length of accident-related sick leave fell to ten days per accident.

As a preventive measure, the focus with regard to the topics of health, safety & environment (HSE) is on raising awareness levels and requirements relating to personal protection equipment. Accordingly, reports on safety matters are televised repeatedly via the POLYTEC INFORMATION TV monitors and regular training also takes place. Numerous technical improvements such as better waste air extractors for the protection of the airways, improved working area lighting to ease the burden on the eyes and many other measures have all raised the general level of safety in the workplace. The overall increase in production process automation has also reduced the dangers relating to manual work and therefore also prevents work accidents.

#### **APPRAISAL INTERVIEWS INTENSIFIED**

Employee appraisal interviews constitute an essential element in managerial work. Every year during the period from January to March, managers and personnel meet to discuss their shared activities in the previous year and the work targets for the coming twelve months, as well as improvement suggestions, problem solutions and avoidance, professional advancement and other topics.

Within a year, the employee appraisal completion rate was raised considerably, increasing from around 60% in 2016 to approximately 84% in 2017. While at white-collar level such interviews are obligatory, appraisals with blue-collar employees are still not held at all locations. Pioneers within the POLYTEC GROUP in this connection are the two plants in the Netherlands, which complete interviews with blue-collar employees on a systematic basis. This practice is now to be extended to other locations and Wolmirstedt (Germany) has already launched such a project in line with the POLYTEC Leadership Principles and the POLYTEC Performance System.

Hörsching, 22 March 2018

The POLYTEC Holding AG Board of Directors

Friedrich Huemer  
Chairman – CEO

Markus Huemer  
Deputy Chairman – COO

Alice Godderidge  
Member of the Board – CSO

Peter Haidenek  
Member of the Board – CFO

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR 2017

with comparative figures from the previous year

| in EUR k                                                            | Notes | 2017          | 2016          |
|---------------------------------------------------------------------|-------|---------------|---------------|
| Net sales                                                           | E.1   | 676,440       | 650,403       |
| Other operating income                                              | E.2   | 4,266         | 5,555         |
| Changes in inventory of finished and unfinished goods               |       | 4,872         | -1,778        |
| Own work capitalised                                                |       | 1,284         | 2,185         |
| Expenses for materials and services received                        | E.3   | -322,114      | -305,713      |
| Personnel expenses                                                  | E.4   | -219,502      | -211,567      |
| Other operating expenses                                            | E.5   | -62,943       | -61,505       |
| Result from companies accounted for using the equity method         | E.6   | 0             | 2,544         |
| <b>Earnings before interest, taxes and depreciation (EBITDA)</b>    |       | <b>82,302</b> | <b>80,123</b> |
| Depreciation                                                        |       | -27,224       | -27,703       |
| <b>Earnings before interest and taxes = operating result (EBIT)</b> |       | <b>55,078</b> | <b>52,419</b> |
| Interest result                                                     |       | -3,152        | -4,037        |
| Other financial income                                              |       | 143           | 13            |
| Other financial expenses                                            |       | 0             | -294          |
| <b>Financial result</b>                                             | E.7   | <b>-3,008</b> | <b>-4,318</b> |
| <b>Earnings before tax</b>                                          |       | <b>52,070</b> | <b>48,102</b> |
| Taxes on income                                                     | E.8   | -13,110       | -11,084       |
| <b>Earnings after tax</b>                                           |       | <b>38,960</b> | <b>37,018</b> |
| thereof result of non-controlling interests                         |       | 716           | 723           |
| <b>    thereof result of the parent company</b>                     |       | <b>38,244</b> | <b>36,295</b> |
| Earnings per share in EUR                                           | E.20  | 1.74          | 1.65          |



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1.1.-31.12.2017

| in EUR k                                                                                        | Notes | Group  | Non-controlling interests | Total  |
|-------------------------------------------------------------------------------------------------|-------|--------|---------------------------|--------|
| Earnings after tax                                                                              |       | 38,244 | 716                       | 38,960 |
| <b>Items that will not be reclassified (recycled) in future periods in the income statement</b> |       |        |                           |        |
| Remeasurement of defined benefit obligation, net of tax thereof related, deferred income taxes  |       | -406   | 0                         | -406   |
|                                                                                                 |       | 122    | 0                         | 122    |
|                                                                                                 | E.22  | -284   | 0                         | -284   |
| <b>Items that will be reclassified (recycled) in future periods in the income statement</b>     |       |        |                           |        |
| Currency translations                                                                           |       | -1,770 | 0                         | -1,770 |
|                                                                                                 |       | -1,770 | 0                         | -1,770 |
| Other result after tax                                                                          |       | -2,054 | 0                         | -2,054 |
| Total result                                                                                    |       | 36,191 | 716                       | 36,907 |

1.1.-31.12.2016

| in EUR k                                                                                        | Notes | Group  | Non-controlling interests | Total  |
|-------------------------------------------------------------------------------------------------|-------|--------|---------------------------|--------|
| Earnings after tax                                                                              |       | 36,295 | 723                       | 37,018 |
| <b>Items that will not be reclassified (recycled) in future periods in the income statement</b> |       |        |                           |        |
| Remeasurement of defined benefit obligation, net of tax thereof related, deferred income taxes  |       | -1,208 | 0                         | -1,208 |
|                                                                                                 |       | 365    | 0                         | 365    |
|                                                                                                 | E.22  | -843   | 0                         | -843   |
| <b>Items that will be reclassified (recycled) in future periods in the income statement</b>     |       |        |                           |        |
| Currency translations                                                                           |       | -2,128 | 0                         | -2,128 |
|                                                                                                 |       | -2,128 | 0                         | -2,128 |
| Other result after tax                                                                          |       | -2,971 | 0                         | -2,971 |
| Total result                                                                                    |       | 33,324 | 723                       | 34,047 |

**CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2017**

with comparative figures from the previous year

**ASSETS**

| in EUR k                                     | Notes | 31.12.2017     | 31.12.2016     |
|----------------------------------------------|-------|----------------|----------------|
| <b>A. Non-current assets</b>                 |       |                |                |
| I. Intangible assets                         | E.9   | 3,110          | 2,368          |
| II. Goodwill                                 | E.9   | 19,180         | 19,180         |
| III. Tangible assets                         | E.10  | 232,910        | 224,192        |
| IV. Other non-current assets                 |       | 126            | 683            |
| V. Deferred tax assets                       | E.11  | 7,674          | 12,254         |
|                                              |       | <b>263,000</b> | <b>258,678</b> |
| <b>B. Current assets</b>                     |       |                |                |
| I. Inventories                               | E.12  | 63,278         | 55,834         |
| II. Trade accounts receivable                | E.13  | 67,035         | 49,791         |
| III. Receivables from construction contracts | E.14  | 43,050         | 35,862         |
| IV. Other current receivables                | E.15  | 17,691         | 17,196         |
| V. Income tax receivables                    |       | 1,215          | 397            |
| VI. Current interest-bearing receivables     | E.16  | 4,286          | 4,149          |
| VII. Cash and cash equivalents               | E.17  | 56,899         | 79,540         |
|                                              |       | <b>253,453</b> | <b>242,770</b> |
|                                              |       | <b>516,453</b> | <b>501,448</b> |

## EQUITY AND LIABILITIES

| in EUR k                                     | Notes | 31.12.2017     | 31.12.2016     |
|----------------------------------------------|-------|----------------|----------------|
| <b>A. Equity</b>                             |       |                |                |
| I. Share capital                             |       | 22,330         | 22,330         |
| II. Capital reserves                         |       | 37,563         | 37,563         |
| III. Treasury stock                          |       | -1,855         | -1,855         |
| IV. Retained earnings                        |       | 163,359        | 133,913        |
| V. Other reserves                            |       | -10,370        | -8,316         |
|                                              |       | <b>211,028</b> | <b>183,635</b> |
| VI. Non-controlling interests                |       | 6,465          | 6,289          |
|                                              | E.19  | <b>217,493</b> | <b>189,924</b> |
| <b>B. Non-current liabilities</b>            |       |                |                |
| I. Non-current, interest-bearing liabilities | E.21  | 126,332        | 128,837        |
| II. Provisions for deferred taxes            | E.11  | 3,080          | 917            |
| III. Provisions for personnel                | E.22  | 27,278         | 27,789         |
| IV. Other long-term provisions               | E.23  | 11,863         | 10,198         |
|                                              |       | <b>168,552</b> | <b>167,741</b> |
| <b>C. Current liabilities</b>                |       |                |                |
| I. Current interest-bearing liabilities      | E.24  | 13,600         | 24,795         |
| II. Income tax liabilities                   | E.25  | 2,758          | 6,752          |
| III. Trade accounts payable                  | E.26  | 54,054         | 50,603         |
| IV. Liabilities from construction contracts  | E.14  | 4,802          | 1,597          |
| V. Other current liabilities                 | E.27  | 24,419         | 25,832         |
| VI. Current provisions                       | E.28  | 30,775         | 34,204         |
|                                              |       | <b>130,408</b> | <b>143,783</b> |
|                                              |       | <b>516,453</b> | <b>501,448</b> |

**CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2017**

with comparative figures from the previous year

| in EUR k                                                               | Notes   | 2017           | 2016           |
|------------------------------------------------------------------------|---------|----------------|----------------|
| <b>Earnings before tax</b>                                             |         | <b>52,070</b>  | <b>48,102</b>  |
| + Depreciation (appreciation) on fixed assets                          |         | 27,224         | 27,703         |
| - Non-cash earnings from deconsolidation                               | E.6/B.1 | 0              | -2,402         |
| +(-) Result for companies accounted for at equity                      | E.6     | 0              | -142           |
| -(+ ) Interest result                                                  | E.7     | 3,152          | 3,733          |
| +(-) Other non-cash expenses and earnings                              | F.      | 685            | -602           |
| +(-) Increase (decrease) in non-current provisions for employees       |         | -2,446         | 828            |
| -(+ ) Profit (loss) from fixed asset disposals                         |         | -255           | -374           |
| -(+ ) Increase (decrease) in inventories                               |         | -7,558         | 3,424          |
| -(+ ) Increase (decrease) in trade and other receivables               |         | -25,399        | -2,598         |
| +(-) Increase (decrease) in trade and other payables                   |         | 6,609          | 2,362          |
| +(-) Increase (decrease) in current provisions                         |         | -1,691         | -297           |
| <b>= Consolidated cash flow from current activities</b>                |         | <b>52,391</b>  | <b>79,737</b>  |
| + Interest received                                                    |         | 503            | 530            |
| - Interest paid                                                        |         | -3,597         | -4,263         |
| - Taxes paid                                                           |         | -11,020        | -5,329         |
| <b>= Consolidated cash flow from operating activities</b>              |         | <b>38,277</b>  | <b>70,675</b>  |
| - Investments in fixed assets                                          | F.      | -39,667        | -35,966        |
| - Acquisition of subsidiaries, less acquired cash and cash equivalents | B.1     | 0              | -3,752         |
| - Investments in financial instruments                                 |         | 0              | -13            |
| + Payments from the disposal of intangible and tangible assets         |         | 1,695          | 1,734          |
| -(+ ) Increase (decrease) in interest-bearing receivables              | E.16    | 0              | 9,222          |
| <b>= Consolidated cash flow from investing activities</b>              |         | <b>-37,972</b> | <b>-28,775</b> |

| in EUR k                                                  | Notes | 2017           | 2016           |
|-----------------------------------------------------------|-------|----------------|----------------|
| + Inflows from loan financing                             |       | 216            | 301            |
| - Repayments of loan financing                            |       | -6,142         | -6,299         |
| - Repayments of real estate loans                         |       | -5,376         | -5,423         |
| - Outflows from financial leasing agreements              |       | -1,499         | -2,079         |
| +(-) Change in current financial liabilities              |       | -9,101         | 579            |
| + Inflows from promissory notes                           |       | 8,500          | 0              |
| - Third party dividends                                   |       | -9,338         | -7,049         |
| <b>= Consolidated cash flow from financing activities</b> | F.    | <b>-22,739</b> | <b>-19,970</b> |
| +(-) Consolidated cash flow from operating activities     |       | 38,277         | 70,675         |
| +(-) Consolidated cash flow from investing activities     |       | -37,972        | -28,775        |
| +(-) Consolidated cash flow from financing activities     |       | -22,739        | -19,970        |
| <b>= Change in cash and cash equivalents</b>              |       | <b>-22,434</b> | <b>21,930</b>  |
| +(-) Effect from currency translations                    |       | -207           | -74            |
| + Opening balance of cash and cash equivalents            |       | 79,540         | 57,683         |
| <b>= Closing balance of cash and cash equivalents</b>     |       | <b>56,899</b>  | <b>79,540</b>  |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| in EUR k                       | Notes       | Share capital | Capital reserves | Treasury stock |
|--------------------------------|-------------|---------------|------------------|----------------|
| <b>As at 1.1.2017</b>          |             | <b>22,330</b> | <b>37,563</b>    | <b>-1,855</b>  |
| Comprehensive income after tax |             | 0             | 0                | 0              |
| Other result after tax         |             | 0             | 0                | 0              |
| <b>Comprehensive income</b>    |             | <b>0</b>      | <b>0</b>         | <b>0</b>       |
| Dividend                       |             | 0             | 0                | 0              |
| <b>As at 31.12.2017</b>        | <b>E.19</b> | <b>22,330</b> | <b>37,563</b>    | <b>-1,855</b>  |

| in EUR k                       | Notes       | Share capital | Capital reserves | Treasury stock |
|--------------------------------|-------------|---------------|------------------|----------------|
| <b>As at 1.1.2016</b>          |             | <b>22,330</b> | <b>37,563</b>    | <b>-1,855</b>  |
| Comprehensive income after tax |             | 0             | 0                | 0              |
| Other result after tax         |             | 0             | 0                | 0              |
| <b>Comprehensive income</b>    |             | <b>0</b>      | <b>0</b>         | <b>0</b>       |
| Dividend                       |             | 0             | 0                | 0              |
| <b>As at 31.12.2016</b>        | <b>E.19</b> | <b>22,330</b> | <b>37,563</b>    | <b>-1,855</b>  |

| Other reserves    |                       |                                    |                                           |                           |  |         |
|-------------------|-----------------------|------------------------------------|-------------------------------------------|---------------------------|--|---------|
| Retained earnings | Actuarial profit/loss | Reserves from currency translation | Shares of POLYTEC Holding AG stockholders | Non-controlling interests |  | Total   |
| 133,913           | -4,592                | -3,725                             | 183,635                                   | 6,288                     |  | 189,924 |
| 38,244            | 0                     | 0                                  | 38,244                                    | 716                       |  | 38,960  |
| 0                 | -284                  | -1,770                             | -2,054                                    | 0                         |  | -2,054  |
| 38,244            | -284                  | -1,770                             | 36,191                                    | 716                       |  | 36,907  |
| -8,798            | 0                     | 0                                  | -8,798                                    | -540                      |  | -9,338  |
| 163,359           | -4,876                | -5,494                             | 211,028                                   | 6,465                     |  | 217,493 |

| Other reserves    |                       |                                    |                                           |                           |  |         |
|-------------------|-----------------------|------------------------------------|-------------------------------------------|---------------------------|--|---------|
| Retained earnings | Actuarial profit/loss | Reserves from currency translation | Shares of POLYTEC Holding AG stockholders | Non-controlling interests |  | Total   |
| 104,217           | -3,749                | -1,597                             | 156,909                                   | 6,015                     |  | 162,925 |
| 36,295            | 0                     | 0                                  | 36,295                                    | 723                       |  | 37,018  |
| 0                 | -843                  | -2,128                             | -2,971                                    | 0                         |  | -2,971  |
| 36,295            | -843                  | -2,128                             | 33,324                                    | 723                       |  | 34,047  |
| -6,599            | 0                     | 0                                  | -6,599                                    | -450                      |  | -7,049  |
| 133,913           | -4,592                | -3,725                             | 183,635                                   | 6,289                     |  | 189,924 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE 2017 FINANCIAL YEAR OF POLYTEC HOLDING AG, HÖRSCHING

### A. GENERAL INFORMATION

The POLYTEC GROUP is an Austria-based, globally operating corporation with a focus on the automotive and plastics industry. In the automotive industry field, the group acts as a supplier of components and modules used largely in the engine bay, or on vehicle exteriors in the high-volume market segment, as well as a provider of original accessories and parts for small and medium volume series. Furthermore, the group manufactures various PUR moulded parts for other industries together with the related machinery. The POLYTEC Holding AG's company address is: Polytec-Strasse 1, 4063 Hörsching, Austria.

The consolidated financial statements of POLYTEC Holding AG (hereinafter referred to as the "group" or "POLYTEC GROUP") for the 2017 financial year were prepared in accordance with the guidelines of the International Financial Reporting Standards (IFRS) and their interpretations in line with the EU standard practice. They also comply with the additional requirements of § 245a Para. 1 UGB (Austrian Commercial Code).

The consolidated financial statements were audited by KPMG Austria GmbH and released by the Board of Directors for transfer to the Supervisory Board on 22 March 2018. The Supervisory Board had the task of examining and stating its approval of the consolidated financial statements as at 31 December 2017. The Supervisory Board has the opportunity to require the alteration of the consolidated financial statements.

POLYTEC Holding AG headquarters are located in Hörsching, Austria, and the company is listed in the City of Linz Company Register under the number FN 197646 g.

All the standards that were mandatory for the financial years under review were applied during the preparation of these consolidated financial statements.

The following new or amended standards and interpretations were applicable for the first time in the 2017 financial year:

| Standard | Interpretation                                                                   | Application mandatory according to IASB for financial years from | Adopted by the EU as at 31.12.2017 | Date for application within the EU |
|----------|----------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------|------------------------------------|
| IAS 7    | Disclosure initiative                                                            | 1 January 2017                                                   | Yes                                | 1 January 2017                     |
| IAS 12   | Recognition of deferred tax assets for unrealised losses                         | 1 January 2017                                                   | Yes                                | 1 January 2017                     |
| Various  | Amendments to a series of IFRS, as a result of the 2014–2016 improvement process | 1 January 2017                                                   | Yes                                | 1 January 2017                     |

The consolidated financial statements of the POLYTEC GROUP are not subject to any material effects as a result of the initial application of these new or amended standards.

The International Accounting Standards Board (IASB) is working on a large number of projects, which will only affect financial years commencing on 1 January 2018. The following new, amended or supplemented standards and IFRIC interpretations that have already been published by the IASB, but for which application is not yet mandatory in the EU, have not been applied prematurely by the POLYTEC GROUP and are consequently irrelevant for these consolidated financial statements:



| Standard                        | Interpretation                                                                                                      | Application mandatory according to IASB for financial years from | Adopted by the EU as at 31.12.2017 | Date for application within the EU |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------|------------------------------------|
| IAS 19                          | Plan amendment, curtailment or settlement                                                                           | 1 January 2019                                                   | No                                 |                                    |
| IAS 28                          | Long-term interests in associates and joint ventures                                                                | 1 January 2019                                                   | No                                 |                                    |
| IAS 40                          | Transfer of investment property: application of IAS 40 to property under construction or development for future use | 1 January 2018                                                   | No                                 |                                    |
| IFRS 2                          | Classification and measurement of share-based payment transactions                                                  | 1 January 2018                                                   | No                                 |                                    |
| IFRS 4                          | Application of IFRS 9 in combination with IFRS 4                                                                    | 1 January 2018                                                   | Yes                                | 1 January 2018                     |
| IFRS 9                          | Financial instruments                                                                                               | 1 January 2018                                                   | Yes                                | 1 January 2018                     |
| IFRS 9                          | Financial instruments – prepayment features with negative compensation                                              | 1 January 2019                                                   | No                                 |                                    |
| IFRS 10, IAS 28                 | Sale or contribution of assets between an investor and its associate or joint venture                               | n/a                                                              | No                                 |                                    |
| IFRS 15                         | Revenue from contracts with customers                                                                               | 1 January 2018                                                   | Yes                                | 1 January 2018                     |
| IFRS 15                         | Clarification of IFRS 15                                                                                            | 1 January 2018                                                   | Yes                                | 1 January 2018                     |
| IFRS 16                         | Leasing                                                                                                             | 1 January 2019                                                   | Yes                                | 1 January 2019                     |
| IFRS 17                         | Insurance contracts                                                                                                 | 1 January 2021                                                   | No                                 |                                    |
| IFRIC 22                        | Payment of advance considerations in a foreign currency                                                             | 1 January 2018                                                   | No                                 |                                    |
| IFRIC 23                        | Uncertainty over income tax treatment                                                                               | 1 January 2019                                                   | No                                 |                                    |
| IFRS 1, IAS 28                  | Amendments to a series of IFRS, as a result of the 2014–2016 improvement process                                    | 1 January 2018                                                   | Yes                                | 1 January 2018                     |
| IFRS 3, IFRS 11, IAS 12, IAS 23 | Amendments to a series of IFRS, as a result of the 2015–2017 improvement process                                    | 1 January 2019                                                   | No                                 |                                    |

**IFRS 15 (Revenue from contracts with customers)** prescribes a five-level model for the determination of the realised sales revenues from customer contracts. Pursuant to IFRS 15, sales revenues are to be reported to the amount of the consideration that a company can expect in exchange for the transfer of goods and services to a customer. The contractual agreement may thus lead to revenue recognition over time, or at a point in time. The POLYTEC GROUP will implement IFRS 15 in the financial years commencing on 1 January 2018 using the modified retrospective method.

In summary, the effects upon the consolidated financial statements are as follows: For customer based development activities and the production of tooling the percentage-of-completion method pursuant to IAS 11 is used. IFRS 15 defines new criteria for recognizing revenue over a certain time period, whereby the main application is the performance obligation over a certain time period as the assets produced have no alternative use and a simultaneous right to consideration for the performance already provided. During contractual analysis it was determined that these criteria are fulfilled regularly and

therefore the recognition over a certain period of time takes place in accordance with IFRS 15.

At present, revenue from the sale of serially produced goods is recognized when the related risks and rewards of ownership are transferred in accordance with the terms and conditions of delivery. During a contractual analysis it was determined that the criteria for recognizing revenue over a certain time period are fulfilled, as basically series parts for OEMs are only produced to order and facilitate no alternative possibility for use. In addition POLYTEC GROUP has the right to consideration for the articles already manufactured. According to current opinion, the implementation of this standard will result in a adjustment of the consolidated equity as at 1 January 2018 of around EUR 1.5 million.

**IFRS 9 (Financial instruments)** issued in 2014, which will be applied with backdated effect from 1 January 2018, replaces the existing directives in IAS 39 (Financial instruments: recognition and measurement). IFRS 9 incorporates amended guidelines regarding the classification and measurement of financial instruments, including the new general regulations for hedging transactions. In addition, as a result of IFRS 9, in the case of impairments an expected credit loss model replaces the incurred loss model. As a result, in future a provision must be made for the anticipated losses. IFRS 9 also takes over the guidelines for the recognition and derecognition of financial instruments from IAS 39. There is no material impact upon the consolidated financial statements, as at present POLYTEC GROUP strategy does not envisage any use of original or derivative financial instruments for which IAS 39 would require different classification. The hedge accounting regulations are not employed currently and therefore no effects will result. The utilisation of the new credit loss model is expected to create an additional impairment loss of less than EUR 0.1 million.

The key concept of the new **IFRS 16 (Leasing)** is that all the leasing relationships of the lessee and the related contractual rights and obligations be reported in the balance sheet. This requires the lessee to recognise a liability for the obligation to make future leasing payments for all leasing arrangements. At the same time, the lessee capitalises a usufruct right to the underlying asset, which basically corresponds with the present value of the future leasing payments plus directly attributable costs. In future, the differentiation between financial and operating leasing agreements stipulated to date under IAS 17 will no longer be required from the lessee. By contrast, for lessors, the regulations in the new standard are very similar to those contained in IAS 17. Leasing agreements will continue to be classified as financial or operating leasing relationships. Agreements under which all risks and opportunities derived from the property are largely transferred will be classified as financial leasing, whereas all other leasing agreements will be seen as operating leases. The criteria contained in IAS 17 will be adopted for classification pursuant to IFRS 16. As at 31 December 2017, the group was subject to payment obligations derived from non-terminable operating leasing totalling EUR 12.5 million. A preliminary assessment indicates that these leasing contracts represent leasing agreements in accordance with IFRS 16 and therefore are to be reported on balance. Nonetheless, it is likely that the exceptions for short-term leasing and low-value assets will be claimed. The reporting of the writing off of usufruct rights and interest instead of a leasing expense will result in an improvement in EBITDA and EBIT. However, at present detailed quantification is not yet possible, as this would be based on numerous small contracts, which to date have not all been examined with regard to their applicability for the use of IFRS 16. The group will first implement IFRS 16 on 1 January 2019, employing the modified retrospective method.

With regard to the future application of additional standards and interpretations that have not yet come into effect and are yet to be applied by the POLYTEC GROUP, no significant material changes to the reported assets, liabilities or other disclosures in the consolidated financial statements are expected.

The consolidated financial statements are presented in thousands of euros (EUR k). When collating rounded amounts and information given as a percentage, rounding differences may occur due to the use of automatic calculation systems.

The consolidated income statement of the group is prepared in accordance with the total cost accounting method.

Pursuant to § 245a UGB (Austrian Commercial Code), these consolidated financial statements replace the consolidated financial statements, which would otherwise have to be prepared in accordance with § 244 et seq. UGB.

## B. PRINCIPLES OF CONSOLIDATION

### 1. SCOPE OF CONSOLIDATION

The scope of consolidation is determined in accordance with the principles of IFRS 10 (Consolidated financial statements) and IAS 28 (Investments in associates). The parent company is POLYTEC Holding AG, Hörsching. The financial statements of POLYTEC Holding AG and the financial statements of the companies controlled by POLYTEC Holding AG as at 31 December of each year are included in the consolidated financial statements by way of full or equity consolidation.

Control exists if the company has the power of decision over important activities, generates variable returns from the subsidiary and can influence these returns through such power of decision. Accordingly, in addition to the parent company, 10 (previous year: 10) national and 35 (previous year: 37) international subsidiaries were included, which are under the control of POLYTEC Holding AG. The seven companies (previous year: seven), which were excluded, are also immaterial in total. The balance sheet date for all companies included in the consolidated financial statements was 31 December 2017.

An overview of the consolidated companies can be found under section G.6.

As a rule, the annual financial statements of subsidiaries are included in the consolidated financial statements from the date of acquisition until the date of disposal. A subsidiary is first included when control of its assets and business activities is actually assigned to the respective parent company.

In the financial year under review, the scope of consolidation altered as follows:

| Scope of consolidation                         | Full consolidation |
|------------------------------------------------|--------------------|
| <b>As at 31.12. 2016</b>                       | <b>48</b>          |
| Retirement due to internal group restructuring | -2                 |
| Retirement due to liquidation                  | -1                 |
| <b>As at 31.12. 2017</b>                       | <b>45</b>          |
| thereof international companies                | 34                 |

### ACQUISITIONS IN 2017

No acquisitions were undertaken in 2017.

### RESTRUCTURING IN 2017

In 2017, POLYTEC Tooling GmbH & Co KG was merged with POLYTEC PLASTICS Germany GmbH & Co KG and PT Plastics GmbH with Polytec Holding Deutschland GmbH with backdated effect to 1 January 2017.

### ACQUISITIONS 2016

#### Fortreal k.s. or SPELAG s.r.o.

(now POLYTEC ESTATES Bohemia k.s. or SPELAG s.r.o. )

On 31 March 2016, the purchase of all the shares of both Fortreal k.s. Mariánskolázénská, Czech Republic, as a limited partnership, and SPELAG s.r.o., Mariánskolázénská, Czech Republic, as a general partnership, resulted in the takeover of the company premises in Chodová Planá, Czech Republic.

#### Ratipur Autofelszerelés Kft. or Ratipur Holding Kft.

(now POLYTEC Komló Kft. or POLYTEC Hungary Kft.)

On 12 October 2016, POLYTEC Holding AG purchased the entire stocks of Ratipur Autofelszerelés Kft., Komló, Hungary and therefore owing to complete control, Ratipur Autofelszerelés Kft. and Ratipur Holding Kft., which were previously reported at equity, were fully consolidated with effect from 12 October 2016. The company acquisition serves the development of new technologies and applications in line with the POLYTEC strategy of strengthening its market position in Europe.

No backdated adjustments were undertaken in the course of the acquisitions made during 2016 with the result that the carrying amounts of the purchased net assets remain unchanged.

### NEW COMPANY FOUNDATIONS AND RESTRUCTURING IN 2016

#### POLYTEC Estates UK Ltd.

On 17 November 2016, POLYTEC Estates UK Ltd. was founded owing to the planned construction of a paint shop in Great Britain.

#### Restructuring of German companies

Towards the end of the 2016 financial year, POLYTEC's companies in Germany were restructured with the aim of combining their results and subsequently facilitating cash pooling across the business segments.

## 2. METHODS OF CONSOLIDATION

### FULL CONSOLIDATION

IFRS 3 (Business combinations) was applied to acquisitions. Capital consolidation was therefore carried out on the basis of the revaluation method (recognition of all assets and liabilities at fair value even in the case of non-controlling interests and the complete disclosure of silent reserves, independent of the amount of the non-controlling interests). The investment carrying value was counterbalanced by the pro rata, newly evaluated equity of the subsidiary (purchase accounting).

Any remaining differences were capitalised as goodwill. Goodwill occurring prior to 1 January 2005 was reported with the carrying amount as at 31 December 2004. All goodwill is subjected to an annual impairment test.

Should the acquisition costs be lower than the net assets, the liabilities-side difference (negative goodwill) is recognised in the income statement of the acquisition period.

As in the previous year, non-controlling interests are disclosed in the consolidated financial statements under group equity in accordance with IFRS 10.

All accounts receivables and payables, as well as expenses and earnings resulting from transactions between the companies within the scope of consolidation are eliminated while taking the principle of materiality into account. Interim results from internal group deliveries are also eliminated where they are material.

### EQUITY CONSOLIDATION

An associated company is a company upon which the POLYTEC GROUP can exert a decisive influence with regard to financial and business policy owing to a shareholding, whereby neither exclusive nor shared control exists. A participation amounting to between 20% and 50% of the voting rights is seen as a rebuttable presumption.

The results, assets and debts of associated companies are included in the consolidated financial statements using the equity method. Interests in associated companies are reported in the consolidated balance sheet at the cost of acquisition, which is adjusted by changes to the group's share of assets following the acquisition date and losses due to impairments. Losses that exceed the share of the group in the associated company are not reported unless the group bears the economic risk. Associated companies are only retained for operative reasons and thus affect the operating activities of the group.

## 3. CURRENCY TRANSLATION

### BUSINESS TRANSACTIONS IN FOREIGN CURRENCIES

In the individual group companies, transactions in foreign currencies are valued at the exchange rate on the date of the transaction. Monetary assets and liabilities in foreign currencies are converted at the exchange rate on the balance sheet date. Resulting exchange rate differences are reported in the group's consolidated income statement.

### TRANSLATION OF INDIVIDUAL FINANCIAL STATEMENTS IN FOREIGN CURRENCIES

The functional currency of subsidiaries outside the eurozone is the corresponding national currency. Assets and liabilities of international subsidiaries are converted using the reference exchange rate of the European Central Bank on the balance sheet date. Positions in the group's consolidated income statement are converted using the average exchange rates of the financial year under review.

Exchange rate differences derived from monetary positions, which from an economic point of view belong to an international company, e.g. long-term receivables and loans, are netted against group equity without an effect upon income and reported under the position "Differences from currency translation".

The following currency exchange rates were used:

|     | Average exchange rate |          | Exchange rate on the balance sheet date |            |
|-----|-----------------------|----------|-----------------------------------------|------------|
|     | 2017                  | 2016     | 31.12.2017                              | 31.12.2016 |
| CAD | 1.4715                | 1.4779   | 1.5039                                  | 1.4188     |
| GBP | 0.8753                | 0.7920   | 0.8872                                  | 0.8562     |
| CNY | 7.6511                | 7.2817   | 7.8044                                  | 7.3202     |
| TRY | 4.1271                | 3.2533   | 4.5464                                  | 3.7072     |
| HUF | 312.5000              | 312.5000 | 310.3300                                | 309.8300   |
| USD | 1.1349                | 1.1077   | 1.1993                                  | 1.0541     |
| CZK | 26.2467               | 27.0270  | 25.5350                                 | 27.0210    |

## C. FAIR VALUE MEASUREMENT

The POLYTEC GROUP measures financial instruments at either amortised cost or fair value. Fair value is defined through the amount received in an orderly business transaction between market participants on the valuation date for the sale of an asset, or paid for the transfer of a debt. During the measurement of fair value it is assumed that the business transaction in the course of which the asset sale or debt transfer occurs takes place on the main market for the asset or the debt, or should a main market not exist, on the most advantageous market. The POLYTEC GROUP measures fair value using the assumptions employed by the market participants as a basis for pricing. It is assumed that the market participants act in their best business interests.

During the measurement of the fair value of a non-financial asset, the ability of the market participant to generate economic advantage through maximum and best asset use is accounted for.

Evaluation techniques are employed for the determination of fair value, which are appropriate under the respective conditions and provide sufficient data for fair value measurement, whereby if possible observable input factors are used.

Depending upon the significance of the influential factors included in the valuation, a differentiation is made between three fair value levels, which clarify the extent to which observable market data is available for fair value measurement.

The levels of the fair value hierarchy and their application with regard to assets and liabilities can be described as follows:

### Level 1:

Listed market prices for identical assets or liabilities in active markets.

### Level 2:

Information other than listed market prices, which are directly (e.g. prices) or indirectly (e.g. extrapolated from prices) observable.

### Level 3:

Information regarding assets and liabilities, which is not based on observable market data.

## D. ACCOUNTING AND EVALUATION PRINCIPLES

The principle of standardised accounting and evaluation is applied through directives that are valid throughout the entire group. Insubstantial deviations with regard to the individual financial statements of international group companies are retained. All financial statements are prepared based on the assumption that the group is a going concern.

### 1. INTANGIBLE ASSETS

Intangible assets are valued at the cost of acquisition and subjected to scheduled amortisation and depreciation on a straight-line basis. The amortisation and depreciation rates range between 10.0% and 50.0%.

Expenses for research are shown as expenses in the year of their occurrence. Development costs also generally represent periodic expenses. These are capitalised when certain conditions can be proved and cumulatively fulfilled. Among other aspects, it must be verifiable that development activities are very likely to result in the future accrual of funds, which not only cover standard costs, but also the related development expenses.

### 2. GOODWILL

Goodwill is measured at the cost of acquisition less accumulated impairment losses (see also D.9 Impairment).

### 3. FIXED ASSETS

Fixed assets are valued at the cost of acquisition or production less scheduled amortisation, or the lower achievable market price. Scheduled amortisation is determined using the straight-line method.

The following rates are used for the scheduled amortisation on depreciable assets:

| in %                                   |           |
|----------------------------------------|-----------|
| Buildings and leasehold improvements   | 2.5–20.0  |
| Technical equipment and machinery      | 6.7–50.0  |
| Other fixtures, fittings and equipment | 10.0–50.0 |

Interest on borrowed capital is not capitalised, as no material borrowing costs result for a qualified asset.

#### 4. INVENTORIES

Inventories are reported at their acquisition or production costs, or the lower net realisable value on the balance sheet date. The determination of acquisition and production costs is performed for similar assets in accordance with the weighted average cost method, or comparable methods. Production costs only include directly attributable costs and proportionate overhead costs. Interest on borrowed capital is not capitalised, as no material borrowing costs result for a qualified asset. The risk derived from obsolete inventory stocks is accounted for by reasonable reductions in the carrying value, in order to approximately represent the net sales price.

#### 5. TRADE ACCOUNTS RECEIVABLE

Receivables are capitalised at the cost of acquisition. Recognisable risks are taken into account through the formation of appropriate provisions.

#### 6. CONSTRUCTION CONTRACTS

If the result of a construction contract can be estimated reliably, the related income and expenses are to be reported in accordance with the progress on the closing date of the financial statements. Progress is determined on the basis of the ratio of the order costs incurred on the balance sheet date to the estimated overall contract expense. Changes to the contractual work, the requirements and performance bonuses are included to the extent that their amount can be determined reliably and their receipt regarded as probable.

Should it not be possible to reliably determine the result of a construction contract, the related income is only reported to the amount of the incurred contractual costs that are probably recoverable. Contractual costs are recognised as an expense in the period in which they occur.

If it is probable that the entire contractual costs will exceed total contractual income, the anticipated loss is reported immediately as an expense.

If on the closing date the contractual costs plus recognised profits and minus recognised losses exceed the partial invoices, then the surplus from the construction contract is to be shown with a positive balance relating to the customer. In the case of contracts in which the partial invoices exceed the incurred contractual costs plus recognised profits and minus recognised losses, the surplus from the construction contract is to be shown with a negative balance relating to the customer. Amounts received prior to the provision of production performance are reported in the consolidated balance sheet as debts on the advance payments received under the item "Trade accounts payable". Settled amounts for already completed performance that have not yet been paid by the customer are included in the consolidated balance sheet under the item "Trade accounts receivable".

#### 7. OTHER RECEIVABLES

Where existent, the reported other receivables include any derivative financial assets that show a positive market value and are classified as "held for trading".

Non-current receivables are recognised at cash value on the basis of an interest rate in line with the market.

#### 8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand, cheques and cash at banks.

#### 9. IMPAIRMENT

Goodwill is subject to at least an annual impairment test shortly before each balance sheet date, or if indicated by events. All other intangible and fixed assets are tested if indications of impairment exist.

For the purpose of impairment testing, POLYTEC GROUP assets that generate independent cash flow are combined on the lowest level (cash-generating units). Goodwill is assigned to those cash-generating units, which are expected to benefit from synergies and represent the lowest group level in managerial cash flow monitoring.

Impairment is deemed to exist if the recoverable amount of the asset, or of the cash-generating unit is lower than the carrying amount. The recoverable amount is the higher of the value in use and the fair value less selling costs.

The value in use of the asset corresponds to the present value of the estimated future cash flows from its continuing use, subject to a standard market interest rate before taxes and adjusted to the specific risks of the asset. Cash flows derive from the current planning approved by the Board of Directors and the Supervisory Board. The estimation of the future cash flow is based on a three-year planning horizon. A perpetual annuity based on the third year estimates is assumed for the period beyond this planning horizon. The interest rate used for calculating the current value corresponds with the weighted average capital costs of the cash-generating units.

Impairment expense is disclosed to the amount by which the carrying amount of the individual asset or the cash-generating unit exceeds the recoverable amount. The recoverable amount is the higher of the two amounts of fair value less selling costs and value in use. Impairment losses recognised with regard to cash-generating units to which goodwill has been allocated are first applied against the carrying amount of goodwill. Any remaining impairment expenses reduce the carrying amounts of the assets of the cash-generating unit on a pro rata basis.

Should the reasons for impairment cease to exist, corresponding write-ups are performed for fixed and intangible assets up to the amortised costs. Goodwill, which has been amortised due to impairment, is no longer written up.

## 10. OBLIGATIONS TO EMPLOYEES

### PROVISIONS FOR SEVERANCE PAYMENTS

Due to statutory obligations, employees of domestic group companies who joined the company prior to 1 January 2002 are entitled to a one-off severance payment in the event of the termination of their contract, or at the time of retirement. The payment amount depends upon the number of years of service and the relevant remuneration at the severance date. For all employment contracts concluded after 31 December 2002, payments are made to a company pension fund for employees and reported as an expense.

The provisions for severance payments are determined on the balance sheet date using the projected unit credit method, as well as by applying a discount rate of 1.50% (previous year: 1.50%) and allowing for future remuneration increases of 2.00% (previous year: 2.00%). A discount for employee turnover based on the years of service is included. The assumed uniform retirement age for men and women, taking into account certain temporary arrangements, is unchanged over the preceding year at 62. Service costs are divided over the entire period of service of employees from the date that they join the company until they reach the expected retirement age.

