KnausTabbert
Wir bewegen

Knaus Tabbert AG
Annual Report 2020

Facts & Figures.

4.1 %
disproportional
increase in EBITDA
to **EUR 68 mill.**

+ 1.8 %
revenue increase
to **EUR 795 mill.**

EUR 640 mill.
record order volume
for 2021

24,349
units sold in 2020

1.50 EUR
dividend proposal

Dear shareholders

2020 presented us all with new challenges, both in our private and professional lives. The health risks and economic consequences of the coronavirus pandemic have brought massive changes to society and the way we live, work and communicate with each other. At Knaus Tabbert, however, we can rightly claim to have mastered the situation very well. This is, to a large extent, also the merit of our employees. The strong team spirit, the flexibility of each individual and the disciplined protection of our health left a deep impression on us as members of the Management Board. We would therefore like to take this opportunity to express our gratitude for the dedicated commitment of our workforce.

In spite of tense procurement processes, disruptions in supply chains, temporary site closures and increased safety requirements in production, we were able to fully achieve our forecast for the past financial year 2020. With the successful IPO in autumn, we have placed our financial footing on solid foundations. At the same time, we want our shareholders to have a fair share in the company’s success, as promised. The Management Board and Supervisory Board will therefore propose to the Shareholders' Meeting the distribution of a dividend in the amount of EUR 1.50 per share.

From a position of strength, we are now looking to continue our growth strategy, relying on the commitment of our employees and the continued trust of our shareholders.

Wolfgang Speck
CEO

Content.

About us.

Knaus Tabbert.
At home on the move.

Knaus Tabbert, with a workforce of approximately 3,000, is one of the leading manufacturers of leisure vehicles in Europe. With our current brand portfolio, consisting of the five product brands KNAUS, TABBERT, WEINSBERG, T@B and MORELO, we are the sole supplier in Europe to cov-er all product segments and price categories for motorhomes, caravans and camper vans (CUVs).

More than 100 employees in research and development ensure innovative and future-oriented solutions in a globally competitive environment. In recent years, we have thus amassed a portfolio of numerous registered trademarks, patents and industrial designs that underpins our technological expertise. Lightweight constructions, fibre-reinforced frame technology and a special light-weight chassis are examples of our new technological developments. They form the basis of environmentally friendly electric drive solutions.

In recent years, fabrication at the German production sites in Jandelsbrunn, Mottgers and Schlüsselfeld, and at the Nagyoroszi plant in Hungary, has undergone continuous standardisation, extensive modernisation and optimisation. Today, we boast cutting-edge CNC-controlled production facilities, networked in a standardised, comprehensive and cross-locational ERP system, developed, operated and maintained by employees schooled in state-of-the-art training centres in Germany and Hungary. The standardised KnausTabbert Production System (KTPS) allows production capacities to be utilised across all locations. This enables us to keep our factories running at optimum capacity, irrespective of market changes in regions, markets or product segments.

Knaus Tabbert has cultivated a strong partnership spanning several decades with more than 450 dealers in over 20 European countries.

With RENT AND TRAVEL – a technologically advanced online platform – we offer a further sales channel for rental companies. This portal was launched in 2016 to connect our dealers with customers, travel agents, and rental agencies. Today, it is – according to our assessment – one of the leading websites for the rental of leisure vehicles in Germany. Whether you are a newcomer, an experienced renter or a prospective buyer, looking for a spontaneous weekend getaway or a round trip lasting several weeks, you will find the perfect solution for your needs from among almost 2,000 vehicles currently available at over 169 partner stations in Europe.

Our highlights in 2020.

01_2020

Successful start to the season at the CMT trade fair in Stuttgart

As an innovation driver in the industry, Knaus Tabbert presented recent ground-breaking developments at the Caravan Motor Touristik (CMT) in Stuttgart – one of the world's largest public trade fairs for tourism and leisure – including solutions for a self-sufficient power supply for camping vehicles.

02_2020

Knaus Tabbert Academy officially opened

At the beginning of February, the new 1,000-m² Knaus Tabbert Academy for trainees and specialists was officially opened in Jandelsbrunn. Knaus Tabbert has invested around 1 million euros to combat the shortage of specialists and to nurture the experts of tomorrow. Prospective woodworking and electronic technicians alongside mechatronics engineers are trained at Knaus Tabbert and supported by experienced specialists in bright, spacious rooms. The academy is not only a centre for education but also for advanced training, where new and long-standing employees regularly gain further qualifications.

05_2020

Production start after shutdown during lockdown

In the wake of a well-prepared shutdown in April lasting several weeks, Knaus Tabbert gradually resumed production at its plants in Jandelsbrunn and Mottgers at the beginning of May. In order to make daily working life as safe as possible for the staff during the pandemic, a company-wide safety and hygiene programme was developed and implemented. This includes taking employees' temperatures at the entrances and making masks compulsory on the entire factory premises.

07_2020

Dealer trade fair in Düsseldorf

Incorporated into a comprehensive safety and hygiene programme, Knaus Tabbert showcased the product highlights of the 2021 model year to more than 300 dealers for the first time in the new Hall 1 of the Düsseldorf exhibition centre despite the pandemic. An informative and emotionally appealing large-scale event, which was held over several days having first been creatively and meticulously planned, delighted the company's long-standing trade partners.

07_2020

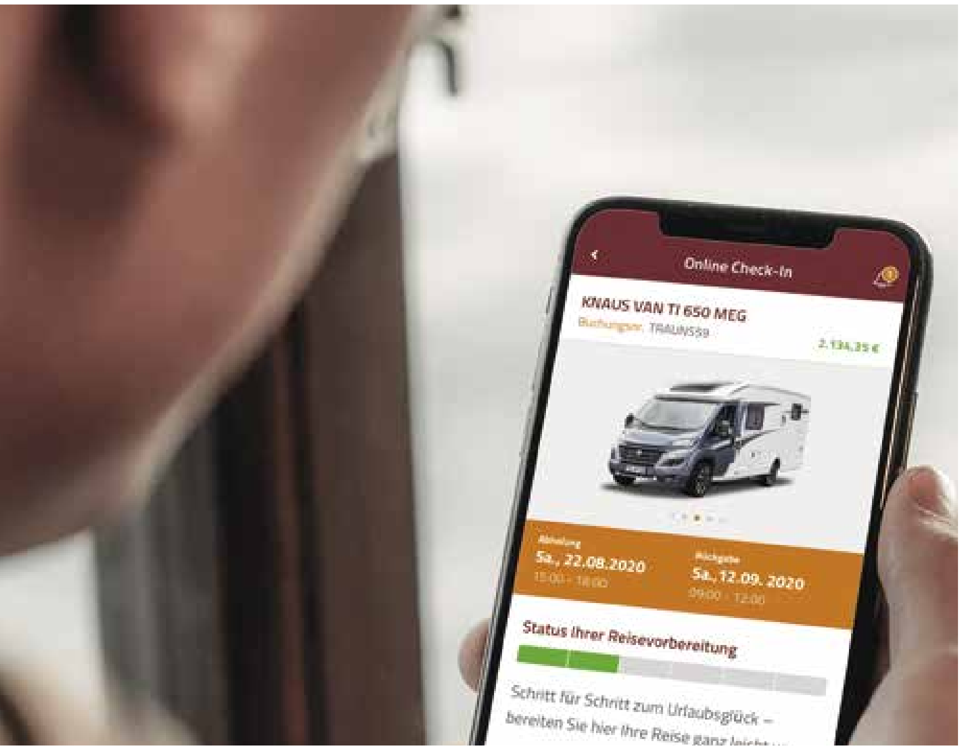
Annual press conference in Jandelsbrunn

At the annual press conference, Knaus Tabbert discussed key stimuli for the company's further growth under the motto "Innovations for the 2021 model year". Lightweight construction and electrification will become even more important in the coming years. Regional tourism and individual mobility – also available via the rental platform RENT AND TRAVEL – are becoming increasingly attractive to younger people. This has been a sustainable development for many years. People want to be flexible, independent and eco-conscious when travelling. Knaus Tabbert continues to inspire with fresh ideas and innovative new developments in the new model year, and brings the future of caravanning within easy reach, true to the motto "We move you".

09_2020

Caravan Salon Düsseldorf

At the Caravan Salon trade fair, Knaus Tabbert demonstrated innovative strength, trend-setting design and potent technologies. What was particularly motivating was the continuously high de-mand for, and positive feedback on, the company's products. The sales volume is again significantly higher than in the previous year. After all, there is currently no form of holiday that is safer, better suited to our times and offers more varied potential than caravanning. This was the focus of Knaus Tabbert's trade fair presentations.



09_2020

Launch of the RENT AND TRAVEL App

The RENT AND TRAVEL app will enable Knaus Tabbert customers to be even more mobile and independent in the future. Whether booking details, convenient online check-in, vehicle briefings via introductory video or useful checklists, everything is consolidated in the app. This is of particular interest to a younger audience looking for an easy way to venture into the world of caravanning.

09_2020

Knaus Tabbert goes public

Knaus Tabbert AG shares have been traded on the Frankfurt Stock Exchange since 23 September 2020. The listing commenced at a price of 58 euros, giving the company a market capitalisation of 600 million euros. The free float is 38.5 %. The funds raised from the initial public offering of around 20 million euros are to be invested for the purpose of accelerating an expansion of capacity in Hungary, among other places, and of further developing the product portfolio in a targeted manner.

10_2020

60th anniversary of the brand and 100th birthday of founder Helmut Knaus

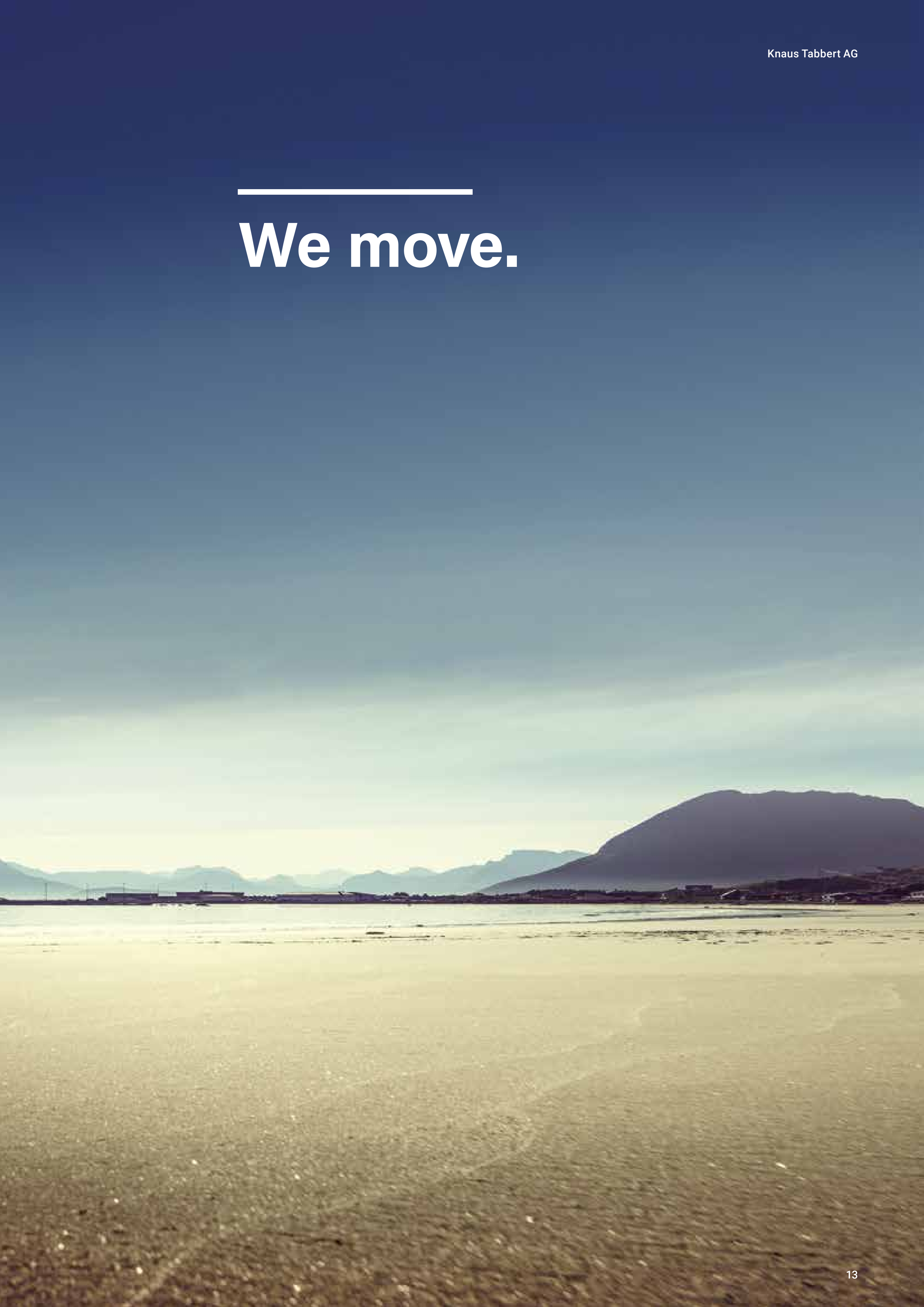
Helmut Knaus (1920 – 1991) was an engineer and experimenter who played a major role in the development of the leisure vehicle industry. In 1960 he founded KNAUS KG in Marktbreit, not far from Würzburg. As early as the Second World War, he had had the idea of designing a caravan for the new VW Beetle. It had to be compact, comfortable and light, and round like a swallow's nest, which was also the inspiration for the name. Helmut Knaus also designed the matching company logo in 1961: a pair of flying swallows, which still adorns every KNAUS vehicle today. 1962 saw the launch of the SÜDWIND, the iconic caravan par excellence, and today the bestseller among KNAUS caravans. In light of the great success enjoyed by KNAUS products, Helmut Knaus embarked on a course of expansion back in the 1960s. And in 2020 Knaus Tabbert celebrated the company's 60th anniversary. Helmut Knaus' vision of unbridled holiday bliss for everyone remains the company's guiding principle to this day, further developed and redefined for modern times with a wide range of five iconic brands of caravans, motorhomes and CUVs to suit every individual requirement.

11_2020

Groundbreaking ceremony for the expanded production facility in Hungary

The first plans to expand production at the Knaus Tabbert plant in Hungary were initiated at the beginning of the year. Following the acquisition of a neighbouring plot of land measuring approximately 72,000 m², detailed planning got underway in July, with the result that the application plans for planning permission were submitted in November. The first construction machines rolled in as early as mid-November to carry out the preparatory excavation work. The new hall will have a production area of approximately 7,000 m² and will house a new CUV assembly line. Production is scheduled to commence in September 2021.

We move.



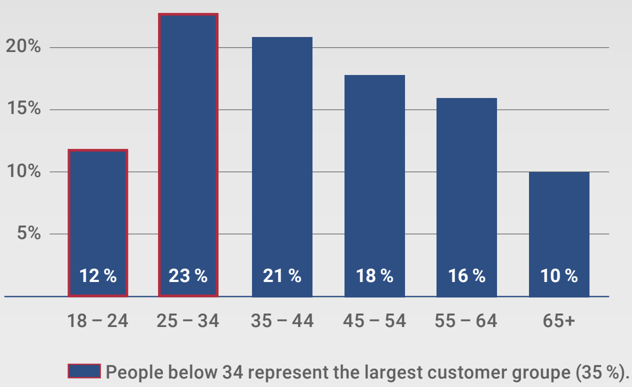
Environment and strategy.

Structural growth to come.

The travel habits of people living in Central Europe have changed over the past decades. A high level of environmental awareness, closeness to nature and regionality play an increasingly im-portant role when it comes to planning a holiday or activities during an extended weekend. People obtain information, are curious, want to be active, while at the same time being spontaneous and flexible. A well-developed road network enables them to quickly reach the places they want to discover in their region, and indeed in the whole of Europe. This is even better when mountain bikes, e-bikes, canoes, surfboards or climbing equipment can travel with you. The same applies to a pleasant atmosphere and familiar routines that travel with you effortlessly. This is how Knaus Tabbert customers are at home on the move with caravans, motorhomes and CUVs.

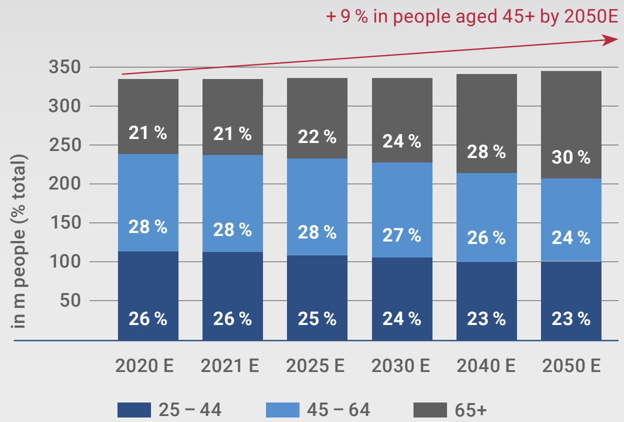
Caravaning interest by group age in Germany

Younger generation is attracted to caravaning as a form of traveling.



Source: IfD Allensbach, CIVD. 2019 data

Ageing population means widening addressable client base.



Source: Kepler Cheuvreux, Eurostat, European Union (27 countries)

Today, caravanning is synonymous with a form of leisure that offers maximum comfort, privacy and freedom. The corona pandemic has changed none of this – quite the opposite. Nowadays, many people are increasingly shunning mass tourism. **Mobile travel is not a trend, but a sustainable development that has been underway for years.** The industry is thus expected to continue to gain popularity in the future and benefit from sustainable factors that have meanwhile established themselves as megatrends.

Caravanning appeals to younger target groups

In recent years, the younger generation has begun to perceive leisure vehicles as trendy. They appreciate the freedom and flexibility of travel that caravanning offers. According to a survey, the under 34s in Germany represent the largest group of customers interested in a caravanning holiday in the next five years. This generation attaches great importance to outdoor activities that are planned spontaneously, and to nature-based adventures shared with friends and family. For them, Rent and Travel is the gateway to the world of caravanning, and often their interest culminates in a decision to buy. At the end of 2019, younger consumers under the age of 39 already accounted for 31 % of caravan owners in Germany, preferring motorhomes to caravans, and van conversions in particular.

Babyboomer generation has reached the first-time buyer age

The caravanning market is also benefiting from demographic trends. Throughout Europe, the population is ageing and life expectancy is increasing. On average, a first-time caravan buyer purchases his vehicle when he is older than 55. At the same time, the customer category with the highest numbers is older than 45. As the numerous and more affluent baby boomers (birth cohorts 1955-1969) will end their working lives in the next few years, the demographic profiles offer a promising future for Knaus Tabbert products.

This is because an ageing population that has remained young, and increasing life expectancy are expanding the addressable market for caravanning. According to Eurostat, the number of people over 45 is expected to increase in Europe by 9 % between 2020 and 2050 and will account for 54 % of the total population by the end of this period. In 2020, this figure was still around 48 %. Steadily increasing life expectancy is fuelling this trend. According to Eurostat, people in Europe will live to be 85 years old on average by 2050. This compares to 70 years in 1965. Average life expectancy therefore increases by around two months per year on average

Shared economy captures the caravanning market

The trend towards a shared economy has also reached the caravanning market. For customers who are interested, renting leisure vehicles is an easy way to experience mobile travel. This is especially true for the younger generation. Renting also gives potential buyers the opportunity to test different models and layouts before making a purchase. What is more, the rental market is obviously attractive for customers who love the caravanning experience but have no desire to own their own vehicle.

Knaus Tabbert launched the internet rental platform RENT AND TRAVEL – www.rentandtravel.de – for the German market at the start of 2016. The platform, which has since expanded to Italy and Sweden, is now – according to our assessment – one of the leading websites for renting leisure vehicles in Germany. The current growth rates are impressive: The fleet of Knaus Tabbert rental vehicles held by commercial partners has increased by around a quarter compared to 2019, and the volume of rentals has risen by as much as 153 %.

Environmentally-friendly travel is gaining in popularity

A 2018 study commissioned by the Norwegian Caravanning Association (NCB) shows that the CO_2 emissions associated with using a motorhome or caravan are lower than those associated with other types of leisure. The study concluded that a one-week holiday in a camper van emits less CO_2 than a flight to a popular city, a package holiday or a seaside holiday, and 15 times less than a week on a cruise ship.

As one of the leading European manufacturers of recreational vehicles, Knaus Tabbert is well positioned to benefit from the growing demand for motorhomes, caravans and camper vans on the continent. A well-balanced portfolio combined with a focus on research and development, product innovations and a long-standing relationship with more than 450 dealers throughout Europe all contribute significantly to this.

We move.

Our innovations – our future.

What is the future of motorhomes?

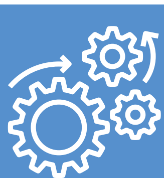
What does the future hold for motorhomes and how might we imagine caravanning in five or ten years from now? This question constantly occupies us. That is why we invest considerable energy and know-how in further developing our mobility and leisure solutions. This pays off – we are innovation drivers in the industry. More than 100 employees in our research and development departments are working on new materials and technologies on a daily basis. To this end, we invest several millions of euros annually. In addition to technical improvements in production and testing procedures, the focus is on applying new materials, new digitalisation solutions and promoting e-mobility. Development work is guided by the needs of our customers and their feedback, as well as the strategic goals that we consider essential for the future.

Strategic goals

➤ Lighter

➤ More efficient

➤ Flexible



➤ Cheaper

Our guiding principle and our aspirations are clear: the leisure vehicle of the future will impress through innovations, intelligent technology and a unique design ... created by Knaus Tabbert.

Spearheading the electrification of leisure vehicles

One of the key innovations we want to promote for the next few years is the electrification of caravanning. This means making motorhomes less dependent on local conditions and, at the same time, gradually reducing the use of fossil fuels.

In this way, we will make it possible for caravanning to enjoy longer periods of self-sufficiency, and maximum mobility coupled with the utmost comfort.

With the WEINSBERG CaraCito, we launched a caravan on the market in 2020 that is fitted exclusively with electric equipment and requires no gas installations whatsoever – a true milestone for the industry. In addition, we are testing electric systems in caravans that can reduce the load on the towing vehicle.

Knaus Tabbert is thus on its way to establishing this technology and revolutionising the manufacture of leisure vehicles at the same time as the automotive industry. Applications include electrified axles, chip-based sensor technology and lithiumion batteries. In addition, the system can be expanded to include portable batteries that can be charged in the caravan or at home via a power socket. Among the manufacturers of motorhomes and caravans, Knaus Tabbert is currently playing a pioneering role with its consistent work on the implementation of e-solutions for comfort and sustainable travel.

➤ WEINSBERG CaraCito

Lightweight construction as the key to e-mobility

Knaus Tabbert attaches particular importance to lightweight construction. Innovative materials and construction methods allow for an optimal interplay of equipment, weight and efficiency. In this field, too, Knaus Tabbert ranks among the pioneers of the industry. Ultimately, the less the structure weighs, the more equipment can be integrated into the leisure vehicle – without compromising the permissible total weight for the relevant category of driving licence. By means of lightweight structures, fibre-reinforced frame technology and a special lightweight chassis, Knaus Tabbert is paving the way for a more efficient generation of leisure vehicles emitting fewer pollutants.

We are constantly striving to make the leisure vehicles of tomorrow even lighter, quieter, safer and gentler on the environment. Holidays in a motorhome, caravan or camper van are inextricably linked with enjoying nature. Environmental protection and sustainability are therefore both an obligation and a matter of course for us. We want our production operations to use resources sparingly and to be sustainable, and we want to do our part in making leisure time and holidays increasingly low polluting and CO_2-neutral.

WE MOVE.

DYNAMIC ULTRALIGHT STRONG-WILLED ASSERTIVE SURPRISING FIRST TO CUSTOMER **WELL THOUGHT** OUT FIBREFRAME SELF-SUPPORTING **HIGH STRENGTH** USABILITY BOLD CUBISTIC MODERN **INNOVATIVE** POWERAXLE ORGANIC **DURABLE** FLEXIBLE LIGHTWEIGHT CONSTRUCTION REVOLUTIONARY FULL-FLEDGED ECOLOGICALLY SUSTAINABLE INDIVIDUAL MODULAR REVOLUTIONCUBE **OPEN YOUR MIND** EFFICIENT **FUTURE-PROOF** SHAPING THE FUTURE RELIABLE QUALITY

KNAUS

TABBERT

WEINSBERG

T@B

MORELO

RENT AND TRAVEL

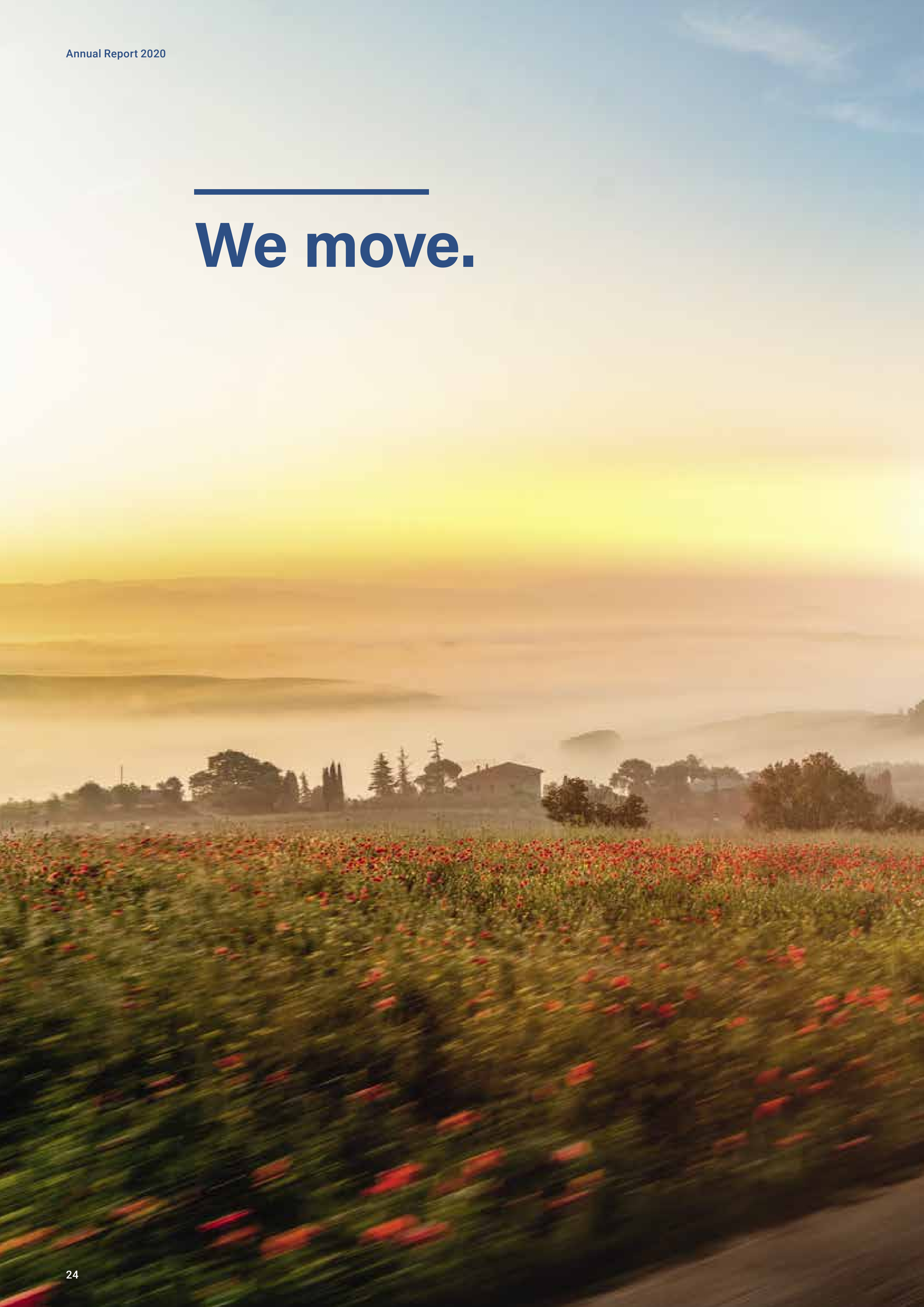
The heart of everything – our brands.

The Knaus Tabbert Group is one of the largest manufacturers of leisure vehicles in Europe. In 2020, we sold over 24,000 vehicles under the five iconic brands KNAUS, TABBERT, WEINSBERG, T@B and MORELO. We offer a diverse portfolio of leisure vehicles – from compact starter models to luxury vehicles. With the exception of minivans, we cover all segments of leisure vehicles including motorhomes, caravans and camper vans (CUV – Caravanning Utility Vehicle). We are backed by a system of lean manufacturing at four main locations in Germany and Hungary, as well as a broad, European dealer network with over 450 sales partners.

Our market positioning is consciously based on five brands and an extensive product range centred around them, which satisfies virtually every customer requirement in terms of price, design, use and lifestyle. We also invest in innovations and new product developments at an early stage. These include, for example, the electrification of caravanning and the consistent use of lightweight materials and designs. In this way, we can create important characteristics that distinguish us from other competitors – a vital element in achieving a high level of customer satisfaction and gaining market shares in recent years. Knaus Tabbert sees itself ideally positioned to take maximum advantage of the projected market growth in the both the medium and long term.

Awards in 2021/2020

We move.




KNAUS
BoxStar
FIAT
FRG KR 0720

Caravanning has found its way into mainstream society.

Holidays on four wheels are in vogue: around 235,000 leisure vehicles were newly registered in Europe in 2020, around 107,000 of these in Germany. And the trend is rising. Caravans, motorhomes and camper vans from 10,000 to 750,000 euros: Knaus Tabbert occupies pole positions with its KNAUS, TABBERT, WEINSBERG, T@B and MORELO brands. Despite the lockdown, the company can look back on a record year in 2020 with almost 26,000 vehicles delivered and an increase in sales to 835 million euros.

➤ from left to right:
Marc Hundsdorf (CFO),
Wolfgang Speck (CEO),
Gerd Adamietzki (COO),
Werner Vaterl (CSO)

In an interview with the members of the Management Board of Knaus Tabbert AG, Wolfgang Speck (CEO), Marc Hundsdorf (CFO), Gerd Adamietzki (CSO) and Werner Vaterl (COO), discussing innovation, future trends and sustainable, profitable growth in a dynamic market.

Knaus Tabbert ventured onto the stock exchange floor in 2020 and can look back on a remarkable success story. Mr Speck, what were the most important stages of this journey for you as CEO?

➤ Wolfgang Speck

If you, as CEO, want to set out along a path with a company, you first need a goal, then a path which has been agreed and, of course, a team that is willing to accompany you on the way. Shared values and a common culture help to stay focused on the goal set, even during difficult stages. This may sound trivial, but it was an elementary, first step in the process on my agenda when I joined Knaus Tabbert in 2013 and fundamentally restructured the company. Since then, we have doubled production volumes, tripled sales, built new factories and created 2,000 additional jobs. From year to year, we achieve new records along the way and are delighted to have received a multitude of recognitions and awards: the Grand Award for Medium-Sized Enterprises of 2017, for example, the European Innovation Award of 2020, the German Fairness Award, the Red Dot Design Award and countless awards at product level. The IPO in September 2020 was both a milestone and a springboard to the future.

What is this success rooted in, where are the cornerstones of your business model? And where do you see the most important success factors in your highly specific market?

➤ Wolfgang Speck

That can be answered in a single word: Innovation – and in two directions: On the one hand, I mean innovation in terms of production and product. We are developing technologies and new applications that are of value and help to our customers. Thanks to our technical innovations, our vehicles are becoming increasingly lighter and at the same time more stable, multifunctional, digital, self-sufficient and sustainable. Innovation is also synonymous with innovative design at attractive prices. On the other hand, it is also about creating experiences for our customers – and that too requires innovative ideas. We offer our customers the opportunity to tour a country or region exactly as they please – with the highest possible comfort, maximum privacy and a high level of safety.

In general, what is your market environment like at present, and where do you see the greatest potential for Knaus Tabbert? You repeatedly use the term ”megatrends“ what do you mean by this?

➤ Wolfgang Speck

Several pillars support these trends. One is demographic change. The baby boomers of the 60s are today’s senior citizens. They are now gradually retiring and fulfilling their lifelong dreams. This traditional customer group will grow steadily in numbers in the coming years. In addition, we have actively sought to appeal to a younger audience as well. There are several trends here that young people are extremely open to: more regional tourism or the sharing economy, in other words renting instead of buying a leisure vehicle. In addition, new work, that is to say completely new forms of work that blend in more seamlessly with leisure time than previous generations could have imagined.

Can you give an example?

➤ Wolfgang Speck

Working while simultaneously enjoying the freedom, spontaneity and flexibility of travelling. In a caravan, you have privacy and comfort just as you do when working in your office at home, and the same applies to electricity and WiFi. Therefore, you can sit by the sea or in the mountains, enjoy the scenery and work at the same time. That fits in perfectly with our times! Caravanning has found its way into mainstream society.

What about other megatrends like climate protection?

➤ Wolfgang Speck

As far as the climate is concerned, we really do not need to worry when it comes to caravanning. On the contrary, this issue makes us even more attractive: the carbon dioxide emissions generated by holidaying with a medium-sized motorhome by the sea are lower than if you travel by car and stay in a hotel. Studies verify this. In addition, we are constantly advancing both our manufacturing processes and our products with great commitment to ecology and the climate. We are making enormous progress in lightweight construction using sustainable materials with increasingly less wastage, not only in towing vehicles but also in caravans. The electrically powered motorhome is the ultimate challenge for us, and we have already begun to focus intensively on this as well. The topic of ESG (Environmental Social Governance) is also becoming increasingly important at Knaus Tabbert and even now plays an important role in our decision-making processes.

Was the pandemic the driver behind the increase in sales last year? Alternatively, have you noticed a change in your customers' leisure habits which is completely unrelated?

➤ Gerd Adamietzki

Caravanning as a form of holiday and leisure has been a megatrend for a number of years now and is gaining in popularity. However, the corona pandemic has been fuelling this development further since the middle of 2020. Individuality, flexibility and safety are increasingly taking centre stage. Caravanning has reached an unprecedented level of comfort and now offers a form of leisure mobility that was previously unknown to a large part of the population. This will not be a short-lived trend! Quite the opposite: holiday behaviour is changing, and with lasting effect. The registration figures and overnight stays at campsites and pitches are proof of this.

And where will the growth of the next few years be generated? Are you primarily relying on higher construction rates, or does your strategy also include increasing your manufacturing share?

➤ Gerd Adamietzki

We have observed overall strong dynamics on the European market since 2014. At European level, 140,000 (2014) registrations have increased to 235,000 (2020) in just five years. Germany has played a decisive role in this growth. The growth rates here are even more substantial. Following 43,000 registrations in 2014, the KBA (Federal Motor Transport Authority) has recorded 107,000 new registrations for 2020. The latest calculation models of the CIVD (German Caravanning Industry Association) anticipate approximately 200,000 registrations in Germany alone for the year 2025. We are investing in this growth market with more factories, modern, highly efficient machinery and skilled employees. In doing so, we want to continue to expand our presence in Europe in the future through our five strong brands, and make the dream of caravanning a reality for old and new customers alike.

Can you give an overview of your goals and strategy? What are your strategic priorities?

➤ Gerd Adamietzki

The market forecasts for the coming years show unrestrained growth for Europe and for Germany in particular. In terms of new registrations, Germany is not only by far the largest market in Europe, but it also displays the strongest growth dynamics. With KnausTabbert, we generate around 65 % of our sales in Germany. As an integral part of this growth market, we will focus on accelerating organic growth in the coming years, especially in the van and motorhome segment, and this in all European markets in equal measure. Our production sites offer sufficient potential to further expand capacities and to use them even more flexibly in the future within the network of the four sites. We will expand our 5-brand strategy with a view to broadening our network of dealers and achieving even greater market penetration, while also increasing the degree of digitalisation in our business processes relating to sales. In the future, we will continue to focus exclusively on products that offer a comfortable life on four wheels, even for longer periods. Fully equipped caravans, vans and motorhomes ranging in price from EUR 10,000 to EUR 750,000 are, and will remain, our core competence. We want more and more people to be inspired by our products and discover the delights of caravanning as a form of holidaying. Renting provides an apt springboard into the KnausTabbert product and brand world. In 2016, we made a very successful entry into the rental market with Rent and Travel. We are planning to expand this business model in a targeted manner with regard to our European presence, the availability of vehicles from our rental partners and in terms of further networking with cooperation partners. Our key USP, the convenience and the algorithms of our online booking platform and fleet management are the focal point of our investment activities with Rent and Travel. Lightweight construction, electromobility and caravanning as a sustainable form of holidaying continue to be at the top of our strategic agenda, and are all integrated into our ESG activities.

As mentioned at the beginning, the issues of technology and innovation are very important in your industry. What are your priorities here now? Are you currently more preoccupied with further developing the existing portfolio, or with new applications?

➤ Werner Vaterl

In the area of research and development, our strategic goals are focused on making our products lighter, more flexible, more efficient and less expensive. To be able to offer outstanding products, we also need outstanding ideas. That is why we invest systematically in research and development. Between 2017 and 2020 we invested a cumulative total of around EUR 36 million in research and development. In addition to technical improvements in production or testing processes, the focus is on the use of new materials, new digitalization solutions and initial steps toward e-mobility.

The electrification of caravans, for example, is a specifi project. A first step in this direction is the WEINSBERG CaraCito, which has all-electric equipment and therefore does not require gas installations. In addition, we are testing electric systems in caravans that can take the load off the towing vehicle.

We offer our customers the opportunity to tour a country or region exactly as they please – with the highest possible comfort, maximum privacy and a high level of safety.

And of course we are continuing to invest in projects designed to make recreational vehicles lighter, production more flexible and efficient, and ultimately products more affordable. The motorhome is well equipped with exhaust-cleaned diesel engines. For a range of 600 km with a weight limit of 3.5 tons, hybrid technology is not an alternative today, as it is too heavy and far too expensive. We have decided to go our own way and are working on a solution that will move our motorhomes a little closer to electric mobility in the future.

Particular attention is also being paid to lightweight construction. Here we are a pioneer in the industry. In lightweight technology, new types of materials and construction methods enable an optimal interplay of equipment, weight and efficiency. After all, the less the construction weighs, the more equipment can be integrated into the recreational vehicle – without exceeding the permissible total weight according to driving license classes. In addition, lightweight caravans are an important prerequisite for the use of electric cars. With our lightweight designs, our fiber-reinforced frame technology and a special lightweight axle, we are paving the way for a lower-emission and more efficient generation of recreational vehicles.

Your product portfolio has undergone significant changes in recent years, numerous new projects have been launched – just think of your brand strategy. What were your most important new projects?

➤ Gerd Adamietzki

We have a diversified brand world in all three vehicle segments as well as innovative and attractively priced products. This is the key factor that will allow us to further penetrate the market in a sustained manner. In all three vehicle segments, we are represented in the top positions of the German and many European vehicle registration statistics. For years, Knaus Tabbert has consciously focused on its five core brands and honed the brand profiles. Each of these brands is unique. The KNAUS and TABBERT brands are leading lights and icons in the European caravanning industry. 100 years of Helmut Knaus and 60 years of the KNAUS brand – two anniversaries we celebrated in 2020 and which epitomise our brand world steeped in history. With prices ranging from just under 10,000 to over 750,000 euros, customers today can find exactly what they are looking for and see for themselves what caravanning with Knaus Tabbert is all about: freedom, individuality, comfort, safety and luxury!

In addition, what prompted you to decide to launch your own rental platform RENT AND TRAVEL some four years ago

➤ Wolfgang Speck

We realised that we could offer our dealers the opportunity to generate additional sales through vehicle rental. In addition, our full-service business model motivates rental stations to commit permanently to Knaus Tabbert products. RENT AND TRAVEL has thus opened up a large sales channel for us, through which we can sell several thousand vehicles a year.

For customers, on the other hand, RENT AND TRAVEL is the ideal gateway to the world of caravanning and paves the way for future potential buyers. We have succeeded in attracting a younger audience to this leisure activity using the shared economy model: the 18 to 34 age group makes 40 % of all bookings via RENT AND TRAVEL.

Nearly 2,000 vehicles in the rental fleet and more than 24,000 offers in the first six months of 2020 alone demonstrate the success of this business model.

How do you safeguard your ability to compete in a highly competitive market, and what measures do you take to reduce costs and increase efficiency?

➤ Werner Vaterl

In recent years, we have not only used our strong internal financing power to expand capacity, but have also made great efforts to thoroughly modernise our factories and, in particular, to invest in the education and advanced training of our employees. Today, we boast state-of-the-art CNC-controlled production facilities, networked in a standardised, comprehensive and cross-locational ERP system, developed, operated and maintained by employees who have been trained in state-of-the-art training centres in Germany and Hungary. The standardised KnausTabbert Production System (KTPS) enables production capacities to be used across locations, similar to the physical “system of communicating pipes”. This enables us to keep our factories as optimally utilized as possible at all times, regardless of regional market changes, or changes in brands or product segments. Methods such as 5S, Kanban, standardisation and value analysis projects, lean production philosophy or CIP (Continuous Improvement) have been firmly anchored in our organisation for years and underpin our claim that we practise a “culture of excellence” at Knaus Tabbert.

What does Knaus Tabbert do to acquire and retain the right (highly skilled) employees? What is the importance of employer branding for you?

➤ Werner Vaterl

Your question addresses a core element of our success story! A robust approach to human resources development in all its facets is the key to success. We have expanded our workforce by 2,000 people in the last five years. Canvassing, recruiting, selecting, training, integrating and ultimately emotional commitment to the company were a monumental task in times of full employment in our regions. In future, our marketing activities will place even greater emphasis on promoting the Knaus Tabbert AG corporate brand, in addition to cultivating the product brands. In the regions where our production sites are located, we have already succeeded in positioning ourselves as an attractive employer through a whole raft of individual measures. For us, employer branding is putting into practice the claim of offering the best training and attractive working conditions in a sustainable corporate culture. It gives me great personal pleasure when the top school leavers of the year in the region have been trained at one of our locations.

Let’s get back to the IPO. What will you do with the proceeds of the issue? Do you have your eye on any acquisitions in the short and medium term?

➤ Marc Hundsdorf

The European caravanning market, and in particular the German market for leisure vehicles, has excellent growth prospects for the years ahead. Studies and calculation models of the CIVD underpin this. As mentioned earlier, an increase to around 200,000 new registrations per year is expected in Germany by 2025. This would be almost double the figure we saw in 2020. In keeping with our claim to a high market presence, we must adjust our production capacities to accommodate this growth or create the prerequisites for making short-term adjustments. In this respect, we are using the funds raised to help accelerate the expansion of capacity, which is expected to take effect as early as 2021.

A dividend has been promised for the 2020 financial year – what form will your dividend policy take in the medium term?

➤ Marc Hundsdorf

Our intention is to pay out 50 % of the distributable profit as a dividend. We believe this to be attractive for our shareholders, while at the same time leaving sufficient liquidity in the company for further growth. For the 2020 financial year, we will propose distributing 1.50 euros per share (to our shareholders).

How do you deal with the communication requirements of the capital market? Does the heightened demand for transparency represent somewhat of a paradigm shift for most companies?

➤ Marc Hundsdorf

An IPO does indeed change a lot in terms of corporate governance and information policy. But we do not see this as a problem. On the contrary, we view transparency very positively because it also benefits our business. Reporting to our existing shareholders has also been very comprehensive for a long time now. HTP as long-time owner has provided excellent training in this respect with (its) high standards. Nevertheless, we had to, and still have to, relearn. Whereas in the past we reported to a single owner who could be expected to have a deeper understanding of our business model, we now have to prepare the information for a wider audience. However, we have acknowledged this need, as this annual report demonstrates.

