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Menu

(0)  

[home page](#) / [Quick search](#) / [Searchresults](#)

Search in all areas

Search options 

[← Previous entry](#)

[Back to search results](#)



[Next entry >](#)

Lindner Group KG, Arnstorf
Accounting / Financial Reports
Company
information
Description

Lindner Group KG

Arnstorf

Consolidated financial statements for the financial year from January 1st, 2020 to December 31st, 2020

Group management report for the 2020 financial year

1. FUNDAMENTALS OF THE GROUP

The overall structure of the group of companies with the umbrella company Lindner Group KG is divided into four business areas. The construction business segment, with the business segments of interior design, building envelope, insulation technology and installation and service, accounts for the majority of the group's total sales. In addition, all development and real estate projects in Germany and abroad are combined in the real estate and project development business area. The third operationally active business field, agriculture and forestry, rounds off the range of services of the Lindner Group in the long term. The Hotel and Gastronomy operating business segment, which operates restaurants, breweries and several hotels in Germany, was closed in the 2020 financial year retrospectively as of January 1, 2020.

Business field construction

Business segment expansion

The core business of the Lindner Group is the entire business area of interior fittings. This portfolio includes the development and manufacture of our own products (ceilings, floors, lights, walls, doors), the delivery and project business of our own products as well as the processing of complete fittings and is Represented domestically by Lindner SE. In addition, Lindner SE implements object-specific system solution construction. These include specially developed fit-out systems (clean room technology, space-shaping and ship fit-out, technical building equipment, development & planning) in addition to classic office fit-outs. The international interior design project business is handled in 23 foreign subsidiaries and sub-subsidiaries.

Building envelope business segment

The service portfolio of the building envelope business segment extends to the three business areas of special facade construction, glass-steel building envelopes and roof construction. The main business area of special facades includes the design, manufacture as well as project management and assembly of high-quality A-facades. Sales and project management in Europe, excluding the UK, is carried out by Lindner Fassaden GmbH. Lindner Facades Ltd. in London forms the counterpart in this respect in the English market and Lindner Contracting in Dubai in the Arabic region. The second business area is the Steel & Glass area, which specializes in the construction and processing of highly complex self-supporting glass-steel constructions. The distribution of this business area operates from the branch in Dettelbach as well as via the companies Lindner Facades Ltd. in the USA and via Lindner Facades Asia Ltd. In the Asian region.

The Prater Ltd. based in London represents the third central building block of the building envelope business segment. The company, which focuses on complex roof structures in Great Britain, completes the range of services in the business segment.

Insulation technology business segment

The central business areas of the Insulation Technology business segment of the Lindner Group are industrial insulation, building services insulation, structural fire protection, pollutant remediation, scaffolding and GFRC. In the industrial insulation business area, the sub-area is focused on power plant, maintenance and special insulation. The business areas of scaffolding and fire protection are provided by the specialized subsidiaries Lindner Gerüstbau GmbH and Beta Brandschutztechnik GmbH.

Assembly and service business segment

The assembly and service segment with its subsidiaries in Germany and abroad provides assembly services in the core business area exclusively for the companies of the Lindner Group in the areas of interior work, insulation technology and building shells. Furthermore, the companies in the Service division provide facility management, construction management, technical services and energy management services exclusively for the companies in the Lindner Group.

Real estate and project development business area

In the real estate and project development business area, real estate projects are actively being developed, such as the major projects currently in Tirana Business Park (Albania), Residential Park Sofia (Bulgaria) and Residential Park Lozen (Bulgaria), as well as managing various properties in Germany and other properties in other European countries and operated. This also applies to the properties of the Hotel and Gastronomy division, which was spun off in 2020.

Agriculture and forestry business area

The business area agriculture and forestry includes the management of 3,185 ha of agricultural land in Germany and Romania, Transylvania region. 385 ha are already being farmed organically or are being converted. With around 3,110 ha, the largest area, predominantly conventional arable farming, is in Transylvania. Grain, legumes and roughage for the company's own breeding and fattening of pigs in Germany and cattle in suckler cow husbandry at both company locations are currently primarily cultivated on the organic areas. In addition, almost 530 hectares of forest are managed sustainably.

2. Economic report

2.1 Overall economic development

A large number of industries had to accept immense losses in 2020 and suffered massively from the consequences of the Corona Pandemic. The construction industry, on the other hand, was largely able to master the challenges and maintain construction site operations. The overall economic figures in Germany clearly demonstrate this. While aggregate gross value added (excluding construction) fell by 5.5% in real terms in 2020, in construction it increased by 1.4% in real terms.

The total number of people in employment fell by 1.2% in the previous year, while an increase of 0.7% was recorded in the construction industry. The commitment of the federal and state governments to reimburse the municipalities for half of the trade tax revenue lost in 2020 prevented a slump in municipal construction measures in 2020.

In the first three quarters of 2020, municipalities' construction expenditure even rose by 13.5%.

Incoming orders increased significantly in January and February 2020, but then developed unevenly. Declines were offset by increases in September and October. For the first eleven months, this results in a slight increase of 0.2% compared to the previous year, but in real terms a decrease of 2.4%. The order backlog in Germany reached a new record value of EUR 57.8 billion at the end of September 2020 (+ 7.5% compared to the previous year).

In neighboring European countries, the construction industry was also in some cases more robust than other sectors during the pandemic. However, this varied from country to country depending on the extent of the measures taken. In Spain and France in particular, the construction industry suffered significantly more than the euro zone average due to longer lockdowns.

Sources:

Main Association of the German Construction Industry, www.bauindustrie.de

Press release 01/26/2021

ING ThinkEuropean Construction Outlook 2021

2.2 Development of the group

Development in the construction business

Business segment expansion

The Products business areas of the Finishing business segment performed even more positively in 2020 compared to the previous year. In the year under review, the Flooring business area was able to exceed the very high level of the previous year in terms of output and results. The same applies to the resident trading business GFT due to the sales focus on industrial customers. The ceiling business area was also able to exceed the performance volume of the previous year with heating and cooling ceilings. In 2020, the Wall division was able to confirm the performance increases of previous years and also increase the results.

The national regional business areas of the expansion continued the positive trend of previous years in 2020 and were above the level of the previous year in terms of output and earnings. High order backlog, stable incoming orders despite Corona and experienced project management units have a lasting impact on the development of these business areas and also made above-average contributions to earnings in 2020.

The business areas of object-specific system solutions continued the positive development of the previous years in 2020. In 2020, too, the specific system solutions of the business areas of clean room technology, room design and ship interiors as well as development and planning provided the basis for a total of sustainable, stable growth in performance and above-average earnings development. The business area of building technology recorded both performance and the most positive development in terms of earnings.

The international project and delivery business operated from Germany abroad and in the foreign subsidiaries stagnated in 2020 and overall fell short of plans in terms of performance and earnings.

The operational difficulties that the Corona crisis brought with it, especially in the second quarter of 2020 in connection with the travel restrictions for assembly staff, were largely overcome - mainly due to the special commitment of our own assembly staff and the entire assembly team - and the resulting construction delays until largely caught up by the end of the year.

Building envelope business segment

The business area special facade construction Europe, excluding UK of the business segment building envelope, fell significantly short of its planned sales in 2020, primarily due to order cancellations and postponements. Savings measures and short-time work kept the underfunding within limits. A domestic project that has been critical for several years was completed in 2020. However, this resulted in another significant loss.

The English subsidiary Lindner Facades Ltd. was also unable to achieve its planned sales due to the difficult Corona circumstances, both in sales work and in project management in the UK. Here, too, drastic cost-cutting measures were taken to curb the underfunding. Despite the problematic circumstances, the financial year ended positively with the profitable execution of ongoing projects.

The Steel & Glass division also fell well short of sales expectations in the 2020 financial year, as several projects were again delayed and Corona, especially in the Middle East and Singapore, brought construction sites to a standstill. Nevertheless, a positive result was achieved in the year under review due to savings measures and short-time work.

The business area of roof constructions and C-facades (system house facades) within the subsidiary Prater Ltd. was extremely problematic in 2020, both in terms of performance and earnings as well as in terms of incoming orders. The planned sales for 2020 were therefore clearly missed. The resulting underfunding was decisively counteracted with significant savings measures. In addition, due to a large complaint, the business result was also extremely burdened, resulting in a significant loss in 2020.

Insulation technology business segment

In 2020, the business development in the insulation technology and industrial service division was able to deliver the stable development of the previous years and a clearly positive contribution to earnings. The structural fire protection business area also developed in line with the targeted growth course in the year under review and represents the central growth and earnings area of the building services/fire protection business segment in the long term. The pollutant remediation business area continued to achieve a positive result at a low level. The scaffolding division was also able to continue to make positive contributions to earnings at a stable, low level. The business area glass fiber reinforced concrete panels (GFRC) is developing very positively in facade and tunnel construction. The subsidiary Lindner OCM Turkey was put on hold at the end of the financial year due to the lack of market opportunities.

Assembly and service business segment

The assembly services division was heavily influenced by the corona pandemic in 2020. Restrictions on travel, especially in the months of March to May 2020, and high additional expenses for testing and quarantine measures have impacted performance and earnings this year. Only through major orders in Switzerland was it possible to make up for the fall in output in the spring over

the course of the year, so that the planned output was slightly exceeded. Earnings developed consistently positively due to the increasing proportion of mixed orders.

The technical services business area developed steadily in 2020 due to the continuous expansion of the real estate portfolio and the conversion measures of the existing properties, both in terms of output and income. Already in 2020, the synergies with the real estate area were further expanded in order to work together even more closely and constructively in the future.

Development in the field of real estate and project development

In the real estate business segment, the rental situation continued to be positive across the entire portfolio in 2020. Only the office property Galvaniho 3 in Bratislava/Slovakia has larger vacancies. In the project development business segment, the Tirana Business Park project was characterized in the year under review by construction work on the new 5*-Hotel and the expansion of another office building after the first is fully let. In the second major development project, Residential Park Sofia, 2020 was very successful, as in the previous year, and was characterized by high demand for the high-quality residential units on offer.

Construction phase 3B was completed and the units were handed over to customers. In Residential Park Lozen, the second major project in the attractive outskirts of Sofia, the realization of the first construction phase was pushed ahead intensively. Due to the positive sales development, the second construction phase has already been planned and offered for sale.

Development in the field of agriculture and forestry

In January 2020, the new, in-house online shop for the Germany-wide sale of meat and sausage products in animal welfare-focused quality was successfully launched and developed very positively over the course of the year. The Corona-related closure of the own Land.Luft organic restaurant in 2020 led to a sharp drop in sales and short-time work in this area. On the other hand, sales in the farm shop, the market wagon and online mail order have benefited and have grown and become more stable. Crop yields in arable farming were maintained at the previous year's level despite difficult weather conditions. The expansion of vegetable cultivation and their processing in our own production are also constantly developing positively.