Pursuant to IAS 19 actuarial gains/losses are recognised under other comprehensive income in the year in which they occur. Current and past service costs are reported as personnel expenses in the consolidated income statement, while the interest expense related to provisions for severance payments is reported in the financial result.

### PENSION OBLIGATIONS

Pension obligations exist for certain German group company employees. These obligations are reported in accordance with IAS 19. For this purpose, the current value of the defined benefit obligation (DBO) is determined. The pension provisions are calculated using the projected unit credit method, whereby depending on the distribution of the obligations to entitlements and liquid pensions, and owing to the specific regulations of the individual pension funds, a discount rate of 1.90% (previous year: 1.70%), as well as an increase of 2.00% (previous year: 2.00%) is applied. The 2005G – Dr. Klaus Heubeck tables are used for the actuarial calculations.

At the two operative Dutch companies, the entitlements of active pension scheme members are dealt with in the form of a defined contribution pension plan. The pension entitlements of former employees and beneficiaries are calculated as a percentage of the annual remuneration during each year of employment. These benefits are handled via an insurance company and are indexed on an ongoing basis in line with the specifications of the branch pension fund. Companies are obliged to make future contributions should the earnings of the insurer prove insufficient to finance the promised increases in benefits. The resultant provision for pensions is calculated in accordance with the projected unit credit method using a discount rate of 1.90% (previous year: 1.70%) and an increment of 2.00% (previous year: 2.00%). The AG2014 mortality tables are employed for the actuarial calculations.

In accordance with IAS 19, actuarial gains/losses are recognised under other comprehensive income in the year in which they occur. Current and past service costs are reported as personnel expenses in the consolidated income statement, while the interest expense related to provisions for pensions is reported in the financial result.

Three POLYTEC GROUP companies in Germany have outsourced their performance-related pension commitments to a mutual insurance society (pension fund), which is monitored by the Federal Financial Supervisory Authority (BaFin). The insurance fund covers old-age, partial invalidity and survivors' benefits. Other insurances were not concluded. The pension fund insures both active and former employees from 28 company groups, which in order to fulfil their benefit obligations share joint liability. The pension fund invests the paid contributions and secures the fulfilment of benefit commitments. As at 30 June 2016, the POLYTEC GROUP terminated all future contribution payments and will assume future pension payments through internal financing (future services). Previously vested benefits (past services) remain in the pension fund. Owing to insufficient information from the pension fund regarding the status of the pension obligation, in accordance with IAS 19.34ff, the POLYTEC GROUP reports these as contribution-oriented plans. On the date of its annual financial statements on 31 December 2016, the pension fund disclosed assets of EUR 453 million and obligations of EUR 446 million, and therefore equity of EUR 7 million. The POLYTEC GROUP holds a roughly 7% share of the net assets of the pension fund.

## OTHER LONG-TERM OBLIGATIONS TO EMPLOYEES

Owing to collective or other company agreements, employees are entitled to receive a certain bonus in line with their length of service. A provision has been formed for these obligations using the same amounts as those employed for pension obligations (with the exception of the discount for employee turnover).

## 11. TAXES

Tax receivables are reported as netted against tax liabilities when they relate to the same fiscal authority and a possibility for netting is available.

The income tax expense (the income tax credit) includes both actual and deferred taxes.

The actual taxes for the individual companies are calculated on the basis of the taxable income of the company and the applicable tax rate in the respective country.

In particular, deferred taxes are recognised for temporary valuation differences between the IFRS and the tax balance of the individual companies, as well as for consolidation procedures. They are determined according to IAS 12 using the balance-sheet-liability method. Furthermore, the probable realisable tax advantage from existing loss carryforwards is included in the calculation. Deferred tax assets on loss carryforwards are formed to the extent that their utilisation can be expected within 5 years. The calculation of the deferred taxes is based on the standard national income tax rate.

## 12. LIABILITIES

The value of trade accounts payable results from the fair value of the services received at the time of their occurrence. Subsequently, these liabilities are valued at amortised acquisition costs.

Other liabilities, especially accrued interest-bearing liabilities, are reported with their repayment amount unless there is no substantial difference to fair value. Subsequent valuations are based on amortised acquisition costs using the effective interest method.



### 13. PROVISIONS

Provisions are formed when as a result of past transactions or events, legal or de facto obligations to a third party exist, which are likely to lead to an outflow of assets that can be reliably determined. Provisions are reported at the anticipated settlement amount with due regard to all the identifiable risks attached. Within this context, the settlement amount with the highest possible likelihood of occurrence is used. Non-current provisions are discounted if the discount effect is material and the discounting period can be estimated reliably.

Provisions for contingent losses and potential risks consist of the provisions for contingent losses pursuant to IAS 37 and for disadvantageous contracts in accordance with IFRS 3.

During the measurement of the provisions for disadvantageous contracts pursuant to IFRS 3, the existing margins from current production projects are counterposed with a standard market margin. A negative deviation and hence the disadvantageous nature of the project are accounted for through the formation of a provision.

A provision for restructuring will be reported as soon as the group has approved a detailed and formal restructuring plan, and the restructuring measures have either commenced or been announced publically. Future operating losses are not accounted for.

### 14. FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised in the balance sheet should the group become a contractual party in relation to a financial instrument.

Financial assets are derecognised when the contractual rights from the assets expire, or the assets are transferred with all material rights and obligations. Financial liabilities are derecognised if the contractual obligations have been settled, deleted or have expired. Purchases and sales of financial instruments subject to customary market conditions are generally reported with the settlement date.

Financial assets are categorised as follows:

- a. Financial assets measured at fair value through profit or loss
- b. Loans and receivables

Financial liabilities are categorised as follows:

- a. Financial liabilities measured at the residual carrying amount
- b. Financial liabilities measured at fair value through profit or loss

Other possible categories pursuant to IAS 39 are not applied.

Financial derivatives are only concluded for the hedging of basic business. Financial derivatives that do not correspond with hedge accounting pursuant to IAS 39 are classified as held for trading financial assets or liabilities and recognised in the balance sheet at fair value. This corresponds with the current value, should one exist, or is determined using standard valuation methods employing the market data available on the valuation closing date. Fair value mirrors the estimated amount that the POLYTEC GROUP must pay or receive if this transaction were to be completed on the balance sheet date. Changes in value are recognised in the consolidated income statement through profit and loss.

### 15. REALISATION OF INCOME AND EXPENSES

Revenues from the sale of products and goods are realised upon the transfer of the risks and opportunities to the buyer. Operating expenses are recognised through profit and loss when the service is rendered or the expenses are incurred.

As far as the special aspects of the production of tooling are concerned, please see Item 6 Construction contracts.

### 16. FINANCIAL RESULT

Financing expenses include the interest and interest equivalent expenses arising from debt financing and financial leasing transactions, as well as the interest components of the change in obligations to employees.

Financial revenues include the interest, dividends and similar revenues realised from the investment of funds and investment in financial assets. Interest income is realised proportional to time and the effective interest rate of the asset is taken into account. Dividend income is reported with effect from the date of the legal claim.

Profits and losses from the sale of financial assets, impairment expenses from financial investments, exchange rate profits and losses in connection with financing activities, as well as the results from security transactions are reported in the financial result.

## 17. GROUP CASH FLOW STATEMENT

The indirect method was selected for the consolidated cash flow from operating activities disclosed in the presentation of the group cash flow statement. The financial fund corresponds with the cash and cash equivalents and current funding.

## 18. UNCERTAINTIES WITH REGARD TO ASSESSMENTS AND ASSUMPTIONS

The preparation of the consolidated financial statements requires that the management makes estimates and assumptions with regard to the application of accounting and evaluation principles, as well as potential future developments that might influence the reporting and value of the reported assets and liabilities, information regarding other obligations on the balance sheet date, and the recognition of income and expenses during the reporting period. The actual amounts to be realised in the future may deviate from these estimations.

In assessing the intrinsic value of goodwill, management makes estimates and future-related assumptions regarding the surplus inflows expected over the planning periods and the costs of capital of both the POLYTEC GROUP and individual cash-generating units. Such estimates are made in all good faith subject to the assumption that the group is a going concern. They are also based upon experience and take any remaining uncertainty into due account. In order to demonstrate the impact of a change in the parameters used in the impairment test, a sensitivity analysis was carried out which is explained in greater detail under E.9 Intangible assets and goodwill.

The settlement of construction contracts, which are reported on the basis of the percentage-of-completion method, employs estimates of the contract costs, attainable earnings and contractual risks (including technical, political and financial risks). Although the estimates incorporate all the information available on the balance sheet date, subsequent changes are possible that can lead to asset value adjustments and exert a material influence upon the results from subsequent periods.

In assessing the recoverability of deferred tax assets, the management evaluates the likelihood that all deferred tax assets will be realised. The final realisation of deferred tax assets is dependent upon the generation of future taxable income in those periods during which temporary differences become deductible. If the company is unable to generate sufficient future taxable income, no deferred tax benefits from operating loss carryforwards can be recognised and their value has therefore to be adjusted correspondingly. A sensitivity analysis has shown that, as in the preceding year, in comparison to medium-term planning a 10% reduction in taxable income would not result in any additional value adjustment to the deferred tax assets from loss carryforwards.

Assumptions concerning future payment surpluses, as well as future taxable results are based on the medium-term planning of the group. Should these prove to be incorrect, this may have considerable effects on the assets reported in subsequent years.

The determination of the useful life of fixed assets also involves estimates, which are based on experiences resulting from the operation of comparable plants.

The actuarial assessment of provisions for severance payments and pension contributions carried out by independent actuaries is based on a method that employs parameters such as the expected discount rate, increases in remuneration payments and pension contributions. In addition to the interest rate risk and the risk of a potential increase in remuneration payments and pension contributions, there is also a longevity risk. If the development of these relevant parameters differs significantly from the original expectations, this may have considerable effects upon the provisions and consequently upon the group's net expenses for severance payments and pension contributions. In order to present the impact of a change in the interest rate used to determine severance payment and pension obligations, a sensitivity analysis was carried out, which is explained in greater detail under E.22 Obligations to employees.

In view of existing and threatened contingent funding commitments to a pension fund, a provision of EUR 1,818 k (previous year: EUR 2,980 k) was made in the "Other provisions" in the POLYTEC GROUP's consolidated financial statements. This amount was established on the basis of information provided by the management of the pension fund and relates to probable liquidity outflows prior to the restoration of the independent viability of the pension fund. The probable liquidity outflow derives from the restructuring plan drawn up by the pension fund management, which has been approved by the BaFin. During the 2017 financial year payments of EUR 1,214 k were made to the pension fund. Payments of EUR 575 k are anticipated for the 2018 financial year.

## 19. REPORTING

As compared to the previous year, the reporting of assets and liabilities, expenses and income, equity items and the cash flows in the cash flow statement remained basically unaltered in the 2017 financial year.

However, in order to enhance the informative value and clarity of the consolidated income statement, the item "Other non-current receivables" was included in the item "Other non-current assets".

### E. NOTES TO THE GROUP'S CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET

#### 1. SALES REVENUES AND SEGMENT REPORTING

Following a comprehensive analysis of the reporting and managerial structure, it was concluded that the POLYTEC GROUP is a one-segment group. Therefore, the obligatory operating segment reporting for a single segment in the 2017 financial year is limited to inter-segmental disclosures in accordance with IFRS 8.31 ff.

As an automotive industry supplier, the group naturally depends upon a small number of major customers. In 2017 and 2016, two respective customer groups provided more than 10% of the group's total sales. The VW Group accounted for EUR 229,337 k (previous year: EUR 229,541 k) of total sales, while sales to the Daimler Group amounted to EUR 103.201 k (previous year: EUR 94,418 k). All in all, three main customers provided roughly 56% of total sales in 2017 (previous year: 56%). Due to the extensive range of models and marques of these major customers, which as a rule operate in both the passenger car and commercial vehicle sectors, in all three cases the customer-supplier relationship relates to each of the separately reported business areas, although to differing degrees.

The distribution of sales according to market segments is as follows:

| in EUR k            | 2017           | 2016           |
|---------------------|----------------|----------------|
| Passenger cars      | 434,105        | 425,401        |
| Commercial vehicles | 165,054        | 147,419        |
| Non-automotive      | 77,281         | 77,583         |
| <b>Total</b>        | <b>676,440</b> | <b>650,403</b> |

The disclosures concerning geographical areas to be made at group level (depending on the location of customers' business premises) on the balance sheet dates can be summarised as follows:

| in EUR k        | External sales |                | Intangible assets, goodwill and fixed assets |                |
|-----------------|----------------|----------------|----------------------------------------------|----------------|
|                 | 2017           | 2016           | 2017                                         | 2016           |
| Austria         | 23,438         | 17,363         | 87,603                                       | 88,253         |
| Germany         | 383,097        | 365,925        | 83,974                                       | 87,236         |
| Rest of EU      | 228,251        | 226,324        | 64,275                                       | 48,877         |
| Other countries | 41,654         | 40,791         | 19,348                                       | 21,376         |
| <b>Group</b>    | <b>676,440</b> | <b>650,403</b> | <b>255,200</b>                               | <b>245,741</b> |

Sales are divided according to categories as follows:

| in EUR k                      | 2017           | 2016           |
|-------------------------------|----------------|----------------|
| Part sales and other sales    | 605,844        | 594,480        |
| Tooling and engineering sales | 70,596         | 55,922         |
| <b>Total</b>                  | <b>676,440</b> | <b>650,403</b> |

#### 2. OTHER OPERATING INCOME

| in EUR k                                                                         | 2017         | 2016         |
|----------------------------------------------------------------------------------|--------------|--------------|
| Income from the sale of and additions to fixed assets excluding financial assets | 101          | 313          |
| Income from cost reimbursements                                                  | 610          | 1,095        |
| Grants and receivables                                                           | 294          | 214          |
| Commission                                                                       | 230          | 105          |
| Income from rents                                                                | 670          | 711          |
| Income from the release of obsolete accruals no longer required                  | 464          | 991          |
| Other income                                                                     | 1,897        | 2,125        |
| <b>Total</b>                                                                     | <b>4,266</b> | <b>5,555</b> |

### 3. EXPENSES FOR MATERIALS AND OTHER SERVICES RECEIVED

| in EUR k                       | 2017           | 2016           |
|--------------------------------|----------------|----------------|
| Material expenses              | 255,579        | 246,942        |
| Expenses for services received | 66,535         | 58,771         |
| <b>Total</b>                   | <b>322,114</b> | <b>305,713</b> |

### 4. PERSONNEL EXPENSES

| in EUR k                                     | 2017           | 2016           |
|----------------------------------------------|----------------|----------------|
| Wages and salaries                           | 156,221        | 152,583        |
| Expenses for leasing personnel               | 23,496         | 18,906         |
| Statutory social expenses                    | 29,436         | 29,059         |
| Expenses for severance payments and pensions | 3,953          | 9,197          |
| Expenses for restructuring                   | 4,886          | 0              |
| Other personnel expenses                     | 1,510          | 1,822          |
| <b>Total</b>                                 | <b>219,502</b> | <b>211,567</b> |

The expenses for severance payments and pensions also include expenses for contribution-oriented plans. For the Austrian companies within the group, these expenses amounted to EUR 250 k in the year under review (previous year: EUR 246 k).

The number of employees of the POLYTEC GROUP (including leasing personnel) was as follows:

|                             | 2017  | 2016  |
|-----------------------------|-------|-------|
| Average number of employees | 4,527 | 4,449 |
| As at 31 December           | 4,522 | 4,427 |

The number of employees of the POLYTEC GROUP (excluding leasing personnel) was as follows:

|                             | 2017  | 2016  |
|-----------------------------|-------|-------|
| Average number of employees | 4,017 | 4,053 |
| As at 31 December           | 4,046 | 4,009 |

The average numbers of POLYTEC Holding AG employees (excluding leasing personnel) and of the Austrian subsidiaries of the POLYTEC GROUP were as follows:

|                        | 2017       | 2016       |
|------------------------|------------|------------|
| Blue-collar workers    | 310        | 334        |
| White-collar employees | 181        | 175        |
| <b>Total</b>           | <b>491</b> | <b>509</b> |

### 5. OTHER OPERATING EXPENSES

| in EUR k                                                           | 2017          | 2016          |
|--------------------------------------------------------------------|---------------|---------------|
| Maintenance costs                                                  | 16,376        | 17,161        |
| Other operating costs                                              | 11,473        | 10,121        |
| Other administrative costs                                         | 5,710         | 5,921         |
| Outgoing freight                                                   | 7,263         | 6,016         |
| Rent for buildings                                                 | 4,617         | 4,639         |
| Other sales costs                                                  | 4,115         | 4,735         |
| Other rent and leasing costs                                       | 4,638         | 4,201         |
| IT and communication costs                                         | 4,042         | 3,574         |
| Legal and consulting fees                                          | 3,513         | 3,501         |
| Taxes and fees other than income tax                               | 786           | 770           |
| Risk provisions and damages                                        | 161           | 607           |
| Losses on the disposal of fixed assets, excluding financial assets | 154           | 60            |
| Exchange rate losses                                               | 96            | 199           |
| <b>Total</b>                                                       | <b>62,943</b> | <b>61,505</b> |

The other operating expenses also contain the following expenses for the services provided by the group auditors.

| in EUR k               | 2017       | 2016       |
|------------------------|------------|------------|
| Annual and group audit | 138        | 127        |
| Other services         | 8          | 48         |
| <b>Total</b>           | <b>146</b> | <b>175</b> |

### 6. RESULT FROM COMPANIES ACCOUNTED FOR AT EQUITY

| in EUR k                                     | 2017     | 2016         |
|----------------------------------------------|----------|--------------|
| Current result                               | 0        | 142          |
| Result from changes to consolidation methods | 0        | 2,402        |
| <b>Total</b>                                 | <b>0</b> | <b>2,544</b> |

## 7. FINANCIAL RESULT

| in EUR k                                   | 2017          | 2016          |
|--------------------------------------------|---------------|---------------|
| Interest income and income from securities | 640           | 684           |
| Interest component of pension commitments  | -400          | -449          |
| Other interest expenses                    | -3,391        | -4,273        |
| Other financial income                     | 143           | 13            |
| Other financial expenses                   | 0             | -294          |
| <b>Total</b>                               | <b>-3,008</b> | <b>-4,318</b> |

The interest component from pension commitments is a non-cash item. All other interest expenses or interest income are mostly cash items.

The net result according to valuation categories is as follows:

| in EUR k                           | Operative result |                      | Financial result |                         | Net result    |
|------------------------------------|------------------|----------------------|------------------|-------------------------|---------------|
|                                    | Value adjustment | Currency translation | Interest         | Result from derivatives |               |
| <b>31.12.2017</b>                  |                  |                      |                  |                         |               |
| Loans and receivables              | -102             | 0                    | 640              | 0                       | <b>538</b>    |
| Financial liabilities              | 0                | 94                   | -3,391           | 0                       | <b>-3,298</b> |
| Fair value through profit and loss | 0                | 0                    | 0                | 117                     | <b>117</b>    |

| in EUR k                           | Operative result |                      | Financial result |                         | Net result    |
|------------------------------------|------------------|----------------------|------------------|-------------------------|---------------|
|                                    | Value adjustment | Currency translation | Interest         | Result from derivatives |               |
| <b>31.12.2016</b>                  |                  |                      |                  |                         |               |
| Loans and receivables              | -877             | 0                    | 684              | 0                       | <b>-193</b>   |
| Financial liabilities              | 0                | 257                  | -4,273           | 0                       | <b>-4,016</b> |
| Fair value through profit and loss | 0                | 0                    | 0                | -294                    | <b>-294</b>   |

## 8. TAX EXPENSES

| in EUR k                          | 2017          | 2016          |
|-----------------------------------|---------------|---------------|
| Expenses for current income taxes | 6,332         | 8,743         |
| thereof aperiodic                 | -196          | 1,163         |
| Changes in deferred income taxes  | 6,778         | 2,341         |
| thereof aperiodic                 | -200          | -1,900        |
| <b>Total</b>                      | <b>13,110</b> | <b>11,084</b> |
| thereof aperiodic                 | -396          | -737          |

The income tax expense for the 2017 financial year amounting to EUR 13,110 k was EUR 93 k higher than the calculated income tax expense totalling EUR 13,017 k, which would have resulted from the application of a tax rate of 25% on the result before income tax of EUR 52,070 k.

The reasons for the difference between the calculated and the disclosed group income tax expense can be summarised as follows:

| in EUR k                                                                      | 2017          | 2016          |
|-------------------------------------------------------------------------------|---------------|---------------|
| Earnings before income tax                                                    | 52,070        | 48,102        |
| thereof 25% calculated income tax expense                                     | 13,017        | 12,025        |
| Change in the value adjustment for deferred tax assets                        | 130           | 800           |
| Permanent differences and other changes                                       | 453           | -1,104        |
| Differences from the discrepancy between the local and consolidated tax rates | -94           | 99            |
| Income tax expense for the reporting period                                   | 13,506        | 11,821        |
| Aperiodic income tax expense                                                  | -396          | -737          |
| <b>Disclosed income tax expense</b>                                           | <b>13,110</b> | <b>11,084</b> |

## 9. INTANGIBLE ASSETS AND GOODWILL

The classification of the intangible assets shown in the consolidated balance sheet and their development is as follows:

| in EUR k                             | Rights        | Goodwill      | Advance payments made | Total         |
|--------------------------------------|---------------|---------------|-----------------------|---------------|
| <b>Costs of acquisition</b>          |               |               |                       |               |
| <b>As at 1.1.2016</b>                | <b>7,962</b>  | <b>45,508</b> | <b>0</b>              | <b>54,271</b> |
| Change in the scope of consolidation | 75            | 0             | 0                     | 75            |
| Currency translation differences     | 6             | 0             | 0                     | 6             |
| Additions                            | 1,156         | 0             | 0                     | 1,156         |
| Disposals                            | 0             | 0             | 0                     | 0             |
| Transfers                            | 207           | 0             | 0                     | 207           |
| <b>As at 31.12. 2016</b>             | <b>9,406</b>  | <b>45,508</b> | <b>0</b>              | <b>55,715</b> |
| <b>As at 1.1. 2017</b>               |               |               |                       |               |
| <b>As at 1.1. 2017</b>               | <b>9,406</b>  | <b>45,508</b> | <b>0</b>              | <b>55,715</b> |
| Change in the scope of consolidation | 0             | 0             | 0                     | 0             |
| Currency translation differences     | -9            | 0             | 0                     | -9            |
| Additions                            | 1,010         | 0             | 742                   | 1,752         |
| Disposals                            | -100          | 0             | 0                     | -100          |
| Transfers                            | 0             | 0             | 0                     | 0             |
| <b>As at 31.12. 2017</b>             | <b>10,307</b> | <b>45,508</b> | <b>742</b>            | <b>57,358</b> |
| <b>Accumulated depreciation</b>      |               |               |                       |               |
| <b>As at 1.1.2016</b>                | <b>6,166</b>  | <b>26,328</b> | <b>0</b>              | <b>33,295</b> |
| Change in the scope of consolidation | 0             | 0             | 0                     | 0             |
| Currency translation differences     | 7             | 0             | 0                     | 7             |
| Scheduled amortisation               | 865           | 0             | 0                     | 865           |
| Impairments                          | 0             | 0             | 0                     | 0             |
| Disposals                            | 0             | 0             | 0                     | 0             |
| Transfers                            | 0             | 0             | 0                     | 0             |
| Revaluations                         | 0             | 0             | 0                     | 0             |
| <b>As at 31.12.2016</b>              | <b>7,038</b>  | <b>26,328</b> | <b>0</b>              | <b>34,167</b> |
| <b>As at 1.1.2017</b>                |               |               |                       |               |
| <b>As at 1.1.2017</b>                | <b>7,038</b>  | <b>26,328</b> | <b>0</b>              | <b>34,167</b> |
| Change in the scope of consolidation | 0             | 0             | 0                     | 0             |
| Currency translation differences     | -8            | 0             | 0                     | -8            |
| Scheduled amortisation               | 990           | 0             | 0                     | 990           |
| Impairments                          | 0             | 0             | 0                     | 0             |
| Disposals                            | -81           | 0             | 0                     | -81           |
| Transfers                            | 0             | 0             | 0                     | 0             |

| in EUR k                                | Rights       | Goodwill      | Advance payments made | Total         |
|-----------------------------------------|--------------|---------------|-----------------------|---------------|
| Revaluations                            | 0            | 0             | 0                     | 0             |
| <b>As at 31.12.2017</b>                 | <b>7,939</b> | <b>26,328</b> | <b>0</b>              | <b>35,068</b> |
| <b>Carrying amount as at 31.12.2016</b> |              |               |                       |               |
| <b>Carrying amount as at 31.12.2016</b> | <b>2,368</b> | <b>19,180</b> | <b>0</b>              | <b>21,548</b> |
| <b>Carrying amount as at 31.12.2017</b> | <b>2,368</b> | <b>19,180</b> | <b>742</b>            | <b>22,290</b> |

The research and development expenses of the group during the financial year amounted to approximately EUR 14,468 k (previous year: EUR 10,061 k).

### IMPAIRMENTS

As in the preceding year, the impairment tests showed no need for goodwill impairment. This also applies to the other intangible assets.

### GOODWILL

Goodwill is allocated to the following cash-generating units (CGU) as follows:

| in EUR k        | 31.12.2017    | 31.12.2016    |
|-----------------|---------------|---------------|
| Hörsching plant | 9,148         | 9,148         |
| Bromyard plant  | 3,495         | 3,495         |
| Other           | 6,537         | 6,537         |
| <b>Total</b>    | <b>19,180</b> | <b>19,180</b> |

The recoverable amount for the CGUs, to which goodwill has been allocated, was determined on the basis of a discounted cash flow method. The underlying methods and assumptions employed are explained under D.9.

The impairment tests were based on the following assumptions:

| in EUR k                                | 31.12.2017 | 31.12.2016 |
|-----------------------------------------|------------|------------|
| Cash flow planning period               | 3 years    | 3 years    |
| Long-term perpetuity growth rate        | 0%         | 0%         |
| Discount rate (WACC) before taxes (EUR) | 12.1%      | 12.1%      |
| Discount rate (WACC) before taxes (GBP) | 11.9%      | 12.6%      |

Changes to the assumptions made or with regard to circumstances could, however, necessitate corrections.

The management has determined that as in the preceding year, no change in material assumptions, which is seen as possible, could result in the carrying value exceeding the attainable amount.

## 10. TANGIBLE ASSETS

The classification of the tangible assets shown in the consolidated balance sheet and their development is as follows:

| in EUR k                                 | Land and buildings | Technical equipment and machinery | Fixtures, fittings and equipment | Advance payments made and assets under construction | Total          |
|------------------------------------------|--------------------|-----------------------------------|----------------------------------|-----------------------------------------------------|----------------|
| <b>Costs of acquisition</b>              |                    |                                   |                                  |                                                     |                |
| <b>As at 1.1.2016</b>                    | <b>126,537</b>     | <b>213,904</b>                    | <b>61,681</b>                    | <b>27,440</b>                                       | <b>429,563</b> |
| Change in the scope of consolidation     | 2,745              | 632                               | 0                                | 56                                                  | 3,433          |
| Currency translation differences         | -513               | -1,317                            | -96                              | -193                                                | -2,119         |
| Additions                                | 6,570              | 14,497                            | 4,606                            | 7,562                                               | 33,235         |
| Disposals                                | -21                | -3,580                            | -1,469                           | -109                                                | -5,179         |
| Transfers                                | 10,185             | 13,108                            | 1,055                            | -24,553                                             | -205           |
| <b>As at 31.12.2016</b>                  | <b>145,503</b>     | <b>237,244</b>                    | <b>65,777</b>                    | <b>10,203</b>                                       | <b>458,728</b> |
| <b>As at 1.1.2017</b>                    | <b>145,503</b>     | <b>237,244</b>                    | <b>65,777</b>                    | <b>10,203</b>                                       | <b>458,728</b> |
| Change in the scope of consolidation     | 0                  | 0                                 | 0                                | 0                                                   | 0              |
| Currency translation differences         | -172               | 46                                | -40                              | -141                                                | -307           |
| Additions                                | 450                | 6,486                             | 4,247                            | 25,419                                              | 36,602         |
| Disposals                                | -205               | -8,919                            | -1,056                           | -799                                                | -10,979        |
| Transfers                                | 1,498              | 9,983                             | 528                              | -12,009                                             | 0              |
| <b>As at 31.12.2017</b>                  | <b>147,074</b>     | <b>244,840</b>                    | <b>69,456</b>                    | <b>22,673</b>                                       | <b>484,044</b> |
| <b>Accumulated depreciation</b>          |                    |                                   |                                  |                                                     |                |
| <b>As at 1.1.2016</b>                    | <b>17,342</b>      | <b>148,561</b>                    | <b>46,605</b>                    | <b>0</b>                                            | <b>212,508</b> |
| Change in the scope of consolidation     | 0                  | 0                                 | 0                                | 0                                                   | 0              |
| Currency translation differences         | -185               | -829                              | -90                              | 0                                                   | -1,104         |
| Scheduled amortisation                   | 4,209              | 18,394                            | 4,223                            | 0                                                   | 26,826         |
| Disposals                                | -1                 | -2,463                            | -1,231                           | 0                                                   | -3,695         |
| Transfers                                | 0                  | -171                              | 171                              | 0                                                   | 0              |
| <b>As at 31.12.2016</b>                  | <b>21,365</b>      | <b>163,492</b>                    | <b>49,678</b>                    | <b>0</b>                                            | <b>234,535</b> |
| <b>As at 1.1.2017</b>                    | <b>21,365</b>      | <b>163,492</b>                    | <b>49,678</b>                    | <b>0</b>                                            | <b>234,535</b> |
| Currency translation differences         | -47                | -266                              | -25                              | 0                                                   | -338           |
| Scheduled amortisation                   | 3,959              | 18,348                            | 4,183                            | 0                                                   | 26,490         |
| Disposals                                | -127               | -8,537                            | -890                             | 0                                                   | -9,554         |
| Transfers                                | 0                  | 0                                 | 0                                | 0                                                   | 0              |
| <b>As at 31.12.2017</b>                  | <b>25,150</b>      | <b>173,037</b>                    | <b>52,946</b>                    | <b>0</b>                                            | <b>251,133</b> |
| <b>Carrying amounts as at 31.12.2016</b> | <b>124,138</b>     | <b>73,752</b>                     | <b>16,100</b>                    | <b>10,203</b>                                       | <b>224,192</b> |
| <b>Carrying amounts as at 31.12.2017</b> | <b>121,924</b>     | <b>71,803</b>                     | <b>16,511</b>                    | <b>22,673</b>                                       | <b>232,910</b> |

"Land and buildings" contains a real property value of EUR 33,223 k (previous year: EUR 32,749 k).

As at 31 December 2017, the obligations relating to unpaid orders for the delivery of fixed assets amounted to EUR 15,889 k (previous year: EUR 6,798 k).

As at 31 December 2017, the future expenses from non-terminable operating leasing agreements amounted to EUR 12,511 k (previous year: EUR 13,382 k) and are due as follows:

| in EUR k                                   | 31.12.2017 | 31.12.2016 |
|--------------------------------------------|------------|------------|
| Within one year                            | 4,629      | 5,095      |
| Longer than one year and within five years | 7,882      | 8,287      |
| Longer than five years                     | 0          | 0          |

In the 2017 financial year, the corresponding rental costs amounted to EUR 9,255 k (previous year: 8,840k).

Tangible assets include capitalised finance lease goods (financial leasing) with a carrying amount of EUR 1,667 k (previous year: EUR 3,227 k). The most important financial leasing agreements relate to production plants. Following the expiry of the minimum lease period, purchase options are available for the vast majority of the financial leasing agreements.

Capitalised financial leasing goods result in leasing obligations towards third parties totalling EUR 1,745 k (previous year: EUR 3,251 k). The reported leasing obligations (current values including redemption for residual value) are due as follows:

| in EUR k                                   | 31.12.2017 | 31.12.2016 |
|--------------------------------------------|------------|------------|
| Within one year                            | 1,432      | 1,539      |
| Longer than one year and within five years | 313        | 1,712      |
| Longer than five years                     | 0          | 0          |

Leasing payments (without redemption for residual value) corresponding to present values amount to EUR 1,041 k (previous year: EUR 2,533 k) and are due as follows:

| in EUR k                                   | 31.12.2017 | 31.12.2016 |
|--------------------------------------------|------------|------------|
| Within one year                            | 916        | 1,462      |
| Longer than one year and within five years | 125        | 1,071      |
| Longer than five years                     | 0          | 0          |

As in the previous year, in the 2017 financial year no tangible asset impairments or write-ups were undertaken.

Tangible assets with a carrying value of EUR 91,503 k (previous year: EUR 96,334 k) were mortgaged or pledged as a surety for bank liabilities totalling EUR 20,645 k (previous year: EUR 30,712 k).

## 11. DEFERRED TAX CLAIMS/OBLIGATIONS

The discrepancies between the amounts stated in the tax and IFRS balance sheets result from the following differences and take effect on deferred taxes as follows:

| in EUR k                                   | 31.12.2017    |              | 31.12.2016    |              |
|--------------------------------------------|---------------|--------------|---------------|--------------|
|                                            | Assets        | Liabilities  | Assets        | Liabilities  |
| Non-current assets                         | 3,868         | 2,471        | 2,812         | 1,189        |
| Loss carryforwards                         | 1,136         | 0            | 2,789         | 0            |
| Trade accounts receivable                  | 0             | 192          | 0             | 38           |
| Receivables from construction contracts    | 0             | 4,070        | 0             | 1,595        |
| Other assets                               | 9             | 1,876        | 90            | 890          |
| Provision for pensions                     | 2,619         | 0            | 2,772         | 0            |
| Provision for severance payments           | 1,034         | 0            | 1,114         | 0            |
| Other personnel provisions                 | 36            | 0            | 145           | 0            |
| Leasing liabilities                        | 432           | 0            | 849           | 0            |
| Liabilities from construction contracts    | 813           | 0            | 94            | 0            |
| Other provisions                           | 2,873         | 0            | 4,239         | 129          |
| Other liabilities                          | 490           | 106          | 549           | 275          |
| <b>Sub-total</b>                           | <b>13,309</b> | <b>8,715</b> | <b>15,453</b> | <b>4,115</b> |
| Netting due to identical tax authorities   | -5,636        | -5,636       | -3,198        | -3,198       |
| <b>Deferred taxes in the balance sheet</b> | <b>7,674</b>  | <b>3,080</b> | <b>12,254</b> | <b>917</b>   |

In 2017, group companies reported net deferred tax assets on temporary differences and loss carryforwards totalling EUR 7,674 k (previous year: EUR 12,254 k). These were regarded as realisable, as on the basis of current medium-term planning it is assumed that these companies will generate taxable profits in future.

As at 31 December 2017, group income tax loss carryforwards totalled EUR 17,923 k (previous year: EUR 22,038 k) and demonstrated the following structure:

| in EUR k                                                  | 31.12.2017    | 31.12.2016    |
|-----------------------------------------------------------|---------------|---------------|
| <b>Total</b>                                              | <b>17,923</b> | <b>22,038</b> |
| of which capitalised loss carryforwards                   | 7,435         | 14,329        |
| of which carryforwards applicable for an unlimited period | 7,435         | 14,329        |
| of which non-capitalised loss carryforwards               | 10,488        | 7,709         |



No deferred tax assets were recognised for deductible tax loss carryforwards amounting to EUR 10,488 k (previous year: EUR 7,709 k), since owing to their loss history, their effectiveness as definitive tax relief is not yet sufficiently guaranteed. This equates to deferred tax assets of EUR 2,225 k (previous year: EUR 1,642 k).

In accordance with IAS 12.39, no deferred taxes were created for temporary differences in connection with shares in subsidiaries amounting to EUR 25,519 k (previous year: EUR 23,643 k), as it could be assumed on 31 December 2017 that the differences between the valuation of investments for tax purposes and the pro rata equity of subsidiaries included in the consolidated financial statements would remain tax free for the foreseeable future.

The deferred taxes contain deferred tax assets recognised in equity amounting to EUR 2,056 k (previous year: EUR 1,934 k) and deferred tax liabilities recognised in equity amounting to EUR 0 k (previous year: EUR 0 k).

## 12. INVENTORIES

Inventories are structured as follows:

| in EUR k                       | 31.12.2017    | 31.12.2016    |
|--------------------------------|---------------|---------------|
| Raw materials and supplies     | 29,537        | 27,329        |
| Unfinished goods               | 17,283        | 15,219        |
| Advance payments received      | -1,029        | -1,323        |
| Finished goods and merchandise | 17,228        | 14,413        |
| Advance payments made          | 259           | 197           |
| <b>Total</b>                   | <b>63,278</b> | <b>55,834</b> |

The change (balance from formation and reversal) in the impairment losses on inventories recognised through profit and loss amounted to minus EUR 2,441 k in the year under review (previous year: – EUR 408 k). Inventories that were recognised as material expenses in the reporting period amounted to EUR 307,619 k (previous year: EUR 221,618 k).

In the case of inventories with a carrying value of EUR 4,277 k (previous year: EUR 4,362 k), realisation is first anticipated after twelve months.

As in the previous year, no inventories were transferred as collateral or pledged as a surety for financial liabilities.

## 13. TRADE ACCOUNTS RECEIVABLE

The existing provisions for accounts receivable developed as follows in the financial year under review:

| in EUR k                          | 2017         | 2016         |
|-----------------------------------|--------------|--------------|
| <b>As at 1.1.</b>                 | <b>3,702</b> | <b>3,094</b> |
| Use                               | -892         | -299         |
| Release                           | -288         | -259         |
| Allocation                        | 390          | 1,136        |
| Foreign exchange rate differences | -21          | 30           |
| <b>As at 31.12.</b>               | <b>2,891</b> | <b>3,702</b> |

For the determination of the recoverability of accounts receivable, not only the individual creditworthiness of the debtor, but above all the due dates must be taken into account. According to estimates made by the management, there are no substantial differences between the carrying amount and the current value of accounts receivable.

Within the scope of silent global assignments, no receivables were transferred to banks (previous year: EUR 8,923 k) as a surety for bank liabilities (receivables carrying value previous year: EUR 8,923 k).

## FACTORING

Since the 2008 financial year, factoring agreements have existed owing to which, banks and factoring companies are obliged to purchase certain POLYTEC GROUP trade account receivables with a monthly rotating nominal volume. For the receivables sold, once the purchase has been completed the default risk linked to the receivables (del credere risk) passes without recourse to the purchasing bank or factoring company.

As at 31 December 2017, the factoring agreements had a maximum usable nominal volume totalling EUR 45,000 k (previous year: EUR 64,400 k). On the balance sheet date, receivables amounting to EUR 15,693 k (previous year: EUR 23,364 k) had been sold and derecognised from the consolidated financial statements in accordance with IAS 39.

As at 31 December 2017, the non-advance amount of EUR 7,418 k (previous year: EUR 5,752 k) was disclosed under "Other current assets" (financial). Fair value corresponds with the reported carrying value, due primarily to the fact that the residual periods to maturity of the affected receivables are short-term.

#### 14. CONSTRUCTION CONTRACTS

| in EUR k                                                                             | 2017    | 2016    |
|--------------------------------------------------------------------------------------|---------|---------|
| Sales revenues from construction contracts                                           | 70,596  | 55,922  |
| Costs incurred up to the reporting date and allocated profits (less reported losses) | 115,569 | 85,990  |
| Advance payments received                                                            | -77,321 | -51,724 |

The composition of the net amounts of construction contracts is as follows:

| in EUR k                                                                                                               | 31.12.2017 | 31.12.2016 |
|------------------------------------------------------------------------------------------------------------------------|------------|------------|
| Costs incurred up to the reporting date and allocated profits (less reported losses)                                   | 115,569    | 85,990     |
| Less: advance payments received                                                                                        | -77,321    | -51,724    |
|                                                                                                                        | 38,248     | 34,266     |
| <b>Recognised as receivables or liabilities in the financial statements</b>                                            |            |            |
| Receivables from recognised sales revenues from construction contracts where they exceed the advance payments received | 43,050     | 35,862     |
| Advance payments received for construction contracts where they exceed the recognised sales revenues                   | -4,802     | -1,597     |
|                                                                                                                        | 38,248     | 34,266     |
| Retentions included therein                                                                                            | 0          | 0          |

#### 15. OTHER CURRENT RECEIVABLES

The other current receivables are comprised mainly of amortisation receivables, current savings and supplier bonuses.