And finally, how do you assess the outlook for the 2021 financial year from a current perspective?

➤ Marc Hundsdorf

A really good start to the (new) year, a high volume of incoming orders to date and the overall very positive growth prospects for the European market for leisure vehicles make us hopeful that we will also be able to set new records in 2021. Nevertheless, we have observed a shortage of semi-finished goods and an increase in their price. The labour market for qualified professionals remains limited and the situation regarding COVID-19 cannot really be assessed accurately with regard to mutations, area tests and vaccination strategy. Knaus Tabbert is well prepared and, incidentally well versed in adapting to changes quickly and decisively. In this respect, we view business development in 2021 positively.

KNAUS TABBERT ON THE CAPITAL MARKET

Share enters its first year on the stock exchange with solid gains

Knaus Tabbert AG has been listed on the Frankfurt Stock Exchange in the strictly regulated and internationally oriented Prime Standard segment since 23 September 2020. Looking back at 60 years of company history and the acquisition of the Knaus Tabbert Group by the Dutch investment company HTP Investments 1 B.V in 2009, the IPO marks a groundbreaking milestone for the future course of the Knaus Tabbert Group. The company first listed its shares for trading at an issue price of EUR 58.00 per share. On the first day of trading, the share closed at EUR 54.50, which was also the lowest price for the year. After that, the share price rose to EUR 63.00 within just a few days. In the following months until mid-December, the price fluctuated around EUR 60.00. In the last fourteen days of the year, the share price increased steadily to its yearly high of EUR 63.50, and closed the year one day later at EUR 63.40. Thus, in the first 69 days of listing, the shares of Knaus Tabbert AG achieved a maximum profit margin of 16.3%.

The Group's share capital stands at EUR 10,377,259, and is divided into 10,377,259 ordinary bearer shares with no par value. The market capitalisation of Knaus Tabbert was valued at EUR 602,000,000 at the time of the IPO, and rose to EUR 657,900,000 by the end of the year.

With a price increase of more than 16% since going public, the Knaus Tabbert AG share outperformed the overall market in the year under review. The COVID-19 pandemic caused massive upheavals on global share markets in spring, resulting in an unusual stock market year. Nevertheless, many stock market indices recovered significantly from their March lows over the course of the year, thus closing above their pre-corona levels, or recording only minor index losses. The DAX30 gained just under 3.6%, while the SDAX climbed by 16.8%. The DAXsubsector Automobile Manufacturers, which is a sector-specific index of particular relevance to Knaus Tabbert, rose by 4.2%.

The average daily trading volume on the XETRA and tradegate trading platforms as well as on German regional stock exchanges totalled approximately 20,650 shares. This figure is only of limited significance due to the very high trading levels after the IPO. With the exception of the first four trading days, the average daily turnover was around 7,200 shares.

Closing price on 31.12.2020	EUR 63.40
Yearly high	EUR 63.50
Yearly low	EUR 54.50
Market capitalisation as per 31.12.2020	EUR 657.9 Mio.
Dividend per share	EUR 1.50

The IPO of Knaus Tabbert AG

During the course of the IPO, the company and its main shareholders HTP Investments 1 BV, Catalina Capital Partners B.V. und Palatium Beteiligungsgesellschaft mbH issued approximately four million shares in total, including greenshoe shares. Of these, 350,000 were issued as the result of a capital increase. The initial offering volume totalled EUR 232,000,000, of which EUR 20,000,000 will flow to the company to further support its growth course, notably through the construction and expansion of production capacities in Hungary and Germany. 37.4% are held as free float by institutional and private investors.

The banks involved in the IPO were Jefferies, Unicredit and ABN Amro. These three investment banks continue to monitor the performance of the company and of relevant markets in regular research reports. Following the presentation of the results of Knaus Tabbert AG as of 30 September 2020, the banks issued two buy recommendations with a target price of EUR 73, and one hold recommendation with a target price of EUR 65 at the beginning of November.

Continuous participation of shareholders in the success of the company

With its future dividend policy, Knaus Tabbert AG wishes to ensure that its shareholders have a fair share in the company's success. As a point of reference, the Management Board and Supervisory Board will be proposing a distribution ratio of around 50% of unappropriated profits to the shareholders' meeting. The aim is to maintain and strengthen the financial and innovative strength of the company for further growth, and to avoid drawing from the company's assets. In addition, value and growth-oriented investors stand to benefit in the long term from the planned continuous increase of the shareholder value. The dividends will be paid out following the resolution on the appropriation of profits at the shareholders' meeting, which is usually on the third working day after the shareholders' meeting at the earliest.

Establishing professional investor relations work

Ongoing dialogue with capital market participants and continuous, transparent reporting on relevant corporate events and developments serves as an important guideline for investor relations work at Knaus Tabbert AG. The aim is both to further strengthen confidence in the economic and technological profile of the company, and to ensure the necessary transparency to enable analysts, shareholders and potential investors to make clear and adequate assessments of the company. Knaus Tabbert strives to provide all capital market players with comprehensible information on its business model, the European caravanning market, and on its growth and earnings potential. To this end, the Management Board has participated in numerous one-on-one meetings and virtual investor conferences since the IPO. At the beginning of 2021, a separate investor relations department was established within the company.

International security identification number (ISIN)	DE000A2YN504
Security identification number (WKN)	A2YN50
Ticker symbol	KTA
Stock exchange	Frankfurter Wertpapierbörse
Market segment	Regulierter Markt (Prime Standard)
Share class	Nennwertlose Inhaberaktien
Total number of shares	10,377,259 Aktien
First day of trading	23. Sep 20
Issue price	58.00 Euro pro Aktie
Free float	37.40%

REPORT OF THE SUPERVISORY BOARD

DEAR SHAREHOLDERS

2020 was a very eventful year for Knaus Tabbert AG. In addition to our numerous operational achievements, it was above all the successful initial public offering in the Prime Standard of the Frankfurt Stock Exchange that made the 2020 financial year special, along with effectively continuing our growth course in a period overshadowed by the COVID-19 pandemic.

COOPERATION OF THE CORPORATE BODIES

In the year under review, we performed all tasks required according to law, the Articles of Association and the Rules of Procedure with due care and diligence, and in line with the German Corporate Governance Code (GCGC). In this spirit, we continuously monitored the conduct of business by the Management Board and regularly advised the Management Board on the running of the company. In the process, the Supervisory Board was able to satisfy itself at all times that the work undertaken by the Management Board was lawful, expedient and proper. The Management Board fulfilled its information obligations. It provided regular, timely and comprehensive information, both written and verbal, on all issues of strategy, planning, business development, risk position, risk development and compliance of relevance to Knaus Tabbert AG. In view of the challenges presented by the COVID-19 pandemic, the Supervisory Board and the Management Board intensified their exchange of information and, in particular, discussed the impact of the pandemic on Knaus Tabbert AG while taking the appropriate measures. These primarily focused on plant closures, the implementation of corona-compliant safety concepts at the individual sites, and supply chains.

The members of the Supervisory Board had ample opportunity to critically examine the reports and resolution proposals submitted by the Management Board in the committees and at meetings. In particular, all important issues were discussed in depth and checked for plausibility. The Management Board was also available to the Supervisory Board for any bilateral discussions and explanations.

As Chairwoman of the Supervisory Board, I maintained regular contact with the Management Board between meetings, in particular with the Chairman and the Chief Financial Officer, and consulted with both on issues relating to the company's strategy, business development, risk position, risk management and compliance. In the year under review, the Supervisory Board held nine meetings. The main topics of discussion in the past financial year included:

- conversion of the company into a stock corporation
- planning and execution of the IPO including the associated capital increase
- the Group strategy
- the economic development of the Group
- appointment of the new Management Board of Knaus Tabbert AG
- the short and long-term remuneration system (LTIP and STIP) for the Management Board
- the annual financial statements and consolidated financial statements as of 31 December 2019
- investment planning for capacity expansions
- impacts and measures in connection with the COVID-19 pandemic

MEETINGS OF THE SUPERVISORY BOARD IN THE 2020 FINANCIAL YEAR

Attendance at meetings of the Supervisory Board and its committees was as follows.

	Supervisory Board	Presiding Committee	Audit Committee	IPO-Committee
Dr. Esther Hackl (Chairwoman)	9/9	1/1	2/2	1/1
Anton Autengruber (Deputy Chairman)	9/9	1/1	2/2	1/1
René Ado Oscar Bours	9/9			
Jana Donath (until 1.8.2020)	7/7		2/2	
Daniela Fischer (as of 1.9.2020)	1/3			
Michael Heim	9/9			
Stephan Kern	8/9			
Klaas Mertens	8/9		1/2	
Ute Opritescu (until 31.8.2020)	3/6			
Manfred Pretscher	9/9			
Ruben Paulus de Pundert (until 31.7.2020)	2/3			
Willem Paulus de Pundert	9/9	1/1	1/2	1/1
Robert Scherer	9/9			
Ferdinand Sommer	8/9	1/1	2/2	1/1

The Mediation Committee and the Nomination Committee did not convene during the period under review.

The members of the Management Board attended Supervisory Board and committee meetings; however, the Supervisory Board also regularly met for talks without the attendance of the Management Board.

At the constituent meeting of the Supervisory Board held on 29 January 2020, the Chairwoman and Deputy Chairman were elected and the Mediation Committee constituted. Moreover, the Supervisory Board adopted rules of procedure for the Supervisory Board.

At the meeting on 19 May 2020, the preliminary results of the annual financial statements and the quarterly financial statements were discussed and presented by the Management Board, which also reported on the current impact of the COVID-19 pandemic on the company.

The meeting on 22 July 2020 dealt with the individual and consolidated financial statements as well as the proposal of the Management Board on the appropriation of profits. Furthermore, the Supervisory Board approved proposed investments. At this meeting, the plans of the company and its shareholders to seek an initial public offering in 2020 together with the associated conversion into a stock corporation were also presented for the first time. In addition, technical changes to corporate governance regulations, the rules of procedure of the Management Board and of the Supervisory Board, and an amendment of the contracts of the members of the Management Board were discussed, both of which were made necessary by the listing of the company on the stock exchange. Finally, it was also decided to appoint the previous auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Nuremberg branch, to audit the annual financial statements and the consolidated financial statements for the financial year ending December 31, 2020, as well as to review any additional interim financial statements.

At its meeting on 6 August 2020, the Supervisory Board passed a resolution on the audit and approval of the annual financial statements and the consolidated financial statements for 2019, as well as on the examination of the proposal for the allocation of the distributable profit of 2019 and the submission of a corresponding report to the shareholders' meeting. In addition, the Supervisory Board established an IPO Committee comprising Dr. Esther Hackl (Chairwoman), Anton Autengruber (Deputy Chairman), Willem Paulus de Pundert and Ferdinand Sommer in preparation for the company's initial public offering.

At its meeting on 10 August 2020, the Supervisory Board appointed the Management Board of the stock corporation following the change of legal form.

At its meeting on 26 August 2020, the Supervisory Board adopted new rules of procedure for the Management Board and itself. It also established a Presiding Committee, an Audit Committee and a Nomination Committee, and stipulated a quota of women for the Supervisory Board and the Management Board. The Supervisory Board adopted a competence profile and appointed a Labour Director. In addition, the Supervisory Board decided on the employment contracts of the members of the Management Board and the LTIP. It also took note of the adjustment of the profit forecast for 2020.

At its meeting on 7 October 2020, the Supervisory Board defined specific corporate targets and individual targets for the short term incentive programme (STIP) of the Management Board for the fourth quarter of 2020.

At its meeting on 3 November 2020, the Management Board reported to the Supervisory Board on the current situation with regard to COVID-19 and on the quarterly financial statements as of 30 September 2020. Furthermore, the Supervisory Board dealt with capital market compliance issues.

At the meeting on December 21, 2020, the Supervisory Board adopted a resolution on the STIP for the Executive Board for 2021 and on the Declaration of Conformity for 2020, as well as on the offer from KPMG AG Wirtschaftsprüfungsgesellschaft for the audit of the annual and consolidated financial statements and the Declaration of Conformity for 2020.

WORK OF THE COMMITTEES

The Supervisory Board has established four standing committees for the due performance of its duties. In addition, an IPO Committee was formed during the reporting period in preparation for the company's initial public offering.

PRESIDING COMMITTEE OF THE SUPERVISORY BOARD

The Presiding Committee consists of four members. It prepares the meetings of the Supervisory Board and advises the Management Board on fundamental questions relating to the strategic development of the company. In urgent cases – if a resolution of the Supervisory Board required previously cannot be deferred without significant disadvantages for the company – the Presiding Committee shall pass a resolution in lieu of the plenary Supervisory Board in the case of certain transactions requiring approval. Furthermore, the Presiding Committee prepares, in particular, personnel decisions of the Supervisory Board, is responsible for the conclusion, amendment and termination of employment contracts with the members of the Management Board, and submits proposals to the Supervisory Board for resolutions on the remuneration system for the Management Board and the regular review of the remuneration system.

The Presiding Committee convened once in the 2020 financial year.

At the meeting on 16 December 2020, the Presiding Committee discussed the STIP for the Management Board for 2021.

Members of the Presiding Committee:

- Dr. Esther Hackl (Chairwoman)
- Anton Autengruber (Deputy Chairman)
- Willem Paulus de Pundert
- Ferdinand Sommer

AUDIT COMMITTEE

The Audit Committee consists of six members. As required by the German Stock Corporation Act and Corporate Governance Code, the Chairwoman, in her capacity as an independent financial expert, boasts specialist knowledge and experience in the application of accounting principles and international control procedures.

The Audit Committee is responsible, in particular, for monitoring accounting including the financial reporting process, the effectiveness of the internal control system, internal risk management and the internal audit system, compliance and the audit of the financial statements. The latter also includes defining the focal points of the audit and reaching an agreement on the auditor's remuneration. Furthermore, the Audit Committee prepares the resolutions of the Supervisory Board on the adoption of the annual financial statements and the approval of the consolidated financial statements, and regularly addresses the risk position and risk management of the company. Moreover, it regularly reviews the internal audit work and regularly assesses the risk position and risk management of the company. The Audit Committee also prepares the proposal for the election of the auditor to be submitted by the Supervisory Board to the shareholders' meeting.

The Audit Committee convened twice in the 2020 financial year.

At the meeting on 23 October 2020, the Audit Committee passed a resolution on the approval of non-audit services provided by the auditor, and defined the main areas of focus for the audit of the annual financial statements of 2020.

At the meeting on 10 November 2020, the Audit Committee discussed the offer of the auditing company KPMG AG for the audit of the annual and consolidated financial statements as of December 31, 2020 including the estimated fees, as well as the company's quarterly statement as of 30 September 2020.

Members of the Audit Committee:

- Jana Donath (Chairwoman)
- Dr. Esther Hackl (Deputy Chairwoman)
- Anton Autengruber
- Klaas Mertens
- Willem Paulus de Pundert
- Ferdinand Sommer

IPO COMMITTEE

The IPO Committee was composed of four members. The purpose of the IPO Committee was to oversee the initial public offering of the company and to pass resolutions on this matter in lieu of the plenary assembly.

The IPO Committee convened once in the 2020 financial year.

At the meeting on 9 September 2020, the IPO Committee discussed an agreement on the sharing of costs and the indemnification of IPO liability claims, which was to be concluded with the sole shareholders at the time in the context of the initial public offering, and approved its conclusion. The member Willem Paulus de Pundert did not participate in the resolution.

Members of the IPO Committee:

- Dr. Esther Hackl (Chairwoman)
- Anton Autengruber
- Willem Paulus de Pundert
- Ferdinand Sommer

NOMINATION COMMITEE

The Nomination Committee is composed of three shareholder representatives of the Supervisory Board. The Chairwoman of the Supervisory Board also chairs the Nomination Committee. The function of the Nomination Committee is to propose suitable candidates for election to the Supervisory Board to be presented by the Supervisory Board to the shareholders' meeting, taking into account the objectives of the Supervisory Board with regard to its composition.

The Nomination Committee did not convene in the 2020 financial year.

Members of the Nomination Commitee:

- Dr. Esther Hackl (Chairwoman)
- Klaas Mertens
- Willem Paulus de Pundert

MEDIATION COMMITTEE

The Mediation Committee, which is prescribed by law, consists of the Chairwoman of the Supervisory Board, the Deputy Chairman, one member elected by the employee representatives of the Supervisory Board, and one member elected by the shareholder representatives of the Supervisory Board. The role of the Mediation Committee is to submit proposals to the Supervisory Board for the appointment of Management Board members if no agreement on this can be reached with the requisite majority by the Supervisory Board.

The Mediation Committee did not convene in the 2020 financial year.

Members of the Mediation Committee:

- Dr. Esther Hackl (Chairwoman)
- Anton Autengruber (Deputy Chairman)
- Willem Paulus de Pundert
- Robert Scherer

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS OF 2020 AUDITED AND APPROVED

The Management Board prepared the annual financial statements for the 2020 financial year in accordance with the provisions of the German Commercial Code (HGB), the consolidated financial statements pursuant to the provisions of IFRS, as well as the management report and the group management report. These were audited by the auditing company KPMG AG, Nuremberg, and were each issued with an unqualified audit opinion.

All of these documents, including the proposal of the Management Board for the appropriation of profits, were the subject of the meeting of the Supervisory Board on [26] March 2021, which was also attended by representatives of the auditor. The auditor reported on the main areas of focus and the key findings of the audit, and addressed the most important audit issues.

The auditor was available for in-depth discussions with the members of the Supervisory Board. There were no circumstances suggesting bias on the part of the auditor. The Audit Committee, to which the documents of the Management Board and the audit reports of the auditor were submitted for preliminary examination, reported to the Supervisory Board on the main contents and results of its preliminary examination, and made recommendations for the resolution of the Supervisory Board.

The Supervisory Board reviewed the annual and consolidated financial statements for the 2020 financial year, the management report and the group management report and the proposal of the Management Board for the allocation of distributable profit, taking into account the report of the Audit Committee. The Supervisory Board endorsed the results of the auditor's review. On the basis of its own assessment, the Supervisory Board determined that no objections were to be raised against the annual and consolidated financial statements or the management report and group management report. In accordance with the recommendation of the Audit Committee, the Supervisory Board approved the annual financial statements prepared by the Executive Board and approved the consolidated financial statements. The annual financial statements of Knaus Tabbert AG were thus adopted.

Moreover, the Supervisory Board reviewed the combined separate non-financial report and, based on the results of its assessment, had no objections to raise in this regard either. The Audit Committee, to which the combined separate non-financial report was submitted for preliminary examination, reported to the Supervisory Board on the main contents and results of its preliminary examination and made recommendations for the resolution of the Supervisory Board. The Supervisory Board endorsed the recommendation of the Audit Committee and approved the combined separate non-financial report.

The proposal of the Management Board for the allocation of the distributable profit and the payment of a dividend of EUR 1.50 per share was carried by the Supervisory Board.

CORPORATE GOVERNANCE AND DECLARATION OF COMPLIANCE

The Supervisory Board studied the rules and regulations of the GCGC in depth. To monitor compliance with the GCGC, the implementation of the recommendations was reviewed.

The Supervisory Board and the Management Board jointly issued the declaration of compliance in December 2020. No deviations from the recommendations were declared.

The declaration of compliance and other documents on corporate governance are permanently available to shareholders on the internet. https://www.knaustabbert.de/en/investor-relations/corporate-governance/

CONFLICTS OF INTEREST

Each member of the Supervisory Board is obliged to disclose potential conflicts of interest in compliance with the GCGC. In the past financial year, no conflicts of interest of members of the Management Board or Supervisory Board requiring immediate disclosure to the Supervisory Board occurred.

CHANGES TO THE SUPERVISORY BOARD AND MANAGEMENT BOARD

Ruben Paulus de Pundert resigned from the Supervisory Board with effect from the end of 31 July 2020. In his place, Jana Donath was appointed as a member of the Supervisory Board with effect from 1 August 2020 for the remaining term of office of the outgoing member Ruben Paulus de Pundert. Ute Opritescu resigned from the Supervisory Board with effect from 31 August 2020. In her place, Daniela Fischer of the Passau district court was appointed as an employee representative of the Supervisory Board with effect from 1 September 2020.

There were no changes to the Management Board in the reporting period.

Jandelsbrunn, 26 March 2021

On behalf of the Supervisory Board

Esther Maria Hackl

Dr. Esther Hackl
Chairwoman of the Supervisory Board

CORPORATE GOVERNANCE STATEMENT AND REPORT

The Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code (HGB) is an integral part of the combined Management Report. In accordance with Section 317 para. 2 (6) HGB, the audit of the disclosures pursuant to Sections 289f and 315d HGB is to be limited to ascertaining whether the disclosures have been made.

Declaration of the Management Board and the Supervisory Board on the recommendations of the German Corporate Governance Code

In December 2020, the Management Board and Supervisory Board of Knaus Tabbert AG issued the Declaration of Compliance with the recommendations of the German Corporate Governance Code (GCGC), as amended on 16 December 2019, for the 2020 financial year in accordance with Section 161 of the German Stock Corporation Act (Aktiengesetz). Knaus Tabbert AG complies with all recommendations of the GCGC. The Declaration of Compliance reads as follows:

The recommendations of the Government Commission on the German Corporate Governance Code as amended on 16 December 2019 and published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette on 20 March 2020 have been, and are being, complied with.

Jandelsbrunn, Dezember 2020

The Management Board of Knaus Tabbert AG

Wolfgang Speck　Marc Hundsdorf　Werner Vaterl　Gerd Adamietzki

On behalf of the Supervisory Board of Knaus Tabbert AG

Dr. Esther Maria Hackl (Chairwoman)

The Declaration of Compliance 2020 has also been made permanently available to the public on the company's website at https://www.knaustabbert.de/en/investor-relations/corporate-governance/

Disclosures on corporate governance practices

For the Management Board and Supervisory Board, the recommendations of the Corporate Governance Code are an integral part of their daily work, as are statutory provisions. We conduct our business operations in line with Group-wide standards that surpass the requirements of the law and the GCGC. These also include trust, respect and integrity in our dealings with each other. Ethical behavior and safety are our overriding goals in this regard. In order to achieve lasting and sustainable corporate success on this foundation, we strive to ensure that our activities are also in harmony with environmental and social concerns.

Compliance as the totality of Group-wide measures to ensure adherence to the law, legislation and binding internal rules and regulations is an important management and monitoring task at Knaus Tabbert. The Chief Compliance Officer is responsible for managing the compliance programme, and reports directly to the Management Board.

We have set out the main principles of our corporate governance in a Code of Conduct, which provides all employees of the Group with guidance on responsible, compliant and integrity-oriented behavior in day-to-day business, and which is binding for the entire workforce, including members of executive bodies. This applies to interactions with each other, as well as to dealings with customers and business partners. Based on respect for rules and law, the key principles include fairness and responsibility. In addition to general principles of behavior, the Code of Conduct also contains regulations on integrity and a conflict-of-interest policy, and prohibits corruption in any form. Even the breach of law by a single employee can seriously harm the reputation of our company and cause Knaus Tabbert considerable damage, which can also be of a financial nature.

The Code of Conduct is regularly reviewed, and adapted or expanded in line with current requirements and developments. Moreover, employees are regularly informed about current issues relating to the Code of Conduct and receive training on specific topics such as product liability, antitrust law and data protection. The Code of Conduct is available on the company's website at https://www.knaustabbert.de/en/investor-relations/corporate-governance/.

Management and control

Responsibilities are allocated between the Management Board and the Supervisory Board in accordance with the German Stock Corporation Act, the Articles of Association and the rules of procedure for the Management Board and Supervisory Board. The rules of procedure of the Supervisory Board are available on the company's website under Investor Relations / Corporate Governance.

As a governing body of the company, the Management Board is bound to the interests of the company and committed to sustainably increasing the shareholder value. The members of the Management Board are jointly responsible for the overall management of the company and decide on fundamental issues of business policy and corporate strategy as well as on annual and multi-year planning.

The Management Board jointly steers the operational business. It consisted of four members in the 2020 financial year. All members are closely involved in the company's operating activities. Notwithstanding the collective responsibility of the Management Board, each Board member independently manages the business area assigned to them under the rules of procedure. A detailed presentation of individual areas of responsibility and portfolios can be found on the company's website under Company/Management. The management of the subsidiaries and the heads of the various functional and product areas each report to a member of the Management Board.

The Management Board is responsible for preparing the quarterly reports and the half-yearly financial report as well as the annual and consolidated financial statements and the combined management report of both Knaus Tabbert AG and the Group. Furthermore, the Management Board takes care that legal provisions, official regulations and internal company guidelines are observed, and works to ensure that these are complied with by the Group companies.

When filling management positions in the company, the Management Board pays attention to diversity and strives, in particular, to ensure an adequate representation of women and to promote internationality.

The Management Board and Supervisory Board cooperate closely in the interests of the company. The Supervisory Board advises, monitors and controls the Management Board, which provides regular, timely and comprehensive reports to the Supervisory Board on all key issues relating to the development of business, the corporate strategy and potential risks. The Supervisory Board discusses business development and planning as well as the corporate strategy and its implementation at regular intervals. It reviews the annual and consolidated financial statements, the combined management report of Knaus Tabbert AG and the Group, and the proposal for the allocation of distributable profits. Furthermore, the Supervisory Board adopts the annual financial statements of Knaus Tabbert AG and approves the consolidated financial statements, taking into account the results of the preliminary audit performed by the Audit Committee as well as the auditor's reports. The Supervisory Board decides on the proposal of the Management Board for the allocation of distributable profits and on the report submitted by the Supervisory Board to the shareholders' meeting.

Furthermore, the Supervisory Board and the Audit Committee monitor the company's compliance with legal requirements, official regulations and internal guidelines, and oversee the internal control and risk management system. The Supervisory Board is also responsible for appointing the members of the Management Board and determining their areas of responsibility. Important decisions of the Management Board such as large acquisitions, divestments and financial measures are subject to the approval of the Supervisory Board if they are not already included in the approved financing and execution plan (budget). The Supervisory Board has regulated the work of the Management Board in the rules of procedure for the Management Board.

The composition of the Supervisory Board of Knaus Tabbert AG is prescribed by law and regulated in detail in the Articles of Association. The Supervisory Board consists of twelve members, of which six are elected by the shareholders' meeting in accordance with the provisions of the German Stock Corporation Act, and six are elected by the company's employees in accordance with the provisions of the German Co-Determination Act (Mitbestimmungsgesetz).

The shareholders of Knaus Tabbert AG exercise their control and co-determination rights at shareholders' meetings, which are chaired by the Chairwoman of the Supervisory Board. The shareholders' meeting decides on all tasks assigned to it by law (including the allocation of profits, approval of the actions of the Management Board and Supervisory Board, election of Supervisory Board members, capital measures and amendments to the Articles of Association). Shareholders may exercise their voting rights at the shareholders' meeting either in person, through an authorised representative, or by a proxy appointed by Knaus Tabbert AG.

Mode of operation of the Management Board and Supervisory Board and of their committees

The Supervisory Board is tasked with advising and monitoring the Management Board in its running of Knaus Tabbert AG. It has established rules of procedure for itself. The Supervisory Board appoints the members of the Management Board in accordance with statutory provisions and the Articles of Association. It issues rules of procedure for the Management Board, which contain a catalogue of transactions requiring approval, as well as a business responsibility plan. The Supervisory Board holds at least two meetings per calendar half-year. As a rule, at least five plenary meetings are held per calendar year. The key issues discussed at the meetings in the past financial year are summarised in the Report of the Supervisory Board, which forms part of this Annual Report. Unless otherwise decided by the Chairwoman of the Supervisory Board, the members of the Management Board attend the meetings of the Supervisory Board, provide written and oral reports on the individual agenda items and draft resolutions, and respond to questions from the members of the Supervisory Board.

As a rule, the meetings of the Supervisory Board are convened by the Chairwoman with at least fourteen days' prior notice. The Chairwoman of the Supervisory Board reports to the shareholders on the activities of the Supervisory Board and its committees at the shareholders' meetings. The Management Board regularly updates the Chairwoman of the Supervisory Board on current developments.

The Supervisory Board has established four committees for the due performance of its duties. In addition, an IPO Committee was formed during the reporting period in preparation for the company's initial public offering.

The Presiding Committee consists of the Chairwoman, the Deputy Chairman, a shareholder representative and an employee representative. The Chairwoman of the Supervisory Board also serves as Chairwoman of the Presiding Committee. At the initiative of its Chairwoman, the Presiding Committee discusses important issues and prepares resolutions of the Supervisory Board. Under special circumstances or in urgent cases, the Presiding Committee may approve transactions requiring the consent of the Supervisory Board. The Presiding Committee also advises the Management Board on matters of corporate planning, and prepares the personnel decisions of the Supervisory Board. The members of the Presiding Committee are Dr. Esther Hackl (Chairwoman), Anton Autengruber (Deputy Chairman), Willem Paulus de Pundert and Ferdinand Sommer.

The Nomination Committee is composed exclusively of shareholder representatives and consists of the Chairwoman of the Supervisory Board and two further shareholder representatives of the Supervisory Board. It proposes suitable candidates for election to the Supervisory Board at the shareholders' meeting. The Chairwoman of the Supervisory Board is also Chairwoman of the Nomination Committee. The members of the Nomination Committee are Dr. Esther Hackl (Chairwoman), Klaas Mertens and Willem Paulus de Pundert.

Furthermore, an Audit Committee was established. The Audit Committee consists of six members, namely four shareholder representatives of the Supervisory Board and two employee representatives of the Supervisory Board. The Audit Committee convenes as required with the attendance of the auditor and the members of the Management Board, and is responsible for auditing the accounts, monitoring the financial reporting process, assessing the effectiveness of the internal control system and the risk management system, and for compliance. It is also tasked with verifying the requisite independence of the auditors, issuing audit assignments to the auditors, defining the focal points of the audit, and reaching an agreement on the auditor's remuneration. The members of the Audit Committee are Jana Donath (Chairwoman), Dr. Esther Hackl (Deputy Chairwoman), Anton Autengruber, Klaas Mertens, Willem Paulus de Pundert and Ferdinand Sommer.

The IPO Committee was composed of four members. The purpose of the IPO Committee was to oversee the initial public offering of the company and to pass resolutions on this matter in lieu of the plenary assembly. The members of the IPO Committee were Dr. Esther Hackl (Chairwoman), Anton Autengruber, Willem Paulus de Pundert and Ferdinand Sommer.

In accordance with the provisions of the German Co-Determination Act, the Supervisory Board of Knaus Tabbert AG has also established a Mediation Committee consisting of the Chairwoman and Deputy Chairman of the Supervisory Board, one employee representative of the Supervisory Board and one shareholder representative of the Supervisory Board. The members of the Mediation Committee are Dr. Esther Hackl (Chairwoman), Anton Autengruber (Deputy Chairman), Willem Paulus de Pundert and Robert Scherer.

At least once a year, the Supervisory Board assesses the efficiency of its work using a structured questionnaire.

Further information on the Supervisory Board and its members can be found on the company's website at https://www.knaustabbert.de/de/unternehmen/aufsichtsrat/. There, you can also find the rules of procedure of the Supervisory Board at https://www.knaustabbert.de/de/investor-relations/corporate-governance/.

Objectives regarding the composition of the Supervisory Board and the Management Board

With a view to ensuring diversity on the Management Board, the Supervisory Board strives to give due consideration to various professional and international backgrounds, and to ensure that both genders are fairly represented in the long term. In addition to a diverse Board composition, Management Board members continue to be selected on the basis of their expertise, professional qualifications and personality. Management Board members should bring a broad range of professional experience and expertise to the table. In this respect, the concept of diversity acts as an additional guideline for the selection of suitable candidates to the Management Board.

In August 2020, the Supervisory Board decided on a target quota of women of 0% for the Management Board. This decision was based on the fact that the Management Board is a successful and well-coordinated team, and the Supervisory Board wished to retain the necessary flexibility with regard to the composition of the Management Board. However, the Supervisory Board reserves the right to set a higher quota for women on the Management Board in the future should a need for change in the Management Board become apparent for any reasons. Moreover, the Supervisory Board closely follows legal developments with regard to women's quotas on Management Boards, and will take the appropriate measures. For members of the Management Board, an age limit of 65 applies.

The law stipulates that the Supervisory Board of Knaus Tabbert AG must be composed of at least 30% women and at least 30% men. These quotas are to be fulfilled separately by both the shareholder representatives and the employee representatives as overall fulfilment was objected to (separate fulfilment). It cannot be ruled out that overall fulfilment will become the decisive criterion in the future.

Two female shareholder representatives and one female employee representative were appointed to the Supervisory Board in the 2020 financial year. This translates into a women's quota of 33.3% for the shareholder representatives and 16.7% for the employee representatives. The proportion of women on the Supervisory Board as a whole is 25%. The failure to meet this target for the group of employee representatives stems from the fact that since the statutory quota of 30% came into force, no elections of employee representatives have been held for which this quota was binding.

The Supervisory Board has also decided on a competence profile for its composition, according to which the Supervisory Board as a whole should have the competences deemed essential with respect to the activities of the Knaus Tabbert Group. These include, in particular, in-depth experience and expertise

- in the management of large or medium-sized, internationally active corporations;
- in industrial business and value creation along diverse value chains;
- in the field of research and development, in particular in the technologies of relevance to the company as well as in adjacent or related areas;
- in the areas of production, marketing, sales and digitalisation;
- in the main markets in which Knaus Tabbert operates;
- in accounting and financial reporting;
- in controlling/risk management; and
- in the field of governance/compliance.

Moreover, in view of the requirements of Section 100 para. 5 of the German Stock Corporation Act, at least one member of the Supervisory Board must have expertise in the fields of accounting or auditing, and the Supervisory Board as a whole must be familiar with the leisure vehicle industry.

More than half of the shareholder representatives shall be independent of the company and the Management Board within the meaning of the GCGC. At least two shareholder representatives shall be independent of a controlling shareholder within the meaning of the GCGC (this criterion is met by Dr. Esther Hackl, Jana Donath and Manfred Pretscher). The Chairwoman of the Supervisory Board, the Chairwoman of the Audit Committee and the chairwoman of the committee dealing with the remuneration of the Management Board shall be independent of the company and the Management Board. Moreover, the Chairwoman of the Audit Committee shall also be independent of a controlling shareholder. Members of the Supervisory Board shall not exercise any executive or advisory functions for significant competitors, customers, suppliers or lenders of the company or other third parties, and shall not have personal ties to a significant competitor, customer, supplier or lender of the company or other third parties. The Supervisory Board shall not include more than two former members of the Management Board.

As a rule, members of the Supervisory Board should not be older than 72. Deviations from this rule are permitted in exceptional and substantiated cases. Membership of the Supervisory Board should in principle not exceed twelve years.

The Supervisory Board decided on the competence profile prior to the initial public offering of the company, and considers it to be fully implemented at present.

Targets for filling management positions

When filling management positions in the company, the Management Board pays attention to diversity and strives for an adequate representation of women. In setting these targets, Knaus Tabbert AG, as a technology-oriented company, has to take into account industry-specific circumstances as well as the current quota of women in the workforce.

In September 2020, the Management Board set a target of 33% for the proportion of women in the first management level of Knaus Tabbert AG below the Management Board, and 22% for the proportion of women in the second management level below the Management Board. These target values represent the current proportion of female managers and have therefore been realised. The resolution is valid for a period of five years. However, the Managing Board reserves the right to set a higher percentage of women in the first management levels in the future, provided this can be implemented while taking due account of industry-specific circumstances.

Transparent corporate communication

Open and transparent corporate communication is an essential component of good corporate governance. In addition to clear and intelligible content, this also calls for equal access to information of the company for all target groups.

Knaus Tabbert provided shareholders, financial analysts, the media and the interested public with equal access to up-to-date information on the development of the company and significant events in the reporting year. All mandatory publications as well as further detailed and supplementary information were published on the company's website in a timely manner. Publications such as ad hoc announcements, media releases, interim and annual reports were made available simultaneously in German and English. Parallel to the publication of the quarterly results, a conference call was held for analysts and investors.

The planned dates of important recurring events such as the publication dates of the annual report and the interim reports as well as the dates of shareholders' meetings are listed in a financial calendar. This is published at the beginning of a fiscal year and made available on the Knaus Tabbert website. The publication dates are aligned with the requirements of the stock exchange regulations of the Frankfurt Stock Exchange for Prime Standard securities.

NON FINANCIAL REPORT

Sustainability at Knaus Tabbert

Understanding of Sustainability

Knaus Tabbert adheres to the guiding principle of sustainable development and is committed to responsible corporate management. We take economic, ecological and social factors into account in our business decisions and value-added processes. Furthermore, we are convinced that long-term economic success is only possible by exercising integrity and assuming social responsibility.

With this first non-financial report, we are laying the foundations for the gradual development of our sustainability management and reporting. During the coming years, we will continue to expand our sustainability activities as a major strategic focus, and set goals as a basis for future measures. As an international enterprise with regional roots, we recognise the importance of the role played by our employees, the community and the preservation of the environment in our corporate success.

Materiality Analysis

The focal points of Knaus Tabbert AG's sustainability management, as defined in the German CSR Directive Implementation Act (CSR-RUG), are derived from a materiality analysis carried out at the end of 2020. We used the findings of this analysis to identify the topics that are important both for our corporate success and for the impact of our business on non-financial issues. We also considered the extent to which these topics are relevant to our various stakeholders.

In order to filter out the relevant areas, we first created a catalogue of topics. In the process, consideration was given to industry-relevant aspects, the frameworks of the GRI Standards, the German Sustainability Code and ISO 26000 as well as to the sustainable development goals and peer group topics. The ensuing catalogue initially comprised more than 100 topics, which were then refined, condensed and clustered. The remaining 19 topic clusters with 81 sub-topics were assigned to the five fields of activity “Corporate Governance & Compliance”, “Products & Services”, “Environment”, “Employees“ and „Social Responsibility”. In the course of a subsequent workshop involving the specialist departments, the topic clusters were classified as either essential or non-essential.

In this way, 15 essential topics or aspects as defined by the CSR Directive Implementation Act, were identified for Knaus Tabbert AG. In the following table, these are assigned to the legally defined non-financial issues and the coverage in this report. In the course of our materiality analysis, an additional non-financial aspect was identified in the form of product issues.

ESSENTIAL ISSUES IN ACCORDANCE WITH CSR-RUG

Non financial issues	Essential aspects	Coverage in section
Employee issues	Education and advanced training; health and safety at the workplace; employee satisfaction; co-determination and participation	„Attractive Employer“
Environmental issues	Waste and recycling; biodiversity; energy and emissions in production	“Sustainable Production“
Combatting corruption and bribery	Compliance	“Responsible Corporate Management“
Respect for human rights	Responsibility in the supply chain	“Responsible Corporate Management“
Social issues	Social commitment	“ Sustainability at Knaus Tabbert“
Additional non-financial issues: product issues	Data security; energy and emissions in use; innovation; customer satisfaction	“Innovative Products and Services“

Sustainability Management

We are constantly developing our sustainability management. In so doing, we systematically take environmental, social and civic aspects into account in our corporate decisions and processes. Integrity is at the heart of our good relations with our customers, shareholders, business partners and the regions in which we operate.

For Knaus Tabbert, the topic of sustainability is of paramount importance in the entire value chain. Consequently, the Management Board bears overall responsibility for this area. All facets of sustainability are taken into account and implemented in corporate strategy, in management, in due diligence processes and in day-to-day business operations. The relevant departments and special appointees deal with a variety of sustainability issues, which are of significance in areas ranging from human resources management and production through to recycling, for example.

Taking responsibility is therefore firmly anchored in our organisational structures and is an important component of our corporate policy, both in terms of strategy and our business operations. We are in constant exchange with our most important stakeholders in order to further strengthen the topic of sustainability.

Social Commitment

We are firmly rooted in the regions of our locations and want to be a good neighbour to our stakeholders. The main responsibility and decision-making power for shaping our social commitment lies with the Management Board or the management of each individual local company.

We have been supporting various sports clubs such as the Waldkirchen Gymnastics and Sports Club (TSV) and the Waldkirchen Ice Hockey Club for many years. At the same time, we sponsor social projects, including the Würzburg registered society “Hilfe durch Spaß e.V.” (Help through Fun) and the Schlüsselfeld library. We are also a gold sponsor of the regional management project “More than you expect” in the district of Freyung-Grafenau. In addition, we have lent a vehicle to the Hauzenberg medical centre, which is used as a mobile surgery for coronavirus testing and treatment.

However, we are not only involved with funding. As an example, we cooperate with universities and offer students supervision while preparing for Bachelor and Master theses, conduct speed recruiting events or participate in job fairs. Furthermore, university students in Hungary can complete various internships at our plant there.

We purposely become involved “locally”. Our support of the ADAC Rally and the World Parasports Championship, which take place in the Freyung-Grafenau district, are particularly worth mentioning. In addition, we grant employees time off on full pay to support specific initiatives such as sporting events like the “Quälspaß” contest.

Responsible corporate management

Good Corporate Governance

Good corporate governance is the key to the enduring success of Knaus Tabbert. We behave responsibly and with integrity towards employees, business partners, society and the environment. We have therefore also resolved to meet every principle and recommendation of the German Corporate Governance Code (DCGK).

As an additional pillar of our responsible corporate management, we have been using a software-based risk management system (RMS) since the beginning of 2021. We used the past financial year 2020 to prepare for its implementation. A total of 37 training sessions were held for this purpose. The RMS is used at all of our locations in order to identify any risks at each corporate level at an early stage, and to counter these with suitable measures.

Since December 2017, Knaus Tabbert has consolidated its values and behavioural guidelines in a Code of Conduct, which forms the basis for the day-to-day actions of its employees and members of its executive bodies at all locations of the Knaus Tabbert Group. This applies both to the way they interact with each other and with all other stakeholders, including customers, business partners and the general public.

As an example, the Code of Conduct contains instructions on how to behave in the event of conflicts of interest, regulations to ensure legally compliant behaviour when dealing with sensitive data and (insider) information, and a call for compliance with occupational safety.

All our employees have intranet access to the provisions of the Code of Conduct in German, English and Hungarian, and are under obligation to comply with these. In addition, we inform our co-workers about current topics covered by the Code and conduct regular training sessions on the subject.

Compliance

Compliance is an essential element of the corporate culture at Knaus Tabbert and shapes our daily actions. We are convinced that we cannot be successful in the long term unless we act in conformity with regulations and with integrity. We perceive compliance as the strict adherence to all laws, regulatory provisions and ethical principles prescribed by Knaus Tabbert in our business dealings in all of the markets in which we operate worldwide.

In order to ensure that appropriate behaviour is an integral part of the company's day-to-day activities, we have established internal guidelines for compliant behaviour. We raise our employees' awareness of these issues by offering training sessions on subjects such as compliance, law, IT security and data protection. Since June 2018, we have also been working with an external data protection officer who checks that we are complying with the provisions of the General Data Protection Regulation (GDPR). It is to be noted that no data protection incidents were reported during the 2020 financial year.

Knaus Tabbert is a member of the German Caravanning Industry Association (CIVD), which obliges Knaus Tabbert to ensure that all purchased materials and parts satisfy so-called 'Material Compliance'. The guidelines describe the requirements of the CIVD with regard to all known prohibited, regulated and declarable substances.

Knaus Tabbert strictly condemns any form of corruption, bribery and passive corruption. We maintain trusting, fair and respectful business relationships with our business partners and convey the basic principles of our Code of Conduct to them. During the 2020 financial year, no incidents of corruption or suspected incidents of corruption were reported to us. Furthermore, we were not aware of any proceedings for anti-competitive conduct, nor were any fines imposed in this regard.