2.3 Development of internal key performance indicators

Orders received and order backlog at a high level

The group is controlled primarily via the performance indicators orders, order backlog and operational performance and internal operating result. The reconciliation of the internal operating performance at VKP to the balance sheet total performance, as well as the internal operating result at VKP to the balance sheet result before tax, results exclusively from the anticipation or the realization of partial sales and partial profits for projects that have not been completed, similar to the internationally customary procedure the percentage of completion method (POC).

In the reporting period, orders totaling EUR 987.1 million were booked in the core business area of construction. The previous year's figure of EUR 1,361.4 million was thus EUR 374.3 million (- 27.5%) lower than in the previous year.

At EUR 1,135.6 million, the order backlog in the core business segment of construction as of December 31, 2020 was around EUR 73.4 million or 6.0% below the previous year's figure of EUR 1,209.0 million. This corresponds to an order range of around 12 months and is thus well above the rolling planning corridor of six to nine months for the entire group.

The consolidated operating performance at retail prices of the Lindner Group according to internal reporting was around EUR 1,141.4 million in 2020, around EUR 41.2 million or 3.7% above the business volume in 2019, but remained due to the above-described Reasons slightly behind the planned output of EUR 1,179.7 million for 2020.

The consolidated internal operating result at retail price of the Lindner Group was EUR 83.2 million in 2020, above the target value of EUR 77.5 million fixed for 2020.

2.4 Employees

Number of employees decreased

The number of employees in the Lindner Group fell in the reporting period, both in Germany and abroad. As of the balance sheet date, the Lindner Group employed 6,864 people. The previous year's figure of 7,266 employees was thus down by 402 employees or 5.5%. The decline is mainly due to the reduction in fitters in Germany and employees in project management in the UK and the transfer of employees from the hotel and catering business to the group-independent operating company. The Lindner Group is sticking to the fact that most of its projects are staffed by its own employees and peaks are covered by subcontractors.

A total of 4,551 (previous year: 4,806) people were employed in Germany and 2,304 (previous year: 2,460) employees abroad. The proportion of employees working in Germany in relation to the total number of employees was therefore 66.3%, while employees working abroad accounted for 33.6% of the total number of employees.

In the reporting period, 230 young people could be made available a training place in 35 professions in the Lindner Group, slightly less than in the previous year (previous year: 261 trainees). The training rate is thus still well above the industry average at a very high level and underscores the company's principle of recruiting young people from within its own ranks.

2.5 RESULTS OF OPERATIONS

The consolidated sales of the Lindner Group fell from EUR 1,059.93 million in the previous year by EUR 142.61 million or 15.55% to EUR 917.32 million. The inventory of finished goods and work in progress increased by EUR 188.31 million in the reporting period. (previous year: inventory increase EUR 24.7 million).

At EUR 1,110.92 million (previous year: EUR 1,087.5 million), the Group's total output was higher than in the previous year. Of this, EUR 741.90 million (previous year EUR 657.2 million) was attributable to expansion including project development and real estate, EUR 151.88 million to facade construction (previous year EUR 221.5 million), insulation technology 100, EUR 33 million

(previous year EUR 90.5 million) and trade/services including hotel and gastronomy EUR 116.81 million (previous year EUR 118.3 million). Outside Germany, the consolidated operating performance fell from EUR 537.17 million in the previous year to EUR 485.99 million in the 2020 financial year. The domestic share of the total output thus amounted to EUR 624.94 million or 56.30% (previous year EUR 550.34 million or 50.6%). Accordingly, the international share of the total output was 43.7% (previous year: 49.4%).

Other operating income increased in the year under review by EUR 13.20 million to EUR 100.23 million (previous year: EUR 87.02 million).

The cost of materials increased by EUR 3.77 million or 0.63% from EUR 592.7 million in the previous year to EUR 596.48 million. Personnel expenses increased by EUR 0.83 million to EUR 324.31 million compared to the previous year (EUR 323.48 million). Other operating expenses fell from EUR 137.28 million to EUR 135.63 million. While administrative expenses, selling expenses and special operating expenses decreased compared to the previous year, operating expenses increased.

In the 2020 financial year, Lindner SE transferred its entire annual result of EUR 62.17 million to Lindner Beteiligungs GmbH and J. Lindner GmbH on the basis of the profit and loss transfer agreement. This results in a consolidated profit for the year after taxes of EUR 44.93 million (previous year: consolidated profit for the year EUR 32.4 million). The increase in income tax expenses in the reporting period by EUR 3.63 million compared to the previous period to EUR 7.07 million also results from the profit transfer. Other taxes were incurred in the amount of EUR 2.1 million (previous year: EUR 2.26 million).

2.6 FINANCIAL POSITION

Investments remain at a high level

In the reporting period, investments in property, plant and equipment and intangible assets totaled EUR 61.16 million (previous year: EUR 62.28 million). The focus of investment activity was on the purchase of land and real estate as well as on the vehicle fleet, machines and mechanical systems.

The funds for financing the investment activities could be taken from the ongoing business operations or the available liquid funds.

The Lindner Group's cash and cash equivalents increased by EUR 8.48 million from EUR 91.49 million to EUR 99.97 million. Furthermore, as of December 31, 2020, a total of EUR 317.17 million (previous year: EUR 298.87 million) was invested in near-liquid securities. Securities and bank balances increased by EUR 35.77 million compared to the previous year.

The Lindner Group had credit lines of sufficient amount, about 61% of which had been used for guarantees as of the balance sheet date.

The Lindner Group is therefore still excellently equipped financially. Essentially, only contingent liabilities have been incurred, which in turn are offset by high liquid and near-liquid funds, so that the Lindner Group can easily meet its financial obligations in the long term.

2.7 FINANCIAL POSITION

Balance sheet ratios remain stable

The consolidated balance sheet total increased by EUR 19.77 million to EUR 1,063.18 million in the 2020 financial year and is therefore 1.86% above the previous year's level.

Fixed assets include goodwill with acquisition costs of EUR 33.16 million (previous year: EUR 29.52 million), which are amortized over a period of five years.

Non-current assets increased by EUR 9.61 million or 2.10% from EUR 448.03 million in the previous year to EUR 457.64 million in the 2019 financial year.

Current assets increased by EUR 10.16 million to EUR 605.55 million compared to the previous year's figure of EUR 595.38 million.

The group's debts (provisions, liabilities, prepaid expenses and deferred tax liabilities) increased by EUR 11.72 million to EUR 505.18 million compared to the previous year (EUR 493.45 million).

After 52.59% in the previous year, the Lindner Group reported an equity ratio of 52.38% as of the balance sheet date. Group equity increased by EUR 8.16 million to EUR 556.92 million in the reporting period. With these values, the equity base of the Lindner Group is still well above the industry average.

In summary, the asset, financial and earnings situation of the Lindner Group as a whole continues to be above average. Based on a sustainable, extremely stable financing structure and a high level of available liquidity, the group is well prepared for further growth based on a core business with stable earnings.

3. Risk Report

3.1 Risk management of the Lindner Group

The corporate principles of the Lindner Group are based on striving for healthy growth with active management and the avoidance of inappropriate risks. The aim here is a high level of transparency and a pronounced understanding of risk for all employees involved in the processes. The policy authority holder responsible for the process is operationally supported by the process owner and process officer. In addition, internal auditing, as a process-independent entity, checks and assesses compliance with compliance requirements and the effectiveness of the implemented systems and processes. A corresponding test program also takes unscheduled special tests and projects into account. In 2020, the existing management systems for quality, occupational safety, environment and energy were further developed and successfully certified by TÜV Management GmbH using a random sampling process using a matrix. On the basis of the company vision in the Service business segment:

"Lindner is optimally digital", the internal audit process with regard to the tracking of measures was digitized. With stored escalation levels and then generated workflows, an even faster and higher implementation status of the measures from internal and external audits could already be achieved this year. In this way, the management systems make a further contribution to the fact that risks, but also opportunities, are systematically identified, evaluated and actively treated. The same digital improvement was also implemented in the operational area of occupational safety. For this purpose, an interface was created between the software introduced there and the web application.

3.2 Project Risks

Project and contract risks essentially arise from the classic construction business and represent the central business risk. Controlling and monitoring project risks in a structured and stable manner is one of the core competencies of the Lindner Group, especially in the core business area of construction. Calculation risks are inherent in all projects. There are risks, particularly in the planning and implementation of major projects, which can have a significant negative impact on the result. In order to control these risks, various risk-minimizing mechanisms and regular communication circles have been installed. These support the executing unit in handling the risks. Prior to project execution, all major domestic and foreign contracts are subjected to a careful technical, commercial and legal review. In the area of operative risk management for projects, an opportunity and risk analysis is carried out in advance of the decision to calculate from a specified threshold value. During the calculation phase, risks are documented, measures are defined and pursued and, if necessary, taken into account in calculations. The projects are classified into risk classes using a rating system. Each risk class requires the release of calculations by different project participants. Once the project has been approved, a monthly project meeting is held for a specified order value. Here, the opportunities and risks defined in advance are considered in a structured manner during the project and actively controlled. In addition, the central controlling department supports the units responsible for the respective project. As part of the so-called monthly meeting, a continuous evaluation of the database of conspicuous or essential projects is carried out. Current economic developments and organizational issues that can influence the project results are also addressed.

3.3 Risks of internationally oriented business activities

The international business activities of the Lindner Group harbor additional risks in the organizational area. The consulting of subsidiaries and their integration into existing systems is mainly carried out by organizational development. The commercial regional managers are also involved in this area. They form a central interface function in the commercial and process-related connection of the subsidiaries to the parent company. You play a central role in the ongoing risk-oriented monitoring and optimization of processes in the foreign companies. On the basis of company processes that are uniformly defined for the head office and all subsidiaries, specific process specifications are defined and communicated to the subsidiaries and sub-subsidiaries. As far as this makes sense, a uniform organization should be supported, interfaces to the head office should be clearly defined, risks should be minimized and synergy effects should be achieved. This system was also expanded in 2020 by expanding the process structure to other subsidiaries and sub-companies and defining international process specifications in other processes. Risks are minimized and synergy effects are achieved. This system was also expanded in 2020 by expanding the process structure to other subsidiaries and sub-companies and defining international process specifications in other processes. Risks are minimized and synergy effects are achieved. This system was also expanded in 2020 by expanding the process structure to other subsidiaries and sub-companies and defining international process specifications in other processes.

