Annual Report

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binder+co

binder+co

2019

Binder+Co

IFRS-Key Business Development Indicators

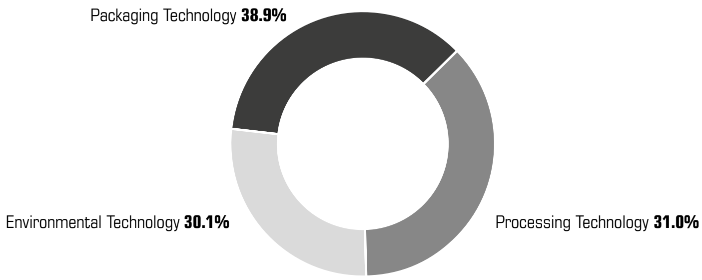
		2019	2018	2017
Sales revenues	EUR m	113.41	106.12	118.18
thereof Processing Technology	EUR m	35.19	41.64	47.52
thereof Environmental Technology	EUR m	34.07	30.89	29.95
thereof Packaging Technology	EUR m	44.15	33.59	40.71
EBIT	EUR m	4.18	2.09	0.88
EBIT margin	%	3.7	2.0	0.7
EBT	EUR m	3.38	1.22	0.09
EBT margin	%	3.0	1.1	0.1
Result for the period	EUR m	2.55	0.63	0.15
Consolidated result after minority interests	EUR m	1.55	0.00	–1.21
Earnings per share (undiluted)	EUR	0.41	0.00	–0.33
Earnings per share (diluted)	EUR	0.41	0.00	–0.33
Operating cash flow	EUR m	8.47	9.27	6.78
Investments	EUR m	–4.58	–3.37	–6.78
Employees	Number on the closing date	383	363	370
Sales revenues/employee	EUR k	296	292	319
EBIT/employee	EUR k	11	6	2
Order intake	EUR m	110.66	125.70	106.24
thereof Processing Technology	EUR m	41.66	37.78	46.23
thereof Environmental Technology	EUR m	28.84	44.42	25.69
thereof Packaging Technology	EUR m	40.16	43.50	34.32
Order backlog	EUR m	42.99	47.70	33.06
thereof Processing Technology	EUR m	14.96	8.56	17.36
thereof Environmental Technology	EUR m	11.22	18.21	4.68
thereof Packaging Technology	EUR m	16.81	20.93	11.02

IFRS-Key Consolidated Balance Sheet Indicators

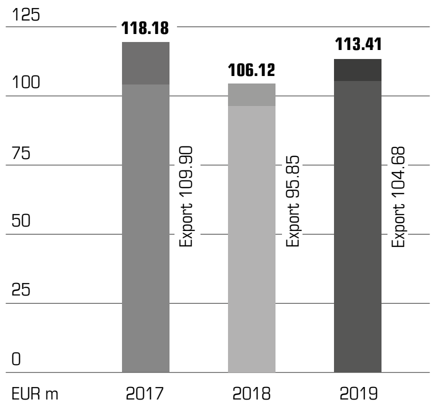
Assets		**31 Dec. 2019**	31 Dec. 2018	31 Dec. 2017
Non-current assets	EUR m	52.08	50.75	51.41
Current assets	EUR m	35.15	41.72	43.75
Liabilities and shareholders' equity				
Equity	EUR m	27.14	25.03	25.32
Non-current debt	EUR m	31.22	27.35	25.44
thereof borrowings	EUR m	12.32	14.30	12.04
Current debt	EUR m	28.86	40.09	44.40
thereof borrowings	EUR m	6.91	12.60	19.17
Total assets	EUR m	87.23	92.47	95.16
Equity ratio	%	31.1	27.1	26.6
Return on Equity (ROE)$_{EBT}$[1]	%	13.5	4.8	0.4

[1] The basis for the calculation of the ROE values is the amount of equity at the beginning of the respective year.

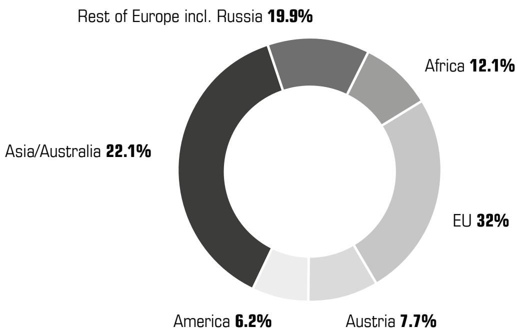
Sales Revenues 2019 by Segment



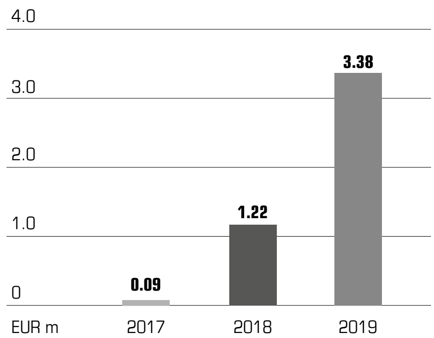
Sales Revenues/Export Sales



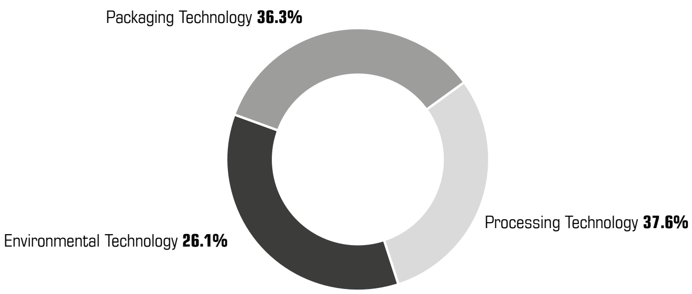
Sales Revenues 2019 by Region



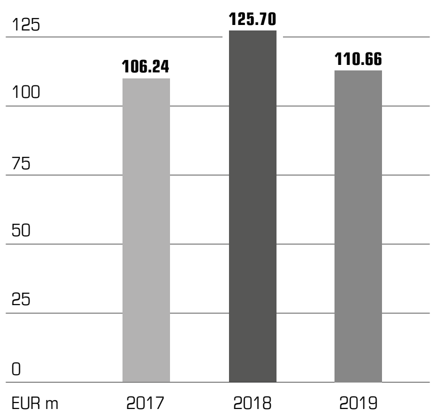
EBT



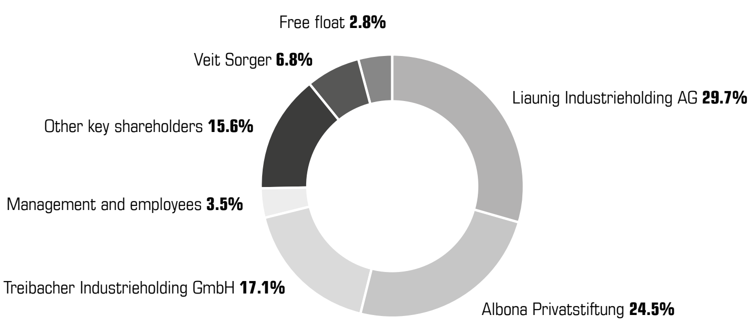
Order Intake 2019 by Segment



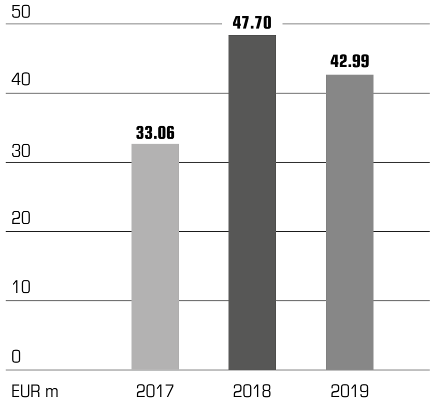
Order Intake



Binder+Co AG Ownership Structure



Order Backlog as at 31 December



RELIABLE
CRUSHING

EFFICIENT
SCREENING

WET
PROCESSING

THERMAL
PROCESSING

SENSOR-BASED
SORTING

BAGGING
PALLETIZING

Contents

Foreword

„Mechanical engineering specialist with vision and consistency"

In our 125-year history, we not only celebrated many successes, but also mastered challenging times with economic setbacks. Founded by Ludwig Binder, as a small locksmith and blacksmith in Graz-Eggenberg in 1894, Binder+Co is today the world market leader in the sensor-based sorting of waste glass and screening technology for difficult-to-screen materials.

Through all the highs and lows, as a mechanical engineering specialist we have demonstrated vision and consistency. When recycling became a separate industry in the 1980s, we developed sensor-based systems for separating contaminants from broken glass. This established the basis for making new glass from used glass. Since 2000 we have been concentrating exclusively on mechanical engineering and system businesses for the processing of bulk materials in the primary and secondary raw materials sector.

„Our mission is environmental protection and careful handling of valuable raw materials"

Our mission is the careful handling of valuable raw materials and the sustainable processing of recyclable materials. With our machines and systems for the careful and efficient processing of primary and secondary raw materials we counter pollution and high resource consumption. We treat our internal processes, the selection of new markets and the development of innovative solutions with the same care and efficiency.

We concentrate on our strengths: above all these are our innovative individual machines as well as selected system and project businesses that correspond to our core know-how. Both are supported by customer service as well as a sustainable service and spare parts business. This enabled us to successfully absorb the unexpectedly low order volume of the 2019 financial year with high-margin sales.

Slow economic growth and an associated reluctance to invest dampened the 2019 financial year in the processing and environmental technology segments. We were able to counter this with a strong individual machine business. Furthermore, we were successful with efficiency-increasing and sustainable solutions in both the raw materials sector and in recycling in our established markets. The packaging technology segment of Statec Binder remains very successful and was once again able to show a new sales record.

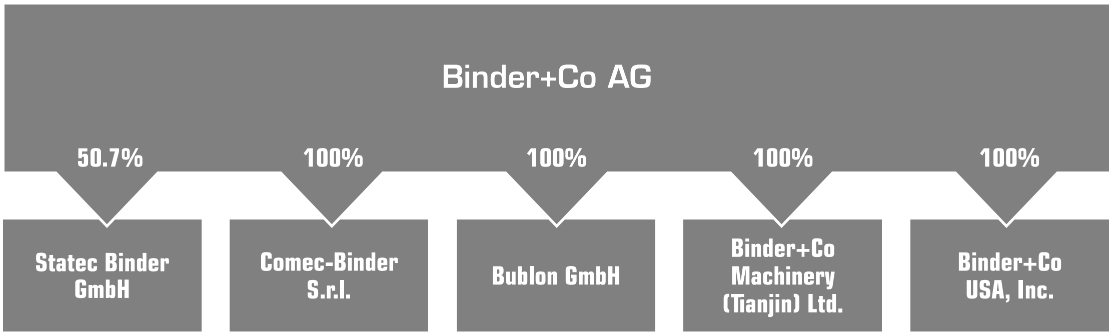
Our dedication to new and further developments makes us attractive not only as a manufacturer of individual machines, but also as a provider of system installations that include several process steps. At the end of 2019 we completed our developments of the BIVITEC e+, a revolutionary further development of the BIVITEC screen, which had already undergone a tried and tested development over decades. We also expanded our sorting machines to offer a wide range of applications for the recycling industry.

„We provide economic and technical advantage“

We have established a solid basis for the future. Together with our partners, we are developing new sensors, expanding product lines with innovative solutions and selectively working on markets and industries. With intelligent machines and system installations we are providing our customers with an economic and technical advantage.

With 331 out of 383 jobs, our local production sites in Gleisdorf are on a sure footing. Our subsidiaries in Italy, China and the USA are intensifying their international performance. In this new financial year we will do everything we can to continue to be the Styrian world market leader.

The Binder+Co Group



The name Binder+Co is synonymous with innovation and sustainability. With its machinery and plant, the Group is the global market leader in the screening and sorting technology fields, and one of the world's top 3 suppliers of packaging technology. As well as its headquarters and main factory in Gleisdorf, Styria, Binder+Co has locations in Italy, China and the USA. Machines and systems from the Binder Group are in use on all five continents in over 90 countries worldwide.

Binder+Co AG
The Group headquarters of Binder+Co AG is the heart and brain of the Group. Not only do all the core components and know-how parts used worldwide come from our original production center in Gleisdorf, Styria, but the headquarters also masterminds all the Binder+Co Group's major project developments.

Statec Binder GmbH
In 2008 we brought our packaging technology activities into a joint venture with our former competitor, Statec, and thus established an even stronger position together as an internationally sought-after specialist in the high-performance packaging and palletizing segment. Since the founding of Statec Binder GmbH, the packaging segment's share of revenue has more than quadrupled and EBIT has increased sevenfold.