We have finalised preparations for the introduction of a whistleblowing system. Up until the end of 2020, the company-wide Code of Conduct encouraged employees to report any irregular behaviour to their manager or the Compliance Officer, or to both of these. Following the implementation of the new risk and compliance management system in January 2021, an expanded whistleblowing system is to be installed, which both internal and external stakeholders can use, either by disclosing their identity, or anonymously through various channels.

Sustainable Supply Chain

Knaus Tabbert is committed to structuring its value creation processes along the supply chain in a sustainable manner. We acknowledge the universal validity of human rights and reject outright all forms of child labour, forced and compulsory labour, modern slavery and human trafficking.

In addition, we are committed to environmental and climate protection. We expect the same from our business partners: our suppliers use natural resources sparingly in their day-to-day business activities and reduce waste, energy consumption and with that their carbon footprint. We also expect them to comply with all relevant environmental protection laws, regulations and standards. Our suppliers join us in striving for sustainable growth and systematically incorporate environmental and climate protection into their everyday business practices.

Compliance with environmental and social requirements is an integral part of our quality management system (QMS), which meets the ISO 9001 standard. We also insist that our suppliers operate a QMS of this kind and comply with requirements and standards.

Knaus Tabbert is very keen to build long-term and sustainable relationships with its business partners. That is why we also invest in maintaining these ties. Whenever we conclude a contract, we create a supplier profile based on self-disclosure. In this we ask, for example, whether there is a quality or environmental management system in place, and if so, which one, and whether sub-suppliers are evaluated

For each financial year, there is a separate audit programme for suppliers, which is carried out by a commissioned external auditor. If the audit result is not satisfactory, the supplier has the opportunity to improve and to prove himself at a repeat audit.

Attractive Employer

Human Resources Strategy

Our employees make a decisive contribution to our sustainable success on a daily basis through their considerable expertise and commitment. The past and future growth of our company was, and is, only possible with their support. Accordingly, the focus of our human resources strategy is on attracting, retaining and advancing our employees.

What does this mean for us? We attach great importance to finding and securing the best applicants for vacant positions. We want to remain as attractive as possible for existing employees. To this end, we enable them to continue their training and professional development by offering a wide range of internal and external training programmes.

In our dealings with our employees, we believe in communicating clearly and honestly, disclosing current developments transparently and overcoming challenges together as a team. A prerequisite for ensuring that all relevant viewpoints are included in the solution is to treat all employee groups equally. In order to give more weight to the interests of severely disabled and young co-workers, for example, representatives are elected from the relevant client base.

HUMAN RESOURCES DATA

	2020	2019
Total number*	**2,555**	**2,495**
Of which full-time employees	2,478	2,428
Of which part-time employees	77	67
Additional temporary agency workers**	537	509
Of which blue-collar	2,033	1,998
Of which white collar	449	419
Of which trainees and joint-degree students	74	78
Of which with a fixed-term employment contract	392	451
Of which with a permanent employment contract	2,163	2,044
Of which employees covered by collective agreements	1,712	1,656
Of which employees in the area of Research and Development	10	9
Of which employees on parental leave or maternity leave	49	54

* In headcounts, without temporary agency workers. These are listed additionally.
** Temporary agency workers are not listed in headcounts, but according to the number of hours worked.

EMPLOYEES BY GENDER*

	2020	2019
Total number**	**2,481**	**2,417**
Men	1,911	1,867
Women	570	550
Diverse	0	0

* In Headcounts.
** Excluding trainees and joint-degree students, as these are not assigned to genders.

EMPLOYEES BY AGE GROUP*

	2020	2019
Under 30 years of age	951	911
30 – 50 years of age	1,431	1,393
Over 50 years of age	710	700

* In headcounts. When specifying age, temporary agency workers are included in the total.

The tasks of human resources management are dealt with both centrally at group level and by the individual locations themselves using conventional management systems. In this context, we have created different responsibilities for areas such as time management or application management.

At the end of the 2020 financial year, 3,092 employees, including temporary agency personnel, were working for Knaus Tabbert at four locations. In 2020, 77, or 2.5 per cent, of our employees were part-time. 392 employees (12.7 per cent) were engaged on a fixed-term basis.

RETENTION AND FLUCTUATION RATES

	2020	2019
Average length of service (in years)	5.5	5.5
Fluctuation rate (in headcounts)	1.65%	Gesamt 1.62%

Knaus Tabbert embraces its responsibility both as a company and as an employer. This is why we do more. For example, at the two production sites of Knaus Tabbert AG in Jandelsbrunn (Lower Bavaria) and Mottgers (Hesse) we have negotiated binding collective bargaining conditions for the employees through site-specific wage recognition agreements with the Industrial Union of Metalworkers (IG Metall), which recognise the collective bargaining agreements for the wood and plastics processing industries in force in Bavaria and Hesse, respectively. At the production site in Schlüsselfeld in Upper Franconia, however, there is currently no collective bargaining coverage.

At Knaus Tabbert AG, the interests of the workforce are also represented at each of the production sites in Jandelsbrunn and Mottgers by a works council, whose chairpersons are currently members of the supervisory board. Furthermore, our commitment extends to temporary agency workers who support us. Applicants without technical training are hired by way of personnel leasing. After a maximum period of 15 months, we offer these temporary workers a fixed-term employment contract if they perform well.

Our employees are our most precious resource. In order to strength the loyalty of our co-workers within a long-term partnership, we have created an attractive working environment for them. In monetary terms, this often includes not only fair remuneration but also a variety of variable elements of remuneration that employees can attain in addition. On top of this, we also offer our employees in Hungary a daily shuttle service to our location in Nagyoroszi.

Moreover, we consider it an essential part of our corporate culture that people are at the heart of everything we do. For this reason, we create framework conditions for our employees that enable them to reconcile family commitments and work in the various phases of their lives. In addition to regulated working hours, we offer individually agreed models to enable flexible organisation of working time, with options for reduced working hours or flexitime. Furthermore, we subsidise childcare and geriatric care. In 2020, 49 employees were on paternity or maternity leave.

In addition, we attach great importance to creating a pleasant working atmosphere, treating each other with respect and encouraging frank and constructive dialogue as this boosts the satisfaction of our co-workers. The fact that our employees enjoy working for Knaus Tabbert is demonstrated by the good results of the surveys that we regularly conduct among our staff. In these, questions are asked about the relationship between employees and their managers, for example, or about cooperation within the team.

Education and Advanced Training

The accelerated growth of Knaus Tabbert – notably in the last five years – has been accompanied by an increasing need for employees. The number of employees at our locations in Jandelsbrunn and Schlüsselfeld doubled during this period. To meet these challenges, we are training an increasing number of young co-workers in line with our human resources strategy. Knaus Tabbert is one of the largest training companies in the region surrounding Jandelsbrunn in the Lower Bavarian district of Freyung-Grafenau, where we have our company headquarters. The majority of our workforce comes from the region because we are recommended as an employer.

The list of our apprenticeships is long and ranges from woodworking technicians/carpenters, electronic technicians and mechatronics engineers through to warehouse logisticians, product designers, business administrators and IT specialists. Our offers of completing a joint degree programme in economics and industrial engineering with us as a partner company have also met with a positive response. To this can be added the previously mentioned partnerships with universities, supervision of final theses and internships, as well as participation in various recruiting events.

At Knaus Tabbert, all trainees and dual students are taken on if this is possible.

NUMBER OF TRAINEES AND JOINT-DEGREE STUDENTS*

	2020	2019
Number of trainees	68	73
Number of trainees taken on	19	21
Number of joint-degree students	6	5
Number of joint-degree students taken on	2	2

* In Headcounts.

Knaus Tabbert attaches great importance to a high level of education and training for its employees. For this reason, we support our co-workers in developing specialist knowledge, skills and qualifications tailored to their individual needs.

In the course of regular staff appraisals, supervisors identify prospects and opportunities to further the individual development of employees and address their training needs. During the 2020 financial year, we focused on the “lower management level” as part of our personnel development measures. As a result, the team leaders in production at the Jandelsbrunn location attended several days of in-house workshops on the topics of “communication”, “motivating/delegating”, “conflict situations” and “giving feedback”.

ADVANCED TRAINING PROGRAMMES

	2020*	2019
Number of attendees at advanced training programmes	167	232

* The decline in the number of attendees is attributable to limited access during the coronavirus pandemic.

In addition, we have implemented numerous advanced training initiatives. These include our programmes of LEAN management training, rhetoric and telephone training, project manager coaching and environmental training. We are a reliable partner for our employees and also assist them with long-term training projects. We sponsor distance learning as well as advanced training programmes leading to qualifications as a business management specialist, technician or master craftsman. Of particular importance in this context is our Knaus Tabbert Academy in Jandelsbrunn, which we launched in 2019. On an area of over 1,000 square metres, we provide our trainees and our skilled workers with advanced professional training opportunities ourselves. As an examination facility approved by the Chamber of Industry and Commerce (IHK), we guarantee this by passing on years of experience – in theory and in practice alike.

However, we do not only train our employees. At Knaus Tabbert, our business partners also play an important role in this context. One of our flagship projects is our Caravanning Partner Programme (CAPP) for training our trade partners. As part of this, Knaus Tabbert invests in the further qualitative development of the dealerships and their employees, for example through training in sales techniques or through IHK certificates, such as the “Caravaning Premium Verkäufer” (Caravanning Premium Salesperson). Young caravanning talent is also important to us: our “Knaus Tabbert Young Entrepreneurs” series of events, launched in 2019, once again offered young entrepreneurs from the caravanning industry the opportunity to share their experiences and make contacts in 2020.

Occupational Health and Safety

The health of our employees is our utmost priority. As a responsible employer, we strive to limit the number of accidents and days of sick leave among our workforce as much as possible. This is why the areas of occupational safety and health protection are of paramount importance at Knaus Tabbert. The managers concerned are responsible for implementing and complying with the relevant provisions.

The workplaces at Knaus Tabbert do not present any particular risk potential for our employees. This is regularly verified by internal and external specialists for occupational safety. Where slight hazards could exist, appropriate protective measures are implemented by these specialists. We also hold occupational safety meetings and conduct safety inspections on a regular basis. This led to a 15 per cent reduction in workplace accidents in the reporting year, primarily at our Jandelsbrunn location.

DATA RELATING TO WORKPLACE ACCIDENTS

	2020	2019
Number of workplace accidents	85	100
Work-related fatalities	0	0

Health protection is relevant at all Knaus Tabbert workplaces. For this reason, a company doctor is on duty at each of our locations. We have also introduced a number of measures to promote the health of our employees. For example, we regularly hold action days on health-related topics in cooperation with the health insurance companies. In order to prevent postural damage, a separate department deals with optimising workplaces with respect to ergonomics. We also promote height-adjustable desks for our employees in the departments of interest. Free fruit to boost the immune system, leasing offers for bicycles and company integration management are examples of other services we offer our colleagues in this context.

During the reporting period, we too were preoccupied with mitigating the effects of the COVID-19 pandemic in our company. In particular, we looked for ways to maintain business operations while at the same time reconciling the health and safety of our employees and their families with all of our actions. To this end, we drew up a company agreement on corona, which defines how Knaus Tabbert should address the situation.

We brief our employees individually on the relevant safety guidelines. In addition, a pandemic contingency plan was developed, which regulates, for example, the responsibilities within the company as well as the internal procedures for responding to a state of emergency.

While the COVID-19 pandemic is ongoing, we are allowing our employees to work remotely, provided that working procedures and the nature of the job make this possible. Employees who are considered at risk due to the state of their health have been offered consultations with our company doctors regarding their place of work and FFP2 masks.

Diversity and Equal Opportunities

We consider diversity and equal opportunities to be precious assets, and create the conditions in our company for both of these to flourish. In Knaus Tabbert's corporate culture, any discrimination on the basis of ethnic origin, gender, sexual identity, ideology, disability or age is strictly prohibited. Knaus Tabbert is a diverse company with an international outlook. This is also reflected in our workforce, which is drawn from 36 different nationalities. Our Jandelsbrunn and Mottgers locations each have an Equal Opportunities Officer who can be contacted by our co-workers for any questions they may have on the subject of equal opportunities.

Inclusion is important to us, which is why Knaus Tabbert has expressly appointed a representative for employees with disabilities. We employ several people with severe disabilities in our company out of conviction. In consultation with our company doctor, we develop workplaces that are individually tailored to the needs of each employee. At Knaus Tabbert, however, our commitment to inclusion is not limited to the company, as demonstrated by the production orders for parts we place with facilities for the severely disabled, to give but one example.

Sustainable Production

Environmental Strategy

The protection of the environment and climate are key to Knaus Tabbert's sustainable success. We therefore encourage natural resources to be used sparingly in our day-to-day business operations. We are constantly working towards conserving energy and reducing CO2 emissions, thus making a positive contribution to global climate goals. In a similar vein, we also aim to continuously reduce the environmental impact of our operations at our locations, and to make efficient use of resources and materials. In terms of a sustainable circular economy, we are careful to produce as little waste as possible, and right from the development phase we consider the longevity and recyclability of our products.

Environmental protection represents a top-level issue for us: the areas of waste, emissions and energy are in the hands of the production and plant management. At our Schlüsselfeld location, responsibility is borne by the management board. The same applies to our location in Hungary, where an external environmental manager also assists the managing directors. In the future, we intend to steadily expand our in-house activities in the area of environmental management and include them in our reporting.

We are committed to being a good neighbour at our locations. To this end, we work very closely with the local authorities on all approval procedures relevant to the environment. At our Jandelsbrunn and Mottgers locations, for example, we hold liaison meetings with the town mayors twice a year. We also maintain a close exchange with nature conservation and species protection associations. As an example, we ask for their expertise in water law or in matters concerning flora and fauna.

If we build on new areas of land at our locations for production purposes, we provide appropriate areas to offset this – for example, in the form of restoring nature or establishing unspoilt conservation areas. This preserves biodiversity at our locations and in the surrounding area.

Energy und Emissions

Energy efficiency is part of our sustainability strategy and it also provides us with an important competitive advantage from an economic point of view. By increasing efficiency, we can significantly reduce our energy expenditure in production. Since heat and electricity use account for the largest share of our CO_2 emissions, every kilowatt hour saved lowers our carbon footprint. Apart from the positive effects on the environment and climate, Knaus Tabbert can save costs through lower energy consumption, and therefore relies on modern lighting and heating systems.

Currently, we collect our energy data systematically with the help of heat meters, utility bills and delivery receipts, for example. In the future, we want to make increased use of smart metering systems and evaluate these further. During the past financial year 2020, our Jandelsbrunn and Mottgers sites underwent an energy audit in accordance with DIN 16247, which takes place every four years.

At both locations, a plant is operated on the factory premises using wood waste that accumulates during production. This allows us to generate some of the heat we need ourselves instead of sending the wood to a landfill. In this way, we collect the wood in the summer and utilise it in the winter. At the Jandelsbrunn location, we are planning to increase the storage and warehousing capacity for waste wood.

ENERGY CONSUMPTION WITHIN THE ORGANISATION

in MWh	2020	2019
In total	**33,856.0**	**32,935.9**
Electricity (excluding cooling)	12,649.0	13,137.1
Heat	21,161.9	19,755.1
Of which through biomass for thermal utilisation	16,946.1	15,682.3
Of which through natural gas	4,191.3	3,872.8
Of which through fuel oil	245.5	245.0
Cooling (through electricity)	45.1	43.7

SHARE OF ENERGY CONSUMPTION BY LOCATION

in MWh	2020	2019
In total	**33,856.0**	**32,935.9**
Germany	27,072.2	26,058.4
Of which in Jandelsbrunn	15,251.5	16,030.0
Of which in Mottgers	9,965.2	8,504.1
Of which in Schlüsselfeld	1,855.5	1,524.3
Hungary	6,783.8	6,877.5
Of which in Nagyoroszi	6,783.8	6,877.5

Each of our locations regulates the supply of electricity and heat independently. Jandelsbrunn, Mottgers and Schlüsselfeld are supplied with hybrid electricity whose CO_2 factor is below the German mix. In Hungary, companies pay a tax for green electricity.

In principle, our factories can be heated by burning the wood waste produced in our carpenter's workshops. Biomass is only purchased in addition in colder winters. For environmental reasons, we merely resort to fuel oil when our own heating plant malfunctions. At our location in Hungary, gas is used primarily to generate heat, and is supplemented by electricity to operate a heat-pump heating system.

We attach great importance to protecting the environment. We also address this by improving the energy efficiency of our plants through a variety of construction projects. For instance, we refurbished around 3,100 square metres of hall roofs at the Mottgers site during the 2020 reporting period and improved the thermal insulation. In 2021, an additional 4,800 square metres of roof area are to receive the same treatment.

A major lever for improving energy efficiency is the lighting in the premises at our locations. New buildings are always equipped with LED technology. Currently, we are gradually retrofitting our existing buildings with LED technology. The outdoor lighting at the Jandelsbrunn location will be replaced over a period of three years; we have already renewed about 80 percent of the installations there. At the Schlüsselfeld location, this process is almost complete.

Heating the halls efficiently is another key component of low-CO_2 production. We are making a contribution to this at the Mottgers site by modernising the heating system to include hydraulic balancing, which should be completed in the course of 2021.

Measuring and evaluating emission data are essential for the strategic alignment of a company's environmental performance. In Jandelsbrunn, we continuously measure the CO and NO_x emissions generated in the waste wood boiler, as well as the furnace heat output. Our plant in Mottgers is to be equipped with a new heating facility in 2021. In the course of the installation, we will record its exhaust gas values. In 2020, expert reports were compiled to measure noise levels as part of the planning for the new heating system.

EMISSIONS

in t CO2e*	2020	2019
In total	**4,951.2**	**4,688.2**
Scope 1 emissions	1,040.3	1,024.3
Of which own electricity generation	0.0	0.0
Of which own heat generation	1,040.3	1,024.3
Scope 2 emissions	3,822.3	3,568.0
Of which purchased electricity*	3,822.3	3,568.0
Of which purchased heat	0.0	0.0
Scope 3 emissions	88.7	95.9
Of which waste treatment and disposal	88.7	95.9

* Market-based approach. Including electricity for cooling.

SHARE OF EMISSIONS BY LOCATION

in t CO2e*	2020	2019
In total	**4,951.2**	**4,688.2**
Germany	3,071.7	2,748.0
Of which in Jandelsbrunn	1,760.3	1,536.3
Of which in Mottgers	656.3	640.1
Of which in Schlüsselfeld	655.0	571.5
Hungary	1,879.6	1,940.2
Of which in Nagyoroszi	1,879.6	1,940.2

* Differences in totals result from rounding.

Business travel invariably involves emissions. To reduce these to a minimum, we have developed a travel policy which stipulates greater use of video conferencing and carpooling, and preference for rail over air travel. In addition, we have developed company car regulations in which the upper limit for list prices has been raised. This will also enable our employees to make greater use of electric or hybrid vehicles.

Furthermore, Knaus Tabbert encourages its employees to use sustainable forms of mobility by promoting initiatives such as the “Business Bike”. In collaboration with our partner BUSINESSBIKE Leasing, we were able to significantly increase the number of contracts among our employees in 2020 from 326 in January to 506 by the end of the year.

Material Efficiency and Waste

As a manufacturing company, Knaus Tabbert produces various kinds of waste, which are treated with care and according to type. True to the principle of "avoidance before recycling before disposal", we keep the volume of waste as low as possible and reduce it continuously. Reintroducing suitable waste into the raw material cycle and reusing it for heating purposes in the company are an essential part of our waste management.

The issue of waste is addressed differently at the individual locations. The Jandelsbrunn site, for example, has a waste management officer who is responsible for the disposal and recycling of waste, and prepares the necessary waste balances and disposal documentation.

We are continuously reducing the volume of packaging material and waste, and optimising our waste recycling processes. For example, we are currently working on the transition to reusable packaging.

To give an example, at our locations in Jandelsbrunn and Nagyoroszi in Hungary we condense our waste before it is collected by compressing cardboard packaging. In Jandelsbrunn, accumulated polystyrene waste is shredded at the plant and compressed into briquettes, which are then recycled by the original supplier of the polystyrene. Provisions have been made in the 2021 investment plan for a comparable facility at the Mottgers location. Raising the awareness of our employees is of crucial importance here. At the Nagyoroszi location, for example, we conduct appropriate training sessions in which the collection and sorting of waste is explained.

In Jandelsbrunn, the key indicator of "kilogrammes of waste per vehicle produced" is used for measurement purposes and further development. We also record the key performance indicator for all other locations. In 2020, a minimal increase was recorded for the Group – 237.6 kilograms of waste were generated per vehicle compared to 230.3 kilograms in the previous year.

VOLUME OF WASTE BY CATEGORY

in t	2020	2019
In total	**5,817.6**	**6,035.2**
Non-hazardous waste	5,747.6	5,929.1
Hazardous waste	70.0	106.1

VOLUME OF WASTE BY METHOD OF DISPOSAL

in t	2020	2019
In total	**5,817.6**	**6,035.2**
Recycling / processing	2,831.1	3,229.5
Thermal recovery	2,343.3	2,129.7
Landfilling	641.4	671.7
Thermal disposal	1.9	4.3

Innovative Products and Services

Innovation

Knaus Tabbert moves sustainably. We are an innovative enterprise that manufactures high-quality motorhomes, caravans and camper vans. Knaus Tabbert comprises five product brands – Knaus, Tabbert, Weinsberg, T@B and Morelo – covering the entire range from the newcomer to the luxury segment. To complement this, we provide our customers with a broad range of excellent services. With the digital portal “Rent and Travel”, we have also created an attractive platform for renting our leisure vehicles through a network of partners.

We are constantly developing our portfolio and adding new products to it. With our innovations, we make a decisive impact on the market. With our developments, we play a decisive role in shaping the future of caravanning.

Responsibility for new developments and innovation at Knaus Tabbert lies with both the Management Board and the specialist departments. In addition, the managers of each brand spur on the development of new products. However, it is also through the people closest to production and processes that we achieve our outstanding performance in this area: our employees. We are not only grateful for their resourcefulness and suggestions for improvement – we also encourage and reward them. To this end, we have developed appropriate company agreements for our Ideas Management Programme.

Knaus Tabbert works with a variety of different raw materials in its production. The materials and products we employ reflect our diversified value chain. We use pre-fabricated components and systems produced both in-house and by external suppliers, such as entire chassis, refrigerators and cookers, heaters and other products that we install in our vehicles. Conversely, we source raw materials such as wood, plastic and metal parts, which we first process and only then install in our vehicles.

When purchasing materials, we are very particular about which companies we work with, and set clear criteria that our business partners must fulfil. We evaluate our suppliers with the help of a checklist and then create supplier profiles. Furthermore, our co-workers from the “strategic purchasing” department have developed a guideline as well as procedural instructions for this purpose. The most important criteria are compliance with quality standards and on-time delivery in the correct quantities. Non-financial aspects such as innovation and unique selling propositions as well as a willingness to cooperate are also of importance. Depending on the individual results, Knaus Tabbert may have to consider, or implement, a change of supplier.

Environmental Friendliness and Energy Efficiency of our Products

The importance of environmental friendliness and energy efficiency is not limited to our production.

Through a unique lightweight construction method (frame technology), we already offer vehicles featuring a technology of the future, which results in significant weight savings and enables completely new design approaches. We have also reduced the weight of our vehicles by using lightweight materials for furniture and interior fittings, and we install refrigerators, cookers, lights and heating appliances that consume as little energy as possible. As it is very important for our customers that our vehicles are self-sufficient, they have the option of having our leisure vehicles equipped with solar panels. Furthermore, we take full advantage of the potential offered by fuel cells.

Leisure vehicles occupy a unique position when it comes to e-mobility. A fundamental requirement of a motorhome is that it can cover longer distances in one stretch to reach the chosen holiday destination. Consequently, the relatively short ranges achieved by electric drives limit their suitability for this purpose. We at Knaus Tabbert therefore want to offer our customers a flexible system. Our aim is to construct a hybrid-powered motorhome in the 3.5 ton class, whose batteries can be charged off-grid with the help of a so-called “range extender”. In this process, the partially discharged battery is recharged immediately while the vehicle is running on fuel.

We have no direct influence on the energy efficiency of the drives. However, electrifying the axle of caravan vehicles offers an indirect possibility to achieve this. The range limitations of electric vehicles affect vehicles with (caravan) trailers even more severely. We are therefore working intensively on solutions to this problem. For example, we are examining the feasibility of implementing the concept of a trailer equipped with its own electric motor to take the towing load off the vehicle so that it no longer interferes with the load range of the vehicle. We are currently developing this concept in the form of electrically driven axles, which have improved overrun behaviour due to a single-wheel drive. This reduces drag and indirectly increases the driving efficiency of the vehicle.

We also contribute to environmental protection and the efficient use of resources by adopting an innovative sharing economy approach. With Rent and Travel, we offer as-new motorhomes, caravans and camper vans of the Knaus, Weinsberg, Tabbert and T@B brands for rent, in cooperation with commercial partners and via a nationwide network of more than 150 rental stations.

Customer Satisfaction

Knaus Tabbert excels due to the quality of its products and services. This is why we have formulated and implemented ten guiding principles in our company that reflect our quality policy and place our customers at the centre of all that we do. They make reference to the management systems and their review, to the continuous development of our employees' skills and knowledge, to our dealings with customers and partners, and to the products and services themselves. Data security is also of particular importance to us – especially internal data, and personal data of our customers. The security and availability of our services are not only dictated by the law, but also by internal policies. Needless to say, we also consider the safety of our vehicles to be of utmost importance. Therefore, we follow the principle of “only the best of the best” and equip our vehicles with the latest safety features and driver-assistance systems.

The role that customer satisfaction plays for us is reflected in the various awards we win on a regular basis. In 2019, our Weinsberg brand was honoured with the German Fairness Award for the third time in a row; Knaus Tabbert was presented with the “Germany's Best Customer Adviser” certificate by the F.A.Z. Institute. In addition, we were also awarded the “Highest Reputation” and “Germany’s Best” seals by Focus and Focus Money magazines, among many other distinctions. The Knaus Tabbert AG brands received numerous honours in the “King Customer Award” in 2020 – in the premium motorhome segment Morelo was once again the overall winner; in the caravan segment Tabbert achieved a total of 13 placings and Knaus caravans received six awards. The Morelo brand has been the winner of the Customer Satisfaction Award of the trade magazine “Reisen International” (Travel International) for several years. Last but not least, we were chosen as the winner of the European Innovation Award in 2020 with the CaraCito by Weinsberg.

Direct contact with our customers is of great importance to us. We practise this, for example, as part of a variety of event formats including the Tabbert Get-Together, the Morelo Open, various trade fair appearances, rallies, customer club gatherings and individual appointments, which allow us to come into face-to-face contact with our customers.

Report Profile

This condensed non-financial report as defined in the German Commercial Code (HGB) complies with the requirements of sections 315b and 315c HGB in conjunction with sections 289b to 289e HGB as amended by the CSR Directive Implementation Act. This condensed non-financial report contains the legally required information relating to non-financial matters. Within the scope of this report, we disclose our concepts for dealing with the aspects classified as material for Knaus Tabbert. The reporting period of the non-financial report corresponds to the calendar year. All disclosures relate to the reporting date of December 31, 2020.

In this reporting year, no use is made of the option to use a sustainability framework. However, we have based our reported content, formalities and structure on the GRI standards of the Global Reporting Initiative. The analysis of material topics in accordance with the CSR Directive Implementation Act is described in the first section of this non-financial report.

Applying the net method, Knaus Tabbert does not have any non-financial risks within the meaning of 315c HGB in conjunction with section 289c (3) nos. 3 and 4 HGB that are very likely to have or will have serious negative effects. Further information on risk management at Knaus Tabbert can be found in the management report of the annual report. No non-financial performance indicators relevant to management pursuant to 315c HGB in conjunction with section 289c (3) no. 5 HGB have been defined to date. In addition, no direct link has been identified between the amounts reported in the annual financial statements pursuant to 315c HGB in conjunction with § 289c (3) no. 6 HGB and non-financial matters. In the case of statements relating to employees, customers or other groups of persons, a neutral or masculine spelling is used in this non-financial report. This is done solely for reasons of better readability. All statements refer to genders of any kind. The condensed non-financial report was examined by the Supervisory Board of Knaus Tabbert AG. The Supervisory Board did not raise any objections to the summarized non-financial report.

GROUP MANAGEMENT REPORT

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Fundamentals of the Group

Organisational structure

Knaus Tabbert AG is the parent of the Knaus Tabbert Group with headquarters in Jandelsbrunn, Germany. The company is registered under the commercial register number HRB 11089 with the registry court in Passau. The consolidated financial statements encompass both the company and its subsidiaries (collectively referred to as “Group”). The executive bodies of the company comprise the Management Board, the Supervisory Board and the shareholders' meeting. The balance sheet date is 31 December.

The shares of the company have been traded in the Prime Standard segment of the regulated market of the Frankfurt Stock Exchange since 23 September 2020.

Knaus Tabbert AG holds a 100% stake in the following companies:

- Caravan-Welt GmbH Nord, Bönningstedt,
- Knaus Tabbert Kft, Vac, Hungary,
- HÜTTLrent GmbH, Maintal,
- MORELO Reisemobile GmbH, Schlüsselfeld

Management Board and Supervisory Board

The Management Board of Knaus Tabbert AG directs the company at its own responsibility. The Supervisory Board appoints, monitors and advises the Management Board, and is directly involved in decisions of fundamental importance to the company. Both bodies cooperate closely for the benefit of Knaus Tabbert. Further details can be found in the chapter “Corporate Governance Statement and Corporate Governance Report”.

Business model and strategy

The Knaus Tabbert Group is active in the market for leisure vehicles and ranks among the leading European manufacturers of leisure vehicles in terms of market share. With its balanced brand portfolio, Knaus Tabbert is represented in all product categories, i.e. caravans, motorhomes and CUVs (caravanning utility vehicles), and price segments.

Value creation ranges from research and development, production and sales to services. At our three production and administrative sites in Germany and Hungary, we currently employ around 2,600 members of staff and around 500 temporary workers. The production facilities are organised as a highly efficient production network. This allows us to manufacture motorhomes, caravans and CUVs on one production line, for instance. Moreover, consistent standardisation of manufacturing processes enables us to produce the same models at different locations. This provides us with a high degree of flexibility within our production network. As our products are almost exclusively made to order, we are able to react quickly to market changes and sales fluctuations, and contribute to the optimisation of our working capital. In total, 24,480 vehicles were produced at our sites in Jandelsbrunn, Mottgers, Schlüsselfeld and Nagyoroszagi.

The production capacity of the individual plants is as follows:

Site	Number of vehicles
Jandelsbrunn	11,500
Mottgers	3,800
Nagyoroszi (Hungary)	7,700
Schlüsselfeld	440
Total	**23,440**

As in the previous year, capacity utilisation was greater than our total production capacity, which was achieved by overtime in excess of the collectively agreed working hours.

Our portfolio currently includes the five brands KNAUS and Weinsberg (caravans, motorhomes and CUVs), Tabbert and T@B (caravans), as well as Morelo as a manufacturer of luxury motorhomes. As the customer target groups of the individual brands differ, we offer suitable solutions for both price-conscious beginners and demanding and experienced caravanners. Our offering thus covers all product and price segments, from starter models to the high-end luxury segment, and without competing brands within the groups.

We distribute our products through an extensive dealer network that has grown over many years, and which consisted of more than 450 dealers in over 20 countries as of 31 December 2020. The Group sells vehicles in the Premium segment directly to end customers through two of its own trading companies. In addition to the dealer network, we offer our customers access to service stations throughout Europe via our cooperation partner MAN.

Moreover, Knaus Tabbert has been running the digital rental platform RENT AND TRAVEL since 2016, which allows users to rent leisure vehicles from the Group's range of brands. The platform connects customers, travel agencies and rental stations, and has become one of the leading rental platforms for leisure vehicles in Germany in just a few years after its launch. The regular renewal of the hire fleet by our rental partners provides an additional sales channel. At the same time, the rental market also serves as an excellent instrument for acquiring new customers. In the rental season 2020, the rental pool increased by 250 vehicles from 1,650 in the prior-year season to 1,900.

Although we do not exclude the possibility of making acquisitions when the opportunity arises, our strategic focus is on organic growth. An important cornerstone of our strategy is also our capacity for innovation (see also “Research and development”). The combination of established products with an innovative margin system in the form of our Caravanning Partner Programme (CAPP) increases our attractiveness for dealers, who are an essential component of our sustainable corporate success.

Control system

For internal management purposes, the Knaus Tabbert Group has bundled its operating business into two segments, which constitute segments in accordance with international accounting standards (IFRS 8).

- **Premium segment:** includes the Knaus, Tabbert, Weinsberg and T@B brands, which offer vehicles in a price range up to approximately EUR 112,000;
- **Luxury segment:** comprises the Morelo brand with prices up to approx. EUR 600,000.

Our key financial performance indicators include key figures on growth, profitability and capital structure. The most important key figures for steering the Group are revenue and, from 2020, adjusted EBITDA. Until the financial year 2019, the equity ratio was one of our most important financial performance indicators.

Non-financial performance indicators

The areas outlined below cover only a part of our non-financial reporting. Further information can be found in the chapter **"Separate non-financial report"** and on our website.

Research and development

Alongside our operative business development, research and development provides the foundation for Knaus Tabbert's competitiveness and strong market position. Since our foundation, we have given high priority to the area of research and development in order to continuously improve our product range.

Innovation is an integral part of our corporate philosophy. The Jandelsbrunn site is home to the recently redesigned development centre. Here, more than 100 employees are currently working on making the leisure vehicles of tomorrow even more intelligent, environmentally friendly, secure and light. In our key markets, we hold a total of approximately 200 trademark rights, usage patents, design protection rights and technical patents.

KEY FIGURES RESEARCH AND DEVELOPMENT COSTS

in KEUR	2020	2019
Research and development costs	1,606	1,937
Investments in development costs subject to capitalisation	4,756	5,554
Research and development services	6,361	7,491
R&D ratio/revenue	0.80%	0.96%
Capitalisation rate	74.8%	74.1%

In the 2020 financial year, development costs totalling EUR 4.8 million (previous year: EUR 5.6 million) were capitalised as they fulfilled the respective requirement criteria. By contrast, capitalised development costs were subject to scheduled amortisation in the amount of EUR 3.6 million (previous year: EUR 3.9 million). Including the capitalised development costs, the R&D ratio in relation to Group revenue decreased to 0.8% (previous year: 0.96%).

In addition to expanding and enhancing the product range, technological concepts with regard to digitalisation and networking , sustainable energy and drive solutions, the use of new materials and the optimisation of manufacturing processes are therefore important research priorities. Furthermore, reducing the weight or mass of vehicles represents one of the greatest challenges for the caravan industry. The key to success lies in the selection of the appropriate material for each component. Lightweight construction has gained in importance due to the increasing number of parts and components. A German patent application filed in 2019 in the field of frame construction was recently given the prospect of approval by a positive examination decision of the German Patent and Trade Mark Office (DPMA). This would give Knaus Tabbert AG an absolutely unique selling point for frame construction. The introduction of a further frame vehicle is planned for the development year 2021.

Product innovations

In terms of development, the focus in 2020 was on the expansion of the product portfolio and the consistent further development of the model ranges of motorhomes, camper vans (CUVs) and caravans. In addition to the value optimisation of individual vehicles, a number of series were completely redesigned and newly developed.

In the reporting period, these included, in particular, the SUN I premium motorhome of the KNAUS brand, the L!VE I motorhome in the medium price segment of KNAUS, and the Da Vinci caravan by TABBERT. In addition, the KNAUS special model VanSation was presented. The KNAUS Südwind caravan was supplemented and revised with further layout options.

The range of CUVs was complemented by the new development of a retractable high roof and a panoramic roof window.

In the WEINSBERG family, the CaraCito caravan with five possible layouts was developed completely gas-free (see “Electrification” below). In addition, both the interior and exterior of the WEINSBERG CaraLoft were completely revamped.

In the Luxury segment, the new Grand Empire was introduced in 2020. This new model in a weight category of more than 18 tonnes is based on the Mercedes Actros chassis and rounds off the portfolio of the Morelo brand in the high-end segment of motorhomes.

Process automation

In the area of process automation, the implementation of bonding by means of robots deserves special mention, which includes positioning, the automated application of adhesive and the controlled joining of individual components. Due to our positive experience with this type of automation, the process is to be expanded to include other adhesive templates for frame bonding. In the area of thermal insulation, we were able to reduce the previously time-consuming positioning of individual blanks by 30% thanks to a new method for applying the insulation. The changeover to series production is planned for 2021.

Electrification

The electrification of vehicles of the future will play a key role in reducing local emissions. With its development projects of the past years, Knaus Tabbert has already implemented the first prerequisites for this. In this context, lightweight construction, fibre-reinforced frame technology and a special lightweight chassis deserve special mention.

In the motorhome segment, too, environmental regulations will require more and more vehicles in the urban environment to be powered without a combustion engine. Due to weight restrictions and the costs which are currently still high, partially or fully electrically driven vehicles are not yet marketable. In cooperation with a specialised vehicle manufacturer, we are therefore researching a drive system which enables both emission-free operations in restricted areas, as well as a range approximating that of contemporary combustion engines. Fulfilling the current subsidy guidelines for electric vehicles in Germany is an integral part of this development project.

As electric vehicles currently offer only relatively short driving ranges, they do not represent a sufficiently attractive option for caravans for the majority of our customers. Knaus-Tabbert is therefore pursuing the approach of significantly reducing the towed load of the towing vehicle by equipping the caravan with a separate electric drive. Secondary effects such as considerably safer and improved trailing characteristics, but also a higher degree of self-sufficiency during camping operations, make the system even more attractive. With the launch of the WEINSBERG CaraCito in 2020, we have introduced the first caravan industry-wide that has fully electric equipment and operates entirely without gas installations.

Many caravan vehicles are currently dependent on power from external energy sources. While driving to the holiday destination, the refrigerator in the caravan is thus usually powered by the electricity supply of the towing vehicle. Only a small number of vehicles have their own energy storage device which permits self-sufficiency. The aim was to provide an easy-to-use and economical solution that would permit overnight stays in the case of longer journeys, for instance, as well as a scaled-down use of the lighting, water pump and refrigerator. This plug-and-play variant is intended to bridge the time until the “fixed” power supply is available again.

In addition, as of the model year 2020, all motorhomes and CUVs will be equipped with a charge booster as standard. This will allow the vehicle battery to be charged even faster and more safely.

Design and comfort

For the KNAUS and WEINSBERG motorhomes, the new model year saw the introduction of the e.hit rear rack with a handy double pivot arm for bicycles and matching transport boxes, as well as an integrated trailer coupling. It automatically swings out from under the bumper at the push of a button. Equipped with a head-up display, the motorhomes and CUVs of the KNAUS and WEINSBERG models 2020 present themselves fully in line with the digital age.

A BWT water filter system (Best Water Technology) is installed as standard in all vehicles of the Knaus Tabbert Group, which ensures clean water on board at all times. For older models, Knaus Tabbert offers a retrofit kit.

In the Grand Empire luxury liner by Morelo, a mirror cam was installed for the first time, offering users an ultra-modern design and optimum visibility.

In addition, a turn-off assistant along with numerous other assistance systems have been integrated into the vehicles, thereby contributing to even greater comfort and safety.

Procurement

Balanced procurement and supply chain management plays a particularly important role in production processes of the Knaus Tabbert Group. The production of leisure vehicles requires various components from a large number of different suppliers. For most components, orders are placed “just-in-time”; only critical components are stocked according to specific requirements.

Knaus Tabbert purchases the necessary parts, materials and components mainly in Germany, other European countries or via European distributors of international suppliers in order to exclude currency risks. The Knaus Tabbert Group's supplier network currently comprises approximately 414 suppliers, which represents a slight increase of 10 relative to the previous year. The top 5 suppliers accounted for more than half of the Group's material expenses in 2020.

Knaus Tabbert generally aims to expand its supplier base on an ongoing basis. However, alternative sources of supply may not always exist for certain parts, or alternative suppliers may not be in a position to deliver the respective components in the required quality. Particularly in the area of chassis, the company is dependent on its current main supplier, Fiat. Nevertheless, Knaus Tabbert benefits from quantity discounts and special terms and conditions agreed with Fiat.

In the areas of apron processing and cable assembly, dependencies due to single sourcing were successfully reduced in the reporting period. As a result, we were able to increase supply reliability with regard to delivery bottlenecks and price certainty. Moreover, we were able to compensate for wage-related price increases through long-term material orders (aluminium, copper).

Employees

The present growth of the company and the changing work environment are giving rise to an increased demand for qualified employees. At the same time, there is an acute shortage of skilled workers in the German labour market. To address this, we have introduced various concepts for personnel recruitment, and for training and further education.

As of 31 December 2020, a total of 2,555 members of staff including trainees (previous year 2,495) were employed by the Knaus Tabbert Group, of which 1,776 (previous year 1,720) were working at Knaus Tabbert AG, and 779 (previous year 775) at its subsidiaries. In addition, a further 537 individuals (previous year 510) were employed through temporary employment agencies as of the reporting date.

Personnel development and promotion

Personnel development is embedded in strategic human resources planning and aims to ensure the best possible professional development opportunities by increasing staff qualifications, equipping managers with practical tools and stimulating inter-divisional process optimisation.

We are continuously expanding our training and further education concept. The Knaus Tabbert Academy was thus awarded its own competence centre in the 2020 financial year, and is sending out a strong signal for the future as an attractive employer. Construction took a good year, and the inauguration took place at the beginning of February 2020. Our wood technicians, electronics technicians and mechatronics engineers receive training in bright, spacious rooms. The basic philosophy of the Academy is: to learn together and learn from each other. Trainees and experienced specialists work together side by side. On the one hand, our trainees thus directly profit from the expertise of more senior employees. On the other, young trainees contribute creative and innovative ideas to the benefit of our entire team. The Academy serves both as a training and further education centre, where new employees are trained, and existing employees can gain further qualifications.

Works council

We maintain an exceptionally trusting and cooperative relationship with our employee representatives. This is shaped by our common goal of continuing to lead Knaus Tabbert successfully into the future, to the benefit of all stakeholders. We value the works council as an important body and link to our most valuable resource, our employees

Economic report

Business environment

On the occasion of the presentation of its “World Economic Outlook Update” in January 2021, the IMF declared that the global economic downturn of approximately 3.5% in the past year was the worst recession since the Great Depression around 90 years ago. Nevertheless, the economic contraction was less than 4.4%, which had initially been expected in October. A significant decline in economic output was observed in all G-7 countries. The European economy was hit particularly hard: within the eurozone, the decline of 7.2% was clearly above the global average.

Germany came through the crisis year 2020 somewhat better than initially assumed. Despite the second lockdown, gross domestic product (GDP) increased by 0.3% in the fourth quarter relative to the previous quarter, as reported by the Federal Statistical Office in February. Experts had initially projected growth of only 0.1%. In the year as a whole, the German economy decreased by 4.9% instead of 5.0%, as previously assumed. Renowned economic research institutes and the German government expect the German economy to regain momentum this year. In the first quarter, however, economic output is likely to shrink due to the ongoing lockdown.

Industry development

While the total number of new registrations of caravans and motorhomes increased significantly in 2020, the production volumes of German manufacturers lagged behind as a result of production downtimes in connection with COVID-19. At the same time, the figures showed a shift from caravans to motorhomes. The comparatively smaller production volumes and the high number of new registrations meant that trade inventories were very low at the end of 2020.

Caravan market

The German caravan market recorded another year-on-year increase in new registrations in 2020, which rose by 8.2% from 26,941 to 29,148. In contrast, new registrations throughout Europe fell by 2.7% from 78,033 to 75,897 in the same period. The decline is primarily due to a 17.3% slump in registration figures in the United Kingdom.

German manufacturers cut their production of caravans from 47,432 vehicles in the previous year to 40,568 in 2020. This substantial decline of 14.5% is mainly due to production downtimes in connection with the pandemic.