3.4 Financial risks and risks from the use of financial instruments

In the reporting period, the focus when considering financial risks was on currency risks, liquidity risks and credit risks (for clients). The interest rate risk is negligible due to the low interest-bearing positions of the Lindner Group. Currency risks are generally hedged on a project basis. An appropriate exchange rate is already used in the calculation, taking into account hedging costs and risks of change, or the offer is provided with a price escalation clause. Hedging through financial derivatives only takes place after the conclusion of the contract. After the hedging transactions are generally concluded corresponding to the respective hedged underlying transactions (so-called micro-hedge), the hedging relationship is fully effective. Open risk positions from the use of derivative financial instruments therefore do not exist or only to a small extent. The derivatives are concluded within the Lindner Group by all subsidiaries and thus also by Lindner SE with Lindner Finanz GmbH, which acts as the in-house bank of the Lindner Group, which carries out a corresponding offsetting transaction on the external market. Changes in the price of raw materials are usually borne by the suppliers or can be passed on to the customer through price escalation clauses.

The liquidity risk is reported transparently and identified at an early stage by means of a monthly group cash flow forecast. Short-to medium-term bottlenecks can be compensated for by overdrafts in the cash pool and financial investments that can be liquidated quickly with or at Lindner Finanz GmbH. In addition, the entire securities portfolio can be liquidated at short notice. The credit and non-payment risk of customer receivables is actively controlled via internal credit management controlling. Depending on the risk class, either an internal credit rating is carried out by external service providers for small to medium volumes without risk transfer, or reinsurance is taken out with a credit insurance company in the case of major risks. The group-wide system for controlling financial risks is constantly being further developed and professionalized and makes an important contribution to the risk management of the Lindner Group.

3.5 Personnel Risks

The key risks in the human resources area continue to result from the lack of skilled workers, despite the economic slowdown caused by the corona virus, which is particularly evident in the areas of heating, ventilation, sanitary equipment, electrical engineering, metal construction, information technology and in various training occupations such as drywall fitters, industrial insulators and metal workers. With targeted school and university marketing, it is important to counteract this development at an

early stage and to proactively and positively communicate the attractiveness of the employer brand. However, this is currently problematic due to Corona, since no internships or internships are possible. It is also not possible to recruit interns via trade fairs and job exchanges at universities and technical schools. This makes youth work much more difficult.

Another problem is that many applicants are not willing to be mobile. It is difficult to recruit fitters, site managers and project managers to fill projects in urban areas, as the willingness of applicants to work far away from their home location has fallen significantly. It is important to counteract this trend through more decentralized recruiting in the metropolitan areas. Furthermore, there is an increasing demand for new employees where the position allows them to work on the go. The experiences with this in the course of the Corona Pandemic were mostly positive, both technically and organizationally, so that a corresponding permanent concept is implemented via the current Corona special regulation in order to meet the changed requirements of the working world and of the applicants. Another challenge, which is also aggravated by Corona, is the intensification of company health management. The primary focus is on making the workplaces healthy for colleagues who are already of an advanced age, in order to enable them to work for as long as possible. Great importance is attached to the development and use of tools that make work physically easier and thus relieve the employees.

Another key challenge is the ongoing digitization in the company and the associated change process. Effective leadership and targeted training are the key to a successful change process.

3.6 Privacy Risks

The Lindner Group regularly checks the collection, processing and use of personal data in the individual company processes in order to identify data protection risks and counteract them proactively. If new processes or systems are planned, data protection is involved from the start as an advisory body. Furthermore, the sensitization of all employees with regard to data protection is a priority. This ensures that data breaches are recognized and processed in accordance with the law, and that inquiries from those affected are also recognized and implemented in a timely manner.

3.7 Information Security Risks

The availability, integrity and confidentiality of all information worth protecting represent the central challenge in the age of digitization. The increasing priority of information security and the resulting opportunities and risks is always immanent for the Lindner Group. The information security officer continuously establishes processes to sustainably increase the level of protection. In addition to organizational measures, this also includes targeted awareness-raising measures. Compliance with legal requirements and internal company guidelines, which are regularly adjusted to the extent necessary, continuously contributes to minimizing risks. In addition to recurring external safety audits, the Lindner Group also cooperates with external partners. Unauthorized access is prevented through the use of modern hardware and software technologies, access controls and encryption techniques. Another elementary point for minimizing the overall risk is the introduction of a standardized IT risk analysis including the derivation of measures.

3.8 Relevant Individual Risks

The situation on the raw materials market deteriorated significantly in the first quarter of 2021. In the course of the Corona Pandemic in 2020, the capacities of the manufacturers were significantly reduced, which are now faced with a significant increase in demand. In the steel and wood sector, this leads to immense price increases and also delivery bottlenecks on the part of the manufacturers. The increased raw material prices can only be partially passed on to customers via price escalation clauses, so that a margin reduction can be expected in 2021. The delivery bottlenecks could lead to short-term production stoppages as well as delayed deliveries to customers and projects.

Despite the relatively small negative impact on the Lindner Group in 2020, the corona virus must still be mentioned as a significant risk with possible significant financial effects. The disruption of supply chains could result in production downtime. In addition, quarantine, curfews or closures of construction sites or factories could result in significant obstacles or delays in project execution.

In perspective, the looming recession or a reduction in investment activity in commercial office construction after the crisis could lead to a significant drop in sales in this area. The resulting financial effects are assessed as significant in the short and medium term but not as a threat to the company's existence.

Finally, it should be noted that there are no individual risks that alone or in their entirety endanger the continued existence of the Lindner Group.

4. Forecast and Opportunity Report

4.1 Anticipated development in the current financial year

The year of construction 2021 will be much more difficult in Germany. This is also reflected in the mood of the construction companies. Their business expectations for 2021 are currently in the negative range, the companies are preparing for a tougher year 2021. In 2021, on the other hand, turnover in the construction industry is likely to stagnate in nominal terms (real: -2%), but the number of employees will still increase by around 5,000.

Commercial construction in Germany will be hardest hit by the Corona crisis. After all, many service providers who rely on direct customer contact have been hit particularly hard by the weekday closure and subsequent hesitant reopening. This has put a heavy damper on their ability and willingness to invest, which will probably become particularly apparent in 2021. Industry, which has been our "problem child" for years, will be even more affected in the new millennium. The extent to which this will affect domestic investment activity in 2021 and thus service providers depends crucially on whether to stabilize investments at least to some extent through measures such as special depreciation or investment allowances. However, a decline is likely to be inevitable. On the other hand, individual service areas such as logistics or communication service providers could keep their

construction activity stable in the thousandth year. A nominal decline of 2% in commercial construction is therefore to be expected for 2021. The development of public construction in Germany depends heavily on the municipalities, which account for more than half of public construction expenditure. The trade tax revenue, which is particularly important for the municipalities, has collapsed as a result of the Corona crisis. However, the federal and state governments have completely replaced this collapsing tax revenue as part of the economic stimulus program. This enabled municipal budgets to be stabilized. Such a regulation is not planned for 2021. In addition, it is unclear whether the investment grants from the federal and state governments will continue to be granted in the current scope. It can therefore be assumed that fierce competition for municipal construction contracts will break out in 2021.

In an international comparison, the forecasts for 2021 must be viewed differently. While a significant recovery of up to 12% is forecast for 2021 in countries such as France and Spain due to the tough lockdowns in 2020 and the high volumes of economic support aid from the EU, this is the case in the countries with less severe cuts in 2020 2021 is more moderate. Overall, growth in the construction industry of 4% is forecast for 2021 for the euro zone.

Sources:

Main Association of the German Construction Industry, www.bauindustrie.de

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4.2 Opportunity report of the business areas

Business field construction

Business segment expansion

In 2021, the market position of the Products divisions must be further expanded to become the market leader as a whole and, in doing so, the opportunities in the European markets must be developed and used in a targeted manner. The expansion of the international delivery business continues to play a central role. It is important to further increase product sales through an increasingly market-oriented product and price strategy. The implementation of an integrated and user-friendly web shop for various Lindner products in 2021 should also support this development and open up new market segments.

Conceptually and product-related, the megatrend environment and health is the focus of the strategic orientation of sales in the coming years. Future-oriented office concepts within the framework of the "More.Value", "My Flex Office" and "Gesünder Bauen" programs continue to form the core of the sales strategy and harbor growth potential. The company's own office building at the Arnstorf headquarters, which was newly built in 2019, serves as a clear reference object and, with the room and partition wall concepts implemented, has proven to minimize infection during Corona. New hygiene-optimized product developments, such as Lindner.Pure, could support this in the future and thus also offer new opportunities.

In addition, the lean programs that have been practiced in production for several years will continue to be pushed in the years to come in order to continuously optimize the manufacturing processes. The holistic orientation and redesign of production to a product-independent and strictly value stream-optimized production represents the central pillar of the Lindner factory vision. Lindner will come a significant step closer to its realization in 2021 with the commissioning of the new metal processing center and the new powder coating plant at the Arnstorf site. The second pillar of the Lindner factory vision is the goal of waste-free and Co2-neutral production. In 2021, these goals will be supplemented by new principles from the circular economy and documented by system certifications according to Cradle to Cradle. Both pillars offer great potential to increase production efficiency and sustainability.

Lean construction management and digitization are at the center of the future development of the expansion business areas. In domestic markets that continue to be stable, it is important to design project processing across a large number of partner companies, both digitally and procedurally as efficiently as possible. The development and the medium-term implementation of BIM models (Building Information Modeling) as well as visually integrated tools on the construction site form the central challenges of the market in the future and continue to represent the central development topics. The construction contract model of the multi-party contract also has a sustainable strategic effect importance to.

The business areas of property-specific system solutions will continue on the course of growth of the previous years in a controlled manner. The increasing internationalization and the risk-minimised development of new markets represent the central challenges and growth opportunities of these business areas.

In the medium term, the corona pandemic can lead to a shift in volumes within the business areas or sub-areas. While the expansion of cruise ships, hotel properties or office buildings threatens to tend to decline in the coming years, the economic stimulus programs announced by the states should lead to a significant increase in properties such as hospitals, laboratory buildings, schools or other public facilities and thus lead to a sustainable stabilization of performance.

Building envelope business segment

In 2020, the business area special facade construction Europe (without UK) was able to secure the basis for utilization with good projects for 2021. Utilization for 2022 should be secured by mid-2021. In order to stabilize project management in the long term, the next generation in project management will be further strengthened. In the UK, the planned capacity utilization for 2021 was also secured. Sales in the UK have been restructured so that the aim is to return to pre-corona levels as soon as possible. The

takeover and partial integration of the facade production in Bulgaria harbors significant potential for increasing production efficiency and thus increasing competitiveness in sales. The planned production turnover for 2021 has already been largely secured.