Comec-Binder S.r.l.
The Italian-based Comec-Binder S.r.l., which specializes in comminution and dewatering technology, has been part of our group since 2011. Not only have we been able to expand our product range to include these two important technologies, but we have also penetrated the Mediterranean region as an important market and a springboard for further expansion in a southerly direction.

Bublon GmbH
In 2012, we founded the subsidiary Bublon GmbH for the global marketing of our BUBLON process, which was presented in the autumn of 2011. This process developed by Binder+Co enables the production of a purely natural mineral microsphere for a wide variety of industrial applications. The central business focus of Bublon GmbH is on the marketing and production of customized BUBLON SPHERES.

Binder+Co Machinery (Tianjin) Ltd.
We founded our Chinese subsidiary in 2013 with the aim of serving the Asian market via our own local sales, production and service location.

Binder+Co USA, Inc.
Our subsidiary in Denver, Colorado has been operational since August 2016. As Binder+Co has already built up good North American business relationships in the glass cullet recycling area, the initial focus of the new sales unit is on the marketing of glass, metals, plastics and minerals. As a result, the other Binder+Co products will be positioned in this important market too.

Our Mission

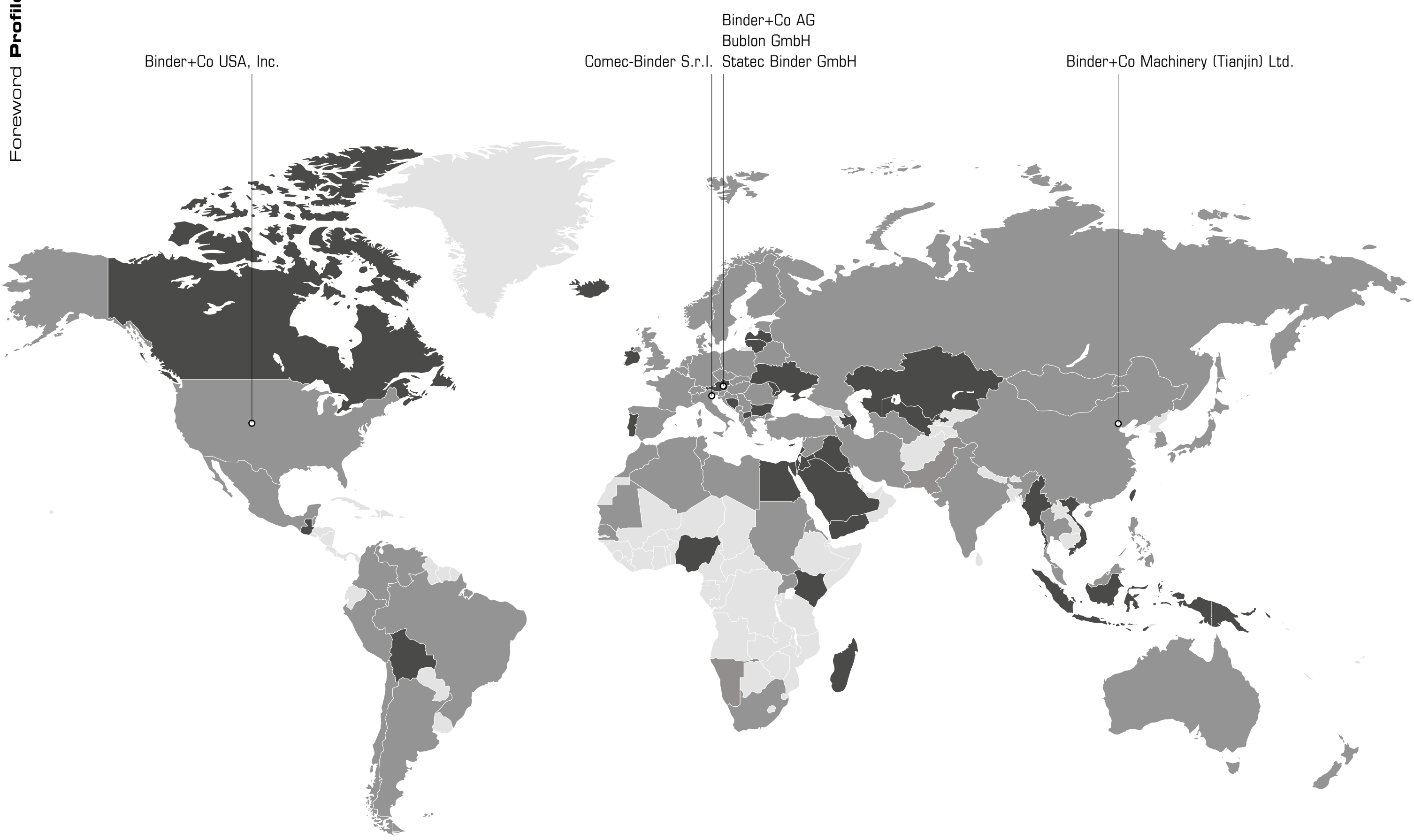
We Create and Add Value
We provide the ideal preconditions for the sustainable conservation and efficient utilization of valuable resources. By means of our sensor-based machines, we generate value through the processing of glass cullet, metals, plastics, compost and construction waste for re-use as secondary raw materials. We also increase added value via machinery for the efficient exploitation of primary raw materials that include industrial minerals, raw materials, coal or rocks containing metals by means of comminuting, screening, wet or thermal processing, sorting and packaging.

Our Innovations Set the Benchmarks
We are the world market leader in screening and sorting technology, and we also number among the top 3 global suppliers in the packaging technology segment. In order to respond quickly to new or changed market needs, we cooperate with respected international research institutions and are constantly involved in a lively dialogue with our customers.

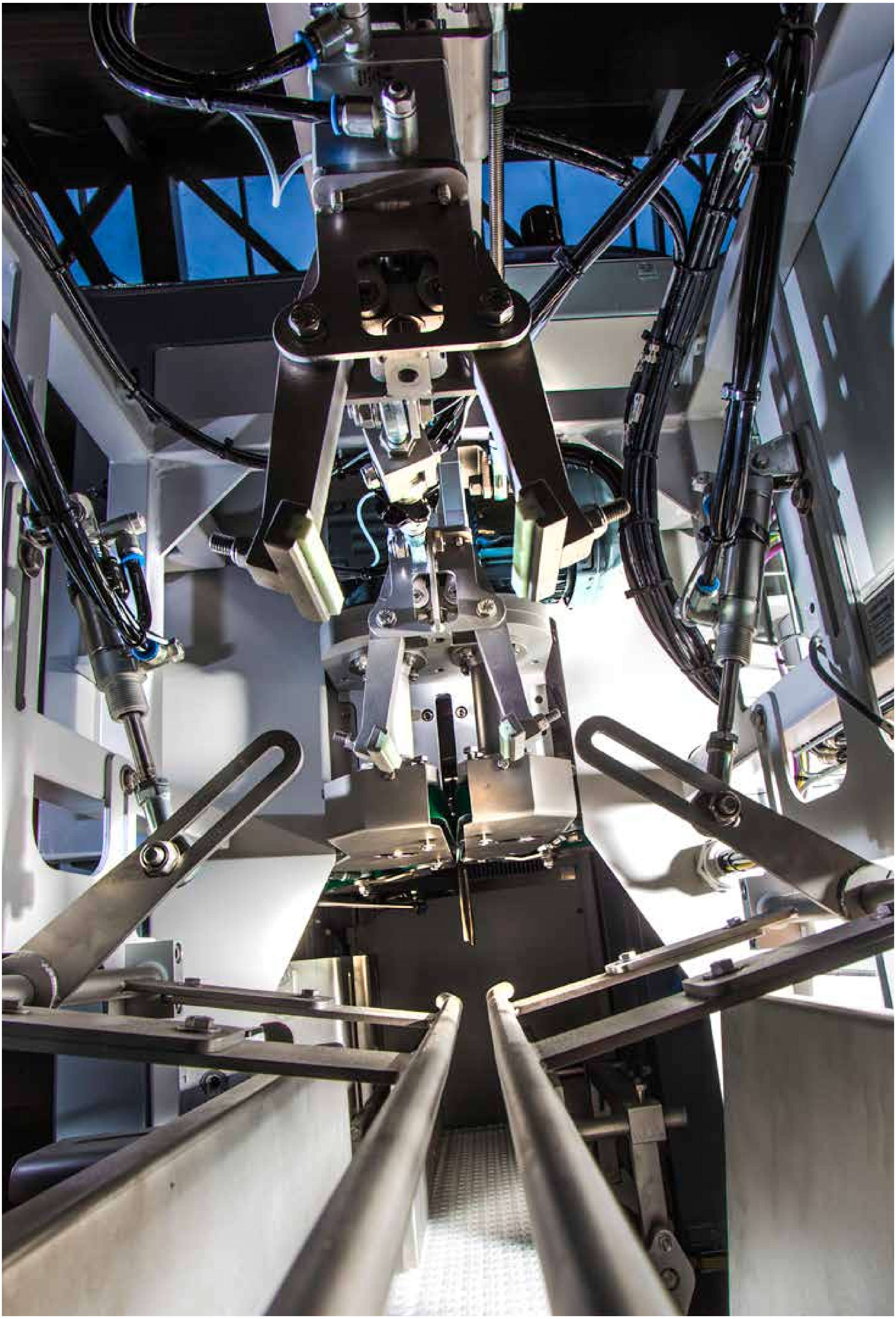
We Serve New Markets
Our innovative top products are the key to profitable growth in both established and new markets. Their modular design enables the use of locally manufactured components enhanced by advanced technology delivered directly from Gleisdorf. This enables us to supply customized solutions with an optimized price-performance ratio in overseas markets.

Our Strong Team Is the Basis for Our Success
The basis for our success is our team of high-performing and highly motivated employees. Every single one of our employees is familiar with our company's long tradition and history. The way in which we develop every day is an expression of our constancy. Our low employee turnover rate forms a crucial basis for our continuous development as a company.

A Global Presence



- In these countries, Binder+Co has completed projects directly from its headquarters in Gleisdorf.
- In these countries, Binder+Co is represented by a sales partner.



Strong Products

reliable crushing

Comec-Binder S.r.l. is the specialist in the Binder+Co Group for crushing technology. **COMEC** products consist of various machine series for the primary, secondary and tertiary comminution areas, which cover an extensive range of applications in the mining, industrial minerals, construction materials and recycling industries.

efficient screening

Binder+Co is the world's leading supplier of screening machines for the separation of primary and secondary raw materials according to grain size. Our top product **BIVITEC** offers a simple and effective solution for the especially demanding classification of wet, fine and sticky materials.

wet processing

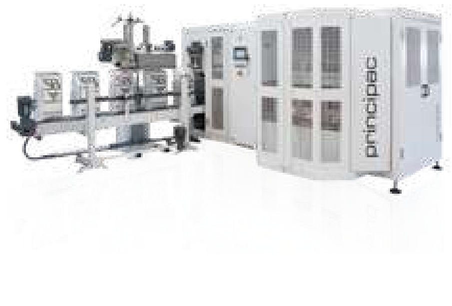
The focus of wet processing is on cleaning, washing and dewatering of building materials and industrial minerals. Binder+Co and **COMEC** offer solutions with filter and belt presses, sand traps, bucket wheels, washing drums, attrition machines and hydro cyclones. With strong systems for process water treatment, additional care is taken to ensure that the precious raw material water is returned to the natural cycle.

thermal processing

The thermal processing area comprises machines for the drying, cooling and thermal treatment of bulk goods. The **DRYON** fluidized bed dryer provides efficient and protective drying and cooling for example of coal, potash, recycling materials, foods and feedstuffs, and chemicals to produce end products of constantly high quality. With **BUBLON**, the Bublon GmbH subsidiary offers a process for producing purely natural mineral microspheres for a diversity of applications in a range of industrial branches.