Motorhome market

The number of newly registered motorhomes in Germany rose from 53,922 to 78,055 vehicles in 2020, which represents a substantial increase of 44.8%. Europe-wide registration figures also showed a marked increase of 20.8%, with the number of new registrations rising from 132,496 to 160,026.

As in the caravan market, the production volumes of German manufacturers declined as a result of production downtimes. However, with a decline of 2.2%, production figures decreased only slightly from 76,962 to 75,276.

Significant events in the 2020 financial year

Conversion into a stock corporation

On 7 August 2020, the shareholders of the company resolved a change of legal form into a stock corporation under the name “Knaus Tabbert AG”. On 14 August, the change of the company's legal form and name was entered in the commercial register of the district court of Passau under the new registration number HRB 11089 on 14 August 2020. All changes were made in accordance with the applicable provisions of the German Transformation Act (Umwandlungsgesetz).

Capital increase from company funds

On 7 August 2020, the extraordinary shareholders' meeting of the company resolved to increase the share capital from company funds by EUR 9,998,362.00, from EUR 28,897.00 to EUR 10,027,259.00, in order to permit trading of the company's shares after the initial public offering. This capital increase was entered in the commercial register of the district court of Passau on 13 August 2020.

Successful initial public offering of Knaus Tabbert AG

The shares of Knaus Tabbert have been traded in the Prime Standard segment of the regulated market of the Frankfurt Stock Exchange since 23 September 2020. The offering comprised 350,000 new shares issued from a capital increase of the company, as well as 3,128,261 shares from the holdings of existing shareholders. The final issue price was set at EUR 58. The total offering volume was approximately EUR 232 million. Following the successful initial public offering, the free float currently stands at 37.36%.

Keen interest at Caravan Salon 2020 in Düsseldorf

The world's largest trade fair for motorhomes, caravans and camping was held in Düsseldorf in September, in compliance with stringent hygiene and safety standards, as the first major public fair after the COVID-19 lockdown. There, the company's wide range of vehicles across all segments was met with great enthusiasm – from compact starter models of the T@B and Weinsberg brands to the high-end luxury class of the Morelo brand. Knaus Tabbert concluded numerous sales, and drew a very positive overall conclusion of the trade fair.

Business performance at a glance

KEY FIGURES KNAUS TABBERT GROUP

in EUR million	2020	2019	Change
Revenue	794.6	780.4	1.8%
Total output	806.1	803.5	0.3%
EBITDA (adjusted)	67.7	65.0	4.1%
EBITDA margin (adjusted)/revenue	8.5%	8.3%	0.2%
EBITDA	66.0	64.3	2.7%
EBIT	46.6	45.9	1.5%
EBIT margin/revenue	5.9%	5.9%	0.0%
Equity ratio	43.3%	31.6%	11.8%

Effects of the COVID-19 crisis

The 2020 financial year was overshadowed by the coronavirus pandemic and its repercussions. We therefore made it our top priority to protect the health of our staff as best as possible while maintaining our operational performance and safeguarding our earnings and liquidity position. Developments at the beginning of the reporting period were varied in nature. While we recorded very promising production and sales figures until March 2020, the closure of our production facilities and dealer network for several weeks during the first lockdown had a negative impact on business in the first half of the year. Even after the controlled resumption of operations at the beginning of May 2020, we faced challenges due to temporary project delays.

We reacted immediately to the new conditions and implemented protective and countermeasures. Personal contacts were kept to a minimum through flexible working time models, with our staff working from home wherever possible. In addition, we have implemented comprehensive safety and hygiene concepts on our premises. We have thus been performing body temperature measurements at company entrances since May 2020, and the use of protective masks on the entire company premises was made compulsory at an early stage. Additional protective measures such as disinfection points have been installed at all relevant stations.

The drop in production in the wake of the temporary corona-related closure in spring, and the further negative effects on production as a result of the second lockdown in the fourth quarter resulted in a loss in sales of approximately EUR 40 million. Nevertheless, we were able to minimise the potential impact of the corona pandemic on sales and earnings in the financial year, and even slightly exceeded the figures of the previous year.

Expectations fulfilled in a challenging environment

In the Management Report of 2019, we had announced a year-on-year decline in revenue and a downward trend in EBITDA for the 2020 financial year in light of the uncertainties surrounding the economic impact of the corona crisis. In view of the positive development towards the end of the first half of 2020, we have revised this estimate upwards, and now forecast revenues and EBITDA at the levels of the previous year, provided that a second lockdown does not occur. Despite the further lockdown at the end of the year, we were able to exceed this expectation with revenue in 2020 standing at EUR 794.6 million (+1.8%), compared to EUR 780.4 million in the previous year. At the same time, we completely compensated for the significant year-on-year shortfall in revenue at the end of the first half of the year arising as a result of the temporary closure of our production facilities in April. EBITDA increased by 2.7% to EUR 66.0 million, compared to EUR 64.3 million in the 2019 financial year, and thus also exceeded the forecast.

Overall assessment of the course of business

The past financial year was marked by exceptional challenges for Knaus Tabbert AG and the Group. While the beginning of the year proceeded as expected, the worldwide spread of the coronavirus give rise to extraordinary circumstances as the year progressed. However, thanks to our active countermeasures, we succeeded in meeting, and even slightly exceeded, the expectations for the business development of the past year.

With the successful initial public offering in September 2020, we have improved our capital structure and established the financial prerequisites for investments in future growth.

Overall, the business development has thus fulfilled the expectations of the company management. This assessment also takes into account findings after the end of the financial year.

Sales

In the 2020 financial year, we sold a total of 24,349 vehicles (previous year: 25,729) and maintained, or further expanded, our market position in almost all important markets. The slight decline relative to the previous year is due to the production downtimes as a result of the corona pandemic, and the systematic focus on sales of high-quality, motorised motorhomes with the aim of making the best possible use of our available capacities. Camper vans (CUV) developed particularly successfully. With 4,627 vehicles sold (previous year: 4,289), we achieved a record sales volume in this category in the 2020 financial year. The WEINSBERG CaraBus and CaraTour models were in particularly high demand.

The largest sales market was once again Germany, with France, the Netherlands and Scandinavia ranking among the primary sales markets. The statistics on market shares are broken down into the categories motorhomes (including CUVs) and caravans, for both Germany and Europe (including Germany) respectively.

In the motorhome category, our total market share in Germany stood at 13.5%, slightly below the previous year's figure of 14.2%. Of this, 13.1% is attributable to motorhomes in the Premium segment, and 0.4% to the Luxury segment, which we serve exclusively through our MORELO brand. In Europe, the market share in the motorhome category stood at 8.6%, after 8.0% in the previous year. Of this, 8.4% was held by the Premium segment, and 0.2% by the Luxury segment.

With 1,367 registered vehicles in Europe (previous year: 1,358), luxury motorhomes only account for approx. 0.8% of the total number of registered motorhomes. Within the Luxury segment, the share of MORELO vehicles stands at 33.8%.

In the caravan category, we were able to expand our market position both in Germany and in Europe. While the market share in Germany increased to 23.6% (previous year 22.4%), we also noticeably exceeded the previous year's value (15.8%) in Europe with 17.2%.

Order situation

The high demand for leisure vehicles of Knaus Tabbert AG picked up with the economic recovery following the lockdown in April 2020. The temporary reduction of VAT in Germany, and the successful Caravan Salon in Düsseldorf with very good sales results also had a positive impact.

With 18,736 vehicles corresponding to an order volume of approximately EUR 640 million, Knaus Tabbert achieved a record order backlog as of the balance sheet date, thereby providing planning security until well into the 2021 financial year.

ORDER BACKLOG

	31.12.2020	31.12.2019
Number of units	18,736	13,072
Order volume in EUR million	640	395

Revenue and earnings situation of the Group

The activities of the Knaus Tabbert Group are divided into the Premium and Luxury segments. In order to ensure a transparent presentation of our ongoing business operations, additional adjusted figures have been calculated and are reported for both the Group and the segments. The adjustments include individual items insofar as they lead to significant effects in the reporting year. These individual items may relate, in particular, to restructuring expenses, one-off transaction costs, management services rendered to shareholders, or other special expenses.

Neither EBITDA** and EBIT*, nor the corresponding adjusted earnings figures, represent key figures as defined by the International Financial Reporting Standards (IFRS) to be applied in the EU. However, we believe that the adjustment for special items improves both transparency and long-term comparability for assessing the performance and profitability of the Knaus Tabbert Group. The adjustments of EUR 1.7 million in the 2020 financial year mainly concerned expenses incurred for the initial public offering in the Premium segment.

Information on the control system and the most important performance indicators can be found in the chapter “Fundamentals of the Group / Control system”.

Most important financial performance indicators

31.12.2020 in KEUR	Premium segment	Luxury segment	Total
Revenue	687,302	107,289	794,591
EBITDA adjusted	54,915	12,792	67,707

31.12.2019 in KEUR	Premium segment	Luxury segment	Total
Revenue	684,946	95,441	780,386
EBITDA	55,153	9,116	64,269

* EBIT: Consolidated net profit before financial income, finance costs and tax expenses
** EBITDA: Consolidated net profit before depreciation and amortisation, financial income, finance costs and tax expenses

Increase in revenue and total output

In line with the focus on the production of high-quality, motorised vehicles, 70.9% (11,644 vehicles, previous year; 11,797 vehicles) of total revenue of EUR 794.6 million was generated by the sale of motorhomes. Sales of caravans accounted for 26.2% (12,705 vehicles, previous year: 13,932 vehicles) of total revenue. A further 2.9% is mainly attributable to the after-sales sector.

From a regional perspective, Germany was once again the largest sales market with a revenue share of EUR 571.2 million. This represents an increase of 9.0% or EUR 47.3 million (after bonuses and discounts) relative to the previous year. For business outside Germany, which contributed EUR 223.4 million to total revenue, France, the Netherlands and Scandinavia were among the main sales markets, as in the previous year. Revenue generated abroad thus decreased by 12.9%, or EUR 33.1 million.

At EUR 4.4 million, changes in inventories were significantly below the previous year's value of EUR 12.0 million. Own work capitalised decreased slightly by EUR 1.2 million to EUR 4.1 million. This can be explained by the rather cautious investment behaviour at the beginning of the financial year due to the uncertainties in connection with the newly emerging corona pandemic, which also resulted in temporarily reduced investments in research and development. Taking into account other operating income of EUR 3.0 million (previous year: EUR 5.8 million) such as insurance compensation, recourse claims or provisions no longer required, total output nevertheless increased slightly by 0.3% to EUR 806.1 million compared to EUR 803.5 million in the previous year.

Cost of materials down by 1.3 percentage points

In the reporting period, the cost of materials was reduced by EUR 7.4 million to EUR 558.1 million. This resulted in an improvement of the cost-of-materials ratio in relation to total output by 1.1 percentage points to 69.2%. This decrease is mainly attributable to the changed product mix featuring a higher share of high-quality motorised vehicles, i.e. motorhomes and CUVs. To a lesser extent, this result is also due to favourable purchasing effects and a reduction in the number of temporary workers in the course of the plant closures during the first lockdown in spring 2020.

Personnel expenses and costs for temporary workers largely stable

Personnel expenses increased by EUR 3.3 million to EUR 111.4 million relative to the previous year. This increase is mainly due to the shift in production towards high-value vehicles and the associated increase in vertical integration. In relation to total output, personnel expenses were 0.3 percentage points above the previous year's level at a ratio of 13.8%. When including the costs for temporary workers, who make a significant contribution to our value creation, the ratio remained at the previous year's level of 15.2%. Despite the corona-related restrictions, we made use of government support measures only to a very small extent in the form of short-time allowances (KEUR 195).

Other operating expenses influenced by one-time effects

Other operating expenses increased by 7.63%, or EUR 5.0 million in absolute terms, from EUR 65.7 million to EUR 70.7 million relative to the previous year. This was due, among other things, to increased expenses for renting large areas at the Caravan Salon 2020 trade fair in Düsseldorf to ensure compliance with distance regulations. In addition, other operating expenses in the 2020 financial year include additional expenses for hygiene and safety concepts at the Knaus Tabbert locations, for the trade fair, and for supporting the dealer network. Furthermore, costs incurred for the initial public offering, increased warranty and guarantee costs, and legal costs as a result of the pending proceedings concerning the Fiat emissions affair also had a negative impact on other operating expenses. In relation to total output, other operating expenses increased by 0.6 percentage points from 8.2% to 8.8% relative to the previous year. Since this increase is primarily the result of one-off and special effects, we expect the long-term downward trend of the past years to continue in the future.

EBITDA and EBIT show slight over-proportional improvement

Despite the negative impact of one-time and special effects, we recorded a disproportionate improvement in our earnings before interest, taxes, depreciation and amortisation (EBITDA) relative to revenue and total output. EBITDA increased by 2.7% to EUR 66.0 million compared to EUR 64.3 million in the same period of the previous year. Adjusted for one-off transaction costs in connection with the initial public offering and consulting fees, EBITDA increased by 4.1% to EUR 67.7 million, compared to EUR 65.0 million in the 2019 financial year.

Depreciation and amortisation increased by 5.7% due to the high investment volumes of previous years, and stood at EUR 19.4 million, compared to EUR 18.4 million in 2019.

The financial result in the reporting year stood at EUR -2.5 million (previous year: EUR -2.2 million). This includes EUR 1.4 million (previous year: EUR 1.2 million) for the short-term financing of working capital. The remainder mainly concerns credit fees for the syndicated loan agreement as well as interest payments for long-term loans.

After taking into account tax expenses of EUR 12.8 million (previous year: EUR 12.5 million), net profit for the 2020 financial year amounts to EUR 31.3 million (previous year: EUR 31.2 million), and is thus at the same level as in the previous year. EUR 30.0 million of last year's unappropriated profit was distributed to the shareholders as dividends.

Appropriation of profit includes dividend proposal of EUR 1.50

The appropriation of profits of the Knaus Tabbert Group is determined by the retained earnings reported in the annual financial statements of Knaus Tabbert AG as prepared in accordance with commercial law. These totalled EUR 59.3 million as of 31 December 2020 (previous year: EUR 61.8 million). Retained earnings include profit carry-forwards of EUR 31.8 million and the net profit for the year of EUR 27.6 million.

In accordance with our dividend policy, we will therefore propose to the Supervisory Board and the shareholders' meeting to distribute a dividend of EUR 1.50 per share. This corresponds to a total volume of EUR 15.6 million, and thus approximately 57% of the annual net profit of Knaus Tabbert AG. In the event that the number of dividend-bearing shares changes before the shareholders' meeting, the Management Board and Supervisory Board of Knaus Tabbert AG will submit a suitably adjusted proposal for the appropriation of profits to the shareholders' meeting.

Development of the Premium segment

Revenue of the Premium segment in the 2020 financial year was slightly above the previous year's level (EUR 684.9 million) at EUR 687.3 million. A total of 23,897 vehicles were sold in the Premium segment (previous year: 25,729). This decline is primarily attributable to a change in the product mix in favour of high-end motorhomes.

EBITDA for the segment was EUR 53.2 million, which is 3.6% lower relative to the previous year (EUR 55.2 million).

The investment volume in the Premium segment totalled EUR 19.7 million (previous year: EUR 34.4 million), of which EUR 5.8 million was spent on intangible assets such as development services, industrial property rights and similar assets. A further EUR 13.9 million was invested in property, plant and equipment such as land, machinery and other operating and office equipment.

Development of the Luxury segment

In the Luxury segment, Knaus Tabbert recorded sales of 452 vehicles (previous year: 422). Revenue increased significantly by EUR 11.9 million or 12.5%, from EUR 95.4 million in the previous year to EUR 107.3 million.

At EUR 12.8 million, EBITDA in the Luxury segment was also noticeably higher than the previous year's figure of EUR 9.1 million.

The investment volume in the Luxury segment totalled EUR 2.1 million (previous year: EUR 6.9 million) and relates almost exclusively to property, plant and equipment such as land, machinery and other operating and office equipment.

Net asset position and capital structure

ASSETS

in KEUR	31.12.2020	31.12.2019
Intangible assets	15,966	15,114
Property, plant and equipment	103,483	106,069
Other receivables and other assets	1,802	603
Deferred tax assets	3,113	3,415
Non-current assets	**124,364**	**125,201**
Inventories	123,958	119,728
Trade receivables	10,577	37,275
Other receivables and other assets	16,198	20,327
Tax receivables	1,826	810
Cash and cash equivalents	8,939	7,597
Current assets	161,499	185,737
Balance sheet total / assets	**285,863**	**310,938**

At EUR 124.4 million, non-current assets were slightly below the previous year's level. Of the investments in property, plant and equipment in the amount of EUR 15.9 million (previous year: EUR 34.7 million), EUR 13.9 million were invested in the Premium segment, primarily in the replacement of machinery and operating equipment, and EUR 2.0 million in the Luxury segment, primarily in the extension of the car park at the Schlüsselfeld site.

As of the balance sheet date, investments included EUR 2.2 million (previous year: EUR 3.8 million) in assets under construction, mainly in the Premium segment. In addition, investments were made in tools required for the production of the new models in both segments.

Additions to intangible assets include investments in development costs in the amount of EUR 4.8 million (previous year: EUR 5.6 million), which are mainly related to the new development of our caravans and motorhomes. The investments in development costs relate exclusively to the Premium segment; no development costs were capitalised in the Luxury segment.

At EUR 161.5 million, current assets were EUR 14.2 million below the value at the reporting date of the previous year. This development is mainly attributable to the reduction of trade receivables by EUR 26.2 million to EUR 10.6 million. Among other things, this is due to the high market demand and the correspondingly good liquidity situation of German trade.

Inventories increased by EUR 4.2 million relative to the previous year. This result is mainly attributable to higher vehicle stocks, which increased by 141 units. As the roof structures of certain models had to be reworked for quality assurance purposes, which led to deliveries being made later than planned, this effect is mainly due to inventory movements as of the balance sheet date. On the other hand, the vehicle stock is also the result of the lockdown of the retail trade at the end of the year, and the resulting lack of purchase opportunities for foreign dealers.

LIABILITIES

in KEUR	31.12.2020	31.12.2019
Share capital	10,377	29
Capital reserves	26,926	12,475
Retained earnings	6,435	6,435
Profit/loss carry-forwards	49,797	48,627
Annual net profit	31,327	31,170
Accumulated other comprehensive income	–1,091	–533
Total equity	**123,770**	**98,202**
Other provisions	12,858	12,291
Liabilities to banks	5,616	12,348
Other liabilities	8,953	9,167
Deferred tax liabilities	6,906	7,217
Non-current liabilities	**34,331**	**41,022**
Other provisions	6,459	4,233
Liabilities to banks	49,001	81,941
Trade payables	35,167	47,057
Other liabilities	34,320	37,667
Tax liabilities	2,815	816
Current liabilities	**127,761**	**171,713**
Liabilities	**162,093**	**212,735**
Balance sheet total / liabilities	**285,863**	**310,938**

The balance sheet equity of the Knaus Tabbert Group amounts to EUR 123.8 million (previous year: EUR 98.2 million). The balance sheet equity ratio at the end of 2020 stands at 43.3%, which represents an increase of 11.7 percentage points. This is mainly due to the proceeds from the issue of treasury shares in the course of the initial public offering, and the net profit generated for the year. The dividend payment to shareholders produced the opposite effect.

The repayment of long-term loans led to a decrease in long-term liabilities. At EUR 34.3 million, these were EUR 6.7 million below the previous year's value of EUR 41.0 million.

At EUR 127.8 million, current liabilities were significantly lower than in the previous year (EUR 171.7 million). Current liabilities to banks also decreased, falling by EUR 32.9 million, from EUR 81.9 million to EUR 49.0 million.

The reduction in trade payables by EUR 11.9 million was mainly due to lower liabilities to our chassis supplier, as bonus credits were offset at the end of the financial year.

Other liabilities amounted to EUR 34.3 million compared to EUR 37.7 million in the previous year. This is mainly due to lower personnel provisions, as bonuses were already paid out to employees in the 2020 financial year.

Financial position

Knaus Tabbert generated a cash flow of EUR 71.0 million from its operating activities in the 2020 financial year (previous year: EUR 44.1 million). This was derived from the net profit for the year, taking into account non-cash expenses and income as well as the change in working capital. The increase in cash flow from operating activities resulted primarily from the reduction in trade receivables. The simultaneous decrease in liabilities to suppliers had the opposite effect. The cash flow from operating activities was primarily used for profit distributions to shareholders, and for investments undertaken in the financial year.

At EUR -20.1 million, the cash flow from investing activities was EUR 8.0 million lower than in the previous year (EUR 28.1 million). This can be explained by the more cautious investment decisions of Knaus Tabbert in the first months of 2020 due to the corona pandemic . Moreover, the high level of the previous year is also attributable to investments in land and buildings. Accordingly, investments in property, plant and equipment including, in particular, production tools and machinery, in the amount of EUR 14.2 million were significantly lower than EUR 25.4 million recorded in the same period of the previous year. At EUR 6.1 million, investments in intangible assets such as development services, industrial property rights and similar assets were only slightly below previous year's figure of EUR 6.6 million.

Knaus Tabbert recorded a cash outflow from financing activities of EUR -49.7 million (previous year: EUR -15.8 million). This includes dividend payments to the shareholders of the former Knaus Tabbert GmbH in the amount of EUR 30.0 million (previous year: EUR 15.0 million). On balance, financial liabilities decreased by EUR 39.0 million, while cash inflows of EUR 24.8 million were generated from equity injections, particularly in connection with the successful initial public offering.

In the 2018 financial year, Knaus Tabbert AG concluded a syndicated loan agreement under the management of Commerzbank AG in the amount of EUR 80.0 million, and with a term until 2021. In the 2019 financial year, the loan volume was increased to EUR 100.0 million, and the term extended to 2022. The agreed financial covenants relating to net debt, the equity ratio and net working capital ratio were met as of 31 December 2020. As of the reporting date, EUR 36.6 million (previous year: EUR 65.9 million) were drawn from the credit line. The lower drawdown compared to the previous year was mainly due to the proceeds from the initial public offering in the 2020 financial year.

The Group had already received long-term loans from the syndicate banks in previous years to finance investments in Mottgers, Jandelsbrunn and its Hungarian sites. The loan for the investments in Hungary was passed on to the subsidiary as a shareholder loan with a term until June 2021. The loans have a maturity of five to ten years, with mortgages at both locations serving as collateral. Two further long-term loans totalling EUR 10 million, and with a term until 2022, were taken out in the 2017 financial year to finance investments at the Jandelsbrunn site. Repayments on the loans were made on schedule in the financial year. The loans of MORELO Reisemobile GmbH were taken out to finance investments in the 2010 financial year, and run until 2031; a mortgage at the Schlüsselfeld site serves as collateral for this. Repayments on the loans were made on schedule in the financial year.

Please refer to the Notes for information on existing repayment obligations and contingent liabilities.

Overall assessment of the course of business

The past financial year was marked by exceptional challenges for Knaus Tabbert AG and the Group. While the beginning of the year proceeded as expected, the worldwide spread of the coronavirus give rise to extraordinary circumstances as the year progressed. However, thanks to our active countermeasures, we succeeded in meeting, and even slightly exceeded, the expectations for the business development of the past year. With the successful initial public offering in September 2020, we have improved our capital structure and established the financial prerequisites for investments in future growth.

Overall, the development of the net asset, financial and profit position has thus fulfilled the expectations of the company management. This assessment also takes into account findings after the end of the financial year.

Opportunities and risk report

Basic principles and objectives of the risk management system

The Knaus Tabbert Group is exposed to a wide range of risks associated with the business activities of Knaus Tabbert AG and its subsidiaries, or resulting from external influences. A risk is defined as the potential threat of events, developments or actions preventing the Group or one of its segments from achieving its objectives. This includes financial as well as non-financial risks. At the same time, it is important to identify opportunities in order to secure and strengthen competitiveness. An opportunity is defined as the possibility of securing or exceeding the planned targets of the Group or of a segment as a consequence of events, developments or actions.

The primary objective of the risk management system (RMS) is to safeguard the continued existence and growth of Knaus Tabbert AG and the Group at all locations, taking into account potential opportunities and risks. The entrepreneurial risks and opportunities inherent to our business operations must be recognised, evaluated and actively managed at an early stage, thus enabling proactive corporate management. The identification of risks to be taken can also produce competitive advantages. For this purpose, effective management and control systems are employed, which are bundled into a risk management system (RMS). Risks and opportunities are not offset. We strive to limit negative influences on results from the occurrence of risks by taking suitable and economically sensible countermeasures. Developments that pose an existential threat to the company should always be identified at an early stage so as to allow suitable measures to be taken in good time to ensure the company's continued existence as a going concern. Proceeding from an assessment of the potential scope of damage and the probability of occurrence of risks, an overall entrepreneurial risk is determined, which can be borne without endangering the company's existence, not only operationally in the short term, but also strategically in the long term.

The risks and opportunities faced by Knaus Tabbert AG are essentially dependent on, and similar to, the risks and opportunities faced by the Knaus Tabbert Group. In this respect, statements by management concerning the overall assessment of the risk and opportunity profile also apply in summary to Knaus Tabbert AG.

Organisation and process

In addition to Knaus Tabbert AG, all subsidiaries are included in the risk and opportunity profile of the Knaus Tabbert Group.

Since the end of 2020, risks have been identified and monitored on a quarterly basis according to a bottom-up and top-down approach by means of a software-based reporting system. The responsibility for the RMS and internal monitoring lies with the Management Board. The RMS is aligned with the framework of the “Internal Control Framework – COSO II ©”. A comprehensive risk inventory was performed in the 2020 financial year. For this purpose, personal meetings were held with all risk owners, during which the individual risks were discussed and analysed in detail.

Risk owners are appointed for the sites, divisions and central functions. The broad network of risk owners ensures the effective identification of risks across various hierarchical levels. To this end, risk-relevant developments and processes are continuously monitored according to the areas of responsibility and duties of the risk owners. Risks are controlled, identified, evaluated and continuously updated using risk management software. In the risk management system of Knaus Tabbert AG, central risk management is to be understood as an executive body or link between the Management Board and the risk owners. However, central risk management does not assume direct responsibility for individual risks. These are the responsibility of the respective risk owner.

As part of the risk assessment, the identified risks are systematically evaluated with regard to the maximum amount of damage (potential scope of damage) and the probability of occurrence before, and after, measures have been taken to limit the risks. The time horizon of the assessment is one year on average.

Risks are assessed in terms of their probability of occurrence and are divided into four levels: “very improbable”, “improbable”, “rare” or “probable”. These levels are assigned percentage ranges for the probability of occurrence and, if necessary, can be further concretised by time intervals in which the risk typically occurs.

Level	Probability of occurrence in %
Very improbable	up to 10%
Improbable	up to 30%
Rare	less than 50%
Probable	from 50%

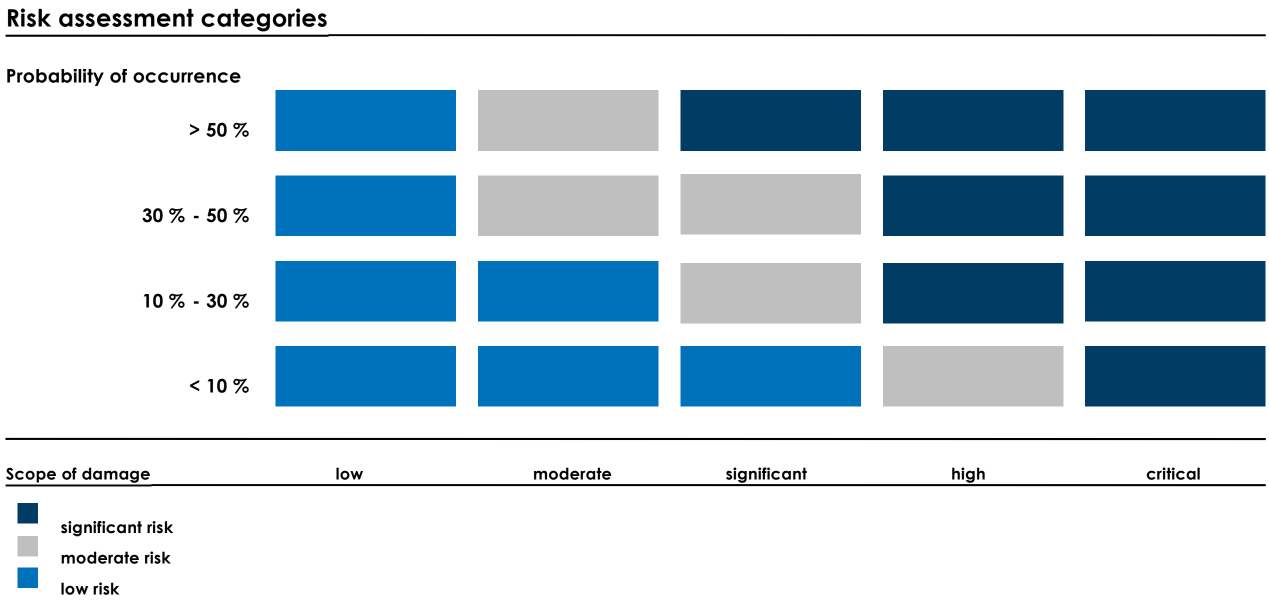
When assessing the possible scope of damage, we distinguish between the six categories “insignificant”, “low”, “moderate”, “significant”, “high” and “critical”. These categories are each assigned limits in euros with regard to the possible scope of damage to EBITDA in the following amount:

Level	Scope of damage in KEUR
Insignificant	0 – 50
Low	51 – 250
Moderate	251 – 500
Significant	501 – 2,500
High	2,501 – 5,000
Critical	> 5,000

As in the case of quantifiable risks, non-quantifiable risks such as reputational damage are divided into the categories "low risk", "moderate risk" and "significant risk".

When assessing risks, we consider both gross and net risks. Gross risk represents the inherent risk before risk mitigation measures have been implemented. Net risk is the remaining risk after all risk mitigation measures have been implemented. This approach enables a comprehensive understanding of the impact of risk mitigation measures, and forms the basis for scenario analyses. In this Report, our risk assessments reflect net expected values only. We have identified those risks as material risks that exhibit both a probability of occurrence and scope of damage according to the risk matrix presented below. In addition, our risk system also covers non-quantifiable risks, i.e. risks that are not directly convertible into euros. These include, above all, damages that could result from a potential loss of reputation of Knaus Tabbert AG. These risks may also be material.

Risk portfolio/matrix:



Overview and description of the main risks and opportunities

In this Report, we present the financial and non-financial risks and opportunities with regard to the achievement of the company's goals in 2021 and beyond. To this end, we have first divided the identified risks into superordinate areas. The table below provides information on the main net risks after measures have been implemented and become effective. Unless stated separately, the risks described apply equally to both the Premium and Luxury segments.

Knaus Tabbert AG was created through a change in legal form in 2020. Since then, a documented early risk detection system has been in place. No significant changes in the risk situation have occurred within this period. All risks and opportunities presented refer to the balance sheet date. With the exception of the risk area “supplier dependence”, no significant changes occurred prior to the preparation of the financial statements.

In addition, risks and opportunities that have not yet been identified or are classified as immaterial may influence the profit, financial and asset position in the future.

Risks arising from the coronavirus pandemic usually extend over several risk areas. These risks are therefore not explained as a single risk area, but as components of the individual risk areas.

Overview of risks with a scope of damage that is at least significant

RISK AREAS

	Maximum scope of damage	Probability of occurrence	Net risk
Market & customer			
Dealer purchase financing	Critical	Very improbable	Significant
Workshop capacity in the industry	Critical	Very improbable	Significant
Finances			
Currency risk Hungary	Significant	Rare	Moderate
Legal & compliance			
Fiat Diesel	Critical	Very improbable	Significant
Mottgers soil contamination (contaminated site)	Significant	Probable	Significant
Personnel			
Shortage of specialists	High	Probable	Significant
Staff expansion	Critical	Improbable	Significant
Corona pandemic	High	Improbable	Significant
IT			
Cyber attacks	Critical	Improbable	Significant
Purchasing			
Supplier dependence	Critical	Improbable	Significant
Corona-related supplier risks	Critical	Improbable	Significant
Operational risks	Critical	Improbable	Significant

Net risk = scope of damage after effective measures have been taken x probability of occurrence after effective measures have been taken

Market & customer

Despite careful and detailed sales planning, market conditions, unexpected market developments or individual customer risks may have an impact on the sales and profit situation of Knaus Tabbert. However, it cannot be ruled out that markets or market conditions develop better than assumed in our planning.

The further course of the coronavirus pandemic poses a significant risk to the global economic situation. Should the spread of infections necessitate more far-reaching or lengthy measures than previously expected, this could place an excessive strain on private households, companies and countries, combined with a noticeable increase in unemployment. This, in turn, would have a negative impact on private consumption and thus on our medium to long-term sales development. At the same time, initiated measures could also place a considerable burden on companies, and lead to disruptions in production and supply chains. In contrast, successful containment of the pandemic, for instance through faster and more widespread distribution of vaccines, could lead to a much more dynamic recovery than assumed in our planning. This could potentially boost private consumption and generate positive sales effects. Moreover, caravanning could continue to gain importance in the long term once the corona pandemic is over, as the desire for health, safety and privacy will remain, even after the crisis.

Furthermore, we expect the general economic disruptions brought about by Brexit to lead to a decline in demand from the UK. Although the trade and cooperation agreement signed by the EU and the United Kingdom on 24 December 2020 avoids the dreaded hard Brexit and allows for duty-free trade, time-consuming customs procedures, for example, may still lead to restrictions in cross-border trade. However, the United Kingdom is not one of our main sales markets, and we have already factored the drop in sales resulting from Brexit into our corporate planning. If the economic downturn and other restrictions caused by Brexit turn out to be less severe than assumed in our planning, the anticipated decline in sales in this market may also be less severe, or not materialise at all.

A risk of direct relevance to earnings results from dealer purchase financing in the export business. Unlike in our domestic market, where we have several cooperative agreements with financing banks, we currently work with only a small number of providers in the export business. We are currently involved in negotiations to expand our cooperation in the area of dealer financing for our most important export markets with the aim of expanding our business in these markets. The same applies to the end-customer financing of caravans on the French market.

In general, Knaus Tabbert distributes its products through a dealer network that has grown over many years. These dealers are free, independent distributors, and are for the most part not tied to individual manufacturers. The loss of a top dealer measured by their contribution to sales could have a major impact on the net asset, financial and profit position of Knaus Tabbert, even though the probability of occurrence is considered to be very low. Irrespective of the development of volumes, price pressure from customers due to possible mergers of dealers could also have a negative impact on margins. For this reason, we have diversified our dealer network in order to be able to compensate for individual regional developments. In recent years, we have also introduced attractive programmes for individual dealers in order to strengthen their loyalty to our company. In cooperation with the dealers, we also participate in local, regional and national caravanning fairs in Germany and abroad. Furthermore, we have concluded framework financing agreements with various credit institutes to finance the purchase of Group products throughout Europe in order to support the financing options of our dealers (for further details, see also the risk area “Finances”).

Due to increasing sales figures in the European caravan industry, the workshop capacities of the current dealer networks may in future no longer be sufficient to serve customers within a reasonable period of time and to their full satisfaction. This, in turn, could negatively impact future sales volumes as customers may turn to other types of holidays. For this reason, we initiated a service cooperation with MAN workshops back in 2019. At the same time, we are supporting our dealer network in expanding their after-sales activities.

Finances

Personnel expenses constitute a major cost item affecting the profitability of the Group. In order to meet the growth in business, the Group has increased its workforce accordingly, introduced shift models and implemented overtime in order to achieve the desired production targets. In addition to the number of staff, personnel expenses are also influenced by the development of overtime rates and surcharges, both in Germany and in Hungary, where the Group's production facilities are located. In order to keep pace with the changing global framework conditions, the Group makes use of various instruments to manage its personnel structure, such as partial retirement plans for employees.

Part of the Group's production staff are employed under subcontracts, temporary or short-term contracts. However, due to statutory regulations in Germany, the number of subcontract workers at the German subsidiaries may decrease further, as they are usually automatically awarded fixed-term contracts with the Group subsidiaries after they have been employed by the Knaus Tabbert Group for 15 months. Under certain conditions, these fixed-term contracts are converted into permanent contracts, which gradually reduces the Group's flexibility with regard to its workforce. In the past, a significant proportion of skilled workers were recruited directly by the company each year, rather than on a subcontract basis. As this trend is expected to continue, the Knaus Tabbert Group may only be able to reduce its workforce during periods of low production by incurring severance or social plan costs.

In addition, the Group operates a production site in Nagyoroszi, Hungary. The fact that a number of Eastern countries have joined the European Union, along with attractive framework conditions that have led many companies to establish local production facilities, has resulted in a sharp increase in wage levels in the past.

A loan granted to our plant in Hungary gives rise to a foreign currency risk. However, foreign currency risks are generally not hedged as the majority of invoices and purchases are made in euros and act as a natural hedge. Overall, foreign currency risks therefore play a minor role for the Knaus Tabbert Group, but we nevertheless consider the foreign currency risk arising from the loan to be moderate.

The products of the Knaus Tabbert Group are distributed through an extensive dealer network. To support our dealers, we have concluded framework agreements with financial institutions, which enable certain dealers to finance the purchase of caravans and motorhomes of the latest model year from the Group's portfolio, using the vehicles as collateral. In the event of termination of individual dealer financing agreements, for instance due to default or insolvency of an authorised dealer, Knaus Tabbert is generally obliged to repurchase the vehicle stock financed by the respective financing partner for the remaining financing amount. In order to monitor market developments and dealer inventories, we have established a number of early warning systems and procedures in recent years. These include the monitoring of stock financing, the observation of general market statistics, regular visits to dealers by sales managers, monthly inventory reports from dealers, and the monitoring of the current order status in the dealers' SAP systems as well as the receivables balance. This allows us to rapidly identify signs of changes in the demand situation as well as any potential financial problems of individual dealers.

The terms of the syndicated loan of EUR 100 million require Knaus Tabbert to comply with certain financial covenants relating to the ratio of total net debt to earnings before interest, taxes, depreciation and amortisation (EBITDA), adjusted for certain non-operational effects, the (net) working capital ratio and the equity ratio. In the event of a breach of these financial covenants, the creditors are entitled to terminate the loan and demand its repayment. A renegotiation of the loan terms could negatively impact the development of the financing costs.

Legal & compliance

As a publicly listed group operating internationally, Knaus Tabbert is subject to a wide range of legal and regulatory requirements. Its operating business therefore generally entails risks in connection with possible violations of applicable law or possible legal disputes. Existing and pending legal disputes are continuously recorded, analysed, evaluated in terms of their legal and financial impact, and taken into account in the risk provisions in the balance sheet. In addition, we counter these risks through rules of conduct, clearly defined procedural codes and an internal compliance structure, and have concluded appropriate insurance policies as are customary in the industry.

In this field of risk, occasional lawsuits or threats of legal action, involving the allegation that potentially inadmissible defeat devices have been installed in diesel vehicles of the manufacturer Fiat, currently deserve special mention. As one of our main chassis suppliers, Fiat has confirmed several times upon request that the chassis delivered to Knaus Tabbert have not been, and will not be, equipped with such defeat devices. Appropriate provisions have been set up to cover the expected costs of defending against legal action. According to our own legal assessment, however, we also consider prospects of recourse to be realistic in the event of a possible claim.

The Group is also subject to stringent environmental and other regulatory requirements, which may change, give rise to additional costs or liabilities, or restrict the Group's business operations. At present, the Group is investigating an environmental incident at the Mottgers site, where soil and groundwater contamination was detected several years ago. A remediation and containment plan has been developed in cooperation with the authorities, and appropriate provisions have been made. The anticipated costs are fully covered by the respective provisions.

As a rule, environmental risks are identified and assessed at regular intervals by reviewing significant environmental aspects. The most important environmental processes are integrated in the management manual. At present, we have not identified any further environmental risks from current business operations.

The Knaus Tabbert Group operates a certified quality management system in the Premium segment, which is supported by further quality-improving processes. Nevertheless, the Knaus Tabbert Group is exposed to the risk of products being delivered in poor quality, thus giving rise to product liability or warranty risks in the form of warranty or goodwill claims, or claims for damages. Moreover, Knaus Tabbert faces the risk of poor product quality leading to a loss of its reputation. The Knaus Tabbert Group responds to such risks in the Premium segment by implementing stringent quality assurance measures and continuous process improvements. Warranty and goodwill risks are addressed by recognising provisions in the balance sheet. The provisions are recognised in the amount of the estimated expenses required to remedy the defects, calculated on the basis of experience and historical values. Items that may offset the obligations are taken into account in the valuation of the provisions, insofar as these items do not have to be capitalised as separate assets.

Personnel

Knaus Tabbert relies on skilled workers and managers in all functional areas. However, competition for talent in general, and for skilled workers in particular, is fierce, especially in technology-driven industries such as the caravanning and automotive business, as well as in Bavaria, where the Knaus Tabbert Group has its headquarters. The regional unemployment rate has fallen significantly in recent years, and it is generally becoming more difficult to recruit qualified personnel locally. Failure to recruit and retain talented employees and specialists could adversely affect the Group's business operations and its ability to achieve its strategic objectives.

The continued growth of the Group, in particular, may require us to seek new members of staff outside the natural catchment areas of our plants, which could increase recruitment costs and slow down the recruitment process. Moreover, departures of highly qualified employees could lead to a loss of know-how and resource bottlenecks.

We are therefore counteracting the risk of employee turnover by offering attractive remuneration systems, job conditions and opportunities for further development. Furthermore, we are responding to the shortage of skilled workers through in-house training.

In connection with the coronavirus pandemic, renewed border closures could lead to production interruptions or restrictions, as part of our workforce are commuters from Hungary, the Czech Republic and Slovakia. After the balance sheet date, the German government resolved, and implemented, restrictions on entry from the Czech Republic. Knaus Tabbert has taken appropriate measures for its employees, such as accommodation in Germany and regular testing. All members of staff who regularly cross the border are tested every two days. If an infection is detected, contacts are immediately traced and quarantined without delay. The health authorities are kept informed on an ongoing basis.

IT risks

IT systems are critical for maintaining ongoing business operations. In this respect, risks arise in particular from the potential failure of servers, storage media and critical applications. In addition, risks exist in connection with data protection and cybercrime. In order to keep IT risks to a minimum, all possibilities of disruptions, including those from outside the company, are constantly monitored with great care and, if necessary, eliminated immediately. We also seek to ensure maximum protection through a Group-wide IT organisation and up-to-date security systems, such as antivirus software and firewalls. In addition, we regularly raise awareness among our employees about such dangers.

Since the GDPR came into force, higher requirements have been placed on the organisation of data protection within the Knaus Tabbert Group. Data protection infringements could give rise to fines and damage the company's public reputation. In cooperation with the data protection officers, the Group ensures strict compliance with the relevant rules and regulations, and takes them into account in all internal and Group-wide processes.

Purchasing

Purchasing risks and opportunities arise, among other things, from fluctuations in raw material and energy prices, which can lead to price fluctuations for parts procured externally by suppliers of the company or the Group. In addition, occasional delivery or quality problems, or supply disruptions at sub-suppliers can give rise to risks in our production process. Financial bottlenecks of suppliers, capacity restrictions and a limited scope for negotiating prices can also impact our net asset, financial and profit position.

A significant risk arises from possible supply bottlenecks or interruptions in the supply chain in connection with the corona pandemic. In principle, we have already included disruptions to the supply chain in our corporate planning on the basis of our experience in the 2020 financial year. We therefore classify the probability of occurrence as "very improbable". However, from today's perspective, we cannot rule out that the disruptions in the 2021 financial year and beyond – which, in large part, depend on the further unfolding of the corona crisis – will be greater than assumed in our corporate planning. At the same time, a more favourable development than anticipated would create opportunities for a better supply situation.