#### 16. OTHER CURRENT INTEREST-BEARING RECEIVABLES

The current interest-bearing receivables derive mainly from Boshoku Automotive and are the result of the sale of the interior systems business area. In the course of the 2016 financial year, outstanding receivables totalling EUR 9,079 k were settled. According to the best possible estimate based on the contractual terms and conditions contained in the company purchase agreement of 9 June 2011 with Toyota Boshoku Europe N.V., Zaventem (Belgium), a payment is expected within the twelve months following the balance sheet date.

#### 17. CASH AND CASH EQUIVALENTS

On the balance sheet date, none of the amounts included in this item were subject to restrictions as to their use.

#### 18. FINANCIAL ASSETS

In the valuation categories contained in IAS 39 as at 31 December 2017 and 31 December 2016 respectively, the carrying amount of financial assets disclosed at amortised cost represents a reasonable approximation of fair value. All the fair values of financial assets are allocated to Level 3 of the measurement hierarchy.

Cash and cash equivalents, trade accounts receivable, receivables from construction contracts and other financial assets largely have short residual terms. Therefore, the carrying amounts of these assets correspond approximately with the fair value on the balance sheet date, taking into account the creditworthiness of the contractual parties. The default risk is accounted for by the formation of provisions.

#### 19. GROUP EQUITY

On the balance sheet date POLYTEC Holding AG share capital amounted to EUR 22,330 k (previous year: EUR 22,330 k) divided into 22,329,585 ordinary shares (previous year: 22,329,585 ordinary shares) with a nominal value of EUR 1.00 each. The share capital is fully paid in.

The buyback of the 334,041 treasury shares held on the balance sheet date (equates to 1.5% of share capital) at an acquisition value of EUR 1,855 k and a market value on the reporting date of EUR 6,180 k (previous year: EUR 3,469 k) took place in its entirety in accordance with the buyback programme approved at the Annual General Meetings held on 16 May 2012 and 14 May 2014.

|                             | Shares            | Treasury shares | Shares in circulation |
|-----------------------------|-------------------|-----------------|-----------------------|
| <b>31.12.2016</b>           | <b>22,329,585</b> | <b>-334,041</b> | <b>21,995,544</b>     |
| Purchase of treasury shares | 0                 | 0               | 0                     |
| <b>31.12.2017</b>           | <b>22,329,585</b> | <b>-334,041</b> | <b>21,995,544</b>     |

Authorised capital was approved by a resolution passed during the Annual General Meeting on 19 May 2016. Subject to the approval of the Supervisory Board, this empowered the Board of Directors to increase share capital up to a nominal amount of EUR 6,698,875.00 through the issue of new shares with a minimum issue price of EUR 1.00 each for a maximum of three years. The issue of new shares may also take place with the exclusion of the subscription rights of the shareholders.

The capital reserves resulting from premiums in connection with capital increases are thus entirely committed.

### NON-CONTROLLING INTERESTS

The following table shows summarised financial information regarding all non-controlling interests prior to intra-group eliminations. For reasons of materiality, it is presented on an aggregate basis for all non-controlling interests.

| in EUR k                                                                        | 31.12.2017    | 31.12.2016    |
|---------------------------------------------------------------------------------|---------------|---------------|
| Non-current assets                                                              | 17,211        | 16,518        |
| Current assets                                                                  | 8,165         | 7,709         |
| Non-current liabilities                                                         | -627          | -577          |
| Current liabilities                                                             | -3,197        | -2,688        |
| <b>Net assets</b>                                                               | <b>21,551</b> | <b>20,962</b> |
| Share of equity/voting rights non-controlling interests                         | 30%           | 30%           |
| Carrying amount of interests without controlling influence                      | 6,465         | 6,289         |
| Pro rata profit of interests without a controlling interest                     | 716           | 723           |
| Pro rata other comprehensive income of interests without a controlling interest | 0             | 0             |
| Dividends on interests without a controlling interest                           | 540           | 450           |

| in EUR k                            | 2017   | 2016   |
|-------------------------------------|--------|--------|
| Cash flow from operating activities | 4,173  | 3,687  |
| Cash flow from investing activities | -1,357 | -1,079 |
| Cash flow from financing activities | -2,710 | -2,444 |

### INFORMATION CONCERNING CAPITAL MANAGEMENT

The main objectives of the POLYTEC GROUP's capital management strategy are to safeguard business operations, increase shareholder value, provide a solid capital basis to finance a profitable growth path and guarantee capital service and attractive dividend payments.

POLYTEC Holding AG is subject to the statutory minimum capital requirements of Austrian corporation law. Statutory minimum capital requirements do not apply. Nonetheless, the group

considers a solid equity base as a key element in insolvency prevention. The ratio between equity capital and total capital can be summarised as follows:

| in EUR k            | 31.12.2017   | 31.12.2016   |
|---------------------|--------------|--------------|
| Total equity        | 217,493      | 189,924      |
| Balance sheet total | 516,453      | 501,448      |
| <b>Equity ratio</b> | <b>42.1%</b> | <b>37.9%</b> |

For POLYTEC, the term capital management means the control of equity capital and net financial liabilities. The POLYTEC GROUP's net financial liabilities are centrally monitored and steered. The main objectives in this regard include securing long-term liquidity, the efficient use of debt financing and the adoption of appropriate measures for financial risk mitigation in tandem with the optimisation of both earnings and costs.

Apart from the equity ratio, POLYTEC mainly employs the gearing and return on capital employed (ROCE) parameters for the monitoring of its capital. The entire costs of the capital employed and the risks related to the different types of capital are monitored on a permanent basis.

POLYTEC aims to maintain a sustainable equity ratio of more than 30%. A small deviation from this target equity ratio would only be acceptable temporarily in cases of strategically important M&A transactions.

Gearing is defined as the ratio of net financial liabilities (current and non-current financial liabilities less cash and cash equivalents and interest-bearing receivables) to equity capital. Appropriate control instruments consist primarily of the issuance and repayment of financial liabilities, as well as the consolidation of the equity base through the retention of earnings or the adjustment of dividend payments. The POLYTEC GROUP management regards a gearing ratio of below 1.00 as being lastingly solid.

Gearing developed as follows:

| in EUR k                            | 31.12.2017     | 31.12.2016     |
|-------------------------------------|----------------|----------------|
| Financial liabilities <sup>1)</sup> | 139,932        | 153,633        |
| - Cash and cash equivalents         | 56,899         | 79,540         |
| - Interest-bearing receivables      | 4,286          | 4,149          |
| <b>Net debt (-)/assets (+)</b>      | <b>-78,747</b> | <b>-69,944</b> |
| / Equity carrying amount            | 217,493        | 189,924        |
| <b>Gearing</b>                      | <b>0.36</b>    | <b>0.37</b>    |

<sup>1)</sup> Non-current and current interest-bearing liabilities

Net financial liabilities increased largely due to the lower level of cash and cash equivalents on the balance sheet date. In addition, the rise in equity emanating from the net result led overall to a reduction in the gearing ratio to a value of 0.36.

ROCE is defined as the ratio between EBIT and the average capital employed. The capital employed includes the non-current operating assets (intangible and tangible assets, goodwill, investments in companies consolidated at equity and other non-current receivables) less non-current provisions and net working capital (non-interest bearing current assets less non-interest bearing current liabilities).

ROCE represents the most important calculation parameter for the vast majority of the POLYTEC GROUP's executive bonus plans. ROCE developed as follows:

| in EUR k                                 | 2017        | 2016        |
|------------------------------------------|-------------|-------------|
| Average capital employed                 | 297,495     | 274,841     |
| EBIT                                     | 55,078      | 52,419      |
| <b>Return on capital employed (in %)</b> | <b>18.5</b> | <b>19.1</b> |

Therefore, owing to the improvement in EBIT, the ROCE target of at least 15% was again achieved in the 2017 financial year.

The POLYTEC GROUP's dividend policy is oriented towards profitability, strategic growth perspectives and the group's capital requirements.

## 20. EARNINGS PER SHARE AND DIVIDENDS

Pursuant to IAS 33 (Earnings per share), basic earnings per share result from the division of the net income for the period due to the shareholders (annual net profit of the group after income taxes and non-controlling interests) by the weighted average number of ordinary shares outstanding during the reporting period.

|                                                                   | Unit      | 2017       | 2016       |
|-------------------------------------------------------------------|-----------|------------|------------|
| Net income after income taxes and after non-controlling interests | EUR k     | 38,244     | 36,295     |
| Weighted average number of ordinary shares issued                 | Shares    | 22,329,585 | 22,329,585 |
| Average number of treasury shares                                 | Shares    | 334,041    | 334,041    |
| Average number of shares in circulation                           | Shares    | 21,995,544 | 21,995,544 |
| Earnings per share                                                | EUR/share | 1.74       | 1.65       |

The diluted earnings per share equate to the non-diluted earnings per share, as no financial instruments with a dilutive effect are currently in circulation.

In accordance with the provisions of the Austrian Stock Corporation Act, the separate financial statements of POLYTEC Holding AG prepared in accordance with the Austrian accounting regulations as at 31 December 2017 provide the basis for the payment of a dividend.

At the Annual General Meeting held on 22 May 2017, a resolution was passed approving the payment of a dividend of EUR 0.40 per share for the 2016 financial year (dividend payment date: 31 May 2017).

The Board of Directors of POLYTEC Holding AG will propose to the Annual General Meeting the payment of a dividend of EUR 0.45 per share for the 2017 financial year.

In principle, dividends are subject to the deduction of a capital gains tax of 27.5%. For individuals subject to unlimited tax liability, this means that their income tax is settled (final taxation). Corporations subject to unlimited corporate income tax liability, which hold at least 10% of share capital, are exempt from the capital gains tax. For individuals subject to limited tax liability, all relevant double taxation treaties must be taken into due account.

## 21. NON-CURRENT INTEREST-BEARING LIABILITIES

This item includes all interest-bearing liabilities with a residual term of more than one year and can be structured as follows:

| in EUR k                                      | 31.12.2017     | 31.12.2016     |
|-----------------------------------------------|----------------|----------------|
| Borrower's note loans                         | 108,261        | 99,791         |
| thereof with a residual term > 5 years        | 9,000          | 0              |
| Bank loans                                    | 17,242         | 26,708         |
| thereof with a residual term > 5 years        | 998            | 4,146          |
| thereof with collateral securities            | 11,695         | 19,379         |
| Other interest-bearing liabilities            | 516            | 626            |
| thereof with a residual term > 5 years        | 0              | 0              |
| <b>Interest-bearing financial liabilities</b> | <b>126,019</b> | <b>127,126</b> |
| Leasing liabilities                           | 313            | 1,712          |
| thereof with a residual term > 5 years        | 0              | 0              |
| <b>Total</b>                                  | <b>126,332</b> | <b>128,837</b> |

The group's expiring non-current and current interest-bearing liabilities to banks exist in the following currencies:

| in EUR k | 2017    |                          | 2016    |                          |
|----------|---------|--------------------------|---------|--------------------------|
|          | Share % | Average nominal interest | Share % | Average nominal interest |
| EUR      | 98.7    | 1.71                     | 97.9    | 1.90                     |
| GBP      | 1.3     | 2.15                     | 1.8     | 2.15                     |
| HUF      | 0.0     | 0.00                     | 0.3     | 1.96                     |

In the 2014 financial year, the POLYTEC GROUP issued a EUR k 100,000 promissory note loan with agreed terms of 5 and 7 years and respective fixed and floating interest rates.

In March 2017, the outstanding variable percentage of the 2014 promissory note amounting to EUR 36,500 k was repaid prematurely and refinanced with the issue of a new promissory note loan to the value of EUR 45,000 k. Payment of the volume in-

crease was made via a net settlement of EUR 8,500 k. The new loan was again issued in four instalments with terms of 5 and 7 years and respective fixed and floating interest rates. This was again issued in four instalments with terms of 5 and 7 years and respective fixed and floating interest rates.

## 22. OBLIGATIONS TO EMPLOYEES

This position summarises all the non-current provisions for obligations to employees:

| in EUR k                             | 31.12.2017    | 31.12.2016    |
|--------------------------------------|---------------|---------------|
| Provisions for severance payments    | 3,822         | 3,887         |
| Provisions for pensions              | 21,202        | 20,698        |
| Provisions for long-service payments | 1,977         | 2,396         |
| Other non-current provisions         | 277           | 808           |
| <b>Total</b>                         | <b>27,278</b> | <b>27,789</b> |

## PROVISIONS FOR PENSIONS

The present value of the obligations for defined benefit pension plans developed as follows:

| in EUR k                            | 2017                                 |             |               | 2016                                 |             |               |
|-------------------------------------|--------------------------------------|-------------|---------------|--------------------------------------|-------------|---------------|
|                                     | Present value of pension obligations | Plan assets | Provision     | Present value of pension obligations | Plan assets | Provision     |
| <b>As at 1.1.</b>                   | <b>20,698</b>                        | <b>0</b>    | <b>20,698</b> | <b>19,187</b>                        | <b>0</b>    | <b>19,187</b> |
| Service costs                       | 640                                  | 0           | 640           | 760                                  | 0           | 760           |
| Interest expense                    | 344                                  | 0           | 344           | 393                                  | 0           | 393           |
| Pension payments                    | -858                                 | 0           | -858          | -875                                 | 0           | -875          |
| Actuarial gains and losses:         |                                      |             |               |                                      |             |               |
| due to demographic assumptions      | 0                                    | 0           | 0             | 0                                    | 0           | 0             |
| due to financial assumptions        | -393                                 | 0           | -393          | 1,183                                | 0           | 1,183         |
| due to experience-based adjustments | 770                                  | 0           | 770           | 50                                   | 0           | 50            |
| <b>As at 31.12.</b>                 | <b>21,202</b>                        | <b>0</b>    | <b>21,202</b> | <b>20,698</b>                        | <b>0</b>    | <b>20,698</b> |

With regard to the most important actuarial parameters and relevant accounting principles, please refer to section D.10.

The pension expenses for the 2017 financial year consist mainly of defined benefit pension plans, whereby service costs are disclosed in the personnel expenses under the item "Expenses for severance payments and pensions", while interest costs are reported in the financial result under the item "Interest component defined benefit plans". The actuarial result comprises the gains and losses resulting from the changes to financial and experienced-based assumptions.

The average duration of pension obligations amounts to between 5 and 36 years (previous year: 6 to 26 years).

| in EUR k          | 31.12.2017 | 31.12.2016   |
|-------------------|------------|--------------|
| Service costs     | 640        | 760          |
| Interest expenses | 344        | 393          |
| <b>Total</b>      | <b>985</b> | <b>1,153</b> |

The actuarial gains/losses recognised under other comprehensive income developed as follows (after taxes):

| in EUR k                                             | 2017          | 2016          |
|------------------------------------------------------|---------------|---------------|
| <b>Actuarial gains (+)/losses (-) as at 1.1.</b>     | <b>-4,028</b> | <b>-3,148</b> |
| Actuarial gains (+)/losses (-) in the financial year | -262          | -880          |
| <b>Actuarial gains (+)/losses (-) as at 31.12.</b>   | <b>-4,291</b> | <b>-4,028</b> |

A change in interest rates of 25 basis points would have led to an increase in pension obligations of EUR 750 k (previous year: EUR 711 k), or to a decrease of EUR 795 k (previous year: EUR 733 k).

The sensitivity analysis shown above outlines hypothetical changes based on the assumptions made. Actual deviations from these assumptions may lead to other effects.

## PROVISIONS FOR SEVERANCE PAYMENTS

The present value of the obligations for defined benefit plans developed over time as follows:

| in EUR k                                                      | 2017         | 2016         |
|---------------------------------------------------------------|--------------|--------------|
| <b>Present value of severance payments (DBO) as at 1.1.</b>   | <b>3,887</b> | <b>3,837</b> |
| Service costs                                                 | -30          | 122          |
| Interest expenses                                             | 56           | 71           |
| Severance payments                                            | -121         | -108         |
| Actuarial gains and losses:                                   |              |              |
| due to demographic assumptions                                | 10           | -66          |
| due to financial assumptions                                  | 0            | 91           |
| due to experience-based adjustments                           | 19           | -61          |
| <b>Present value of severance payments (DBO) as at 31.12.</b> | <b>3,822</b> | <b>3,887</b> |

With regard to the most important actuarial parameters and relevant accounting principles, please refer to section D.10.

Total severance costs in the 2017 financial year are divided between defined contributions and defined benefit plans, whereby the service costs included in personnel expenses are reported under the item "Expenses for severance payments and pensions" and the interest expenses are reported in the financial result under the item "Interest component defined benefit plan". The actuarial result comprises the gains and losses resulting from changes to the financial and experienced-based assumptions.

The average duration of severance payment obligations amounts to between 5 and 12 years (previous year: 6 and 13 years).

| in EUR k                                       | 2017       | 2016       |
|------------------------------------------------|------------|------------|
| <b>Defined contribution plans</b>              |            |            |
| <b>Expenses for defined contribution plans</b> | <b>250</b> | <b>246</b> |
| <b>Defined benefit plans</b>                   |            |            |
| Service costs                                  | -30        | 122        |
| Interest expenses                              | 56         | 71         |
| <b>Expenses for defined benefit plans</b>      | <b>27</b>  | <b>193</b> |
| <b>Severance costs</b>                         | <b>277</b> | <b>439</b> |

Actuarial gains/losses recognised in other result developed as follows (after taxes):

| in EUR k                                             | 2017        | 2016        |
|------------------------------------------------------|-------------|-------------|
| <b>Actuarial gains (+)/losses (-) as at 1.1.</b>     | <b>-563</b> | <b>-600</b> |
| Actuarial gains (+)/losses (-) in the financial year | -22         | 37          |
| <b>Actuarial gains (+)/losses (-) as at 31.12.</b>   | <b>-584</b> | <b>-563</b> |

A change in interest rates of 25 basis points would have led to an increase in severance payment obligations of EUR 86 k (previous year: EUR 92 k), or to a decrease of EUR 89 k (previous year: EUR 95 k).

The sensitivity analysis shown above outlines hypothetical changes based on the assumptions made. Actual deviations from these assumptions may lead to other effects.

#### PROVISIONS FOR LONG-SERVICE PAYMENTS

The provisions for long-service payments developed as follows

| in EUR k                                       | 2017         | 2016         |
|------------------------------------------------|--------------|--------------|
| Present value of defined benefit obligations = |              |              |
| <b>Provision for long-service payments</b>     | <b>1,977</b> | <b>2,396</b> |

Total expenses for long-service payments for the financial year amounted to EUR 0 k (previous year: EUR 20 k).

#### 23. OTHER NON-CURRENT PROVISIONS

The item includes provisions for impending losses and other risks amounting to EUR 6,957 k (previous year: EUR 10,198 k), as well provisions for personnel expenses in connection with restructuring and other non-current provisions totalling EUR 4,906 k (previous year: EUR 0 k). In 2017 provisions for impending losses and other risks of EUR 3,241 k (previous year: EUR 5,800 k) were reclassified. EUR 2,026 k (previous year: 0 k) of the provisions for personnel and other non-current provisions were reclassified and EUR 2,880 k (previous year: EUR 0) allocated.

#### 24. CURRENT INTEREST-BEARING LIABILITIES

| in EUR k                                              | 31.12.2017    | 31.12.2016    |
|-------------------------------------------------------|---------------|---------------|
| Liabilities to banks                                  | 613           | 11,202        |
| Bank loans                                            | 10,851        | 11,617        |
| Other interest-bearing liabilities                    | 161           | 10            |
| Deferred interest promissory note loans               | 545           | 428           |
| <b>Interest-bearing current financial liabilities</b> | <b>12,169</b> | <b>23,257</b> |
| Leasing liabilities                                   | 1,431         | 1,539         |
| <b>Total</b>                                          | <b>13,600</b> | <b>24,795</b> |

#### 25. LIABILITIES FROM TAXES

The liabilities from taxes consist largely of liabilities from corporate and trade income taxes (or comparable taxes) in different states, where group companies have their registered office. Liabilities developed as follows:

| in EUR k                                  | 31.12.2017   | 31.12.2016   |
|-------------------------------------------|--------------|--------------|
| As at 1.1. of the financial year          | 6,752        | 3,262        |
| Currency translation differences          | -26          | -28          |
| Use for tax payments                      | -3,761       | -1,826       |
| Release                                   | -833         | -5           |
| Addition in the financial year            | 626          | 5,349        |
| <b>As at 31.12. of the financial year</b> | <b>2,758</b> | <b>6,752</b> |

#### 26. TRADE ACCOUNTS PAYABLE

| in EUR k                                | 31.12.2017    | 31.12.2016    |
|-----------------------------------------|---------------|---------------|
| Trade accounts payable                  | 54,054        | 50,600        |
| <b>Financial trade accounts payable</b> | <b>54,054</b> | <b>50,600</b> |
| Advance payments received               | 0             | 2             |
| <b>Total</b>                            | <b>54,054</b> | <b>50,603</b> |

**27. OTHER CURRENT LIABILITIES**

| in EUR k                                   | 31.12.2017    | 31.12.2016    |
|--------------------------------------------|---------------|---------------|
| Liabilities to employees                   | 3,094         | 4,013         |
| Other liabilities                          | 5,697         | 8,281         |
| <b>Other current financial liabilities</b> | <b>8,792</b>  | <b>12,293</b> |
| Accrual for unclaimed leave                | 5,511         | 4,977         |
| Other tax liabilities                      | 5,190         | 4,074         |
| Social security liabilities                | 1,896         | 1,750         |
| Deferred charges                           | 3,029         | 2,740         |
| <b>Total</b>                               | <b>24,419</b> | <b>25,832</b> |

**28. CURRENT PROVISIONS**

| in EUR k                                  | Balance as at 1.1.2017 | Change in the scope of consolidation | Currency translation | Reclassification | Use            | Release       | Allocation    | Balance as at 31.12.2017 |
|-------------------------------------------|------------------------|--------------------------------------|----------------------|------------------|----------------|---------------|---------------|--------------------------|
| Personnel-related provisions              | 6,292                  | 0                                    | -13                  | 0                | -6,292         | -81           | 8,601         | 8,507                    |
| Provisions for impending losses and risks | 7,930                  | 0                                    | 1                    | 3,241            | -5,222         | -1,250        | 1,270         | 5,970                    |
| Guarantees and warranties                 | 2,867                  | 0                                    | 1                    | 0                | -742           | -1,257        | 838           | 1,707                    |
| Other current provisions                  | 17,115                 | 0                                    | -66                  | -2,026           | -5,549         | -1,939        | 7,056         | 14,591                   |
| <b>Total</b>                              | <b>34,204</b>          | <b>0</b>                             | <b>-77</b>           | <b>1,215</b>     | <b>-17,805</b> | <b>-4,527</b> | <b>17,765</b> | <b>30,775</b>            |

| in EUR k                                  | Balance as at 1.1.2016 | Change in the scope of consolidation | Currency translation | Reclassification | Use           | Release      | Allocation    | Balance as at 31.12.2016 |
|-------------------------------------------|------------------------|--------------------------------------|----------------------|------------------|---------------|--------------|---------------|--------------------------|
| Personnel-related provisions              | 8,236                  | 0                                    | 5                    | 0                | 7,582         | 430          | 6,063         | 6,292                    |
| Provisions for impending losses and risks | 7,103                  | 0                                    | -9                   | 6,208            | 5,785         | 451          | 863           | 7,929                    |
| Guarantees and warranties                 | 2,113                  | 0                                    | 0                    | -60              | 355           | 82           | 1,251         | 2,867                    |
| Other current provisions                  | 11,190                 | 40                                   | 4                    | -454             | 4,400         | 581          | 11,316        | 17,115                   |
| <b>Total</b>                              | <b>28,642</b>          | <b>40</b>                            | <b>0</b>             | <b>5,694</b>     | <b>18,122</b> | <b>1,544</b> | <b>19,493</b> | <b>34,204</b>            |

The reclassifications relate to the reclassification of non-current and current provisions.

The personnel-related provisions contain restructuring provisions for planned plant closures.

Among other sums, the other current provisions contain provisions for customer reclamations totalling EUR 8,171 k (previous year: EUR 6,323 k) and legal risks amounting to EUR 1,709 k (previous year: EUR 2,532 k).

**29. FINANCIAL LIABILITIES**

In accordance with IAS 39, the financial liabilities comprise the non-current and current liabilities disclosed in the consolidated balance sheet, as well as interest-bearing current liabilities, trade accounts payable (without advance payments received) and other current financial liabilities. The interest-bearing liabilities contain liabilities from financial leasing relationships amounting to EUR 1,745 k (previous year: EUR 3,250 k), which pursuant to IAS 39 are not allocated to the financial liabilities.

Except for derivative financial contracts, the financial liabilities are included in the valuation category "Financial liabilities measured at the residual carrying amount". The derivative financial



instruments are classified as "Financial liabilities measured at fair value through profit or loss".

Apart from the derivative financial contracts (Level 2) totalling EUR 450 k (previous year: EUR 623 k) disclosed under "Other current liabilities", all financial liabilities are allocated to the Level 3 measurement category.

The POLYTEC GROUP only determines the fair value for interest-bearing liabilities for disclosures in the notes to the consolidated financial statements. Fair value is established using recognised measurement methods based on the discounted cash flow method. The main input factor is the discount rate, which takes available market data (risk-free interest rates) into account. In the case of financial liabilities, the creditworthiness of the POLYTEC GROUP is considered. On the balance sheet date, the Level 3 non-current financial liabilities (excluding financial leasing) showed a fair value of EUR 127,976 k (previous year: EUR 130,523 k), as compared to a carrying amount in the balance sheet of EUR 126,018 k (previous year: EUR 127,125 k). On 31 December 2017, the interest-bearing current financial liabilities (excluding financial leasing) showed a fair value of EUR 13,799 k (previous year: EUR 24,702 k), as opposed to a carrying amount in the balance sheet of EUR 12,168 k (previous year: EUR 23,256 k). The fair value of the other Level 3 financial liabilities corresponds roughly with the carrying amount in the balance sheet.

Reference should be made to the risk report with regard to the determination of the fair value of derivatives.

## F. CASH FLOW STATEMENT

### NON-CASH BUSINESS TRANSACTIONS

During the financial year expired, the POLYTEC GROUP undertook the following non-cash investment and financial transactions that are not reported in the cash flow statement.

In the course of the 2017 financial year, the POLYTEC GROUP purchased technical equipment, which was not disclosed in the cash flow, as on the balance sheet date it had not yet been (fully) paid for. Offsetting occurred through the payment of liabilities from equipment investments purchased in the previous year, which are therefore taken into account in the cash flow for this financial year. As a result, in the 2017 financial year, the cash flow from investing activities rose by EUR 861 k (previous year: EUR 1,663 k).

### OTHER NON-CASH EXPENSES AND INCOME

The non-cash expenses and income consist largely of currency translation differences and non-cash interest payments.

### CHANGES TO FINANCIAL LIABILITIES

The difference between the change in the carrying value of the financial liabilities and the cash flows reported under group cash flow from financing activities results from foreign currency translation (minus EUR 268 k).

## G. OTHER INFORMATION

### 1. EVENTS AFTER THE BALANCE SHEET DATE

All events occurring after the balance sheet date, which are of significance for the evaluation on the balance sheet date such as outstanding legal cases or claims for compensation and other obligations or impending losses, which would have to be reported or disclosed in accordance with IAS 10 (Contingencies and events occurring after the balance sheet date) have been allowed for in these consolidated financial statements.

### 2. RISK REPORTING

Within the scope of its business activities, the POLYTEC GROUP is subject to a variety of risks, which relate directly to corporate transactions. Risk management is an integral part of group strategy and business processes. The comprehensive certifications required by an automotive industry supplier (e.g. TS ISO/16949:2002) already specify appropriate regulations, which are also monitored via external audits. In line with the organisational structure of the POLYTEC GROUP, risks are locally managed and monitored close to the market, especially in the course of ongoing business processes. However, group headquarters provides central financial risk management. The following major risk areas can be identified:

#### SPECIFIC COMPANY RISKS

##### a. Sales market risk

**General sales market risk.** The automotive supplier industry constitutes a market that is seen as highly competitive and is also currently undergoing a consolidation process. Sales volumes are primarily dependent upon the acquisition of new orders, which are usually placed two to three years prior to series production. During this order acquisition phase, suppliers face strong competition regarding the best conditions. Once series production commences the supplier is also reliant upon the sales of the vehicle for which it is providing the compo-

nents, but is unable to influence its success. Furthermore, OEMs subject suppliers to permanent quality benchmarking even after the start of serial production, which may result in price demands, or in an extreme case, the loss of an order.

**Volume risk.** This emanates from demand volatility and part quantity development not according to plan. The unplanned call-up of part quantities can result in two types of problems. Unplanned high demand can lead to capacity bottlenecks, which may lead to delayed deliveries and hence reputation damage. Conversely, the lack of call-ups can cause use of capacity difficulties and a subsequent fixed cost deficit.

The POLYTEC GROUP attempts to keep the dependency upon individual delivery relationships to a minimum by means of a balanced customer and order mix.

#### **b. Procurement market risks**

One substantial risk is represented by the fluctuations in raw material prices, which in the case of a plastics processor like the POLYTEC GROUP are due mainly to long-term oil price shifts, but can also be caused by changes in refinery capacity. On the sales side this risk is countered by material fluctuation clauses in the disclosed calculations, to the degree that these are acceptable to the customer. To a certain extent, negotiations involving raw materials and purchased parts take place directly between the POLYTEC GROUP's customers and the suppliers. Where prices are only agreed with the customer on an annual basis, changes in raw material prices are an important parameter for the annual price renegotiations. Furthermore, increased research and development activities are aimed at the use of new raw materials (natural fibres).

#### **c. Investment risk**

A considerable investment on the part of the POLYTEC GROUP is necessary in order to guarantee the OEMs a supply capability and this naturally results in a corresponding risk. This investment risk can be defined as the uncertainty related to the advantageousness of an investment. During investment decisions subject to risk, the possibility exists that the future payment surpluses and returns related to an investment project may fluctuate. The volatility of the payment surpluses involves the danger of lower returns.

Meeting the infrastructural needs of the OEMs, necessitates large-volume investments by the POLYTEC GROUP many years in advance, irrespective of whether the purchase of machinery and plant, or the building of complete production facilities is involved. Therefore, should planned orders not be received, this results in an undefined prolongation of the amortisation period. Moreover, as investments relate partly to specific products or customers, an alternative possibility for their use is only

available to a limited extent. Accordingly, as a rule an appropriate delivery volume is defined with the OEM, which thus bears a corresponding degree of the investment risk.

#### **d. Production risk**

The production risk describes the overall negative deviations to be anticipated during product manufacture. Product risks in the POLYTEC GROUP derive mainly from effects, which result in unstable or defective output that in turn can lead to part number fluctuations and customer production line breakdowns. As a consequence, delivery problems may result and damage to the reputation with the customer.

Production risks also encompass quality problems, which can again have a detrimental impact on customer relationships. The POLYTEC GROUP minimises this risk through ongoing improvements to its production processes (POLYTEC Performance System, digitisation offensive, etc.), as well as the continual preparation of organisational measures for enhanced process quality.

### **FINANCIAL RISKS, THEIR MANAGEMENT AND SENSITIVITY**

**Credit risk.** Due to its customer structure with roughly 90% of total turnover being generated with OEMs or major systems suppliers, the POLYTEC GROUP is subject to the automotive industry credit risk. However, accounts receivable are monitored meticulously on a permanent basis and the payment of accounts receivable as agreed is secured. In the 2017 financial year, approximately 56%<sup>1)</sup> (previous year: 56%) of sales were obtained from the group's three major customers. This results in a certain accumulated credit risk, which, however, has been assessed by the management as being uncritical with regard to potential non-payments. Dependency upon only a few customers is a basic characteristic of the automotive supplier industry. Within this context, the customer is defined as a group of affiliated companies, which can also produce several automotive marques. In future, the management intends to seek greater diversification through the expansion of its customer base in the non-automotive business area.

The risk of non-payment with regard to cash and cash equivalents is deemed as low.

<sup>1)</sup> Including MAN after its integration into the VW Group

Despite a credit risk generally classified as low, the maximum theoretical risk of non-payment corresponds to the carrying amounts of the individual financial assets. In individual cases, credit insurance is used on the basis of the constant monitoring of accounts receivable. As at the reporting date, a credit insurance agreement was in place, which resulted in trade accounts receivable of EUR 62,612 k (previous year: EUR 0 k). Therefore, the theoretical risk of non-payment amounts to the carrying value of loans and receivables totalling EUR 125,781 k (previous year: EUR 186,554 k).

The analysis of the overdue, but not impaired trade accounts receivable and of other accounts receivable as at 31 December can be presented as follows:

| in EUR k                                       |              | Overdue but not impaired in days |          |           |            |       | Over 360 |
|------------------------------------------------|--------------|----------------------------------|----------|-----------|------------|-------|----------|
|                                                |              | Neither overdue nor impaired     | Up to 60 | 60 to 120 | 120 to 360 | 360   |          |
| <b>31.12.2017</b>                              | <b>Total</b> |                                  |          |           |            |       |          |
| Trade accounts receivable                      | 67,035       | 51,833                           | 10,332   | 2,172     | 1,376      | 1,322 |          |
| Other accounts receivable (excluding accruals) | 17,125       | 17,125                           | 0        | 0         | 0          | 0     |          |
| Interest-bearing receivables                   | 4,286        | 0                                | 0        | 0         | 0          | 4,286 |          |

| in EUR k                                       |              | Overdue but not impaired in days |          |           |            |       | Over 360 |
|------------------------------------------------|--------------|----------------------------------|----------|-----------|------------|-------|----------|
|                                                |              | Neither overdue nor impaired     | Up to 60 | 60 to 120 | 120 to 360 | 360   |          |
| <b>31.12.2016</b>                              | <b>Total</b> |                                  |          |           |            |       |          |
| Trade accounts receivable                      | 49,791       | 35,592                           | 6,891    | 1,981     | 4,115      | 1,211 |          |
| Other accounts receivable (excluding accruals) | 17,212       | 16,897                           | 116      | 23        | 129        | 47    |          |
| Interest-bearing receivables                   | 4,149        | 0                                | 0        | 0         | 0          | 4,149 |          |

No doubts exist concerning the collectability of financial assets that are neither overdue nor impaired. There are no significant risk concentrations resulting from the investment of financial assets in only one business partner.

**Liquidity risk.** The group hedges its liquidity needs by means of the maintenance of a cash reserve and contractually agreed credit lines, which are managed uniformly by group headquarters.

On the basis of the agreements concluded, the group's financial liabilities (excluding derivatives) show the following expected cash flows (including interest payments made at the interest rate on the balance sheet date):

| in EUR k                                          | Carrying value as at 31.12.2017 | Total contractual cash flows | thereof within 1 year | thereof over 1 but less than 5 years | thereof more than 5 years |
|---------------------------------------------------|---------------------------------|------------------------------|-----------------------|--------------------------------------|---------------------------|
| Promissory note loans                             | 108,806                         | 114,798                      | 1,884                 | 103,774                              | 9,140                     |
| Bank loans and other interest-bearing liabilities | 29,381                          | 26,625                       | 10,777                | 14,836                               | 1,012                     |
| Financial leasing                                 | 1,745                           | 1,956                        | 1,530                 | 426                                  | 0                         |
| Trade accounts payable                            | 54,054                          | 54,054                       | 54,054                | 0                                    | 0                         |
| Other financial liabilities                       | 8,343                           | 8,343                        | 8,343                 | 0                                    | 0                         |
| <b>Total</b>                                      | <b>202,329</b>                  | <b>205,776</b>               | <b>76,588</b>         | <b>119,036</b>                       | <b>10,152</b>             |

| in EUR k                                          | Carrying value as at 31.12.2016 | Total contractual cash flows | thereof within 1 year | thereof over 1 but less than 5 years | thereof more than 5 years |
|---------------------------------------------------|---------------------------------|------------------------------|-----------------------|--------------------------------------|---------------------------|
| Promissory note loans                             | 100,219                         | 107,838                      | 2,087                 | 105,751                              | 0                         |
| Bank loans and other interest-bearing liabilities | 50,163                          | 52,384                       | 23,380                | 23,693                               | 5,311                     |
| Financial leasing                                 | 3,250                           | 3,346                        | 1,598                 | 1,748                                | 0                         |
| Trade accounts payable                            | 50,600                          | 50,600                       | 50,600                | 0                                    | 0                         |
| Other financial liabilities                       | 11,691                          | 11,691                       | 11,691                | 0                                    | 0                         |
| <b>Total</b>                                      | <b>215,923</b>                  | <b>225,859</b>               | <b>89,356</b>         | <b>131,192</b>                       | <b>5,311</b>              |

Bank borrowings on current accounts will continue to be made available to the group until further notice and are therefore adjudged to be current. However, a short-term call-in on the part of the lender banks is not to be expected.

**Foreign exchange risk.** The bulk of POLYTEC GROUP sales revenues are invoiced in euros and consequently the foreign exchange risk only affects the group to a limited degree. Moreover, the purchase of preliminary work takes place partially in the same currency as sales, which results in natural hedging. The group is subject to higher foreign exchange risks in those countries in which invoices are written in euros, but preliminary work must be purchased in local currency. For example, such risks apply to the Czech crown, Hungarian forint and the Turkish lire. In many cases, these risks cannot be transferred to financial instruments, as they are mainly attributable to personnel costs. Owing to the expansion of production activities in the UK and the volatility of the British pound since the Brexit vote, the POLYTEC GROUP is subject to an increased currency risk in this connection. It has countered this risk through hedging transactions as needed.

The financial instruments and financial liabilities reported on the balance sheet date show the following distribution with regard to their currency of origin:

| in EUR k                                | 31.12.2017     |                     |                |
|-----------------------------------------|----------------|---------------------|----------------|
|                                         | In euros       | In foreign currency | Total          |
| Trade accounts receivable               | 52,375         | 14,660              | 67,035         |
| Receivables from construction contracts | 35,057         | 7,992               | 43,050         |
| Other receivables (excluding accruals)  | 14,588         | 2,537               | 17,125         |
| Interest-bearing receivables            | 4,286          | 0                   | 4,286          |
| Cash and cash equivalents               | 50,344         | 6,555               | 56,899         |
| <b>Total</b>                            | <b>156,649</b> | <b>31,744</b>       | <b>188,393</b> |

| in EUR k                                          | 31.12.2017     |                     |                |
|---------------------------------------------------|----------------|---------------------|----------------|
|                                                   | In euros       | In foreign currency | Total          |
| Non-current interest-bearing liabilities          | 126,054        | 278                 | 126,332        |
| Current interest-bearing liabilities              | 12,136         | 1,464               | 13,600         |
| Trade accounts payable (without advance payments) | 44,036         | 10,018              | 54,054         |
| Other current liabilities                         | 7,424          | 1,368               | 8,792          |
| <b>Total</b>                                      | <b>189,650</b> | <b>13,128</b>       | <b>202,778</b> |

| in EUR k                                | 31.12.2016     |                     |                |
|-----------------------------------------|----------------|---------------------|----------------|
|                                         | In euros       | In foreign currency | Total          |
| Trade accounts receivable               | 39,095         | 10,697              | 49,791         |
| Receivables from construction contracts | 25,843         | 10,019              | 35,862         |
| Other receivables (excluding accruals)  | 15,007         | 2,205               | 17,212         |
| Interest-bearing receivables            | 4,149          | 0                   | 4,149          |
| Cash and cash equivalents               | 75,799         | 3,741               | 79,540         |
| <b>Total</b>                            | <b>159,892</b> | <b>26,662</b>       | <b>186,554</b> |

| in EUR k                                          | 31.12.2016     |                     |                |
|---------------------------------------------------|----------------|---------------------|----------------|
|                                                   | In euros       | In foreign currency | Total          |
| Non-current interest-bearing liabilities          | 128,492        | 345                 | 128,837        |
| Current interest-bearing liabilities              | 21,961         | 2,834               | 24,796         |
| Trade accounts payable (without advance payments) | 40,630         | 9,971               | 50,600         |
| Other current liabilities                         | 10,598         | 1,695               | 12,293         |
| <b>Total</b>                                      | <b>201,681</b> | <b>14,846</b>       | <b>216,527</b> |

The distribution shows that the risk to which the group is subject due to exchange rate fluctuations is very low, as both financial assets held in foreign currency totalling 16.9% (previous year: 14.3%) and the corresponding liabilities totalling 6.5% (previous year: 6.9%) account for only a minor part of the total volume. Furthermore, currency fluctuations would equally affect both assets and liabilities and therefore display compensatory effects.