precise sorting

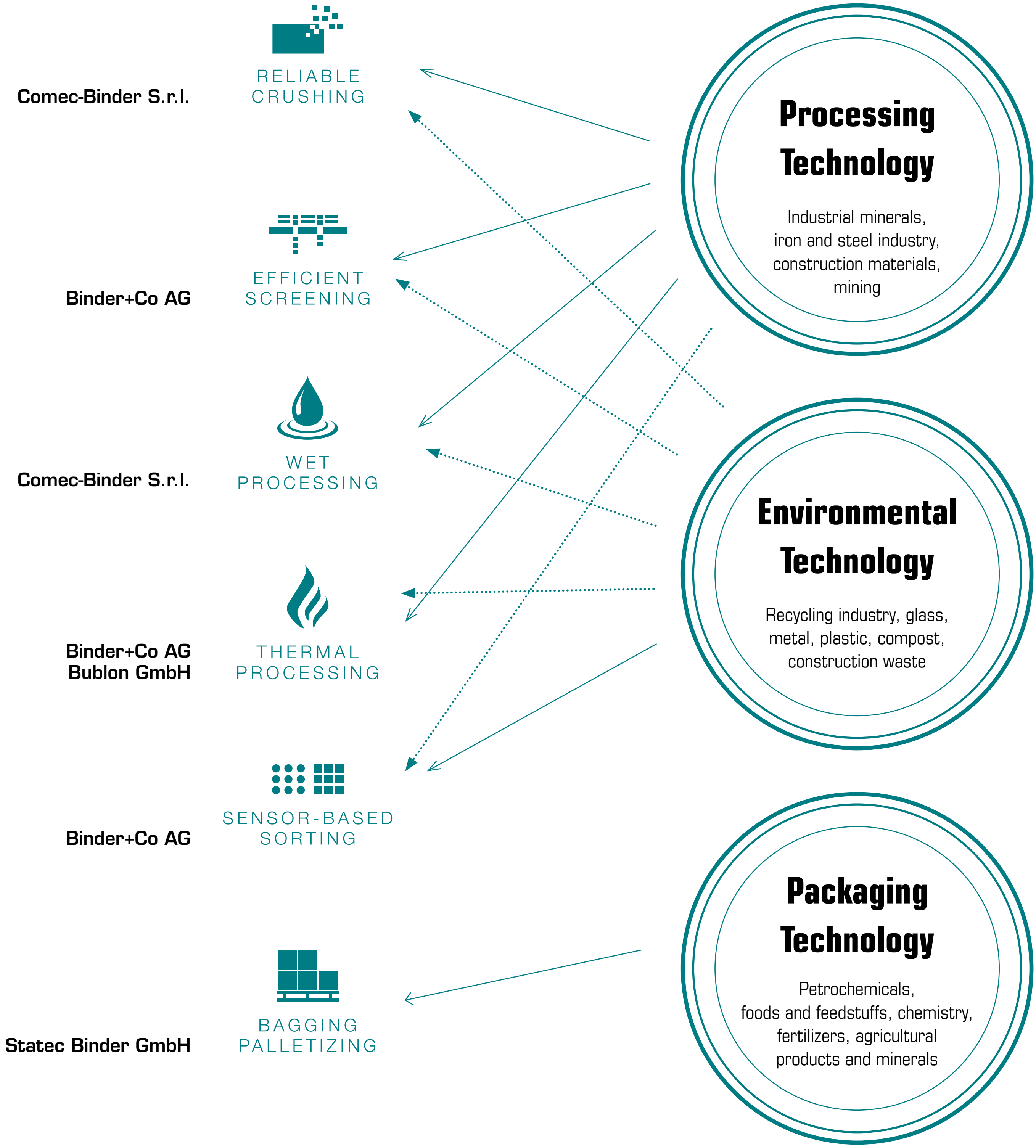
With **CLARITY** and **MINEXX**, Binder+Co has developed sensor-based sorting systems that cover a wide range of tasks in the raw materials and recycling industries. Equipped with a variety of sensors, the machines detect and sort bulk materials based on their color, shape, chemical composition and atomic density as well as their fluorescence behavior. For decades, Binder+Co has been the leading specialist in sensor-based sorting of waste glass.



bagging palletizing

Under the Statec Binder brand, Binder+Co is a top international player in the packaging technology field. In addition to high-performance, open mouth bagging, this segment also incorporates palletizing technology. The **PRINCIPAC** system furnishes the high-speed, open mouth bagging of free-flowing bulks such as fertilizers, plastic granulate, seeds, foods and feedstuffs or salts. Our product range is rounded off by the robust and reliable **PRINCIPAL** series of high-level and robot palletizing systems, which are at the cutting edge of technology.

Processes and Segments



We offer six processing steps in three market-oriented and differentiated segments, all of which are tailor-made to meet the respective needs of our various customer groups. We attribute sales revenues and results to the individual segments on the basis of primary customer access.

Strategy

Our Three Strategic Cornerstones

Product Leadership
We develop and manufacture first class products. The basis for this is provided by ongoing analysis of the various processing sequences used by our customers and early recognition of, for example, shifts in environmental policy, so that we can meet new customer demands rapidly and as well as possible. In particular, we focus on developing new products and machine concepts which can be utilized in different configurations thanks to their modular design. An optimized product portfolio that offers customized solutions on the basis of a wide variety of individual modules secures our strong market position as a technology leader.

At Binder+Co innovation is more than just a buzzword, because with our innovative and modern solutions we are shaping the future. In so doing we count on collaborating closely with international research and development specialists, and on integrating our suppliers and above all our customers. We are constantly striving to anticipate future requirements of our customers and to meet them in developments. In 2019, the focus of the research and development activities was on expanding the multifunctionality of the existing top products and on developing new products as well as processes.

One of these new products in 2019 was the BIVITEC e+. Thanks to its lower dynamic vibration behavior, reduced weight and significantly lower energy consumption the BIVITEC e+ enables new solutions for a wide range of screening requirements. The product launch takes place at the international environmental technology trade fair IFAT in September 2020 in Munich.

Research spending has risen steadily in recent years. The actual expenses amounted to EUR 2.04m in the financial year 2019 (2018: EUR 1.81m).

Market Reach
For Binder+Co a key strategic objective is ensuring direct market access via our global sales team and network of partners. In 2019 too, we pursued a clear regional strategy which enabled the selective development of new markets. The focus was on key customers who serve as references to open the door to new markets. Our product range comprises customized solutions based on modular products. Last but not least, our professional key account management makes us a valued partner and process consultant for our customers. As well as our core markets in Europe, our regional focus is on North America and Asia, and here especially on India, Japan and China.

Operational Excellence
As a systems supplier and process consultant, we attach great significance to the securing and transfer of specialist expertise. In addition to the ongoing optimization of the internal process sequences, knowledge management and sound personnel development form the most important bases for sustained growth.
In combination with optimum order handling, improved internal procedures ensure the shortest possible machine delivery times and thus create a significant competitive advantage.

Sustainability

As a technology company, our first priority is to combine our fundamental strategic values with treating our environment in a responsible way. It is only in this way that we can build a reliable foundation for the future, and thus also safeguard our long-term success. Binder+Co stands in the interplay between the stakeholders' expectations and a dynamic market environment which is characterized above all by increasing competition and by framework conditions that are becoming more complex legally.

Economic Sustainability

With our machines and equipment for the ultra-efficient processing of primary and secondary raw materials, we ensure that fewer raw materials are extracted worldwide – and thus with our innate company activity itself we contribute to the protection of valuable habitats and resources.

It is only by means of the continuous further development in our three key areas of processing, environmental and packaging technology that we are able to maintain and extend our unique market position as a leading supplier and partner.

We measure our own corporate success by the success of our customers, and for this reason we are always in an open dialogue with them. In their lively exchanges with our sales team, our customers frequently provide the impetus for us to develop new products. With our open innovation approach, we succeed in promptly recognizing emerging needs and developing new, improved technologies for processing primary and secondary raw materials. Our customers in turn benefit from our being able to offer them a rapid and comprehensive solution for their current needs. The basis for this relationship as partners is the customers' trust in our sustainable development and our broad product range.

Respect for the Environment

In-Group Resource and Energy Efficiency
Internally too we are motivated both economically and ecologically, and attach the greatest value in all areas of the company to using resources sparingly. This is why on average we invest EUR 0.5 million a year in the latest production technologies, and thus maximize the energy and resource efficiency of our production processes.

Reduced Waste, Noise and Emissions
We employ an officially approved, comprehensive waste management concept, and our endeavours to reduce operating emissions are aligned with the European Union Directives in force.

Appreciation of our Employees

We are perceived as an attractive and responsible employer: we work continuously to offer our employees a motivating working environment and enable them to develop their potential in the long term.

The way we work with our employees is highly partnership-based, because we are aware that this is the basis for our economic success.

This high appreciation of our employees results in their team spirit and their high job satisfaction, which is expressed amongst other things in the low turnover rate of 2–3% a year. At the same time, this has given us the reputation of being an attractive employer. This positive corporate image is also perceived by our customers; it increases their trust in our group and thus also serves to secure our economic success.

High Safety Standards
We feel obliged to provide comprehensive protection for our employees, and therefore work to continuously improve the standards of safety and health within the Group. One important ratio in this context is the number of accidents at work per 1 million working hours. On the basis of a starting value of 29.16 in 2007, with an average of 11.15 in the last three financial years Binder+Co AG is already at a very low level on an industry-wide average. Nonetheless, our declared goal is to reach a peak value of below ten, and to bring all the subsidiaries to this level.

Comprehensive Apprentice Training
Apprentice training has always occupied an important position for Binder+Co. The fact that our apprentices regularly qualify for national, European and worldwide apprentice championships proves the high level of our internal training.

As well as conveying technical skills, our apprentice training also actively encourages the young people's communication and social skills. Our current internationalization efforts lend this form of training by our own skilled workers even more weight, as excellently trained workers make a substantial contribution to successfully setting up assembly support points abroad.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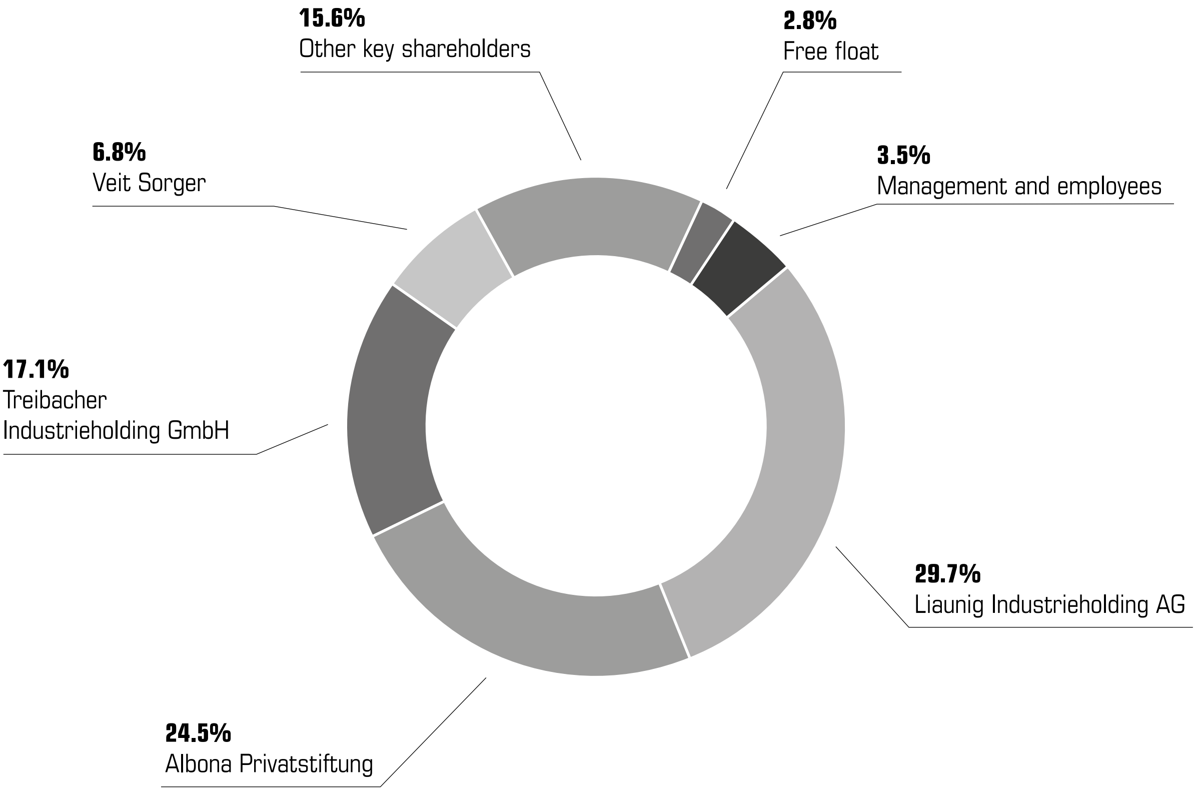
The Binder+Co Share

A Solid Ownership Structure

The number of shares issued now corresponds entirely to the nominal capital, which is divided into 3,750,000 registered shares with a nominal value of EUR 1.00 per share. Liaunig Industrieholding AG holds 29.7% of the shares, the Albona Privatstiftung holds 24.5%, Treibacher Industrieholding GmbH 17.1%, and Veit Sorger 6.8%, with 15.6% held by other key shareholders and 3.5% by the management and employees. The remaining 2.8% of the shares are in free float.