A number of suppliers in the caravaning business hold a monopoly or oligopoly position, which makes price negotiations difficult. Knaus Tabbert is therefore largely dependent on individual suppliers. This concerns in particular the chassis, which are sourced to a considerable extent from the Stellantis Group (Fiat, Peugot and Iveco), as well as heating systems supplied by the manufacturer Truma. This gives rise to availability and price risks. The probability of occurrence was assessed as "improbable" at the time of the preparation of the financial statements. Knaus Tabbert counters availability risks, where possible, by adding additional suppliers to its network. With regard to price risks, we have mostly been able to pass on price increases to end customers in the past.

Production

Within production, bottlenecks can generally occur due to the reduced availability, or non-availability, of production capacities. Furthermore, risks can arise from the termination of supply contracts by suppliers. We counteract these risks through coordinated production planning and contractual assurances, and by implementing modern production facilities, regular maintenance as well as necessary replacement investments. In addition, our Group-wide production network allows us to compensate for bottlenecks between sites.

Other risks

The objective of our quality management is to reliably meet the requirements of our customers. To prevent risks, we have implemented a supplier management system with the aim of ensuring components of the required quantity and quality for the production of our vehicles. In the event that products of unsatisfactory quality are delivered to our customers in exceptional cases, and in spite of our extensive quality assurance measures, we run the risk of incurring additional costs due to rectification or warranty claims. We generally set up appropriate provisions for this, which as a rule cover these risks in full. A particular issue in the 2020 financial year concerned the formation of cracks in the area of adhesive joints under certain temperature conditions. In the meantime, we have developed a technical solution to this problem. The estimated costs are covered by the general provisions for quality issues.

Risks in the field of logistics include possible delays both in the supply chain affecting deliveries to Knaus Tabbert, and within the Group's own supply chain affecting deliveries to the customer. The Group' s ability to produce and deliver may be restricted by delivery bottlenecks for important materials in cases where individual suppliers cease operations, or are unable to deliver the quantities required by the Group. In the event of supply bottlenecks, the stock of unfinished vehicles may increase, and with it the need for rework. Balanced supply chain management is therefore of particular importance for the production processes of the Knaus Tabbert Group, as the production of leisure vehicles requires various components from a large number of different suppliers.

We counteract these risks through an integrated planning process, which is coordinated with our production and delivery schedules. With our optimised warehouse management, we ensure a healthy balance between availability and capital-saving stockage.

Risk reporting on the use of financial instruments
The use of financial instruments does not pose a significant risk within the Knaus Tabbert Group. Explanations on market price, default and liquidity risks can be found in the Notes under item 7.3.

Opportunities in connection with our sales strategy
We currently distribute our products primarily through an established dealer network. We are constantly reviewing our sales strategy with regard to new distribution channels. The opening of new distribution channels could have a positive effect on our revenue and profit situation.

Opportunities in connection with our procurement strategy
We are currently dependent on a small number of suppliers in certain areas. The addition of new suppliers could reduce our degree of dependence in these areas, which would give us greater flexibility in planning production quantities while also strengthening our bargaining position. As a result, we could generate more savings than originally planned. Additional opportunities arise from raw material prices that are overall lower than expected, and from volume effects in the context of our further growth.

Opportunities in connection with our process optimisation
Continuous optimisation of key business processes and rigorous cost controls are essential to ensure profitability and returns on investments. We believe that we have far from exhausted the opportunities to increase the effectiveness and efficiency of our processes, and to further optimise the cost structures within our company. Moreover, we will continue to focus on standardising and unifying our processes in the future.

Opportunities in connection with societal megatrends
Knaus Tabbert benefits from various societal developments, some of which have established themselves as megatrends in recent years. These include, for instance, demographic developments, the growing interest in alternative and eco-friendly forms of holidaying, the shift towards regional tourism, and new, flexible work arrangements. In the rental market, the sharing economy also deserves special mention.

These developments are simultaneously creating new opportunities that can have a positive impact on our business.

Opportunities in connection with inorganic growth
For us, inorganic growth means examining and seizing opportunities with regard to acquisitions and partnerships. To this end, we continuously monitor market developments. Essential aspects include the strengthening of our market position, also at the regional level, the expansion of our capacities, and supplementing or expanding our product portfolio.

Overall assessment of risks and opportunities
After a thorough review of the risk situation, we have come to the conclusion that the measures and precautions taken provide an adequate response to the identified risks. Taking into account the financial impact and the probability of occurrence against the background of a healthy balance sheet structure, our earning power and the current business outlook, we are not aware of any risks that could jeopardise the continued existence of the company. At the same time, we have sufficient resources at our disposal to take advantage of opportunities as they arise.

Characteristics of the internal control system (ICS)

The objective of the internal control system (ICS) for accounting processes is to ensure the reliability of external reporting by preparing financial statements in compliance with rules and regulations. The ICS is embedded in the corporate governance system that applies throughout the company. To monitor the effectiveness of the ICS, regular reviews of accounting-relevant processes are carried out through internal controls. In addition, the effectiveness of the system is monitored by the Audit Committee of the Supervisory Board.

The main features and objectives of the existing internal control and risk management system with regard to the (Group) accounting process can be described as follows:

- Ensuring that the individual financial statements of Knaus Tabbert AG are prepared in accordance with standards by means of system-based and manual controls.
- Ensuring uniform Group accounting in accordance with IFRS by applying uniform accounting regulations and guidelines.
- Control functions are regularly performed within the divisions, primarily by controlling.
- Clarification of special technical questions and complex issues on a case-by-case basis with the involvement of external experts.
- Standard software is used in finance and accounting wherever possible.
- The software used within the company is protected against unauthorised access through the relevant IT facilities.
- An adequate system of guidelines (e.g. travel expenses guidelines, etc.) is in place and is updated on an ongoing basis.
- Regular spot checks are carried out to ensure that accounting data are complete and correct.
- All significant accounting-relevant entries are made using the dual control principle (separation of audit, accounting and payment processes).

Outlook report

General economic environment marked by the corona pandemic

In its economic forecast published on 17 March 2021, the German Council of Economic Experts (Sachverständigenrat zur Begutachtung der gesamtwirtschaftlichen Entwicklung) revised its forecasts for the years 2021 and 2022 downwards, but continues to expect an economic recovery overall. In the eurozone, the German Council of Economic Experts expects gross domestic product (GDP) to grow by 4.1% and 4.2% in 2021 and 2022, respectively.

In Germany, the second wave of the corona pandemic along with the second hard lockdown brought the recovery of the economy to a halt at the end of 2020. A decline is therefore expected for the first quarter of 2021. However, the report finds that the economy remains quite robust overall, despite the prolonged shutdowns. Unlike during the first wave, there were no extensive border closures, which is why the industrial supply chains have so far remained intact. As the containment of the pandemic progresses and measures are gradually eased, the economic recovery is likely to resume in the coming months. However, due to the prolonged lockdown, economic output in 2021 as a whole is projected to grow by 3.1% instead of 3.7%, as previously expected. For 2022, the Council of Economic Experts forecasts GDP growth of 4%.

The third wave of infections that is currently emerging poses the greatest risk to economic recovery in Germany and Europe. A sharp rise in the number of infections could delay economic recovery, particularly if the industrial sector is severely affected by restrictions and plant closures. In contrast, faster vaccination progress could contain the pandemic earlier, allow restrictions to be lifted and accelerate the recovery process.

Positive industry outlook despite ongoing corona pandemic

The strong momentum of Europe's growth course, which has remained unbroken since 2014, supports further growth in the European caravanning market in the years to come. 2020 has set new records with respect to European registration statistics. The yearning for freedom and safety has caused the German market to grow by 32.6% in terms of new registrations. Germany thus made a significant contribution to the 11.8% increase in registrations registered throughout Europe.

Germany was, is, and will probably remain the largest and strongest growing market in Europe. Following 107,203 new registrations in 2020, growth of 15.2% to around 124,000 new registrations is expected for 2021. The caravan segment, in particular, is now feeling the tailwind of the industry again, and is profiting from a growth forecast of 6.1% and around 31,000 new registrations for 2021. For the strong-selling motorhomes and camper vans, which are now dominating the market, 93,000 vehicles are expected for 2021, which represents an increase of 10.3% compared to 2020.

With approximately 16,000 additional new registrations in 2021, the German market is expected to make a significant contribution to further growth in 2021, also at the European level. After 235,000 new registrations in 2020, the forecast for 2021 shows 251,000 new registrations, which corresponds to a 7.0% increase. Caravans will benefit from growth of around 2%, while an increase of 9.4% is expected for motorhomes and camper vans.

This assessment is based on a CIVD forecast of 21 January 2021, which was prepared using a calculation model (Holt-Winters method) that combines historical data with current economic and demographic parameters, and uses a wide range of indicators to extrapolate over a five-year period. This study is thus equivalent to the CIVD study of 2018. According to this study, growth of around 20,000 additional vehicles per year is forecast for Germany in the coming years, resulting in 206,000 new registrations in 2025. Germany will thus be making a significant contribution to annual growth at the European level in the coming years. There, approximately 330,000 new registrations are expected for 2025.

The growth power of the German caravaning market thus provides Knaus Tabbert with a very promising market environment. Knaus Tabbert generates approximately 70% of its sales in Germany, and almost 30% in other European countries. The focus on five core brands, a large price range of EUR 10,000 to around EUR 750,000, and the equally strong market position in the product categories caravans, motorhomes and camper vans offer our more than 400 European dealers excellent prerequisites for further expanding their market position together with Knaus Tabbert.

Owing to its solid market position, Knaus Tabbert believes that it will be able to make an over-proportional contribution to this surge in interest within Europe.

Knaus Tabbert expects strong growth in 2021

The order backlog stood at a record level of EUR 640 million at the end of December 2020 (previous year: EUR 395 million). In addition, the stocks of our trading partners are at an extremely low level and reflect the high demand in the market. This gives us planning security for the current financial year. Our goal is to significantly increase revenue in the current financial year. To this end, we will push ahead with the capacity expansions at our sites. On the existing assembly lines, production will be increased by introducing new shift models and, if necessary, additional shifts. In addition, the optimal use of our production network within the Group will allow us to increase capacities for furniture construction and body manufacture. Furthermore, we will be increasing the proportion of purchased parts in the short term. In total, we plan to hire more than 500 new members of staff. In Hungary, we are working on the completion of a new assembly line with a technical capacity of 4,000 units, which is to be fully utilised from mid-2022. In total, we will be investing more than EUR 65 million in 2021, of which approximately EUR 50 million will be directed towards the expansion of the Group's production capacities.

On balance, the Management Board expects an increase in revenue for 2021 in a range of 20 to 22%, subject to due entrepreneurial prudence. Despite anticipated increases in material costs, and in start-up costs caused by the large increase in production, we also forecast a significant increase in adjusted EBITDA. The adjusted EBITDA margin will be roughly at the previous year's level of approximately 8%.

Continued high growth dynamics are expected for the following years. Economies of scope and scale within the Group should lead to a steady improvement in the quality of results.

This forecast is based on the assumption that there will be no major corona-related shutdowns or delays in production beyond the current restrictions, e.g. due to problems in supply chains or additional governmental measures.

Remuneration report

Remuneration of the members of the Management Board and Supervisory Board

Remuneration of the Management Board until 14 August 2020

Prior to the conversion of the company into a stock corporation on 14 August 2020, the remuneration of the Management Board members consisted of fixed monthly cash payments and, where applicable, variable remuneration on an individual basis. In the first half of the year ended on 30 June 2020, as well as in previous financial years, the members of the Management Board received only short-term remuneration components in connection with their function as key management personnel. The company did not grant any post-employment remuneration or benefits, other long-term remuneration, termination benefits or share-based payments to members of the Management Board. The company did not disclose the remuneration of the members of the Management Board on an individual basis in previous financial periods. One member of the Management Board did not yet have a service contract with the company in the financial year ended on 31 December 2019, but invoiced his services in the amount of EUR 750,000 (plus VAT) through a related company holding shares in Knaus Tabbert. The total remuneration for the other members of the Management Board in the financial year ended on 31 December 2019 amounted to EUR 1,415,000.

Remuneration of the Management Board from 14 August 2020

Since the conversion of the company into a stock corporation on 14 August 2020, all members of the Management Board have had service contracts with the company. The contracts are subject to German law and include essentially identical provisions.

The remuneration system for the Management Board is geared towards the long-term and sustainable, profitable development of Knaus Tabbert. The remuneration of the Management Board members consists of non-performance-related and performance-related variable remuneration with a short-term incentive (STI) and a long-term, share-based incentive (LTI). The vast majority of the variable remuneration components granted are assessed over several years and thus have a long-term orientation. In this way, the members of the Management Board are able to participate in a sustainable increase in value of Knaus Tabbert, and thus have sufficient incentive to focus on the long-term performance of the company. In addition to economic success factors, the one-year variable remuneration component is also dependent on personal performance indicators. At the same time, the present remuneration system is intended to ensure that remuneration is commensurate with the tasks and performance of the Management Board members and the position of the company. Thus, special achievements are to be rewarded more strongly, while poor performance is to noticeably reduce remuneration. The adequacy of the Management Board's remuneration is reviewed by the Supervisory Board.

Annual basic salary

The members of the Management Board receive fixed annual cash remuneration, which is paid out in twelve equal instalments as a monthly salary. The annual fixed remuneration paid to Mr Speck amounts to EUR 750,000 (gross). Mr Adamietzki, Mr Hundsdorf and Mr Vaterl each receive EUR 400,000 (gross) annually.

Variable remuneration

Variable remuneration consists of two components, the short-term incentive (STI), which is a variable remuneration component assessed over a one-year period, and the long-term incentive (LTI), which represents a variable remuneration component assessed over a four-year period. The first assessment period of the LTI begins on 1 January 2021 and ends on 31 December 2024. The relative shares of the fixed remuneration in the target total remuneration depend on the development of the long-term variable target remuneration, which can range between EUR 160,000 (gross) and a maximum of EUR 450,000 (gross). For Mr Speck, this translates into a relative share of the fixed remuneration in the total target remuneration of between 56.0% and 71.4%. The relative share of fixed remuneration for Mr Adamietzki, Mr Hundsdorf and Mr Vaterl lies in the range of 40.4% to 57.1%.

The STI is determined on the basis of a defined degree of target achievement as well as individual targets, which are set by the Supervisory Board and agreed upon by the company and the respective Management Board member before the start of each financial year. The STI is paid as an annual cash bonus, and is capped at EUR 140,000 (gross). If the respective service contract begins or ends in the course of a financial year, payments are made pro rata temporis. Members of the Management Board whose service contract is terminated for good cause pursuant to Section 626 of the German Civil Code (BGB), or who resign from office without justification, are not entitled to a STI for the financial year in which the contract is terminated.

The LTI is based on the development of virtual performance shares, which are awarded in annual tranches (LTIP tranches). At the beginning of a new performance period, each Management Board member is allocated a certain number of performance shares. The number of performance shares granted at the beginning of each period is calculated by dividing the amount of EUR 160,000 by the initial share price. The latter is defined as the volume-weighted average price of the company's share in the electronic trading system of the Frankfurt Stock Exchange (or a comparable successor system) during the last three months prior to the beginning of the evaluation period. The final share price is defined as the volume-weighted average price of the company's share in the electronic trading system of the Frankfurt Stock Exchange (or a comparable successor system) during the last three months of the evaluation period.

In addition to the development of the performance shares, the LTI is also dependent on the achievement of a target EBITDA. The EBITDA performance target is considered to be fully met if (i) the cumulative EBITDA during the LTIP incentive phase equals at least EUR 396,864,500, or (ii) the quotient of cumulative EBITDA during the LTIP incentive phase and cumulative revenues of the Knaus Tabbert Group during the LTIP incentive phase, multiplied by 100, equals at least 9.58. EBITDA is defined as the consolidated result of the Knaus Tabbert Group for the respective financial year, adjusted for taxes, financing costs, financial income, and depreciation and amortisation, according to the audited consolidated financial statements of the Knaus Tabbert Group.

The payout amount of the respective LTIP tranche is calculated by multiplying the number of performance shares by the final share price and a multiplier. If the target is fully reached, the multiplier is 1. If the target is not fully reached, but the degree of target achievement is at least 81%, the multiplier is reduced by 5% for each deviating percentage point. Management Board members are only entitled to LTI payments if the degree of target achievement is at least 81%, and the final share price is higher than the initial share price. The payout for each LTIP tranche is limited to a maximum of EUR 450,000. The Supervisory Board is entitled to increase or decrease the payouts by an appropriate amount in case of extraordinary developments. The LTI is granted, and paid out, together with the monthly instalment of the fixed annual remuneration that is paid out after the Supervisory Board has approved the annual financial statements for the fourth financial year of the assessment period. The company does not reimburse any income tax payable on the LTI.

The Supervisory Board may, at its own discretion, decide that the LTI is to be paid out in company shares rather than in cash. The number of shares in the company to be granted in this case is determined by dividing the payment amount of the LTIP tranche by the final share price. Should a member of the Management Board resign from office during the term of an evaluation period, or a new member be appointed to the Management Board during a performance period, the respective member shall receive a LTI pro rata temporis for this period, provided that the targets described above have been met.

Fringe benefits

The remuneration system of the Management Board provides for fringe benefits in the form of benefits in kind and allowances, such as a company car or travelling allowance, the reimbursement of expenses, accident insurance and the contribution to health and care insurance policies. For all members of the Management Board, D&O insurance has been taken out with adequate coverage and a deductible in the amount of 10% of the damage, but no more than 150% of the fixed annual remuneration, in accordance with the relevant provisions of the German Stock Corporation Act (Aktiengesetz). The D&O insurance policies cover pecuniary losses arising from breaches by the Management Board members in the performance of their duties.

Retirement benefits

No pension commitments were made. Since the conversion of the company into a stock corporation, the members of the Management Board have been responsible for making their own retirement provisions. Prior to the conversion, the former managing directors were insured under statutory pension schemes. The employer contributions to the pension insurance were borne by the company.

Terms of the service contracts

The service contract of Mr Speck runs until 31 July 2022, and the service contracts of Mr Adamietzki, Mr Hundsdorf and Mr Vaterl until 31 July 2023.

Further details

The maximum total annual remuneration (including the fixed annual remuneration, STI and LTI) is EUR 1,340,000 (gross) for Mr Speck, and EUR 990,000 (gross) for Mr Adamietzki, Mr Hundsdorf and Mr Vaterl respectively. In addition, the Management Board members receive fringe benefits.

Members of the Management Board whose employment contract is terminated for good cause pursuant to Section 626 of the German Civil Code, or who resign from office without justification, are not entitled to payment of LTIP tranches that have already been allocated but not yet paid out by that date.

Severance payments that may be granted in connection with the early termination of the employment relationship are limited to a maximum of two years' remuneration. This severance payment cap is usually calculated on the basis of the total remuneration of the past financial year and, if applicable, on the basis of the total remuneration expected for the current financial year.

STI and LTI payouts are subject to malus and clawback provisions. Before determining the respective amount to be paid out, the Supervisory Board verifies that the individual or consolidated financial statements to which the variable remuneration relates are not null and void, that they give a true and fair view of the net asset, financial and profit position, and that there has been no grave misconduct within the meaning of Section 93 (1) of the German Stock Corporation Act, which would justify a reduction, or even forfeiture, of the variable remuneration. Moreover, already paid variable remuneration is subject to clawback within a period of three years if one of the aforementioned events occurs in a period for which the variable remuneration component was paid out.

The service contracts do not provide for any special regulations in the event of a change of control, neither special termination rights nor severance payments. Post-contractual non-competition clauses have not been agreed.

TOTAL REMUNERATION OF THE MANAGEMENT BOARD FOR ACTIVITIES IN THE 2020 FINANCIAL YEAR

in KEUR	Basic salary	Variable bonus**	Other remuneration	Total
Wolfgang Speck	751	41	0	792
Marc Hundsdorf	385*	90	16	491
Gerd Adamietzki	400	112	16	527
Werner Vaterl	400	112	20	531
Total	**1,936**	**355**	**51**	**2,342**

* The difference is due to the slightly lower management remuneration before the conversion to a stock corporation.

** In addition to the STI, the variable bonus also includes the variable remuneration agreed in the management contracts (valid until 13 August 2020), which was granted depending on the achievement of individually defined targets.

In the 2019 financial year, total remuneration, including the remuneration of the Chairman of the Management Board under the service contract, amounted to KEUR 2,165.

The following tables show the benefits granted and remuneration for each member of the Management Board for the 2020 financial year

WOLFGANG SPECK*

Chairman of the Management Board since (23.09.2020)	Benefits granted	Remuneration
Basic salary	751	751
Variable bonus	0	0
Short-term incentive, (STI)	41	0
Long-term incentive, (LTI)	0	0
Other remuneration	0	0
Total remuneration	**792**	**751**

Remuneration includes the fixed basic remuneration, benefits under the service contract and other remuneration as well as the variable bonus, which is paid out in the following year.
* settlement via a service contract up to 22.09.2020

MARC HUNDSDORF

Member of the Management Board	Benefits granted	Remuneration
Basic salary	385	385
Variable bonus	50	70
Short-term incentive, (STI)	41	0
Long-term incentive, (LTI)	0	0
Other remuneration	16	16
Total remuneration	**491**	**471**

Remuneration includes the fixed basic remuneration, other remuneration and the variable bonus, which is paid out in the following year.

GERD ADAMIETZKI

Member of the Management Board	Benefits granted	Remuneration
Basic salary	400	400
Variable bonus	71	70
Short-term incentive, (STI)	41	0
Long-term incentive, (LTI)	0	0
Other remuneration	16	16
Total remuneration	**527**	**486**

Remuneration includes the fixed basic remuneration, other remuneration and the variable bonus, which is paid out in the following year.

WERNER VATERL

Member of the Management Board	Benefits granted	Remuneration
Basic salary	400	400
Variable bonus	71	70
Short-term incentive, (STI)	41	0
Long-term incentive, (LTI)	0	0
Other remuneration	20	20
Total remuneration	**531**	**490**

Remuneration of the Supervisory Board

Pursuant to the provisions of Article 14 of the Articles of Association of Knaus Tabbert AG, the members of the Supervisory Board receive fixed annual remuneration of EUR 25,000 in addition to the reimbursement of their expenses. The Chairwoman of the Supervisory Board receives EUR 100,000, and the Deputy Chairman of the Supervisory Board EUR 37,500. The Chairwoman of the Audit Committee and the Chairwoman of the Presiding Committee each receive an additional annual fixed remuneration of EUR 35,000. The chairs of other committees each receive an additional annual fixed remuneration of EUR 5,000, provided that the committee in question has convened at least once during the financial year. In addition, members are reimbursed for the value-added tax payable on their remuneration and expenses.

To protect the interests of the company, the members of the Supervisory Board are enrolled in a financial loss liability insurance policy for members of executive bodies with adequate coverage. The insurance premiums are paid by the company.

Total remuneration granted and received in the 2020 financial year in EUR

	Fixed remuneration	Committee remuneration	Total
Esther Hackl (Chairwoman)	63,090	11,178	74,268
Willem Paulus de Pundert	12,773		12,773
Klaas Meertens	12,773		12,773
Rene Ado Oscar Bours	12,773		12,773
Manfred Pretscher	12,773		12,773
Ruben Paulus de Pundert	4,668		4,668
Jana Donath	8,104	9,781	17,885
Anton Autengruber (Deputy Chairman)	16,266		16,266
Stephan Kern	12,773		12,773
Michael Heim	12,773		12,773
Ferdinand Sommer	12,773		12,773
Robert Scherer	12,773		12,773
Ute Opritescu	5,348		5,348
Daniela Fischer	7,425		7,425
Total	**207,082**	**20,959**	**228,041**

Corporate Governance Statement pursuant to Sections 289f and §315d HGB and Corporate Governance Report

The Corporate Governance Statement pursuant to Sections 289f and 315d HGB and the Corporate Governance Report are published in the Group Annual Report, and on the company's website at www.knaus-tabbert.de:

Disclosures and explanations of relevance to acquisitions (supplementary disclosures pursuant to Sections 289a and 315a HGB)

Composition of the subscribed capital

As of 31 December 2020, the share capital of Knaus Tabbert AG amounts to EUR 10,377,259.00, and is divided into 10,377,259 ordinary bearer shares with no par value. Each share entitles the holder to one vote and an equal share in the profits in accordance with the dividend distribution resolved by the shareholders' meeting. There are no treasury shares as of 31 December 2020.

The rights and obligations of the shareholders are defined according to the German Stock Corporation Act in conjunction with the company's Articles of Association, the full text of which is available on the company's website under Investor Relations/Corporate Governance. Under the Articles of Association, shareholders are not entitled to demand securitisation of their shares.

Restrictions affecting voting rights or the transfer of shares

The company does not derive any rights from its treasury shares. In cases pursuant to Section 136 of the German Stock Corporation Act, voting rights from the shares concerned are excluded by law.

The shares held by the old shareholders HTP, Catalina and Palatium-Beteiligungsgesellschft mbH (Palatium) are subject to a customary lock-up period of six months after the initial public offering of the company's shares on 23 September 2020, or twelve months in the case of Palatium.

Shareholdings in excess of 10% of the voting rights

To the company's knowledge, the following direct or indirect shares in the voting capital exceeded 10% of the voting rights as of the balance sheet date:

Name	Share in %
H.T.P. Investments 1 B.V.	37.58
Catalina Capital Partners B.V.	25.06

The voting rights of H.T.P. Investments 1 B.V. and Catalina Capital Partners B.V. are attributed to further companies and individuals according to notifications pursuant to the German Securities Trading Act. In the case of H.T.P. Investments 1 B.V., these companies and individuals are Windroos B.V., Stichting Administratiekantoor Windroos and Willem Paulus de Pundert. In the case of Catalina Capital Partners B.V., these are Landmark Trust Switzerland SA, Landmark Group Limited and Klaas Meertens.

Changes in the aforementioned voting rights shares may have occurred since the reporting date, of which the company is not aware. Since its shares are bearer shares, the company only becomes aware of such changes insofar as these are subject to notification requirements under the German Securities Trading Act (Wertpapierhandelsgesetz) or other regulations.

Shares with special rights conferring powers of control

The company does not have any shares with special rights conferring powers of control.

Type of voting right control in the event that employees hold shares in the capital

The company is not aware of any employees who hold shares in the capital and who do not exercise their voting rights directly.

Rules and regulations on the appointment and dismissal of members of the Management Board, and on amendments to the Articles of Association

Members of the Management Board are appointed and dismissed in accordance with Sections 84 and 85 of the German Stock Corporation Act, and Section 31 of the German Co-Determination Act (Mitbestimmungsgesetz). Pursuant to Section 84 of the German Stock Corporation Act, Management Board members are appointed by the Supervisory Board for a maximum term of five years. Pursuant to Article 7 of the Articles of Association, the Management Board consists of one or more persons. The number of members is determined by the Supervisory Board. According to Section 84 para. 2 of the German Stock Corporation Act, the Supervisory Board may appoint a member of the Management Board as chair. The appointment of Management Board members, the conclusion of service contracts and the revocation of appointments, as well as the amendment and termination of service contracts, are performed by the Supervisory Board.

Pursuant to Section 179 of the German Stock Corporation Act, the Articles of Association may only be amended through a resolution of the shareholders' meeting. Unless mandatory provisions of the law stipulate otherwise, resolutions of the shareholders' meeting are passed by a simple majority of the votes cast and, if applicable, by a simple majority of the represented capital in accordance with Article 20 of the Articles of Association. Pursuant to Section 179 para. 2 of the German Stock Corporation Act, a majority of 75% of the share capital represented is required to change the object of the company; in the Articles of Association, no use is made of the option to specify a larger capital majority for this purpose. Amendments to the Articles of Association that only affect the wording and drafting can be decided by the Supervisory Board in accordance with Article 11 para. 4 of the Articles of Association. Amendments to the Articles of Association become effective upon entry in the commercial register in accordance with Section 181 para. 3 of the German Stock Corporation Act.

Powers of the Management Board to issue or repurchase shares

The Management Board is authorised, subject to the approval of the Supervisory Board, to increase the share capital of the company by up to EUR 5,000,000.00 by issuing up to 5,000,000 ordinary bearer shares with no par value against cash and/or non-cash contributions until 6 August 2025 (authorised capital). The authorisation may be exercised in whole or in part, at one or several occasions. The shareholders generally hold subscription rights.

To date, no use has been made of the authorised capital.

Furthermore, the Management Board is authorised to exclude shareholders' subscription rights once or several times, always subject to the approval of the Supervisory Board, in the following cases:

- in the case of capital increases against cash or non-cash contributions, insofar as this is necessary to compensate for share fractions;
- in the case of capital increases against non-cash contributions, in particular for the purpose of a business combination or the acquisition of companies, parts of companies, enterprises or shares in companies, industrial property rights (i.e. patents, utility models, trademarks or licences thereto) or other product rights; or

- in the case of capital increases against cash contributions, if the issue price of the new shares is not significantly lower than the stock price of shares offering the same terms at the time of the final determination of the issue price (simplified exclusion of subscription rights). The shares issued under the exclusion of subscription rights must not exceed 10% of the share capital existing at the time the authorisation becomes effective, or at the time the authorisation is exercised. This maximum limit of 10% of the share capital is reduced by the proportionate amount of the share capital attributable to those shares that are sold as treasury shares during the period of effectiveness of this authorisation under exclusion of subscription rights pursuant to Section 186 para. 3 (4) of the German Stock Corporation Act.

The proportionate amount of the share capital attributable to shares issued against cash or non-cash contributions under the exclusion of shareholders' subscription rights must not exceed a total of 50% of the company's share capital existing at the time of the resolution of the shareholders' meeting.

To date, no use has been made of the exclusion of subscription rights.

Furthermore, the share capital is conditionally increased by up to EUR 5,000,000, divided into up to 5,000,000 ordinary bearer shares with no par value (conditional capital). The conditional capital increase shall only be carried out to the extent that the holders or creditors of option or conversion rights, or those obliged to exercise option or conversion rights, make use of their option or conversion rights arising from option bonds and/or convertible bonds, profit participation rights and/or participating bonds (or combinations of these instruments), issued or guaranteed against cash or non-cash contributions by the company or a subordinate Group company until 20 September 2025, and by virtue of the authorisation of the Management Board by resolution of the shareholders' meeting of 21 September 2020, or to the extent that they fulfil their obligation to exercise option or conversion rights if they are obliged to exercise such rights, or to the extent that the company exercises its right to partially or fully grant shares in the company in lieu of payments, whose value equals the amount of money due.

By resolution of the shareholders' meeting of 21 September 2020, the Management Board was authorised, subject to the approval of the Supervisory Board, to issue option bonds or convertible bonds, participation rights and/or participating bonds, in bearer or registered form, or a combination of these instruments, on one or more occasions against cash or non-cash contributions, up to a total nominal value of EUR 400 millions and with or without a maturity restriction, and to grant option rights or obligations to the holders or creditors of option bonds, participation certificates or participating bond options, or to grant, or impose, ordinary no-par-value bearer shares of Knaus Tabbert AG at a proportionate amount of the share capital of up to EUR 5 million to the holders of convertible bonds, convertible participatory certificates, convertible participating bonds, or conversion rights or obligations.

To date, no use has been made of the authorisation to issue convertible bonds and/or option bonds.

Moreover, until 20 September 2025, the Management Board is authorised to acquire treasury shares in an amount of up to ten percent of the share capital existing at the time of the resolution or, if one of these values is lower, of the share capital existing at the time this authorisation becomes effective, or at the time this authorisation is exercised. In all cases, this authorisation may be exercised in whole or in part, on one or more occasions and for any legally permissible purpose, by the company, by a subordinate Group company, or by third parties on their own account or for the account of the company. At the discretion of the Management Board, the shares may be acquired on the stock exchange, through a public purchase offer, or by means of a public invitation to the shareholders to submit an offer for sale. The Management Board may sell the acquired treasury shares on the stock exchange, by submitting an offer to all shareholders or, subject to the approval of the Supervisory Board, against cash or non-cash consideration. The latter is of particular relevance in connection with the acquisition of companies, parts of companies or shareholdings. Furthermore, the Management Board is authorised, subject to the approval of the Supervisory Board, to use treasury shares to fulfil obligations arising from conversion or option rights or conversion obligations resulting from convertible bonds, option bonds, participation rights or participating bonds (or combinations of these instruments), which were issued by the company or a subordinate Group company and grant a conversion or option right, or impose a conversion or option obligation. The Management Board may also grant treasury shares to the holders of these instruments to the extent that they would be entitled to a subscription right to shares of the company after exercising conversion or option rights, or after fulfilling conversion or option obligations. The treasury shares may also be offered for purchase as employee shares to members of staff of the company or of one of its affiliates. The shares may also be withdrawn. Acquisition for the purpose of trading in treasury shares is excluded. The shares acquired on the basis of the authorisation, together with other treasury shares held by the company or attributable to it pursuant to Sections 71a et seq. of the German Stock Corporation Act, may not account for more than ten per cent of the respective share capital of the company.

Significant agreements of the company subject to the condition of a change of control

Knaus Tabbert AG has entered into the following significant agreements, which contain provisions for a change of control such as may occur as a result of a takeover bid:

- The Knaus Tabbert Group has concluded a syndicated loan agreement under the management of Commerzbank AG with a term until 31 July 2022, under which a revolving line of credit in the amount of EUR 100 million is made available to the company and certain subsidiaries. If required by a lender, early repayment of all drawdowns provided by that lender is required in specific events, including a change of control.

Agreements of the company on compensation for members of the Management Board or staff in the event of a takeover bid

The company has not concluded any agreements on compensation in the event of a takeover bid with members of the Management Board or staff.

Jandelsbrunn, 25 March 2021

Wolfgang Speck	Marc Hundsdorf	Werner Vaterl	Gerd Adamietzki

CONSOLIDATED FINANCIAL STATEMENTS 2020

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Consolidated balance sheet

ASSETS

in KEUR	Note	31.12.2020	31.12.2019
Assets			
Intangible assets	5.1	15,966	15,114
Property, plant and equipment	5.2	103,483	106,069
Financial assets		–	–
Other assets	5.7	1,802	603
Deferred tax assets	6.9	3,113	3,415
Non-current assets		**124,364**	**125,201**
Inventories	5.3	123,958	119,728
Trade receivables	5.4	10,577	37,275
Other assets	5.7	16,198	20,327
Tax receivables	5.5	1,826	810
Cash and cash equivalents	5.6	8,939	7,597
Current assets		**161,499**	**185,737**
Balance sheet total		**285,863**	**310,938**

Consolidated balance sheet

LIABILITIES

in KEUR	Note	31.12.2020	31.12.2020
Equity			
Subscribed capital	5.8	10,377	29
Capital reserves	5.8	26,926	12,475
Retained earnings	5.8	6,435	6,435
Profit/loss carry-forwards		49,797	48,627
Consolidated net income		31,327	31,170
Accumulated other comprehensive income	5.8	–1,091	–533
Equity attributable to shareholders		**123,770**	**98,202**
Total equity		**123,770**	**98,202**
Liabilities			
Other provisions	5.9	12,858	12,291
Liabilities to banks	5.10	5,616	12,348
Trade payables	5.11	–	–
Other liabilities	5.12	8,939	9,167
Deferred tax liabilities	6.9	6,906	7,217
Non-current liabilities		**34,317**	**41,022**
Other provisions	5.9	6,459	4,233
Liabilities to banks	5.10	49,001	81,941
Trade payables	5.11	35,167	47,057
Other liabilities	5.12	34,334	37,667
Tax liabilities	5.13	2,815	816
Current liabilities		**127,775**	**171,713**
Liabilities		**162,093**	**212,735**
Balance sheet total		**285,863**	**310,938**

Consolidated Profit and Loss Statement

in KEUR	Note	01.01. to 31.12.2020	01.01. to 31.12.2019
Revenue	6.1	794,591	780,386
Changes in inventory	6.2	4,364	12,001
Other own work capitalised	6.2	4,144	5,321
Other operating income	6.3	3,045	5,831
Cost of materials	6.4	–558,054	–565,467
Personnel expenses	6.5	–111,393	–108,127
Depreciation and amortisation	6.6	–19,445	–18,395
Other operating expenses	6.7	–70,691	–65,677
Financial income	6.8	91	437
Finance costs	6.8	–2,573	–2,598
Tax expense	6.9	–12,751	–12,543
Consolidated net income		**31,327**	**31,170**
Earnings per share (undiluted) in EUR	**6.10**	**7.63**	**7.55***
Earnings per share (diluted) in EUR	**6.10**	**7.63**	**7.55***

* Zu Vergleichbarkeitszwecken wurde für die im Geschäftsjahr 2019 bestehende Knaus Tabbert GmbH der gewichteten Durchschnitt der Stammaktien der Knaus Tabbert AG zum 31. Dezember 2020 verwendet.

Consolidated Statement of Comprehensive Income

in KEUR	01.01. to 31.12.2020	01.01. to 31.12.2019
Consolidated net income	**31,327**	**31,170**
Items that may be reclassified to profit or loss if certain conditions are met:		
Currency translation differences	–558	–170
Other comprehensive income	**–558**	**–170**
Total comprehensive income	**30,769**	**31,000**

Consolidated Cash Flow Statement

CASH FLOWS FROM OPERATING ACTIVITIES

in KEUR	Note	2020	2019
Consolidated net income		31,327	31,170
Adjustments for:			
Depreciation and amortisation/write-ups on intangible assets and property, plant and equipment	6.6	19,445	18,395
Increase/decrease in provisions	5.9	2,794	1,367
Other non-cash income/expenses		–66	827
Increase/decrease in inventories, trade receivables and other assets not related to investing or financing activities		27,216	–11,359
Increase/decrease in trade payables and other liabilities not related to investing or financing activities		–15,787	555
Profit/loss from the disposal of fixed assets		772	–651
Net finance costs	6.8	2,483	2,161
Income tax expense	6.9.1	12,460	12,074
Income taxes paid		–9,614	–10,423
Cash flows from operating activities		**71,029**	**44,116**

CASH FLOWS FROM INVESTING ACTIVITIES

in KEUR	Note	2020	2019
Proceeds from the sale of property, plant and equipment		98	3,870
Payments for investments in property, plant and equipment		–14,201	–25,410
Proceeds from the sale of intangible assets		–	–
Payments for investments in intangible fixed assets		–6,092	–6,578
Payments from the acquisition of a subsidiary, net of cash acquired		–	–
Interest received		60	
Cash flows from investing activities		**–20,136**	**–28,118**

CASH FLOWS FROM FINANCING ACTIVITIES

in KEUR	Note	2020	2019
Proceeds from equity increases	5.8	24,799	–
Dividend payments	5.8	–30,000	–15,000
Proceeds from shareholders from taking up shareholder loans		–	–
Repayments by shareholders of the shareholder loans		–	–
Proceeds from liabilities to banks		76,518	51,742
Repayments of liabilities to banks		–115,483	–47,845
Interest paid		–2,535	–2,186
Repayments of finance lease liabilities		–3,040	–2,534
Cash flows from financing activities		**–49,742**	**–15,824**
Net change in fund of means of payment		**1,151**	**175**
Impact of exchange rate fluctuations on fund of means of payment		4	18
Fund of means of payment at the beginning of the period		**1,684**	**1,491**
Fund of means of payment at the end of the period		**2,839**	**1,684**

Consolidated Statement of Changes in Equity

FINANCIAL YEAR 2020

in KEUR	Note	Subscribed capital	Capital reserves	Currency translation reserves	Retained earnings	Profit/loss carry-forwards	Consolidated net income	Total
Status as of 1 January		**29**	**12,475**	**–533**	**6,435**	**48,627**	**31,170**	**98,203**
Allocation of consolidated net income in profit/loss carry-forwards		–	–	–	–	31,170	–31,170	0
Profit		–	–	–	–	–	31,327	31,327
Other comprehensive income		–	–	–558	–	–	–	–558
Total comprehensive income		**–**	**–**	**–558**	**–**	**31,170**	**157**	**30,769**
Transactions with owners								
Contributions and distributions								**–**
Contributions to capital reserves	5.8	–	5,000	–	–	–	–	5,000
Capital increases	5.8	9,998	–9,998	–	–	–	–	–
Issuance of new treasury shares	5.8	350	19,950	–	–	–	–	20,300
Transaction costs	5.8	–	–501	–	–	–	–	–501
Distributions	5.8	–	–	–	–	–30,000	–	–30,000
Total contributions and distributions		**10,348**	**14,451**	**–**	**–**	**–30,000**	**–**	**–5,201**
Total transactions with owners of the company		**10,348**	**14,451**	**–**	**–**	**–30,000**	**–**	**–5,201**
Status as of 31.12.		**10,377**	**26,926**	**–1,091**	**6,435**	**49,797**	**31,327**	**123,771**

FINANCIAL YEAR 2019

in KEUR	Note	Subscribed capital	Capital reserves	Currency translation reserves	Retained earnings	Profit/loss carry-forwards	Consolidated net income	Total
Status as of 1 January		**29**	**12,475**	**–363**	**6,435**	**35,006**	**28,621**	**82,203**
Allocation of consolidated net income in profit/loss carry-forwards		–	–	–	–	28,621	–28,621	–
Profit before tax from continuing operations		–	–	–	–	–	31,170	31,170
Other comprehensive income		–	–	–170	–	–	–	–170
Total comprehensive income		**–**	**–**	**–170**	**–**	**28,621**	**2,549**	**31,000**
Transactions with owners								
Contributions and distributions								**–**
Distributions	5.8	–	–	–	–	–15,000	–	–15,000
Total contributions and distributions		**–**	**–**	**–**	**–**	**–15,000**	**–**	**–15,000**
Total transactions with owners of the company		**–**	**–**	**–**	**–**	**–15,000**	**–**	**–15,000**
Status as of 31.12.		**29**	**12,475**	**–533**	**6,435**	**48,627**	**31,170**	**98,203**

Notes to the Consolidated Financial Statements

1. General information

1.1. Reporting entity

Knaus Tabbert AG (Knaus Tabbert GmbH until 14 August 2020; hereinafter individually referred to as “KTAG” or “Company”, and together with its subsidiaries as “Group”) is a capital market-oriented stock corporation based in Germany with its registered office at Helmut-Knaus-Str. 1, 94118 Jandelsbrunn. The Group mainly produces and distributes products for the leisure and commercial vehicle market. These include, in particular, caravans, motorhomes and camper vans. The Group's main sales market is the European Union (EU).

The company was founded on 22 October 2008 as Marmor 235. VV GmbH with its headquarters in Munich. On 12 February 2009, the company was rebranded as Knaus Tabbert GmbH with its registered office in Jandelsbrunn. Through a change of legal form on 7 August 2020, Knaus Tabbert GmbH, which was previously registered with the district court of Passau under the commercial register number HRB 7579, was converted into a stock corporation. Knaus Tabbert AG was entered in the commercial register of the district court of Passau on 14 August 2020 under the register number HRB 11089.

The company has been listed on the regulated market segment of the Frankfurt Stock Exchange (Prime Standard) since 23 September 2020. The Security Identification Number (WKN) is A2YN50, and the International Securities Identification Number (ISIN) is DE000A2YN504. In the course of the listing, a total of 10,377,259 shares of Knaus Tabbert AG were listed. Of these, 350,000 newly issued shares resulted from a capital increase against a contribution in cash by Knaus Tabbert AG, and a further 3,128,261 re-allotment shares as well as 185,000 over-allotment shares from the shareholdings of existing shareholders. The shares were offered at an offer price of EUR 58.00 per share. At the time of the initial public offering, the share capital of Knaus Tabbert AG comprised 10,027,259 no-par value shares.

The Consolidated Financial Statements of Knaus Tabbert AG as of 31 December 2020 include Knaus Tabbert AG and its subsidiaries.