A shift in exchange rates with regard to non-inter-group trade accounts receivable and trade accounts payable of +/-10% would have no material effect upon results or equity.

**Interest rate change risk.** The POLYTEC GROUP counteracts the interest rate change risk by means of a portfolio of variable and fixed forms of financing that corresponds with the long-term interest rate projection. Long-term financing activities are predominantly subject to variable interest rates.

During the 2017 financial year, derivatives were used for interest hedging and the following table shows the fair values, the nominal amounts and the residual periods of the outstanding derivatives at the end of the reporting period.

| 31.12.2017                       |            |            | Residual period |          |               |           |
|----------------------------------|------------|------------|-----------------|----------|---------------|-----------|
| in EUR k                         | Fair value |            | Nominal         | < 1 year | 1-5 years     | > 5 years |
|                                  | pos.       | neg.       |                 |          |               |           |
| Receive-floating pay-fixed swaps | 0          | 450        | 36,500          | 0        | 36,500        | 0         |
| Interest caps                    | 0          | 0          | 0               | 0        | 0             | 0         |
| <b>Total</b>                     | <b>0</b>   | <b>450</b> | <b>36,500</b>   | <b>0</b> | <b>36,500</b> | <b>0</b>  |

| 31.12.2016                       |            |            | Residual period |              |               |           |
|----------------------------------|------------|------------|-----------------|--------------|---------------|-----------|
| in EUR k                         | Fair value |            | Nominal         | < 1 year     | 1-5 years     | > 5 years |
|                                  | pos.       | neg.       |                 |              |               |           |
| Receive-floating pay-fixed swaps | 0          | 623        | 37,571          | 1,071        | 36,500        | 0         |
| Interest caps                    | 0          | 0          | 2,500           | 2,500        | 0             | 0         |
| <b>Total</b>                     | <b>0</b>   | <b>623</b> | <b>40,071</b>   | <b>3,571</b> | <b>36,500</b> | <b>0</b>  |

The current values stated in the table above correspond with the current values at the end of the reporting period. They were determined via banks using current market parameters on the balance sheet date.

The interest swaps are offset quarterly. The variable interest rate of the interest swaps is based on 6-month Euribor. The difference between fixed and variable interest is offset net.

Interest-bearing liabilities show the following structure on the balance sheet date:

| in EUR k                           | 31.12.2017     | 31.12.2016     |
|------------------------------------|----------------|----------------|
| Promissory note loans              | 108,806        | 100,219        |
| thereof with fixed interest        | 76,806         | 63,677         |
| thereof with variable interest     | 32,000         | 36,543         |
| Liabilities to banks               | 28,705         | 49,527         |
| thereof with fixed interest        | 16,538         | 29,686         |
| thereof with variable interest     | 12,167         | 19,841         |
| Financial leasing                  | 1,745          | 3,250          |
| thereof with fixed interest        | 1,745          | 3,250          |
| thereof with variable interest     | 0              | 0              |
| Other interest-bearing liabilities | 677            | 636            |
| thereof with fixed interest        | 677            | 636            |
| thereof with variable interest     | 0              | 0              |
| <b>Total</b>                       | <b>139,932</b> | <b>153,632</b> |
| thereof with fixed interest        | 95,765         | 97,249         |
| thereof with variable interest     | 44,167         | 56,384         |

The bulk of the liabilities bearing variable interest are dependent upon the 6-month Euribor. An increase (reduction) in this reference interest rate of 100 basis points would result in an increase (decrease) of the interest expense by some EUR 355 k (previous year: EUR 564 k).

Interest-bearing receivables and current cash and cash equivalents contain variable interest-bearing financial assets totalling EUR 57,450 k (previous year: EUR 79,821 k). An increase/decrease in the interest rate of 100 basis points would result in an increase/decrease in interest income of approximately EUR 575 k (previous year: EUR 798 k).

**Cyber crime.** The POLYTEC GROUP is also subject to an increase in cyber crime attacks, but to date has been able to defend itself successfully. Nonetheless, the growing professionalism in this regard has come to represent a serious risk area in operative business. The POLYTEC GROUP's internal controls are being continually tightened and employee sensibility with regard to this topic is addressed and evaluated at regular intervals.

**Other risks.** Various legal actions and claims, among others in connection with the divestment of the interior systems business area, are pending against the POLYTEC GROUP. Although the outcome of these proceedings and claims cannot be predicted with certainty, the Board of Directors is of the opinion that either singly or in total, the results of these issues will not have a materially adverse effect on the company's liquidity situation, results or financial position. Notwithstanding this cautious estimation, other forms of residual risks remain.

No other material risks and obligations exist that have not been appropriately mentioned in these consolidated financial statements or the notes.

### 3. RELATED PARTIES

Apart from the members of the Board of Directors and the Supervisory Board, related parties pursuant to IAS 24 include IMC Verwaltungsgesellschaft mbH, Hörsching, and its affiliated companies. The family of the CEO of the POLYTEC GROUP, Friedrich Huemer, is the sole owner of the shares in the said companies and Friedrich Huemer is the managing director with sole power of representation of the said companies.

As at the 31 December 2017 balance sheet date, the company was informed about the following shares of voting rights, which are subject to notification pursuant to § 91 of the Stock Exchange Act:

Huemer Group: 29.0%

The Capital Group Companies, Inc.: 5.4%

NN Group N.V. (prev. Delta Lloyd Asset Management N.V.): 5.0%

The remaining shares are in free float.

On 8 July 2016, POLYTEC Immobilien GmbH purchased a property in Hörsching, which is directly adjacent to the group's headquarters and the Hörsching plant, from FH Immobilien GmbH, a company belonging to Friedrich Huemer (CEO), at the standard market price of EUR 2,740 k. The land will be available to the POLYTEC GROUP for future plant enlargements on an unrestricted basis.

### OTHER BUSINESS RELATIONSHIPS

A work contract exists between the POLYTEC GROUP and IMC Verwaltungsgesellschaft mbH, Hörsching, regarding a member of the Board of Directors of the POLYTEC Holding AG, Hörsching.

GLOBE AIR AG, Hörsching, provided transport services to employees of the POLYTEC GROUP in the business year under review (volume of less than EUR 0.1 million analogous to the preceding year).

One member of the Supervisory Board also sits on the executive board of a bank with which the group has a business relationship in the form of deposits and loan.

No provisions or expenses for doubtful or unrecoverable debts were reported in 2017 or in 2016 in connection with transactions with related parties.

### 4. REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

Total remuneration of the members of the Board of Directors in the 2017 financial year amounted to EUR 2,800 k (previous year: EUR 2,541 k). EUR 2,800 k (previous year: EUR 2,541 k) are attributable to short-term benefits, of which EUR 0 k (previous year: EUR 0 k) relate to the remuneration of a former Board member. As in the preceding year, in the 2017 financial year no payments were made after the termination of the working relationship.

As yet unpaid variable salary components affecting the 2017 business year are reported in the current personnel provisions.

There are no stock-option plans or similar shareholding-based remunerations pursuant to IFRS 2.

Total expenses for the emoluments to Supervisory Board members in the financial year amounted to EUR 99 k (previous year: EUR 99 k).

There are no loans or advance payments relating to current or former members of company bodies. No former members of the governing bodies of the company receive any kind of salary from the group or one of its affiliated companies.

## 5. POLYTEC HOLDING AG GOVERNING BODIES

During the year under review and at the time of the preparation of the consolidated financial statements, the **members of the Board of Directors** were as follows:

Friedrich Huemer, Wallern  
(Chairman of the Board of Directors)

Markus Huemer, Wallern  
(Deputy Chairman of the Board of Directors)

Alice Godderidge, Piberbach

Peter Haidenek, Velden a. W.

During the year under review and at the time of the preparation of the consolidated financial statements, the **members of the Supervisory Board** were as follows:

Fred Duswald, Thalheim  
(Chairman of the Supervisory Board)

Manfred Helmut Trauth, Knittelsheim, Germany  
(Deputy Chairman of the Supervisory Board)

Robert Büchelhofer, Starnberg, Germany

Viktoria Kickinginger, Vienna

Reinhard Schwendtbauer, Leonding

## 6. GROUP COMPANIES

| Company                                                                   | Company address | Country | Shareholder                             | 2017                          |                                     | 2016                          |                                     |
|---------------------------------------------------------------------------|-----------------|---------|-----------------------------------------|-------------------------------|-------------------------------------|-------------------------------|-------------------------------------|
|                                                                           |                 |         |                                         | Direct and indirect holding % | Type of consolidation <sup>1)</sup> | Direct and indirect holding % | Type of consolidation <sup>1)</sup> |
| POLYTEC Anlagenfinanzierung GmbH                                          | Hörsching       | AUT     | POLYTEC Holding AG                      | 100.0                         | KV                                  | 100.0                         | KV                                  |
| POLYTEC CAR STYLING Hörsching GmbH                                        | Hörsching       | AUT     | POLYTEC Holding AG                      | 100.0                         | KV                                  | 100.0                         | KV                                  |
| POLYTEC CAR STYLING UK Ltd. (formerly: POLYTEC CAR STYLING Bromyard Ltd.) | Bromyard        | GBR     | POLYTEC Holding AG                      | 100.0                         | KV                                  | 100.0                         | KV                                  |
| POLYTEC FOHA CORPORATION                                                  | Markham         | CAN     | POLYTEC Holding AG                      | 100.0                         | KV                                  | 100.0                         | KV                                  |
| Polytec Foha Inc.                                                         | Warren          | USA     | POLYTEC Holding AG                      | 100.0                         | KV                                  | 100.0                         | KV                                  |
| POLYTEC Car Styling Schoten N.V.                                          | Schoten         | BEL     | POLYTEC Holding AG                      | 100.0                         | KV                                  | 100.0                         | KV                                  |
| Polytec Netherlands Holding B.V.                                          | Roosendaal      | NED     | POLYTEC Holding AG                      | 100.0                         | KV                                  | 100.0                         | KV                                  |
| Polytec Composites NL B.V.                                                | Roosendaal      | NED     | Polytec Netherlands Holding B.V.        | 100.0                         | KV                                  | 100.0                         | KV                                  |
| Polytec Plastics NL B.V.                                                  | Putte           | NED     | Polytec Netherlands Holding B.V.        | 100.0                         | KV                                  | 100.0                         | KV                                  |
| Polytec Hungary Kft.                                                      | Komló           | HUN     | POLYTEC Holding AG                      | 100.0                         | KV                                  | 100.0                         | KV                                  |
| Polytec Komló Kft.                                                        | Komló           | HUN     | POLYTEC Hungary Kft.                    | 100.0                         | KV                                  | 100.0                         | KV                                  |
| POLYTEC Germany GmbH                                                      | Lohne           | GER     | POLYTEC Holding AG                      | 100.0                         | KV                                  | 100.0                         | KV                                  |
| PT Composites GmbH                                                        | Gochsheim       | GER     | POLYTEC Germany GmbH                    | 100.0                         | KV                                  | 100.0                         | KV                                  |
| Polytec Holding Deutschland GmbH                                          | Lohne           | GER     | PT Plastics GmbH                        | 100.0                         | KV                                  | 100.0                         | KV                                  |
| Polytec Automotive GmbH & Co KG <sup>2)</sup>                             | Lohne           | GER     | Polytec Holding Deutschland GmbH        | 100.0                         | KV                                  | 100.0                         | KV                                  |
| Polytec Automotive Verwaltungs GmbH                                       | Lohne           | GER     | Polytec Holding Deutschland GmbH        | 100.0                         | KO                                  | 100.0                         | KO                                  |
| Polytec Deutschland Verwaltungs GmbH                                      | Lohne           | GER     | Polytec Holding Deutschland GmbH        | 100.0                         | KO                                  | 100.0                         | KO                                  |
| Polytec Plastics Germany GmbH & Co KG <sup>2)</sup>                       | Lohne           | GER     | Polytec Holding Deutschland GmbH        | 100.0                         | KV                                  | 100.0                         | KV                                  |
| Polytec Plastics Idstein GmbH & Co KG <sup>2)</sup>                       | Idstein         | GER     | Polytec Holding Deutschland GmbH        | 100.0                         | KV                                  | 100.0                         | KV                                  |
| POLYTEC Plastics Ebensee GmbH                                             | Ebensee         | AUT     | POLYTEC Holding AG                      | 100.0                         | KV                                  | 100.0                         | KV                                  |
| Polytec Interior Zaragoza S.L. i.L.                                       | Zaragoza        | ESP     | POLYTEC Holding AG                      | 100.0                         | KO                                  | 100.0                         | KO                                  |
| POLYTEC AUTO PARTS Tianjin Co., Ltd                                       | Tianjin         | CHN     | POLYTEC Holding AG                      | 100.0                         | KV                                  | 100.0                         | KV                                  |
| PT Beteiligungs GmbH                                                      | Hörsching       | AUT     | POLYTEC Holding AG                      | 100.0                         | KV                                  | 100.0                         | KV                                  |
| POLYTEC Composites Beteiligungs GmbH                                      | Gochsheim       | GER     | PT Composites GmbH                      | 100.0                         | KV                                  | 100.0                         | KV                                  |
| POLYTEC Composites Verwaltungs GmbH                                       | Gochsheim       | GER     | PT Beteiligungs GmbH                    | 100.0                         | KO                                  | 100.0                         | KO                                  |
| POLYTEC Composites Germany GmbH & Co KG <sup>2)</sup>                     | Gochsheim       | GER     | POLYTEC Composites Beteiligungs GmbH    | 100.0                         | KV                                  | 100.0                         | KV                                  |
| POLYTEC Compounds GmbH & Co. KG <sup>2)</sup>                             | Gochsheim       | GER     | POLYTEC Composites Beteiligungs GmbH    | 100.0                         | KV                                  | 100.0                         | KV                                  |
| POLYTEC Compounds Verwaltungs GmbH                                        | Gochsheim       | GER     | POLYTEC Composites Beteiligungs GmbH    | 100.0                         | KO                                  | 100.0                         | KO                                  |
| POLYTEC Industrielackierungen GmbH & Co. KG <sup>2)</sup>                 | Rastatt         | GER     | POLYTEC Composites Beteiligungs GmbH    | 100.0                         | KV                                  | 100.0                         | KV                                  |
| POLYTEC Industrielackierungen Verwaltungs GmbH                            | Rastatt         | GER     | POLYTEC Composites Beteiligungs GmbH    | 100.0                         | KO                                  | 100.0                         | KO                                  |
| POLYTEC Composites Slovakia s.r.o.                                        | Sladkovicovo    | SVK     | PT Beteiligungs GmbH                    | 100.0                         | KV                                  | 100.0                         | KV                                  |
| PT Plastik Ürünleri Sanayi ve Ticaret A.S.                                | Aksaray         | TUR     | PT Beteiligungs GmbH                    | 100.0                         | KV                                  | 100.0                         | KV                                  |
| Polytec Composites Bohemia s.r.o.                                         | Chodová Planá   | CZE     | PT Beteiligungs GmbH                    | 100.0                         | KV                                  | 100.0                         | KV                                  |
| POLYTEC Composites Weiden GmbH                                            | Weiden          | GER     | POLYTEC Composites Beteiligungs GmbH    | 100.0                         | KV                                  | 100.0                         | KV                                  |
| Newplastics, S.A.                                                         | Lisbon          | POR     | POLYTEC Composites Germany GmbH & Co KG | 2.0                           | KOE                                 | 2.0                           | KOE                                 |
| Ljungby Komposit AB                                                       | Ljungby         | SWE     | PT Beteiligungs GmbH                    | 25.0                          | KOE                                 | 25.0                          | KOE                                 |
| POLYTEC Industrielackierung Weiden GmbH                                   | Waldnaab        | GER     | POLYTEC Composites Beteiligungs GmbH    | 100.0                         | KV                                  | 100.0                         | KV                                  |
| POLYTEC Industrial Plastics GmbH                                          | Bochum          | GER     | POLYTEC Holding AG                      | 70.0                          | KV                                  | 70.0                          | KV                                  |



| Company                                         | Company address | Country | Shareholder                      | 2017                          |                                     | 2016                          |                                     |
|-------------------------------------------------|-----------------|---------|----------------------------------|-------------------------------|-------------------------------------|-------------------------------|-------------------------------------|
|                                                 |                 |         |                                  | Direct and indirect holding % | Type of consolidation <sup>1)</sup> | Direct and indirect holding % | Type of consolidation <sup>1)</sup> |
| POLYTEC Elastoform GmbH                         | Marchtrenk      | AUT     | POLYTEC Industrial Plastics GmbH | 70.0                          | KV                                  | 70.0                          | KV                                  |
| POLYTEC EMC Engineering GmbH                    | Marchtrenk      | AUT     | POLYTEC Industrial Plastics GmbH | 70.0                          | KV                                  | 70.0                          | KV                                  |
| POLYTEC THELEN GmbH                             | Bochum          | GER     | POLYTEC Industrial Plastics GmbH | 70.0                          | KV                                  | 70.0                          | KV                                  |
| POLYTEC Immobilien Holding GmbH                 | Hörsching       | AUT     | POLYTEC Holding AG               | 100.0                         | KV                                  | 100.0                         | KV                                  |
| PT Immobilien GmbH                              | Hörsching       | AUT     | POLYTEC Immobilien Holding GmbH  | 100.0                         | KV                                  | 100.0                         | KV                                  |
| POLYTEC Immobilien GmbH                         | Hörsching       | AUT     | PT Immobilien GmbH               | 94.5                          | KV                                  | 94.5                          | KV                                  |
| POLYTEC Composites Immobilien GmbH              | Kraichtal       | GER     | POLYTEC Immobilien Holding GmbH  | 94.5                          | KV                                  | 94.5                          | KV                                  |
| PPI Immobilien GmbH                             | Ebensee         | AUT     | POLYTEC Immobilien Holding GmbH  | 95.0                          | KV                                  | 95.0                          | KV                                  |
| POLYTEC Immobilien Deutschland GmbH             | Lohne           | GER     | POLYTEC Immobilien Holding GmbH  | 94.5                          | KV                                  | 94.5                          | KV                                  |
| POLYTEC Real Estate Gayrimenkul Limited Sirteki | Aksaray         | TUR     | POLYTEC Immobilien Holding GmbH  | 100.0                         | KV                                  | 100.0                         | KV                                  |
| POLYTEC Estates Slovakia s.r.o.                 | Sladkovicovo    | SVK     | POLYTEC Immobilien Holding GmbH  | 100.0                         | KV                                  | 100.0                         | KV                                  |
| POLYTEC Estates Belgium N.V.                    | Schoten         | BEL     | POLYTEC Immobilien Holding GmbH  | 100.0                         | KV                                  | 100.0                         | KV                                  |
| SPELAG s.r.o.                                   | Chodová Planá   | CZE     | POLYTEC Immobilien Holding GmbH  | 100.0                         | KO                                  | 100.0                         | KO                                  |
| POLYTEC ESTATES Bohemia k.s.                    | Chodová Planá   | CZE     | POLYTEC Immobilien Holding GmbH  | 100.0                         | KV                                  | 100.0                         | KV                                  |
| POLYTEC ESTATES UK Ltd.                         | Bromyard        | GBR     | POLYTEC Holding AG               | 100.0                         | KV                                  | 100.0                         | KV                                  |

<sup>1)</sup> KV = fully consolidated companies

KE = companies consolidated at equity

KO = companies excluded due to lack of materiality

KOE = no at equity valuation due to immateriality

<sup>2)</sup> Pursuant to §24 of the German Commercial Code, the companies are released from an obligation to prepare, audit and publish annual financial statements and a management report in accordance with the current regulations applicable to corporations.

Hörsching, 22 March 2018

The Board of Directors

Friedrich Huemer

Markus Huemer

Alice Godderidge

Peter Haidenek

# STATEMENT OF ALL LEGAL REPRESENTATIVES

## PURSUANT TO § 124 (1) AUSTRIAN STOCK EXCHANGE ACT

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

Hörsching, 22 March 2018

The Board of Directors of POLYTEC Holding AG

Friedrich Huemer  
Chairman of the Board of Directors – CEO  
Responsibilities: M&A, Investment Management,  
Corporate Strategy, Corporate Communications,  
Legal Affairs

Markus Huemer  
Deputy Chairman of the Board of Directors – COO  
Responsibilities: Business Development, Plants,  
Production, Purchasing, HR, IT

Alice Godderidge  
Member of the Board of Directors – CSO  
Responsibilities: Sales and Engineering  
(Sales, Marketing and Development)

Peter Haidenek  
Member of the Board of Directors – CFO  
Responsibilities: Finance, Controlling, Accounting,  
Investor Relations, Internal Audit

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

# AUDITORS' REPORT

(This is a translation of the original German version for information purposes without liability; the German version prevails.)

## REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

### AUDIT OPINION

We have audited the consolidated financial statements of

POLYTEC Holding AG  
Hörsching

and its subsidiaries (the group), which comprise the consolidated balance sheet as at 31 December 2017, the consolidated income statement and consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the financial year then ended, and the notes to the consolidated financial statements.

In our opinion, the consolidated financial statements comply with the mandatory regulations and give a true and fair view of the consolidated financial position of the group as at 31 December 2017, as well as its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, and the additional requirements pursuant to § 245a UGB (Austrian Commercial Code).

### BASIS FOR THE AUDIT OPINION

We conducted our audit in accordance with the EU Regulation (EU) 537/2014 ("EU regulation") and with Austrian auditing standards. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISA). Our responsibilities pursuant to these rules and standards are described in the "Auditors' Responsibility" section of our report. We are independent of the audited entity as prescribed by Austrian commercial law and professional regulations, and have fulfilled our other responsibilities in line with these relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. Our audit procedures relating to these matters were designed within the context of our audit of the consolidated financial statements as a whole and therefore no separate opinion is provided.

We have identified the following as key audit matters:

- Evaluation of construction contracts
- Impairment of deferred tax assets

### EVALUATION OF SALES REVENUE AND RESULT REALISATION FROM CONSTRUCTION CONTRACTS

See notes Items D.18, E.14

#### Risk for the financial statements

In the consolidated financial statements of POLYTEC Holding AG as at 31 December 2017, sales revenues from construction contracts amounting to EUR 70,596 k, receivables totalling EUR 43,050 k and liabilities of EUR 4,802 k are reported.

Where the result of the construction contract can be reliably assessed, related sales revenue and result recognition takes place in accordance with the percentage of completion method. The stage of completion on the balance sheet date is determined by the ratio of the contract costs incurred on the balance sheet date to the estimated total costs of the contract. The data employed as the basis for the valuation of the construction contracts contains assumptions and estimates with regard to the anticipated project result and individual project risks.

The risk in the consolidated financial statements emanates from the incorrect recognition of the sales revenues and the related expenses and thus also the incorrect reporting of the receivables and liabilities from construction contracts.

### **Our approach for auditing**

Our approach for auditing incorporated an assessment of the relevant controls in connection with the presentation and evaluation of construction contracts, as well as the sample-based examination of the anticipated contract earnings, the scheduled contract costs and the contract costs of individual projects incurred up to the balance sheet date, taking into account the contractual bases and current information. In addition, we subjected internal project reporting to a critical examination in order to be able to assess if all the known information and risks had been accounted for in the course of presentation. Individual projects of material significance were discussed with those responsible.

In addition, we also completed an examination in order to ascertain if the required information in the notes provided all the necessary explanations in connection with construction contracts and if the material estimate uncertainties were described appropriately.

### **IMPAIRMENT OF DEFERRED TAX ASSETS**

See notes Items D.18, E.11

### **Risk for the financial statement**

As at 31 December 2017, deferred tax assets totalled EUR 7,674 k. An amount of EUR 1,136 k resulted from loss carryforwards. In addition, no tax asset deferrals were applied to tax loss carryforwards of EUR 10,488 k, as owing to the loss history their validity as definitive tax relief could not be sufficiently securely estimated. The reporting of the deferred tax assets is justified owing to the anticipated realisation of future results subject to tax.

The presentation of the deferred tax assets is based largely on the assumptions of the Board of Directors regarding future developments, which are linked to uncertainties.

### **Our approach for auditing**

Our approach for auditing incorporated an assessment of the relevant controls in connection with the presentation and evaluation of the deferred tax assets, as well as the sample-based examination of their calculation. In the course of this assessment, we verified the existence of the loss carryforwards, as well as the expected carry forward period on the basis of the available documentation, and also compared the bases for evaluation with the medium-term planning approved by the Supervisory Board. Furthermore, we completed an examination in order to determine if the required information in the notes provided all the necessary explanations in connection with deferred tax assets and if the material estimate uncertainties were described appropriately.

### **RESPONSIBILITIES OF MANAGEMENT AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The management is responsible for the preparation of these consolidated financial statements and that in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) they provide a true and fair view of the group's asset, financial and earnings position. In addition, the management is also responsible for such internal controls, as it deems necessary in order to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

When drawing up the consolidated financial statements, management is also responsible for assessing the group's ability to continue as a going concern, and, where appropriate, to disclose matters that are relevant to the group's ability to continue as a going concern, and to apply the going concern assumption in its financial reporting, except under circumstances in which the management intends to liquidate the group, cease operations, or has no realistic alternative to such measures.

The audit committee is responsible for overseeing the group's financial reporting process.

### **AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatements, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance represents a high degree of assurance, but provides no guarantee that an audit conducted in accordance with the EU regulation and with Austrian auditing standards, which require the audit to be performed in accordance with ISA, will always detect a material misstatement when it exists. Misstatements may result from fraud or error and are considered material if they could, individually or in total, reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with EU regulation and with the Austrian auditing standards, which require the audit to be performed in accordance with ISA, we exercise professional judgment and maintain a critical, professional approach throughout the audit.

In addition:

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, plan and perform procedures to address such risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk that material misstatements due to fraud remain undetected is higher than that of material misstatements due to error, since fraud may include collusion, forgery, intentional omissions and misleading representation, or the overriding of internal controls.
- We obtain an understanding of the internal control system of relevance to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system.
- We evaluate the appropriateness of the accounting policies employed and the reasonableness of both the accounting estimates and related disclosures made by management.
- We prepare conclusions on the appropriateness of management's use of the going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. Should we conclude that there is a material uncertainty about the entity's ability to continue as a going concern, we are obliged to draw attention to the respective note in the consolidated financial statements in our audit report or, should such disclosures be inappropriate, to modify our audit opinion. We base our conclusions on the audit evidence obtained up to the date of our audit report. However, future events or conditions may result in the group departing from the going concern assumption.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We bear sole responsibility for our audit opinion.
- We communicate with the audit committee regarding, among other matters, the planned scope and timing of our audit, as well as important findings that include any significant deficiencies in the internal control system, which we identify in the course of our audit.
- We provide the audit committee with a declaration that we have complied with the relevant professional requirements in respect of our independence and report on any relationships and other events that may reasonably be thought to affect our independence and, where applicable, the related safeguards.
- From the matters discussed with the audit committee, we determine those that were of greatest significance in the audit of the consolidated financial statements of the financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless laws or regulations preclude public disclosure about such matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so could reasonably be expected to outweigh the public interest benefits of such communication.

## OTHER LEGAL REQUIREMENTS

### REPORT ON THE GROUP MANAGEMENT REPORT

In accordance with the Austrian Commercial Code the group management report is to be audited as to whether it is consistent with the consolidated financial statements and if it has been prepared in accordance with legal requirements. As far as the non-financial declaration is concerned, we are responsible for ensuring it has been prepared, its reading and an assessment as to whether it materially contradicts the consolidated financial statement, or appears to contain material misstatement.

Management is responsible for the preparation of the group management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with the generally accepted standards for the auditing of group management reports.

**Opinion**

In our opinion, the group management report has been prepared in accordance with current legal requirements and is consistent with the consolidated financial statements. The disclosures pursuant to § 243a UGB (Austrian Commercial Code) are appropriate.

**Statement**

In view of the knowledge gained in the course of the audit of the consolidated financial statements and the understanding of the group and its environment thus obtained, we did not determine any material misstatements in the group management report.

**OTHER INFORMATION**

The legal representatives of the company are responsible for other information. Other information consists of all the information contained in the annual report, with the exception of the consolidated financial statements, the group management report, and the auditors' report thereon. It is probable that we will be provided with the annual report after the date of our report.

Our opinion on the consolidated financial statements does not cover such other information and we will not provide any kind of assurance in its regard.

In conjunction with our audit, it is our responsibility to read this other information as soon as it is available and to assess whether, in view of the knowledge gained during our audit, it contains any material inconsistencies with regard to the consolidated financial statements, or any apparent material misstatement of fact.

**ADDITIONAL INFORMATION IN ACCORDANCE WITH ARTICLE 10 EU REGULATION**

We were selected as the group auditors at the Annual General Meeting on 22 May 2017 and on 21 September 2017 were commissioned by the Supervisory Board with the audit of the consolidated financial statements of POLYTEC Holding AG. Following an interruption of several years in our auditing activities, we were recommissioned for the first time as the group auditors for the consolidated financial statements as at 31 December 2017.

We declare that our opinion expressed in the "Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the audit committee in accordance with Article 11 of the EU regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 of the EU regulation) and that we have ensured our independence of the members of the group throughout the course of the audit.

**RESPONSIBLE AUDITOR**

The auditor responsible for the audit contract is Căcilia Gruber.

Linz, 22 March, 2018

KPMG Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Căcilia Gruber  
Auditor

The publication or dissemination of the consolidated financial statements with our auditors' report may only take place in our approved version. This auditors' report relates solely to the German language version of the complete consolidated financial statements including the management report. For other versions, the regulations contained in §281 Para 2 of the Austrian Commercial Code are to be observed.

# SHARE & INVESTOR RELATIONS

## POLYTEC SHARE PRICE DEVELOPMENT

As at 29 December, the last stock exchange trading day in the 2017 financial year, the POLYTEC share (ISIN: AT0000A00XX9) closed at EUR 18.50 and was thus EUR 8.11 or some 78.1% up on the end value of the previous year (EUR 10.39). In the Vienna Stock Exchange performance ranking, the share was placed fifth in the list of all seventy stocks. The average price for the year stood at EUR 16.46 (2016: EUR 7.89) and market capitalisation at the end of the year totalled EUR 413.1 million (2016: EUR 231.9 million).

From the beginning of 2017, the ATX Prime Index rose by 28.1% to 1,725.19, while the STOXX® Europe 600 Automobile & Parts (SXAP) was up by 11.8% and closed at 615 points (2016: 543). Therefore, the PYT share performed six times better than the branch index.



Following the publication of the preliminary results for the 2016 financial year on 23 January 2017, the POLYTEC share gained ground and then rose even more sharply after the complete financial report for 2016 was issued on 6 April 2017. The summer was characterised by price corrections, but was

followed at the beginning of September by the second significant price upturn, which more than compensated for the falls of the preceding months.

11 October 2017 was a particularly special stock exchange day for POLYTEC Holding AG shareholders, as during trading the PYT share reached a price of EUR 22.60, which represented its highest ever value. As a result, market capitalisation passed the psychologically important EUR 500 million mark. On 2 November, the POLYTEC share closed at EUR 22.38, which represented a high for the year and thus the second major trading milestone in 2017. There followed two months of volatility during which larger trading volumes were registered, which probably resulted from shareholders taking profits from the high price level as opposed to the start of the year.

As opposed to the preceding year, the average daily trading volume more than doubled. During the 247 days of trading on the Vienna Stock Exchange, in 2017 the average trading volume amounted to 83,317 shares per day (2016: 35,937 shares, both figures using double counting). Improved liquidity enhanced the attractiveness of the POLYTEC share for investors in general and the international institutional segment in particular.

On 30 November 2017, the best trading day, 708,690 POLYTEC shares were traded and this high may have related to the acceptance of the POLYTEC share into the MSCI World Small Cap Index. Other strong trading days were 7 November with 478,280 and 24 January with 366,794 shares, double counting.

| POLYTEC share (AT0000A00XX9)                           | Unit     | 2017   | Change | 2016   | 2015   |
|--------------------------------------------------------|----------|--------|--------|--------|--------|
| Year-end closing price                                 | EUR      | 18.50  | 78.1%  | 10.39  | 7.66   |
| Highest closing price during the year                  | EUR      | 22.38  | 111.1% | 10.60  | 8.45   |
| Lowest closing price during the year                   | EUR      | 10.40  | 56.4%  | 6.65   | 6.20   |
| Average closing price during the year                  | EUR      | 16.46  | 108.6% | 7.89   | 7.52   |
| Market capitalisation at year-end                      | EUR m    | 413.1  | 78.1%  | 231.9  | 171.0  |
| Vienna Stock Exchange money turnover (double counting) | EUR m    | 347.9  | 385.2% | 71.7   | 84.6   |
| Vienna Stock Exchange share turnover (double counting) | Shares m | 20.6   | 128.9% | 9.0    | 11.3   |
| Daily average share turnover (double counting)         | Shares   | 83,317 | 131.8% | 35,937 | 45,660 |

Source: Vienna Stock Exchange

After the 2017 reporting period, on 23 January 2018 the POLYTEC share reached an interim high of EUR 21.00, but at the end of January and the beginning of February 2018, was pulled down by the price corrections on the international stock exchanges.

## INVESTOR CONTACTS

In order to secure a comprehensive, timely and transparent presentation of POLYTEC GROUP information of relevance to the capital markets, the Board of Directors and the Investor Relations team maintained constant contacts with stockholders. During the 2017 financial year, POLYTEC presented road shows and participated in investors' meetings on 40 days at 20 European venues, and participated in several investor conferences with the aim of reporting upon the current business figures and development of the company. In addition, investor visits to POLYTEC headquarters in Hörsching were organised and plant tours offered, while a regular dialogue was continued with institutional and private investors and analysts by means of frequent telephone conferences.



From left: Paul Rettenbacher (Head of Investor Relations) and Peter Haidenek (CFO) during a road show in London in September 2017



## DIVIDEND POLICY

POLYTEC's dividend policy is based on profitability and the strategic growth perspectives and the capital requirements of the group. In the 2017 business year, POLYTEC Holding AG's net profit amounted to EUR 132.6 million. Therefore, the Board of Directors and the Supervisory Board will propose the distribution of a dividend of EUR 0.45 per eligible share to the 18<sup>th</sup> Ordinary Annual General Meeting to be held on 16 May 2018.

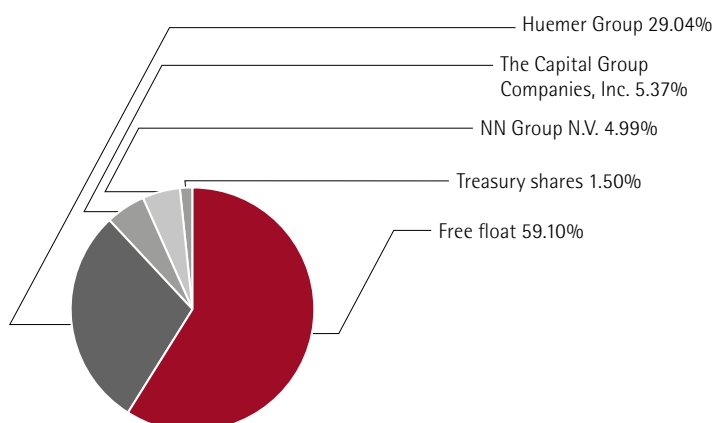
This corresponds to a gross dividend payment of around EUR 9.9 million (2016: EUR 8.8 million). The pay-out ratio amounts to 25.9%. It is thus in the middle of the 20% to 30% distributable earnings range. On the basis of an average price for the year of EUR 16.46, a dividend yield of 2.7% results. 22 May 2018 is the ex-dividend day and 24 May 2017 the dividend pay-out day.

| POLYTEC share                                          | Unit | 2017 | Change | 2016 | 2015 |
|--------------------------------------------------------|------|------|--------|------|------|
| Earnings per share                                     | EUR  | 1.74 | 5.5%   | 1.65 | 1.08 |
| Proposed dividend per share                            | EUR  | 0.45 | 12.5%  | 0.40 | 0.30 |
| Dividend yield on the basis of the average share price | %    | 2.7  | -47.1% | 5.1  | 4.0  |
| Pay-out ratio                                          | %    | 25.9 | 7.0%   | 24.2 | 27.8 |

## SHAREHOLDER STRUCTURE

As at 31 December 2017, POLYTEC Holding AG's share capital remained unchanged at EUR 22.3 million and was divided into 22,329,585 bearer shares. On the balance sheet date POLYTEC Holding AG held an unchanged total of 334,041 treasury shares, which amounted to roughly 1.50% of share capital. The Huemer Group retained an unaltered 29.04% (16.0% Huemer Holding GmbH and 13.04% Huemer Invest GmbH) holding in POLYTEC Holding AG share capital. During the 2017 financial year, the NN Group N.V., Amsterdam (Netherlands), which was previously Delta Lloyd N.V., Amsterdam (Netherlands), sent POLYTEC Holding AG two voting right notifications in accordance with §91 of the Austrian Stock Exchange Act (now § 130 Stock Exchange Act 2018). For details, we would refer you to the group management report.

As at 31 December 2017, on the basis of the shares issued, the shareholder structure of POLYTEC Holding AG presented the following picture:



## AUTHORISED CAPITAL

The empowerment of the Board of Directors on the basis of a resolution passed during the 16<sup>th</sup> Ordinary Annual General Meeting on 19 May 2016 to undertake the renewed creation of authorised capital (§169 of the Austrian Stock Corporation Act) for the purpose of an increase in cash or non-cash capital up to an amount of EUR 6,698,875.00, with the possibility of the exclusion of the subscription rights of the shareholders, as well as the corresponding amendment of the Articles of Association, is valid until 24 August 2019.

## RESEARCH COVERAGE

The coverage of the POLYTEC GROUP by national and international investment banks is an important element in its comprehensive investor relations activities and plays a significant role in the visibility of the POLYTEC shares within the investor community.