Investor Relations

Even after its delisting, Binder+Co AG still fulfils its claim to transparent communication with its shareholders. Thus press releases and information about major events and developments in the current financial year are available for downloading in the Investor Relations section of the company's website www.binder-co.com at any time.

Board Members

Supervisory Board

Kerstin Gelbmann, born 1974
Chairwoman

Alexander Liaunig, born 1970
Chairman

Kurt Berger, born 1966

Hubertus Nikolaus Schaschl, MSc, born 1976

Veit Sorger, born 1942

Staff Council Delegates:

Harald Simon, born 1964

Hannes Voit, born 1956
Until 21 November 2019

Doris Leiner, born 1981
After 21 November 2019

Management Board

Martin Pfeffer
Born 1970 in Oberstdorf, Germany, married
Member of the Management Board since 1 January 2018
Current term runs until 31 December 2020

Studied business administration at the University of Graz (specializing in trusteeship and organization) with a period studying at Liverpool John Moores University. From 1997 to 1999 he worked as a Board assistant at Alfred Wall AG, Graz; from 1999 to 2000 at Cap Gemini Ernst & Young AG as Manager for Performance Measurement/Controlling and Middle-Market Consulting; and since 2001 at Management Factory Corporate Advisory GmbH as an interim manager in various Austrian companies.
As Management Board member responsible for finance and controlling, production, engineering, research and development, procurement, human resources and information technology, as well as for the subsidiary Bublon.

Jörg Rosegger
Born 1966 in Bruck an der Mur, married, 2 children
Member of the Management Board since 1 January 2007
Current term runs until 31 December 2021

As part of his business administration studies at the University of Graz (specialising in marketing and industrial management) he spent one year at Butler University in Indianapolis, IN, USA on the International Student Exchange Program. After completing his studies in 1993, he joined Binder+Co AG as assistant to the Management Board and marketing manager.
He was appointed product manager for the Packaging Technology division in 1995, becoming the divisional manager in 1997.
In 2000 he assumed overall responsibility for sales and marketing in the Group, with full power of attorney.
As Management Board member responsible for sales and marketing, project management, after-sales and quality assurance, as well as for the subsidiaries Statec Binder, Comec-Binder, Binder+Co Tianjin and Binder+Co USA.

Group Manage

ment Report

General Conditions

According to the OECD, the global economy is growing more slowly than at any time since the 2009 financial crisis. As a result, the Organization for Economic Co-operation and Development expects 2020 to be another year of cool economic activity after 2019. Based on these forecasts, the global growth rate will drop to 2.9% in 2020. Due to extremely cautious investments, the stagnation was already noticeable in 2019. Moreover, there are also smoldering trade conflicts, which are also slowing growth in other economic engines such as China and the USA.

The reluctance to invest is particularly evident in the increasingly complex system business. On the one hand, investment decisions with a sizeable impact are postponed. On the other hand, suppliers are burdened with much higher technical, commercial and legal requirements.

If this economic background makes it more difficult to acquire project business, it also opens up new opportunities. Reliability, stability and the high quality of machinery and plant engeneering companies are valued more in terms of increased investment security. For Binder+Co this means a more selective approach to project business on the one hand, but also the opportunity to acquire system and project business on reasonable terms on the other hand.

The single machine business is still partially disconnected from the general market environment. In this sector, investment decisions continue to be shaped by technical and business criteria such as efficiency, economy and payback time. Furthermore Binder+Co is benefiting from the increasing trend of recycling and the associated sustainability aspects: Binder+Co machines not only guarantee higher and more efficient output of valuable raw materials but are also widely used in the recovery of raw materials in the recycling process.

Reporting/Scope of Consolidation

Binder+Co AG holds 50.7% of the shares in Statec Binder GmbH, into which the Packaging Technology segment of Binder+Co AG was incorporated in 2008. The company is thus fully consolidated in the consolidated financial statements of Binder+Co. The revenues and results of Statec Binder GmbH are allocated to the Packaging Technology/Other segment.

In 2011, following the acquisition of Comec S.p.A., Binder+Co AG set up a new subsidiary - Comec-Binder S.r.l - in Italy, which is 100% incorporated into the Binder+Co Group. Bublon GmbH, which was founded in 2012, is also 100% owned by Binder+Co AG. The revenues and results of both of these fully-consolidated subsidiaries are allocated to the Processing Technology segment.

Binder+Co AG also owns 100% of Binder+Co Machinery (Tianjin) Ltd., which was set up in 2013, as well as Binder+Co USA, Inc., which has been operating since August 2016. The revenues of both subsidiaries are allocated, depending on which sector is being serviced, either to the Processing Technology or to the Environmental Technology segment.

Market Environment

From Binder+Co's perspective, during the first eight months the propensity to invest in the relevant sectors showed an average level in 2019. Towards the end of the year, both the individual machine and system business gained momentum. The increased demand developed not only in the recycling industry, but came also from the processing of construction materials. There is an increasing demand for technologies for sensor-based sorting of minerals as well as for a more efficient application of construction materials such as gravel and sand. A special focus lies in the sustainability aspect of new technical possibilities for recycling and treating the necessary process water. Here, the markets in Europe and North America provided a positive impetus.

In the Russian Market the market environment continues to be more difficult and consequently in the potash market that was previously successful for Binder+Co. The same applies to the South American market. This market is also struggling with weak growth forecasts. Nevertheless, Binder+Co achieved order successes in both economic areas in 2019.

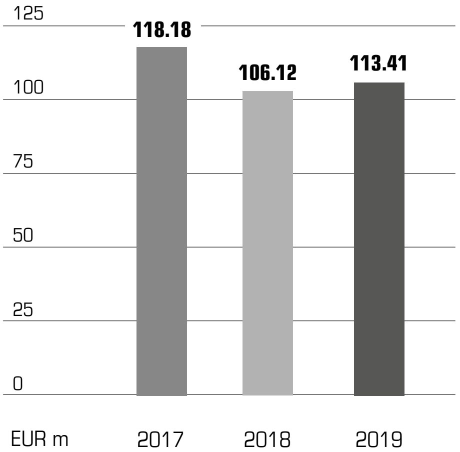
In Asia there is still a positive economic climate which continues to support demand for high-performance packaging technology in the petrochemical industry at a high level. At the same time, demand from the foods and feedstuffs industry remains stable.

Business Development

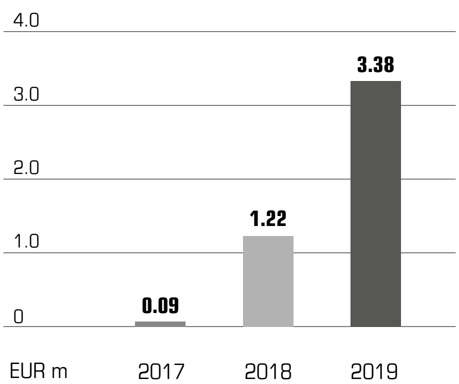
The Binder+Co Group started the 2019 financial year with a good order backlog of EUR 47.70m – largely shaped by a major project for a waste glass processing plant. The order backlog was decreased to EUR 42.99m (–9.9%) by the end of 2019. At the year's end it shows a good product mix of individual machines and contains three smaller system projects that were acquired in the last quarter of 2019. This led to a good starting point for 2020.

Compared to the previous year, revenue increased significantly by EUR 113.41m (2018: EUR 106.12m) and EBT by EUR 3.38m (2018: EUR 1.22m).

Sales Revenues



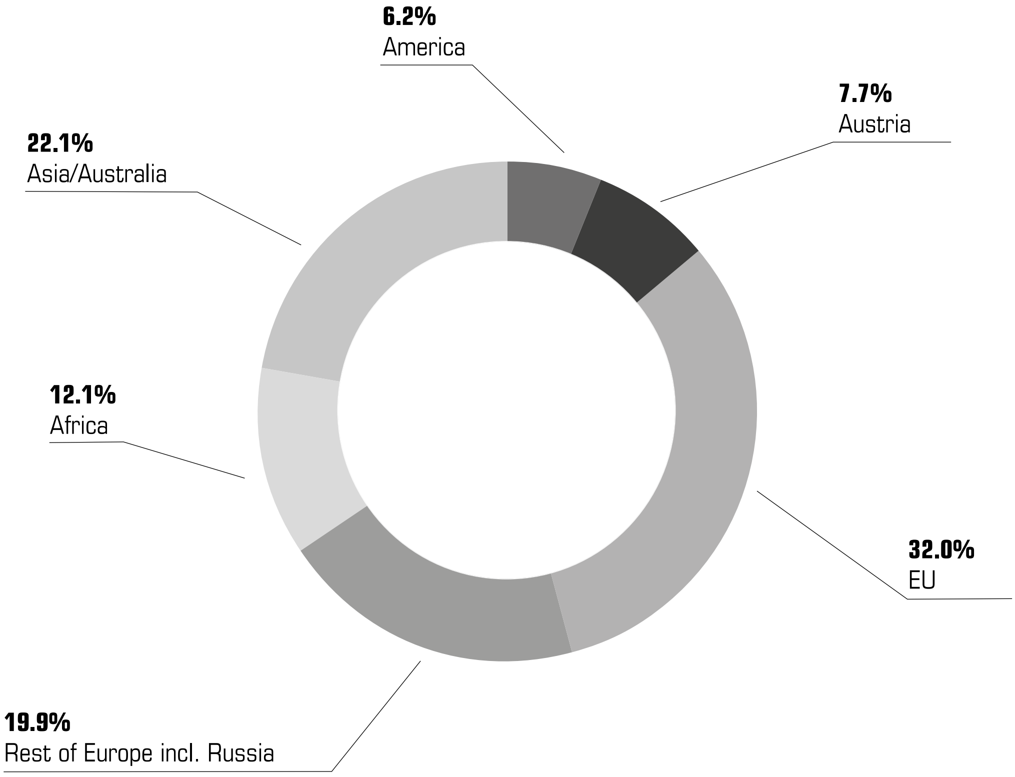
EBT



Export Business

In the reporting period, the Group's export sales accounted for 92.3% of total sales (2018: 93.1%), proving again how important our export business is. EU-Europe (excluding Austria) accounted for 32.0% (2018: 37.7%) of sales, making it the largest market; this was followed by Asia/Australia with 22.1% (2018: 25.2%). The rest of Europe including Russia accounted for 19.9% (2018: 12.5%), with America making up 6.2% (2018: 8.7%) and Africa 12.1% (2018: 9.0%).

Sales Revenues 2019 by Region



Product Segments

Processing Technology
In the Processing Technology segment, the single machine business was kept at a consistently high level in 2019. Although the revenue of the systems business declined in 2019, there was a significant increase in medium-sized project business at the end of the year. The Processing Technology segment achieved a share of 31.0% (2018: 39.2%) of total revenue with segment sales of EUR 35.19m (2018: EUR 41.64m). The strong order intake in the Processing Technology segment, particularly in the last quarter of 2019, led to a significantly higher total value of EUR 41.66m compared to the previous year (2018: EUR 37.78m).

Environmental Technology
The strong position of the Environmental Technology segment in the Binder+Co Group was again evident in the 2019 financial year. With a revenue of EUR 34.07m (2018: EUR 30.89m), the Environmental Technology segment achieved a share of 30.0% (2018: 29.1%) of total revenue in 2019. The decisive factor was the successful completion of a glass recycling plant in Norway. While incoming orders in the individual machine and small system business continued to be strong, there were no customer decisions in the 2019 financial year for larger investment transactions in the United States and Europe. For 2019 this resulted in a significant reduction in the order intake to EUR 28.84m compared to the previous year (2018: EUR 44.42m).

Packaging Technology/Other
The Packaging Technology/other segment achieved a new record level with a revenue of EUR 44.15m in 2019 (2018: EUR 33.59m). This was largely due to a successfully completed large-scale project for packaging and palletizing plastic pellets in Nigeria, that included the delivery of a total of 10 lines. However, demand was also stable in the other core sectors (animal feed, food, fertilizers). Even without a major project comparable to the previous year, it was possible to achieve an excellent order intake of EUR 40.16m (2018: EUR 43.50m).