1.2. Basis of accounting

The financial year of the Group comprises twelve months and ends on 31 December. The Consolidated Financial Statements of the company have been prepared in accordance with uniform Group accounting policies for all reporting periods presented. The Consolidated Statement of Comprehensive Income has been prepared according to the total cost method.

The Consolidated Financial Statements of Knaus Tabbert AG have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as applicable in the European Union (EU) as of 31 December 2020, including the interpretations of the International Financial Reporting Interpretations Committee on IFRS (IFRIC) and the supplementary provisions of commercial law applicable under Section 315e para. 1 of the German Commercial Code (HGB).

The Management Board of Knaus Tabbert AG prepared the Consolidated Financial Statements as of 31 December 2020 under the going concern assumption. The Consolidated Financial Statements were approved for publication by the Management Board on 25 March 2021.

1.3. Functional and presentation currency

These Consolidated Financial Statements are presented in euros, the company's functional currency. Unless otherwise stated, all amounts reported in the Consolidated Financial Statements are rounded to the nearest thousand (KEUR). Deviations of up to one unit (KEUR) are rounding differences occurring for computational reasons.

1.4. Use of judgements and estimates

The preparation of the Consolidated Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Due to unforeseeable developments beyond management's control, the actual values may deviate from these estimates. Both estimates and the underlying assumptions are reviewed on an ongoing basis. Changes in estimates are recognised prospectively in accordance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors).

The following section explains those balance sheet items for which judgements and/or estimates may have a significant impact on the values recognised in the Consolidated Financial Statements within the next financial year. For judgements in connection with consolidation procedures, please refer to Note 3.1.

Determining fair values

A number of accounting policies and disclosures of the Group require the determination of fair values for financial and non-financial assets and liabilities.

In determining the fair value of an asset or liability, the Group uses observable market data to the extent possible. Based on the inputs used for the valuation techniques, the fair values are categorised into different levels of the fair value hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: valuation parameters other than the quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: valuation parameters for assets or liabilities that are not based on observable market data

If the inputs used to determine the fair value of an asset or liability can be categorised into different levels of the fair value hierarchy, the fair value measurement is allocated in its entirety to the level of the fair value hierarchy that corresponds to the input of the lowest level that is significant to the measurement as a whole.

The Group recognises reclassifications between levels of the fair value hierarchy at the end of the reporting period in which the change has occurred.

For further details, please refer to Notes 3.5, 3.8 and 3.10.

Capitalisation of self-created intangible assets

When capitalising development costs, estimates of management regarding the technical and economic feasibility of the development projects are taken into account in the recognition decision. The valuation of capitalised development costs and thus the assessment of their recoverability depends on assumptions about the amount and period of the inflow of expected future cash flows as well as the discount rates to be applied. For further information, please refer to Note 3.3.

Determining the useful lives of property, plant and equipment, software and licences

Estimates of the useful lives of assets are based on the past experience of the company with similar assets. However, due to increasingly rapid technological progress, the useful lives of some assets may be shorter than others. For further details, please refer to Notes 3.3 and 3.4.

Determining lease terms with extension/termination options

When determining its lease terms, the Knaus Tabbert Group makes judgements while taking extension or termination options into account. The assessment of whether the extension or termination options will be exercised with a sufficiently high degree of probability has an impact on the term of the lease and can thus significantly impact the rights of use or lease liabilities. For further information, please refer to Notes 3.4 and 3.6.

Provisions

Provisions differ from other liabilities in that the timing and/or amount of future expenditures required is subject to uncertainty. A provision must be recognised if the company has a present obligation (legal or de facto) as a result of a past event, it is probable that an outflow of resources of economic value will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Due to differing economic and legal assessments and the difficulties in determining probabilities of occurrence, considerable uncertainties with regard to recognition and valuation exist. Please refer to Note 5.9 for information on the methodology used to determine the amount of the warranty provision and further details.

Determining the net realisable value of inventories

Inventories are to be recognised at the lower of purchase or production cost and net realisable value. When determining the net realisable value, assumptions must be made in particular regarding the development of sales prices and costs still to be incurred prior to sale. For further information, please refer to Note 5.3.

Revenue recognition from the sale of goods

The Group has determined, based on the existence of certain indicators that the performance obligation will be settled when control of the motorhomes, caravans and vans is transferred to the customer and revenue is recognized as of that date. For details, please refer to Note 3.15.1. In recognizing revenue from the sale of goods, judgment is required in particular to determine the extent to which any follow-up work required after completion of the vehicles is significant and may preclude performance of the contract with the customer in accordance with the terms of the contract. In addition, estimates regarding the receipt of the consideration from the customer (creditworthiness) are necessary on a case-by-case basis and require the exercise of judgment.

1.5. Effects of COVID-19

The business development in the first half of 2020 was initially impacted by the shutdown of production facilities and the dealer network for several weeks as a result of the COVID-19 pandemic. As the financial year progressed, Knaus Tabbert AG was able to compensate for nearly all production losses arising from the temporary closure in the spring. For the market as a whole, the COVID-19 crisis led to increased demand for leisure vehicles in 2020. Thus, despite renewed restrictions in the fourth quarter, Knaus Tabbert was able to increase its turnover in the 2020 financial year.

All estimates and assumptions of relevance to these Consolidated Financial Statements were made to the best of our knowledge, and taking into account current events and measures. Due to the ongoing situation, predicting the effects on recognised assets and liabilities, and on income and expenses, is fraught with difficulty. The specific impacts of the coronavirus pandemic are described, where relevant, in the individual Notes to the Consolidated Financial Statements.

Recourse to support measures

As a result of the COVID-19 crisis, the Group partially implemented short-time work in April 2020. In this context, reimbursements of social security contributions in the amount of KEUR 195, which were granted by the German Federal Employment Agency in connection with the payment of short-time work allowances in the reporting period, were recognised as income in personnel expenses.

No other government support measures, such as loans, were taken advantage of.

Recoverability of non-current assets

After analysing all relevant circumstances and conditions, management found no indications of impairment of goodwill or brands with indefinite useful lives in the financial year 2020. On the one hand, this is primarily due to the essentially unchanged strong demand for luxury Morelo motorhomes, which was effectively not influenced by the developments of the COVID-19 pandemic. With regard to motorhomes, caravans and camper vans of brands in the Premium segment, significant recoveries in sales figures were first noticeable in the months of May and June, i.e. immediately after the end of the first lockdown. This trend continued during the course of the year so that, overall, no impairment of the brands was, and is, to be expected. The mandatory impairment tests performed on the reporting date for goodwill and the brands also revealed no need for impairment. For further details, please refer to Note 5.1.

Furthermore, management considered COVID-19-related impairments for other non-current assets in property, plant and equipment and intangible assets to be unnecessary for the reasons stated above.

Value adjustments for inventories and trade receivables

Due to the temporary production stop as a result of the first lockdown in the first half of 2020, inventories of raw materials, auxiliary materials and operating materials increased temporarily. These were normalised again in the course of the second half of the year. Finished goods at the end of the year increased by KEUR 2,366 compared to the previous year. This is primarily attributable to the lockdown in the fourth quarter and the resulting lack of purchasing opportunities of foreign traders.

Owing to the stabilisation of the economic situation and the increase in demand, further value adjustments on inventories and trade receivables were not required as of the reporting date.

The Group experienced no other significant, direct effects of the COVID-19 pandemic.

2. Valuation principles

The Consolidated Financial Statements were prepared on the basis of historical acquisition and production costs, with the exception of derivative financial instruments, which are measured at their fair value as of the reporting date.

3. Key accounting policies

3.1. Consolidation principles

Scope of consolidation

In addition to Knaus Tabbert AG, the Consolidated Financial Statements include all subsidiaries over which the Group has the ability to exercise control in accordance with the provisions of IFRS 10. The Group is deemed to have control within the meaning of IFRS 10 if it has the power to dispose of an associated company, generates variable returns from its involvement and has the possibility of using this power to influence its returns from the associated company. Even in cases where the Group does not hold a majority of the voting rights, control can occur if the Group has the power to unilaterally direct the relevant activities of the associated company. When assessing the degree of control, all facts and circumstances are to be taken into account. These include, in particular, the purpose and configuration of the associated company, the identification of the relevant activities and decisions about them, the relationship of the company's own voting rights compared to the scope and distribution of other voting rights, as well as potential voting rights and rights from other contractual agreements. The assessment of control requires management to take all facts and circumstances into account when making judgements.

The scope of consolidation of Knaus Tabbert AG, including all domestic and foreign subsidiaries over which the company can exercise a direct controlling influence in accordance with IFRS 10, is shown in the following table:

SCOPE OF CONSOLIDATION

	Registered office	Shareholding in %
Domestic		
Caravan-Welt GmbH Nord[1)]	Bönningstedt	100.00
HÜTTLrent GmbH[1)]	Maintal	100.00
MORELO Reisemobile GmbH	Schlüsselfeld	100.00
Foreign		
Knaus Tabbert Kft	Vac (Ungarn)	100.00

1) The company exercised its right to be exempted from the duty to disclose its annual financial statements pursuant to Section 264 para. 3 of the German Commercial Code.

Business combinations

Acquired subsidiaries are accounted for using the acquisition method in accordance with IFRS 3. The consideration transferred in the course of a business combination is measured at fair value, which is calculated as the sum of the fair values of all assets transferred as consideration for control, the liabilities incurred or assumed by the seller, and the equity instruments issued.

In the course of the initial consolidation, the identifiable assets and liabilities are measured at fair value. The fair value of property, plant and equipment is generally determined using appraisals based on observable market data, while the fair value of financial instruments, retirement benefits and similar obligations and inventories is determined on the basis of available market information. The fair value of key intangible assets is calculated using adequate valuation methods based on projected future cash flows or multiples. Expenses in connection with business combinations are recognised as incurred.

For each company acquisition, the Group decides on a case-by-case basis whether the non-controlling interests in the acquired company are to be recognised at fair value or according to the proportional share of the net assets of the acquired company.

Goodwill is equal to the positive difference between the acquisition costs and the fair value of the assets and liabilities acquired in the course of a business combination. If the amount thus determined is negative, the difference is recognised directly to profit or loss in the Consolidated Profit and Loss Statement following a further examination.

Subsidiaries are fully consolidated from the date of acquisition, i.e. from the date on which the Group obtains control. Inclusion in the consolidated financial statements ends as soon as the Group loses control. If control is subsequently lost, the consolidated financial statements are to include the results for that part of the financial year during which the Group exercised control.

Changes in the Group's ownership interests in subsidiaries that do not result in a loss of control are recognised as equity transactions.

Intercompany results from deliveries and services that have not yet been realised from the Group's perspective are eliminated in the Consolidated Financial Statements. Receivables, liabilities, provisions, revenues, expenses and income between Group companies are eliminated. Differences resulting from the consolidation of debts are reported under other operating expenses. Differences from the consolidation of expenses and income are recognised directly in equity.

Deferred taxes were recognised for temporary differences arising from the consolidation in accordance with IAS 12.

Where necessary, the annual financial statements of the subsidiaries are adapted to the accounting and valuation policies of Knaus Tabbert AG.

3.2. Foreign currencies

Business transactions in foreign currencies

Business transactions in foreign currencies are translated into euros at the exchange rate prevailing at the time of the transaction. In subsequent periods, monetary assets and liabilities denominated in a foreign currency are translated using the closing rate. Non-monetary items measured at historical acquisition or production cost in a foreign currency are translated using the exchange rate at the date of the transaction. Gains and losses arising from foreign currency translations are recognised in other operating income or other operating expenses.

Foreign operations

Assets and liabilities of the Hungarian subsidiary Knaus Tabbert Kft, whose functional currency is a currency other than the euro, are translated into euros at each balance sheet date using the closing rate. The income and expenses of this subsidiary are translated using the exchange rate at the time of the respective business transaction.

Currency translation differences are recognised in other comprehensive income and reported in the currency translation reserve under equity. The following exchange rates for Hungarian forints (HUF) were used as the basis for the currency translation:

CURRENCY EXCHANGE RATES

	Average exchange rates	Average exchange rates	Year-end exchange rates as per 31 December	
1 euro is equal to	2020	2019	2020	2019
Hungary (HUF)	351.25	325.30	363.89	330.53

3.3. Intangible assets and goodwill

a) Recognition and measurement

Goodwill and acquired trademarks

Goodwill arising from business combinations is measured at cost less accumulated impairment losses.

Acquired trademark rights of the umbrella brands “Weinsberg”, “Knaus”, “Tabbert” and “T@B” as well as “MORELO” are measured at acquisition cost less accumulated impairment losses. An indefinite useful life is assumed for the trademark rights of the umbrella brands, as there is no indication of a foreseeable limit to the period in which these assets are expected to generate net cash flows for the company. In the process, the assumption of an unlimited useful life of these trademark rights is checked for plausibility in each period, taking into account all relevant events and circumstances.

Self-created intangible assets

Expenditures for research activities are recognised in other operating expenses as incurred.

Development costs are capitalised only if they meet the definition of an intangible asset and can be measured reliably, the product or process is technically and commercially suitable, future economic benefits are probable, and the Group both intends and has sufficient resources to complete the development, and to use or dispose of the asset. Other development costs are recognised in other operating expenses as incurred.

In order to consistently check whether development costs can be capitalised, ongoing development projects are centrally monitored and divided into multi-stage project phases. If the above-mentioned requirements are fulfilled from a certain project phase onwards, the associated expenses are capitalised as production costs of the self-created intangible asset.

Other intangible assets

Other intangible assets, that have been acquired by the Group and have finite useful lives, are measured at acquisition cost less accumulated depreciation and amortisation and accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised as a material improvement only if it will increase the future economic value of the asset to which it relates. All other expenditure, including expenditure on self-created goodwill and self-created brand names, is recognised in other operating expenses as incurred.

c) Amortisation

Intangible assets are generally amortised on a straight-line basis over their estimated useful lives, with amortisation recognised to profit or loss. In contrast, goodwill and intangible assets with indefinite useful lives are not subject to scheduled amortisation.

Goodwill is tested for impairment at least once a year, and more frequently if state of affairs or changes in circumstances indicate that the carrying amount of goodwill may not be recoverable.

The acquired brands have an indefinite useful life as they have established solid footholds in their markets and will continue to be promoted accordingly in the future in order to maintain their market position. There are no other legal, regulatory or competition-related factors that could impose restrictions on the use of the brand names. As a result, the brands are not subject to scheduled amortisation. Instead, they are tested for impairment at least once a year, and whenever states of affairs or changes in circumstances indicate that their carrying amount may not be recoverable. The acquired trademarks were tested for impairment on 31 December 2020.

For self-created intangible assets taking the form of capitalised development projects, a specific useful life is assumed. They are generally subject to scheduled amortisation from the beginning of their useful life over a period of 5 years, which corresponds to the life cycle of the product. At each balance sheet date, the Group assesses whether there are any indications that a self-created intangible asset may be impaired.

The useful lives of other intangible assets in the form of patents, software and licences range from two to eight years.

Amortisation methods, useful lives and residual values are reviewed at each balance sheet date and adjusted if necessary.

3.4. Property, plant and equipment

a) Recognition and measurement

Property, plant and equipment is measured at amortised acquisition or production cost, less accumulated, scheduled depreciation and accumulated impairments.

The acquisition cost of an item of property, plant and equipment comprises the purchase price as well as all costs directly incurred in bringing the asset to operable condition. Rebates, discounts and bonuses are deducted from the purchase price. The costs of self-constructed property, plant and equipment include all costs directly attributable to the manufacturing process as well as proportionately allocated overheads. Financing costs are generally not recognised as part of the acquisition or production costs. However, if they are directly attributable to the acquisition, construction or production of a qualifying asset, they are capitalised in accordance with IAS 23 (*Borrowing Costs*). Repair and maintenance costs are immediately recognised as an expense if they do not generate any additional economic benefit.

Where relevant, acquisition and production costs include the estimated costs incurred for the demolition and removal of the asset and the restoration of the site.

b) Subsequent acquisition and production costs
Subsequent expenditure is capitalised only if it can be expected that the future economic benefits associated with the expenditure will flow to the Group.

c) Depreciation
Property, plant and equipment is depreciated on a straight-line basis over its useful life, based on the following estimated useful lives of key property, plant and equipment for the current and comparative years:

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

Buildings	10 to 50 years
Other constructions and property facilities	5 to 33 years
Technical plants and machinery	1 to 18 years
Other plants, operating and office equipment	1 to 14 years

When an item of property, plant and equipment is disposed of, gains or losses are determined by comparing the disposal proceeds with the carrying amount of the corresponding item of property, plant and equipment. These gains and losses are reported in other operating income or other operating expenses, with the exception of rental vehicles. The proceeds from the sale of these asset classes are reported under revenue.

The residual values, useful lives and depreciation methods of the assets are reviewed, and adjusted if necessary, at the end of each financial year, which may lead to reversals of impairment losses.

Impairment losses are recognised if the carrying amount of property, plant and equipment exceeds the recoverable amount and there are indications of impairment of that asset. The recoverable amount is the higher of the fair value less costs of disposal, and the value in use. If the reason for an impairment loss already recognised no longer applies, the impairment loss is reversed to amortised acquisition or production cost.

3.5. Assets and disposal groups held for sale

Non-current assets or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be realised primarily through disposal rather than through their continued use.

These assets are carried at the lower of their carrying amount and fair value less costs to sell. Impairment losses arising from the initial classification as held for sale as well as subsequent gains and losses as a result of revaluations are recognised to profit or loss.

Intangible assets and property, plant and equipment are no longer subject to scheduled amortisation or depreciation, but are recognised at fair value less costs to sell if this is lower than the carrying amount. The fair value is derived from purchase prices with potential buyers.

3.6. Leases

a) The Group as lessee

At the start of the contract, the Group assesses whether the contract constitutes, or contains, a lease in accordance with IFRS 16. This is the case if the contract entitles the lessee to control the use of an identified asset for a specified period of time in return for payment of a consideration.

The Group leases various types of assets, mainly land and buildings, technical plants and machinery, cars as well as operating and office equipment. The contracts are usually concluded for a fixed period of up to 15 years, but may also include extension or termination options. The terms are negotiated on an individual basis and may include a host of different provisions.

The Knaus Tabbert Group has decided not to recognise rights of use or lease liabilities for leases where the underlying assets are of low value (new purchase value of EUR 5,000 or less) as well as for short-term leases (lease term of twelve months and containing no purchase options). The Group recognises the lease payments under these leases as an expense on a straight-line basis over the lease term.

On the date of commencement, the Group recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at acquisition cost, corresponding to the initial measurement of the lease liability and adjusted for payments made on or before the commencement date, plus any initial direct costs and the estimated costs of dismantling or removing the underlying asset, or of restoring the underlying asset or the site on which it is located, less any lease incentives received.

Subsequently, the right of use is amortised on a straight-line basis from the date of commencement to the end of the lease term, unless ownership of the underlying asset is transferred to the Group at the end of the lease term, or the cost of the right of use takes into account the Group's intention to exercise a purchase option. In this case, the right of use is amortised over the useful life of the underlying asset, which is determined in accordance with the regulations for property, plant and equipment. In addition, the right of use is continuously adjusted for impairments, where necessary, and for certain revaluations of the lease liability.

The lease liability is initially measured at the present value of the lease payments outstanding as of the commencement date. These comprise fixed payments, including de facto fixed payments, variable lease payments linked to an index or (interest) rate, amounts likely to be payable under a residual value guarantee, the exercise price of a purchase option if the Group is reasonably certain to exercise it, lease payments for an extension option if the Group is reasonably certain to exercise it, and penalties for early termination of the lease unless the Group can reasonably be expected not to terminate the contract prematurely. Lease payments are discounted at the rate implicit in the lease. If this interest rate cannot be readily determined, the Group shall apply its incremental borrowing rate. To determine its incremental borrowing rate, the Group shall collect interest rates from various external financial sources and make certain adjustments to take into account the terms of the lease and the nature of the underlying asset.

The lease liability is measured at amortised carrying amount using the effective interest method. It is remeasured if the future lease payments change due to a change in an index or (interest) rate, if the Group adjusts its estimate of the expected payments under a residual value guarantee, if the Group revises its assessment of whether it will exercise a purchase, extension or termination option, or if there is a change in a de facto fixed lease payment.

When the lease liability is thus remeasured, the carrying amount of the right of use is adjusted accordingly, or recognised to profit or loss if the carrying amount of the right of use has decreased to zero.

Rights of use that do not meet the definition of property held as financial investments are reported in property, plant and equipment, and lease liabilities are reported in other financial liabilities.

b) The Group as lessor

The Group leases motorhomes and caravans on a small scale through its subsidiaries HÜTTLrent GmbH and Caravan-Welt GmbH Nord. From the perspective of a lessor, all leases are classified as operating leases as not all major risks and rewards associated with ownership are transferred when leasing the motorhomes. For further details, please refer to Note 6.1.

3.7. Inventories

Inventories are generally measured at the lower of net realisable value and acquisition or production cost. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. When determining the net realisable value, the marketability, age as well as all apparent storage and inventory risks are taken into account.

Acquisition costs are determined on the basis of the moving average method. In addition to direct material, manufacturing and special manufacturing costs, the production costs of finished goods and work in progress also include overheads attributable to production as well as depreciation as a result of manufacturing. Overhead costs are allocated on the basis of normal operating capacity.

3.8. Financial instruments

a) Recognition and initial measurement

Trade receivables are recognised from the date on which they are incurred. All other financial assets and liabilities are first recognised on the day of trading when the entity becomes a party to the contract under the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value. For a financial asset or liability that is not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue are added to the fair value. Trade receivables without a significant financing component are initially measured at their transaction price.

b) Classification and measurement subsequent to initial recognition

Financial assets:

At initial recognition, a financial asset is classified and measured as follows:

- at amortised acquisition cost
- FVOCI debt instruments (investments in debt instruments measured at fair value with changes in other comprehensive income)
- FVTPL (at fair value with changes in profit or loss)

Financial assets are not reclassified after their initial recognition unless the Group changes its business model for managing its financial assets. In this case, all affected financial assets are reclassified on the first day of the reporting period following the change of the business model.

A financial asset is measured at amortised acquisition cost if both of the following conditions are met, and it is not classified as FVTPL:

- It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVOCI if both of the following conditions are met, and it is not classified as FVTPL:

- The financial asset is held within a business model whose objective is to both hold financial assets in order to collect contractual cash flows, and to sell financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not measured at amortised cost or FVOCI are measured at FVTPL.

Financial assets – assessment of the business model
The Group evaluates the objectives of the business model in which the financial asset is held at a portfolio level, as this best reflects the way in which business is managed and information is provided to management. The information to be considered includes:

- the specified policies and objectives for the portfolio and the implementation of those policies in practice; this includes whether management's strategy is to collect contractual interest income, maintain a particular interest rate profile, align the maturity of a financial asset with the maturity of an associated liability or expected cash outflows, or realise cash flows through the sale of assets;
- the manner in which the results of the portfolio are evaluated and reported to the Group’s management;
- the risks affecting the results of the business model (and the financial assets held under that business model) and the manner in which those risks are managed; and
- the frequency, amount and timing of sales of financial assets in prior periods and expectations about future selling activities.

Financial assets – assessment of whether the contractual cash flows are solely payments of principal and interest
For the purpose of this assessment, “principal” is defined as the fair value of the financial asset at initial recognition. “Interest” is defined as consideration for the time value of money and for the credit risk associated with the principal outstanding over a period of time, other fundamental credit risks, costs (for example, liquidity risks and administrative costs) and a profit margin.

The Group considers the contractual terms of the instrument when assessing whether the contractual cash flows are solely payments of interest and principal on the principal amount outstanding. This includes an assessment of whether the financial asset contains a contractual arrangement that could change the timing or amount of the contractual cash flows such that they no longer meet those conditions. In making this assessment, the Group takes into account:

- certain events that change the amount or timing of cash flows;
- conditions that would lead to an adjustment of the interest rate, including variable interest rates;
- early repayment and extension options; and
- conditions that restrict the Group's right to collect cash flows from a specific asset (for example, no right of recourse).

An early repayment option is consistent with the criterion of interest and principal payments only if the amount of the early repayment essentially comprises unpaid interest and principal payments on the outstanding principal amount, which may include appropriate consideration for the early termination of the contract.

In addition, a condition for a financial asset acquired at a premium or discount to its contractual nominal amount, which permits or requires the financial asset to be repaid early at an amount that substantially equals its contractual nominal amount plus accrued (but unpaid) contractual interest (which may include an appropriate consideration for the early termination of the contract), is treated as complying with the criterion, provided that the fair value of the early repayment option is not material at the outset.

FINANCIAL ASSETS – MEASUREMENT SUBSEQUENT TO INITIAL RECOGNITION AND GAINS AND LOSSES

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, exchange rate gains and losses and impairments are recognised in profit or loss. Other net gains or losses are recognised in other comprehensive income. Upon derecognition, the accumulated other comprehensive income is reclassified to profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. Impairment losses are deducted from the amortised cost. Interest income, exchange rate gains and losses and impairment losses are recognised in profit or loss. A gain or loss resulting from derecognition is recognised in profit or loss.

As of the balance sheet date, the Group holds financial assets in the form of trade receivables, receivables from shareholders, receivables from factoring and cash and cash equivalents.

These financial instruments are measured at amortised cost due to the fulfilment of the cash flow and business model condition. In the case of receivables from factoring, the original receivables from the customer were sold to the factoring company at the time of their occurrence.

Financial liabilities – classification, measurement subsequent to initial recognition, and gains and losses
Financial liabilities are classified and measured at amortised cost or at fair value through profit or loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, or if it is a derivative or designated as such at initial recognition.

Financial liabilities at FVTPL are measured at fair value, and net gains or losses, including interest expenses, are recognised in financial income or finance costs.

Other financial liabilities are measured subsequent to initial recognition at amortised cost using the effective interest method. Interest expenses are recognised in financial income or finance costs, and foreign currency translation differences are recognised in other operating income or other operating expenses. Gains or losses from derecognition are also recognised in other operating income or other operating expenses.

With the exception of derivative financial instruments and the financial guarantee, the Group only holds financial liabilities measured at amortised cost as of the balance sheet date.

c) Derecognition

Financial assets

The Group derecognises financials asset if the contractual rights to the cash flows from the financial assets expire, or if it transfers the rights to the cash flows in a transaction together with all significant risks and rewards of ownership of the financial assets.

Derecognition also occurs when the Group neither transfers nor retains all the significant risks and rewards of ownership, and does not retain control of the transferred assets.

Financial liabilities

The Group derecognises financial liabilities when the contractual obligations are discharged, cancelled or expire. The Group also derecognises financial liabilities if their contractual terms are modified, and the cash flows of the modified liabilities have changed significantly. In this case, a new financial liability is recognised at fair value on the basis of the amended contractual terms.

When a financial liability is derecognised, the difference between the carrying amount of the extinguished liability and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in other operating income or other operating expenses.

d) Offsetting

Financial assets and liabilities are offset and reported in the balance sheet as a net amount when the Group has a current, legally enforceable right to set off the reported amounts and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

e) Derivative financial instruments

The Group holds derivative financial instruments to hedge interest rate risks.

Derivatives are measured at fair value at initial recognition. Derivatives are subsequently measured at fair value. Any resulting changes are generally recognised in financial income or finance costs.

The Group does not use hedge accounting for its derivative financial instruments.

f) Financial guarantee

The financial guarantee is measured at fair value on initial recognition. For subsequent measurement, the financial liability is to be measured at the higher of the value adjustment determined in accordance with IFRS 9 and the adjusted fair value at initial recognition, if applicable. Resulting changes are generally recognised in financial income or finance costs.

g) Dealer financing models and factoring agreements of the Group

Due to the high capital intensity of the independent dealers' sales business, agreements were concluded with various credit institutes for the purchase financing of dealers. Under these models, the dealers may conclude a financing agreement with one of the credit institutes for the vehicle purchased by them from the Group. In this case, the Group shall receive the purchase price from the respective credit institute in the name and for the account of the respective dealer, who is granted a certain financing facility by the credit institute for their purchases. The existing trade receivable from the dealer is derecognised upon payment by the credit institute, as the contractual rights to the cash flows arising from the financial asset expire at that point.

In addition, the Group maintains several factoring agreements. Under these agreements, the underlying receivables from customers are sold to the respective factoring company as soon as they arise. In this context, the Group neither retains significant risks nor rewards from these sales of receivables and derecognises the trade receivables accordingly. Until payment is received, the Group holds a receivable from the factoring company, which is reported under current other assets.

3.9. Cash and cash equivalents

Cash and cash equivalents consist mainly of cash and other current, highly liquid investments with a term of three months or less. Cash and bank deposits are recognised at nominal value. Due to the good financial standing of the banks, expected losses were not recognised due to a lack of materiality.

3.10. Impairment

a) Non-derivative financial assets

Expected credit losses – general approach

The Group recognises impairment losses for expected credit losses on financial assets measured at amortised cost.

With the exception of trade receivables, impairment losses for financial assets are determined according to the general impairment model. Impairment losses for trade receivables are always measured in the amount of the credit loss to be expected over the term of the loan. The extent of the impairment and the interest received are determined according to the allocation of the financial instrument to the three levels listed below:

Level 1:

In principle, all relevant instruments are initially assigned to the first level. The present value of the expected credit losses resulting from possible default events within the next twelve months after the balance sheet date is to be recognised as an expense. Interest is recognised on the basis of the gross carrying amount. Consequently, the effective interest method is applied on the basis of the carrying amount before taking the risk provision into account.

Level 2:
This category includes all instruments that have been exposed to a significant increase in default risk since their initial recognition. The Group assesses whether the default risk has significantly increased on each balance sheet date. In principle, a significant increase in the default risk is assumed if an instrument is more than 30 days overdue. The extent of the impairment is equivalent to the present value of the expected credit losses from possible default events over the entire remaining term of the instrument. The recognition of interest remains unchanged from the procedure in the first level.

Level 3:
If, in addition to an increased risk of default, there are objective indications of an impairment of an instrument, the impairment is measured on the basis of the present value of the expected losses from possible default events over the remaining term. In this category, interest is recognised on the basis of the net carrying amount, i.e. on the basis of the carrying amount after taking risk provisions into account.

Expenses arising from expected credit losses are recognised in the Profit and Loss Statement under other operating expenses.

Expected credit losses– simplified approach
The Group applies the simplified approach to determine the expected credit losses for its trade receivables. Consequently, the expected credit losses over the contractual term are used for all trade receivables.

To measure the expected credit losses, the receivables are assigned to the groups of a provision matrix according to their maturity or past-due status. The loss rates of these groups are calculated according to the “roll rate” method, which is based on the probability of a receivable moving through successive stages of delinquency.

Expenses resulting from expected credit losses are recognised in the Profit and Loss Statement under other operating expenses.

Default and write-off
The Group considers a financial asset to be in default if:

- it is unlikely that the debtor will be able to pay their credit obligation to the Group in full without the Group having to resort to measures such as the realisation of collateral (if any); or
- the financial asset is more than 180 days past due.

In this case, the gross carrying amount of a financial asset is written off directly as in these cases, the Group cannot assume the financial asset to be realisable in full or in part.

b) Non-financial assets
The carrying amounts of the Group's non-financial assets, with the exception of inventories and deferred tax assets, are reviewed on each balance sheet date to determine whether there is any indication of impairment. If this is the case, an estimate of the recoverable amount of the asset is made. Goodwill and intangible assets with an indefinite useful life are tested annually for impairment.

To test for impairment, assets are combined into the smallest group of assets that generate cash flows from continuing use, that are largely independent of the cash flows from other assets or cash-generating units (CGUs for short). Goodwill acquired in a business combination is allocated to the CGUs or groups of CGUs that are expected to benefit from the synergies of the business combination.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market valuations of the interest effect and the risks specific to the asset or CGU.

An impairment loss is recognised when the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in depreciation and amortisation. Impairment losses recognised for CGUs are first allocated to any goodwill allocated to the CGU, and subsequently to the carrying amounts of the other assets of the CGU (group of CGUs) on a pro rata basis.

Impairment losses with respect to goodwill are not reversed. For other assets, an impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount less depreciation and amortisation, that would have been determined if no impairment loss had been recognised.

3.11. Provisions

A provision is recognised whenever the Group has a present legal or de facto obligation as a result of a past event, the amount of which can be reliably estimated, and it is probable that an outflow of resources of economic value will be required to settle the obligation (probability of occurrence greater than 50%).

Non-current provisions are recognised at present value if the interest effect is material. To this end, the expected future cash outflows are discounted using a pre-tax discount rate that reflects current market expectations of the time value of money and the risks specific to the liability. Interest effects, including effects from changes in interest rates, are reported in the financial result.

3.12. Employee benefits

The Group has no benefit obligations from defined benefit pension plans, but only from defined contribution plans in the form of payments to statutory pension insurance. These obligations to make contributions to defined contribution plans are recognised as an expense once the associated work has been performed. Prepaid contributions are recognised as an asset insofar as these give rise to a right of reimbursement or the reduction of future payments.

Benefits resulting from the termination of an employment relationship are recognised as an expense at the earlier of the following dates: the date on which the Group is no longer able to withdraw the offer of such benefits, or the date on which the Group recognises reorganisation costs. The benefits are discounted if they are not expected to be settled in full within twelve months after the reporting date.

3.13. Accrued liabilities

Accrued liabilities include future expenses of uncertain amount or timing, but with a lower degree of uncertainty than provisions. They represent payment obligations for goods or services received or supplied, which have neither been paid nor invoiced by the supplier or formally agreed. In addition, they comprise amounts owed to employees (in connection with the accrual of holiday pay, for instance).

Accrued liabilities are recognised in the amount of the expected utilisation.

3.14. Government grants

Other government grants related to assets are initially recognised as deferred income when there is reasonable assurance that they will be received and the Group will comply with the conditions attached to the grant. Subsequently, these other government grants are recognised on a systematic basis as other operating income in profit or loss over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised on a systematic basis in profit or loss for the periods in which the expenses are recognised.

3.15. Income and expense recognition

3.15.1. Revenue recognition

The Group recognises the majority of its revenue in accordance with IFRS 15 (*Revenue from Contracts with Customers*). To a lesser extent, the Group generates revenue from the rental of caravans and motorhomes, which qualify as operating leases under IFRS 16.

The Group generates revenue primarily from the production and distribution of motorhomes, caravans and camper vans. In addition, further revenue streams are derived from the sale of spare parts, the provision of repair services and the rental of motorhomes and caravans, which are, however, of minor importance.

a) Revenue according to IFRS 15

The standard provides a five-step model to determine the amount of revenue and the timing or period of revenue recognition.

Step 1: Identify the contract with the customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contracts
Step 5: Recognise revenue when or as the company satisfies a performance obligation

The model states that revenue is to be recognised at the amount to which the company expects to be entitled as control of the goods or services is passed from the company to the customer, either over time or at a point in time.

Sale of goods

The Group has determined, based on the fulfilment of the criteria below, that the performance obligation will be fulfilled when the control of motorhomes, caravans and camper vans is transferred to the customer, and that revenue will be recognised at a point in time:

- The company has a present right to payment for the asset;
- The customer has legal title to the asset;
- The Group companies have notified the customer that the vehicle is ready for collection, and enable the customer to take physical possession of the vehicle;
- The significant risks and rewards related to the ownership of the asset have been transferred to the client.

Revenue from the sale of goods, i.e. motorhomes, caravans, camper vans and spare parts, is thus recognised upon delivery to the customer, as control of the asset is usually transferred to the customer at this point. The purchase price is due for payment within 30 days of the invoice date. If advance payments are made by customers, these are recognised as accrued contract liabilities. The transaction price is determined on the basis of the contractually agreed purchase price, taking into account various types of variable consideration in the form of price discounts, the estimate of which is regularly unlimited, and which are determined by the company on the basis of empirical values. There are no significant financing components in this regard. In general, the customer also has no right of return for products of the Group. The warranty claims for goods purchased by the customer do not qualify as separate performance obligations, as they cannot be purchased separately and, moreover, do not exceed the statutory or customary provisions.

Provision of repair services

Revenue from the provision of repair services is recognised at the point in time when the Group has provided the contractually agreed services. Repairs are predominantly performed in a short period of time. The transaction price amounting to the contractually agreed remuneration is due for payment within 30 days of the invoice date. No significant financing components exist in this context. Moreover, when determining the transaction price, the Group takes into account variable consideration determined on the basis of past experience.

Customer loyalty programme for dealers

The Group offers a customer loyalty programme under which dealers are credited with bonus points (CAPP points) for each motorhome or caravan purchased. The points can then be redeemed in exchange for selected Group-related bonuses in kind, and are valid for one year. In accordance with IFRS 15, this points programme and the associated option to purchase additional goods constitutes a material right of the customer. The transaction price allocated to the points in a contract for the sale of a motorhome/caravan is therefore recognised as a contract liability. This contract liability is released to revenue when the points are redeemed, but at the latest when these expire.

Special bonuses

The Group grants special upfront bonuses to strategic dealers in order to bind them to the Group. The sales-related bonuses are offset against the special bonuses paid in advance in the amount of a certain percentage of annual sales until the advance bonus payment is used up, or the end of the term of the agreement is reached. Advance payments of special bonuses qualify as payments to customers. However, they do not meet the necessary criteria for deferral as a separate good or service. They are therefore deferred as other assets and released to income depending on the share of the special bonus earned each year.

As the performance obligations of the Group from the above business transactions result from contracts with an expected term of less than one year, the Group makes use of the practical expedient according to IFRS 15.121.

b) Revenue according to IFRS 16

Lease of caravans and motorhomes

According to IFRS 16, lease payments under operating leases are to be recognised as income by the lessor, either on a straight-line basis or on another systematic basis. Another systematic basis is to be applied if it is more representative of the pattern in which the benefit derived from the use of the underlying asset decreases.

The Group recognises revenue from the rental of caravans and motorhomes at the end of the lease contract for the purpose of simplification due to the minor significance of this revenue stream and the short term of the lease contracts. As the Group in general does not rent out vehicles for a period which includes the turn of the year, this simplification has no significant impact on the revenue to be allocated to a particular financial year.

3.15.2. Expense recognition

Expenses are recognised in the balance sheet at the time the service is used, or when they are incurred.

3.16. Financial income and finance costs

The financial income and finance costs of the Group comprise:

- interest income
- interest expenses
- net gain or loss from changes in the fair value of derivatives recognised in profit or loss and
- income and costs from the disposal of financial instruments

Interest income and interest expenses are recognised in profit or loss using the effective interest method, where applicable. If the effective interest method is not applied, interest income and interest expenses are recognised in profit or loss at the time they arise.

3.17. Income taxes

Tax expenses comprise current and deferred taxes. Current taxes and deferred taxes are recognised in profit or loss, except to the extent that they are connected with a business combination or with an item recognised directly in equity or in other comprehensive income.

a) Current taxes

Current taxes are expected tax liabilities or tax assets for the taxable income or tax loss for the financial year, based on tax rates that have been enacted or substantively enacted by the reporting date, and any adjustments to tax liabilities for prior years. The amount of the expected tax liabilities or tax assets reflects the amount that represents the best estimate, taking into account any tax uncertainties. Current tax liabilities also include any tax liabilities arising as a result of the determination of dividends.

Current tax assets and liabilities are only offset under certain conditions.

b) Deferred taxes

Deferred taxes are recognised with respect to temporary differences between the carrying amounts of assets and liabilities for Group accounting purposes, and the amounts used for tax purposes. Deferred taxes are not recognised for

- temporary differences arising at the initial recognition of assets or liabilities in a transaction other than a business combination that affects neither the accounting or the taxable profit
- temporary differences associated with investments in subsidiaries, associated companies and jointly controlled entities, but only to the extent that the Group is able to control the timing of the reversal of the temporary differences, and it is probable that the reversal will not take place in the foreseeable future, and
- taxable temporary differences at the initial recognition of goodwill.

A deferred tax asset is recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Future taxable profits are determined on the basis of the individual business plans of the subsidiaries. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised; any such reduction is subsequently reversed to the extent that the likelihood of sufficient taxable income increases.

Unrecognised deferred tax assets are reassessed at each reporting date, and are recognised to the extent that it is probable that future taxable profit will allow them to be recovered.

Deferred taxes are measured using the tax rates expected to apply to temporary differences once they reverse, and using tax rates enacted or substantively enacted on the reporting date. The following tax rates were applied:

GROUP COMPANY

	2020	2019
Knaus Tabbert AG	27.68%	27.68%
Knaus Tabbert Kft (HU)	10.00%	10.00%
MORELO Reisemobile GmbH	27.03%	27.03%
Caravan-Welt GmbH Nord (D)	26.68%	26.68%
HÜTTLrent GmbH	30.18%	30.18%

The measurement of deferred taxes reflects the tax consequences arising from the Group's expectation as to the manner in which the carrying amounts of its assets will be recovered or its liabilities settled at the reporting date. For investment property measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax assets and deferred tax liabilities are offset if certain conditions are met.

3.18. Effects of new accounting standards

The Group has prepared these Consolidated Financial Statements in accordance with IFRS; all IFRS accounting standards applicable in the European Union on 31 December 2020 have been applied.

New standards and interpretations to be applied for the first time

The accounting policies adopted in these Consolidated Financial Statements are in general the same as those adopted in the Consolidated Financial Statements as of 31 December 2019. An exception exists for the following accounting standards, the first-time application of which is mandatory in the EU for financial years beginning on or after 1 January 2020:

- Amendments to IFRS 3: Definition of a Business
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform
- Amendments to IAS 1 and IAS 8: Definition of Material
- Amendments to References to the Conceptual Framework in IFRS Standards and
- Amendments to IFRS 16: COVID-19 Related Rent Concessions (effective from 1 June 2020)

No significant effects resulted from the first-time application of new standards or interpretations in the 2020 financial year.

New standards and interpretations to be applied in the future

The following new standards must be applied for reporting periods of a financial year commencing after 1 January 2020, with early application permitted. However, the Group has not resorted to the early application of the new or amended standards in the preparation of these Consolidated Financial Statements, and does not plan to apply any new or amended standards in the future prior to the date of mandatory application.

Date of first-time application	New or amended standards	Possible effects on the Consolidated Financial Statements
Financial years beginning on or after 1 January 2021	Interest Rate Benchmark Reform – phase 2 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	No significant effects
Financial years beginning on or after 1 January 2022	Onerous Contracts – Costs of Fulfilling a Contract (amendments to IAS 37)	No significant effects
Financial years beginning on or after 1 January 2022	Property, Plant and Equipment: Proceeds before Intended Use (amendments to IAS 16)	No significant effects
Financial years beginning on or after 1 January 2022	Reference to the Conceptual Framework (amendments to IFRS 3)	No significant effects
Financial years beginning on or after 1 January 2023	Classification of Liabilities as Current or Non-Current (amendments to IAS 1)	No significant effects
Financial years beginning on or after 1 January 2023	IFRS 17: Insurance Contracts	No effects
Date of initial application postponed indefinitely	Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	No effects

4. Operating segments

Segment information is provided on the basis of the Group's internal reporting system in order to assess the nature and financial impact of the business activities conducted by the Group and the economic environment in which it operates.

Internal management reporting of the Group plays a decisive role in this regard. The Group is set up as a divisional organisation as its business activities are organised around both the Premium product division (i.e. caravans, motorhomes and camper vans), which includes the “Knaus”, “Tabbert”, “Weinsberg” and “T@B” brands, and the Luxury product division, which comprises luxury motorhomes of the “MORELO” brand.

Operating results are reviewed by the CODM (“Chief Operation Decision Maker”). Within the meaning of IFRS 8, the CODM is the management, i.e. the Management Board of Knaus Tabbert AG, as it reviews the segments at regular intervals with regard to their profitability and allocation of resources on the basis of internal management reporting.