The Steel & Glass division is expecting a positive 2021 financial year across all three locations. The execution of the projects in the Middle East should hold the clearest earnings potential. The focus in 2021 is therefore on the processing of orders in the Middle East and the acquisition of new orders in the Singapore and USA markets.

The outlook for the roofing business in the UK predicts a significantly reduced planned turnover compared to previous years. The focus in 2021 is therefore on the further consolidation of business processes and units in order to realize further synergies and significantly increase process efficiency.

Insulation technology business segment

The business segment of insulation technology and industrial services will continue to change in the years to come. The Insulation Technology business segment is responding to this market challenge at an early stage by restructuring the business areas. From the 2021 financial year, insulation technology will operate in three divisions: industry/ DUST, GFRC/ tunnel/ international and building services/ fire protection in order to be able to act even more agile and faster within the divisions and act on the market.

New products such as GFRC and products in structural fire protection are becoming more and more important. The activities in Belgium will be discontinued in 2021 and the sales focus will be shifted even more to Eastern Europe, such as Poland and Serbia. The business area of pollutant remediation is becoming more important again and is being expanded to include the new business area of concrete remediation and coating. Stable, positive results are expected to continue in scaffolding. The expansion of the GFRC business area, both in terms of sales and production, in connection with the continuous further development of structural fire protection, forms the core focus of the business area for the following years.

Assembly and service business segment

In addition to the challenges posed by the pandemic, the already started path of project management as a mixed order partner with the operating units of the Lindner Group will be expanded in 2021 in the assembly services division. The focus is on retaining and developing the approximately 1,500 assembly workers in the company in order to be able to continue to handle high-quality projects for customers at home and abroad in the future. This can only be achieved through continuous employee development, more flexible working models and the creation of material and immaterial incentives.

In the technical services division, the area of energy management will be outsourced in 2021. The chosen path of merging the Buildings and Facility Management division with the Real Estate unit will be further advanced.

Real estate and project development business area

In the real estate business segment, the main priority in 2021 is to significantly improve the rental situation at Galvaniho 3 in Bratislava, despite the current difficult environment. In the project development business segment, the focus in 2021 is on the start of work on the last project phase 3C in Residential Park Sofia. In terms of sales, it is important to use the continued positive market environment for the units and to win customers for this new phase as well. In the Residential Park Lozen project, the construction work of the first construction phase will be continued and started with the second phase. The positive sales trend from the first construction phase is to be continued with this project extension. In the Tirana Business Park project, the focus in 2021 is on the completion and leasing of the second office building. Built in 2020, the 5th * -Hotel will be completed and opened in the second quarter of 2021. This should bring a further revitalization of the business park, which in turn should increase the attractiveness of the park for potential tenants. The strategy of the real estate business segment of developing suitable properties in Germany and abroad or acquiring real estate in attractive locations and converting them according to the needs of the Lindner Group will also be pushed further in 2021.

Agriculture and forestry business area

In 2021, the business area of agriculture and forestry will focus even more on the breeding and fattening of pigs and cattle within a continuous improvement process in agriculture, increase the value chain in butchery and processing, sharpen the processes and sales activities for all sales channels with a focus on the online market. In addition, new fruit and vegetable products should expand the range and increase the attractiveness. The schnapps distillery will bring the first significant outputs to market and also increase the attractiveness of the offer.

4.3 Operational Outlook

The operative consolidated planned performance at VKP according to internal reporting was planned for 2021 at around EUR 1,104.6 million, around 3.2% below the actual performance volume of EUR 1,141.4 million in 2020. At around EUR 75.1 million, the planned consolidated operating result at retail price for 2021 is below the actual level (EUR 83.2 million) of the reporting year. Despite a good start to the 2021 financial year, the planned operating performance and the planned operating result may not be achievable due to the Corona crisis. From today's perspective, it is not realistically possible to estimate the extent of the shortfall in performance and earnings and depends largely on the duration and extent of the government measures taken in 2021.

Arnstorf, April 29, 2021

Lindner Group SE
Managing general partner
represented by

Hans Lindner, Managing Personally Liable Partner
Veronika Lindner, Managing General Partner

Consolidated balance sheet as of December 31, 2020

active side

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	EUR	EUR	pre EUF
A. FIXED ASSETS			
I. Intangible assets			
1. Concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	1,955,174.62		
2. Goodwill	4,848,159.64		
3. Advance payments made	546,273.00	7,349,607.26	
II. Tangible assets			
1. Land, land rights and buildings, including buildings on third-party land	309,456,558.16		
2. Technical installations and machines	35,324,097.17		
3. Other equipment, fixtures and fittings	65,143,942.80		
4. Payments on account and assets under construction	36,939,596.53	446,864,194.66	
III. financial investments			
1. Investments in associated companies	1,230,525.12		
2. Loans to subs. m	2,191,533.32		
3. Other Loans	0.00	3,422,058.44	
		457,635,860.36	
B. CURRENT ASSETS			
I. Inventories			
1. Raw, auxiliary and operating materials	18,673,193.48		
2. Work in progress, work in progress	963,734,904.27		
3. Finished Goods and Merchandise	25,604,877.19		
4. Advance payments made	2,294,165.81		
5. Deposits Received on Orders	-1,010,307,140.75	0.00	
II. Receivables and other assets			
1. Trade accounts receivable	123,416,890.31		
2. Receivables from companies in which a participation is held	76,477.36		
3. Other Assets	59,271,362.05	182,764,729.72	
III. securities			
Other securities		317.166.011.74	
IV. Cash on hand, bank balances and cheques		99,966,218.24	
C. PREPAID EXPENSES		5,648,201.75	
		1,063,181,021.81	

passive side

	EUR	EUR	pre EUF
A. EQUITY			
I. Equity Interests			
1. Capital shares of the general partners	0.00		
2. Capital shares of the limited partners	17,960,078.00	17,960,078.00	
II. Reserves			
1. Reserves of the general partners	0.00		
2. Reserves of the limited partners	212,269,450.66		
3. Group Reserves	194,291,461.94	406,560,912.60	

	EUR	EUR	pre EUF
III. Adjustment items from currency translation		7,251,537.88	
IV. Balance sheet profit		30,782,957.25	
V. Profit Participation Capital		5,694,050.71	
VI. Non-Controlling Interests		88,671,897.09	
		556,921,433.53	
B. DIFFERENCES FROM CAPITAL CONSOLIDATION		1,082,373.55	
C. PROVISIONS			
1. Provisions for pensions and similar obligations	29,218,874.22		
2. Tax Provisions	2,673,102.12		
3. Other Provisions	140,477,226.86	172,369,203.20	
D. LIABILITIES			
1. Liabilities to banks	1,546.56		
2. Deposits Received on Orders	232,531,119.66		
3. Trade Accounts Payable	50,300,477.76		
4. Liabilities to companies in which an investment relationship exists	2,086,375.73		
5. Other Liabilities	44,446,362.49	329,365,882.20	
of which from taxes € 20,311,873.95 (previous year: € 22,555k)			
of which in the context of social security € 2,693,048.72 (previous year € 2,599k)			
E. DEFERRED INCOME		161,354.62	
F. DEFERRED TAX LIABILITIES		3,280,774.71	
		1,063,181,021.81	

Consolidated income statement for the 2020 financial year

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	EUR	12/31/2020 EUR	pre EUF
1. Revenue		917,316,298.66	
2. Increase in inventories of finished goods and work in progress		188,308,578.34	
3. Other own work capitalized		5,297,620.02	
		1,110,922,497.02	
4. Other operating income		100,227,547.07	
		1,211,150,044.09	
5. Cost of Materials			
a) Expenses for raw materials, auxiliary materials and supplies and for purchased goods	259,322,912.03		
b) Expenses for purchased services	337,161,012.43	596,483,924.46	
		614,666,119.63	
6. Personnel expenses			
a) Wages and salaries	261,354,604.72		
b) Social security contributions and expenses for pensions and for assistance	62,954,069.04	324,308,673.76	
of which for pensions € 5,276,620.76 (previous year € 5,284 thousand)			
7. Depreciation			
a) on intangible assets and property, plant and equipment		37.113.152.30	
b) to current assets		2,778.70	

	EUR	12/31/2020 EUR	pre EUF
8. Other Operating Expenses		135,627,358.54	
		117,614,156.33	
9. Result from associated companies		-13,383.80	
10. Income from other securities and loans classified as financial assets		6,526.67	
11. Other Interest and Similar Income		1,459,775.54	
12. Depreciation of financial assets and marketable securities		0.00	
13. Interest and Similar Expenses		2,169,537.02	
14. Compensation for participation certificate capital		623,662.00	
15. Income Taxes		7,070,641.10	
16. Earnings after taxes		109,203,234.62	
17. Other Taxes		2,100,509.70	
18. Profits transferred under profit and loss transfer agreements		62,168,558.78	
19th Annual Results		44,934,166.14	

Notes to the consolidated financial statements for the 2020 financial year

The Lindner Holding KGaA became effective as of November 11, 2010 by way of a change of legal form. §§ 190ff., 228ff. UmwG converted into a limited partnership.

The Lindner Group KG has its registered office in Arnstorf and is entered in the commercial register A of the district court of Landshut with the number 10182.

The group accounting obligation results from § 11 PubLG.

The present consolidated financial statements of the Lindner Group KG have been prepared in accordance with German commercial law (§ 13 II PubLG in conjunction with §§ 294 to 314 HGB) while retaining the classification and valuation principles used for the previous year's financial statements. The classification principles in equity correspond to the requirements of a limited partnership.

The profit and loss account is based on the nature of expense method. Section 275 (2) HGB.