After Sales Service

The revenue share of the after sales service which is just under 25.4% (2018: 27.2%) confirms the trend of a good anchoring of the Binder+Co Group in the relevant industries and markets in 2019. In the next few years the spare parts business will be further strengthened due to the targeted intensification of the service and maintenance activities of the products and the possibilities of digitization.

Demand Trend in the Financial Year

Due to the large-scale project in Norway, Binder+Co had a very high order backlog of EUR 47.70m (2018: EUR 33.06m) in the 2019 financial year. Initially it was shaped by a stable demand for individual machines and spare parts. Towards the end of the financial year, medium-sized plant and system projects in the areas of glass processing, potash drying and sand processing were successfully acquired.

Comec-Binder S.r.l. had started the financial year with a very weak order backlog. In the second half of the year it was however able to increase its order intake significantly. New products combined with increasing demand in the process water treatment sector led to a essentially improved order backlog for 2020. In the environmental technology segment in the USA, mainly replacement investments were affected in the individual machine business. However, in the field of glass recycling no new system businesses were assigned. The demand in the packaging technology segment continues to be strong and at a high level at Statec Binder GmbH.

Because the focus markets showed a generally conservative investment climate, none of the companies saw an increase in order intake with the exception of Comec Binder S.r.l. At the end of the 2019 financial year, the order backlog of the Binder+Co Group reached EUR 42.99m, which represents a healthy order base.

Production
Binder+Co has its production capacity at its locations in Gleisdorf and Badoere di Morgano, Italy; these are set up to manufacture the Group's core products and components. The Wuqing location in the Chinese region of Tianjin has up until now worked on the basis of buying in steel components and, with the core components supplied from Gleisdorf, then assembling machines and plant there. Complexity and fixed costs were reduced in this area in 2019 due to the initiated change in business model. Again in 2020 the machine assembly is largely carried out by local partners.
By contrast, Binder+Co USA, Inc., which is located in Denver (Colorado, USA) is purely a sales and service subsidiary that occupies rented office premises and has a well-equipped spare parts store.

Procurement
Most Group companies have their own purchasing departments, which, in addition to the raw materials for the manufacture of machine parts, also source steel components and mechanical engineering parts of secondary importance worldwide. Most procurement takes place in Europe, but procurement also takes place in the relevant Asian, African and North American target markets.

Investments

The largest investments in 2019 were concentrated on the Gleisdorf location. The building expansion for the research & development department was completed at Binder+Co AG. The development of BUBLITE technology at Bublon GmbH was continued in the financial year 2019. At the Statec Binder GmbH site, the construction of the production hall began. It will be completed in 2020 which leads to a significant expansion of the production area. Investment activity at the other locations was limited to office equipment and minor modifications to production facilities.

Financing

As at 31 December 2019 the Binder+Co Group's equity amounted to EUR 27.14m (2018: EUR 25.03m). Due to the lower total assets sum of EUR 87.23m (2018: EUR 92.47m) and with no dividend distribution to shareholders, the equity ratio rose to 31.1% (2018: 27.1%).

The financing of the intensified expansion that commenced in 2011, and in particular the associated capitalization of newly founded companies, as well as investments in offices and production buildings, was largely facilitated through bank loans. In 2019 liabilities to banks reduced by EUR 7.67m and totalled EUR 19.23m as at 31 December 2019 (2018: EUR 26.90m), of which EUR 12.32m can be classified as non-current (1–5 years) and EUR 6.91m as current. The reason for the significant reduction in accounts payable to banks was the granting of shareholder loans of lower priority of EUR 6.00m (2018: EUR 0.00m). When concluding the loan agreements, close attention was paid to matching maturities, while short-term financing requirements are also covered by current account overdraft facilities and cash advances.

On December 27, 2019 a new financing and debt rescheduling agreement was reached with the financing banks for the last financial year. As a result, the number of financing banks was reduced (due to the use of partner loans of lower priority). Furthermore, an improvement in the matching maturities was achieved.

Branch Offices

The Group has no branch offices.

Financial and Non-Financial Performance Indicators

Report Regarding Selected Financial Performance Indicators

Sales Revenues and EBT
The Binder+Co Group recorded consolidated sales revenues of EUR 113.41m (2018: EUR 106.12m) in the 2019 financial year.

EBT in the reporting period was with EUR 3.38m once again significantly better compared to the previous year (2018: EUR 1.22m), but still below expectations. Reasons for this situation were lower revenues due to the delay in incoming orders, extraordinary losses from old projects and negative earning contributions from the subsidiaries Bublon GmbH and Comec-Binder S.r.l.. Both are wholly owned by Binder+Co AG.

Key Business Development Indicators by Segment – IFRS

Sales Revenues

EUR m	**2019**	2018
Binder+Co AG	62.52	60.04
Statec Binder GmbH	43.89	32.84
Comec-Binder S.r.l.	6.95	11.20
Bublon GmbH	0.72	1.33
Binder+Co Machinery (Tianjin) Ltd.	1.40	2.26
Binder+Co USA, Inc.	3.37	6.29
Internal business/Other	–5.44	–7.84

EBT

EUR m	**2019**	2018
Binder+Co AG	0.78	–2.76
Statec Binder GmbH	2.62	1.76
Comec-Binder S.r.l.	–0.58	0.24
Bublon GmbH	–1.23	–0.72
Binder+Co Machinery (Tianjin) Ltd.	1.96	–0.12
Binder+Co USA, Inc.	0.26	0.65
Internal business/Other	–0.43	2.17

Return on Equity (ROEEBT)[1)]

%	2019	2018
Binder+Co AG	3.6	–11.6
Statec Binder GmbH	26.2	17.2
Comec-Binder S.r.l.	–40.8	18.5
Bublon GmbH	–274.7	–149.5
Binder+Co Machinery (Tianjin) Ltd.	–	–
Binder+Co USA, Inc.	37.9	383.8

Order Intake

EUR m	2019	2018
Binder+Co AG	61.32	72.98
Statec Binder GmbH	39.89	42.82
Comec-Binder S.r.l.	9.14	8.69
Bublon GmbH	0.58	0.72
Binder+Co Machinery (Tianjin) Ltd.	1.40	2.36
Binder+Co USA, Inc.	3.52	6.43
Internal business	–5.19	–8.30

Order Backlog

EUR m	2019	2018
Binder+Co AG	20.87	22.12
Statec Binder GmbH	16.88	20.88
Comec-Binder S.r.l.	4.79	2.60
Bublon GmbH	0.03	2.11
Binder+Co Machinery (Tianjin) Ltd.	0.49	0.49
Binder+Co USA, Inc.	0.38	0.24
Internal business	–0.45	–0.74

1) The basis for calculating ROE is the equity at the start of the year.

Order Backlog

As at 31 December 2019 Binder+Co had an order backlog of EUR 42.99m for 2020 and the years following. This is 9.9% lower than the previous year's figure (2018: EUR 47.70m). By December 31, 2018 there were a lot of major projects in the order backlog. Most of them were successfully processed and completed in the financial year 2019. In contrast, in the past financial year there were fewer orders for projects of this size in the market relevant to Binder+Co.

Equity Ratio / ROE

As at 31 December 2019 Binder+Co's equity amounted to EUR 27.14m (2018: EUR 25.03m). On the basis of reduced total assets of EUR 87.23m (2018: EUR 92.47m) and with no dividend distribution to the shareholders (2018: EUR 0.00m), this resulted in an equity ratio of 31.1% (2018: 27.1%).

The return on equity (ROEEBT) rose from 4.8% in 2018 to 13.5% in 2019. The basis for the calculation of the ROE values is the amount of equity at the beginning of the year in question.

Working Capital
Working capital (current assets minus current liabilities) of Binder+Co increased from EUR 1.63m in 2018 to EUR 6.29m in 2019.

Cash Flow

EUR m	**2019**	2018
Cash flow from earnings	7.96	5.70
Cash flow from operations	8.47	9.27
Cash flow from investment activities	–4.58	–3.37
Cash flow from financing activities	–2.95	–5.69

Employees
As at 31 December 2019 Binder+Co employed 383 people, and thus 5.5% more than at the end of the 2018 financial year (363 employees).

Non-Financial Performance Indicators

Environmental Report
Binder+Co has its own production capacity with an officially approved waste management concept. Corrosion protection is a major environmental consideration, and in this area the Binder+Co Group falls into line with the official directives, which are adhered to in full. On-site assembly largely takes place without any residues, and the engineering activities completed in the offices of Binder+Co Group companies are of limited environmental relevance. Moreover, with the comprehensive energy audit carried out at its Austrian locations in 2019, Binder+Co took substantive steps towards complying with the stipulations of the current Energy Efficiency Act.

Sick Leave Statistics
Based on the available working days, the sick leave statistics for all employees show a level of 2.9% (2018: 2.8%). This value is 2.3% for white-collar workers (2018: 2.4%) and 4,3% for blue-collar workers (2018: 3.7%).

Human Resources
For many years, Binder+Co has pursued a strategy of creating and retaining a core team of highly qualified personnel. Accordingly, against the background of the targeted international growth, training and development programs have been established for employees. For a number of years special internal training measures have been on offer, in the form of the so-called "Specialist Career" course for white-collar staff and the "Workshop Competence" course for blue-collar workers. Both training programs are aimed at broadening the company's personnel base in individual specialist areas, and being able to supply new locations with well-trained specialists who are firmly rooted within the Binder+Co Group. The "Specialist Career" course also provides training for those personnel who are set to take on future managerial tasks inside the Group.

After an annual assessment of the training objectives that have been achieved, further measures are specified for the following year. In 2019 0.6% of the total sum for wages and salaries was invested in implementing employee training and development measures.

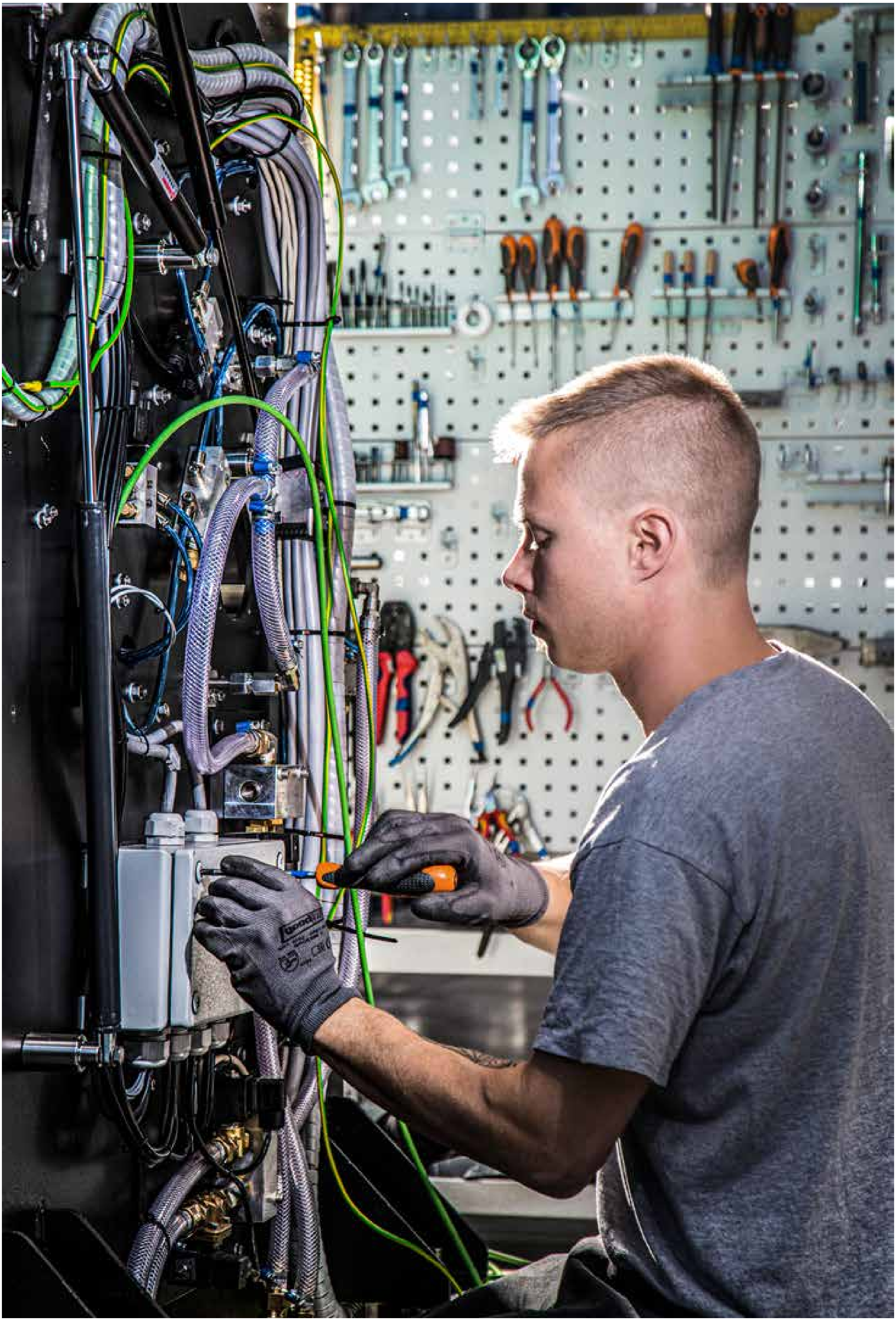
The overall educational level of the Binder+Co workforce is good. 30% of the salaried staff are graduates from universities or universities of applied science, while 36% have attended academic secondary school or a vocational college. Of the blue-collar personnel, 85% have been trained as skilled workers and 15% possess a foreman's certificate. The Binder+Co Group also attaches great value to apprenticeships, and currently employs 8 apprentices.