During the 2017 financial year the following financial institutions published reports on POLYTEC Holding AG and the recommendations and price targets up to the editorial closing date of this report in mid-March 2018 are contained in the following table. The current recommendations and price targets can be accessed on the company website, [www.polytec-group.com](http://www.polytec-group.com) in the Investor Relations, Share, Analyses section.

| Institute                      | Recommendation | Latest price target |
|--------------------------------|----------------|---------------------|
| BAADER Helvea Equity Research  | Hold           | EUR 21.5            |
| ERSTE Group Research           | Hold           | EUR 19.0            |
| M.M.Warburg Research           | Buy            | EUR 24.0            |
| Raiffeisen CENTROBANK Research | Hold           | EUR 20.5            |

## CORPORATE CALENDAR 2018

|                 |           |                                                                                            |
|-----------------|-----------|--------------------------------------------------------------------------------------------|
| 12 April 2018   | Thursday  | Publication of the financial statements and annual report for 2017                         |
| 6 May 2018      | Sunday    | Record date "AGM"                                                                          |
| 9 May 2018      | Wednesday | Publication of the interim report for Q1 2018                                              |
| 16 May 2018     | Wednesday | 18 <sup>th</sup> Annual General Meeting for the 2017 financial year, Hirsching, 10:00 a.m. |
| 22 May 2018     | Tuesday   | Ex-dividend day                                                                            |
| 23 May 2018     | Wednesday | Record date "Dividends"                                                                    |
| 24 May 2018     | Thursday  | Dividend pay-out day                                                                       |
| 8 August 2018   | Wednesday | Publication of the financial report for HY1 2018                                           |
| 7 November 2018 | Wednesday | Publication of the interim report for Q3 2018                                              |

## DETAILS REGARDING THE POLYTEC SHARE

|                                      |                                                                                                                              |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| ISIN                                 | AT0000A00XX9                                                                                                                 |
| Total number of shares issued        | 22,329,585                                                                                                                   |
| Listing on the Vienna Stock Exchange | Prime Market                                                                                                                 |
| Indexes                              | ATX Prime, ATX CPS, ATX FMLY, ATX PC8, ATX PC8 NTR, ATX FMLY NTR, ATX PC8 TR, ATX FMLY TR, WBI<br>MSCI World Small Cap Index |
| Share also traded in/via             | Berlin, Frankfurt, London, Munich, Stuttgart, Tradegate                                                                      |
| Ticker symbols                       | Vienna Stock Exchange: PYT; Bloomberg: PYT.AV; Reuters: POLV.VI; WKN: A0JL31                                                 |

# CORPORATE GOVERNANCE

## 1. COMMITMENT TO THE AUSTRIAN CORPORATE GOVERNANCE CODE

The key elements in an animate corporate governance culture consist of a high degree of transparency for all stakeholders and a long-term and sustainable increase in corporate value, as well as efficient teamwork between the company's governing bodies, the protection of shareholders' interests and open corporate communications.

Since its IPO, POLYTEC Holding AG has voluntarily committed itself to compliance with the Austrian Corporate Governance Code in its respective current edition. During the 2017 financial year, the version of the code from January 2015 applied and therefore all the information and statements provided in this report pursuant to § 243c and 267b of the Austrian Commercial Code (UGB) are based on this edition. The complete text of the Austrian Commercial Code can be accessed from the website of the Austrian Working Committee for Corporate Governance ([www.corporate-governance](http://www.corporate-governance)).

POLYTEC Holding AG complies with all the compulsory "L rules" (Legal Requirements) and all the "C rules" (Comply or Explain) contained in the Austrian Corporate Governance Code with the exception of Rule C-62. According to this rule, the company should allow the regular evaluation of adherence to the C rules of the code by an external institution at least every three years and to date this has not taken place. The company justifies this fact with the related high costs, but is nonetheless convinced that adherence to the C rules and transparency are secured through internal audits and measures. The Corporate Governance Report for the 2017 financial year is publicly available via the POLYTEC Holding AG's corporate website ([www.polytec-group.com](http://www.polytec-group.com)), which is registered in the Austrian Company Register.

## 2. POLYTEC HOLDING AG GOVERNING BODIES

### BOARD OF DIRECTORS

#### BOARD ORGANISATION AND WORKING METHODS

In accordance with the Articles of Association, the Board of Directors of POLYTEC Holding AG consists of one, two, three, four or five members. The Supervisory Board appoints the members of the Board of Directors. The Board of Directors manages the company in accordance with the relevant laws, the Articles of Association and the internal rules of procedure, which are subject to prior approval by the Supervisory Board. The scope of collaboration and distribution of responsibilities amongst the members of the Board of Directors are laid down in the internal rules of procedure. Details concerning the competence of each individual board member are provided in their personal descriptions.

The members of the Board of Directors are in constant and close communication with each other in order to assess corporate progress and take any necessary decisions in a timely manner. The POLYTEC Holding AG Board of Directors meets on a regular basis in order to discuss current developments in the individual business areas. The Board of Directors regularly informs the Supervisory Board of the course of business and the economic situation of the company on a quarterly basis at the minimum, while taking into account the future development of the group. The Chairman of the Supervisory Board must be informed immediately about any events with serious implications.

All of the serving members of the Board of Directors in 2016 were granted a unanimous discharge at the 17<sup>th</sup> Annual General Meeting on 22 May 2017.

At the meeting of the Supervisory Board held on 6 December 2017, the mandate of the Board Chairman, Friedrich Huemer was extended for a year and therefore ends on 31 December 2018.

**THE FOLLOWING FOUR PERSONS SERVED AS MEMBERS OF THE POLYTEC HOLDING AG BOARD OF DIRECTORS IN 2017:**

**Friedrich Huemer (CEO)**



- Born in: 1957
- Chairman of the Board of Directors and founder of the POLYTEC GROUP
- Date of initial appointment: year of company foundation
- End of current term of office: 31 December 2018
- Areas of responsibility: M&A, Investment Management, Corporate Strategy, Corporate Communications, Legal Affairs
- Supervisory Board positions: Globe Air AG (Chairman of the Supervisory Board)

**Markus Huemer (COO)**



- Born in: 1981
- Deputy Chairman of the Board of Directors
- Date of initial appointment: 1 January 2014
- End of current term of office: 31 December 2018
- Areas of responsibility: Business Development, Plants, Production, Purchasing, Human Resources, IT
- Supervisory Board positions: Globe Air AG (Member of the Supervisory Board)

**Alice Godderidge (CSO)**



- Born in: 1972
- Member of the Board of Directors
- Date of initial appointment: 1 January 2014
- End of current term of office: 31 December 2018
- Areas of responsibility: Sales and Engineering (Sales, Marketing, Development)
- Supervisory Board positions: none

**Peter Haidenek (CFO)**



- Born in: 1965
- Member of the Board of Directors
- Date of initial appointment: 1 February 2011
- End of current term of office: 31 December 2019
- Areas of responsibility: Finance, Controlling, Accounting, Investor Relations, Internal Audit
- Supervisory Board positions: none

**SUPERVISORY BOARD**

**BOARD ORGANISATION AND WORKING METHODS**

The Supervisory Board's scope of activities is defined by laws and regulations that apply to listed companies in Austria, e.g. the Austrian Stock Corporation Act and the Austrian Stock Exchange Act. In addition, the Supervisory Board is obliged to comply with the rules of the Austrian Corporate Governance Code. As far as internal company regulations are concerned, the Articles of Association and the rules of internal procedure are of primary importance. The members of the Supervisory Board

are elected and can be removed from office by the Annual General Meeting. In accordance with the POLYTEC Holding AG Articles of Association, the Supervisory Board consists of at least three and no more than six members, elected by the Annual General Meeting. The members of the Supervisory Board are obliged to conduct an annual self-assessment of their activities.

All five serving members of the Supervisory Board in the 2016 financial year were granted a unanimous discharge at the 17<sup>th</sup> Annual General Meeting on 22 May 2017.

**THE FOLLOWING FIVE PERSONS SERVED AS MEMBERS OF THE POLYTEC HOLDING AG SUPERVISORY BOARD IN 2017**

**Fred Duswald**



- Born in: 1967
- Chairman of the Supervisory Board
- Date of initial appointment: 2006
- End of current term of office: Annual General Meeting regarding the 2019 financial year
- Other Supervisory Board positions: none
- Independent

**Manfred Trauth**



- Born in: 1948
- Deputy Chairman of the Supervisory Board
- Date of initial appointment: 2007
- End of current term of office: Annual General Meeting regarding the 2019 financial year
- Other Supervisory Board positions: none
- Independent

**Viktoria Kicking**



- Born in: 1952
- Member of the Supervisory Board
- Date of initial appointment: 2006
- End of current term of office: Annual General Meeting regarding the 2019 financial year
- Other Supervisory Board positions: none
- Independent

**Robert Büchelhofer**



- Born in: 1942
- Member of the Supervisory Board
- Date of initial appointment: 2005
- End of current term of office: Annual General Meeting regarding the 2019 financial year
- Other Supervisory Board positions: none
- Independent

**Reinhard Schwendtbauer**



- Born in: 1972
- Member of the Supervisory Board
- Date of initial appointment: 2010
- End of current term of office: Annual General Meeting regarding the 2019 financial year
- Other Supervisory Board positions: none
- Independent

**INDEPENDENCE OF THE SUPERVISORY BOARD MEMBERS**

The members of the Supervisory Board are deemed to be independent if they have no business or personal relationships with the company or its Board of Directors that could result in a material conflict of interest and thus influence the members' conduct. One member of the Supervisory Board also sits on the executive board of a bank with which the group has a business relationship in the form of deposits and loan transactions. The

members of the POLYTEC Holding AG Supervisory Board have committed themselves to compliance with the criteria of independence pursuant to Rule C-53 of the Austrian Corporate Governance Code and have declared their independence. The requirements of Rule C-54 of the Code are fulfilled.

## BUSINESS TRANSACTIONS OF THE SUPERVISORY BOARD MEMBERS REQUIRING PRIOR APPROVAL

During the 2017 financial year, the members of the Supervisory Board undertook no transactions that required prior consent pursuant to Rule L-48.

## SUPERVISORY BOARD COMMITTEES

In accordance with the Austrian Stock Corporation Act, the POLYTEC Holding AG Supervisory Board has established an audit committee, which carries out the scheduled controlling and monitoring functions. The chairperson of the audit committee disposes over the appropriate knowledge and practical experience with regard to financing, accounting and reporting (financial expert). Apart from the supervision of accounting and the auditing processes of both the financial statements and the consolidated financial statements, the effectiveness of the internal control and

risk management systems is also monitored. In addition, the Supervisory Board is required to examine the Corporate Governance Report and reporting with regard to Austrian sustainability and diversity improvement legislation. A report upon the contents is subsequently presented to the Annual General Meeting.

During the 2017 financial year, the audit committee met twice and a total of four Supervisory Board meetings were held. No additional sittings were required. No Supervisory Board member was absent from more than half of the board's meetings. In addition to the mandatory establishment of the audit committee, a nomination committee and a risk management committee were formed.

The areas of responsibility of the individual Supervisory Board members in the respective committees are shown in the following table.

## COMPOSITION OF THE COMMITTEES

| Committees                | Chairperson            | Members                            |
|---------------------------|------------------------|------------------------------------|
| Audit committee           | Reinhard Schwendtbauer | Robert Büchelhofer, Fred Duswald   |
| Nomination committee      | Fred Duswald           | Manfred Trauth, Viktoria Kickinger |
| Risk management committee | Viktoria Kickinger     | Manfred Trauth, Fred Duswald       |

## REMUNERATION REPORT

### REMUNERATION OF THE BOARD OF DIRECTORS

When determining the total remuneration of the members of the Board of Directors, the Supervisory Board has to ensure that this is commensurate with their individual tasks and performance, the company's economic position and the customary levels of remuneration, while providing long-term incentives for a sustainable development of the company. Remuneration contains fixed and variable components. Apart from the achievement of performance-related targets set for each individual board member, the development of the return on capital employed (ROCE – EBIT/average capital employed) is the most important parameter for the calculation of the variable remuneration components. There are no stock option plans or similar share-based remuneration systems currently in place.

There are no stock option plans or similar share-based remuneration systems currently in place.

In the year under review, total remuneration to the four members of the Board of Directors including performance-related components amounted to EUR 2,800 k (2016: EUR 2,541 k). Unpaid variable remuneration for 2017 is recognised in the current provisions for personnel. The Chairman of the Board of Directors, Friedrich Huemer works for POLYTEC Holding AG on the basis of a service contract via IMC Verwaltungsgesellschaft mbH, Hörsching. There is no company pension system for members of the Board of Directors. As at the balance sheet date on 31 December 2017, no loans or advance payments had been granted to the current or former members of the Board of Directors.

## REMUNERATION OF THE BOARD OF DIRECTORS IN THE 2017 FINANCIAL YEAR

| Member of the Board of Directors | Basic salary | Variable component of remuneration | Total        |
|----------------------------------|--------------|------------------------------------|--------------|
| Friedrich Huemer <sup>1)</sup>   | 619          | 938                                | 1,557        |
| Markus Huemer <sup>2)</sup>      | 264          | 224                                | 488          |
| Alice Godderidge <sup>2)</sup>   | 233          | 194                                | 427          |
| Peter Haidenek <sup>2)</sup>     | 212          | 117                                | 329          |
| <b>Total</b>                     | <b>1,328</b> | <b>1,473</b>                       | <b>2,800</b> |

Amounts in EUR k <sup>1)</sup> service contract fee, <sup>2)</sup> gross salaries

## REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of the members of the Supervisory Board for the previous financial year is sanctioned within the framework of the Annual General Meeting. Total remuneration of the members of the Supervisory Board for the 2016 financial year was approved during the 17<sup>th</sup> Ordinary Annual General Meeting held on 22 May 2017 and totalled EUR 98,750. For the 2017 financial year, a total amount of EUR 98,750 for the remuneration of all

members of the Supervisory Board was again recognised as an expense. Accordingly, the Board of Directors will propose this amount to the 18<sup>th</sup> Ordinary Annual General Meeting to be held on 16 May 2018 as total emoluments to the Supervisory Board. Subject to prior approval by the Annual General Meeting, this sum will be distributed among the individual members of the Supervisory Board as follows:

### REMUNERATION OF THE SUPERVISORY BOARD IN THE 2017 FINANCIAL YEAR

| Member of the Supervisory Board | Function                                 | Remuneration |
|---------------------------------|------------------------------------------|--------------|
| Fred Duswald                    | Chairman of the Supervisory Board        | 25.00        |
| Manfred Trauth                  | Deputy Chairman of the Supervisory Board | 18.75        |
| Viktoria Kickingner             | Member of the Supervisory Board          | 15.00        |
| Robert Büchelhofer              | Member of the Supervisory Board          | 25.00        |
| Reinhard Schwendtbauer          | Member of the Supervisory Board          | 15.00        |
| <b>Total</b>                    |                                          | <b>98.75</b> |

Amounts in EUR k

## 3. OTHER INFORMATION

### CODE OF CONDUCT AND COMPLIANCE

For the POLYTEC GROUP conduct in accordance with the law and strict ethical standards represents a matter of course. However, compliance in this connection means far more than merely the implementation of current rules and regulations. In fact, compliance is a matter of corporate culture. Therefore, the bearing of responsibility and actions in accordance with ethical principles have been integrated into the POLYTEC GROUP's values and mission statement in unequivocal form, and tabulated in the Code of Conduct, which can be accessed via the group's website.

As a listed corporation POLYTEC Holding AG is obliged to fulfil all the stipulations of the Stock Exchange Act, the EU Market Abuse Directive and the related provisions for implementation. In order to prevent insider dealings, all employees and other persons acting on behalf of POLYTEC Holding AG have been informed of the ban on the misuse of insider information, and internal guidelines have been issued for the transfer of information within the company. Adherence to the latter is monitored and suitable organisational measures have been taken in order to prohibit the improper use or passing on of insider information. The related tasks constitute a major element within the compliance organisation. The members of the Supervisory

Board and the Board of Directors receive comprehensive information regarding compliance activities at regular intervals.

In addition to capital market compliance content, the POLYTEC GROUP holds regular training regarding anti-corruption and anti-trust law. The awareness levels of employees are raised with respect to issues of competition and anti-trust law relevance, as well as correct conduct when dealing with gifts and invitations. The aim is to protect both employees and the group against infringements of the law and to offer practice-related support during the application of the relevant regulations. No breaches of compliance were determined during the period under review.

### DIVERSITY AND THE PROMOTION OF WOMEN

The POLYTEC GROUP operates 28 plants in twelve countries and employs a workforce of around 4,500. As a result of this internationality, diversity, respect, equality of opportunity and the integration of employees from differing cultures represent integral elements within corporate culture. Any form of personal discrimination whether due to origin, gender, skin colour, age, religion, sexual orientation or handicap is strictly rejected.

During recruitment for vacant positions, a focus is placed on performance orientation, knowledge, skills, equal opportunity and treatment. Candidates are selected primarily on the basis of the qualifications and experience they can contribute to the POLYTEC GROUP.

When electing members of the Supervisory Board, the Annual General Meeting has to account for requirements relating to professional and personal qualifications, as well as the balanced specialist composition of the board. In addition, diversity aspects have to be taken into reasonable account with regard to the representation of both genders, age structure and internationality. Newly elected Supervisory Board members must inform themselves appropriately regarding the structure and activities of the company and their tasks and responsibilities. The POLYTEC Holding AG Supervisory Board has had a female member for over a decade and during the 2017 financial year one of the five Supervisory Board positions was therefore occupied by a woman, which corresponded to a 20% share of membership.

A woman has also served on the four-member Board of Directors for more than four years, which represents a 25% share of the posts. On the 2017 balance sheet date for this report, women held an unchanged total of around 13% of the executive managerial posts at the POLYTEC GROUP's companies. On 31 December 2017, the quota of women in POLYTEC Holding AG amounted to around 45% (2016: 50%). In the Finance and Accounting, Sales and Marketing, as well as in the Legal departments, women currently hold clerical, middle and departmental management positions. As female employees have long been represented on both the Supervisory Board and the Board of Directors, and as no posts were unoccupied in 2017, during the year under report no measures were undertaken for the promotion of women in these two bodies.

The workforce in the automotive supply industry is still predominately male, as this sector continues to be primarily oriented towards technology. On 31 December 2017, the quota of female employees in the POLYTEC GROUP (excluding leasing personnel) amounted to 20.4%, which was slightly higher than on the balance sheet date of the previous year (20.3%).

## D&O INSURANCE POLICY

POLYTEC Holding AG has concluded a directors and officers (D&O) insurance policy for the members of the company's Board of Directors, Supervisory Board and executive employees, as well as the managing bodies of the subsidiaries. The company or the subsidiaries pay the premiums for this insurance policy.

## AUDITOR

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz was recommended by the Supervisory Board as the auditor of POLYTEC Holding AG's financial statements and consolidated financial statements for the 2017 financial year. This proposal was approved with the required majority at the 17<sup>th</sup> Ordinary Annual General Meeting held on 22 May 2017. In the year under review, total expenses for auditing purposes amounted to EUR 146 k (2016: EUR 175 k). A more detailed breakdown of these expenses in the single fields of activity is available in the notes to the consolidated financial statements.

## CHANGES AFTER THE REPORTING DATE

No changes to matters subject to obligatory reporting occurred between the reporting date and the editorial closing date of the Corporate Governance Report in mid-March 2018.

Hörsching, 22 March 2018

The Board of Directors of POLYTEC Holding AG

Friedrich Huemer  
Chairman – CEO

Markus Huemer, MBA  
Deputy Chairman – COO

Alice Godderidge  
Member of the Board – CSO

Peter Haidenek  
Member of the Board – CFO



# REPORT OF THE POLYTEC HOLDING AG SUPERVISORY BOARD FOR THE 2017 FINANCIAL YEAR

In the financial year expired, the Board of Directors of POLYTEC Holding AG provided the members of the Supervisory Board and its committees with regular information about the business performance and financial situation of the company. During both Supervisory Board meetings and informal discussions, communications between the Board of Directors and the Supervisory Board were characterised by a high degree of openness, which allowed the Supervisory Board to comprehensively assess the management of the company at all times and support the Board of Directors with regard to key decisions. The Supervisory Board executed its duties pursuant to the Austrian legal provisions and the company's Articles of Association, as well as in compliance with the Austrian Corporate Governance Code.

During the 2017 financial year, the committees formed in accordance with the Austrian Corporate Governance Code (audit, nomination and risk management committees) convened as stipulated. The meetings dealt largely with the discussion of the course of business and resolutions regarding business matters and measures of importance. The Supervisory Board of POLYTEC Holding AG is currently composed of five shareholder representatives and is committed to compliance with the Austrian Corporate Governance Code. All of the Supervisory Board members are deemed to be independent according to the definition contained in the Austrian Corporate Governance Code.

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, audited the financial statements including the management report, the consolidated financial statements and the group management report of POLYTEC Holding AG in its capacity as the auditor for the 2017 financial year. The auditor granted both the 2017 financial statements and consolidated financial statements of POLYTEC Holding AG an unqualified opinion. On the basis of this audit, apart from the clarification of especially important auditing matters, among other aspects it was confirmed that the financial statements and the consolidated financial statements comply with all legal requirements and provide a true and fair view of the asset and financial situation as at 31 December 2017, as well as the profit situation for the financial year ending on this closing date. Pursuant to the opinion of the auditor, the financial statements were prepared in accordance with the stipulations of Austrian company law and

the consolidated financial statements in line with the International Financial Reporting Standards, as applied in the EU (IFRS) and the additional requirements pursuant to § 245a UGB (Austrian Commercial Code).

At its meeting on 11 April 2018, together with the auditor, the audit committee of the Supervisory Board studied in detail the annual financial statements including the management report, the corporate governance report, the consolidated financial statements including the group management report and the auditors' report. Following its own examination, the audit committee endorsed the findings of the auditors' report and informed the Supervisory Board accordingly.

The Supervisory Board examined the annual financial statements, the consolidated financial statements, the management report, the group management report and the corporate governance report and endorsed the result of the audit of the financial statements and consolidated financial statements. The Supervisory Board concurred with the annual financial statements, which are thus adopted pursuant to § 96 Para.4 of the Austrian Stock Corporation Act. The Supervisory Board also agreed with the recommendation of the audit committee and will propose to the Annual General Meeting that KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, be appointed as the auditor for the 2018 financial year.

Furthermore, the Supervisory Board concurs with the recommendation of the Board of Directors to distribute a dividend of EUR 0.45 per eligible share for the 2017 financial year.

On behalf of the Supervisory Board, I would like to express my gratitude to the Board of Directors and all the members of the POLYTEC GROUP workforce for their endeavors and great commitment during the 2017 financial year. I would also like to thank the POLYTEC GROUP's shareholders and customers for their trust.

Hörsching, April 2018

Fred Duswald  
Chairman of the Supervisory Board

# FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017 (GERMAN)

|                                                                                                         |     |
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POLYTEC Holding AG,  
Hörsching

## Bilanz zum 31. Dezember 2017

mit Gegenüberstellung der Vorjahreszahlen in tausend Euro (TEUR)

|                                                           | 31.12.2017<br>EUR     | 31.12.2016<br>TEUR |                                                        | 31.12.2017<br>EUR     | 31.12.2016<br>TEUR |
|-----------------------------------------------------------|-----------------------|--------------------|--------------------------------------------------------|-----------------------|--------------------|
| <b>Aktiva</b>                                             |                       |                    |                                                        |                       |                    |
| <b>A. Anlagevermögen:</b>                                 |                       |                    | <b>A. Eigenkapital:</b>                                |                       |                    |
| I. Immaterielle Vermögensgegenstände                      | 1.401.786,82          | 698                | I. Eingefordertes und einbezahltes Grundkapital:       | 22.329.585,00         | 22.330             |
| II. Sachanlagen                                           | 343.210,16            | 544                | 1. Gezeichnetes Grundkapital                           | -334.041,00           | -334               |
| III. Finanzanlagen                                        | 159.515.971,81        | 158.403            | 2. Eigene Anteile                                      | 21.995.544,00         | 21.996             |
|                                                           | <b>161.260.968,79</b> | 159.644            |                                                        | 38.869.949,79         | 38.870             |
| <b>B. Umlaufvermögen:</b>                                 |                       |                    | II. Kapitalrücklagen (gebundene)                       | 334.041,00            | 334                |
| I. Forderungen und sonstige Vermögensgegenstände:         | 81.570,50             | 8                  | III. Gebundene Gewinnrücklage für eigene Anteile       | 132.623.640,69        | 123.332            |
| 1. Forderungen aus Lieferungen und Leistungen             | 0,00                  | 0                  | IV. Bilanzgewinn                                       | 114.533.458,69        | 85.727             |
| 2. Forderungen gegenüber verbundenen Unternehmen          | 120.447.492,46        | 86.067             | davon Gewinnvortrag                                    | <b>193.823.175,48</b> | 184.531            |
| 3. Sonstige Forderungen und Vermögensgegenstände          | 25.508.452,21         | 7.582              | <b>B. Rückstellungen:</b>                              |                       |                    |
| II. Kassenbestand, Schecks, Guthaben bei Kreditinstituten | 3.836.415,07          | 3.524              | 1. Rückstellungen für Abfertigungen                    | 270.735,75            | 282                |
|                                                           | 55.000,00             | 100                | 2. Steuerrückstellungen                                | 110.000,00            | 910                |
|                                                           | <b>23.413.518,57</b>  | 42.202             | 3. Sonstige Rückstellungen                             | 2.729.303,35          | 2.911              |
| <b>C. Rechnungsabgrenzungsposten</b>                      | <b>147.778.996,60</b> | 131.802            |                                                        | <b>3.110.039,10</b>   | 4.113              |
| <b>D. Aktive latente Steuern</b>                          | <b>155.432,14</b>     | 118                | <b>C. Verbindlichkeiten:</b>                           |                       |                    |
|                                                           | <b>1.377.838,00</b>   | 1.743              | 1. Verbindlichkeiten aus Schuldscheindarlehen          | 109.044.540,64        | 100.523            |
|                                                           |                       |                    | davon mit einer Restlaufzeit bis zu einem Jahr         | 544.540,64            | 523                |
|                                                           |                       |                    | 2. Verbindlichkeiten aus Lieferungen und Leistungen    | 108.500.000,00        | 100.000            |
|                                                           |                       |                    | davon mit einer Restlaufzeit bis zu einem Jahr         | 1.166.028,24          | 463                |
|                                                           |                       |                    | 3. Verbindlichkeiten gegenüber verbundenen Unternehmen | 1.166.028,24          | 463                |
|                                                           |                       |                    | davon mit einer Restlaufzeit von mehr als einem Jahr   | 0,00                  | 0                  |
|                                                           |                       |                    | 4. Sonstige Verbindlichkeiten                          | 1.001.007,00          | 1.501              |
|                                                           |                       |                    | davon aus Steuern                                      | 1.001.007,00          | 1.501              |
|                                                           |                       |                    | davon im Rahmen der sozialen Sicherheit                | 116.641,07            | 177                |
|                                                           |                       |                    | davon mit einer Restlaufzeit bis zu einem Jahr         | 9.815,97              | 78                 |
|                                                           |                       |                    |                                                        | 84.892,27             | 80                 |
|                                                           |                       |                    |                                                        | 116.641,07            | 177                |
|                                                           |                       |                    |                                                        | <b>111.328.216,95</b> | 102.663            |
|                                                           |                       |                    | davon mit einer Restlaufzeit bis zu einem Jahr         | 2.828.216,95          | 2.663              |
|                                                           |                       |                    | davon mit einer Restlaufzeit von mehr als einem Jahr   | 108.500.000,00        | 100.000            |
|                                                           |                       |                    | <b>D. Rechnungsabgrenzungsposten:</b>                  | <b>2.311.804,00</b>   | 2.000              |
|                                                           |                       |                    |                                                        | <b>310.573.235,53</b> | 293.307            |

**POLYTEC Holding AG,  
Hörsching**

**Gewinn- und Verlustrechnung  
für das Geschäftsjahr 2017**

mit Gegenüberstellung der Vorjahreszahlen in tausend Euro (TEUR)

|                                                                                                             | 2017<br>EUR           | 2016<br>TEUR |
|-------------------------------------------------------------------------------------------------------------|-----------------------|--------------|
| 1. Umsatzerlöse                                                                                             | 14.345.586,16         | 12.118       |
| 2. Sonstige betriebliche Erträge:                                                                           |                       |              |
| a) Erträge aus dem Abgang vom und der Zuschreibung zum<br>Anlagevermögen mit Ausnahme der Finanzanlagen     | 42.311,98             | 24           |
| b) Übrige                                                                                                   | 44.001,36             | 42           |
|                                                                                                             | <u>86.313,34</u>      | 67           |
| 3. Personalaufwand:                                                                                         |                       |              |
| a) Gehälter                                                                                                 | -4.127.891,23         | -3.675       |
| b) Soziale Aufwendungen                                                                                     |                       |              |
| ba) für Abfertigungen und Leistungen an<br>betriebliche Mitarbeiterversorgungskassen                        | -67.178,03            | -37          |
| bb) für gesetzlich vorgeschriebene Sozialabgaben<br>sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge | -909.246,23           | -812         |
|                                                                                                             | <u>-976.424,26</u>    | -849         |
|                                                                                                             | -5.104.315,49         | -4.524       |
| 4. Abschreibungen auf immaterielle Gegenstände des<br>Anlagevermögens und Sachanlagen                       | -521.889,12           | -556         |
| 5. Sonstige betriebliche Aufwendungen:                                                                      |                       |              |
| Übrige                                                                                                      | -7.758.441,67         | -6.087       |
| 6. Zwischensumme aus Z 1 bis Z 5 ( <b>Betriebsergebnis</b> )                                                | <u>1.047.253,22</u>   | 1.018        |
| 7. Erträge aus Beteiligungen                                                                                | 14.296.626,86         | 36.234       |
| <i>davon aus verbundenen Unternehmen</i>                                                                    | 14.296.626,86         | 36.234       |
| 8. Sonstige Zinsen und ähnliche Erträge                                                                     | 3.697.650,95          | 3.731        |
| <i>davon aus verbundenen Unternehmen</i>                                                                    | 3.441.244,55          | 3.297        |
| 9. Erträge aus dem Abgang von und der Zuschreibung<br>zu Finanzanlagen                                      | 0,00                  | 1.368        |
| <i>davon aus verbundenen Unternehmen</i>                                                                    | 0,00                  | 1.368        |
| 10. Aufwendungen aus Finanzanlagen und<br>aus Wertpapieren des Umlaufvermögens                              | -100.297,66           | -6.200       |
| <i>davon Aufwendungen aus verbundenen Unternehmen</i>                                                       | -100.297,66           | -6.200       |
| 11. Zinsen und ähnliche Aufwendungen                                                                        | -2.126.031,85         | -2.599       |
| <i>davon aus verbundenen Unternehmen</i>                                                                    | -2.160,00             | -3           |
| 12. Zwischensumme aus Z 7 bis Z 11 ( <b>Finanzergebnis</b> )                                                | <u>15.767.948,30</u>  | 32.534       |
| <b>13. Ergebnis vor Steuern</b>                                                                             | <b>16.815.201,52</b>  | 33.552       |
| 14. Steuern vom Einkommen                                                                                   | 1.274.980,48          | 4.053        |
| <i>davon latente Steuern</i>                                                                                | -365.162,00           | 1.743        |
| <b>15. Ergebnis nach Steuern = Jahresüberschuss</b>                                                         | <b>18.090.182,00</b>  | 37.605       |
| 16. Gewinnvortrag aus dem Vorjahr                                                                           | 114.533.458,69        | 85.727       |
| <b>17. Bilanzgewinn</b>                                                                                     | <b>132.623.640,69</b> | 123.332      |

## **Anhang für das Geschäftsjahr 2017 der POLYTEC Holding AG, Hörsching**

### **I. Anwendung der unternehmensrechtlichen Vorschriften**

Der vorliegende Jahresabschluss 2017 ist nach den Vorschriften des UGB aufgestellt worden.

Die Gesellschaft ist als große Kapitalgesellschaft gemäß § 221 UGB einzustufen.

Im Interesse einer klaren Darstellung wurden in der Bilanz und in der Gewinn- und Verlustrechnung einzelne Posten zusammengefasst. Diese Posten sind im Anhang gesondert ausgewiesen.

Die Gewinn- und Verlustrechnung ist in Staffelform nach dem Gesamtkostenverfahren aufgestellt.

Die bisherige Form der Darstellung wurde grundsätzlich bei der Erstellung des vorliegenden Jahresabschlusses beibehalten.

Soweit es zur Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage erforderlich ist, wurden im Anhang zusätzliche Angaben gemacht.

### **II. Bilanzierungs- und Bewertungsmethoden**

Der Jahresabschluss wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung sowie der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln, aufgestellt.

Bei der Erstellung des Jahresabschlusses wurde der Grundsatz der Vollständigkeit eingehalten.

Bei der Bewertung wurde von der Fortführung des Unternehmens ausgegangen.

Bei den Vermögensgegenständen und Schulden wurde der Grundsatz der Einzelbewertung angewandt.

Die bisherigen angewandten Bewertungsmethoden wurden beibehalten.

Schätzungen beruhen auf einer umsichtigen Beurteilung. Soweit statistisch ermittelbare Erfahrungen aus gleich gelagerten Sachverhalten vorhanden sind, wurden diese bei Schätzungen berücksichtigt.

Dem Vorsichtsprinzip wurde Rechnung getragen, indem insbesondere nur die am Abschlussstichtag verwirklichten Gewinne ausgewiesen werden.

Alle erkennbaren Risiken und drohenden Verluste wurden berücksichtigt.

Immaterielle Vermögensgegenstände werden, soweit gegen Entgelt erworben, zu Anschaffungskosten aktiviert und in längstens fünf Jahren abgeschrieben.

Sachanlagen werden zu Anschaffungs- oder Herstellungskosten, abzüglich planmäßiger Abschreibungen, bewertet.

Die planmäßigen Abschreibungen werden linear unter Zugrundelegung folgender Nutzungsdauern und Abschreibungssätze berechnet:

|                                                       | Nutzungs-<br>dauer in<br>Jahren | Abschrei-<br>bungssatz<br>% |
|-------------------------------------------------------|---------------------------------|-----------------------------|
| Technische Anlagen und Maschinen                      | 3 - 8                           | 12,5 - 33,3                 |
| Andere Anlagen, Betriebs-<br>und Geschäftsausstattung | 2 - 10                          | 10,0 - 50,0                 |

Von den Zugängen in der ersten Hälfte des Geschäftsjahres wird die volle Jahresabschreibung, von den Zugängen in der zweiten Hälfte wird die halbe Jahresabschreibung verrechnet.

Geringwertige Vermögensgegenstände werden im Jahr der Anschaffung voll abgeschrieben.

Außerplanmäßige Abschreibungen werden vorgenommen, soweit der Ansatz mit einem niedrigeren Wert erforderlich ist.

Zuschreibungen zu Vermögensgegenständen des Anlagevermögens werden vorgenommen, wenn die Gründe für die außerplanmäßige Abschreibung nachhaltig weggefallen sind. Die Zuschreibung erfolgt auf maximal den Nettobuchwert, der sich unter Berücksichtigung der Normalabschreibungen, die inzwischen vorzunehmen gewesen wären, ergibt.

Die Anteile an verbundenen Unternehmen werden zu Anschaffungskosten oder, falls ihnen ein niedrigerer Zeitwert beizulegen ist, mit diesem angesetzt, wenn die Wertminderungen voraussichtlich von Dauer sind.

Die Ausleihungen an verbundenen Unternehmen werden zu Anschaffungskosten oder, falls ihnen ein niedrigerer Zeitwert beizulegen ist, mit diesem angesetzt, wenn die Wertminderungen voraussichtlich von Dauer sind.

Forderungen und sonstige Vermögensgegenstände werden mit dem Nennbetrag angesetzt. Fremdwährungsforderungen werden unter Berücksichtigung des Niederstwertprinzips mit dem Referenzkurs der Europäischen Zentralbank zum Bilanzstichtag bewertet. Für erkennbare Risiken werden Einzelwertberichtigungen gebildet.

Für Anteile an verbundenen Unternehmen wird für den Jahresabschluss beurteilt, ob Anhaltspunkte für einen wesentlich geänderten beizulegenden Wert vorliegen. Die Beurteilung erfolgt grundsätzlich auf Basis einer Gegenüberstellung des Beteiligungsansatzes mit dem anteiligen Eigenkapital zum Stichtag, sowie bei einem Auftreten von externen oder internen Einflussfaktoren die eine erhebliche Wertminderung auslösen können. Kann eine gegebenenfalls auftretende Unterdeckung nicht durch stille Reserven kompensiert werden, wird eine Bewertung auf Basis von abgezinsten Cash-Flows durchgeführt. Die Ableitung der Cash-Flows basiert auf der vom Vorstand und vom Aufsichtsrat bewilligten Planung. Der Zinssatz wird aus aktuellen Marktdaten abgeleitet.

Die Ausleihungen an sowie die Forderungen gegenüber verbundenen Unternehmen werden anhand von Ergebnis- und Cash-Flow-Planungen hinsichtlich der Werthaltigkeit und dem Rückführungspotential analysiert und beurteilt.

Eigene Anteile werden zu Anschaffungskosten oder den niedrigeren Kurswerten bewertet.

Zuschreibungen zu Vermögensgegenständen des Umlaufvermögens werden vorgenommen, wenn die Gründe für die Abschreibung nachhaltig weggefallen sind.

Latente Steuern werden gemäß § 198 Abs 9 und 10 UGB nach dem bilanzorientierten Konzept und ohne Abzinsung auf Basis des aktuellen Körperschaftsteuersatz von 25% gebildet. Dabei werden keine latente Steuern auf steuerliche Verlustvorträge berücksichtigt.

Bei der Bemessung der Rückstellungen werden entsprechend den gesetzlichen Erfordernissen alle erkennbaren Risiken und drohenden Verluste berücksichtigt.

Zum 31.12.2017 wurden die Rückstellungen für Abfertigungen und Jubiläumsgelder nach versicherungsmathematischen Grundsätzen entsprechend den Vorschriften des IAS 19 "Leistungen an Arbeitnehmer", wie er in der EU anzuwenden ist, unter Anwendung des Projected-Unit-Credit-Method (laufendes Einmalprämienverfahren) berechnet. Dabei werden die erwarteten Versorgungsleistungen auf den gesamten Zeitraum der Beschäftigung verteilt. Zukünftige Gehaltssteigerungen sowie Fluktuationsabschläge werden berücksichtigt. Versicherungsmathematische Gewinne und Verluste werden zur Gänze in der Periode angesetzt, in der sie anfallen. Die Aufwendungen aus der Aufzinsung sowie die Zahlungen für beitragsorientierte Verpflichtungen sind im Personalaufwand ausgewiesen.

Annahmen zur Berechnung der erwarteten leistungsorientierten Ansprüche zum 31.12.2017:

|                        | Abfertigungen | Jubiläums-<br>gelder |
|------------------------|---------------|----------------------|
| Diskontierungszinssatz | 1,5%          | 1,9%                 |
| Vorjahr                | 1,5%          | 1,7%                 |
| Gehaltssteigerung      | 2,0%          | 2,0%                 |
| Vorjahr                | 2,0%          | 2,0%                 |

Es kommen die Rechnungsgrundlagen von "AVÖ 2008-P - Rechnungsgrundlagen für die Pensionsversicherung - Pagler & Pagler" sowie ein Pensionsantrittsalter von 62 Jahren unter Beachtung der Übergangsbestimmungen laut "Budgetbegleitgesetz 2011" und des "BVG Altersgrenzen" zur Anwendung.

In den sonstigen Rückstellungen werden unter Beachtung des Vorsichtsprinzips alle zum Zeitpunkt der Bilanzerstellung erkennbaren Risiken und der Höhe sowie dem Grunde nach ungewisse Verbindlichkeiten mit den Beträgen berücksichtigt, die nach vernünftiger unternehmerischer Beurteilung erforderlich sind. Langfristige Rückstellungen werden abgezinst.

Verbindlichkeiten werden mit ihrem Rückzahlungsbetrag angesetzt. Fremdwährungsverbindlichkeiten werden unter Berücksichtigung des Höchstwertprinzips mit dem Referenzkurs der Europäischen Zentralbank zum Bilanzstichtag bewertet.

### III. Erläuterungen zur Bilanz

#### Anlagevermögen

Die Aufgliederung des Anlagevermögens und seine Entwicklung im Berichtsjahr sind im Anlagenspiegel angeführt (vergleiche Anlage 1 zum Anhang).

Aus der Nutzung von nicht in der Bilanz ausgewiesenen Sachanlagen besteht auf Grund von langfristigen Mietverträgen für das Geschäftsjahr 2018 eine Verpflichtung von EUR 413.737,05 (Vorjahr: TEUR 408). Der Gesamtbetrag der Verpflichtungen für die nächsten 5 Jahre beträgt EUR 2.110.474,75 (Vorjahr: TEUR 2.081).