The profitability of each segment is assessed on the basis of EBITDA, which is short for “earnings before interest, taxes, depreciation and amortisation”. This key figure thus includes consolidated net income before depreciation and amortisation, financial income, finance costs and tax expenses. It does not include any interest or financing elements. The accounting policies for segment reporting are based on the IFRS standards applied in these Consolidated Financial Statements. The Group measures the performance of its segments using EBITDA as an indicator of segment earnings, as this provides the most relevant information for assessing the performance of certain segments in relation to other companies operating in the same industries. The segment assets and segment liabilities are legally attributable to the corresponding units. The Group holds no cross-segment assets or liabilities.

4.1. Basis of segmentation

Segment information is published according to management's specifications for the Premium and Luxury segments. There are no other segments within the Group.

Although the segments offer similar products with regard to motorhomes, the production processes and customer target groups differ considerably.

Reportable segments	Business segments
Premium segment	Production and distribution of caravans, motorhomes and camper vans, and rental of caravans and motorhomes
Luxury segment	Production and distribution of luxury motorhomes

For each business segment, the Management Board receives a monthly management report, on the basis of which decisions are made as to the allocation of resources to these segments, and the assessment of their profitability is reviewed.

Transfer prices between the segments for goods sold and services rendered are determined on the basis of normal market conditions.

4.2. Information on the segments

Information on the segment results, and on the assets and liabilities for the 2020 financial year and the comparative period 2019 is presented below.

2020

KEUR	Luxury segment	Premium segment	Total
Revenues from external customers	107,289	687,302	794,591
Inter-segment revenues	–	21	21
Segment revenues	**107,289**	**687,323**	**794,612**
EBITDA	**12,792**	**53,213**	**66,005**
Financial income	34	57	91
Finance costs	417	2,156	2,573
Scheduled depreciation and amortisation	1,858	17,587	19,445
Impairment losses on non-financial assets	–	–	–
Assets	**52,830**	**233,021**	**285,851**
Additions to non-current assets	2,128	19,743	21,871
Liabilities	**34,302**	**127,779**	**162,081**

2019

KEUR	Luxury segment	Premium segment	Total
Revenues from external customers	95,441	684,946	780,386
Inter-segment revenues	–	15	15
Segment revenues	**95,441**	**684,961**	**780,401**
EBITDA	**9,116**	**55,153**	**64,269**
Financial income	39	398	437
Finance costs	507	2,092	2,598
Scheduled depreciation and amortisation	1,483	16,321	17,804
Impairment losses on non-financial assets	–	591	591
Assets	**47,048**	**263,883**	**310,930**
Additions to non-current assets	6,935	34,355	41,289
Liabilities	**31,172**	**181,556**	**212,728**

Revenues from external customers of the segments are divided between the product groups caravans, motorhomes, camper vans and after-sales/other as follows:

2020

KEUR	Product group Caravans	Motorhomes	Camper Vans	After sales / other	Total
Luxury segment	–	105,439	–	1,850	107,289
Premium segment	207,949	288,086	169,958	21,309	687,302
Total	**207,949**	**393,525**	**169,958**	**23,159**	**794,591**

2019

KEUR	Product group Caravans	Motorhomes	Camper Vans	After sales / other	Total
Luxury segment	–	93,981	–	1,459	95,441
Premium segment	215,382	300,499	149,720	19,345	684,946
Total	**215,382**	**394,480**	**149,720**	**20,805**	**780,386**

With information presented according to geographical region, revenue is broken down according to customers' geographic locations.

Broken down according to the geographical regions of Germany, Europe and the rest of the world, the revenues from external customers of the segments are as follows:

2020

KEUR	Geographical region Germany	Europe	Rest of the world	Total
Luxury segment	86,479	20,359	451	107,289
Premium segment	484,695	191,205	11,402	687,302
Total	**571,174**	**211,564**	**11,853**	**794,591**

From the Group’s perspective, revenues of substantial volume which can be attributed to a single country were neither generated in Europe nor in the rest of the world.

2019

KEUR	Geographical region Germany	Europe	Rest of the world	Total
Luxury segment	64,539	30,879	22	95,441
Premium segment	459,373	214,963	10,609	684,946
Total	**523,912**	**245,842**	**10,631**	**780,386**

4.3. Reconciliation of segment information

Eliminations of intra-group interrelationships between the segments are reported in a summarized form in the reconciliation.

in KEUR	2020	2019
Revenue		
Segment revenue	794,612	780,401
Elimination of inter-segment revenue	–21	–15
Revenue, consolidated	**794,591**	**780,386**
EBITDA		
EBITDA of the segments, consolidated	66,005	64,269
Depreciation and amortisation of the segments	–19,445	–17,804
Impairment losses of the segments	–	–591
Financial result of the segments	–2,483	–2,161
Consolidation effects	–	–
Profit before taxes, consolidated	**44,077**	**43,713**
Assets		
Assets of the segments	285,851	310,930
Consolidation effects	12	8
Consolidation effects	**285,863**	**310,938**
Liabilities		
Liabilities of the segments	162,081	212,728
Consolidation effects	12	8
Liabilities, consolidated	**162,093**	**212,735**

4.4. Geographical information

The segments are managed in Germany. The only foreign production facility is the Hungarian-based subsidiary Knaus Tabbert Kft, which operates in the Premium segment.

Non-current assets outside Germany are therefore exclusively held by the Hungarian subsidiary. They are distributed as follows:

Country	2020 KEUR	2019 KEUR
Germany	104,777	104,108
Hungary (HUF)	16,474	17,678
Non-current assets	**121,251**	**121,786**

5. Notes to the consolidated balance sheet

5.1. Intangible assets

For the accounting policies, see Note 3.3.

a) Description of significant items

The development of the carrying amounts of the Group's intangible assets for the financial years 2020 and 2019 can be found in the Asset Schedule.

In the reporting period, a disposal loss from the derecognition of an intangible asset in the form of a development project was recognised in the amount of KEUR 772, which is allocated to the Premium segment of the Group (previous year: KEUR 0). This disposal loss is a result of the decision to discontinue the sale of certain products, even though their regular life cycle had not yet been reached at that time. As a consequence, the carrying amount of the development project was derecognised in profit or loss.

Goodwill

Goodwill arose from the first-time inclusion of MORELO Reisemobile GmbH in the Consolidated Financial Statements. Goodwill is not subject to scheduled amortisation and is tested for impairment at least once a year. Goodwill was last tested for impairment as of 31 December 2020.

Intangible assets acquired for consideration

Acquired concessions, industrial property rights and similar rights and assets, as well as licences to such rights and assets, mainly relate to expenses to third parties incurred in connection with the acquisition of user software and acquired trademark rights. With the exception of acquired trademark rights, intangible assets acquired for a consideration are subject to scheduled amortisation over their expected useful life. The acquired trademark rights, on the other hand, have an indefinite useful life and are therefore not subject to scheduled amortisation. They are tested for impairment at least once a year.

Intangible assets acquired for consideration include the following significant items:

in KEUR	31.12.2020	31.12.2019
Concessions, industrial property rights and similar rights and assets acquired for consideration, as well as licences to such rights and assets	3,786	3,320
thereof		
WEINSBERG brand	87	87
T@B brand	57	57
KNAUS brand	856	856
TABBERT brand	576	576
MORELO brand	373	373
Dealer distribution network	–	–
Software	1,429	1,027
Licences	393	317
Other	15	28

The Morelo brand with an indefinite useful life is fully allocated to the cash-generating unit. The carrying amount of the Morelo brand stood at KEUR 373 as of 31 December 2020 (31.12.2019: KEUR 373).

Self-created intangible assets

In connection with self-created intangible assets, the Group primarily distinguishes between new developments and model maintenance. New developments are projects that result in the development of a product that is clearly recognisable as a new product to an outsider. This requires changes to the contours of the exterior (e.g. use of new plastic parts or construction on new chassis). Furthermore, there must be a new concept for the interior, which means that the wet room, kitchen, electrics and air conditioning/heating must be revised. New developments also demand new tools on a larger scale. If the development projects fulfil the necessary requirements, they are capitalised as self-created intangible assets.

In the automotive industry, model maintenance denotes visual and technical revisions of an existing vehicle model. If, in addition to technical changes, the external appearance of a vehicle is modified during the course of model maintenance, the measure is also referred to as a facelift or life cycle impulse. Model maintenance measures are recognised by the Group as expenses at the time they are incurred.

Self-created intangible assets are amortised over their useful life of five years.

In the 2020 financial year, research and development costs in the amount of KEUR 1,606 (2019: KEUR 1,937) were recognised as expenses (see Note 6.7). While research costs must always be expensed, the development costs included in these expenses did not meet the relevant requirements for capitalisation as an intangible asset.

b) Depreciation, amortisation and impairment test

For a presentation of the scheduled depreciation and amortisation and the impairment of intangible assets, please refer to Note 6.6.

Goodwill

The Group tests goodwill for impairment at least once a year. For the purposes of goodwill impairment testing, MORELO Reisemobile GmbH acts as the sole cash-generating unit to which goodwill has been fully allocated. The classification of MORELO Reisemobile GmbH as a cash-generating unit corresponds to the lowest level within the company at which goodwill is monitored for internal management purposes.

The recoverable amount for this cash-generating unit was determined on the basis of the fair value less costs to sell, which was estimated using discounted cash flows. The fair value measurement was classified as Level 3 on the basis of the input factors of the measurement technique applied (see Note 1.4).

The key assumptions underlying the estimate of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future developments in the relevant industry, and are based on historical values obtained from external and internal sources.

DETERMINATION OF THE RECOVERABLE AMOUNT – ASSUMPTIONS

Figures in percent	31.12.2020	31.12.2019
ZGE MORELO Reisemobile GmbH		
Discount rate (WACC)	8.3	7.8
Sales growth rate detailed planning period (CAGR)	16.1	1.3
Planned EBITDA growth rate (average of the next four years)	17.2	4.8
Sustainable growth rate	1.0	1.0

As part of the calculations, the cash flow forecast is determined on the basis of the long-term plan approved by management and valid at the time of the impairment test. This multi-year planning is based on expectations regarding future market shares, growth in the respective markets and the profitability of the products, and includes a detailed planning period of three years along with a terminal growth rate for subsequent years. The planning of investments and short-term working capital is mainly based on historical experience. In this regard, management believes that the underlying growth rates do not exceed the long-term average growth rates of the business segment in which MORELO Reisemobile GmbH operates (see Note 4.1). The sustainable growth rate was determined on the basis of management's assessment of long-term inflation expectations and is consistent with assumptions that market participants would make.

The discount rate applied in each case was the weighted average cost of capital (WACC) after corporate taxes, calculated on the basis of historical data of a group of benchmark companies (peer group).

In the course of the impairment test performed as of 31 December 2020, no goodwill impairment was identified.

The Management Board has established that a change in two key assumptions considered possible could result in the carrying amount of the cash-generating unit exceeding the recoverable amount. This situation occurs if:

- the discount rate (WACC) exceeds 17.70% (previous assumption: 8.32%)
- the sustainable EBIT margin in the annuity year is lower than 2.50% (previous assumption: 8.94%)

The calculations were based on the presupposition that the other of the two assumptions remains unchanged.

Acquired brands with indefinite useful lives
The Group tests the acquired brands with indefinite useful lives for impairment at least once a year. The impairment test is carried out at the level of the individual brands.

Impairment of the brands is determined by comparing the carrying amount with the fair value less costs to sell. To evaluate the fair value, the Group must estimate the expected future cash flows of the individual brands and, in addition, select an appropriate discount rate to determine the present value of these cash flows.

The fair value less costs to sell of the brands is determined in this context using the Relief from Royalty method. With this method, the fair value of the intangible asset is calculated as the present value of royalty fees saved. This involves determining the notional royalties that would be payable if the brand were owned by a third party. The notional royalties are calculated on the basis of royalty rates that can be observed on the market for comparable brands. In the present case, the sales figures of the respective trademark are used as a reference value for these rates. The royalty rate, expressed in EUR/unit, is then multiplied by the planned sales volume of the brand. The fair value of the respective brand is obtained by discounting the notional royalties thus determined and then deducting corporate taxes.

All calculations are based on the following royalty rates which, for the purpose of simplification, are assumed to be constant over time: WEINSBERG brand EUR 25, T@B brand EUR 20, KNAUS brand EUR 20, TABBERT brand EUR 35 and MORELO brand EUR 150.

All other key assumptions used in estimating the fair value are outlined below. The values assigned to the key assumptions represent management's assessment of future developments in the relevant industry, and are based on historical values obtained from external and internal sources.

DETERMINATION OF THE FAIR VALUE – ASSUMPTIONS

Figures in percent	2020	2019
WEINSBERG brand		
Sales growth rate detailed planning period (CAGR)	3.8	3.7
T@B brand		
Sales growth rate detailed planning period (CAGR)	8.5	–
KNAUS brand		
Sales growth rate detailed planning period (CAGR)	2.6	2.5
TABBERT brand		
Sales growth rate detailed planning period (CAGR)	3.6	1.7
MORELO brand		
Sales growth rate detailed planning period (CAGR)	24.6	3.8
The following applies to all brands:		
Discount rate (WACC)	8.3	7.8
Sustainable growth rate	1.0	1.0

As part of the calculations, the sales forecast is determined on the basis of the long-term plan approved by management and valid at the time of the impairment test. This multi-year planning is based on expectations regarding future market shares and growth in the respective markets, and includes a detailed planning period of three years along with a terminal growth rate for subsequent years

The discount rate applied in each case was the weighted average cost of capital (WACC) after corporate taxes, calculated on the basis of historical data of a group of benchmark companies (peer group).

In the course of the impairment test performed as of 31 December 2020, no impairment of the acquired brands with indefinite useful lives was identified.

The Management Board has established that a change in two key assumptions considered possible could result in the carrying amount exceeding the recoverable amount of the trademark right. This situation occurs if:

- the discount rate (WACC) exceeds 20.3% for the Tabbert brand, 13.9% for the T@B brand, 24.6% for the Knaus brand, 434.4% for the Weinsberg brand and 26.1% for the Morelo brand (previous assumption: 8.32% for each brand);
- the average sales volume over the detailed planning period in percent (CAGR) decreases by 27.9% for the Tabbert brand (previous assumption: increase of 19.4%), decreases by 11.5% for the T@B brand (previous assumption: increase of 35.2%), decreases by 33.9% for the Knaus brand (previous assumption: increase of 23.4%), decreases by 74.7% for the Weinsberg brand (previous assumption: increase of 17.5%) and decreases by 23.6% for the Morelo brand (previous assumption: increase of 24.6%).

The calculations were based on the presupposition that the other of the two assumptions remains unchanged.

5.2. Property, plant and equipment

For the accounting policies, see Note 3.4.

a) Description of significant items

The development of the carrying amounts of property, plant and equipment of the Knaus Tabbert Group for the financial years 2020 and 2019 can be found in the Asset Schedule.

b) Depreciation and amortisation, reversal of impairment losses and impairment testing

For a detailed presentation of the scheduled depreciation and amortisation of property, plant and equipment, please refer to Note 6.6.

As in previous years, there were no indicators necessitating the performance of an impairment test in the 2020 financial year.

c) Collateral

As of 31 December 2020, properties with a carrying amount of KEUR 15,100 (31.12.2019: KEUR 15,100) are pledged as collateral for bank loans.

5.3. Inventories

For the accounting policies, see Note 3.7.

Inventories are divided into the following main groups:

in KEUR	**31.12.2020**	**31.12.2019**
Raw, auxiliary and operating materials	65,439	64,091
Work in progress	6,448	5,931
Finished goods and merchandise	52,071	49,705
Advance payments made on inventories	1	1
Total	**123,958**	**119,728**

The impairment losses recognised on inventories to the net realisable value amount to KEUR 5,252 in the 2020 financial year (2019: KEUR 5,246).

Part of the inventories is pledged as collateral for liabilities to banks (see Note 5.10).

5.4. Trade receivables

For the accounting policies, see Note 3.8.

The gross carrying amounts and net carrying amounts of the trade receivables are as follows:

in KEUR	31.12.2020	31.12.2019
Gross carrying amount	**10,940**	**37,807**
Expected credit losses	–362	–533
Net carrying amount	**10,577**	**37,275**

The sharp decline in trade receivables as of 31 December 2020 relative to the previous year is due, in particular, to the strong market demand.

Part of the trade receivables are pledged as collateral for liabilities to banks. For the exact amount, please refer to Note 5.10.

Regarding default risks and further information on trade receivables, please refer to Note 7.3.2.

5.5. Tax receivables

The tax receivables as of 31 December 2020 and 31 December 2019 are as follows:

in KEUR	31.12.2020	31.12.2019
Tax receivables	1,826	810

The tax receivables relate exclusively to income taxes. For the development of deferred tax assets, please refer to Note 6.9.3.

5.6. Cash and cash equivalents

For the accounting policies, see Note 3.9.

Cash and cash equivalents are composed as follows:

in KEUR	31.12.2020	31.12.2019
Cash	64	37
Bank deposits	8,875	7,560
Total	**8,939**	**7,597**

Bank deposits include cash subject to limitations on disposal in the amount of KEUR 6,100 (31.12.2019: KEUR 5,913). This concerns the collateral fund within the framework of the purchase financing model for dealers agreed with SKP GmbH (see Notes 3.9 and 10).

The reconciliation of cash and cash equivalents to the fund of means of payment shown in the Cash Flow Statement is as follows:

in TEUR	31.12.2020	31.12.2019
Cash and cash equivalents	**8,939**	**7,597**
less bank deposit SKP fund	6,100	5,913
Fund of means of payment	**2,839**	**1,684**

5.7. Other assets

For accounting policies regarding other financial assets, see Note 3.8.

Other assets are composed as follows:

OTHER ASSETS

in KEUR	31.12.2020	31.12.2019
Other non-current assets		
Other non-financial assets	1,802	603
Total	**1,802**	**603**
Other current assets		
Other financial assets	10,137	11,921
Other non-financial assets	6,061	8,406
Total	**16,198**	**20,327**
Total non-current	**1,802**	**603**
Total current	**16,198**	**20,327**
Total other assets	**18,000**	**20,930**

5.7.1. Other financial assets

Other financial assets include the following items:

OTHER FINANCIAL ASSETS

in KEUR	31.12.2020	31.12.2019
Other current financial assets		
Receivables from factoring	8,346	10,905
Receivables from shareholders	995	–
Vendors with debit balances	796	1,015
Total	**10,137**	**11,921**
Total current	**10,137**	**11,921**
Total other financial assets	**10,137**	**11,921**

5.7.2. Other non-financial assets

Other financial assets are broken down as follows:

OTHER NON-FINANCIAL ASSETS

in KEUR	31.12.2020	31.12.2019
Other non-current, non-financial assets		
Special bonuses	1,766	579
Other	36	24
Total	**1,802**	**603**
Other current, non-financial assets		
Prepaid expenses and deferred charges	1,025	1,841
Added-value tax receivables	741	2,478
Special bonuses	858	624
Bonus receivables	2,587	2,954
Other	850	509
Total	**6,061**	**8,406**
Total non-current	**1,802**	**603**
Total current	**6,061**	**8,406**
Total other non-financial assets	**7,863**	**9,010**

The bonus receivables result from agreements with suppliers on retroactive reductions in remuneration.

5.8. Equity

The development of Group equity is shown in the Consolidated Statement of Changes in Equity, which is presented as a separate component of the Consolidated Financial Statements.

Initial public offering

By virtue of the admission resolution of 22 September 2020, 10,377,259 ordinary bearer shares (with a total value of EUR 10,377,259) of Knaus Tabbert AG were admitted to the regulated market segment of the Frankfurt Stock Exchange on 25 September 2020 with simultaneous admission to the sub-segment thereof with additional post-admission obligations (Prime Standard). These no-par value shares each represent a notional value of EUR 1.00 of the share capital and confer dividend rights as of 1 January 2020.

These comprise

a) 10,027,259 ordinary bearer shares (with a total value of EUR 10,027,259) with no par value (previous share capital of Knaus Tabbert AG) and

b) 350,000 ordinary bearer shares (with a total value of EUR 350,000) with no par value resulting from a capital increase against a contribution in cash in September 2020.

Subscribed capital

The subscribed capital of Knaus Tabbert AG stood at KEUR° 10,337 as of the reporting date (31.12.2019: KEUR° 29) and consists of 10,377,259 (31.12.2019: 0) ordinary bearer shares with no par value, each representing a notional value of EUR 1.00 of the company's share capital and conferring dividend rights as of 1 January 2020.

The subscribed capital of Knaus Tabbert AG is fully paid up. Each share entitles the shareholder to one vote at the shareholders' meeting.

The increase in subscribed capital is due to a capital increase from company funds in the amount of KEUR° 9,998 in the 2020 financial year and the issue of treasury shares in the amount of KEUR° 350 as part of the initial public offering of the company.

Conditional capital

By resolution of the shareholders' meeting on 21 September 2020, the conditional capital of Knaus Tabbert AG was increased by up to EUR 5,000,000 by issuing up to 5,000,000 new ordinary bearer shares with no par value with a notional value of EUR 1.00 of the share capital of the company (Conditional Capital 2020/I).

The Conditional Capital 2020/I serves to grant shares, upon the exercise of option or conversion rights or upon the fulfilment of option or conversion obligations, to the holders or creditors of option bonds and/or convertible bonds, participation rights and/or participating bonds (or a combination of these instruments) issued pursuant to the authorisation resolution of the shareholders' meeting of 21 September 2020. Further details can be found in the authorisation resolution and in Section 4 (4) of the Articles of Association of Knaus Tabbert AG.

Capital reserves

The capital reserves as of 31 °December °2020 amount to KEUR° 26,926 (31 December 2019: KEUR° 12,475). The increase in capital reserves is mainly attributable to the initial public offering. The capital reserves include premiums from the issue of shares. Transaction costs directly related to the initial public offering in the amount of KEUR° 501 were recognised in capital reserves in equity.

Furthermore, payment into the capital reserves of Knaus Tabbert GmbH in the amount of KEUR 5,000 was resolved by shareholder resolution on 24 June 2020 and performed in the course of the financial year.

Other retained earnings

Retained earnings as of 31 °December °2020 amount to KEUR° 6,435 (31 December 2019: KEUR° 6,435). Retained earnings include the results generated in the past by the entities included in the Consolidated Financial Statements insofar as they have not been distributed, but have been transferred to reserves.

Differences in equity from currency translations

As the Hungarian subsidiary Knaus Tabbert Kft operates as an economically independent entity in its market, the balance sheets and profit and loss statements not denominated in euros are translated into euros. The resulting translation differences are recognised in Group equity under the item equity difference from currency translation with no effect on profit or loss, and amount to KEUR° -1,091 as of 31 December 2020 (31.12.2019: KEUR° -533).

Distributions

The distributions to the shareholders of the former Knaus Tabbert GmbH (until 14 August 2020) in the 2020 financial year amount to KEUR° 30,000 (2019: KEUR 15,000). This corresponds to a hypothetical distribution of EUR 2.89 per share issued as of 31 December 2020. The dividends were distributed prior to the initial public offering and the change of legal form of the company into Knaus Tabbert AG.

5.9. Provisions

For the accounting policies, see Note 3.11.

The following table shows the development of other provisions:

in KEUR	Warranties	Restoration and deconstruction obligations	Other	Total
Status as of 1 January 2019	**10,209**	**1,945**	**3,817**	**15,971**
Additions	11,895	238	1,533	13,666
Used	–10,007	–	–2,078	–12,085
Reclassifications	–	–	–815	–815
Reversals	–38	–	–158	–196
Change in carrying amount due to compounding	–	–18		–18
Status as of 31 December 2019	**12,059**	**2,166**	**2,299**	**16,523**
non-current	**9,887**	**2,166**	**238**	**12,291**
current	**2,171**	**–**	**2,061**	**4,233**
Status as of 1 January 2020	**12,059**	**2,166**	**2,299**	**16,523**
Additions	9,828	204	2,406	12,438
Used	–8,627	–155	–773	–9,555
Reversals	–	–	–65	–65
Change in carrying amount due to compounding	–	–24	–	–24
Status as of 31 December 2020	**13,259**	**2,190**	**3,868**	**19,317**
non-current	**10,449**	**2,190**	**218**	**12,858**
current	**2,810**	**–**	**3,649**	**6,459**

Warranty provisions are formed for both statutory and guaranteed constructive properties such as tightness. This concerns in particular expenses for the free rectification of defects, deliveries of spare parts, compensation and similar expenses. Furthermore, provisions are also created for general warranty risks. To this end, percentage rates based on historical data are applied to sales under warranty for the current and the last three financial years. The general risk and thus the percentages used are estimated on the basis of historical actual warranty costs in relation to sales. The time at which the warranties are asserted may extend over the entire warranty period. The cash outflows for the non-current provisions as of 31 December 2020 are largely expected within a period up to 2023 (31.12.2019: up to 2022).

Other provisions mainly comprise current provisions for legal disputes (31.12.2020: KEUR 1,854; 31.12.2019: KEUR 776) and miscellaneous other provisions (31.12.2020: KEUR 1,883; 31.12.2019: KEUR 1,466). The cash outflows for non-current provisions as of 31.12.2020 are largely expected within a period up to 2025 (31.12.2019: up to 2025).

In principle, the uncertainties regarding the amount or due date of the cash outflows from provisions are considered to be relatively minor from the Group's point of view.

5.10. Liabilities to banks

For the accounting policies, see Note 3.8.

Liabilities to banks are composed as follows:

in KEUR	31.12.2020	31.12.2019
Liabilities to banks		
non-current	5,616	12,348
current	49,001	81,941
Total	**54,616**	**94,289**

As of 31 December 2020, property with a carrying amount of KEUR 15,100 (31.12.2019: KEUR 15,100) is pledged as collateral for bank loans (see Note 5.2). The carrying amount of inventories (see Note 5.3), which are pledged as collateral for liabilities to banks, stands at KEUR 115,676 in the 2020 financial year (2019: KEUR 105,786). The carrying amount of trade receivables (see Note 5.4) pledged as collateral totals KEUR 10,152 in the 2020 financial year (2019: KEUR 36,074).

Please refer to Note 7.3.3 for disclosures on the Group's currency and liquidity risks relating to liabilities to banks. The reconciliation of the change in liabilities to banks to the cash flows from financing activities is shown in the Liabilities Schedule after Note 5.12.1.

In the 2018 financial year, the Group concluded a new syndicated loan agreement led by Commerzbank AG with a volume of KEUR 80,000 with a term running until 2021. In the 2019 financial year, this loan facility was increased to KEUR 100,000 and the term was extended to 2022. The contractually agreed financial key figures regarding the net debt, equity ratio and net working capital ratio were met as of 31 December 2020.

5.11. Trade payables

For the accounting policies, see Note 3.8.

Trade payables are composed as follows:

in KEUR	31.12.2020	31.12.2019
current	35,167	47,057
Total	**35,167**	**47,057**

Of the current trade payables, KEUR 187 (2019: KEUR 119) are trade payables to related parties.

Please refer to section 7.3.3 for disclosures on the Group's currency and liquidity risks and other disclosures concerning trade payables.

5.12. Other liabilities

Other liabilities comprise other financial liabilities, accrued liabilities and other non-financial liabilities, and are composed as follows:

OTHER LIABILITIES

in KEUR	31.12.2020	31.12.2019
Other non-financial liabilities		
Other financial liabilities	7,560	7,489
Accrued liabilities	–	–
Other non-financial liabilities	1,379	1,678
Total	**8,939**	**9,167**
Other current liabilities		
Other financial liabilities	13,225	15,485
Accrued liabilities	11,374	15,247
Other non-financial liabilities	9,735	6,935
Total	**34,334**	**37,667**
Total non-current	**8,939**	**9,167**
Total current	**34,334**	**37,667**
Total other liabilities	**43,273**	**46,834**

5.12.1. Other financial liabilities

For the accounting policies, see Note 3.8.

Other financial liabilities include lease liabilities, negative fair values from derivative financial instruments and refund liabilities:

OTHER FINANCIAL LIABILITIES

in KEUR	31.12.2020	31.12.2019
Other non-current financial liabilities		
Lease liabilities	7,517	7,416
Derivative financial instruments	42	73
Total	**7,560**	**7,489**
Other current financial liabilities		
Lease liabilities	1,040	2,092
Liabilities to shareholders	14	–
Refund liabilities	12,071	13,393
Financial guarantee	100	–
Total	**13,225**	**15,485**
Total non-current	**7,560**	**7,489**
Total current	**13,225**	**15,485**
Total other financial liabilities	**20,784**	**22,973**

Refund liabilities result from the granting of bonuses to dealers who achieve certain sales targets, where this is expected with a high degree of probability.

In addition, a financial guarantee of KEUR 100 relating to a financial institution participating in a dealer financing model of the Group was recognised under other current liabilities as of 31 December 2020. In connection with the measurement of this guarantee, KEUR 100 were recognised in finance costs (previous year: KEUR 0). This financial guarantee is related to the bank balance SKP fund and is based on a purchase financing model for dealers that exists with SKP GmbH. Under the agreement, a collateral fund is fed 2/3 by the Group and 1/3 by SKP GmbH. The fund is used to compensate for any financial losses arising from the demise or disposal of vehicles financed under this model (see Notes 3.8 and 5.6).

The liabilities from derivative financial instruments consist of an interest rate swap and an interest rate cap, which were concluded in the 2016 financial year. The nominal values and fair values of both instruments as of 31 December 2020 and 31 December 2019 are given below:

DERIVATIVE FINANCIAL INSTRUMENTS

	Nominal value		Fair value	
in KEUR	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Interest rate swap	1,500	2,100	–42	–73
Interest rate cap	1,166	1,278	-	-
Total	**2,666**	**3,378**	**–42**	**–73**

The reconciliation of changes in financial liabilities to cash flows from financing activities is presented below.

								Equity	
in KEUR	Liabilities to banks	Liabilities to shareholders	Lease liabilities	Liabilities from derivative financial intruments	Subscribed capital	Capital reserve	Retained earnings	Profit-carry-forward	Total
Status 1 January 2020	**94,289**		**9,507**	**73**	**29**	**12,475**	**6,435**	**79,797**	**202,606**
Changes in cash-flow from fincning avtivities									
Incurrence of financial liabilities	76,518								76,518
Repayment of financial liabilities	–115,483	–							–115,483
Incurrence of lease liabilities			–3,040						–3,040
Interest paid	–2,421		–114	–					–2,535
Proceeds from equity injections					10,348	14,451			24,799
Distribution to shareholders								–30,000	–30,000
Total change in cash flow from financing activities	**–41,386**		**–3,154**	**–**	**10,348**	**14,451**	**–**	**–30,000**	**–49,742**
Other changes in relation to liabilities ans equity									
Supervisory Board remuneration		14							14
Interest expenses	2,359		114						2,474
New leases			1,387						1,387
Expenses fot other services		547							547
Payment for other services		–547							–547
Other non-cash expenses ans income	100		–43						57
Net gains/losses from derivative financial intruments				–30					–30
Reclassification	–746		746						–
Total other changes in relation to liabilities	**1,713**	**14**	**2,204**	**–30**	**–**	**–**	**–**	**–**	**3,901**
Status 31 December 2020	**54,616**	**14**	**8,558**	**42**	**10,377**	**26,926**	**6,435**	**49,797**	**156,765**

						Eigenkapital		
in KEUR	Liabilities to banks	Liabilities to shareholders	Lease liabilities	Liabilities from derivative financial intruments	Subscribed capital	Retained earnings	Profit-carry-forward	Total
Status 1 January 2019	**90,393**		**2,642**	**112**	**29**	**6,435**	**63,627**	**163,237**
Changes in cash-flow from finncing avtivities								
Incurrence of financial liabilities	51,742							51,742
Repayment of financial liabilities	–47,845	–						–47,845
Incurrence of lease liabilities			–2,534					–2,534
Interest paid	–2,050		–136	–				–2,186
Distribution to shareholders							–15,000	–15,000
Total change in cash flow from financing activities	**1,846**		**–2,670**	**–**	**–**	**–**	**–15,000**	**–15,824**
Other changes in relation to liabilities ans equity								
Lease liabilities effect of first time application of IFRS 16			9,400	–		–		9,400
Interest expenses	2,050		136					2,186
Expenses fot other services		620						620
Payment for other services		–620						–620
Net gains/losses from derivative financial intruments				–39				–39
Total other changes in relation to liabilities	**2,050**		**9,536**	**–39**	**–**	**–**	**–**	**11,548**
Status 31 December 2019	**94,289**		**9,507**	**73**	**29**	**6,435**	**48,627**	**158,961**

5.12.2. Accrued liabilities

For the accounting policies, see Note 3.13.

Accrued liabilities are exclusively current in nature and include the following significant items:

ACCRUED LIABILITIES

in KEUR	31.12.2020	31.12.2019
Personnel-related accruals	7,814	10,342
Outstanding invoices	1,477	2,316
Audit costs and expenses for preparing the annual financial statements	627	385
Insurance premiums	513	818
Dealer financing	641	855
Miscellaneous accrued liabilities	302	531
Total accrued liabilities	**11,374**	**15,247**

Accrued liabilities for dealer financing are interest expenses for vehicles financed by dealers relating to other accounting periods. Knaus Tabbert bears the interest charges for such financing.

5.12.3. Other non-financial liabilities

Other non-financial liabilities, with the exception of deferred income (see Note 5.12.4), are current in nature and include the following significant items:

OTHER NON-FINANCIAL LIABILITIES

in KEUR	31.12.2020	31.12.2019
Added-value tax receivables	405	–
Vendors with debit balances	992	600
Other taxes	1,105	1,096
Liabilities from wages and salaries	1,540	1,469
Contractual liabilities	4,278	3,294
Deferred income	1,468	1,751
Other liabilities	1,326	402
Total other non-financial liabilities	**11,114**	**8,612**

Contractual liabilities include, in particular, advance payments for ordered vehicles and liabilities from the customer loyalty programme (see Note 6.1).

Other liabilities include a grant of KEUR 811 for the construction of a production hall and an office building in Hungary planned for 2021.

5.12.4. Government grants

For the accounting policies see, Note 3.14.

DEFERRED INCOME

in KEUR	31.12.2020	31.12.2019
Government grants	1,442	1,751
Total deferred income	**1,442**	**1,751**
Total non-current	**1,379**	**1,678**
Total current	**63**	**73**
Total deferred income	**1,442**	**1,751**

In previous years, one Group company was awarded a government grant within the meaning of IAS 20, which relates to the capacity expansion of Knaus Tabbert Kft in 2018. Knaus Tabbert Kft undertakes to retain the assets and asset components acquired during the realisation of the investment until the end of the 5-year monitoring period at the place of investment, and to administer the investment. Other eligibility requirements include the attainment of the sum of offsettable costs, the creation of new jobs, the hiring of employees with university or college degrees, and a specified increase in revenue. If these conditions are not met, Knaus Tabbert Kft is obliged to repay the grant already received, either proportionally or in full (in accordance with the specified offsetting procedure), plus interest. Knaus Tabbert AG acts as a guarantor for this government grant in the amount of the sum paid out.

The assistance recognised as deferred income is amortised over the useful life of the assets. In 2020, KEUR 309 of this amount was released and reported under other operating income.

5.13. Tax liabilities

Tax liabilities as of 31 December 2020 and 31 December 2019 are as follows:

in KEUR	31.12.2020	31.12.2019
Tax liabilities	2,815	816

The liabilities relate exclusively to income taxes. For the development of deferred tax liabilities, please refer to Note 6.9.3.

6. Notes to the Consolidated Profit and Loss Statement

6.1. Revenues

Revenues are divided between the product groups caravans, motorhomes, camper vans and after-sales/other as follows:

in KEUR	2020	2019
Caravans	207,949	215,382
Motorhomes	393,525	394,480
Camper Vans	169,958	149,720
After sales / other	23,159	20,805
Total	**794,591**	**780,386**

Revenues are divided between the geographical regions of Germany, Europe and the rest of the world as follows:

in KEUR	2020	2019
Germany	571,174	523,912
Europe	211,564	245,842
Rest of the world	11,853	10,631
Total	**794,591**	**780,386**

Revenues mainly fall within the scope of IFRS 15 and are recognised in full at a point in time. In addition, revenues accounted for under IFRS 16 in the amount of KEUR 1,179 (2019: KEUR 1,599) are included. For further information on revenue, please refer to Note 3.15.1. For the breakdown of revenue between the Luxury and Premium segments, please see Note 4.2.

The following table provides information on receivables and contractual liabilities from contracts with customers.

in KEUR	Note	31.12.2020	01.01.2020	31.12.2019	01.01.2019
Receivables included in trade receivables and other receivables	5.4	10,577	37,275	37,275	37,462
Contractual liabilities	5.12.3	4,278	3,294	3,294	2,409

The contractual liabilities result from advance payments received from customers and outstanding bonus points within the framework of a customer loyalty programme (see Note 3.15.1). The reversal of these contractual liabilities is expected in the next financial year.

The main changes in contractual liabilities within a financial year result on the one hand from the complete derecognition of the opening balance of the contractual liabilities with an effect on revenue due to the fulfilment of the associated performance obligations (KEUR 3,294; previous year: KEUR 2,409), and from the receipt of advance payments for ordered vehicles by customers and the granting of bonus points under the customer loyalty programme (KEUR 4,278; previous year: KEUR 3,294).

6.2. Changes in inventory and other own work capitalised

in KEUR	2020	2019
Changes in inventory finished goods	3,847	12,128
Changes in inventory work in progress	516	–126
Changes in inventory	**4,364**	**12,001**
Other own work capitalised	**4,144**	**5,321**

The significant decrease in changes in inventory is mainly attributable to high market demand.

Other own work capitalised, which mainly stems from capitalised development projects, decreased by KEUR 1,177 from KEUR 5,321 to KEUR 4,144.

6.3. Other operating income

In the 2020 financial year, other operating income decreased by KEUR 2,786 from KEUR 5,831 to KEUR 3,045 relative to the previous year, and includes the following items:

in KEUR	2020	2019
Income from the disposal of assets	16	671
Income from currency translation	287	209
Income from the reversal of provisions	–	774
Insurance compensation	333	495
Subsidies	5	12
Government grants	264	596
Remuneration in kind	453	438
Income from material regress of supplier	949	571
Income from changes in default risks	164	18
Other income	576	2,048
Total	**3,045**	**5,831**

Income from the reversal of provisions was reported in the respective expense items in the 2020 financial year.

Other income mainly includes bonus credits from the utilisation of temporary work quotas in the amount of KEUR 100 (2019: KEUR 143), income from the recharging of storage costs to a dealer in the amount of KEUR 220, income from canteen operations in the amount of KEUR 55 and the refund of tax on electricity in the amount of KEUR 59.

6.4. Cost of materials

The cost of materials remains slightly below the previous year's level and comprises the following items:

in KEUR	2020	2019
Expenses for raw, auxiliary and operating materials	530,866	537,139
Purchased services	27,188	28,328
Cost of materials	**558,054**	**565,467**

6.5. Personnel expenses

In the reporting year, an average of 2,026 (2019: 1,915) industrial workers and 438 (2019: 419) salaried employees were employed. The increase in wage and salary expenses is mainly due to the greater workforce and the collective bargaining adjustments that were made. The personnel expenses include social security contributions and expenses for pensions and other benefits.

in KEUR	2020	2019
Wages and salaries	92,499	89,860
Social security contributions and expenses for pensions and other benefits	18,893	18,267
of which retirement benefits	17,286	16,789
Personnel expenses	**111,393**	**108,127**

As a traditional manufacturing enterprise with a high degree of vertical integration, the Group ranks among the most labour-intensive companies. The personnel expense ratio (personnel expenses to total operating revenue) stands at 14% in the 2020 financial year (2019: 14%).

The retirement benefits exclusively comprise employer contributions to the German statutory pension scheme.

6.6. Depreciation and amortisation

Depreciation, amortisation and impairment losses are as follows:

in KEUR	2020	2019
Intangible assets	4,466	4,016
Property, plant and equipment	14,979	13,788
of which from rights of use	2,405	2,501
Scheduled depreciation and amortisation	**19,445**	**17,804**
Intangible assets	–	591
Property, plant and equipment	–	–
Impairment losses	**–**	**591**

Impairment losses on intangible assets in the amount of KEUR 591 in the previous year were entirely attributable to capitalised development projects. No impairment losses were recognised in the reporting year.

6.7. Other operating expenses

Other operating expenses increased by KEUR 5,014 in the 2020 financial year relative to the previous year and comprise the following items:

in KEUR	2020	2019
Costs for premises, energy and maintenance	8,838	8,291
Expenses for advertising, trade fairs and sales	25,554	23,797
Research and development costs	1,606	1,937
Expenses from foreign currency translation	1,186	674
Insurance policies and legal and consultancy costs	6,051	5,317
Warranty and goodwill expenses	11,265	9,741
Order-related expenses	4,677	4,954
Travel and representation expenses	1,384	2,093
Vehicle expenses	1,341	1,513
Costs for IT, tools and small devices	3,046	2,643
Expected credit losses	8	341
Other expenses	5,734	4,377
Total	**70,691**	**65,677**

Other operating expenses mainly include expenses for the disposal of assets in the amount of KEUR 786 (2019: KEUR 19) and contributions and levies in the amount of KEUR 838 (2019: KEUR 733).

The increase in other operating expenses was caused, among other things, by major expenditures for renting large areas at the largest trade fair in the industry to ensure compliance with distance regulations, as well as by additional expenditures for hygiene and safety concepts due to special regulations in connection with the COVID-19 pandemic. In addition, warranty and goodwill expenses grew more than in the previous year due to increased sales and higher legal and consulting costs as a result of the initial public offering in the financial year.

6.8. Financial result

The main components of the financial result are shown in the following table:

in KEUR	2020	2019
Interest income	60	398
Income from derivative financial instruments	30	39
Financial income	**91**	**437**
Interest expenses	2,068	2,484
Expenses from financial instruments	100	–
Credit commissions and pool management fees	406	115
Finance costs	**2,573**	**2,598**
Financial result	**–2,483**	**–2,161**

Income and expenses from derivative financial instruments include the changes in fair value through profit or loss of the interest rate swap and the interest rate cap, and of the financial guarantee.

Interest expenses in the 2020 financial year include expenses incurred from applying the effective interest method in the amount of KEUR 129 (2019: KEUR 548). These are attributable to liabilities to banks and to lease liabilities, which are allocated to the category of financial liabilities measured at amortised cost (see Note 7.1).

The net gains and losses from the measurement through profit or loss of derivative financial instruments, which are allocated to the category of financial liabilities measured at fair value through profit or loss (see Note 7.1), are shown in the following table:

in KEUR	2020	2019
Net gains from derivate financial Instruments	30	39

6.9. Income taxes

6.9.1. Taxes recognised in profit or loss

TAXES RECOGNISED IN PROFIT OR LOSS

in KEUR	2020	2019
Current year	11,980	11,676
Previous years	25	148
Current tax expense	**12,005**	**11,824**
Creation / reversal of temporary differences from tax losses	181	250
Deferred tax expense	**181**	**250**
Tax expense	**12,186**	**12,074**

Tax expense of KEUR 12,751 (31.12.2019: KEUR 12,543) recognised in the Consolidated Profit and Loss Statement includes other taxes in the amount of KEUR 564 (31.12.2019: KEUR 469).

6.9.2. Reconciliation of the effective tax rate

The expected tax expense for the 2020 financial year is calculated on the basis of an income tax rate of 28.1% (2019: 27.7%), which corresponds to the combined trade and corporate income tax rate plus solidarity surcharge of the parent company.