Compliance
Binder+Co's activities are based on respectful relationships with its customers, partners, suppliers and employees.

In addition, the Group undertakes to comply with the national laws in force, such as those combating corruption, promoting sustainability and safeguarding human rights.

Compliance/Adherence to Legal Regulations
As a manufacturer of machinery and plant, for Binder+Co compliance with all the relevant statutory regulations, especially in a technical regard, is an essential prerequisite for sustained success. That is why the Group also has production plant licences, which are subject to regular audits. Safety at work is also an especially important issue, which is monitored and documented primarily by the assembly and production management at each location. The products themselves are evaluated for their CE conformity by means of a quality management system.

Further Measures
Apart from accreditations according to EN ISO 9001:2015, certification pursuant to SCC**:2011 and EN ISO 1090-1:2009 constitutes a major aspect of Binder+Co's efforts to constantly meet the highest quality standards.



Expected Group Development

Starting from its strong position as a globally active, innovative technology supplier in three product areas, the Group's growth is underpinned by the following four cornerstones: product leadership, market reach, operational excellence and acquisitions.

Apart from Western Europe, the regional focus of Binder+Co comprises Central and Eastern Europe (CEE and CIS), North America, and Asia, particularly India and China. In its core market of Western and Eastern Europe, Binder+Co increasingly supplies the customer segments of the construction and building supply industry, mining, industrial minerals, the recycling industry, the food and feedstuffs industry and the chemical industry. In North America we focus on the recycling industry and mining. To intensify our business activity in this important market, in 2016 the subsidiary Binder+Co USA, Inc. was founded as a sales and service unit. In Asia, on the other hand, we mainly serve the coal mining sector, the steel and iron industry, and the petrochemical industry. In parallel, Binder+Co is endeavouring to tap the Asian recycling industry. Market access in this region is driven directly through our Chinese subsidiary Binder+Co Machinery (Tianjin) Ltd. In addition, the cooperation with a long-term partner in India was strengthened. This was not only for processing and packaging technology, but also with a strong focus on the environmental technology segment.

Building on the still very strong core market of Europe, revenue growth in the coming years will increasingly be driven by Asia/Australia as well as North and South America (2019: 28.3% of total sales). At the same time, revenue from the key and target accounts will be expanded. They are distributed across all regions and industries. The aim is to significantly increase sales and EBT quality in 2020.

In 2020 the focus will again be on ensuring the successful and profitable conclusion of projects, controlling fixed costs as well as a moderate revenue increase. The current project mix in our order backlog (a healthy balance of systems projects, stand-alone machine sales and after-sales contracts) and product portfolio provides a solid foundation for the efficient use of our production, engineering and project resources.

In the Comec-Binder S.r.l. it is important to continue the joint sales agendas with Binder+Co AG. Furthermore, it is crucial to build on the high order backlog as of 31 December 2019 to ensure a successful financial year.

In combination with the expected improvements in the results of the subsidiaries, this will enable the Binder+Co Group to achieve substantially better results in the coming years and continue the upward trend of the past two financial years.

Main Risks and Uncertainties

General Risk Report

Binder+Co designs and manufactures single machines and uses combinations of its own and third-party products and purchased parts to build complete systems. Due to the high levels of engineering skills required, this is associated with a variety of technical, legal, managerial and financial risks. For example, amongst other activities, Binder+Co plans and installs sophisticated plant that makes sizeable demands with regard to engineering capacity. Consequently, the accompanying technical risk must also be regarded as above average. Risk recognition and management therefore represent a major aspect of business processes within the Group.

In view of its strong export orientation, Binder+Co invests considerable sums in the expansion of its sales and distribution network. The Group currently supplies its products to more than 90 countries and is thus subject to the general risks of fluctuations in the global economy, which can have a negative effect on the course of business.

Furthermore, the Group is active in a highly competitive sector in which order intake and sales revenues are dependent upon a few individual decisions. Consequently considerable fluctuations may occur, which is however standard for this business area. Moreover, changes to laws and other regulations that lead to stricter requirements, especially in the environmental and human resources sectors, can also generate increased costs and thus lead to reduced income.

Binder+Co endeavours to identify and manage possible risks at an early stage by means of internal and external audits and reviews, and also with the involvement of experts. This is necessary because although Group employees are among the acknowledged specialists in their fields, a residual risk still remains.

In addition, major risks are reported upon in the course of the regular Management Board meetings. A standard report format is in place for the topics of liquidity, finance and ongoing litigation. Decisions are taken and entered into the minutes either directly at project meetings or at Management Board meetings.

The high risk potential requires the continuous further development of risk monitoring. This will continue to concentrate on tender procedures and the internal control system, but will also focus more sharply on the financing risks related to individual projects. In this connection, Binder+Co also examines and evaluates special country risks.

In addition, EN ISO 9001:2015 requires certified companies to install comprehensive risk management systems, the effectiveness of which will be examined as a major aspect of future audits.

Binder+Co differentiates between strategic, operational and financial risks in its new risk management system. Once the individual risks allotted to these three categories have been identified and evaluated, measures for risk minimization or prevention are defined and implemented.

Both internal and external risk audits are used to monitor the implementation status and determine the efficacy of the adopted measures, in order that interventions can take place if required. The findings from these internal and external evaluations are included in periodic internal and external reporting.

Special Risk Report

Price Change Risk
Contracts and agreements with suppliers and customers routinely contain price change clauses, which limit the impact of risks that are beyond the control of the Binder+Co Group. For its part, the Group also endeavours only to conclude flat rate contracts with its suppliers. However, erratic changes in purchase prices and/or the need for an unplanned switch of supplier can exert a negative influence on the earnings situation.

Payment Default Risk
As the Binder+Co Group is dependent upon a small to medium-sized customer base, it seeks to prevent cluster risks. Consequently, it is only in exceptional cases that the Group permits more than 5% of annual sales revenues to be obtained from any single order and/or customer. In addition, Binder+Co limits the payment default risk by means of the appropriate insurance, bank guarantees, or prepayments.

Liquidity Risk
Payment delays or defaults in the case of individual large-scale projects can have a major impact on Group cash flow, and thus entail corresponding risks. Any payment arrears involving the debtors that are most important in value terms are therefore reported on at the regular meetings of the Management Board, and liquidity forecasts are prepared. If necessary, appropriate measures can be taken rapidly to improve the cash flow. Since the end of 2016, Binder+Co has also been using factoring to improve liquidity.

The focus of the measures aimed at minimizing the liquidity risk is on the rolling 12-month financial plan, the regular monitoring of payment flows and the hedging of credit lines.

Apart from securing business operations, Binder+Co's capital management aims to increase the value of the business and create a sound capital basis, which primarily serves to finance Binder+Co's chosen growth course and secure the company's solid dividend policy. In addition, while taking account of the local requirements of Group companies, within the framework of its capital management Binder+Co seeks to adhere to the established Group-wide minimum equity ratio of 30%.

Interest Rate Change Risk
In recent years, the loan interest rate trend has proved to be highly advantageous for Binder+Co. Nevertheless, periodic checks are made to assure optimisation and risk minimisation. Any measures to be taken are agreed between the Management Board and the Finance & Controlling Department.

Currency Risk
As far as possible, the Group tries to transact all foreign business in euros. Where this is not feasible, foreign currency transactions are hedged using measures such as currency futures transactions.

Country Risk
To date, country risk has been of secondary importance for Binder+Co. However, in the medium term the increasing efforts towards internationalisation beyond the EU pose a new risk potential. Nonetheless, at present these risks are still only of secondary significance, owing to the fact that the Binder+Co business model is based on single machine business.

Research and Development Report

Research and development (R&D) is a central element of Binder+Co's sustainable corporate strategy. The purpose of the research and development activities within the Binder+Co Group is to underpin technological leadership in all Group companies and not just to ensure the technical superiority of its products but to develop them further on an ongoing basis. For this reason, the Binder+Co Group was again intensively involved in developing new products and further developing existing products in the past financial year.

Related research projects have increased continuously in recent years. In the financial year 2019, the actual expenses reached EUR 2.04m (2018: EUR 1.81m). There are also R&D projects that are identified and carried out together with customers.

In 2019, research and development activities focused mainly on expanding the multifunctionality of existing top products and on developing new products and processes. We view testing in near-real conditions together with our international customers and partners as the cornerstone of our research and development strategy.

In 2019, alongside the trend-setting new product development in screening technology, essential development steps in sorting technology for existing applications as well as for future tasks (in metal, plastic and compost processing) were achieved.

The BIVITEC e+ product was developed in 2019 and enables new solutions for a wide range of screening requirements thanks to its lower dynamic vibration behavior, reduced weight and significantly lower energy consumption. The product launch will take place at the international environmental technology fair IFAT in Munich in September 2020.

The CLARITY MULTIWAY product line in the field of plastics processing has been refined in order to achieve further improvements in the quality of pre-sorting. In the area of compost and metal sorting, the joint development project with cooperation partners will also continue in 2020 so as to face the increasing recycling requirements with new solutions.

Further important development steps were completed in the production of very fine granulates using BUBLON technology. This allows a significant widening-out of the applications in the plastics, inks and varnish industries.

Main Features of the Internal Control and Risk Management System

The structure of Binder+Co's risk management system in its individual business segments is described below. It should be noted that the members of the Binder+Co AG Management Board also exercise executive and supervisory board functions in the Group's operating companies, and therefore, as well as their involvement in transactions requiring approval, they are also directly involved in the operational day-to-day business.

The Management Board is responsible for setting up an appropriate internal control and risk management system with regard to the invoicing process and financial reporting. To this end, both the Management Board and the Supervisory Board have approved binding regulations and directives relating to both the main business risks and the financial reporting process throughout the Group.

The Accounts Department and the integrated financial bookkeeping section report directly to the Management Board. Appropriate organizational measures ensure compliance with the statutory stipulations which require entries into the accounts and other records to be made in full, correctly, punctually and in an orderly fashion. The entire process from purchasing to payment is subject to strict rules and regulations that are intended as a safeguard against any related risks. These measures and rules include the separation of functions, rules on signature authorisation, the fact that signing authority for payments is limited to only a few people, and system-supported audits by means of the software used.

A constant flow of information via standardized, Group-wide financial reporting and the immediate, incident-related reporting of significant events keeps the Management Board continuously updated on relevant matters. The Supervisory Board is apprised in at least one meeting per quarter of the current course of business, operational planning and the Group's medium-term strategy. In special cases the Supervisory Board is also provided with information without any delay.

Financial Risks

The monitoring and management of financial risks constitute integral elements of accounting and controlling within the entire Binder+Co Group. Ongoing controlling and regular reporting are intended to increase the likelihood of the early recognition of larger-scale risks and the initiation of countermeasures where necessary.

Nonetheless, there is no guarantee that the monitoring and risk control systems are sufficiently effective. The main risks to the positive development of business in the Binder+Co Group in 2019 related primarily to the Group's dependence upon the general economic climate, winning large orders and achieving appropriate sales revenues and margins from the order backlog. In addition, when working on orders, further material risks derive from unexpected price increases and problems related to the achievement of the guaranteed performance parameters of plant and machinery delivered by Binder+Co. The financial problems of individual eurozone countries also represent a risk for the Group's financial development.