#### Forderungen und sonstige Vermögensgegenstände

Die Forderungen gegenüber verbundenen Unternehmen betreffen mit EUR 2.262.546,26 (Vorjahr: TEUR 3.219) Steuerumlagen, mit EUR 117.998.019,83 (Vorjahr: TEUR 82.760) Konzernfinanzierungen und mit EUR 188.926,37 (Vorjahr: TEUR 88) sonstige Verrechnungen.

Im Posten "Sonstige Forderungen und Vermögensgegenstände" sind Erträge in Höhe von EUR 934.059,45 (Vorjahr: TEUR 688) enthalten, die erst nach dem Bilanzstichtag zahlungswirksam werden.

#### Aktive latente Steuern

Die aktiven latenten Steuern wurden auf Unterschiede zwischen dem steuerlichen und unternehmensrechtlichen Wertansatz zum Bilanzstichtag für folgende Posten gebildet:

|                                             | 31.12.2017<br>EUR   | 31.12.2016<br>TEUR |
|---------------------------------------------|---------------------|--------------------|
| Beteiligungen                               | 1.228.428,00        | 1.571              |
| Langfristige Personalrückstellungen         | 89.680,00           | 96                 |
| Verbindlichkeiten aus Schuldscheindarlehen  | 59.730,00           | 76                 |
| <b>Stand zum 31.12.2017 (31.12.2016)</b>    | <u>1.377.838,00</u> | <u>1.743</u>       |
| Daraus resultierende aktive latente Steuern | 1.377.838,00        | 1.743              |

Die aktiven latenten Steuern entwickelten sich wie folgt:

|                             |                     |
|-----------------------------|---------------------|
| Stand am 31.12.2016         | 1.743.000,00        |
| Erfolgswirksame Veränderung | -365.162,00         |
| <b>Stand am 31.12.2017</b>  | <u>1.377.838,00</u> |



## Grundkapital

Das Grundkapital beträgt zum 31.12.2017 EUR 22.329.585,00 und ist in 22.329.585 Stückaktien zum Nennbetrag von je EUR 1,00 zerlegt. Die Aktien lauten auf Inhaber.

Das Grundkapital der Gesellschaft blieb im Geschäftsjahr 2017 unverändert.

Mit Beschluss der Hauptversammlung vom 19.5.2016 wurde ein genehmigtes Kapital beschlossen. Der Vorstand ist berechtigt mit Zustimmung des Aufsichtsrats längstens drei Jahre ab Eintragung des genehmigten Kapitals das Grundkapital um bis zu Nominale EUR 6.698.875,00 durch Ausgabe neuer Aktien zu einem Mindestausgabebetrag von je EUR 1,00 zu erhöhen. Die Ausgabe der neuen Aktien kann auch unter Ausschluss des Bezugsrechts der Aktionäre erfolgen.

## Eigene Aktien

Mit Beschluss der 14. ordentlichen Hauptversammlung vom 14.5.2014 wurde der Vorstand für die Dauer von 30 Monaten ab dem Tag der Beschlussfassung ermächtigt, eigene Aktien der Gesellschaft im Ausmaß von bis zu 10% des Grundkapitals zu erwerben. Der Erwerb kann sowohl über die Börse als auch außerbörslich erfolgen.

Es wurden 334.041 Stk. eigene Aktien (31.12.2016: 334.041 Stk.) zu einem Durchschnittskurs von EUR 5,55 zurück erworben. Das entspricht einem Anteil am Grundkapital von 1,5% (31.12.2016: 1,5%) bzw. EUR 334.041,00 (31.12.2016: TEUR 334). Der Vorstand ist ermächtigt, die eigenen Aktien zu jedem gesetzlich zulässigen Zweck zu verwenden.

## Sonstige Rückstellungen

Die sonstigen Rückstellungen umfassen im Wesentlichen Vorsorgen für nicht konsumierte Urlaube sowie Erfolgsprämien.

## Verbindlichkeiten

Im Geschäftsjahr 2014 hatte die POLYTEC GROUP ein Schuldscheindarlehen begeben. Das Emissionsvolumen belief sich auf TEUR 100.000. Es wurden Laufzeiten von 5 und 7 Jahren mit jeweils fixer und variabler Verzinsung vereinbart. Die durchschnittliche Laufzeit zum Ausgabezeitpunkt betrug ca. 6 Jahre. Am 30. März 2017 wurde der gesamte variable Anteil des Schuldscheindarlehens 2014 in Höhe von TEUR 36.500 vorzeitig getilgt und mit Ausgabe eines neuen Schuldscheindarlehens in Höhe von TEUR 45.000 refinanziert. Es wurden wiederum vier Tranchen mit Laufzeiten von 5 und 7 Jahren mit jeweils fixer und variabler Verzinsung ausgegeben. Die gekündigten Tranchen wurden direkt vom Arrangeur des neuen Schuldscheindarlehens abgelöst, wodurch die POLYTEC HOLDING AG nur mehr den Erhöhungsbetrag erhielt.

Von den Verbindlichkeiten haben EUR 9.000.000,00 (Vorjahr: TEUR 0) eine Restlaufzeit von mehr als fünf Jahren.

Im Posten "Sonstige Verbindlichkeiten" sind Aufwendungen in Höhe von EUR 116.641,07 (Vorjahr: TEUR 173) enthalten, die erst nach dem Bilanzstichtag zahlungswirksam werden.

**Haftungsverhältnisse**

|                                      | 31.12.2017<br>EUR    | 31.12.2016<br>TEUR |
|--------------------------------------|----------------------|--------------------|
| Haftungen gegenüber Kreditinstituten | 11.477.484,04        | 25.061             |
| Haftung für Leasingverpflichtungen   | 425.633,80           | 651                |
| Haftung für Mietkaufverpflichtungen  | 4.873.041,57         | 5.936              |
| Sonstige Bürgschaften                | 0,00                 | 2.168              |
|                                      | <u>16.776.159,41</u> | <u>33.816</u>      |

Die Haftung für Leasingverpflichtungen betrifft die Mithaftung als zweiter Leasingnehmer. Daneben besteht eine Veritätshaftung im Zusammenhang mit Factoringverträgen einzelner Konzernunternehmen. Diese betreffen das Restrisiko einer Inanspruchnahme der Gesellschaft für den Fall, dass an Konzerngesellschaften bevorschusste, jedoch dem Grunde nach nicht gerechtfertigte Forderungen, weder beim Schuldner der Forderung noch bei der Konzerngesellschaft einbringlich sind. Per 31.12.2017 betrug die Rahmenausnutzung EUR 15.693.500,09 (Vorjahr: TEUR 23.107). Das Delkredererisiko, den Rechtsbestand der Forderung vorausgesetzt, wird von der Factoringgesellschaft getragen.

Sämtliche Haftungsverhältnisse betreffen wie im Vorjahr Risikoübernahmen von verbundenen Unternehmen.

Außerbilanzielle Geschäfte nach § 237 Z 8a UGB aus denen wesentliche Risiken oder Vorteile resultieren könnten, liegen zum Bilanzstichtag nicht vor.

**IV. Erläuterungen zur Gewinn- und Verlustrechnung****Umsatzerlöse**

|         | 2017<br>EUR          | 2016<br>TEUR  |
|---------|----------------------|---------------|
| Inland  | 3.552.650,75         | 3.825         |
| Ausland | 10.792.935,41        | 8.293         |
|         | <u>14.345.586,16</u> | <u>12.118</u> |

Die Umsatzerlöse enthalten im Wesentlichen Konzernumlagen sowie weiterverrechnete Aufwendungen.

**Sonstige betriebliche Erträge**

|                                           | 2017<br>EUR      | 2016<br>TEUR |
|-------------------------------------------|------------------|--------------|
| Erträge aus dem Abgang vom Anlagevermögen | 42.311,98        | 24           |
| Übrige:                                   |                  |              |
| Kursdifferenzen                           | 2.953,43         | 7            |
| Sonstige                                  | 41.047,93        | 35           |
|                                           | <u>44.001,36</u> | <u>42</u>    |
|                                           | <u>86.313,34</u> | <u>67</u>    |

**Personalaufwand**

|                                                                                                                   | 2017<br>EUR         | 2016<br>TEUR |
|-------------------------------------------------------------------------------------------------------------------|---------------------|--------------|
| Gehälter                                                                                                          | 4.127.891,23        | 3.675        |
| Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen                           | 67.178,03           | 37           |
| Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge | 895.603,18          | 805          |
| Sonstige Sozialaufwendungen                                                                                       | 13.643,05           | 7            |
|                                                                                                                   | <u>5.104.315,49</u> | <u>4.524</u> |

Von den Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen entfielen im Geschäftsjahr EUR 19.708,60 (Vorjahr: TEUR 14) auf Mitglieder des Vorstands und leitende Angestellte.

Im Posten "Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen" sind EUR 9.709,78 (Vorjahr: TEUR -12) Aufwendungen für Abfertigungen enthalten.

Im Posten Gehälter ist eine Dotierung der Rückstellung für Jubiläumsgelder in Höhe von EUR 2.954,89 (Vorjahr: Auflösung TEUR 10) enthalten.

**Sonstige betriebliche Aufwendungen**

Die übrigen sonstigen betrieblichen Aufwendungen beinhalten im Wesentlichen Geschäftsführungs-, Versicherungs-, Miet-, Beratungs- und Softwarewartungsaufwendungen.

**Finanzergebnis**

Die Erträge aus Beteiligungen von EUR 14.296.626,86 (Vorjahr: TEUR 36.234) stammen aus Gewinnausschüttungen von Tochterunternehmen.

Die Aufwendungen aus Finanzanlagen betrafen im Vorjahr im Wesentlichen den Verlust aus dem konzerninternen Verkauf eines verbundenen Unternehmens.

**Steuern von Einkommen**

|                                  | 2017<br>EUR          | 2016<br>TEUR  |
|----------------------------------|----------------------|---------------|
| Körperschaftsteuer:              |                      |               |
| Laufendes Jahr                   | 670.324,00           | 887           |
| Aus Vorperioden                  | -49.670,00           | 22            |
| Steuerumlagen Gruppenbesteuerung | -2.260.796,48        | -3.219        |
| Latente Steuern                  | 365.162,00           | -1.743        |
|                                  | <u>-1.274.980,48</u> | <u>-4.053</u> |

Die Steuerumlagen betreffen inländische verbundene Unternehmen, welche in die Steuergruppe der Gesellschaft einbezogen sind.

Die Steuerumlagen werden nach der sogenannten Belastungsmethode verrechnet, wobei im Fall eines steuerlichen Gewinns das inländische Gruppenmitglied eine Steuerumlage in Höhe von 25% an den Gruppenträger zu entrichten hat. Im Fall eines steuerlichen Verlustes eines inländischen Gruppenmitglieds hat der Gruppenträger eine Ausgleichszahlung an das Gruppenmitglied zu leisten.

## V. Ergänzende Angaben

Die Gesellschaft ist Mutterunternehmen des POLYTEC-Konzerns im Sinn des § 244 UGB. Der von der POLYTEC Holding AG, als oberstes Mutterunternehmen, verpflichtend aufzustellende Konzernabschluss wird beim Firmenbuch des Landes- als Handelsgerichtes Linz hinterlegt. Die Aufwendungen für den Abschlussprüfer gemäß § 238 Abs 1 Z 18 UGB werden im Konzernabschluss angegeben.

### Derivative Finanzinstrumente

Die Gesellschaft setzt derivative Finanzinstrumente sowohl zur Absicherung von Fremdwährungs- und Zinsänderungsrisiken als auch zur Verbesserung des Nettozinsergebnisses der POLYTEC-Gruppe im Rahmen der Aufgaben des Konzerntreasury ein. Zum 31.12.2017 bestanden folgende derivative Finanzinstrumente.

| Kategorie der Finanzinstrumente | Nominale          | Rückstellung |             | beizulegen-<br>der Wert |             |
|---------------------------------|-------------------|--------------|-------------|-------------------------|-------------|
|                                 |                   | 31.12.2016   | 31.12.2016  | 31.12.2017              | 31.12.2017  |
|                                 | EUR               | EUR          | EUR         | EUR                     | EUR         |
| Zinssatz-Swap                   | EUR 28.000.000,00 | 397.000,00   | -397.349,00 | 305.859,54              | -305.859,54 |
| Zinssatz-Swap                   | EUR 8.500.000,00  | 216.000,00   | -216.030,00 | 143.666,46              | -143.666,46 |

Die beizulegenden Zeitwerte gemäß § 238 Abs 1 Z 1 lit b UGB entsprechen den rechnerischen Marktwerten am Bilanzstichtag.

### Geschäfte mit nahe stehenden Personen und Unternehmen

Wesentliche Geschäfte mit nahe stehenden Personen und Unternehmen werden mit Firmen, die sich im mittelbaren oder unmittelbaren Beteiligungsbesitz des Vorstandsvorsitzenden befinden, getätigt (sogenannte IMC-Gruppe). Im Wesentlichen betrifft dies die werkvertraglich geregelte Stellung des Vorstandsvorsitzenden der POLYTEC Holding AG. Sämtliche getätigten Geschäfte wurden zu marktüblichen Bedingungen abgeschlossen.

### Wesentliche Ereignisse nach dem Bilanzstichtag

Nach dem Bilanzstichtag sind keine wesentlichen Ereignisse eingetreten.

### Ergebnisverwendung

Es wird vorgeschlagen, aus dem Bilanzgewinn in Höhe von EUR 132.623.640,69 eine Dividende von EUR 0,45 je Aktie, das sind für die im Umlauf befindlichen Aktien in Summe EUR 9.897.994,80 auszuschütten und den Restbetrag auf neue Rechnung vorzutragen.

### Arbeitnehmer und Organe

|                                     |             |             |
|-------------------------------------|-------------|-------------|
|                                     | <u>2017</u> | <u>2016</u> |
| Angestellte (im Jahresdurchschnitt) | 44          | 41          |

**Mitglieder des Vorstands** waren während des Geschäftsjahres und zum Zeitpunkt der Erstellung des Jahresabschlusses:

Herr Ing. Friedrich H u e m e r , Wallern (Vorstandsvorsitzender)  
 Herr DI (FH) Markus H u e m e r, MBA, Buchkirchen (stellvertretender Vorstandsvorsitzender)  
 Frau DI Alice G o d d e r i d g e, Piberbach  
 Herr Dkfm. Peter H a i d e n e k , Velden

Der Gesamtbetrag der Bezüge der im Geschäftsjahr 2017 als Mitglieder des Vorstands tätigen Personen betrug rund EUR 2.734.000 (Vorjahr: TEUR 2.508).

.

**Mitglieder des Aufsichtsrats** waren während des Geschäftsjahres und zum Zeitpunkt der Erstellung des Jahresabschlusses:

Herr Mag. Fred D u s w a l d , Thalheim (Vorsitzender)  
 Herr Manfred Helmut T r a u t h , Knittelsheim, Deutschland  
 (Stellvertreter des Vorsitzenden)  
 Herr Prof. Dr. Robert B ü c h e l h o f e r , Starnberg, Deutschland  
 Frau Dr. Viktoria K i c k i n g e r , Wien  
 Herr Mag. Reinhard S c h w e n d t b a u e r , Leonding

Die erfassten Aufwendungen für Vergütungen an Mitglieder des Aufsichtsrats betragen im Geschäftsjahr EUR 98.750,00 (Vorjahr: TEUR 99).

Es bestehen keine Kredite oder Vorschüsse an aktuelle oder frühere Mitglieder der Organe der Gesellschaft. Keine früheren Mitglieder der Organe der Gesellschaft erhalten Bezüge von der Gesellschaft oder einem ihrer verbundenen Unternehmen.

Hörsching, am 20. März 2018

Der Vorstand

Ing. Friedrich Huemer

DI (FH) Markus Huemer, MBA

DI Alice Godderidge

Dkfm. Peter Haidenek

Anlage 1 zum Anhang: Anlagenspiegel  
 Anlage 2 zum Anhang: Beteiligungsliste

Anlage 1  
zum AnhangPOLYTEC Holding AG,  
Hörsching

## Anlagenpiegel zum 31. Dezember 2017

|                                                                             | Anschaffungs- und Herstellungskosten |                      |                         |                      |                               | Abschreibungen              |                   |                     |                         |                     | Nettowert                     |                               |
|-----------------------------------------------------------------------------|--------------------------------------|----------------------|-------------------------|----------------------|-------------------------------|-----------------------------|-------------------|---------------------|-------------------------|---------------------|-------------------------------|-------------------------------|
|                                                                             | Stand am<br>1.1.2017<br>EUR          | Zugänge<br>EUR       | Um-<br>buchungen<br>EUR | Abgänge<br>EUR       | Stand am<br>31.12.2017<br>EUR | Stand am<br>1.1.2017<br>EUR | Zugänge<br>EUR    | Zuschreibung<br>EUR | Um-<br>buchungen<br>EUR | Abgänge<br>EUR      | Stand am<br>31.12.2017<br>EUR | Stand am<br>31.12.2016<br>EUR |
| <b>I. Immaterielle Vermögensgegenstände:</b>                                |                                      |                      |                         |                      |                               |                             |                   |                     |                         |                     |                               |                               |
| 1. Rechte                                                                   | 2.195.682,99                         | 242.137,00           | 3.000,00                | 0,00                 | 2.440.819,99                  | 1.497.731,55                | 283.625,04        | 0,00                | 0,00                    | 1.781.356,59        | 659.463,40                    | 697.951,44                    |
| 2. Geleistete Anzahlungen                                                   | 0,00                                 | 742.323,42           | 0,00                    | 0,00                 | 742.323,42                    | 0,00                        | 0,00              | 0,00                | 0,00                    | 742.323,42          | 0,00                          | 0,00                          |
|                                                                             | <b>2.195.682,99</b>                  | <b>984.460,42</b>    | <b>3.000,00</b>         | <b>0,00</b>          | <b>3.183.143,41</b>           | <b>1.497.731,55</b>         | <b>283.625,04</b> | <b>0,00</b>         | <b>0,00</b>             | <b>1.781.356,59</b> | <b>1.401.786,82</b>           | <b>697.951,44</b>             |
| <b>II. Sachanlagen:</b>                                                     |                                      |                      |                         |                      |                               |                             |                   |                     |                         |                     |                               |                               |
| 1. Technische Anlagen und Maschinen                                         | 605.000,00                           | 0,00                 | 0,00                    | 0,00                 | 605.000,00                    | 449.849,97                  | 102.949,92        | 0,00                | 0,00                    | 552.799,89          | 52.200,11                     | 155.150,03                    |
| 2. Andere Anlagen, Betriebs- und Geschäftsausstattung                       | 1.360.564,89                         | 117.286,81           | 661,67                  | 246.117,43           | 1.232.395,94                  | 975.570,09                  | 135.314,16        | 0,00                | 0,00                    | 941.385,89          | 291.010,05                    | 984.994,80                    |
| 3. Geleistete Anzahlungen                                                   | 3.661,67                             | 0,00                 | -3.661,67               | 0,00                 | 0,00                          | 0,00                        | 0,00              | 0,00                | 0,00                    | 0,00                | 0,00                          | 3.661,67                      |
|                                                                             | <b>1.969.226,56</b>                  | <b>117.286,81</b>    | <b>-3.000,00</b>        | <b>246.117,43</b>    | <b>1.837.395,94</b>           | <b>1.425.420,06</b>         | <b>238.264,08</b> | <b>0,00</b>         | <b>0,00</b>             | <b>1.494.185,78</b> | <b>343.210,16</b>             | <b>543.306,50</b>             |
| <b>III. Finanzanlagen:</b>                                                  |                                      |                      |                         |                      |                               |                             |                   |                     |                         |                     |                               |                               |
| 1. Anteile an verbundenen Unternehmen                                       | 170.613,491,65                       | 8.990.986,54         | 0,00                    | 24.262.000,00        | 155.342.478,19                | 18.780.690,72               | 0,00              | 0,00                | 15.737.000,00           | 3.043.690,72        | 152.298.787,47                | 151.832.800,93                |
| 2. Ausleihungen an verbundene Unternehmen                                   | 6.596.518,22                         | 868.802,00           | 0,00                    | 248.135,88           | 7.217.184,34                  | 26.623,94                   | 0,00              | 0,00                | 26.623,94               | 0,00                | 7.217.184,34                  | 6.569.894,28                  |
| 3. Beteiligungen                                                            | 0,00                                 | 0,00                 | 0,00                    | 0,00                 | 0,00                          | 0,00                        | 0,00              | 0,00                | 0,00                    | 0,00                | 0,00                          | 0,00                          |
| 4. Ausleihungen an Unternehmen mit denen ein Beteiligungsverhältnis besteht | 0,00                                 | 0,00                 | 0,00                    | 0,00                 | 0,00                          | 0,00                        | 0,00              | 0,00                | 0,00                    | 0,00                | 0,00                          | 0,00                          |
|                                                                             | <b>177.210.009,87</b>                | <b>9.859.788,54</b>  | <b>0,00</b>             | <b>24.510.135,88</b> | <b>162.559.662,53</b>         | <b>18.807.314,66</b>        | <b>0,00</b>       | <b>0,00</b>         | <b>15.763.623,94</b>    | <b>3.043.690,72</b> | <b>159.515.971,81</b>         | <b>156.402.695,21</b>         |
|                                                                             | <b>181.374.919,42</b>                | <b>10.961.635,77</b> | <b>0,00</b>             | <b>24.756.253,31</b> | <b>167.580.201,88</b>         | <b>2.923.151,61</b>         | <b>521.889,12</b> | <b>0,00</b>         | <b>15.933.122,30</b>    | <b>6.319.233,09</b> | <b>161.260.968,79</b>         | <b>159.644.465,15</b>         |

**POLYTEC Holding AG,  
Hörsching**

**Anlage 2  
zum Anhang**

**Beteiligungsliste**

Die Gesellschaft hält bei folgenden Unternehmen mindestens 20,0 % Anteilsbesitz, die Angaben zu Eigenmittel und Ergebnis basieren zum Teil auf den vorläufigen Ergebnissen für 2017:

| Beteiligungsunternehmen                                                                                  | Kapital-<br>anteil<br>% | Wäh-<br>rung | Eigenkapital/<br>Negatives<br>Eigenkapital | Ergebnis des<br>Geschäfts-<br>jahres | Stichtag                 |
|----------------------------------------------------------------------------------------------------------|-------------------------|--------------|--------------------------------------------|--------------------------------------|--------------------------|
| POLYTEC CAR STYLING<br>Hörsching GmbH, Hörsching                                                         | 100,0                   | EUR          | 5.957.525<br>8.839.146                     | 2.718.373<br>5.572.251               | 31.12.2017<br>31.12.2016 |
| POLYTEC FOHA INC.,<br>Warren, USA                                                                        | 100,0                   | USD          | 2.325.488<br>2.960.946                     | 264.542<br>1.358.642                 | 31.12.2017<br>31.12.2016 |
| POLYTEC FOHA CORP.,<br>Markham, Kanada                                                                   | 100,0                   | CAD          | 47.476<br>116.910                          | -70.814<br>2.690                     | 31.12.2017<br>31.12.2016 |
| POLYTEC CAR STYLING UK Ltd.<br>(vormals: POLYTEC CAR STYLING<br>Bromyard Ltd.), Bromyard, Großbritannien | 100,0                   | GBP          | 5.562.160<br>6.193.448                     | -617.856<br>1.296.040                | 31.12.2017<br>31.12.2016 |
| Polytec Car Styling Schoten n.v.,<br>Schoten, Belgien                                                    | 100,0                   | EUR          | 579.986<br>756.566                         | -176.580<br>49.960                   | 31.12.2017<br>31.12.2016 |
| Polytec Holding Netherlands B.V.,<br>Roosendaal, Niederlande                                             | 100,0                   | EUR          | 45.692.708<br>53.331.741                   | 5.860.967<br>7.888.688               | 31.12.2017<br>31.12.2016 |
| POLYTEC Industrial Plastics<br>GmbH, Bochum, Deutschland                                                 | 70,0                    | EUR          | 13.998.566<br>14.040.508                   | 783.013<br>991.351                   | 31.12.2017<br>31.12.2016 |
| PT Beteiligungs GmbH,<br>Hörsching                                                                       | 100,0                   | EUR          | 3.149.055<br>23.139.055                    | 1.600.000<br>21.827.590              | 31.12.2017<br>31.12.2016 |
| POLYTEC Anlagenfinanzierung<br>GmbH, Hörsching                                                           | 100,0                   | EUR          | -521.881<br>-741.808                       | 219.924<br>-229.969                  | 31.12.2017<br>31.12.2016 |
| POLYTEC PLASTICS Ebensee<br>GmbH, Ebensee                                                                | 100,0                   | EUR          | 3.056.886<br>2.416.295                     | 640.590<br>2.481.736                 | 31.12.2017<br>31.12.2016 |
| POLYTEC Immobilien Holding<br>GmbH, Hörsching                                                            | 100,0                   | EUR          | 64.099.837<br>63.685.923                   | 413.914<br>-164.476                  | 31.12.2017<br>31.12.2016 |
| POLYTEC AUTO PARTS Tianjin<br>Co., Ltd., Tianjin, China                                                  | 100,0                   | TCNY         | 18.113<br>26.640                           | -8.526<br>-6.845                     | 31.12.2017<br>31.12.2016 |
| Polytec Hungary Kft.,<br>Komlo, Ungarn                                                                   | 100,0                   | THUF         | 418.321<br>213.660                         | 204.661<br>146.293                   | 31.12.2017<br>31.12.2016 |
| POLYTEC Germany GmbH, Lohne,<br>Deutschland                                                              | 100,0                   | EUR          | 34.624.860<br>34.624.980                   | -120<br>-20                          | 31.12.2017<br>31.12.2016 |
| POLYTEC ESTATES UK LIMITED,<br>Bromyard, Großbritannien                                                  | 100,0                   | GBP          | 7.976.927                                  | -23.074                              | 31.12.2017               |
| POLYTEC Interior Zaragoza<br>S.L. i.L., Zaragoza, Spanien                                                | 100,0                   |              |                                            | Neugründung<br>in Liquidation        | 31.12.2016               |

# LAGEBERICHT DER POLYTEC HOLDING AG FÜR DAS GESCHÄFTSJAHR 2017

## 1. GESCHÄFTSVERLAUF UND WIRTSCHAFTLICHE LAGE

### ENTWICKLUNG IN DER AUTOMOBIL-BRANCHE 2017

#### ZULASSUNGEN NEUER PKW AUF WESENTLICHEN INTERNATIONALEN MÄRKTEN

| in Stück                          | 2017              | Anteil      | 2016              | Anteil      | Veränderung |
|-----------------------------------|-------------------|-------------|-------------------|-------------|-------------|
| China                             | 24.171.400        | 42,8%       | 23.693.400        | 42,5%       | 2,0%        |
| USA                               | 17.134.700        | 30,4%       | 17.465.000        | 31,3%       | -1,9%       |
| Europäische Union                 | 15.137.700        | 26,8%       | 14.641.400        | 26,2%       | 3,4%        |
| <b>Summe der drei Hauptmärkte</b> | <b>56.443.800</b> | <b>100%</b> | <b>55.799.800</b> | <b>100%</b> | <b>1,2%</b> |
| Weitere ausgewählte Länder        |                   |             |                   |             |             |
| Japan                             | 4.386.400         |             | 4.146.500         |             | 5,8%        |
| Indien                            | 3.229.100         |             | 2.966.600         |             | 8,8%        |
| Brasilien                         | 2.176.000         |             | 1.988.600         |             | 9,4%        |
| Russland                          | 1.595.700         |             | 1.425.800         |             | 11,9%       |

Die globale Automobilindustrie hat sich im Jahr 2017 weiter positiv entwickelt. China und Europa verzeichneten neue Verkaufshöchststände, während sich die USA leicht rückläufig entwickelten. In diesen drei bedeutendsten Märkten stiegen die Neuwagenzulassungen um mehr als 0,6 Mio. auf insgesamt 56,4 Mio. Fahrzeuge. In Japan – dem weltweit viertgrößten Automobilmarkt – war ein kräftiges Absatzplus von 5,8% auf rund 4,4 Mio. PKW zu verzeichnen. Noch höhere Dynamik zeigte der indische Markt. Hier stiegen die PKW-Verkäufe 2017 um 8,8% auf mehr als 3,2 Mio. Neuwagen. Russland verzeichnete ebenfalls ein erfreuliches zweistelliges Plus von knapp 12%. Auch in Brasilien setzte sich der Erholungskurs fort: Nach acht Wachstumsmonaten in Folge endete das Jahr 2017 erfolgreich mit einem Anstieg der Registrierungen um 9,4%.

#### China baut Position als weltweite Nummer Eins aus

Was PKW-Neuzulassungen betrifft, rangiert China weltweit seit Jahren an der Spitze und konnte diese Position auch im Jahr 2017 weiter ausbauen. Insgesamt wurden im Vorjahr rund 24,2 Mio. Fahrzeuge neu angemeldet, dies entspricht einem Zuwachs von 2,0%.

#### Registrierungen in den USA rückläufig, aber auf hohem Niveau

Während der US-Markt für Light Vehicles (PKW und Light Trucks) im Gesamtjahr 2016 mit einem Plus von 0,4% noch leicht angestiegen war, wiesen die Registrierungen schon ab dem ersten Quartal 2017 eine rückläufige Tendenz auf. In Summe sank das Volumen im Jahresverlauf 2017 gegenüber dem Vorjahr um 1,9% auf 17,1 Mio. Neufahrzeuge. Trotz des Rückgangs lagen die absoluten Registrierungszahlen mit 2 Mio. Einheiten weiterhin über den europäischen Neuanmeldungen.

#### ZULASSUNGEN NEUER PERSONENKRAFTWAGEN IN DER EUROPÄISCHEN UNION

| in Stück                 | 2017              | Anteil      | 2016              | Anteil      | Veränderung |
|--------------------------|-------------------|-------------|-------------------|-------------|-------------|
| Deutschland              | 3.441.300         | 22,7%       | 3.351.600         | 22,9%       | 2,7%        |
| Vereinigtes Königreich   | 2.540.600         | 16,8%       | 2.692.800         | 18,4%       | -5,7%       |
| Frankreich               | 2.110.700         | 13,9%       | 2.015.200         | 13,8%       | 4,7%        |
| Italien                  | 1.970.500         | 13,0%       | 1.825.900         | 12,5%       | 7,9%        |
| Spanien                  | 1.234.900         | 8,2%        | 1.147.000         | 7,8%        | 7,7%        |
| Sonstige EU-Länder       | 3.839.700         | 25,4%       | 3.608.900         | 24,6%       | 6,4%        |
| <b>Europäische Union</b> | <b>15.137.700</b> | <b>100%</b> | <b>14.641.400</b> | <b>100%</b> | <b>3,4%</b> |



### PKW-Markt in der EU stieg um 3,4%

Die Länder der Europäischen Union lagen – gemessen an den absoluten Neuregistrierungszahlen – auch 2017 hinter den USA auf Platz drei der großen Volumenmärkte. Im Jahresvergleich stiegen die Neuzulassungen von PKW in der EU 2017 um 0,5 Mio. Einheiten bzw. 3,4% auf mehr als 15,1 Mio. Einheiten (2016: 14,6 Mio.).

In nahezu allen 28 EU-Staaten zeigte sich die bessere wirtschaftliche Lage auch in den PKW-Märkten. In vier der fünf wesentlichen EU-Märkte, in denen zusammen knapp drei Viertel (74,6%) der Neuzulassungen registriert wurden, konnte ein Wachstum verzeichnet werden. Das Vereinigte Königreich – der noch immer zweitgrößte Automarkt Europas – konnte das hohe Niveau der vergangenen Jahre jedoch nicht halten und musste erstmals seit sechs Jahren einen Rückgang um 5,7% hinnehmen, im Jahr 2016 hatte er noch ein Plus von 2,3% verzeichnet. Ein noch deutlicheres Minus in Höhe von 10,4% zeigte sich in Irland. Auch Dänemark und Finnland waren mit –0,5% bzw. –0,4% leicht rückläufig.

In einem Drittel aller EU-Länder legte die Nachfrage 2017 sogar im zweistelligen Prozentbereich zu – so etwa in Ungarn (+20,4%), Polen (+16,9%), Kroatien (+17,2%) oder auch Griechenland (+11,7%).

### Neuregistrierungen von Fahrzeugen mit alternativen Antrieben nehmen zu

Die Anzahl der Neuregistrierungen von Fahrzeugen mit alternativen Antrieben (AFV – Alternative Fuel Vehicles) hat sich in der Europäischen Union 2017 deutlich erhöht. Die Neuzulassungen von batteriebetriebenen Autos, Fahrzeugen mit Hybridmotor und Wagen mit Propanol-, Ethanol- oder Erdgasantrieb nahmen insgesamt um 39,7% auf rund 852.900 Fahrzeuge zu (2016: 610.500). Den deutlichsten Anstieg erzielten mit 54,8% Hybrid Electric Vehicles (HEV), die mit mehr als der Hälfte aller neu registrierten Fahrzeuge mit alternativen Antrieben auch das wichtigste Segment darstellten. 39% mehr Zulassungen als in der Vorjahresperiode wurden bei Fahrzeugen mit aufladbaren Batterien (ECV – Electrically Chargeable Vehicles) verzeichnet. Betrachtet man ihren Anteil von 5,7% am Gesamtmarkt, spielen AFV aber immer noch nur eine geringe Rolle in der EU.

Wie schon in den Vorperioden war Italien mit 230.000 Fahrzeugen (+24,0%) auch 2017 wieder das Land mit der absolut höchsten Anmeldezahl von AFV. Von diesen Neuzulassungen entfielen 70% auf mit Flüssiggas (LPG) betriebene Automobile. Mehr als jedes vierte alternativ angetriebene Fahrzeug wurde somit in Italien registriert. Das Vereinigte Königreich lag mit rund 119.800 Fahrzeugen (+34,8%) auf Platz zwei, gefolgt von Deutschland mit 118.000 Autos (+79,6%) und Frankreich mit ca. 108.300 Anmeldungen (+32,7%). Spanien verzeichnete mit 67.900 Einheiten ein Plus von 87,5%.

Laut Angaben des Center of Automotive Management (CAM) wurden in China 2017 rund 777.000 Elektrofahrzeuge registriert, um rund 53% mehr als im Vorjahr (2016: 507.000). In den USA stieg die Zahl der Neuzulassungen von E-Autos um etwa 24% auf rund 194.500 Einheiten.

### ZULASSUNGEN NEUER NUTZFAHRZEUGE IN DER EUROPÄISCHEN UNION

| in Stück                                        | 2017             | Anteil      | 2016             | Anteil      | Veränderung |
|-------------------------------------------------|------------------|-------------|------------------|-------------|-------------|
| Leichte Nutzfahrzeuge <= 3,5 t                  | 1.995.800        | 83,0%       | 1.920.000        | 82,4%       | 3,9%        |
| Mittelschwere Nutzfahrzeuge > 3,5 t bis <= 16 t | 69.900           | 2,9%        | 72.400           | 3,1%        | –3,5%       |
| Schwere Nutzfahrzeuge > 16 t                    | 297.200          | 12,4%       | 295.600          | 12,7%       | 0,5%        |
| Mittelschwere und schwere Busse > 3,5 t         | 40.500           | 1,7%        | 40.700           | 1,7%        | –0,5%       |
| <b>Europäische Union</b>                        | <b>2.403.400</b> | <b>100%</b> | <b>2.328.700</b> | <b>100%</b> | <b>3,2%</b> |

Bei den Nutzfahrzeugen stiegen die Neuzulassungen in der EU im Verlauf des Jahres 2017 um knapp 0,1 Mio. Einheiten auf rund 2,4 Mio., dies entspricht einem leichten Wachstum von 3,2%. Im Vorjahr war der Anstieg mit 11,6% noch mehr als dreimal so hoch ausgefallen.

Unter den fünf bedeutendsten europäischen Absatzmärkten verzeichnete Spanien mit 13,5% den deutlichsten Zuwachs und belegte mit 227.300 Fahrzeugen in absoluten Zahlen Platz vier. Der größte Markt für Nutzfahrzeuge war erneut Frankreich mit einem Wachstum von 6,9% auf 495.000 Neuzulassungen. Deutschland legte mit einem Plus von 3,3% auf 369.200 ebenfalls zu, während die Neuzulassungen im Vereinigten Königreich (420.400) 2017 im Vergleich zum Vorjahr (+1,2%) um 4,4% zurückgingen. Auch in Italien war ein Rückgang um 2,3% auf 221.300 Registrierungen festzustellen. Hier war allerdings im Jahr 2016 ein außergewöhnliches Wachstum von 49,9% registriert worden.

Leichte Nutzfahrzeuge bis 3,5 Tonnen bildeten in der EU mit knapp 2,0 Mio. verkauften Einheiten weiterhin das wichtigste Segment und wuchsen 2017 gegenüber dem Vorjahr um 3,9%. Die Absatzzahlen von schweren LKW mit mehr als 16 Tonnen stiegen geringfügig und bewegten sich leicht über dem Vorjahresniveau.

Quellen: Verband der Deutschen Automobilindustrie (VDA), European Automobile Manufacturers Association (ACEA), Center of Automotive Management (CAM)

## 2. GESCHÄFTSENTWICKLUNG UND LAGE DES KONZERNS

### UMSATZ

Der Konzernumsatz der POLYTEC GROUP erhöhte sich im Geschäftsjahr 2017 gegenüber dem Vorjahr um 4,0% auf EUR 676,4 Mio. (2016: EUR 650,4 Mio.).

### UMSATZ NACH MARKTBEREICHEN

|                      | Einheit         | 2017         | 2016         | 2015         |
|----------------------|-----------------|--------------|--------------|--------------|
| Personenkraftwagen   | EUR Mio.        | 434,1        | 425,4        | 420,1        |
| Nutzfahrzeuge        | EUR Mio.        | 165,0        | 147,4        | 148,1        |
| Non-Automotive       | EUR Mio.        | 77,3         | 77,6         | 58,3         |
| <b>POLYTEC GROUP</b> | <b>EUR Mio.</b> | <b>676,4</b> | <b>650,4</b> | <b>626,5</b> |

Im Marktbereich Personenkraftwagen, dem mit 64,2% (2016: 65,4%) umsatzstärksten Bereich der POLYTEC GROUP, erhöhte sich der Umsatz gegenüber der Vorjahresperiode leicht um rund 2,0% auf EUR 434,1 Mio. (2016: EUR 425,4 Mio.). Auf Basis des gesamten POLYTEC-Konzernumsatzes ergaben sich relative Zuwächse bei den Umsatzanteilen der Kunden Ford Group (+1,8 Prozentpunkte), Daimler Car (+0,4 Prozentpunkte) und Jaguar/Land Rover (+0,3 Prozentpunkte). Der Anteil der Umsätze mit dem Kunden VW Car – dem PKW-Kunden mit dem höchsten Anteil am POLYTEC-Konzernumsatz – reduzierte sich 2017 um 1,9 Prozentpunkte im Vergleich zum Vorjahr auf 24,3%.

Der Umsatz im Marktbereich Nutzfahrzeuge (24,4%, 2016: 22,7%) erhöhte sich gegenüber 2016 deutlich um rund 12,0% von EUR 147,4 Mio. auf EUR 165,0 Mio. Alle Nutzfahrzeug-Kunden zeigten dabei Zuwächse, die höchste relative Umsatzsteigerung konnte mit dem Kunden VW Truck (+0,5 Prozentpunkte auf Basis des gesamten POLYTEC-Konzernumsatzes) erzielt werden.

Der Marktbereich Non-Automotive blieb – trotz eines leichten Rückgangs – mit einem Anteil am POLYTEC-Konzernumsatz von 11,4% nahezu auf dem Niveau des Vorjahres von 11,9%.