1. Consolidated Companies

a) scope of consolidation

The parent company and the following domestic and foreign subsidiaries are included in the consolidated financial statements. The participation quotas reflect the capital shares held directly by the parent company. Subscribed capital is stated at historical rates.

parent company

Lindner Group KG, Arnstorf

	Participation %	Subscrip EUF
Subsidiary of the Lindner Group KG, Arnstorf		
Lindner SE, Arnstorf	75.14	
Lindner Isolating Technology & Industry Service GmbH, Arnstorf	100.00	
Lindner Montage + Service GmbH, Arnstorf	100.00	
Lindner Group Real Estate Holding SE & Co. KG, Arnstorf	100.00	
Lindner asset investment and management company mbH, Arnstorf	100.00	
Lindner Group Immobilien GmbH & Co. KG, Arnstorf	100.00	
Lindner Immobilienverwaltung GmbH & Co. KG, Arnstorf	94.28	
Lindner Agriculture and Forestry GmbH & Co. KG, Arnstorf	94.00	
Schlossbräu Mariakirchen GmbH & Co. KG, Arnstorf	94.00	
Lindner L+F Verwaltungs GmbH, Arnstorf	99.00	
Lindner Facades GmbH, Arnstorf	100.00	

	Participation %	Subscrip EUF
Subsidiary of Lindner SE, Arnstorf		
Lindner Finanz GmbH, Arnstorf	100.00	
LEX Beschlage- und Baubedarf Handels GmbH, Arnstorf	100.00	
Lindner Norit GmbH & Co. KG, Dettelbach	100.00	
Lindner GmbH, Baden/Austria	100.00	
Lindner Mobilier sro, Madunice/Slovak Republic	100.00	
Lindner Building New Solutions Co. Ltd., Taicang/China	100.00	
Lindner USA, Inc., Tucker/Georgia/USA	100.00	
Shanghai Lindner Innovative Interiors Co. Ltd., Shanghai/China	100.00	
Tatranwood sro, Hronom/Slovakia	100.00	
Subsidiary of Lindner GmbH, Baden/Austria		
Lindner Isoliertechnik & Industrieservice GmbH, Baden/Austria	100.00	
Lindner France SASU, Chambly/France	100.00	
Lindner doors - facades sro, Ostrov/Czech Republic	100.00	
Lindner Bulgaria EOOD, Sofia/Bulgaria	100.00	
Lindner Luxembourg S..rL, Holzem/Luxembourg	100.00	
Lindner Welsy BV, Heverlee/Belgium	100.00	
Lindner doo Beograd, Belgrade/Serbia	100.00	
Lindner doo Tivat, Tivat/Montenegro	100.00	
Lindner ooo, Moscow/Russia	100.00	
Lindner LLC, Baku/Azerbaijan	100.00	
Lindner Banja Luka doo, Banja Luka/Bosnia-Herzegovina	100.00	
Lindner Building Envelope Engineering EOOD, Russia/Bulgaria	100.00	
Lindner Scandinavia AG, Gothenburg/Sweden	100.00	
Lindner India Construction Private Limited, Chennai/India	100.00	
Lindner Iberia SL, Madrid/Spain	100.00	
Lindner Middle East LLC, Dubai/UAE	100.00	
Subsidiary of Lindner USA, Inc., Tucker/Georgia/USA		
Lindner USA Real Estate Inc., Tucker/Georgia/USA *	100.00	
Subsidiary of Lindner Isoliertechnik & Industrieservice GmbH, Arnstorf		
Lindner Gerustbau GmbH, Kollwitz-Krieschow	100.00	
Lindner doo, Zagreb/Croatia	100.00	
Lindner Saudi Arabia Ltd., Al-Khobar/Saudi Arabia	95.00	
Lindner Contracting LLC, Abu Dhabi/United Arab Emirates	100.00	
Lindner OCM Endusti Iskele Izolasyon Ticaret ve Sanayi Limited Sirekti, Aliaga/Izmir/Turkey	100.00	
Beta Brandschutztechnik GmbH, Abensberg	100.00	
Subsidiary of Lindner doo, Zagreb/Croatia		
Samoborski Perivoj doo, Zagreb/Croatia	100.00	
Subsidiary of Lindner Fassaden GmbH, Arnstorf		
Lindner RIDO Facade Technology GmbH, Berlin	50.00	
Lindner Exteriors Holding Ltd., London/England	100.00	
Lindner Insaat Limited Sirketi, Istanbul/Turkey	100.00	
Lindner Facades Inc., Tucker/Georgia/USA	100.00	
Subsidiary of Lindner Exteriors Holding Ltd., London/England		
Prater Ltd., London/England	100.00	
Lindner Facades Ltd., London/England	100.00	
Lindner Interiors Ltd., London/England	100.00	

	Participation %	Subscrip EUF
Subsidiary of Lindner Facades Ltd., London/England		
Lindner Facades Asia PTE Ltd., Singapore	100.00	
Subsidiary of Lindner Montage + Service GmbH, Arnstorf		
Lindner Klimaservice GmbH, Leipzig	100.00	
Lindner Project Danmark ApS, Copenhagen/Denmark	100.00	
Lindner Montage + Service GmbH, Baden/Austria	100.00	
Subsidiaries of Lindner Montage + Service GmbH, Arnstorf and Lindner GmbH Baden, Baden/ Austria		
Lindner Polska Sp. z oo, Warsaw/Poland	100.00	
Subsidiary of the Lindner Group Real Estate Holding SE & Co. KG, Arnstorf		
Lindner Real Estate Verwaltungs GmbH, Arnstorf	100.00	
Subsidiary of Lindner Real Estate Verwaltungs GmbH, Arnstorf		
Lindner Vermögensverwaltungs GmbH, Arnstorf	100.00	
Subsidiary of Lindner Vermögensverwaltungs GmbH, Arnstorf		
Lindner Projektentwicklungs GmbH, Baden/Austria	100.00	
Subsidiary of Lindner Projektentwicklungs GmbH, Baden/Austria		
Tirana Business Park Sh.pk, Tirana/Albania	100.00	
Residential Park Sofia EOOD, Sofia/Bulgaria	100.00	
Residential Park Lozen EOOD, Sofia/Bulgaria	100.00	
Lindner Immobilien Management EOOD, Sofia/Bulgaria	100.00	
Spisska Sobota sro, Bratislava/Slovakia	100.00	
Lindner Immo Slovakia sro, Bratislava/Slovakia	100.00	
Vel'ka Lomnica sro, Bratislava/Slovakia	100.00	
Galvaniho 3 sro, Bratislava/Slovakia	100.00	
Lindner Haasrode BV, Brecht/Belgium	100.00	
Lindner Real Estate UK Ltd., London/England	100.00	
Lindner Sutivan doo, Zagreb/Croatia	100.00	
Lindner Nekretnine doo, Zagreb/Croatia	100.00	
Lindner Facility Management EOOD, Sofia/Bulgaria	100.00	
Lindner Real Estate BG EOOD, Russia/Bulgaria	100.00	
Lindner Real Estate LUX S.á.rL, Schengen/Luxembourg *	100.00	
Lindner Immo Middle East Ltd. Dubai/United Arab Emirates *	100.00	
Subsidiary of Tirana Business Park Sh.pk, Tirana/Albania		
Tirana Business Park RSA Sh.pk, Tirana/Albania	100.00	
Subsidiary of Residential Park Sofia EOOD, Sofia/Bulgaria		
Residential Park Sofia Facility Management AD, Sofia/Bulgaria	61.80	
Subsidiary of Lindner Immobilienverwaltung GmbH & Co. KG, Arnstorf		
Einsteinstrasse 34 GmbH & Co. KG, Munich	94.00	
Subsidiary of Schlossbräu Mariakirchen GmbH & Co. KG, Arnstorf		
Lindner MK Hotels Ltd, London/England	100.00	
mk Hotels sh.pk, Tirana/Albania *	100.00	
Subsidiary of Lindner L+F Verwaltungs GmbH, Arnstorf		
Lindner SRL, Satu Mare/Romania	100.00	
Subsidiaries of Lindner SRL, Satu Mare/Romania and Lindner L+F Verwaltungs GmbH, Arnstorf		
TOPAGRAR SRL, CraidoroIt/Romania	89.99	
MARVAS RATIONAL srl, Brasov/Romania *	100.00	
Subsidiary of the Lindner Group Immobilien GmbH & Co. KG, Arnstorf		
Lindner Opfikon AG, Opfikon/Switzerland	100.00	

*) included as part of first-time consolidation

b) Other consolidated companies

Outside of the scope of consolidation, the following joint ventures were included as part of proportionate consolidation:

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	Participation %	Subscrip EUR
Lindner RIDO Facade Technology GmbH, Berlin	50.00	
Lindner-Depa Interiors LLC Dubai/UAE	49.00	
Schwabenhof L&L srl, Ciumesti/Romania	50.00	
SUAS - Lindner sro, Vresová/Czech Republic	50.00	

Due to a contractual agreement, Lindner Depa Interiors LLC and SUAS - Lindner sro are managed jointly with another company. Lindner RIDO Fassadentechnologie GmbH and Schwabenhof L&L srl are managed jointly with natural persons as shareholders.

c) Associated companies and subsidiaries not included

In the case of Hans Lindner Regionalförderung AG & Co. KG, Arnstorf (39.91% stake), inclusion as an associated company using the equity method was waived in accordance with Section 311 (2) HGB. The balance sheet total as well as income and expenses of Hans Lindner Regionalförderung AG & Co. KG are of secondary importance for conveying a true and fair view of the Group's net assets, financial position and results of operations.

d) Other changes in the scope of consolidation

In Germany, the Lindner Group Holding Real Estate SE & Co. KG, Arnstorf was founded and included in the scope of consolidation. A number of new companies were founded abroad, such as Lindner USA Real Estate LLC, Tucker/Georgia/USA; MARVAS RATIONAL srl, Brasov/Romania; Lindner Real Estate LUX S.á.rL, Schengen/Luxembourg; mk hotels sh.pk, Tirana/Albania; Lindner Immo Middle East Limited, Dubai/UAE. Groszer Wein GmbH, Burg/Austria was acquired in the year under review. Enderes GmbH and SGL were liquidated.

2. Reporting date of the consolidated financial statements

The consolidated financial statements were prepared as of the reporting date of the Lindner Group KG annual financial statements on December 31, 2020. The financial year of the Lindner Group KG covers the period from January 1st to December 31st, 2020. All subsidiaries as well as all significant downstream group companies report as of December 31st, 2020 and are included in the consolidated financial statements for the full financial year.

3. Consolidation Methods

The German commercial law provisions on full consolidation, proportionate consolidation and the inclusion of associated companies were applied.

The capital consolidations up to December 31, 2009, which were carried out before the BilMoG came into effect, were carried out using the book value method (§ 301 Para. 1 Sentence 2 No. 1 HGB old version). Any goodwill or negative differences arising from offsetting were offset against the reserves. Capital consolidations will take place from January 1st, 2010. BilMoG according to the revaluation method.

In the case of non-cash contributions from shares in subsidiaries that were undervalued in the annual financial statements of the parent company, the resulting negative difference, which has a predominantly equity character, is offset directly against the group reserves in equity.