In addition, a possible slowing of economic activity in the developing nations represents a further risk to the Group. Such economic weakness could lead to the further delay or to the cessation of projects that are either in progress or the acquisition phase. The cancellation of existing contracts could exert a negative influence on the order backlog of the Binder+Co Group, which in turn could have a negative effect on capacity utilization at the Group's production centers. The complete or partial write-off of goodwill obtained in the course of acquisitions could also impact the Binder+Co Group's results if the business targets for the Group cannot be reached.

Apart from this, there is a constant risk that trade receivables may have to be partially or totally written down. For a large percentage of orders, bank financing and taking out export insurance are employed as hedging against the risk of customer defaults on payment. Nevertheless, individual payment defaults can have a significant negative effect on Group results. As a rule, the risk related to deliveries to countries with an average to high political risk rating is largely hedged.

Interest and exchange rate risks are minimized and controlled by means of derivative financial instruments that consist mainly of currency futures and swaps. In the case of orders invoiced in foreign currencies (mainly in USD and CNY) the net currency position is hedged by concluding futures transactions.

Cash flow risks are monitored with the aid of monthly cash flow reports. Moreover, in order to further reduce financial risks and improve the surveillance, control and evaluation of financial and liquidity items, Binder+Co is constantly improving its treasury guidelines and information systems.

Binder+Co avoids dependency upon a single bank and ensures this independence by only handling certain volumes of all the important financial products (cash and cash equivalents, financial liabilities, financial assets, guarantees and derivatives) through any one bank. Notwithstanding this practice, however, the insolvency of one or several banks would have a significant and negative impact on Binder+Co's results and its equity.

Non-Financial Risks

Personnel
In the area of personnel, interesting individual development opportunities, performance-related remuneration and focused training programs are important prerequisites for attracting trained and well-qualified employees to Binder+Co. High quality standards during the selection process guarantee that the most suitable candidates are recruited. Moreover, within the framework of successor planning, potential candidates are identified for every key position on the basis of standardized assessments of performance and potential, so that the company has internal personnel available at all times as short- and medium-term replacements. Fluctuations in workload capacity can be counterbalanced throughout the Group by allocating orders to the individual global locations, and locally through the use of temporary personnel.

Quotations
Quotations are prepared using standardized templates, which have been verified from a commercial and legal perspective. Depending on the level of financial risk, in addition to a commercial check by the company's authorized signatories, an expert group selected by product areas also completes a process-related review. During this technical review a risk analysis is prepared, which forms the basis of additional measures if required.

Project Completion
Projects are delivered by teams headed by a project manager. During regular team meetings and in technical and commercial reviews existing risks are also analyzed, measures are drawn up and reports provided to the executive management, who are informed immediately of any risks that pose a major threat.

Innovation and Development
Rapid changes in market requirements call for constant further development of existing products and the development of new products. Technological changes and the short life-cycles of new products can result in individual development projects failing to be fully amortized. In order to minimize risk prior to the commencement of a development project, relevant market data is collected as far as is possible, the level of difficulty of the development is established through the appropriate cost evaluation and the potential sales volume is estimated. At quarterly meetings, as well as progress reports relating to specific development projects, the management is also provided with a risk report. Any necessary actions are agreed quickly with the Management Board.

Disclosures Regarding Capital, Shareholdings, Control Rights and the Related Obligations

Capital Structure
As there was no change in the issued capital of Binder+Co AG as compared to the preceding year, nominal capital is reported as EUR 3,750k. This consists of 3,750,000 registered shares with a value of EUR 1.00 each.

Qualified Share Ownership
By the closing date of 31 December 2019, in the course of the transition from no-par bearer to registered shares all bar 622 shares had been returned. Consequently, the shareholders listed in the share register on 31 December 2019 held close to 100% of the shares.

The number of shares issued corresponds to the registered capital. Liaunig Industrieholding AG holds 29.7% of the shares, the Albona Privatstiftung 24.5%, Treibacher Industrieholding GmbH 17.1% and Veit Sorger 6.8%, further core shareholders 15.6%, and management and employees 3.5%.
The remaining 2.8% of shares are in free float.

Special Control Rights
No special control rights (which go beyond the control rights derived from the statutory regulations) are known.

Appointment/Dismissal of the Management Board, Supervisory Board etc.
The Management Board does not know of any non-statutory stipulations regarding the appointment and dismissal of the Management or Supervisory Boards, or changes to the Articles.

Change-of-Control Clauses
The Management Board knows of no contracts with change-of-control clauses.

Compensation Agreements
No compensation agreements exist between Binder+Co AG on the one hand and the Management Board, Supervisory Board or employees on the other hand in the event of a public takeover bid.

Binder+Co AG Report According to Austrian Corporate Law

In this section, essential information regarding the parent company of the Binder+Co AG Group is presented as long as it does not differ significantly from the previous information regarding the Group.

If there are no individual statements in the representational section, the above information regarding the Group applies accordingly.

Report on Selected Financial Performance Indicators

Revenue /EGT
At EUR 67.96m (2018: EUR 56.83m), Binder+Co's revenue was significantly higher than the previous year's level. The decisive factor was the completion of a glass recycling plant in Norway.

With earnings of EUR 0.34m before tax, the previous year's figure (2018: EUR –3.05m) was significantly exceeded. While the previous year's result being impacted by lower revenue and one-off extraordinary expenses to the amount of EUR –3.45m (depreciation of other receivables and group receivables as well as adjustment of investments). The main negative impact on earnings in 2019 was the impairment of invstments in the amount of EUR –1.51m.

Results in Business Sectors
In line with the segment reporting of the Group, the order intake and revenue of the business lines such as processing technology, environmental technology and the miscellaneous area (order and revenue values that cannot be clearly assigned to the main areas) are recorded separately at Binder+Co AG.

In 2019, the revenue contribution of the processing technology division was EUR 27.62m (2018: EUR 29.67m). The environmental technology division contributed EUR 37.32m (2018: EUR 23.50m) to the total revenue according to the UGB. In the miscellaneous area a revenue of EUR 3.02m (2018: EUR 3.66m) was registered in 2019.

The total order intake reached EUR 61.32m (2018: EUR 72.97m). Processing technology accounted for EUR 31.35m (2018: EUR 27.68 million), environmental technology for EUR 27.53m (2018: EUR 42.09m) and other areas for EUR 2.44m (2018: EUR 3.20m).

Order Status
As of 31 December 2019, the order backlog according to UGB reached EUR 30.46m (2018: EUR 35.88m).

Equity Ratio/Return
The equity ratio rose from 31.0% in 2018 to 32.1% in 2019.
The return on equity (ROE_{EBT}) was 1.90% (2018: –15.1%).

Working Capital
The value of working capital as of 31 December 2019 reached EUR 4.98m (2018: EUR 1.07m).

Cash Flow Statement
The cash flow from the overall result was EUR 3.88m (2018: EUR 0.40m), the one from operating activities EUR 1.99m (2018: EUR 6.02m).
With EUR –3.13m the cash flow from investing activities was higher than that of 2018 (EUR –1.31m).
The cash flow from financing activities was EUR 0.92m (2018: EUR –4.48m).
As of 31 December 2019, cash and cash equivalents were EUR 0.09m (2018: EUR 0.30m).

Employees
As of 31 December 2019, the number of employees was 239 (2018: 233).

Events of Special Significance After the Balance Sheet Date

No events of major importance that could have exerted a significant influence upon the Group occurred between the end of the financial year and the editorial deadline for this report.

In addition, between the closing date of the financial statements and their approval by the Management Board, no events occurred that could have had a material influence upon the (consolidated) financial statements as at 31 December 2019.

Gleisdorf, 21 February 2020

Martin Pfeffer
Member of the Management Board

Jörg Rosegger
Member of the Management Board

Consoli Financial

dated Statements

Consolidated Balance Sheet – IFRS

As at 31 December 2019

Assets EUR k	Notes	**31 Dec. 2019**	31 Dec. 2018
A. Non-current assets			
I. Intangible assets			
1. Capitalized development costs	(3.1)	6,590	6,725
2. Industrial property rights	(3.1)	1,237	1,286
3. Goodwill	(3.1)	746	746
		8,573	8,757
II. Tangible assets			
1. Land and buildings, including buildings on non-owned land			
a) Land	(3.2)	8,386	8,386
b) Buildings	(3.2)	24,615	25,091
		33,001	33,477
2. Plant and machinery	(3.2)	5,306	1,681
3. Other equipment, factory and office equipment	(3.2)	1,845	1,855
4. Prepayments made and plant under construction	(3.2)	1,249	2,525
		41,401	39,538
III. Financial assets			
1. Securities held as non-current assets	(3.3)	216	223
IV. Tax accruals	(3.4)	1,889	2,235
		52,079	50,753
B. Current assets			
I. Inventories			
1. Raw materials and supplies	(3.5)	6,813	6,891
2. Unfinished products	(3.5)	392	250
3. Finished goods	(3.5)	288	899
4. Prepayments made	(3.5)	31	0
		7,524	8,040
II. Receivables and other assets			
1. Trade receivables	(3.6)	20,784	27,458
III. Other receivables and assets			
1. Other receivables and assets	(3.6)	4,156	4,373
2. Prepayments and accrued income	(3.8)	493	589
		4,649	4,962
IV. Cash and cash equivalents	(3.7)	2,192	1,256
		35,149	41,716
Total		**87,228**	92,469

Passiva EUR k	Notes	**31 Dec. 2019**	31 Dec. 2018
A. Equity			
I. Issued capital	(3.9)	3,750	3,750
II. Reserves	(3.9)	17,720	16,342
III. Non-controlling interests	(3.10)	5,674	4,937
		27,144	25,029
B. Non-current debt			
I. Provisions			
1. Provision for severance payments	(3.12)	7,003	7,090
2. Provision for pensions	(3.13)	416	716
3. Deferred taxes	(3.4)	1,133	1,672
4. Other non-current provisions	(3.14)(3.15)	1,932	1,817
		10,484	11,295
II. Liabilities			
1. Liabilities to banks	(3.16)	12,317	14,298
2. Liabilities to companies with which a shareholding relationship exists	(3.18)	3,695	0
3. Other liabilities	(3.19)	4,725	1,757
		20,737	16,055
		31,221	27,350
C. Current debt			
I. Provisions			
1. Current tax liabilities	(3.15)	232	697
2. Other current provisions	(3.15)	8,536	9,411
		8,768	10,108
II. Liabilities			
1. Liabilities to banks	(3.16)	6,913	12,598
2. Prepayments received		1,553	5,331
3. Accounts payable trade	(3.17)	6,959	8,973
4. Liabilities to affiliated companies with which a shareholding relationship existst	(3.18)	9	0
5. Other liabilities	(3.19)	4,647	3,051
6. Accruals and deferred income	(3.19)	14	29
		20,095	29,982
		28,863	40,090
Total		**87,228**	92,469

Consolidated Income Statement – IFRS

For the period from 1 January to 31 December 2019

EUR k	Notes	**2019**	2018
1. Sales revenues	(3.20)	113,407	106,119
2. Change in stocks of finished and unfinished products and work in progress		–377	276
3. Own work capitalized		1,347	1,233
4. Other operating income	(3.21)	2,748	1,605
		117,125	109,233
5. Raw materials and consumables used	(3.5)	–58,472	–55,410
6. Staff expenses	(3.23)	–29,556	–28,431
7. Depreciation and amortization expense	(3.1) (3.2)	–4,598	–3,848
8. Other operating expenses	(3.22)	–20,320	–19,451
		–112,946	–107,140
9. Operating result (EBIT)		4,179	2,093
10. Interest and similar expenses		–826	–885
11. Other financial result		28	8
12. Finance costs	(3.24) (3.25)	–798	–877
13. Earnings before tax (EBT)		3,381	1,216
14. Income tax expense	(3.4)	–828	–582
a) Current income tax		–958	–712
b) Deferred income tax		130	130
15. After tax result		2,553	634
16. Share of non-controlling interests in net income		–1,000	–636
Consolidated net income		**1,553**	–2

Consolidated Statement of Comprehensive Income – IFRS

For the period from 1 January to 31 December 2019

EUR k	**2019**	2018
1. After tax result	2,553	634
2. Actuarial gains/losses	–213	–286
3. Income tax on actuarial gains/losses	53	71
4. Other comprehensive income, which in future may not be reclassified in the income statement	–160	–215
5. Currency translation differences	–11	32
6. Other comprehensive income, which in future may be reclassified in the income statement	–11	32
7. Other comprehensive income for the period	–171	–183
8. Consolidated net income before share of non-controlling interests	2,382	451
9. Share of non-controlling interests in net income	–983	–637
Consolidated net income	**1,399**	–186