### UMSATZ NACH KATEGORIEN

|                                  | Einheit         | 2017         | 2016         | 2015         |
|----------------------------------|-----------------|--------------|--------------|--------------|
| Teile- und sonstiger Umsatz      | EUR Mio.        | 605,8        | 594,5        | 556,4        |
| Werkzeug- und Entwicklungsumsatz | EUR Mio.        | 70,6         | 55,9         | 70,1         |
| <b>POLYTEC GROUP</b>             | <b>EUR Mio.</b> | <b>676,4</b> | <b>650,4</b> | <b>626,5</b> |

Im Serienbereich konnte im Vergleich zum Vorjahr eine leichte Steigerung um 1,9% auf EUR 605,8 Mio. erzielt werden. Die Werkzeug- und Entwicklungsumsätze unterliegen zyklischen Schwankungen. Im Vorjahresvergleich erhöhten sich die Werkzeug- und Entwicklungsumsätze wesentlich um 26,3% bzw. EUR 14,7 Mio. Diese positive Entwicklung – die mittelfristig zu neuen Teileumsätzen führt – war sowohl bei Personenkraftwagen als auch bei Nutzfahrzeugen zu verzeichnen.

### UMSATZ NACH REGIONEN

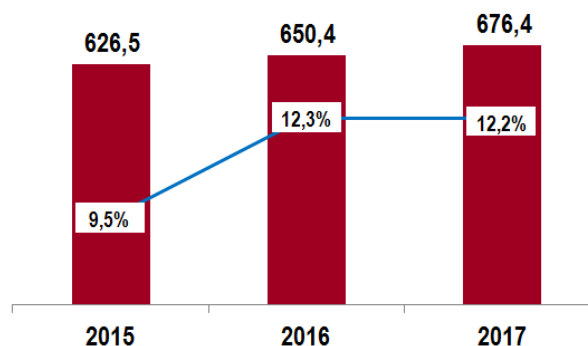
|                      | Einheit         | 2017         | 2016         | 2015         |
|----------------------|-----------------|--------------|--------------|--------------|
| Österreich           | EUR Mio.        | 23,4         | 17,4         | 15,5         |
| Deutschland          | EUR Mio.        | 383,1        | 365,9        | 342,9        |
| Sonstige EU-Länder   | EUR Mio.        | 228,3        | 226,3        | 220,3        |
| Sonstige Länder      | EUR Mio.        | 41,6         | 40,8         | 47,8         |
| <b>POLYTEC GROUP</b> | <b>EUR Mio.</b> | <b>676,4</b> | <b>650,4</b> | <b>626,5</b> |

### ERTRAGSENTWICKLUNG

#### KENNZAHLEN ZUR ERTRAGSLAGE

|                                                             | Einheit  | 2017  | 2016  | 2015  |
|-------------------------------------------------------------|----------|-------|-------|-------|
| Umsatz                                                      | EUR Mio. | 676,4 | 650,4 | 626,5 |
| EBITDA                                                      | EUR Mio. | 82,3  | 80,1  | 59,7  |
| EBITDA-Marge (EBITDA/Umsatz)                                | %        | 12,2  | 12,3  | 9,5   |
| EBIT                                                        | EUR Mio. | 55,1  | 52,4  | 36,6  |
| EBIT-Marge (EBIT/Umsatz)                                    | %        | 8,1   | 8,1   | 5,8   |
| Ergebnis nach Ertragsteuern                                 | EUR Mio. | 39,0  | 37,0  | 24,2  |
| Durchschnittliches Capital Employed                         | EUR Mio. | 297,5 | 274,8 | 219,1 |
| ROCE vor Steuern (EBIT/Durchschnittliches Capital Employed) | %        | 18,5  | 19,1  | 16,7  |
| Ergebnis je Aktie                                           | EUR      | 1,74  | 1,65  | 1,08  |
| Dividende je Aktie (Vorschlag an die Hauptversammlung)      | EUR      | 0,45  | 0,40  | 0,30  |

### ENTWICKLUNG UMSATZ UND EBITDA-MARGE



### MATERIALAUFWAND

Der Materialaufwand nahm im Geschäftsjahr 2017 im Wesentlichen auf Basis gestiegener Materialpreise und erhöhter Aufwendungen für bezogene Fremdleistungen um EUR 16,4 Mio. von EUR 305,7 Mio. auf EUR 322,1 Mio. zu. Die Materialquote (Materialaufwand/Umsatzerlöse) blieb mit 47,6% (2016: 47,0%) annähernd auf Vorjahresniveau.

**PERSONALAUFWAND**

Der Personalaufwand des Konzerns erhöhte sich 2017 um EUR 7,9 Mio. von EUR 211,6 Mio. auf EUR 219,5 Mio. Wesentlicher Treiber dieser Entwicklung waren Restrukturierungsaufwendungen in Höhe von EUR 4,9 Mio. für die geplante Schließung von zwei Werken in Deutschland. Die Personalquote des Konzerns (Personalaufwand/Umsatzerlöse) blieb mit 32,4% (2016: 32,5%) – aufgrund des ebenso gestiegenen Umsatzes – nahezu unverändert.

**EBITDA**

Das EBITDA der POLYTEC GROUP belief sich im Geschäftsjahr 2017 auf EUR 82,3 Mio. und lag mit einem Plus von EUR 2,2 Mio. leicht über dem Niveau des Vorjahres (EUR 80,1 Mio.). Da sich weder die Material- und die Personalquote noch die sonstigen Positionen der Gewinn- und Verlustrechnung wesentlich veränderten, entsprach die EBITDA-Marge mit 12,2% jener des Jahres 2016.

**ABSCHREIBUNGEN**

Die Abschreibungen blieben im Geschäftsjahr 2017 mit EUR 27,2 Mio. etwa auf Vorjahresniveau, da wesentliche Investitionen in Werkserweiterungen zum Bilanzstichtag noch nicht fertiggestellt waren und somit noch nicht abgeschrieben wurden.

**EBIT**

Das EBIT des Konzerns verbesserte sich 2017 um 5,1% bzw. EUR 2,7 Mio. von EUR 52,4 Mio. auf EUR 55,1 Mio. Die POLYTEC GROUP erzielte somit im Geschäftsjahr 2017 das beste operative Ergebnis in ihrer mehr als 30-jährigen Unternehmensgeschichte. Die EBIT-Marge blieb im Vergleich zum Vorjahr unverändert bei 8,1%.

**FINANZ- UND KONZERNERGEBNIS**

Das Finanzergebnis verringerte sich aufgrund einer verbesserten Finanzierungsstruktur auf EUR –3,0 Mio. (2016: EUR –4,3 Mio.). Die Steuerquote der POLYTEC GROUP (Steueraufwendungen/Ergebnis vor Ertragsteuern) betrug im Geschäftsjahr 2017 unter Berücksichtigung latenter Steuereffekte 25,2% und erhöhte sich somit gegenüber dem Vorjahr um 2,2 Prozentpunkte. Das Konzernergebnis verbesserte sich im Jahresvergleich um 5,4% bzw. EUR 1,9 Mio. auf EUR 38,2 Mio. (2016: EUR 36,3 Mio.). Dies entspricht einem Ergebnis je Aktie von EUR 1,74 (2016: EUR 1,65).

**VERMÖGENS- UND FINANZLAGE****INVESTITIONEN**

|                                         | Einheit  | 2017 | 2016 | 2015  |
|-----------------------------------------|----------|------|------|-------|
| Investitionen in das Sachanlagevermögen | EUR Mio. | 36,6 | 33,2 | 134,4 |

Die Sachanlagenzugänge betragen im Berichtsjahr 2017 EUR 36,6 Mio. (2016: EUR 33,2 Mio.). Die Investitionen konzentrierten sich insbesondere auf den mittelenglischen Standort Telford, an dem ein neues Lackierwerk errichtet wird, und auf die Betriebserweiterung am Standort Chodová Planá in der Tschechischen Republik. Des Weiteren hat die POLYTEC GROUP Verbesserungen an Produktionsanlagen und an der Infrastruktur umgesetzt sowie laufende Erhaltungsinvestitionen durchgeführt.

Die vergleichsweise hohen Investitionen im Geschäftsjahr 2015 waren primär eine Folge des im ersten Quartal 2015 vollzogenen Erwerbs des Immobilienportfolios der Huemer Holding GmbH gewesen, das zahlreiche Produktionsstandorte der POLYTEC GROUP umfasste.

**KENNZAHLEN ZUR VERMÖGENS- UND FINANZLAGE**

|                                                         | Einheit  | 31.12.2017 | 31.12.2016 | 31.12.2015 |
|---------------------------------------------------------|----------|------------|------------|------------|
| Eigenkapital                                            | EUR Mio. | 217,5      | 189,9      | 162,9      |
| Eigenkapitalquote (Eigenkapital/Bilanzsumme)            | %        | 42,1       | 37,9       | 33,6       |
| Bilanzsumme                                             | EUR Mio. | 516,5      | 501,4      | 485,1      |
| Nettoumlaufvermögen (Net Working Capital) <sup>1)</sup> | EUR Mio. | 75,5       | 40,1       | 50,5       |
| Nettoumlaufvermögen/Umsatz                              | %        | 11,2       | 6,2        | 8,1        |

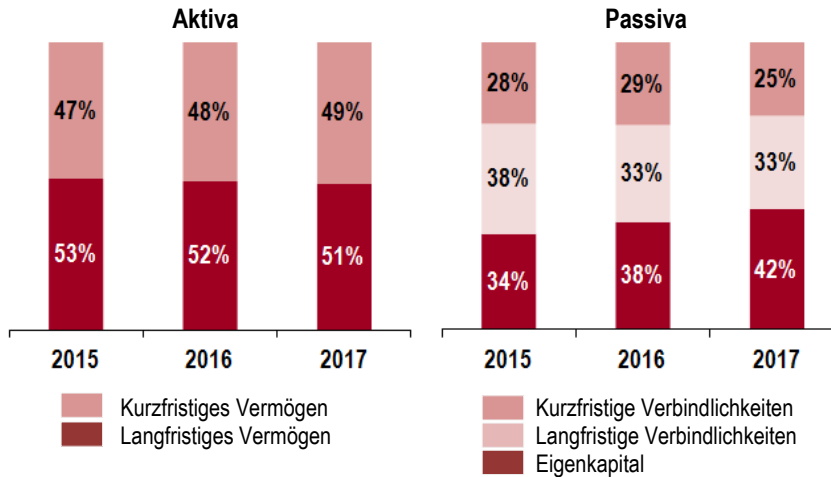
<sup>1)</sup>Nettoumlaufvermögen = Kurzfristige Vermögenswerte minus Kurzfristige Verbindlichkeiten

Die Bilanzsumme des Konzerns erhöhte sich 2017 um EUR 15,1 Mio. auf EUR 516,5 Mio. Auf der Aktivseite ist der Anstieg neben den Investitionen in das Sachanlagevermögen vor allem auf das um EUR 35,4 Mio. auf EUR 75,5 Mio. gestiegene Nettoumlaufvermögen zurückzuführen, das im Wesentlichen aufgrund der signifikant gestiegenen Projektstätigkeit deutlich zugenommen hat. Wesentliche Treiber waren hier vor allem noch nicht abrechenbare bzw. nicht bezahlte Leistungen. Demgegenüber ist die Erhöhung auf der Passivseite vor allem auf einen Anstieg im Eigenkapital zurückzuführen, das wiederum durch das Konzernergebnis positiv beeinflusst wurde.

Die Eigenkapitalquote zum 31. Dezember 2017 erhöhte sich im Vergleich zum Vorjahresbilanzstichtag um 4,2 Prozentpunkte auf 42,1%.

Zum Bilanzstichtag am 31. Dezember 2017 wurden eigene Aktien im Ausmaß von 334.041 Stück (1,5% des Grundkapitals) zu einem Kurswert zum Stichtag von rund EUR 6,2 Mio. (2016: EUR 3,4 Mio.) gehalten. Der Anschaffungswert dieser Aktien lag bei EUR 1,9 Mio. Während des Geschäftsjahres 2017 hat die Gesellschaft weder eigene Aktien erworben noch verkauft.

**BILANZSTRUKTUR (IN %)**



|                                                                       | Einheit  | 2017 | 2016 | 2015 |
|-----------------------------------------------------------------------|----------|------|------|------|
| Nettofinanzverbindlichkeiten (+)/-vermögen (-)                        | EUR Mio. | 78,7 | 69,9 | 99,1 |
| Nettofinanzverbindlichkeiten (+)/-vermögen (-)/EBITDA                 | -        | 0,96 | 0,87 | 1,66 |
| Gearing (Nettofinanzverbindlichkeiten (+)/-vermögen (-)/Eigenkapital) | -        | 0,36 | 0,37 | 0,61 |

Die Nettofinanzverbindlichkeiten erhöhten sich trotz verringerter finanzieller Verbindlichkeiten gegenüber dem Bilanzstichtag 31. Dezember 2016 um EUR 8,8 Mio. auf EUR 78,7 Mio. Zurückzuführen ist dies auf eine Reduktion im Cash-Bestand. Korrespondierend dazu erhöhte sich die Kennzahl für die fiktive Schuldentilgungsdauer von 0,87 leicht auf 0,96. Die Gearing-Ratio (Verschuldungsgrad) hielt sich mit 0,36 auf Vorjahresniveau.

## CASH-FLOW

|                                          | Einheit  | 2017  | 2016  | 2015  |
|------------------------------------------|----------|-------|-------|-------|
| Cash-Flow aus dem operativen Bereich     | EUR Mio. | 38,3  | 70,7  | 51,3  |
| Cash-Flow aus der Investitionstätigkeit  | EUR Mio. | -38,0 | -28,8 | -69,2 |
| Cash-Flow aus der Finanzierungstätigkeit | EUR Mio. | -22,7 | -20,0 | -36,4 |
| Veränderung der flüssigen Mittel         | EUR Mio. | -22,4 | 21,9  | -54,3 |

Im Geschäftsjahr 2017 verringerte sich der Cash-Flow aus dem operativen Bereich aufgrund des Aufbaus von Working Capital um EUR 32,4 Mio. auf EUR 38,3 Mio. Der Cash-Flow aus der Investitionstätigkeit erhöhte sich um EUR 9,2 Mio. auf EUR -38,0 Mio. Auch der Cash-Flow aus der Finanzierungstätigkeit erhöhte sich leicht auf EUR -22,7 Mio. (2016: EUR -20,0 Mio.). Der operative Cash-Flow wurde im Wesentlichen für die Investitionstätigkeit verwendet, wogegen die Tilgung der Schulden im Wesentlichen aus dem Cash-Bestand erfolgte. Der Endbestand der flüssigen Mittel zum Bilanzstichtag betrug EUR 56,9 Mio.

## GESCHÄFTSENTWICKLUNG DER GESELLSCHAFT

Die POLYTEC Holding AG erzielte im Geschäftsjahr 2017, wie im Vorjahr, ein Betriebsergebnis in der Höhe von EUR 1,0 Mio.

Das Finanzergebnis reduzierte sich - vor allem aufgrund deutlich gesunkener Beteiligungserträge - von EUR 32,5 Mio. auf EUR 15,8 Mio. Dabei ist zu berücksichtigen, dass aufgrund der Neustrukturierung der deutschen POLYTEC Gesellschaften im Geschäftsjahr 2016 eine außerordentlich hohe Gewinnausschüttung von einem Tochterunternehmen realisiert werden konnte.

Die Aufwendungen aus Finanzanlagen normalisierten sich im Geschäftsjahr 2017 wieder auf einen Wert von EUR 0,1 Mio. Im Vorjahr kam es im Zusammenhang mit einer gesellschaftlichen Neustrukturierung im Konzern zu einem Verlust aus dem konzerninternen Verkauf eines verbundenen Unternehmens.

Der Rückgang des Zinsaufwandes von EUR -2,6 Mio. auf EUR -2,1 Mio. ist auf die verbesserte Finanzierungsstruktur durch die Ausgabe neuer Schuldscheindarlehen mit deutlich besseren Konditionen zurückzuführen. Der Zinsertrag dagegen, blieb relativ konstant bei EUR 3,7 Mio.

Der Steuerertrag verringerte sich von EUR 4,1 Mio. auf EUR 1,3 Mio. aufgrund im Vorjahr erstmalig angesetzter aktiver latenter Steuern (EUR 1,7 Mio.) infolge geänderter Bilanzierungsvorschriften (RÄG 2014).

Die POLYTEC Holding AG erzielte somit im Geschäftsjahr 2017 einen Jahresüberschuss in Höhe von EUR 18,1 Mio. (Vorjahr: EUR 37,6 Mio.).

Der Jahresüberschuss führte – nach Berücksichtigung der Dividendenausschüttung von EUR 8,8 Mio. – zu einem Anstieg des Eigenkapitals um EUR 9,3 Mio. auf EUR 193,8 Mio. Die Eigenkapitalquote blieb mit rund 62% (Vorjahr: rund 63%) nahezu unverändert, da sich auch die Bilanzsumme dementsprechend erhöhte. Die Steigerung der Bilanzsumme ist weiters auch auf die vorzeitige Tilgung des gesamten variablen Anteils des Schuldscheindarlehens und die gegenläufige Ausgabe eines neuen Schuldscheindarlehens mit größerem Volumen zurückzuführen.

Bei den Aktiva erhöhte sich das Anlagevermögen um rund EUR 1,6 Mio. was einerseits auf getätigte Investitionen in Software und Rechte aufgrund der Digitalisierungsoffensive und andererseits auf die Erhöhung des Finanzanlagevermögens durch getätigte Einlagen in Tochterunternehmen zurückzuführen ist. Des Weiteren stieg auch das Umlaufvermögen aufgrund der Ausgabe von neuen Finanzierungen an Konzerntochterunternehmen. Insgesamt erhöhte sich somit die Bilanzsumme von EUR 293,3 Mio. auf EUR 310,6 Mio.

### 3. NICHTFINANZIELLE LEISTUNGSINDIKATOREN

#### UMWELTSCHUTZ

Als Zulieferunternehmen der Automobilindustrie bringt die POLYTEC GROUP wesentliche Lösungen zur Optimierung neuer Fahrzeuggenerationen mit ein. POLYTEC hat sich in den drei Jahrzehnten ihres Bestehens durch ihre Innovationkraft und Flexibilität einen beachtlichen Namen im Automotive-Bereich erarbeitet. Durch umfassende Forschungs- und Entwicklungstätigkeit gelingt es POLYTEC, bei den Produkten ihrer Kunden laufend Verbesserungen zu erzielen, die sich letztlich positiv auf die Umwelt auswirken. So wird durch Materialsubstitution das Gesamtgewicht von Fahrzeugen reduziert, bei manchen Bauteilen sind gegenüber Stahl Gewichtsersparnisse von bis zu 60% möglich. Das reduzierte Gewicht führt zu einem geringeren Kraftstoffverbrauch und transitiv zu einem reduzierten CO<sub>2</sub>-Ausstoß.

Die systematische Analyse der ökologischen Auswirkungen ist fixer Bestandteil des Produktentwicklungsprozesses bei POLYTEC und wird durch die Techniker des Konzerns in enger Abstimmung mit seinen Kunden durchgeführt. Die Optimierungserfolge in den Themenbereichen Gewichtsreduktion, Werkstoffsubstitution, Materialeinsparung, Lärm- und Geräuschreduktion etc. bilden – in Verbindung mit perfekter Qualität und absoluter Liefertreue – die zentralen Stärken der POLYTEC GROUP und werden von ihren Kunden hoch geschätzt.

Einerseits optimiert POLYTEC die Produkte und Dienstleistungen für ihre Kunden laufend, andererseits werden alle internen Produktionsprozesse regelmäßig durch ein abgestimmtes Umwelt-, Qualitäts- und Lean-Management-System analysiert, um den eigenen Material- und Energieverbrauch optimieren zu können. Die Verarbeitung von Kunststoffen erfordert einen hohen Aufwand an Ressourcen. Der schonende Umgang mit diesen Produktionsmitteln ist sowohl eine ökologische als auch eine ökonomische Notwendigkeit. Innerbetrieblich werden dazu die Fertigungsschritte ständig verbessert, sodass Energie eingespart und der Rohstoffverbrauch reduziert werden können. Prozesswasser und diverse Reinigungslösungen werden nahezu ausschließlich im geschlossenen Kreislauf verwendet. Bei der Verarbeitung von Lacken erfüllt POLYTEC hohe Standards hinsichtlich Innen- sowie Abluft. Sie dienen dem Schutz der Mitarbeiter und der Umwelt gleichermaßen.

Der Großteil der von POLYTEC entwickelten Teile, hochwertigen Modulen und multifunktionellen Kunststoffsystemen wird nach zertifizierten Entwicklungs- und Produktionsprozessen hergestellt. Die Produktionsstandorte von POLYTEC sind nach international anerkannten Umwelt- und Qualitäts-Management-Normen wie ISO 16949, ISO 14001 bzw. ISO 50001 zertifiziert und müssen darüber hinaus stets zahlreichen kundenspezifischen Standards entsprechen – Belege für das nachhaltige Engagement und die Erfolge, auf die POLYTEC im Bereich Umweltschutz verweisen kann.

Die Umweltstrategie der POLYTEC GROUP verfolgt drei Schwerpunkte: Reduktion des Rohstoffverbrauchs, Steigerung der Energieeffizienz und Forcierung von Recycling. Zu diesen Schwerpunkten hat POLYTEC in den vergangenen Jahren diverse Pilotversuche in einzelnen Werken gestartet und nach erfolgreicher Erprobung sukzessive an weiteren Standorten der Gruppe implementiert.

**1. Rohstoffverbrauch reduzieren:** Große Fortschritte erzielte POLYTEC in den vergangenen Jahren bei der Einsparung von Rohstoffen. Vor allem im Bereich Spritzguss kann durch die vermehrte Verwendung von Regranulaten und den Einsatz moderner Dosieranlagen Material optimal bewirtschaftet werden. Die prozessbedingt anfallenden Angussteile werden direkt an der Maschine eingemahlen und wieder dem Prozess zugeführt – und das gänzlich ohne Qualitätsverlust. Neben der Mengenreduktion hat auch die chemische Zusammensetzung der Materialien Umweltrelevanz. Bei der Lackierung kommen bei POLYTEC heute primär Wasserlacke zum Einsatz, wodurch der Verbrauch von Lösungsmitteln deutlich reduziert werden konnte.

**2. Energieeffizienz steigern:** Ein besonderer Ressourcen- und damit Kostenblock liegt im Bereich Energie. Um in hier zu sparen, hat die POLYTEC GROUP ein umfassendes Maßnahmenpaket zur Reduktion ihres Energieverbrauchs geschnürt. Durch die bisherigen Investitionen sind bereits beträchtliche energiekostensenkende Effekte erzielt worden, zum Beispiel durch den Umstieg von Heizölverbrennung auf erdgasbetriebene Anlagen mit deutlich höherem Wirkungsgrad, Gebäudeisolierungen, den Einsatz von effizienteren Druckluftkompressoren und ähnlichem mehr. Mithilfe von Energiemanagement-Systemen können einzelne Produktionsschritte auf ihre Energieeffizienz überprüft und gegebenenfalls Verbesserungsmaßnahmen daraus abgeleitet werden. Projekte zur Wärmerückgewinnung wurden bereits erfolgreich abgeschlossen, weitere Vorhaben zum umfassenden Umstieg auf LED-Beleuchtungstechnik wurden bereits angestoßen.

**3. Recycling forcieren:** Trotz des sparsamen Umgangs mit Rohstoffen kann Abfall nicht gänzlich vermieden werden. Umso wichtiger ist es, dass dieser unvermeidbare Abfall bestmöglich getrennt und damit – wo immer möglich – einem sinnvollen Recycling zugeführt wird. Bei POLYTEC wird sachgerechte Abfalltrennung durch ein einheitliches Farbleitsystem gefördert. Damit wird nicht nur Restabfall reduziert. Auch die Kosten für die Entsorgung fallen geringer aus.

## MITARBEITER

Die durchschnittliche Anzahl der Beschäftigten (inklusive Leiharbeiter) der POLYTEC GROUP und ihre geografische Verteilung in den letzten drei Jahren stellten sich wie folgt dar (Personenangaben in Vollzeitäquivalenten – FTE):

|                       | Einheit    | 2017         | 2016         | 2015         |
|-----------------------|------------|--------------|--------------|--------------|
| Österreich            | FTE        | 539          | 553          | 579          |
| Deutschland           | FTE        | 2.211        | 2.220        | 2.321        |
| Sonstige EU-Länder    | FTE        | 1.591        | 1.504        | 1.180        |
| Sonstige Länder       | FTE        | 186          | 172          | 167          |
| <b>POLYTEC GROUP</b>  | <b>FTE</b> | <b>4.527</b> | <b>4.449</b> | <b>4.247</b> |
| Umsatz je Mitarbeiter | TEUR       | 149          | 146          | 147          |

Der durchschnittliche Personalstand des Konzerns (inklusive Leiharbeiter) erhöhte sich im Jahresvergleich um 78 Personen (Vollzeitäquivalente) bzw. 1,8% auf 4.527. Der durchschnittliche Anteil an Leiharbeitskräften betrug 11,3% (2016: 8,9%). Der Umsatz je Mitarbeiter (inklusive Leiharbeiter) lag mit TEUR 149 leicht über dem Vorjahresniveau. Zum Bilanzstichtag 2017 waren in der POLYTEC GROUP 4.046 Personen (exklusive Leiharbeiter) beschäftigt, der Personalstand stieg im Vorjahresvergleich um 37 Mitarbeiter.



#### 4. BERICHT ÜBER DIE VORAUSSICHTLICHE ENTWICKLUNG UND DIE RISIKEN DES KONZERNES

##### AUSBLICK AUF DIE ENTWICKLUNG IN DER AUTOMOBIL-BRANCHE

Die internationalen Automobilmärkte starteten überwiegend gut in das Jahr 2018. Analysten und Automobilverbände gehen für das Gesamtjahr global betrachtet von weiteren Zuwächsen aus. Der Verband der Deutschen Automobilindustrie rechnet für das Jahr 2018 mit einem Wachstum des PKW-Weltmarkts um 1% auf 86 Mio. Einheiten. Einschätzungen anderer Analysten gehen von höheren Werten aus: So nimmt M.M.Warburg Research ein Wachstum von 2% auf rund 95 Mio. Neuzulassungen an, Euler-Hermes rechnet sogar mit 98 Mio. Einheiten.

Experten prognostizieren unterschiedliche Trends in den einzelnen Märkten. Für China, den bedeutendsten Automarkt, wird weiterhin ein gesundes Wachstum in der Bandbreite von 3% bis 4% erwartet. In den USA könnte sich der Rückgang bei den PKW-Neuregistrierungen fortsetzen, bei gebrauchten Fahrzeugen hingegen werden deutlich höhere Anmeldezahlen angenommen. Getrübt sind die Aussichten für das Vereinigte Königreich, den zweitgrößten Automarkt Europas. Hier haben die Neuregistrierungen bereits im Jahr 2017 einen Rückgang verzeichnet, zudem führt der ungewisse Verlauf der Brexit-Verhandlungen zu politischen und wirtschaftlichen Ungewissheiten und einer Abnahme des Konsumentenvertrauens.

Insgesamt könnten in Europa sowohl der PKW-Markt als auch der Markt für Nutzfahrzeuge im Jahr 2018 trotz der guten allgemeinen Wirtschaftslage lediglich leichte Wachstumsraten aufweisen. Die positiven Entwicklungen in Russland und Brasilien sollten sich hingegen fortsetzen, zweistellige Wachstumsraten bei PKW-Neuzulassungen sind laut Einschätzung der Experten in beiden Märkten möglich.

Mit Spannung wird die weitere Entwicklung der Absatzzahlen bei Fahrzeugen mit alternativen Antrieben erwartet. Auch wenn zweistellige Zuwachsraten angenommen werden können, wird ihr Anteil am Gesamtmarkt auch im Jahr 2018 noch eine geringe Rolle spielen.

##### AUSBLICK AUF DIE ERGEBNISENTWICKLUNG DES KONZERNES

Das Management der POLYTEC GROUP geht für das Geschäftsjahr 2018 auf Grundlage eines stabilen Konjunkturverlaufs davon aus, das sehr gute Vorjahresniveau des Konzernumsatzes und der operativen Ergebniszahlen wieder zu erreichen. Vor dem Hintergrund der jüngsten Entscheidung des Bundesverwaltungsgerichts in Deutschland zu möglichen Fahrverboten für ältere Dieselmotoren sowie der seitdem spürbar zurückgehenden Abrufe von Produkten für Dieselfahrzeuge, stellt dies ein ambitioniertes Ziel dar.

#### 5. RISIKOBERICHTERSTATTUNG UND FINANZINSTRUMENTE

Die Abgasaffäre führte in der Automotive-Industrie zu Verunsicherungen sowohl bei Herstellern und Zulieferern als auch bei Konsumenten. Das Management der POLYTEC GROUP hat die Entwicklung – insbesondere den Trendwandel bei den Fahrzeugantriebstechnologien – stets beobachtet. Wie schon im Geschäftsjahr 2016 waren auch 2017 keine wesentlichen Folgen der Abgasaffäre auf das operative Geschäft der POLYTEC GROUP zu verzeichnen.

Seit Anfang dieses Jahres gingen jedoch die Verkäufe von Produkten für Fahrzeuge mit Dieselantrieb spürbar zurück. Das Management verfolgt diese Entwicklung daher weiterhin sehr aufmerksam. Es wird sich voraussichtlich der Bedarf an Produkten für Fahrzeuge mit Dieselantrieb hin zu jenen mit Benzinantrieb oder alternativen Antriebstechnologien verschieben und somit ausgleichen.

Bis zum 31. Dezember 2017 und darüber hinaus bis zum Redaktionsschluss dieses Berichts Mitte März 2018 lagen keine wesentlichen Auswirkungen auf das operative Geschäft der POLYTEC GROUP vor, die auf den beabsichtigten Austritt des Vereinigten Königreichs aus der Europäischen Union oder auf Folgen etwaiger Einschränkungen des internationalen Warenaustauschs zurückzuführen gewesen wären. Ob die genannten Risiken oder etwaige weitere Risiken und Ungewissheiten künftig einen Einfluss auf die Umsatz- und die Ertragsentwicklung der POLYTEC GROUP haben werden, ist aktuell nicht vollständig abschätzbar.

Die POLYTEC GROUP ist im Rahmen ihrer Geschäftstätigkeit einer Vielzahl von Risiken ausgesetzt, die untrennbar mit dem unternehmerischen Handeln verbunden sind. Risikomanagement ist für die POLYTEC GROUP ein integraler Bestandteil der Strategie und aller Geschäftsprozesse. Auch die für einen Automobilzulieferer notwendigen umfangreichen Zertifizierungen (z. B. TS ISO/16949:2002) geben hier bereits entsprechende Regelungen vor, deren Einhaltung auch durch externe Audits überwacht wird. Der Organisation der POLYTEC GROUP entsprechend werden Risiken dezentral und marktnah vor allem im Rahmen der laufenden Geschäftsprozesse gemanagt und überwacht. Die Steuerung der finanziellen Risiken erfolgt jedoch im Wesentlichen durch die Konzernzentrale. Folgende wesentliche Risikofelder können identifiziert werden:

## Unternehmensspezifische Risiken

### a. (Absatz-)Marktrisiko

**Allgemeines Absatzmarktrisiko:** Die Automobilzulieferindustrie gilt als Markt mit hohem Wettbewerb, der sich derzeit auch in einem Konsolidierungsprozess befindet. Die Absatzerfolge sind in erster Linie abhängig von der Gewinnung neuer Aufträge, die in der Regel zwei bis drei Jahre vor dem Serienanlauf erteilt werden. In dieser Phase der Auftragsakquisition ist jeder Zulieferer einem starken Konditionenwettbewerb ausgesetzt. Während des Serienlaufs ist der Zulieferer auch abhängig von der Absatzmenge des Fahrzeugs, für das er liefert, ohne diesen Erfolg selbst beeinflussen zu können. Weiters wird seitens der OEM auch nach dem Serienstart laufende Qualitätskontrollen der Zulieferer betrieben, was Preisforderungen oder im Extremfall den Verlust eines Auftrags nach sich ziehen kann.

**Volumenrisiko:** Dies entsteht aus der Volatilität der Nachfrage bzw. aus der nicht plangemäßen Entwicklung der Stückzahlen. Aufgrund ungeplanter Stückzahlenabrufe kann es in zweierlei Hinsicht zu Problemen kommen. Bei zu hohen ungeplanten Abrufen können Kapazitätsengpässe die Folge sein, welche zu Lieferverzögerungen und somit zu Reputationsschäden führen können. Andererseits führen fehlende Abrufe zu Auslastungsproblemen, welche eine Fixkostenunterdeckung zur Folge haben können. Die POLYTEC GROUP trachtet durch einen ausgewogenen Kunden- und Auftragsmix, die Abhängigkeit von einzelnen Lieferbeziehungen so gering wie möglich zu halten.

### b. Beschaffungsmarktrisiko

Wesentliches Risiko sind Schwankungen der Rohstoffpreise, die im Fall der POLYTEC GROUP als kunststoffverarbeitendem Konzern vor allem durch nachhaltige Veränderungen des Ölpreises, aber auch der Raffineriekapazitäten verursacht werden können. Diesem Risiko wird, soweit gegenüber dem Kunden durchsetzbar, mit Materialgleitpreisklauseln in den offengelegten Kalkulationen entgegengewirkt. Zum Teil erfolgt die Verhandlung von Rohstoffen und Zukaufteilen direkt durch die Kunden der POLYTEC GROUP mit dem Lieferanten. Soweit mit dem Kunden Preise nur auf Jahresfrist vereinbart sind, ist die Veränderung der Rohstoffpreise ein wichtiger Parameter in den Gesprächen für die jährliche Neufestlegung der Preise. Weiters wird versucht, durch verstärkte Forschungs- und Entwicklungsaktivitäten neue Rohstoffe (Naturfaserstoffe) einzusetzen.

### c. Investitionsrisiko

Um die Lieferbereitschaft für die OEMs zu gewährleisten, ist von Seiten der POLYTEC GROUP ein erhebliches Investitionsvolumen notwendig, woraus sich naturgemäß ein entsprechendes Investitionsrisiko ergibt. Das Investitionsrisiko definiert sich aus der Unsicherheit hinsichtlich der Vorteilhaftigkeit einer Investition. Bei Investitionsentscheidungen unter Risiko besteht die Möglichkeit, dass die zukünftigen Einzahlungsüberschüsse bzw. Renditen eines Investitionsprojektes schwanken. Die Schwankungsanfälligkeit (Volatilität) der Einzahlungsüberschüsse beinhaltet die Gefahr geringerer Rückflüsse.

Um den Infrastrukturbedürfnissen der OEMs gerecht zu werden, sind Jahre zuvor bereits großvolumige Investitionen der POLYTEC GROUP notwendig, sei es in der Anschaffung von Maschinen und Anlagen bis hin zum Bau von ganzen Produktionswerken. Bei geplanten aber nicht erhaltenen Aufträgen kommt es in Folge zu einer unbestimmten Verlängerung der Amortisationsdauer der Investition. Da es sich teilweise um produkt- oder kundenspezifische Investitionen handelt, ist auch eine alternative Verwendungsmöglichkeit teilweise nur begrenzt möglich. Daher wird mit den OEM in der Regel ein entsprechendes Liefervolumen definiert und ein entsprechendes Investitionsrisiko auch von diesen mitgetragen.

#### d. Produktionsrisiko

Das Produktionsrisiko beschreibt die Gesamtheit der zu erwartenden negativen Abweichungen bei der Herstellung von Produkten. Die Produktionsrisiken in der POLYTEC GROUP betreffen im Wesentlichen Effekte, welche eine instabile oder fehlerhafte Ausbringung zur Folge haben, was wiederum zu Stückzahlschwankungen sowie Bandabbrissen beim Kunden führen kann. In weiterer Konsequenz kann dies zu Lieferproblemen und somit zu Reputationsschäden beim Kunden führen. Des Weiteren werden auch Qualitätsprobleme, die wiederum zu Beeinträchtigungen der Kundenbeziehungen führen können, zu den Produktionsrisiken gezählt. Die POLYTEC GROUP minimiert dieses Risiko, indem laufende Verbesserungen im Produktionsprozess (POLYTEC Performance Systems, Digitalisierungsoffensive, etc.) erzielt, sowie laufende organisatorische Maßnahmen zur Verbesserung der Prozessqualität erarbeitet werden.

#### Finanzielle Risiken und deren Management und Sensitivität

**Kreditrisiko:** Aufgrund der Kundenstruktur – rund 90% des Umsatzes werden mit den OEM oder großen Systemlieferanten erzielt – ist die POLYTEC GROUP dem Bonitätsrisiko der Automobilindustrie ausgesetzt. Die Außenstände werden laufend kritisch verfolgt und die vereinbarungsgemäße Bezahlung von Forderungen sichergestellt. Im Geschäftsjahr 2017 wurden rund 56% (Vorjahr: 56%) des Umsatzes mit den drei größten Kunden (inklusive MAN nach Eingliederung in die VW-Gruppe) erzielt. Dies ergibt ein gewisses Klumpenkreditrisiko, das vom Management aber als unkritisch im Hinblick auf Kreditausfälle eingestuft wird. Die Abhängigkeit von wenigen Kunden ist ein Wesensmerkmal der Automobilzulieferindustrie. Als Kunde wird in diesem Zusammenhang eine Gruppe verbundener Unternehmen definiert, die durchaus auch mehrere Automobilmarken herstellen kann. Das Management setzt zukünftig auf eine höhere Diversifizierung durch die Verbreiterung der Kundenbasis im Bereich Non-Automotive.

Das Ausfallrisiko bei flüssigen Mitteln wird als gering eingeschätzt.

Trotz des allgemein als gering eingestuften Kreditrisikos entspricht das maximale theoretische Ausfallrisiko grundsätzlich den Buchwerten der einzelnen finanziellen Vermögenswerte. In Einzelfällen werden auf Basis der laufenden Debitorenüberwachung Kreditversicherungen in Anspruch genommen. Zum Stichtag besteht eine Kreditversicherungsvereinbarung, welche Forderungen aus Lieferungen und Leistungen versichert. Das theoretische Ausfallrisiko ist demnach der Buchwert der Kredite und Forderungen.

An der Einbringlichkeit von finanziellen Vermögenswerten, die weder überfällig noch wertgemindert sind, bestehen keine Zweifel. Nennenswerte Risikokonzentrationen aus der Veranlagung von finanziellen Vermögenswerten bei nur einem Geschäftspartner bestehen nicht.

**Liquiditätsrisiko:** Die Gruppe sichert ihren Liquiditätsbedarf durch Vorhalten einer Barreserve sowie durch vertragliche Vereinbarung entsprechender Kreditrahmen. Die Steuerung erfolgt einheitlich durch die Konzernzentrale. Die Kontokorrentkredite werden der Gruppe bis auf weiteres zur Verfügung gestellt und sind somit als kurzfristig eingestuft, allerdings ist eine kurzfristige Fälligkeit seitens der finanzierenden Kreditinstitute nicht zu erwarten.

**Währungsrisiko:** Der weitaus überwiegende Anteil der Umsätze der POLYTEC GROUP wird in Euro fakturiert, sodass das Währungsrisiko den Konzern in Summe nur in geringem Maß betrifft. Zum Teil erfolgt der Einkauf von Vorleistungen in derselben Währung wie der Verkauf, sodass sich Währungsrisiken natürlich „hedgen“. Die Gruppe ist größeren Währungsrisiken in jenen Ländern ausgesetzt, in denen in Euro fakturiert, Vorleistungen aber in lokaler Währung zugekauft werden müssen. Solche Risiken bestehen etwa gegen die Tschechische Krone, Ungarische Forint und Türkische Lira. Diese Risiken sind vielfach nicht Finanzinstrumenten zuzuordnen, da sie vor allem auch auf Personalkosten zurückzuführen sind. Aufgrund des Ausbaus der Produktionsaktivität im Vereinigten Königreich und der volatilen Kursschwankungen des britischen Pfund seit der Brexit-Abstimmung, ist die POLYTEC GROUP einem verstärkten Währungsrisiko im Zusammenhang mit dem britischen Pfund ausgesetzt. Diesem Risiko begegnet die POLYTEC GROUP mit dem Einsatz von Absicherungsgeschäften.