The increase in holdings in companies that are already fully consolidated is shown within equity without affecting income. Willingly. In accordance with Section 307 (1) of the German Commercial Code, shares in subsidiaries included in the consolidated financial statements that do not belong to the parent company are shown separately for the shares of the other shareholders in the amount of their share in the equity.

When applying proportionate consolidation, the regulations for full consolidation were observed to the extent relevant (§ 310 Para. 2 HGB).

Investments in associated companies are recognized at cost at the time they are founded or acquired.

Expenses and income as well as receivables and liabilities between the consolidated companies are eliminated. Intermediate results are generally eliminated unless they are of minor importance. Intercompany losses are generally only eliminated if this does not result in a need for depreciation to the lower fair value of the unfinished buildings and services on the balance sheet date.

4. General information on accounting and valuation methods and principles of currency conversion

The accounting and valuation principles correspond to the provisions of German commercial law. Financial statements of consolidated subsidiaries that are prepared according to different principles have been adjusted, taking into account the principle

of materiality.

Financial statements in foreign currency are converted in accordance with the provisions of Section 308a HGB using the modified reporting date method. Equity was converted at historical rates. The balance sheet items were translated at the respective mean spot exchange rates. The items in the income statement were translated at the respective annual average exchange rates. The publications of the Bundesbank are used to determine the annual average rates. Any differences that arise are reported within the group's equity under the item "Adjustment items from currency translation".

Intangible assets and items of property, plant and equipment were valued at their acquisition or production costs. Acquisition costs and acquisition cost reduction are taken into account. Depreciation on depreciable fixed assets was carried out on a straight-line basis or, where permitted, on a declining balance basis, based on the depreciation tables published by the tax authorities. Additions from the 2010 financial year are only depreciated on a straight-line basis. In the year under review, depreciation is calculated pro rata temporis from the date of addition.

Intangible assets are stated at acquisition cost less scheduled depreciation. Intangible assets are amortized over a period of 3 years. Goodwill of EUR 2,062k will be amortized over a period of 15 years. The amortization period is measured based on the assumed useful life of the know-how also acquired with the units taken over. Goodwill from capital consolidation processes in the amount of EUR 3,524k will be amortized over a period of 10 years.

For reasons of simplification, low-value assets with acquisition or production costs of up to EUR 800.00 were written off in full in the year of acquisition.

Financial assets are valued at acquisition cost. If the reduction in value is expected to be permanent, they are written down to the lower fair value.

Inventories of raw materials, consumables and supplies are valued at the moving average of their acquisition costs, taking into account the lower of cost or market principle. In the 2020 financial year, some companies were valued using the moving average of their acquisition costs using a sales-oriented approach. Work in progress was valued at the direct material and production costs, including reasonable material and production overheads. General administration and selling expenses were not included in the cost of sales. Existing usability risks were taken into account through depreciation.

Orders are accounted for using the completed contract method. Advance payments received for inventories were deducted from the inventories item. The amount of EUR 1,010 thousand (previous year: EUR 856 thousand) deducted from inventories relates to payments on account by the customer for work in progress, which do not represent real advance payments and therefore have no liability character. The remaining advance payments received were reported on the liabilities side.

Receivables and other assets are always stated at their nominal value. In the case of trade receivables, recognizable risks are taken into account through individual value adjustments. Appropriate account is taken of the general credit risk by creating a general allowance.

The other securities reported under current assets are valued at the lower of cost or fair value on the balance sheet date.

Cash and cash equivalents are stated at their nominal value.

The active prepaid expenses relate to expenses before the balance sheet date that represent expenses for a certain period of time after this date. The deferred income relates to income before the balance sheet date that relates to income for a certain period after the balance sheet date.

Assets and liabilities denominated in foreign currencies are translated into euros at the transaction rate and are valued at the middle spot exchange rate on the balance sheet date. § 256a HGB evaluated.

Provisions for pensions are valued at the settlement amount that is necessary based on prudent business judgment and subject to the relevant average market interest rate over the past 10 years. They are discounted at a flat rate with an average market interest rate corresponding to a remaining term of 15 years.

The tax accruals and other accruals cover all identifiable risks and uncertain liabilities and are valued at the settlement amount that is necessary based on prudent business judgment. Provisions with a remaining term of more than one year are discounted at the average market interest rate for the past seven financial years that corresponds to their remaining term.

Liabilities are stated at their settlement amount.

Deferred taxes are determined for temporary differences between the commercial balance sheet and tax valuations of assets, debts and prepaid expenses, taking account of loss carryforwards that can be taken into account, insofar as offsetting against taxable income is guaranteed within the five-year period specified by law.

Deferred taxes are determined on the basis of the company-specific tax rates that will apply at the time the difference is reduced.

Tax rates of 9% to 40% have been applied. Deferred taxes were calculated at an average tax rate of 30% for consolidation processes such as the elimination of intercompany profits and debt consolidation differences.

Deferred tax assets result primarily from value adjustments on receivables that are not recognized for tax purposes and recognition or their lower reporting of provisions in the tax balance sheet.

Deferred tax liabilities essentially result from different recognized depreciation and valuation approaches on fixed assets as well as valuation differences in trade payables and receivables from companies in which an investment is held. Deferred tax liabilities result from consolidation measures due to differences between the tax and commercial law values in the balance sheet item receivables from affiliated companies.

Resulting deferred tax assets and liabilities, without taking into account the resulting deferred taxes from consolidation measures, are welcome. Section 274 (1) HGB. A total tax burden, without taking into account the resulting deferred taxes from consolidation measures, is recognized in the balance sheet as a deferred tax liability. In the case of an overall tax relief, without taking into account the resulting deferred taxes from consolidation measures, the corresponding capitalization option is not used.

If use was made of the option to form valuation units, this was taken into account in accordance with section 254 HGB.

5. Notes to the Balance Sheet and Profit and Loss Account

a) Group fixed assets of the Lindner Group KG

Asset history:

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	Acquisition and production costs				D
	01/01/2020 EUR	Additions EUR	Additions from first- time consolidation EUR	Exchange rate effects EUR	
I. Intangible assets					
1. Purchased concessions, industrial property rights and similar rights and values as well as licenses to such	11,632,025.72	667,575.55	0.00	-71,160.26	3
2. Goodwill	29,519,867.98	3,644,943.04	0.00	-0.98	
3. Advance payments made	273,449.38	604,781.86	0.00	0.00	
	41,425,343.08	4,917,300.45	0.00	-71,161.24	3
II. Tangible assets					
1. Land, land rights and buildings, including buildings on third-party land	426,846,787.84	7,345,295.81	326,499.14	-2,260,846.30	10,
2. Technical installations and machines	106,283,528.88	2,652,846.65	388.15	-1,313,043.12	4,
3. Other equipment, fixtures and fittings	143,557,697.75	21,987,879.61	107,344.70	-590,335.79	18,8
4. Payments on account and assets under construction	23,132,671.30	24,257,728.43	705,154.92	-230,688.23	
	699,820,685.77	56,243,750.50	1,139,386.91	-4,394,913.44	33,
III. financial investments					
1. Investments in associated companies					
	1,603,564.28	0.00	0.00	0.00	
2. Loans to companies in which an investment is held					
	2,578,925.37	4476.05	9,514.79	-1,382.89	4
3. other loans					
	4,228.18	0.00	0.00	0.00	
	4,186,717.83	4,476.05	9,514.79	-1,382.89	4
	745,432,746.68	61,165,527.00	1,148,901.70	-4,467,457.57	34,

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	Acquisition and production costs		Accumulated depreciation	
	Transfers EUR	12/31/2020 EUR	01/01/2020 EUR	Additions time con EUR
I. Intangible assets				
1. Purchased concessions, industrial property rights and similar rights and values as well as licenses to such	402,390.69	12,266,506.27	8,512,306.39	2,193,886.66
2. Goodwill	0.00	33,164,810.04	28075255.06	241,396.32
3. Advance payments made	-331,958.24	546,273.00	0.00	0.00
	70,432.45	45,977,589.31	36.587.561/5	2,435,282.98
II. Tangible assets				

	Acquisition and production costs		Accumulated depreciation		Additions time con
	Transfers EUR	12/31/2020 EUR	01/01/2020 EUR	Additions EUR	
1. Land, land rights and buildings, including buildings on third-party land	3,055,733.29	425.191.198.07	110,119,950.32	9,163,408.54	-
2. Technical installations and machines	6,466,382.28	109,595,898.92	73,545,782.85	5,454,168.62	
3. Other equipment, fixtures and fittings	1,275,579.60	147,518,876.02	76,791,101.71	20,060,292.16	
4. Payments on account and assets under construction					
	-10,868,127.62	36,939,596.53	0.00	0.00	
	-70,432.45	719,245,569.54	260,456,834.88	34,677,869.32	2
III. financial investments					
1. Investments in associated companies					
	0.00	1,570,525.12	359,654.36	0.00	
2. Loans to companies in which an investment is held	0.00	2,191,533.32	0.00	0.00	
3. other loans	0.00	0.00	0.00	0.00	
	0.00	3,762,058.44	359,654.36	0.00	
	0.00	768,985,217.29	297,404,050.69	37.113.152.30	2

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	Exchange rate effects EUR	Accumulated depreciation		12
		Departures EUR	Transfers EUR	
I. Intangible assets				
1. Purchased concessions, industrial property rights and similar rights and values as well as licenses to such	-70,237.40	324,624.00	0.00	10,3
2. Goodwill	-0.98	0.00	0.00	28,3
3. Advance payments made		0.00	0.00	
	-70,238.38	324,624.00	0.00	38,6
II. Tangible assets				
1. Land, land rights and buildings, including buildings on third-party land	-416,013.21	3,311,933.41	-9,575.98	115,7
2. Technical installations and machines	-862,178.98	3,866,039.22	0.00	74,2
3. Other equipment, fixtures and fittings	-394,266.81	14,169,912.73	9,575.98	82,3
4. Payments on account and assets under construction				
	0.00	0.00	0.00	
	-1,672,459.00	21,347,885.36	0.00	272,3
III. financial investments				
1. Investments in associated companies				
	0.00	19,654.36	0.00	3
2. Loans to companies in which an investment is held	0.00	0.00	0.00	
3. other loans	0.00	0.00	0.00	
	0.00	19,654.36	0.00	3
	-1,742,697.38	21,692,163.72	0.00	311,3

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	net book values 12/31/2020 EUR	net b 12 12
I. Intangible assets		
1. Purchased concessions, industrial property rights and similar rights and values as well as licenses to such	1,955,174.62	3,7
2. Goodwill	4,848,159.64	1,4
3. Advance payments made	546,273.00	2
	7,349,607.26	4,8
II. Tangible assets		
1. Land, land rights and buildings, including buildings on third-party land	309,456,558.16	316,7
2. Technical installations and machines	35,324,097.17	32,7
3. Other equipment, fixtures and fittings	65,143,942.80	66,7
4. Payments on account and assets under construction	36,939,596.53	23,7
	446,864,194.66	439,0
III. financial investments		
1. Investments in associated companies	1,230,525.12	1,2
2. Loans to companies in which an investment is held	2,191,533.32	2,9
3. other loans	0.00	
	3,422,058.44	3.
	457,635,860.36	448,0

As of December 31, 2020, fixed assets amounted to EUR 457,636 thousand (previous year: EUR 448,029 thousand). Fixed assets include goodwill with acquisition costs of EUR 33,165k (prior year: EUR 29,520k).

b) Receivables and other assets

The receivables and other assets reported have a remaining term of more than one year in the amount of:

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	12/31/2020 EUR thousand	pre EUR
Claims tax office	0	
Other assets	242	
	242	

c) Equity

In the group, the capital shares, the reserves and the balance sheet profit correspond to the items of the Lindner Group KG.