RECONCILIATION OF THE EFFECTIVE TAX RATE

	31.12.2020		31.12.2019	
	%	KEUR	%	KEUR
Profit before tax from continuing operations		43,513		43,244
Expected taxes	27.7%	12,044	27.7	11,970
Deviations in tax rates	–0.1%	–58	–0.4	–144
Tax corrections (permanent effects)	0.5%	200	0.4	156
Non-recognition of losses of the current year and change / value allowance of tax loss carry-forwards and temporary differences	0.0%	18	0.0	–
Prior-year taxes	0.1%	25	0.3	148
Other	–0.1%	–43	–0.1	–56
Effective taxes	**28.1%**	**12,186**	**27.9**	**12,074**

6.9.3. Change in the deferred taxes in the balance sheet during the year

FINANCIAL YEAR 2020

							Status as of 31.12.		
in KEUR	Net as of 01.01.	In profit/loss	In other compre-hensive income	Recognised in equity	Business combinations	Other	Net	Deferred tax assets	Deferred tax liabilities
Intangible assets	3,572	78					3,650	–	3,650
Property, plant and equipment	3,204	–325					2,879	–	2,879
Inventories	204	11					215	–	215
Trade receivables	–482	67					–415	–415	–
Other assets	44	–5					39	–162	201
Other provisions	–234	–122					–356	–394	38
Trade payables	33	–					33	–	33
Other liabilities	–2,539	477	1				–2,061	–2,064	3
Other	–	–	–	–192			–192	–192	–
Tax claims (liabilities) before offsetting	**3,802**	**181**	**1**	**–192**	**–**	**–**	**3,792**	**–3,227**	**7,019**
Offsetting of taxes	–	–	–	–	–	–	–	114	–114
Tax claims (liabilities) net	**3,802**	**181**	**1**	**–192**	**–**	**–**	**3,792**	**–3,113**	**6,905**

FINANCIAL YEAR 2019

in KEUR	Net as of 01.01.	In profit/loss	In other compre-hensive income	Recognised in equity	Business combinations	Other	Status as of 31.12. Net	Deferred tax assets	Deferred tax liabilities
Intangible assets	3,091	481					3,572	–	3,572
Property, plant and equipment	1,416	1,788					3,204	–	3,204
Inventories	162	42					204	–	204
Trade receivables	–433	–49					–482	–482	–
Other assets	109	–65					44	–	44
Other provisions	–342	108					–234	–394	160
Trade payables	39	–6					33	–	33
Other liabilities	–484	–2,051	6				–2,539	–2,539	–
Tax claims (liabilities) before offsetting	**3,558**	**248**	**6**	**–**	**–**	**–**	**3,802**	**–3,415**	**7,217**
Offsetting of taxes	–	–							
Tax claims (liabilities) net	**3,558**	**248**	**6**	**–**	**–**	**–**	**3,802**	**–3,415**	**7,217**

6.9.4. Outside basis differences

Temporary differences from outside basis differences pursuant to IAS 12.39 in the amount of KEUR 1,132 (2019: KEUR 1,001) exist as of the balance sheet date 31 December 2020.

6.10. Earnings per share

Undiluted earnings per share are calculated by dividing the share of earnings attributable to the shareholders of Knaus Tabbert AG by the weighted average number of shares outstanding. As there were no circumstances giving rise to dilution effects, the diluted earnings per share equal the undiluted earnings per share.

For the purpose of comparing results, the weighted average number of ordinary shares of Knaus Tabbert AG as of 31 December 2020 was used for Knaus Tabbert GmbH existing in the 2019 financial year. The weighted average number of ordinary shares as of 31 December 2020 was affected by the transformation of Knaus Tabbert GmbH into Knaus Tabbert AG and the simultaneous capital increase on 7 August 2020, and by the issue of treasury shares for the initial public offering on 25 September 2020.

		2020	2019
Consolidated net income	KEUR	31,327	31,000
Calculation of the weighted average number of ordinary shares Undiluted			
Undiluted	Quantity	4,103,917	4,103,917*
Diluted	Quantity	4,103,917	4,103,917*
Earnings per share			
Undiluted	EUR	7.63	7.55
Diluted	EUR	7.63	7.55

* For the purpose of comparing results, the weighted average number of ordinary shares of Knaus Tabbert AG as of 31 December 2020 was used for Knaus Tabbert GmbH existing in the 2019 financial year.

7. Other information on financial instruments

7.1. Classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not contain any information on the fair value of financial assets and financial liabilities that have not been measured at fair value if the carrying amount represents a reasonable approximation of the fair value.

	Carrying amount				Fair value			
31.12.2020 in KEUR	Measured at amortised cost	Measured at fair value	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Trade receivables	10,577			10,577				
Receivables from factoring	8,346			8,346				
Receivables from shareholders	995			995				
Cash and cash equivalents	8,939			8,939				
	28,858			**28,858**				
Financial liabilities measured at fair value								
Derivative financial instruments		42		42		42		42
Financial guarantee		100		100			100	100
		142		**142**		**42**	**100**	**142**
Financial liabilities not measured at fair value								
Liabilities to banks (current)			49,001	49,001				
Liabilities to banks (non-current)			5,616	5,616		5,519		5,519
Liabilities to shareholders			14	14				
Trade payables			35,167	35,167				
Refund liabilities			12,071	12,071				
			101,868	**101,868**		**5,519**		**5,519**

31.12.2019 in KEUR	Carrying amount Measured at amortised cost	Measured at fair value	Other financial liabilities	Total	Fair value Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Trade receivables	37,275			37,275				
Receivables from factoring	10,905			10,905				
Cash and cash equivalents	7,597			7,597				
	55,777			**55,777**				
Financial liabilities measured at fair value								
Derivative financial instruments		73		73		73		73
		73		**73**		**73**		**73**
Financial liabilities not measured at fair value								
Liabilities to banks (current)			81,941	81,941				
Liabilities to banks (non-current)			12,348	12,348		12,191		12,191
Trade payables			47,057	47,057				
Refund liabilities			13,393	13,393				
			154,739	**154,739**		**12,191**		**12,191**

7.2. Determining fair values

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date. It is irrelevant whether the price is directly observable or determined using a valuation technique.

The following valuation techniques were used to determine the fair values of Levels 2 and 3.

Level 2

Derivative financial instruments

The fair values of derivative financial instruments in the form of interest rate swaps and interest rate caps are determined by the counterparties using valuation methods based on market prices.

Other financial liabilities

The fair values of other financial liabilities in the form of long-term liabilities to banks were determined by discounting the expected cash flows using a risk-adjusted discount rate.

Level 3

Financial guarantee

The fair value of the financial guarantee was determined on the basis of the maximum possible utilisation of the Group using historical intra-group loss rates corrected for observable market risk adjustments and market recovery rates from the realisation of pledged collateral in the event of a loss.

There were no reclassifications between the individual fair value hierarchy levels in the present reporting periods.

7.3. Financial risk management

7.3.1. Risk management principles

The Knaus Tabbert Group is exposed to a variety of risks on account of the existing financial instruments.

The Management Board of the parent company is responsible for establishing and controlling the risk management system of the Group. The risk management system implemented at the Knaus Tabbert Group records potential risks and assesses them by means of a risk analysis. The finance department is responsible for developing and monitoring this risk management, and reports on this to the Management Board on a regular basis. The identified risks are then systematically evaluated according to the criteria of “probability of occurrence”, “potential extent of damage” and “time horizon”, and assigned to defined risk classes.

The defined risk classes result in various reporting obligations of the individual risk managers to the Management Board. Measures have been developed to mitigate and prevent risks. Regular reporting with deviation analyses on the earnings situation and the development of orders by the controlling department of the company is an essential component of this risk management system. The individual risks that have been identified are continuously monitored by the responsible members of staff and management.

On account of its business operations, the Knaus Tabbert Group is obliged to knowingly accept certain risks in order to be able to exploit opportunities and successfully compete in the market. In the process, the Group is exposed to a broad range of opportunities and risk fields.

The Group is exposed to the following risks arising from the use of financial instruments:

- Receivables and credit risks
- Liquidity risks
- Market risks

7.3.2. Receivables and default risk

The default risk is the risk of incurring financial losses in the event that a customer or the contracting party of a financial instrument fails to fulfil their contractual obligations. The default risk essentially arises from the trade receivables.

The carrying amounts of the financial assets correspond to the maximum default risk.

Trade receivables and other receivables

The default risk of the Group is primarily influenced by the individual characteristics of its customers. The frequently low equity base of our trading partners will continue to be the cause of further defaults of businesses from the current dealer network in the future, which may have a negative impact on the net asset situation, financial and profit situation of the Knaus Tabbert Group. Increased cooperation with the purchase financing banks, broader inventory controls, permanent debtor monitoring and paying attention to early indicators such as inventory development, the issue of vehicle documentation and collection deadlines therefore remain a top priority. The Group sells its vehicles subject to retention of title, that is, it retains ownership of the purchased item as security for its purchase price claims. A collateral fund has been set up for realisation risks of financed vehicles (see Notes 3.8, 6.6 and 12).

In order to determine any necessary impairments, the Group has implemented a procedure allowing for an estimation of the expected losses from trade receivables.

The maximum default risk for trade receivables and other receivables, broken down by geographical region, as of 31 December 2020 and 31 December 2019 is as follows:

in KEUR	31.12.2020	31.12.2019
Germany	7,259	23,235
Europe	2,943	9,122
Rest of the world	376	5,451
Total	**10,577**	**37,807**

The maximum default risk for trade receivables and other receivables, broken down by type of customer, as of 31 December 2020 and 31 December 2019 is as follows:

in KEUR	31.12.2020	31.12.2019
Dealers	9,821	37,090
End customers	756	717
Total	**10,577**	**37,807**

The following table contains information on the loss rates, gross carrying amounts and cumulative expected credit losses within the time intervals used to determine the impairments of trade receivables. In the reporting period, the information was extended to include a further time interval.

2020

in KEUR	Loss rate (weighted average)	Gross carrying amount	Impairment
Not overdue	0.49%	7,375	–36
0 – 29 days past due	3.21%	2,240	–72
30 – 60 days past due	9.00%	982	–88
61 – 90 days past due	22.96%	115	–26
91 – 180 days past due	34.30%	75	–26
More than 180 days past due	74.68%	153	–114

2019

in KEUR	Loss rate (weighted average)	Gross carrying amount	Impairment
Not overdue	0.27%	32,695	–88
0 – 29 days past due	1.56%	2,480	–39
30 – 60 days past due	2.94%	1,378	–41
61 – 90 days past due	4.76%	422	–20
More than 90 days past due	5.56%	832	–46

No further impairments were recognised on trade receivables (2019: KEUR 299).

The impairment of trade receivables developed as follows:

in KEUR	31.12.2020	31.12.2019
Status as of 1 January	**533**	**392**
Additions to non-current assets	8	219
Reversals	–164	–18
Used	–	–59
Exchange rate effects	–14	–
Status as of 31 December	**362**	**533**

Receivables from factoring and receivables from shareholders

As the receivables from factoring are due from credit institutes and financial institutions with a high credit rating and are current receivables, the Group does not recognise any impairments for expected credit losses (ECL).

Due to the fact that receivables from shareholders have a very short maturity of less than one month, the Group does not recognise any impairments of expected credit losses for these receivables.

Cash and cash equivalents

As of 31 December 2020, the Group holds bank deposits in the amount of KEUR 8,875 (31.12.2019: KEUR 7,560). This sum thus also represents the maximum default risk with regard to these assets. Cash and cash equivalents are deposited with credit institutes that enjoy a high credit rating.

Derivative financial instruments

The default risk associated with derivative financial instruments arises when counterparties fail to meet their payment obligations, or only meet them to a limited extent. To mitigate this risk, contracts are only concluded with selected banks with a correspondingly high credit rating.

7.3.3. Liquidity risk

The risk of the Knaus Tabbert Group being unable to meet its payment obligations when due is referred to as liquidity risk. In the course of managing its liquidity risk, the Knaus Tabbert Group ensures that sufficient liquidity is available at all times to settle due liabilities without incurring unsustainable losses or compromising the reputation of the Knaus Tabbert Group.

The liquidity-related risks of the Knaus Tabbert Group consist of the possibility that financial obligations such as the repayment of loans or the ongoing capital requirements of operating activities cannot be met.

The Knaus Tabbert Group counters these risks as follows: The financial planning required to ensure liquidity is carried out on the basis of medium and short-term annual planning. With the existing syndicated loan agreement, the company has a sufficient financing framework at its disposal in the coming years. The Group discusses its current business performance and the outlook for its industry in regular meetings with its principal banks, thus ensuring an adequate dissemination of information.

Production adjusted to the respective order situation enables clear and transparent inventory management, particularly in the area of finished vehicles, which in turn provides for a stable liquidity situation.

Significance of the liquidity risk

The following table shows the contractual residual terms of the non-derivative financial liabilities on the balance sheet date. The amounts indicated are undiscounted gross amounts:

31.12.2020

In KEUR	Carrying amounts	Contractually agreed cash flows	Residual term of less than 1 year	Residual term of between 1 and 5 years	Residual term of more than 5 years
Liabilities to banks	54,616	55,039	49,187	4,902	951
Liabilities to shareholders	14	14	14	–	–
Trade payables	35,167	35,167	35,167	–	–
Lease liabilities	8,558	8,873	2,694	5,171	1,008
Derivative financial instruments	42	49	27	22	–
Total	**98,397**	**99,141**	**87,088**	**10,094**	**1,959**

31.12.2019

In KEUR	Carrying amounts	Contractually agreed cash flows	Residual term of less than 1 year	Residual term of between 1 and 5 years	Residual term of more than 5 years
Liabilities to banks	94,289	95,075	82,336	11,789	951
Trade payables	47,057	47,057	47,057	–	–
Lease liabilities	9,507	9,840	2,200	6,822	819
Derivative financial instruments	73	85	36	49	–
Total	**150,926**	**152,057**	**131,629**	**18,660**	**1,770**

7.3.4. Market risk

Market risks are risks connected to changes in market prices, such as exchange rates or interest rates, which are influenced by the earnings of the Group or the value of the financial instruments held. The aim of market risk management is to control and steer market risks within acceptable ranges while optimising returns.

Currency risk

Currency risk can be described as a sub-category of market risks. Hedging of currency risks is not necessary as invoicing and procurement are mainly undertaken in euros. As a result, currency risks play a minor role within the Knaus Tabbert Group.

Interest rate risk

The interest rate risk is the risk of the fair values or future cash flows of financial instruments fluctuating due to changes in market interest rates.

Variable interest rate agreements carry the risk of rising interest rates for financial liabilities. This risk is evaluated, assessed and, where required, managed through the use of derivative interest rate hedging instruments. The focus of these instruments are the interest-bearing net financial liabilities of the Knaus Tabbert Group.

Significance of the interest rate risk

in KEUR	31.12.2020	31.12.2019
Interest rate exposure		
Variable-rate financial liabilities	49,686	83,395

An increase in the average interest rate of the variable-rate financial liabilities by 50 basis points would result in a decrease in profit before income taxes of KEUR 329 (2019: KEUR 381). A decrease of 50 basis points would produce a positive effect on profit before income taxes of KEUR 329 (2019: KEUR 381).

7.4. Capital management

The primary objective of the Group's capital management is to ensure a sufficiently strong equity ratio to support the continuation of its business operations and preserve the Group's financial stability. The aim here is to provide the necessary leeway in terms of financing and liquidity. The financial profile is actively managed and monitored, with the main focus on the equity ratio, which is calculated as the quotient of equity in the balance sheet and the balance sheet total.

Moreover, the Group monitors its capital on the basis of its debt-to-equity ratio. This is calculated as the ratio of net debt (KEUR 60,334) to adjusted EBITDA according to definition of the syndicated loan agreement (KEUR 66,559). Net debt includes liabilities to banks, liabilities to shareholders and liabilities from finance leases less cash and cash equivalents. Adjusted EBITDA represents earnings before interest, taxes, depreciation and amortisation, adjusted for non-operating effects. This is calculated by deducting income and expenses from the disposal of non-current assets, income from the reduction or reversal of write-downs on receivables, income from the reversal of provisions, income from the translation of foreign currency transactions, and income from claims for damages and insurance benefits from the consolidated net income adjusted for taxes, depreciation and amortisation, financial income and finance costs.

With the conclusion of the syndicated loan agreement in the 2019 financial year, the above-mentioned control parameters of the Group were adjusted for variables specified by the lenders.

The net working capital ratio is calculated as the ratio of inventories (KEUR 114,791) plus trade receivables (KEUR 10,577) plus receivables from payment claims against Wells Fargo (KEUR 7,652) from sold trade receivables of the company, less trade payables (KEUR 35,167) from making use of credits (KEUR 36,597). This financial ratio ceases to be applied once the equity ratio is greater than or equal to 30% on two consecutive reporting dates, but at the earliest after submission of the quarterly report of the Group as of 30 September 2021.

The Management Board of the Group has set a target range for the equity ratio of 22.5% – 30%. The debt-to-equity ratio must not exceed 2.75, and the net working capital ratio must not be less than

in KEUR	31.12.2020	31.12.2019
Equity	123,770	98,202
Equity ratio	43.3%	31,6%
Debt-to-equity ratio	0.9	1.6
Net working capital ratio	2.7	1.5

8. Leases

For the accounting policies, see Note 3.6.

8.1. The Group as lessee

The Group leases land and buildings. The term of the lease agreements is typically ten years with the option to extend the agreements after this period. Lease payments are renegotiated after a reasonable period of time to reflect market rents. Some agreements provide for additional lease payments on the basis of changes in local price indices.

Leases of real estate were concluded several years ago as combined leases of land and buildings. The Group also leases production machinery.

The Group leases IT equipment with contractual terms ranging from one to three years. These lease agreements are either concluded for a short period of time and/or for low-value items. For these leases, the Group has decided not to recognise any right-of-use assets or lease liabilities.

Information on leases in which the Group acts as lessee is presented below.

a) Rights of use

For the development of rights of use, please refer to the Asset Schedule.

Rights of use in connection with leased real estate that do not meet the definition of investment property are reported as property, plant and equipment.

b) Amounts recognised in the Consolidated Profit and Loss Statement

2020 – LEASE AGREEMENTS ACCORDING TO IFRS 16

In KEUR	31.12.2020	31.12.2019
Interest expenses for lease liabilities	114	136
Expenses for short-term leases	479	655
Expenses for leases of an asset of low value, with the exception of short-term leases of assets of low value	383	516

c) Amounts recognised in the Cash Flow Statement

In KEUR	31.12.2020	31.12.2019
Total cash outflows for leases	3,040	2,534

d) Extension options

A number of land and building leases contain renewal options, which may be exercised by the Group up to six months prior to the expiry of the non-cancellable lease term. Where possible, the Group seeks to include renewal options when entering into new leases to provide operational flexibility. At the date of commencement of the lease, the Group assesses whether the exercise of renewal options is reasonably certain. Subsequently, the Group reassesses whether the exercise of a renewal option is reasonably certain upon the occurrence of a significant event or change in circumstances within its control.

The Group estimates that potential future lease payments arising from the exercise of renewal options would result in an increase in lease liabilities of KEUR 176.

8.2. The Group as lessor

The Group recognised revenue from its rental business in the amount of KEUR 1,179 (2019: KEUR 1,599) in the financial year.

The Group generally does not lease motorhomes and caravans for periods including the balance sheet date. There are therefore no significant lease receivables as of 31 December 2020.

9. Future payment obligations

In addition to the payment obligations resulting from leases, the Group has entered into other payment obligations. These include contractual obligations from the purchase of property, plant and equipment in the amount of KEUR°2,275. Further payment obligations result from maintenance and service contracts.

FUTURE PAYMENT OBLIGATIONS

in KEUR	31.12.2020	31.12.2019
Due within one year	3,176	2,334
Due in between one and five years	331	724
Due in between one and five years	–	52
Total	**3,507**	**3,110**

10. Contingent receivables and liabilities

The Group holds no contingent receivables as of 31 December 2020.

The following contingent liabilities exist as of the balance sheet date:

DUE IN MORE THAN FIVE YEARS

in KEUR	31.12.2020	31.12.2019
Provision of collateral for third-party liabilities – bank balances SKP Fund		5,913
Liabilities from guarantees	1,377	1,068
Total	**1,377**	**6,981**

The Group considers the probability of a claim arising from the above contingent liabilities to be low due to the overall favourable economic environment in the caravanning industry.

11. Related parties

The disclosure requirements under IAS 24 also apply to transactions with associates and transactions with persons exercising significant influence over the financial and operating policies of the company. An entity is considered to exert significant influence over the financial and operating policies of the Group if it holds 20% or more of the shares of Knaus Tabbert AG, has a seat on the Management Board or Supervisory Board of the Group, or holds another key management position in the company.

In accordance with IAS 24, the following were identified as related parties of the Group:

- H.T.P. Investments 1 B.V., Amsterdam,
- Catalina Capital Partners B.V., Amsterdam
- Palatium Beteiligungsgesellschaft mbH, St. Ingbert
- Members of the Management Board and Supervisory Board of Knaus Tabbert AG and close relatives are persons occupying key positions in the company.

Related persons

As shown in the table below, the members of the Management Board and the Supervisory Board exclusively received short-term benefits paid as remuneration for their function as key management personnel. No post-employment benefits, other long-term benefits, termination benefits or share-based payments were paid nor granted in the financial year 2020. Please refer to Note 11 for information on share-based compensation. One manager did not have an employment contract with the company until 22 September 2020, but invoiced his services amounting to KEUR 547 (2019: KEUR 750) under a contract with a related party, through which he holds an interest in Knaus Tabbert AG. These services are not included in the table. Furthermore, the table only includes the compensation received by the Board of Management and the Supervisory Board.

EXECUTIVE BOARD REMUNERATION

in KEUR	2020	2019
Total remuneration Management Board	1,650	1,415
Total remuneration Supervisory Board	99	
Social security contributions and expenses	32	39

No expenses for the remuneration of Supervisory Board members were recognised in 2019.

Business transactions with H.T.P. Investments 1 B.V.

H.T.P. Investments 1 B.V. held a stake of 58.1% in the company until the initial public offering. With the initial public offering, its shareholding decreased to 37.6%.

The following table shows the business transactions with H.T.P. Investments 1 B.V., Amsterdam, as the main shareholder of the Group, and the receivables and liabilities as of the balance sheet date:

	2020			
in KEUR	Transaction volume Expense	Liability	Transaction volume Revenue	Receivable
Services	463	7	1,411	–
before IPO	451	–	–	–
after IPO	13	7	1,411	–
Total	**463**	**7**	**1,411**	**–**

	2019			
in KEUR	Transaction volume Expense	Liability	Transaction volume Revenue	Receivable
Services	620	–	–	–
Distribution	–	–	14,520	–
Interest on loans	–	–	296	–
Total	**620**	**–**	**14,816**	**–**

Business transactions with other related companies

The business transactions with the other related companies, Catalina Capital Partners B.V., Amsterdam, and Palatium Beteiligungsgesellschaft mbH, St. Ingbert, are as follows:

	2020			
in KEUR	Transaction volume Expense	Liability	Transaction volume Revenue	Receivable
Purchase of goods	10,298	187	–	–
Services	604	7	1,073	995
before IPO	591	–	–	–
after IPO	13	7	1,073	995
Total	**10,902**	**194**	**1,073**	**995**

	2019			
in KEUR	Transaction volume Expense	Liability	Transaction volume Revenue	Receivable
Purchase of goods	11,413	119	330	–
Services	765	–	–	–
Distribution	–	–	480	–
Interest on loans	–	–	10	–
Total	**12,178**	**119**	**820**	**–**

The business transactions with other related parties relating to services include the services in the amount of KEUR 547 (2019: KEUR 750) invoiced by a manager who did not have an employment contract with the company up to the initial public offering. The terms and conditions of these transactions were in line with standard market practice.

12. Share-based remuneration

At Knaus Tabbert AG, each member of the Management Board is entitled to participate in a Long Term Incentive Plan (LTIP). Under the LTIP, the participating members of the Management Board are allocated virtual performance shares in annual tranches at the beginning of each year, starting in the 2021 financial year. The number of performance shares allocated is determined according to a calculation formula. Under certain conditions, the performance shares entitle the eligible Management Board members to receive remuneration based on a calculated share price at the end of a four-year period (final share price), provided that the final share price exceeds the initial share price. The Supervisory Board of Knaus Tabbert AG determines the type of remuneration (cash compensation or settlement in shares).

The LTIP is defined by the Supervisory Board and is based on the degree of achievement during a four-year assessment period (performance period) in accordance with the terms and conditions of the LTIP as amended. Each performance period commences on 1 January of each financial year and ends on 31 December of the fourth financial year following the beginning of the programme. For further information on the LTIP, please refer to the Remuneration Report included in the Group Management Report.

The first evaluation period of the LTIP starts on 1 January 2021 and ends on 31 December 2024. Consequently, no expense from the LTIP was recognised in the 2020 financial year, and no payments under this programme were made to the Management Board.

13. Events after the reporting date

As of the reporting date of 31 December 2020, there were no events of particular significance and with a material impact on the net asset situation, financial position and profit situation of the company. Please refer to the Management Report for information on the effects of the corona pandemic.

14. Additional disclosures according to the German Commercial Code (HGB)

14.1. Number of employees

On average, the following employee groups were employed by the Group during the financial year:

EMPLOYEE GROUPS

in KEUR	2020	2019
Industrial workers	2,026	1,915
Salaried employees	438	419
Average number of employees, excluding apprentices	**2,464**	**2,334**
Apprentices	70	70
Total number of employees, including apprentices	**2,534**	**2,404**

14.2. Total fee for the auditor of the Consolidated Financial Statements

Pursuant to Section 314 para. 1 (9) HGB, the fees for the auditor of the Consolidated Financial Statements that are recognised as expenses are broken down as follows:

FEE FOR THE AUDITOR OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO SECTION 314 PARA.1 (9) HGB IN KEUR

in KEUR	2020	2019
the audits of the Consolidated Financial Statements	561	261
other assurance services	469	3
tax consultancy services	54	87
other services	64	120
Total	**1,149**	**471**

The fees for auditing services include services rendered in the previous year in the amount of KEUR 30. The other assurance services include assurance services in connection with the prospectus audit for the initial public offering and the confirmation of key financial figures. The tax consultancy services relate to services in connection with income tax and value-added tax consultancy. Other services include consulting services in connection with the initial public offering as well as consulting services in connection with the updating and documentation of accounting matters.

14.3. List of shareholdings

List of shareholdings of Knaus Tabbert AG, Jandelsbrunn, as of 31 December 2020

Name of the company	Registered office	Share in %
Caravan-Welt GmbH Nord	Bönningstedt, Deutschland	100
HÜTTLrent GmbH	Maintal, Deutschland	100
MORELO Reisemobile GmbH	Schlüsselfeld, Deutschland	100
Knaus Tabbert Kft	Vac (Ungarn)	100

15. Members of the Management Board

Wolfgang Speck, Diplom-Ingenieur (graduate engineer), Chairman of the Management Board, Chief Executive Officer (CEO)
Marc Hundsdorf, Diplom-Ingenieur (graduate engineer), Chief Financial Officer (CFO)
Gerd-Rainer Adamietzki, Kaufmann (business administrator), Chief Sales Officer (CSO)
Werner Vaterl, Diplom-Kaufmann (graduate business administrator), Chief Operating Officer (COO)

16. Supervisory Board

Pursuant to Section 1 para. 1, Section 6 para. 2, Section 7 para. 1 (1) of the German Co-Determination Act, this Supervisory Board is composed of six Supervisory Board members representing shareholders and employees. According to Section 7 para. 2 (1) of the Co-Determination Act, these must include four employees of the company and two representatives of trade unions.

The Supervisory Board consists of the following members:

Shareholder representatives:
Dr. Esther Hackl, in-house lawyer – Chairwoman of the Supervisory Board
Willem Paulus de Pundert, entrepreneur
Klaas Meertens, entrepreneur
Rene Ado Oscar Bours, consultant
Manfred Pretscher, Dipl. Ing. (FH)
Ruben Paulus de Pundert, entrepreneur (retired as of 31 July 2020)
Jana Donath, Head of Finance (from 1 August 2020)

Employee representatives:
Anton Autengruber, Chairman of the General Works Council, Deputy Chairman
Stephan Kern, IT administrator
Michael Heim, member of the Works Council
Ferdinand Sommer, Head of IT and Organisation (authorised signatory)
Robert Scherer, Trade Union Secretary IG Metall
Ute Opritescu, Trade Union Secretary IG Metall (retired as of 31 August 2020)
Daniela Fischer, Trade Union Secretary IG Metall (from 1 September 2020)

Asset Schedule 2020

INTANGIBLE ASSETS

in KEUR	Licences and acquired rights	Goodwill	Self-created intangible assets	Advance payments	Total intangible assets
Acquisition / production costs					
Status 1 January 2020	**8,898**	**841**	**33,118**	**104**	**42,960**
Currency differences	–7	–	–3	–	–10
Additions	1,207	–	4,756	2	5,965
Reclassification	168	–	–	–41	127
Disposals	–	–	772	–	772
Status 31 December 2020	**10,266**	**841**	**37,098**	**65**	**48,271**
Amortisation					
Status 1 January 2020	**5,577**	**–**	**22,269**	**–**	**27,847**
Currency differences	–5	–	–3	–	–8
Currency differences Ongoing amortisation	–1	–	–	–	–1
Amortisation during the financial year	907	–	3,559	–	4,467
Disposals	–	–	–	–	–
Status 31 December 2020	**6,479**	**–**	**25,826**	**–**	**32,305**
Carrying amount 31 December 2020	**3,786**	**841**	**11,273**	**65**	**15,966**
Carrying amount 31 December 2019	**3,320**	**841**	**10,848**	**104**	**15,114**

PROPERTY, PLANT AND EQUIPMENT

in KEUR	Land, land rights and buildings and buildings, including buildings on third-party land on land owned by others	thereof rights of use	Technical equipment and machinery	thereof rights of use	Other equipment, factory and office equipment	thereof operating lease	thereof rights of use	Advance payments and assets under construction	Total Property, plant and equipment
Acquisition / production costs									
Status 1 January 2020	**76,376**	**6,714**	**38,071**	**5,291**	**47,398**	**1,552**	**1,529**	**3,803**	**165,648**
Currency differences	–1,229	–29	–725	–33	–296	–	–22	–34	–2,285
Additions	3,334	526	2,684	–	7,704	1,454	1,052	2,184	15,906
Reclassification	959	–	683	–	1,982	–	–	–3,752	–127
Disposals	–	–	2,169	2,057	2,517	1,393	587	–	4,686
Status 31 December 2020	**79,440**	**7,211**	**38,544**	**3,201**	**54,270**	**1,613**	**1,971**	**2,201**	**174,456**
Amortisation									
Status 1 January 2020	**13,255**	**957**	**16,087**	**2,497**	**30,237**	**298**	**648**	**–**	**59,579**
Currency differences	–225	–7	–284	–9	–157	–	–7	–	–667
Currency differences Ongoing amortisation	–9	–2	–32	-	–18	–	–2	–	–59
Amortisation during the financial year	3,036	1,070	4,202	727	7,740	510	608	–	14,978
Disposals	–	–	1,541	1,467	1,319	396	440	–	2,860
Status 31 December 2020	**16,058**	**2,018**	**18,432**	**1,748**	**36,483**	**412**	**809**	**–**	**70,972**
Carrying amount 31 December 2020	**63,383**	**5,193**	**20,112**	**1,453**	**17,788**	**1,201**	**1,163**	**2,201**	**103,483**
Carrying amount 31 December 2019	**63,121**	**5,757**	**21,984**	**2,794**	**17,160**	**1,253**	**881**	**3,803**	**106,069**

Asset Schedule 2019

INTANGIBLE ASSETS

in KEUR	Licences and acquired rights	Goddwill	Self-created intangible assets	Advance payments	Total intangible assets
Acquisition / production costs					
Status 1 January 2019	**7,854**	**841**	**29,239**	**126**	**38,060**
Currency differences	–2	–	–1	–	–3
Additions	920	–	5,554	104	6,578
Reclassification	126	–	–	–126	–
Disposals	–	–	1,674	–	1,674
Status 31 December 2019	**8,898**	**841**	**33,118**	**104**	**42,960**
Amortisation					
Status 1 January 2019	**4,860**	**–**	**20,056**	**–**	**24,916**
Currency differences	–1	–	–1	–	–2
Currency differences Ongoing amortisation	-	–	–	–	-
Amortisation during the financial year	718	–	3,889	–	4,607
Disposals	–	–	1,674	–	1,674
Status 31 December 2019	**5,577**	**–**	**22,269**	**–**	**27,847**
Carrying amount 31 December 2019	**3,320**	**841**	**10,848**	**104**	**15,114**
Carrying amount 31 December 2018	**2,994**	**841**	**9,183**	**126**	**13,144**

PROPERTY, PLANT AND EQUIPMENT

in KEUR	Land, land rights and buildings and buildings, including buildings on third-party land on land owned by others	thereof rights of use	Technical equipment and machinery	thereof rights of use	Other equipment, factory and office equipment	thereof operating lease	thereof rights of use	Advance payments and assets under construction	Total Property, plant and equipment
Acquisition / production costs									
Status 1 January 2019	**58,636**	**–**	**32,065**	**4,248**	**40,111**	**2,460**	**–**	**5,619**	**136,430**
Currency differences	–339	–	–206	–4	–82	–	–	–28	–654
Additions	15,301	6,714	6,293	1,089	9,370	1,144	1,529	3,747	34,711
Reclassification	2,790	–	907	–	913	–	–	–4,610	–
Disposals	12	–	988	41	2,914	2,053	–	926	4,840
Status 31 December 2019	**76,376**	**6,714**	**38,071**	**5,291**	**47,398**	**1,552**	**1,529**	**3,803**	**165,648**
Amortisation									
Status 1 January 2019	**10,218**	**–**	**12,410**	**1,641**	**24,974**	**381**	**–**	**–**	**47,603**
Currency differences	–55	–	–65	–	–32	–	–	–	–152
Currency differences Ongoing amortisation	–10	–1	–19	–4	–10	–	–1	–	–39
Amortisation during the financial year	3,101	958	4,016	893	6,670	494	649	–	13,788
Disposals	–	–	256	33	1,364	577	–	–	1,621
Status 31 December 2019	**13,255**	**957**	**16,087**	**2,497**	**30,237**	**298**	**648**	**–**	**59,579**
Carrying amount 31 December 2019	**63,121**	**5,757**	**21,984**	**2,794**	**17,160**	**1,253**	**881**	**3,803**	**106,069**
Carrying amount 31 December 2018	**48,418**	**–**	**19,654**	**2,607**	**15,137**	**2,079**	**–**	**5,619**	**88,828**

Jandelsbrunn, 25. March 2021

Wolfgang Speck	Marc Hundsdorf	Werner Vaterl	Gerd Adamietzki

AUDITOR'S REPORT

Independent Auditor's Report

To Knaus Tabbert AG, Jandelsbrunn (till August 14, 2020: Knaus Tabbert GmbH, Jandelsbrunn)

Report on the Audit of the Consolidated Financial Statements and of the Group Management Report

Opinions

We have audited the consolidated financial statements of Knaus Tabbert AG, Jandelsbrunn, and its subsidiaries (hereinafter 'the 'Group'), which comprise the consolidated statement of financial position as of December 31, 2020, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report ('group management report') of Knaus Tabbert AG, Jandelsbrunn, for the financial year from January 1 to December 31, 2020.

In accordance with German legal requirements, we have not audited the content of those components of the group management report specified in the "Other Information" section of our auditor's report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2020, and of its financial performance for the financial year from January 1 to December 31, 2020, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of those components of the group management report specified in the "Other Information" section of the auditor's report.

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

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and EU Audit Regulation No. 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Accrual of revenue from the sale of motorhomes, caravans and camper vans

Please refer to chapter 1.4 of the Notes to the Consolidated Financial Statements for the accounting policies applied and details on management judgments and sources of estimation uncertainty, and to chapter 3.15.1 of the Notes to the Consolidated Financial Statements for details on revenue.

RISKS ASSOCIATED WITH THE CONSOLIDATED FINANCIAL STATEMENTS

The Group's revenues in the 2020 financial year amount to EUR 794.5 million. Revenues are mainly generated from the sale of motorhomes, caravans and camper vans.

Companies of the Knaus Tabbert Group recognize revenue upon fulfillment of a contractual obligation by transferring a contractually agreed asset to a customer. An asset is deemed to be transferred as soon as the customer obtains the power of control over this asset. According to the transfer of control, revenue is recognized either at a point in time or over a period of time, and at the amount to which the Group companies are expected to be entitled.

The determination and appraisal of the complete fulfillment of the contractual customer agreements as of the balance sheet date, and thus the determination of the time of revenue recognition on the basis of indicators for the transfer of control of the motorhomes, caravans and camper vans as defined by the legal representatives, are subject to discretionary judgment.

The Consolidated Financial Statements are subject to the risk that revenues from the sale of motorhomes, caravans and camper vans may be recognized prematurely and incorrectly as of the balance sheet date.

OUR AUDITING APPROACH

To audit the accrual-based revenue recognition from the sale of motorhomes, caravans and camper vans, we assessed the design, set-up and effectiveness of internal controls of the issue of goods and invoicing and, in particular, the determination and verification of the transfer of control. We also reviewed the revenue recognition requirements in the Group-wide accounting policy for compliance with IFRS 15.

For contracts concluded in the course of the financial year, we evaluated the interpretation and weighting by the legal representatives of the indicators set out in the accounting policy for the determination of the time of transfer of control. To this end, we verified whether the accounting policy had been properly implemented on the basis of a representative sample of contracts.

Furthermore, we assessed the actual timing of recognized revenue by obtaining third-party confirmations or, alternatively, by checking invoices against the corresponding purchase orders, the transfer of control and the receipt of payments. For this purpose, we selected revenue recognized in a defined period prior to the balance sheet date by applying a mathematical-statistical method. In addition, we examined revenue entries in risk-oriented samples for a defined period prior to the balance sheet date and, to this end, checked contractual agreements with customers for completeness and reviewed the transfer of control. We examined credit notes issued after the balance sheet date for a defined period of time in risk-oriented samples, and satisfied ourselves that they were allocated to the correct period.

OUR CONCLUSIONS
The Knaus Tabbert Group pursued an appropriate approach to the accrual of revenues.

Measurement of the provisions for warranty and goodwill obligations and for product warranties
Please refer to chapter 1.4 of the Notes to the Consolidated Financial Statements for the accounting policies applied and details on management judgments and sources of estimation uncertainty, and to chapter 5.9 of the Notes to the Consolidated Financial Statements for details on product warranties.

RISKS ASSOCIATED WITH THE CONSOLIDATED FINANCIAL STATEMENTS
The provisions for warranty and goodwill obligations and for product warranties, to the extent that no claims have yet been asserted, are included in the Consolidated Financial Statements of Knaus Tabbert AG in other provisions at a significant amount. The obligations total EUR 13.3 million (approx. 4.6% of the balance sheet total) as of 31 December 2020.

In order to estimate uncertain obligations arising from legal warranty obligations, contractual warranty commitments going beyond legal warranty obligations, as well as goodwill obligations and product warranties for vehicles sold, information on the nature and volume of any damage that has occurred and its remediation is recorded and evaluated. The expected volume of the obligations is derived from past expenses and, if the recognition criteria of IAS 37 are met, a provision is created in the corresponding amount. For this purpose, percentages derived from historical data are applied to the revenue under warranty of the last four financial years. The timing of the assertion of warranty claims may extend over the entire statutory or promised warranty and goodwill period.

The calculation of the provisions is subject to estimation uncertainties and a high risk of change, depending, among other things, on the disclosure of identified defects and the assertion of warranty claims by vehicle owners.

The Consolidated Financial Statements are subject to the risk that the warranty provisions may be undervalued or overvalued.

OUR AUDITING APPROACH
In order to assess the appropriateness of the valuation method, including the assumptions and parameters, used for determining the provisions for warranty and goodwill obligations and for product warranties, we above all obtained an understanding of the process for determining the assumptions and parameters in discussions with the responsible employees of the Knaus Tabbert Group.

Furthermore, we assessed the adequacy and effectiveness of the controls for determining the assumptions and parameters as well as the warranty and goodwill expense process. We tested the controls incorporated in the warranty and goodwill expense process using a representative sample.

We compared the provisions recognized for warranty and goodwill claims with the expenses actually incurred in the subsequent period in order to draw conclusions about the accuracy of estimates of the previous year's provisions. We checked the data on which the comparison was based against the recorded warranty and goodwill expenses by means of representative samples, and verified the mathematical accuracy of the valuation model applied by using elements selected on a risk-oriented basis. We verified and assessed the assumptions of the Knaus Tabbert Group regarding the extent to which the historical values are representative of the expected susceptibility to damage, and the anticipated assertion of claims from warranty and goodwill obligations.

OUR CONCLUSIONS

The method used to measure the provisions for warranty and goodwill obligations and for product warranties is appropriate. The assumptions and parameters applied by management, taking into account the information available, are overall well-balanced.

Other Information

The Executive Board or the Supervisory Board is responsible for the other information. The other information comprises the following components of the management report, whose content was not audited:

- the non-financial statement referred to in the management report, and
- the combined corporate governance statement of the Company and the Group referred to in the management report.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the group management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Board and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The Executive Board is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the Executive Board is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Executive Board is responsible for assessing the Group's ability to continue as a going concern. It also has 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 unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

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

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

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

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

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

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the Executive Board and the reasonableness of estimates made by the Executive Board and related disclosures.
- Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the Executive Board in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Executive Board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Assurance Report in accordance with Section 317 (3b) HGB on the Electronic Reproduction of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes

We have performed an assurance engagement in accordance with Section 317 (3b) HGB to obtain reasonable assurance about whether the electronic reproduction of the consolidated financial statements and the group management report (hereinafter the “ESEF documents”) contained in the file that can be downloaded by the issuer from the electronic client portal with access protection, „knaustabbert_188019_1.zip“ (SHA256-Hashwert: 607dcefc99c6da291fbb0b5a9b1794e03601813cbec5fc5cb00f97159141d8fa) and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format (“ESEF format”). In accordance with German legal requirements, this assurance engagement only extends to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the group management report contained in the above-mentioned electronic file and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned file beyond this reasonable assurance conclusion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from January 1, 2020, to December 31, 2020, contained in the “Report on the Audit of the Consolidated Financial Statements and of the Group Management Report” above.

We conducted our assessment of the reproduction of the consolidated financial statements and the group management report contained in the above-mentioned electronic file in accordance with Section 317 (3b) HGB and the Exposure Draft of the IDW Assurance Standard: Assurance in accordance with Section 317 (3b) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (ED IDW AsS 410). Accordingly, our responsibilities are further described below. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

The Company’s Executive Board is responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the group management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company’s Executive Board is responsible for the internal controls it considers necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format, whether due to fraud or error.

The Company's Executive Board is also responsible for the submission of the ESEF documents together with the auditor's report and the attached audited consolidated financial statements and audited group management report as well as other documents to be published to the operator of the German Federal Gazette [Bundesanzeiger].

The Supervisory Board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance engagement. We also:

- Identify and assess the risks of material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance conclusion.
- Obtain an understanding of internal control relevant to the assessment of the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the electronic file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815 on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited group management report.
- Evaluate whether tagging the ESEF documents with Inline XBRL technology (iXBRL) provides an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor at the Annual General Meeting on August 7, 2020. We were engaged by the Supervisory Board on January 11, 2021. We have been the group auditor of Knaus Tabbert AG without interruption since financial year 2020.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Dr. Joachim Schroff.

Nuremberg, March 26, 2021
KPMG AG Wirtschaftsprüfungsgesellschaft

[signature] Dr. Schroff	[signature] Hocker
German Public Auditor	German Public Auditor

Responsibility statement by the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Jandelsbrunn, March 25, 2021

Wolfgang Speck   Marc Hundsdorf   Werner Vaterl   Gerd Adamietzki

Further Information

This annual report of Knaus Tabbert AG is also available in English. The report is available in German and English as a PDF on the Knaus Tabbert website.

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