**Zinsänderungsrisiko:** Dem Zinsänderungsrisiko begegnet die POLYTEC GROUP durch ein der langfristigen Zinsmeinung entsprechendes Portfolio von variablen und fixen Finanzierungen, wobei langfristige Finanzierungen zum überwiegenden Teil variabel verzinst sind.

**Cyber Crime:** Auch die POLYTEC GROUP unterliegt vermehrt Angriffen durch Cyber Crime-Attacken. Diese konnten bisher erfolgreich abgewehrt werden. Dennoch ist die Professionalisierung in diesem Bereich zu einem ernstzunehmenden Risikobereich im operativen Geschäft geworden. Die internen Kontrollen der POLYTEC GROUP wurden laufend verschärft sowie die Sensibilisierung der Mitarbeiter hinsichtlich dieses Themas in regelmäßigen Abständen adressiert und laufend evaluiert.

**Sonstige Risiken:** Verschiedene Verfahren und Klagen, unter anderem im Zusammenhang mit der Veräußerung des Bereichs Interior-Systems, sind gegen die POLYTEC GROUP anhängig. Obwohl der Ausgang dieser Verfahren und Klagen nicht mit Sicherheit bestimmt werden kann, ist der Vorstand der Meinung, dass das Ergebnis dieser Verfahren und Klagen im Einzelnen und insgesamt keinen wesentlichen negativen Einfluss auf die Liquidität, das Ergebnis oder die Finanzlage des Konzerns haben wird. Unabhängig von dieser sorgfältig getroffenen Einschätzung verbleiben Restrisiken.

Sonstige wesentliche Verpflichtungen und Risiken, die im vorliegenden Jahresabschluss nicht entsprechend gewürdigt oder in den Erläuterungen angeführt wurden, liegen nicht vor.

## 6. BERICHT ÜBER FORSCHUNG UND ENTWICKLUNG

Die POLYTEC GROUP intensivierte im Geschäftsjahr 2017 ihre Forschungs- und Entwicklungstätigkeiten. Dies führte zu einer Erhöhung der Forschungs- und Entwicklungskosten um rund EUR 4,4 Mio. auf EUR 14,5 Mio. Diese lagen damit um fast die Hälfte über dem Niveau des Vorjahres in Höhe von EUR 10,1 Mio. Die Forschungskostenquote (F&E-Kosten/Umsatz) erhöhte sich von 1,6% auf 2,1%.

Die Entwicklung neuer Produkte und Anwendungen primär für die Automotive-Industrie zählt zu den Kernkompetenzen der POLYTEC GROUP. Sie ist als strategische Säule tief im Unternehmen verwurzelt und hat in den vergangenen Jahrzehnten maßgeblich zum Erfolg des Konzerns beigetragen. Bei den umfangreichen und arbeitsintensiven Neu- und Weiterentwicklungen ist der Fokus stets auf die Anforderungen der langjährigen Kunden des Unternehmens gerichtet.

Die POLYTEC GROUP strebt danach, ihre Kunden frühzeitig und proaktiv mit innovativen Anwendungen und Technologiekombinationen sowie kompletten Produkt- und Fertigungskonzepten zu überzeugen und damit auch die Wettbewerbsfähigkeit der Gruppe zu stärken. Dabei denkt das Unternehmen nicht in Technologien, sondern in Lösungen, und überzeugt bereits im Engineering mit einer beeindruckenden Wertschöpfungstiefe – von der Materialherstellung über die Konzeptentwicklung bis hin zur Simulation. Fast 200 Ingenieure entwickeln und projektieren im Konzern auf Basis umfassender Erfahrung und fundierten Fachwissens innovative Lösungen in unterschiedlichsten Bereichen der Kunststofftechnologie.

Die große Vielfalt an Materialien und Verfahren von Spritzguss- über verschiedenste Faserverbund- bis hin zu Polyurethan-Anwendungen, kombiniert mit zeitgemäßem Produktions-Know-how, ermöglicht es der POLYTEC GROUP, maßgeschneiderte Lösungen für ihre Kunden in einem adäquaten Preis-Leistungs-Verhältnis bei bester Qualität zu realisieren. Neben der Integration von immer mehr Funktionen in Kunststoffteile und der laufenden Erweiterung der Möglichkeiten zur Materialsubstitution von metallischen Werkstoffen zählt die Entwicklung neuer Materialien und Verfahren, mit denen Kunststoffteile noch leichter und stabiler gemacht werden können, zu den Kerntätigkeiten der POLYTEC GROUP.

Mit der Einführung des neuen Werkstoffs „Sylothan“ gelang POLYTEC eine wertvolle Erweiterung ihres Produktportfolios im Bereich Schwingungstechnik. Sylothan, ein PUR-Elastomer mit feinzelliger Struktur, gewährleistet ein hohes Verformungsvolumen bei statischer und dynamischer Belastung. Vor allem seine Verarbeitung in Kombination mit einer harten Deckschicht aus Polyurethan stößt bei den Kunden von POLYTEC auf großes Interesse.

Die Erfahrung, die POLYTEC aus der Produktion hochkomplexer Bauteile und Systeme für Fahrzeuge gewinnt, lässt sich auch für den Non-Automotive-Bereich nutzen. Dabei geht es nicht nur um Entwicklungs-, Material- und Produktions-Know-how, sondern auch um Logistik, Produktkomplexität und Operational Excellence. Das macht die Leistungen von POLYTEC vor allem für jene Kunden interessant, die Produktlösungen mit hohen Oberflächenanforderungen bzw. mit einem hohen Anspruch an Technologie, mehrstufige Prozesse in der Fertigung und komplexe logistische Lösungen suchen. Die POLYTEC GROUP verfügt dafür sowohl über die erforderliche Kompetenz wie auch über die nötigen Ressourcen.

Das Thema Elektromobilität bietet klare Chancen für die POLYTEC GROUP. Die Entwicklungsingenieure des Konzerns haben sich in den vergangenen Jahren insbesondere mit der Frage auseinandergesetzt, welche Bauteile eines Elektrofahrzeugs aus Leichtbaumaterialien gefertigt werden können. Denn angesichts der schweren Batterien für den Antrieb sollten strombetriebene Fahrzeuge überall sonst möglichst wenig Gewicht aufweisen.

Bauteile aus Kunststoff – etwa Heckdeckel, Getriebeöhlannen, Batterieboxen oder komplexe Akustiklösungen – erfüllen diese Anforderung in vielen Fällen perfekt. Umgekehrt birgt der Trend in Richtung Elektromobilität für POLYTEC aber auch neue Herausforderungen: Bauteile für Elektrofahrzeuge erfordern teils gänzlich andere Lösungen als jene für Fahrzeuge mit konventionellem Antrieb. So etwa im Bereich Acoustic Solutions, in dem sich die POLYTEC GROUP bei Verbrennungsmotoren in den vergangenen Jahren stark positioniert hat. Bei Elektrofahrzeugen liegt der Fokus nun nicht mehr auf der Dämmung der Motorgeräusche, sondern auf der Minimierung der Fahrt- und Abrollgeräusche. Konzepte müssen damit neu durchdacht und entwickelt werden. Die jüngste Initiative zur weiteren Steigerung der Entwicklungskompetenz von POLYTEC soll dazu wesentlich beitragen.

Um diese komplexen Aufgabenstellungen zeitnah und effektiv umsetzen zu können, hat POLYTEC die Prozesse und organisatorischen Rahmenbedingungen auch im Geschäftsjahr 2017 gruppenweit weiter optimiert und wichtige Entscheidungen zum Ausbau von Ressourcen getroffen.

Seit Ende des Jahres 2017 verstärkt das Team von POLYTEC ENGINEERING SERVICES (PES) im deutschen Neckarsulm den Engineeringbereich von POLYTEC. Das bei PES tätige Team aus Ingenieuren wurde von einem Entwicklungsdienstleister übernommen. Zehn Mitarbeiter aus den Sparten Produktentwicklung, Konzeptentwicklung und Vorrichtungsbau denken hier schon heute darüber nach, was im Markt von morgen gefragt sein könnte. Losgelöst vom operativen Tagesgeschäft konzentrieren sie sich auf innovative Produkte, Anwendungen und Lösungen – ohne dabei natürlich die Bedürfnisse des Markts aus dem Blick zu verlieren. Dabei profitieren die Ingenieure von PES nicht zuletzt vom breiten Know-how der drei bestehenden Entwicklungskompetenzzentren von POLYTEC, deren Mitarbeiter schon bisher die Erfahrung der unterschiedlichen Technologie- und Produktbereiche miteinander verknüpfen.

## **7. WESENTLICHE MERKMALE DES INTERNEN KONTROLL- UND RISIKOMANAGEMENTSYSTEMS IM HINBLICK AUF DEN RECHNUNGSLEGUNGSPROZESS**

Die Einrichtung eines angemessenen internen Kontroll- und Risikomanagementsystems im Hinblick auf den Rechnungslegungsprozess bzw. die Finanzberichterstattung liegt in der Verantwortung des Vorstands. Durch entsprechende organisatorische Maßnahmen und Kontrollen wird sichergestellt, dass die gesetzliche Vorgabe, nach der die Eintragungen in die Bücher und die sonstigen Aufzeichnungen vollständig, richtig, zeitgerecht und geordnet zu erfolgen haben, erfüllt wird.

Der gesamte Prozess von der Beschaffung bis zur Zahlung unterliegt strengen Regeln und konzernweit gültigen Richtlinien, die jegliche damit im Zusammenhang stehende Risiken, etwa „CEO Fraud“-Szenarien, vermeiden sollen. Zu diesen Maßnahmen und Regeln zählen u. a. Funktionstrennungen, Unterschriftenordnungen, ausschließlich kollektive und auf wenige Personen eingeschränkte Zeichnungsermächtigungen für Zahlungen sowie systemunterstützte Prüfungen durch die verwendete Software.

Das wesentliche Management-Steuerungsinstrument ist das gruppenweit implementierte Planungs- und Berichtssystem. Darin sind insbesondere eine Mittelfristplanung mit dreijährigem Planungshorizont, eine jährliche Budgetplanung und die Monatsberichte enthalten. Die von POLYTEC GROUP Financial Services erstellte monatliche Finanzberichterstattung bildet die aktuelle Entwicklung aller Konzerngesellschaften zeitnah ab. Der Inhalt dieser Berichte ist gruppenweit vereinheitlicht und umfasst neben Gewinn- und Verlustrechnung sowie Bilanz die daraus abgeleiteten wesentlichen Kennzahlen und eine Abweichungsanalyse.

Durch das standardisierte gruppenweite Finanzberichtswesen sowie eine interne Ad-hoc-Berichterstattung über unternehmenswichtige Ereignisse wird der Vorstand laufend über alle relevanten Sachverhalte und Risiken informiert. Der Aufsichtsrat wird in zumindest einer Aufsichtsratssitzung pro Quartal über den laufenden Geschäftsgang, die operative Planung und die mittelfristige Strategie des Konzerns unterrichtet, in besonderen Fällen wird der Aufsichtsrat auch unmittelbar informiert. In den Prüfungsausschusssitzungen wird u. a. auch das interne Kontroll- und Risikomanagement behandelt.

## **8. ANGABEN ZU KAPITAL-, ANTEILS-, STIMM- UND KONTROLLRECHTEN UND DAMIT VERBUNDENEN VERPFLICHTUNGEN GEMÄSS § 243A UGB**

Das Grundkapital der POLYTEC Holding AG betrug zum Bilanzstichtag 31. Dezember 2017 unverändert EUR 22,3 Mio. und war in 22.329.585 auf Nennwert lautende Aktien unterteilt. Weitere Aktiegattungen bestanden nicht. Sämtliche Aktien waren zum Handel im Segment prime market der Wiener Börse zugelassen.

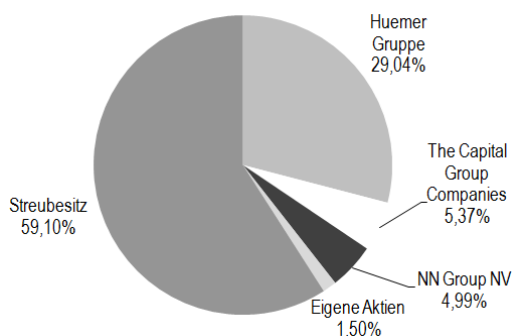
Einziger Aktionär mit einer Beteiligung von mehr als 10,0% des Grundkapitals war zum Bilanzstichtag 31. Dezember 2017 die Huemer-Gruppe. Sie hielt 29,04% (16,00% Huemer Holding GmbH und 13,04% Huemer Invest GmbH) des Grundkapitals der POLYTEC Holding AG. Gegenüber dem Bilanzstichtag 31. Dezember 2016 blieb der Anteilsbesitz der Ing. Friedrich Huemer, CEO der POLYTEC GROUP, zurechenbaren Gesellschaften an der POLYTEC Holding AG unverändert. Darüber hinaus waren dem Vorstand zum Bilanzstichtag keine Aktionäre bekannt, die eine Beteiligung am Grundkapital von mehr als 10,0% hielten. Keine Inhaber von Aktien verfügen über besondere Kontrollrechte.

Während des Geschäftsjahres 2017 wurden der POLYTEC Holding AG seitens der Aktionäre zwei Stimmrechtsmitteilungen gemäß § 91 BörseG (nunmehr § 130 BörseG 2018) übermittelt:

Am 10. April 2017 wurde der POLYTEC Holding AG von der NN Group N.V. mit Sitz in Amsterdam (Niederlande) mitgeteilt, dass die NN Group N.V. mit Wirkung 7. April 2017 alle Anteile an der Delta Lloyd N.V. mit Sitz in Amsterdam (Niederlande) und ihren Beteiligungsgesellschaften übernommen hat. Daher sind alle per 7. April 2017 von der Delta Lloyd N.V. und ihren Beteiligungsgesellschaften an der POLYTEC Holding AG gehaltenen Anteile forthin der NN Group N.V. zuzuordnen. Die NN Group N.V. hielt nach eigenen Angaben per 7. April 2017 1.400.000 Stück bzw. 6,27% an der POLYTEC Holding AG. Die POLYTEC Holding AG hat am 11. April 2017 dazu eine Meldung gemäß § 93 Abs. 2 BörseG veröffentlicht.

Am 18. Oktober 2017 wurde der POLYTEC Holding AG vom Aktionär NN Group N.V. mit Sitz in Amsterdam (Niederlande) mitgeteilt, dass am 17. Oktober 2017 eine Meldeschwelle bezüglich einer Beteiligung unterschritten wurde. Zwei verwaltete Fonds hielten per 17. Oktober 2017 zusammen 4,99% bzw. 1.115.250 Aktien an der POLYTEC Holding AG. Die POLYTEC Holding AG hat am 18. Oktober 2017 dazu eine Meldung gemäß § 93 Abs. 2 BörseG (nunmehr § 135 Abs. 2 BörseG 2018) veröffentlicht.

Zum 31. Dezember 2017 stellte sich die Aktionärsstruktur der POLYTEC Holding AG auf Basis der ausgegebenen 22.329.585 Aktien wie folgt dar:



Nach dem Bilanzstichtag wurde eine weitere Änderung einer bedeutenden Beteiligung bekanntgegeben: Ende Februar 2018 teilte der Aktionär The Capital Group Companies, Inc. mit Sitz in Los Angeles (USA) der POLYTEC Holding AG mit, dass am 23. Februar 2018 eine Meldeschwelle bezüglich einer Beteiligung unterschritten wurde und der Aktionär an diesem Tag 4,37% bzw. 976.139 Aktien an der POLYTEC Holding AG hielt.

### EIGENE AKTIEN

Während des Geschäftsjahres 2017 hat die Gesellschaft keine eigenen Aktien erworben oder verkauft. Die POLYTEC Holding AG hielt somit am Bilanzstichtag 31. Dezember 2017 unverändert 334.041 Stück eigene Aktien. Dies entspricht einem Anteil von rund 1,5% am Grundkapital.

### GENEHMIGTES KAPITAL

Die Ermächtigung des Vorstands zur erneuten Schaffung eines Genehmigten Kapitals (§ 169 AktG) zur Bar- oder Sachkapitalerhöhung bis zu Nominale EUR 6.698.875,00 mit der Möglichkeit zum Bezugsrechtsausschluss und der dementsprechenden Änderung der Satzung, basierend auf dem Beschluss im Rahmen der 16. Ordentlichen Hauptversammlung vom 19. Mai 2016, ist bis zum 24. August 2019 gültig.

### SONSTIGE ANGABEN

Es existiert keine Entschädigungsvereinbarung zwischen der Gesellschaft und Mitgliedern des Vorstands für den Fall eines Kontrollwechsels. Ebenso gibt es keine Entschädigungsvereinbarungen für die Aufsichtsratsmitglieder und Arbeitnehmer. Weitere bedeutende Vereinbarungen, auf die ein Kontrollwechsel oder ein öffentliches Übernahmeangebot eine Auswirkung hätten, bestehen nicht. Es bestehen keine Satzungsbestimmungen, die über die gesetzlichen Bestimmungen zur Ernennung von Vorstand oder Aufsichtsrat sowie zur Änderung der Satzung hinausgehende Regelungen enthalten. Die im Firmenbuch eingetragene Website der POLYTEC Holding AG lautet: [www.polytec-group.com](http://www.polytec-group.com)

Hörsching, am 20. März 2018

Der Vorstand der POLYTEC Holding AG

Ing. Friedrich Huemer  
Vorstandsvorsitzender – CEO

Dipl.-Ing. (FH) Markus Huemer, MBA  
Stellvertretender Vorstandsvorsitzender – COO

Dipl.-Ing. Alice Godderidge  
Mitglied des Vorstands – CSO

Dkfm. Peter Haidenek  
Mitglied des Vorstands – CFO

# Bestätigungsvermerk

## Bericht zum Jahresabschluss

### Prüfungsurteil

Wir haben den Jahresabschluss der

**POLYTEC Holding AG,  
Hörsching,**

bestehend aus der Bilanz zum 31. Dezember 2017, der Gewinn- und Verlustrechnung für das an diesem Stichtag endende Geschäftsjahr und dem Anhang, geprüft.

Nach unserer Beurteilung entspricht der Jahresabschluss den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage zum 31. Dezember 2017 sowie der Ertragslage der Gesellschaft für das an diesem Stichtag endende Geschäftsjahr in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

### Grundlage für das Prüfungsurteil

Wir haben unsere Abschlussprüfung in Übereinstimmung mit der EU-Verordnung Nr 537/2014 (im Folgenden EU-VO) und mit den österreichischen Grundsätzen ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern die Anwendung der International Standards on Auditing (ISA). Unsere Verantwortlichkeiten nach diesen Vorschriften und Standards sind im Abschnitt "Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses" unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von der Gesellschaft unabhängig in Übereinstimmung mit den österreichischen unternehmensrechtlichen und berufsrechtlichen Vorschriften und wir haben unsere sonstigen beruflichen Pflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen.

### Besonders wichtige Prüfungssachverhalte

Besonders wichtige Prüfungssachverhalte sind solche Sachverhalte, die nach unserem pflichtgemäßen Ermessen am bedeutsamsten für unsere Prüfung des Jahresabschlusses des Geschäftsjahres waren. Diese Sachverhalte wurden im Zusammenhang mit unserer Prüfung des Jahresabschlusses als Ganzem und bei der Bildung unseres Prüfungsurteils hierzu berücksichtigt und wir geben kein gesondertes Prüfungsurteil zu diesen Sachverhalten ab.



## **Werthaltigkeit der Anteile an sowie der finanziellen Forderungen gegenüber verbundenen Unternehmen**

Siehe Anhang Beilage I/4, I/6 sowie Anlage 1 zum Anhang.

### ***Das Risiko für den Abschluss***

Anteile an sowie finanzielle Forderungen gegenüber verbundenen Unternehmen (Buchwert MEUR 277,5) stellen 89,4 % der ausgewiesenen Aktivposten im Jahresabschluss der POLYTEC Holding AG zum 31. Dezember 2017 dar.

Anlassbezogen werden Anteile an sowie Forderungen gegenüber verbundenen Unternehmen von der Gesellschaft einer Werthaltigkeitsüberprüfung unterzogen. Auslöser einer anlassbezogenen Überprüfung ist einerseits eine wesentliche statische Unterdeckung bei der Gegenüberstellung des Beteiligungsansatzes mit dem anteiligen Eigenkapital zum Stichtag und andererseits das Vorliegen von externen oder internen Einflussfaktoren, die eine erhebliche Wertminderung auslösen können. Im Anlassfall wird im Fall von direkten Beteiligungen, soweit nicht dokumentierte stille Reserven im langfristigen Vermögen die Unterdeckung egalisieren, die Bewertung auf Basis von diskontierten Netto-Zahlungsmittelzuflüssen, die von zukünftigen Ergebniserwartungen abhängig sind, unter Anwendung von aus Marktdaten abgeleiteten Diskontierungszinssätzen durchgeführt.

Im Fall indirekter Beteiligungen werden finanzielle Forderungen gegenüber verbundenen Unternehmen von der Gesellschaft anhand der Ergebnis- und Cashflow-Planungen auf Werthaltigkeit analysiert und unter Berücksichtigung von geplanten Maßnahmen zur Erzielung von Rückzahlungspotenzial bewertet.

Diese Bewertungen sind mit bedeutenden Schätzunsicherheiten insbesondere betreffend langfristiger Planungsannahmen sowie Marktunsicherheiten behaftet. Für den Abschluss besteht das Risiko einer Überbewertung der Anteile an sowie der finanziellen Forderungen gegenüber verbundenen Unternehmen.

### ***Unsere Vorgehensweise in der Prüfung***

Wir haben die vom Unternehmen erstellten Unterlagen zur Ermittlung einer allfälligen statischen Unterdeckung nachvollzogen und die Dokumentation, ob andere Indikatoren für eine Wertminderung vorliegen, kritisch gewürdigt und mit dem Management diskutiert. Im Fall der direkten Beteiligungen hat das Unternehmen in drei Fällen anlassbezogene Werthaltigkeitsprüfungen durchgeführt. Wir haben die der Bewertung zugrunde gelegten Ergebniserwartungen sowie Investitionen mit dem aktuellen und vom Aufsichtsrat genehmigten Budget abgeglichen. Um die Angemessenheit der Planungen beurteilen zu können, haben wir uns ein Verständnis über den Planungsprozess verschafft und die verwendeten Annahmen mit der historischen Entwicklung abgeglichen. Wir haben die Annahmen in Gesprächen mit dem Management erörtert und uns in diesem Zuge ein Verständnis darüber verschafft, wie historische Erfahrungen die Planung des Managements beeinflussen.

Darüber hinaus haben wir die Angemessenheit der ermittelten Diskontierungssätze sowie das Berechnungsmodell des Werthaltigkeitstest beurteilt. Wir haben kritisch gewürdigt, ob die langfristige Entwicklung des Rentabilitätsniveaus in der Rentenphase im Vergleich mit den in der Vergangenheit erzielten Ergebnissen und der Entwicklung in der Mittelfristplanung konsistent und plausibel erscheint.

Diese Prüfungshandlungen haben wir unter Konsultation unserer Bewertungsspezialisten vorgenommen.

Soweit stille Reserven die statische Unterdeckung egalisieren, haben wir die vorgelegten Unterlagen kritisch gewürdigt.

Bei der Würdigung der Werthaltigkeit der finanziellen Forderungen gegenüber indirekten Beteiligungen haben wir basierend auf den Ergebnis- und Cashflow-Planungen untersucht, ob Zweifel an der Einbringlichkeit bestehen. In zwei Anlässen haben wir die vom Management festgelegten Maßnahmen zur Wiederherstellung der Ertragskraft mit dem Management besprochen und uns ein Verständnis über getroffene Annahmen verschafft.

Abschließend haben wir untersucht, ob die Erläuterungen des Unternehmens zu den Anteilen an verbundenen Unternehmen im Anhang vollständig und sachgerecht sind.

Darüber hinaus haben wir die Angemessenheit der ermittelten Diskontierungssätze sowie das dazugehörige Berechnungsschema beurteilt. Wir haben beurteilt, ob die langfristige Entwicklung des Rentabilitätsniveaus in der Rentenphase konsistent und plausibel erscheint.

Diese Prüfungshandlungen haben wir unter Konsultation unserer Bewertungsspezialisten vorgenommen.

Abschließend haben wir untersucht, ob die Erläuterungen des Unternehmens zu Finanzanlagen im Anhang vollständig und sachgerecht sind.

### **Verantwortlichkeiten der gesetzlichen Vertreter und des Prüfungsausschusses für den Jahresabschluss**

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses und dafür, dass dieser in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie als notwendig erachten, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen – beabsichtigten oder unbeabsichtigten – falschen Darstellungen ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen, Sachverhalte im Zusammenhang mit der Fortführung der Unternehmenstätigkeit – sofern einschlägig – anzugeben, sowie dafür, den Rechnungslegungsgrundsatz der Fortführung der Unternehmenstätigkeit anzuwenden, es sei denn, die gesetzlichen Vertreter beabsichtigen, entweder die Gesellschaft zu liquidieren oder die Unternehmenstätigkeit einzustellen oder haben keine realistische Alternative dazu.

Der Prüfungsausschuss ist verantwortlich für die Überwachung des Rechnungslegungsprozesses der Gesellschaft.

## Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses

Unsere Ziele sind hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen – beabsichtigten oder unbeabsichtigten – falschen Darstellungen ist und einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil beinhaltet. Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsgemäßer Abschlussprüfung, die die Anwendung der ISA erfordern, durchgeführte Abschlussprüfung eine wesentliche falsche Darstellung, falls eine solche vorliegt, stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn von ihnen einzeln oder insgesamt vernünftigerweise erwartet werden könnte, dass sie die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Nutzern beeinflussen.

Als Teil einer Abschlussprüfung in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsgemäßer Abschlussprüfung, die die Anwendung der ISA erfordern, üben wir während der gesamten Abschlussprüfung pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung.

Darüber hinaus gilt:

- Wir identifizieren und beurteilen die Risiken wesentlicher – beabsichtigter oder unbeabsichtigter – falscher Darstellungen im Abschluss, planen Prüfungshandlungen als Reaktion auf diese Risiken, führen sie durch und erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass aus dolosen Handlungen resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, ist höher als ein aus Irrtümern resultierendes, da dolose Handlungen betrügerisches Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen oder das Außerkraftsetzen interner Kontrollen beinhalten können.
- Wir gewinnen ein Verständnis von dem für die Abschlussprüfung relevanten internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit des internen Kontrollsystems der Gesellschaft abzugeben.
- Wir beurteilen die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte in der Rechnungslegung und damit zusammenhängende Angaben.
- Wir ziehen Schlussfolgerungen über die Angemessenheit der Anwendung des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit durch die gesetzlichen Vertreter sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die erhebliche Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen kann. Falls wir die Schlussfolgerung ziehen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, in unserem Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch die Abkehr der Gesellschaft von der Fortführung der Unternehmenstätigkeit zur Folge haben.

- Wir beurteilen die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse in einer Weise wiedergibt, dass ein möglichst getreues Bild erreicht wird.
- Wir tauschen uns mit dem Prüfungsausschuss unter anderem über den geplanten Umfang und die geplante zeitliche Einteilung der Abschlussprüfung sowie über bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel im internen Kontrollsystem, die wir während unserer Abschlussprüfung erkennen, aus.
- Wir geben dem Prüfungsausschuss auch eine Erklärung ab, dass wir die relevanten beruflichen Verhaltensanforderungen zur Unabhängigkeit eingehalten haben und uns mit ihm über alle Beziehungen und sonstigen Sachverhalte austauschen, von denen vernünftigerweise angenommen werden kann, dass sie sich auf unsere Unabhängigkeit und – sofern einschlägig – damit zusammenhängende Schutzmaßnahmen auswirken.
- Wir bestimmen von den Sachverhalten, über die wir uns mit dem Prüfungsausschuss ausgetauscht haben, diejenigen Sachverhalte, die am bedeutsamsten für die Prüfung des Jahresabschlusses des Geschäftsjahres waren und daher die besonders wichtigen Prüfungssachverhalte sind. Wir beschreiben diese Sachverhalte in unserem Bestätigungsvermerk, es sei denn, Gesetze oder andere Rechtsvorschriften schließen die öffentliche Angabe des Sachverhalts aus oder wir bestimmen in äußerst seltenen Fällen, dass ein Sachverhalt nicht in unserem Bestätigungsvermerk mitgeteilt werden sollte, weil vernünftigerweise erwartet wird, dass die negativen Folgen einer solchen Mitteilung deren Vorteile für das öffentliche Interesse übersteigen würden.

## Sonstige gesetzliche und andere rechtliche Anforderungen

### Bericht zum Lagebericht

Der Lagebericht ist auf Grund der österreichischen unternehmensrechtlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob er nach den geltenden rechtlichen Anforderungen aufgestellt wurde.

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Lageberichtes in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Wir haben unsere Prüfung in Übereinstimmung mit den Berufsgrundsätzen zur Prüfung des Lageberichtes durchgeführt.

### Urteil

Nach unserer Beurteilung ist der Lagebericht nach den geltenden rechtlichen Anforderungen aufgestellt worden, enthält die nach § 243a UGB zutreffenden Angaben, und steht in Einklang mit dem Jahresabschluss.

### Erklärung

Angesichts der bei der Prüfung des Jahresabschlusses gewonnenen Erkenntnisse und des gewonnenen Verständnisses über die Gesellschaft und ihr Umfeld haben wir keine wesentlichen fehlerhaften Angaben im Lagebericht festgestellt.

## Zusätzliche Angaben nach Artikel 10 EU-VO

Wir wurden von der Hauptversammlung am 22. Mai 2017 als Abschlussprüfer gewählt und am 21. September 2017 vom Aufsichtsrat mit der Abschlussprüfung der POLYTEC Holding AG beauftragt. Wir sind nach einer mehrjährigen Unterbrechung der Prüfungstätigkeit erstmals für die Prüfung des Jahresabschlusses zum 31. Dezember 2017 als Abschlussprüfer der Gesellschaft wiederbestellt.

Wir erklären, dass das Prüfungsurteil im Abschnitt "Bericht zum Jahresabschluss" mit dem zusätzlichen Bericht an den Prüfungsausschuss nach Artikel 11 der EU-VO in Einklang steht.

Wir erklären, dass wir keine verbotenen Nichtprüfungsleistungen (Artikel 5 Abs 1 der EU-VO) erbracht haben und dass wir bei der Durchführung der Abschlussprüfung unsere Unabhängigkeit von der geprüften Gesellschaft gewahrt haben.

## Auftragsverantwortlicher Wirtschaftsprüfer

Der für die Abschlussprüfung auftragsverantwortliche Wirtschaftsprüfer ist Frau Mag. Cäcilia Gruber.

Linz, am 20. März 2018

KPMG Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Cäcilia Gruber  
Wirtschaftsprüfer

Die Veröffentlichung oder Weitergabe des Jahresabschlusses mit unserem Bestätigungsvermerk darf nur in der von uns bestätigten Fassung erfolgen. Dieser Bestätigungsvermerk bezieht sich ausschließlich auf den deutschsprachigen und vollständigen Jahresabschluss samt Lagebericht. Für abweichende Fassungen sind die Vorschriften des § 281 Abs 2 UGB zu beachten.

## CORPORATE CALENDAR 2018

|                 |           |                                                                                            |
|-----------------|-----------|--------------------------------------------------------------------------------------------|
| 12 April 2018   | Thursday  | Publication of the financial statements and annual report for 2017                         |
| 6 May 2018      | Sunday    | Record date "AGM"                                                                          |
| 9 May 2018      | Wednesday | Publication of the interim report for Q1 2018                                              |
| 16 May 2018     | Wednesday | 18 <sup>th</sup> Annual General Meeting for the 2017 financial year, Hörsching, 10:00 a.m. |
| 22 May 2018     | Tuesday   | Ex-dividend day                                                                            |
| 23 May 2018     | Wednesday | Record date "Dividends"                                                                    |
| 24 May 2018     | Thursday  | Dividend pay-out day                                                                       |
| 8 August 2018   | Wednesday | Publication of the financial report for HY1 2018                                           |
| 7 November 2018 | Wednesday | Publication of the interim report for Q3 2018                                              |



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### NOTE

This annual report has been prepared with the greatest possible care and every effort has been made to ensure the accuracy of the data that it contains. Nevertheless, rounding, typographical and printing errors cannot be excluded. The use of automatic calculating devices can result in rounding-related differences during the addition of rounded amounts and percentages. This annual report contains assessments and assertions relating to the future made on the basis of all the information currently available. Such future-related statements are usually introduced with terms such as "expect", "estimate", "plan", "anticipate", etc. We would draw your attention to the fact that various factors could cause actual conditions and results to deviate from the expectations outlined in this report. This annual report is published in German and English. The English translation serves information purposes and the original German text is the sole legally binding version. The financial statements and annual report for 2017 were published on 12 April 2018 and are available for downloading on the POLYTEC Holding AG website at [www.polytec-group.com](http://www.polytec-group.com) sector Investor Relations, Publications.

Editorial closing date: 22 March 2018

| <b>Company and technology</b> |                                                                                                                                                                                                   |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ABS                           | Acrylonitrile butadiene styrene is a plastic suited to the coating of metals                                                                                                                      |
| Blow moulding                 | A process for the production of hollow, thermoplastic parts (lightweight construction technology)                                                                                                 |
| Business Intelligence         | Procedures and processes for systematic analyses using the gathering, evaluation and presentation of data in electronic form                                                                      |
| CAQ                           | Computer-aided quality                                                                                                                                                                            |
| Carbon SMC                    | SMC with cut carbon fibres                                                                                                                                                                        |
| CEO                           | Chief Executive Officer                                                                                                                                                                           |
| CFO                           | Chief Financial Officer                                                                                                                                                                           |
| Class A painting              | Painting of the visible surfaces of interior and exterior parts                                                                                                                                   |
| COO                           | Chief Operations Officer                                                                                                                                                                          |
| CSO                           | Chief Sales Officer                                                                                                                                                                               |
| D-LFT                         | Direct process for the use of long fibre reinforced thermoplastics in exceptionally tough parts                                                                                                   |
| Data warehouse                | An optimised central database, which is used for analytical purposes and, as a rule, combines and compacts data from a variety of sources                                                         |
| ERP                           | Enterprise resource planning: the prompt, needs-based planning and control of resources                                                                                                           |
| GMT                           | Glass mat reinforced thermoplastics: a material combination consisting of glass fibre mats and thermoplastics                                                                                     |
| Impact extrusion              | Forming process on the basis of the subsection of the blank to pressure                                                                                                                           |
| In-mould decoration/IMD       | A special type of plastic part decoration using a coloured, scratch-resistant coating.                                                                                                            |
| Injection moulding            | Process in which material is liquefied (plastified) and injected into a mould under pressure                                                                                                      |
| Just-in-sequence/JIS          | Punctual delivery of workpieces to the assembly line in the correct sequence                                                                                                                      |
| Just-in-time/JIT              | Punctual delivery of workpieces to the assembly line                                                                                                                                              |
| LFT                           | Long fibre reinforced thermoplastics, which are used to create exceptionally tough parts                                                                                                          |
| LWRT                          | Lightweight reinforced thermoplastics: lightweight, glass fibre reinforced thermoplastic mixed fibre webs with high acoustic efficiency                                                           |
| MES                           | Manufacturing execution system: systems solution for efficient production control                                                                                                                 |
| PA                            | Polyamide: thermoplastic with high strength, rigidity and toughness                                                                                                                               |
| PE                            | Polyethylene: thermoplastic                                                                                                                                                                       |
| PLM                           | Product lifecycle management: an integrated solution for the visualisation of the POLYTEC product development process (PEP) including project and task management, and design data administration |
| PP                            | Polypropylene: thermoplastic                                                                                                                                                                      |
| PPS                           | POLYTEC Performance System: the POLYTEC GROUP's lean management programme                                                                                                                         |
| PUR RRIM                      | Polyurethane reinforced reaction injection moulding                                                                                                                                               |
| PUR/PU                        | Polyurethane: plastic or synthetic resin                                                                                                                                                          |
| Reaction injection moulding   | Process in which immediately after blending a reactive mixture of two components is injected into the mould where it quickly hardens                                                              |
| SAP S4/HANA                   | An extended SAP standard for SAP's own SAP HANA database                                                                                                                                          |
| SCR                           | Selective catalytic reduction: a technology for the reduction of nitrogen oxides in exhaust gases                                                                                                 |
| SMC                           | Sheet moulding compound: press mass consisting of duroplastic reactive resins and glass fibres for the production of fibre-plastic compounds                                                      |
| TPU                           | Thermoplastic polyurethane: plastic offering high resistance to dynamic forces and wear                                                                                                           |

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**Financials**

|                                  |                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CAD                              | Canadian Dollar                                                                                                                                                                                                                                                                                                                                          |
| Capital employed                 | Capital employed includes non-current assets required for operations (intangible assets, goodwill, tangible assets, participations in companies accounted for at equity and other non-current receivables) less other non-current provisions and net current assets (non-interest bearing current assets less non-interest bearing current liabilities). |
| CNY                              | Chinese Renminbi Yuan                                                                                                                                                                                                                                                                                                                                    |
| CZK                              | Czech Krona                                                                                                                                                                                                                                                                                                                                              |
| Deferred taxes                   | Balance sheet item to show fiscal valuation differences. In the case of temporary discrepancies between the group balance sheet and the fiscal balance sheet, both deferred tax assets and deferred tax liabilities are recognised in order to report the tax expenses in accordance with the group financial result.                                    |
| EBIT                             | Earnings before interest and taxes                                                                                                                                                                                                                                                                                                                       |
| EBITDA                           | Earnings before interest, taxes, depreciation and amortisation                                                                                                                                                                                                                                                                                           |
| EBIT margin                      | EBIT/sales, in %                                                                                                                                                                                                                                                                                                                                         |
| Equity ratio                     | Equity/balance sheet total, in %                                                                                                                                                                                                                                                                                                                         |
| EUR k                            | Euro thousands                                                                                                                                                                                                                                                                                                                                           |
| EUR m                            | Euro millions                                                                                                                                                                                                                                                                                                                                            |
| Free cash flow                   | Cash flow from operating activities less cash flow from investing activities                                                                                                                                                                                                                                                                             |
| FTE                              | Full-time equivalents of employees                                                                                                                                                                                                                                                                                                                       |
| GBP                              | Great Britain Pound                                                                                                                                                                                                                                                                                                                                      |
| Gearing                          | Net debt/equity                                                                                                                                                                                                                                                                                                                                          |
| HUF                              | Hungarian Forint                                                                                                                                                                                                                                                                                                                                         |
| IAS                              | International Accounting Standards                                                                                                                                                                                                                                                                                                                       |
| IFRS                             | International Financial Reporting Standards, including International Accounting Standards (IAS)                                                                                                                                                                                                                                                          |
| ISIN AT0000A00XX9                | International Securities Identification Number of POLYTEC share                                                                                                                                                                                                                                                                                          |
| LEI                              | Legal Entity Identifier: the unique international code number of POLYTEC Holding AG: 5299000VSOBJNXZACW81                                                                                                                                                                                                                                                |
| Market capitalisation            | Value of Enterprise: number of issued shares multiplied with certain share price                                                                                                                                                                                                                                                                         |
| MSCI World Small Cap Index       | Share index containing more than 4,300 titles from 23 developed countries                                                                                                                                                                                                                                                                                |
| Net current assets               | Non-interest bearing current assets less non-interest bearing current liabilities                                                                                                                                                                                                                                                                        |
| Net financial liabilities/assets | Interest-bearing current and non-current liabilities less cash and cash equivalents and interest-bearing receivables                                                                                                                                                                                                                                     |
| ROCE                             | Return on Capital Employed (EBIT/average capital employed)                                                                                                                                                                                                                                                                                               |
| TRY                              | Turkish Lira                                                                                                                                                                                                                                                                                                                                             |
| USD                              | United States Dollar                                                                                                                                                                                                                                                                                                                                     |