I. Equity Interests

The capital shares of the general partners amount to EUR 0 (previous year: EUR 0 thousand), that of the limited partners to EUR 17,960,078.00 (previous year: EUR 17,444 thousand).

II. Reserves

The reserves of the general partners amount to EUR 0 (previous year: EUR 0 thousand), those of the limited partners to EUR 212,269,450.66 (previous year: EUR 200,724 thousand).

The group reserves amount to EUR 194,291,461.94 (previous year: EUR 184,052 thousand) and are made up of retained earnings, annual results for 2020 and retained earnings of the subsidiaries as well as differences from capital consolidation processes. Differences (goodwill or negative differences) from the initial capital consolidation in the first group financial year 1990/1991

were offset against the group reserves, as were the differences resulting from the inclusion in subsequent years. Passive differences, which mainly have the character of equity, were also offset directly in equity.

III. retained profit

The proportionate balance sheet results of the subsidiaries were offset against the group reserves, so that the group balance sheet profit corresponds to the balance sheet profit of the parent company.

The balance sheet profit developed as follows:

	2020	pre
	euros	EUF
1. Consolidated annual result	44,934,166.14	
2. Presentation of results	23,020,495.80	
3. Distribution to shareholders	0.00	
4. Credit to reserve accounts	-23,020,495.80	
5. Result attributable to minority shareholders	-72,556.17	
6. Distribution to non-group shareholders	-56,632.38	
7. Reclassification of Group reserves	-14,022,020.34	
Balance sheet profit Lindner Group KG	30,782,957.25	

IV. Profit Participation Capital

In the 2020 financial year, the 12 profit participation certificates including interest increase equity to a total value of EUR 5,694,050.71. Interest is paid either as a guaranteed interest rate of 0.5% pa or as variable interest rate of 0.1% of the earnings before interest and taxes of Lindner SE of the respective nominal amount. The holders of the participation certificates receive variable interest if this is higher than the guaranteed interest; this is compensated with the variable interest.

V. Balancing item for shares of other shareholders

The adjustment item for shares of other shareholders includes the shares of non-group third parties in the equity and in the annual result of the subsidiaries included.

Shares in profits of EUR 1,980 thousand and shares in losses of EUR 2,052 thousand are attributable to non-group shareholders.

a) Differences from capital consolidation

In the case of contributions in kind from shares in subsidiaries, the resulting negative difference was reported under the item differences from capital consolidation in the amount of EUR 1,082 thousand (previous year: EUR 1,192 thousand), as this difference has no equity character. The difference from capital consolidation is released to income over a period of 20 years.

b) Provisions

The provision for pensions and similar obligations was formed using the actuarial going concern method. The following assumptions were taken into account for the calculation:

– average market interest rate of 2.30% for a term of 15 years, announced by the Deutsche Bundesbank
– The entitlement trend was taken into account at 0% for non-salary-related capital commitments.
– Mortality tables according to Dr. Klaus Heubeck "2018 G mortality table"

When recognizing the provisions based on the corresponding average market interest rate from the past seven financial years, there is a value as of December 31, 2020 i. hv EUR 29,646,150.00. The difference to the recognition of the provisions based on the corresponding average market interest rate from the past ten financial years is therefore EUR 1,759,007.00 as of December 31, 2020. This difference is subject to a distribution block, ie profits may only be distributed if the freely available reserves plus any profit carried forward and less a loss carried forward are at least equal to this difference.

The tax provisions relate to final payments not yet paid for previous years and the 2020 assessment period.

c) Liabilities

group	of which with a remaining term of up to one year		thereof with a remaining term of between one and five years		thereof with a remaining term of more than five years	
	12/31/2020 EUR thousand	previous year EUR thousand	12/31/2020 EUR thousand	previous year EUR thousand	12/31/2020 EUR thousand	pre EUF
Liabilities to credit institutions	2	12	0	0	0	
Advance payments received on orders	232,531	228,446	0	0	0	
liabilities from goods and services	50,300	58.151	0	0	0	
Liabilities to companies in which an investment is held	2,086	2.114	0	0	0	
Other liabilities	43,347	42,450	229	217	870	
	328,266	331.173	229	217	870	

Other liabilities include liabilities to shareholders in the amount of EUR 24,564.75.

d) Deferred tax liabilities

Provisions for deferred tax liabilities of EUR 3,281 thousand (previous year: EUR 5,403 thousand) were formed in the consolidated financial statements.

6. Notes to the Profit and Loss Account

a) Revenue

The total operating performance is distributed across the Group according to the following product areas:

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	2020		Previous year
	kEUR	%	kEUR
expansion	741,901	66.8	657,234
facade construction	151,881	13.7	221,460
environmental protection technology	100,332	9.0	90,471
trade/services	116,808	10.5	118,345
	1,110,922	100.0	1,087,510
from that			
inland	624,936	56.3	550,345
abroad	485,986	43.7	537,166
	1,110,922	100.0	1,087,510

In the Group, sales are distributed according to the following product areas:

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	2020		Previous year
	kEUR	%	kEUR
expansion	601,312	65.6	604.193
facade construction	100.132	10.9	254,616
environmental protection technology	99,064	10.8	82,777
trade/services	116,808	12.7	118,345
	917,316	100.0	1,059,931
from that			
inland	499,809	54.5	489,177
abroad	417,507	45.5	570,754
	917,316	100.0	1,059,931

The Lindner Group's sales abroad were mainly generated in Europe.

b) Other operating income

In the Group, this item mainly includes rental income, car usage fees, reimbursement of third-party personnel costs, tools and construction site materials passed on, and book profits from the disposal of assets.

Income relating to other periods, such as the reversal of provisions, is also included in the amount of EUR 5,273 thousand (previous year: EUR 18,371 thousand).

Other operating income includes EUR 12,763k (prior year: EUR 7,978k) in income from currency translation.

c) Depreciation of intangible and tangible assets

Scheduled depreciation was carried out in accordance with the statutory provisions.

d) Other operating expenses

The other operating expenses mainly include building and property expenses, rent, tool costs, warranties, office supplies, travel, postal and advertising costs as well as the formation of value adjustments and additions to provisions for risk provision.

Other operating expenses include EUR 17,401k (prior year: EUR 11,297k) in expenses from currency translation.

e) Other interest and similar income/interest and similar expenses

Other interest and similar income includes income from discounting of EUR 144 thousand (previous year: EUR 273 thousand).

Interest and similar expenses include expenses from discounting of EUR 1,757 thousand (previous year: EUR 1,771 thousand).

f) Income of exceptional magnitude

An income subsidy of EUR 62,069,215.35 (previous year: EUR 45,304k) was posted, which was given to the Lindner Group KG by Lindner Beteiligungs GmbH, Arnstorf. Lindner Beteiligungs GmbH, Arnstorf, holds 78.18% of the Lindner Group KG as a limited partner.

g) Income taxes

Due to the profit and loss transfer agreement between Lindner SE, Arnstorf, and Lindner Beteiligungs GmbH, Arnstorf, the tax expense is transferred to Lindner Beteiligungs GmbH, Arnstorf.

7. Other information

a) Units and investment shares in domestic investment funds

As of December 31, 2020, the Group held more than 10% of the shares in the public fund LINVEST (ISIN DE000A0NA4F9) in current assets. It is an accumulating equity fund. In the financial year, 3,220 shares were acquired on March 16, 2020 at a price of EUR 1,334.80 (book value EUR 4,296 thousand) and on December 3, 2020 8,854 shares at a price of EUR 1,383.40 (book value EUR 12,247 thousand) and no shares were sold.

The market value of the custody account on the balance sheet date was EUR 1,695.18 per share. With a total of 128,779.79 shares in the portfolio, this resulted in a fair value of EUR 218,304k as of December 31, 2020. The difference between market value (fair value) and book value was EUR 48,664 thousand. The fund units can be sold at any time with the exception of the assets for partial retirement and working hours with a two-day value date, which are invested separately in accordance with the regulations on insolvency protection.

The group also holds more than 10% of the special fund LIND I (ISIN DE007786048) in current assets. It is a pension fund. The owner of the shares decides annually on the distribution or reinvestment of the ordinary income from the fund. The special fund was set up in 1998 and the funds were increased at irregular intervals. On January 14, 2020, 135,593,000 shares were acquired at a price of EUR 73.75 per share certificate (book value EUR 10,000 thousand).

The book value of the deposit as of the balance sheet date of December 31, 2020 was EUR 103,351 thousand. The market value of the custody account as of the balance sheet date December 31, 2020 was EUR 74.52 per share. There were 1,736,637 shares in the custody account (fair value as of December 31, 2020: EUR 129,414k). The difference between market value and book value is EUR 24,064k. The fund units can be sold at any time with a two-day value date.

The group also holds more than 10% of the Lind2 special fund (ISIN DE000A2AQZR1) as current assets. It is a money market-like fund for medium-term investments that invests primarily in bonds, with a maximum of 10% in equities.

The carrying amount as of December 31, 2020 is EUR 43,362k. The price per share as of the balance sheet date is EUR 103.99 for 424,304 shares and the current value of the deposit is thus EUR 44,123 thousand. The difference between market value and book value is EUR 761 thousand.

b) Other financial obligations

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	due 2021 kEUR	due between 2022 and 2025 EUR thousand	due after 2025 EUR
group			
Obligations from rental and lease agreements	211,161	47,584	
Service Contract Obligations	15,223	0	

group	due 2021 kEUR	due between 2022 and 2025 EUR thousand	due after EUR
Obligations from maintenance contracts	3	0	
Obligations from supply contracts	4,025	0	
Obligations from started investment projects	16,991	0	
	247,403	47,584	

c) Contingent Liabilities

The Lindner Group's guarantee credit lines with banks and deposit insurers amount to EUR 713,748k and have been utilized to a total of EUR 436,975k (61%).

As of December 31, 2020, the liability assumed by the Lindner Group from group guarantees totaled EUR 100,183 thousand.

The construction projects of the Lindner Group are processed in accordance with the contract and defects are rectified promptly after completion. In this respect, the risk from the use of sureties and guarantees is considered to be low.

There is intragroup collateral of EUR 109,918 thousand for branch lines, FX lines and cash lines.

Furthermore, unlimited and limited letters of comfort were issued on behalf of Group companies. These are currently valued at EUR 85,559 thousand.

There are memberships in working groups where there is joint and several liability. There are currently no indications that a claim could be made, as no notification of defects has been received to date.

d) Valuation Units

The company uses derivative financial instruments to hedge against foreign currency risks resulting from cash flows in existing or planned construction projects of Group companies. The transactions are concluded by the in-house bank on the one hand with the relevant company and on the other hand an offsetting transaction is concluded with an external bank. The underlying transactions are hedged exclusively using micro-hedges, so that there is an underlying underlying transaction for each hedging transaction that is congruent with the hedging transaction in terms of currency, the expected cash flows and the volume as well as the term.

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	currency	Volume hedging net position in fc	Amount
assets	AED	28,133,656.48	-
	DKK	4,729,261.66	
	GBP	140,879.38	
	PLN	1,250,000.00	
	USD	3,257,312.20	
pending deals	USD	-11,400,000.00	
Scheduled Transactions	OMR	2,557,500.00	-

The fair value of the forward exchange transactions concluded to hedge foreign currency exchange rates is calculated as the difference between the cash values of the cash flows based on the contractually agreed forward rate and the forward rate on the balance sheet date. As in the previous year, no provisions were made for impending losses from pending transactions for currency futures transactions with a negative fair value, since a hedging level of almost 100% was achieved. The countervailing changes in value or cash flows are offset in the following 9 years 4 months, depending on the remaining term of the underlying transaction and the associated hedging transaction.

The effectiveness of the valuation unit is determined using the critical term match method. The determination of effectiveness is measured prospectively for the most part as of the reporting date. The measurement can only be carried out retrospectively in a few cases, when the underlying transaction has already been realised. Accounting is based on the freezing method.

e) Disclosures pursuant to Section 313 (2) No. 6 HGB

The following table shows the companies in which the parent company or another company included in the consolidated financial statements is a general partner with no equity interest.

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company	Complementary
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company	Complementary
Lindner Agriculture and Forestry GmbH & Co. KG, Arnstorf	Lindner L+F Verwaltungs GmbH, Arnstorf
Schlossbräu Mariakirchen GmbH & Co. KG, Arnstorf	Lindner Asset Investment and Management GmbH, Arnsto
Einsteinstrasse 34 GmbH & Co. KG, Munich	Lindner Real Estate Verwaltungs GmbH, Arnstorf
Lindner Immobilienverwaltung GmbH & Co. KG, Arnstorf	Lindner Real Estate Verwaltungs GmbH, Arnstorf
Lindner Group Immobilien GmbH & Co. KG, Arnstorf	Lindner Real Estate Verwaltungs GmbH, Arnstorf

f) Appropriation of profits of the Lindner Group KG

The annual surplus of the Lindner Group KG in the 2020 financial year in the amount of EUR 30,782,957.25 will be distributed according to the resolution of the shareholders' meeting.

g) Exemption regulations according to Section 264 (3) and (4) HGB and Section 264b HGB

The following subsidiaries make use of the exemption provisions under Section 264 (3) and (4) HGB and Section 264b HGB.

1. Lindner SE, Arnstorf
2. Lindner Finanz GmbH, Arnstorf
3. Lindner Facades GmbH, Arnstorf
4. Lex Fittings and Building Supplies Trading GmbH, Arnstorf
5. Lindner Real Estate Verwaltungs GmbH, Arnstorf
6. Lindner Isolating Technology & Industry Service GmbH, Arnstorf
7. Lindner Montage + Service GmbH, Berlin
8. Lindner Klimaservice GmbH, Leipzig
9. Lindner Vermögensverwaltungs GmbH, Arnstorf
10. Lindner asset investment and management company mbH, Arnstorf
11. Lindner Immobilienverwaltung GmbH & Co. KG, Arnstorf
12. Lindner Agriculture and Forestry GmbH & Co. KG, Arnstorf
13. Schlossbräu Mariakirchen GmbH & Co. KG, Arnstorf
14. Einsteinstrasse 34 GmbH & Co. KG, Munich
15. Lindner Scaffolding GmbH, Kolkwitz
16. Lindner Group Immobilien GmbH & Co. KG, Arnstorf
17. Lindner Norit GmbH & Co. KG, Dettelbach
18. Lindner L+F Verwaltungs GmbH, Arnstorf
19. Beta Brandschutztechnik GmbH, Abensberg
20. Lindner Group Real Estate Holding SE & Co. KG, Arnstorf

h) Employees (annual average)

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	2020 Group	previous
Wage earners	3,341	
employee	3,392	
	6,734	
trainee	218	
	6,951	

i) Remuneration of board members

According to § 286 Para. 4 HGB, the total remuneration is not stated.

j) Auditor's fee

The total fee charged by the auditor of the consolidated financial statements in the 2020 financial year relates to the following services:

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- a) Final examination performance
- b) Tax advisory services

c) Other services

8. Supplementary report

events of particular importance. § 285 No. 33 HGB after the end of the financial year were not recorded.

Arnstorf, April 29, 2021

Lindner Group KG, Arnstorf
Hans Lindner, Managing Personally Liable Partner
Veronika Lindner, Managing General Partner

Lindner Group SE, Baden near Vienna/Austria
Managing general partner
represented by
Veronika Lindner, Chairwoman of the Board of Directors
Stephanie Lindner, Member of the Board of Directors

3. Reproduction of the auditor's report

Based on the final result of our audit, we have issued the following auditor's report:

Independent Auditor's Report

To the Lindner Group KG, Arnstorf

audit opinions

We have the consolidated financial statements of Lindner Group KG, Arnstorf, and its subsidiaries (the Group) - consisting of the consolidated balance sheet as of December 31, 2020 and the consolidated income statement for the financial year from January 1, 2020 to December 31, 2020 and the notes to the consolidated financial statements, including the presentation of the accounting and valuation methods. In addition, we have audited the group management report of Lindner Group KG, Arnstorf, for the financial year from January 1, 2020 to December 31, 2020.

According to our assessment based on the knowledge gained during the audit

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the attached consolidated financial statements comply in all material respects with the applicable German commercial law provisions pursuant to Section 13 PubLG and, in compliance with German generally accepted accounting principles, provide a true and fair view of the assets and financial position of the Group as of December 31, 2020 and its earnings position for the financial year from January 1, 2020 to December 31, 2020 and the attached group management report as a whole provides an accurate picture of the group's position. In all material respects, the group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

In accordance with Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any objections to the correctness of the consolidated financial statements and the group management report.

Basis for the test results

We conducted our audit of the consolidated financial statements and the group management report in accordance with Section 317 HGB, taking into account the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under these regulations and principles are further described in the "Auditor's responsibility for the audit of the consolidated financial statements and group management report" section of our auditor's report. We are independent of the group companies in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Responsibility of the legal representatives and the advisory board for the consolidated financial statements and the group management report

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply in all material respects with the applicable German commercial law provisions pursuant to § 13 PubLG, and for the fact that the consolidated financial statements, in compliance with German generally accepted accounting principles, give a true and fair view of the assets, Group's financial and earnings situation. Furthermore, the legal representatives are responsible for the internal

controls which they have determined to be necessary in accordance with the German principles of proper accounting in order to enable the preparation of consolidated financial statements,

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

In addition, the executive directors are responsible for preparing the group management report, which as a whole provides a suitable view of the group's position and is consistent with the consolidated financial statements in all material respects, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) they have deemed necessary to enable the preparation of a group management report in accordance with the applicable German legal provisions, The Advisory Board is responsible for monitoring the Group's accounting process for the preparation of the consolidated financial statements and the Group management report.

Auditor's responsibility for the audit of the consolidated financial statements and the group management report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material - intentional or unintentional - misstatements and whether the group management report as a whole provides a suitable view of the Group's position and, in all material respects, with the consolidated financial statements and is consistent with the findings obtained in the audit, complies with German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report which contains our audit opinions on the consolidated financial statements and on the group management report.

Adequate assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code, taking into account the German principles of proper auditing established by the Institut der Wirtschaftsprüfer (IDW) will always uncover a material misstatement. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements and group management report.

During the audit, we exercise professional judgment and maintain a critical attitude. Furthermore

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We identify and assess the risks of material - intentional or unintentional - misstatements in the consolidated financial statements and the group management report, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than that arising from error, as fraud involves collusion, forgery, intentional omissions, misrepresentations or concealment.

We gain an understanding of the internal control system relevant to the audit of the consolidated financial statements and the group management report in order to plan audit procedures that are appropriate in the circumstances, but not with the aim of providing an audit opinion on the effectiveness of these internal control systems.

We evaluate the appropriateness of the accounting methods used by the legal representatives and the justifiability of the estimates presented by the legal representatives and the related disclosures.

We conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that cast significant doubt on the Group's ability to continue as a going concern can arise. If we conclude that there is a material uncertainty, we are required to draw attention to this uncertainty in the consolidated financial statements and group management report in the auditor's report, or if this information is considered inappropriate, to modify our respective audit opinion. We base our conclusions on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in such a way that the consolidated financial statements give a true and fair view of the assets, financial and results of operations of the group.

We obtain sufficient appropriate audit evidence for the accounting information of the companies or business activities within the group in order to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We bear sole responsibility for our audit opinions.

We assess the consistency of the group management report with the consolidated financial statements, its compliance with the requirements of the law and the view of the group's position that it gives.

We perform audit procedures on the future-oriented information presented by the legal representatives in the group management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not provide a separate audit opinion on the future-oriented information and the underlying assumptions. There is a significant unavoidable risk

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

Munich, April 29, 2021

Warth & Klein Grant Thornton AG
auditing company
Stephan Mauermeier, auditor
Andreas Schuster, auditor

If the consolidated financial statements and/or the group management report are published or passed on in a form that deviates from the confirmed version (including the translation into other languages), our renewed opinion is required beforehand, provided that our auditor's report is quoted or reference is made to our audit; we refer in particular to § 328 HGB.

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