Consolidated Cash Flow Statement – IFRS

For the period from 1 January to 31 December 2019

EUR k		**2019**	2018
(+/–)	Result before taxes (EBT)	3,381	1,215
(+/–)	Result from interest	793	882
(+/–)	Profit/loss on sales of non-current assets	–5	3
(+/–)	Depreciation/revaluation of non-current assets	4,606	3,848
(+/–)	Changes in non-current provisions	–812	–242
	Net cash flow	7,963	5,706
(+/–)	Changes in inventories including prepayments	517	–1,182
(+/–)	Changes in trade receivables, other receivables and accruals	7,332	3,619
(+/–)	Changes in trade payables, other liabilities and accruals	–4,999	2,261
(+/–)	Changes in deferred taxes not affecting cash flows	–1,339	–361
(+/–)	Changes in equity not affecting the result	130	131
(–)	Taxes paid	–958	–712
(+/–)	Other changes recognized directly in equity	–171	–183
(+/–)	Currency differences	–3	–5
	Net operating cash flow	8,472	9,274
(–)	Investments in tangible and intangible assets	–4,637	–3,380
(+)	Cash flow from sales of tangible and intangible assets	19	4
(+)	Interest received	33	3
	Net cash flow from investing activities	–4,585	–3,373
(+)	Proceeds from and repayment of financial liabilities	12,100	1,168
(–)	Settlement of financial liabilities	–20,241	–5,477
(–)	Paid interest	–810	–885
(+/–)	Dividends to shareholders	6,000	0
(–)	Payments to other shareholders	0	–493
	Net cash flow from financing activities	–2,951	–5,687
	Net change in cash and cash equivalents	936	214
(+)	Cash and cash equivalents at beginning of period	1,256	1,042
(–)	Cash and cash equivalents at end of period	2,192	1,256
	Change	**936**	214

Consolidated Equity Statement – IFRS

EUR k	Issued capital	Captial reserves	Revenue reserves	Actuarial gains/losses	Net income	Currency translations	Total	Non-controlling interests	Total equity
As at 1 Jan. 2018	3,750	218	14,672	–2,091	3,575	155	20,279	5,040	25,319
Consolidated net income	0	0	0	0	–3	0	–3	636	633
Other comprehensive income	0	0	0	–216	0	32	–184	1	–183
Consolidated net income	0	0	0	–216	–3	32	–187	637	450
Payment of dividends	0	0	0	0	0	0	0	–740	–740
As at 31 Dec. 2018	3,750	218	14,672	–2,307	3,572	187	20,092	4,937	25,029
Balance as at 31 Dec. 2018	3,750		16,342				20,092	4,937	25,029
As at 1 Jan. 2019	3,750	218	14,672	–2,307	3,572	187	20,092	4,937	25,029
Consolidated net income	0	0	0	0	1,553	0	1,553	1,000	2,553
Other comprehensive income	0	0	0	–143	0	–11	–154	–17	–171
Consolidated net income	0	0	0	–143	1,553	–11	1,399	983	2,382
Payment of dividends	0	0	0	0	0	0	0	–246	–246
Other changes (sale of treasury shares)	0	0	–21	0	0	0	–21	0	–21
As at 31 Dec. 2019	3,750	218	14,651	–2,450	5,125	176	21,470	5,674	27,144
Balance as at 31 Dec. 2019	3,750		17,720				21,470	5,674	27,144

Notes to the Consolidated Financial Statements as at 31 December 2019

1. The Company

Binder+Co AG is a company under Austrian law, which has its headquarters in Gleisdorf, Styria and is primarily engaged in the production of machinery, plant and systems for the processing and recycling of bulk goods, as well as their packaging via its subsidiary Statec Binder GmbH. Binder+Co AG and its subsidiaries (subsequently referred to as the "Binder+Co Group") are leading manufacturers of machinery, plant and systems for the processing, environmental and packaging technology sectors.

The Group's international sales network is tailored to serve the branches contained in the three processing, environmental and packaging technology business segments. The main sales markets lie in the regions of Europe, Asia, Australia, Africa and North America.

The company is the ultimate parent company in the Binder+Co Group and has its offices at Grazer Straße 19–25, 8200 Gleisdorf, Austria.

The average number of employees in the Group amounted to 372 in 2019 and 362 in 2018.

At the Binder+Co AG Annual General Meeting held on 12 April 2016, it was agreed that bearer shares be replaced by registered shares. This resolution took effect on 30 July 2016 with entry into the company register. The final trading day for bearer shares in the mid market of the Vienna Stock Exchange was thus 29 July 2016. Following the expiry of the exchange and subsequent invalidity declaration process in February 2017, a total of 3,612 shares were declared null and void. The cancellation of 2,990 shares was suspended up to 31 December 2019. At the balance sheet date, there were 622 shares that have been declared null and void.

At the 18th Annual General Meeting on 19 April 2017 the Management Board was authorized to sell up to 85,548 shares in the company at a selling price of at least EUR 12.00 per share. Shareholders in possession of more than 250 shares come into consideration as purchasers. The sale of all 85,548 shares by 4 October 2017 had no impact upon the main ownership structure of Binder+Co AG.

Liaunig Industrieholding AG holds 29.7% of the shares, the Albona Private Trust 24.5%, Treibacher Industrieholding GmbH 17.1% and Veit Sorger 6.8%, further core shareholders 15.6%, and management and employees 3.5%. The remaining 2.8% of shares are in free float.

The consolidated financial statements are prepared on the responsibility of the Management Board and are acknowledged by the Supervisory Board.

2. Accounting Principles and Summary of the Presentation and Valuation Methods

2.1. Accounting Principles

Pursuant to §245a Austrian Commercial Code (UGB), the Binder+Co Group consolidated financial statements as at 31 December 2019 were prepared in accordance with the International Financial Reporting Standards ("IFRS" and "IAS") issued by the International Accounting Standards Board ("IASB") as employed in the European Union. In addition, all the binding interpretations of the International Financial Reporting Interpretations Committee ("IFRIC" and "SIC") for 2019 were complied with. Pursuant to §245a UGB with these consolidated financial statements in line with the IFRS Binder+Co AG has prepared exempting consolidated financial statements according to internationally recognized accounting principles.

2.1.1. Notes to the Amended or New IFRS

In comparison with the consolidated financial statements as at 31 December 2018, the following standards and interpretations have changed, or owing to their acceptance into EU law or the coming into effect of the regulation, became binding for the first time:

Standard/Interpretation	Content	Valid from[1]
IFRS 16	Leases	01.01.2019
Annual improvements (2015–2017 cycle)	Various	01.01.2019
Changes to IFRS 9	Prepayment regulation with negative balancing payment	01.01.2019
Changes to IFRS 28	Non-current shares in associated companies and joint ventures	01.01.2019
Modifications to IFRS 19	Plan changes, curtailments or settlements	01.01.2019
IFRIC 22	Uncertainty regarding the income tax treatment	01.01.2019

[1] To be applied to financial years beginning on or after the date stated.

As of January 1, 2019 the Binder+Co Group applied IFRS 16 for the first time using the modified retrospective method, whereby the cumulative effect of the first-time application as of January 1, 2019 was recognized in retained earnings. Details are presented under point 3.2. Tangible Assets.

The application of these standards and interpretations had no material influence upon the consolidated financial statements.

Application of the accounting pronouncements is not yet obligatory and early application to the 2019 financial year did not occur.

Standard/Interpretation	Content	Valid from[1]
Changes to IAS 1 and 8	Definition of materiality	01.01.2020
IFRS 17	Insurance contracts	01.01.2021
Framework	Changes to references to the framework in IFRS standards	01.01.2020

[1] To be applied to financial years beginning on or after the date stated.

With the exception of plan assets pursuant to IAS 19, derivative financial instruments and financial assets pursuant to IFRS 9, which are reported at fair value on the balance sheet date, the consolidated financial statements were prepared in accordance with the historical cost accounting principle.

2.1.2. Changes to Estimates

In the past financial year, there was a change in the interest rate for severance payments, anniversary bonuses and provisions for pensions. The growth rate and the interest rate used for the impairment test were also adjusted to the current estimates.

2.1.3. Methods and Scope of Consolidation

The consolidated financial statements include Binder+Co AG and all the material subsidiaries that it owns entirely, or in which it holds a controlling interest. A controlling interest exists when:

- The right of disposal may be exercised over the subsidiary
- Fluctuating returns from the subsidiary result and/or
- Owing to the right of disposal, the amount of the returns from the subsidiary can be influenced.

Subsidiaries are therefore all companies in which the Group controls financial and business policies. As a rule, a controlling interest is always given when Binder+Co AG holds over 50% of the voting rights in a company either directly or indirectly.

All company combinations are reported using the purchase method of accounting. This involves the netting of the cost of the shares in the acquired subsidiary with the respective pro rata net assets on the basis of the fair value of the acquired assets and debts of the company as at the dates of the transaction and the transfer of control. Costs incurred in the course of the combination are recognized as an expense and reported under “Other operating expenses”.

Remaining goodwill is allocated to the respective cash-generating unit and tested on this level with regard to impairment. Pursuant to IFRS 3, negative goodwill is immediately recognized in the income statement.

The share of equity and net income allotted to non-controlling interests is recognized separately in the consolidated balance sheet and income statement.

Companies that were bought or sold during the year are reported upon in the consolidated financial statements from the date of purchase or up to the date of sale.

The financial statements of the subsidiaries are prepared using uniform accounting methods for the same reporting period as that employed for the financial statements of the parent company. Where material, all intra-Group receivables, liabilities and services charges, including intra-Group interim results, are eliminated in full. In line with IAS 12, the necessary tax deferrals are made for temporary differences derived from consolidation.

The consolidated financial statements are presented in thousands of euros (EUR k) in accordance with commercial rounding methods. As a result of the use of automatic calculating machines, differences derived from rounding may occur in the addition of rounded sums and percentages.

As at 31 December 2019 the scope of consolidation included the following companies:

Parent company	Binder+Co AG	Gleisdorf, Austria	
Subsidiaries			
National	Statec Binder GmbH	Gleisdorf, Austria	50.7%
	Bublon GmbH	Gleisdorf, Austria	100.0%
International	Comec-Binder S.r.l.	Badoere di Morgano, Italy	100.0%
	Binder+Co Machinery (Tianjin) Ltd.	Wuqing Development Area, China	100.0%
	Binder+Co USA, Inc.	Denver, Colorado, USA	100.0%

2.1.4. Currency Translation

Business Transactions in Foreign Currencies
In the individual financial statements of the consolidated companies, transactions in foreign currencies are translated into the respective functional currency of the company at the exchange rate on the date of the transaction. Exchange rate gains and losses derived from translation at the time of the transaction and the balance sheet closing date are recognized in the consolidated income statement. As a rule, the companies endeavour to complete all international business in euros. Wherever possible, exchange rate risks are hedged by foreign exchange forwards and swaps. The currency risk emanating from the purchase of materi-als in foreign currencies is reduced by attempts to partially present outgoing invoices to various customers in foreign currencies (USD, CNY).

In the current financial statements, expenses and gains derived from exchange rate differences are netted and only the surplus is reported. The currencies involved are those for which the amounts of claims and obligations offset each other (so-called closed currency items from coverable assets and liabilities).
The amount of the foreign currency gains/expenses recognized in the income statement for the financial year 2019 totalled EUR –39k (2018: EUR –65k).

As at the balance sheet date, forward exchange contracts for sale totalling USD 2,046k with a market value of EUR –59k were open. The term for these transactions is 30 April 2020 at the latest and they represent measurement units with underlying hedged transactions.

Translation of Individual Financial Statements in Foreign Currencies
The group currency is the euro and in line with IAS 21, annual financial statements prepared in foreign currencies are included in the consolidated financial statements and translated into euros in accordance with the functional currency principle. The functional currency for all companies is the respective national currency in which they independently transact their business in a financial, economic and organizational regard. Assets and debts are translated at the mean exchange rate on the balance sheet date and income statement items at the mean exchange rate for the financial year. Equity is measured at the historic exchange rate on the date of initial consolidation.

The euro exchange rates used for translation are contained in the following table:

		Closing date rate		Average exchange rate	
Currency	ISO Code	31 Dec. 2019	31 Dec. 2018	2019	2018
US-dollar	USD	1.1204	1.1450	1.1186	1.1814
Chinese renminbi yuan	CNY	7.8155	7.8473	7.7163	7.8144

Source: USD UniCredit Bank Austria AG; CNY: State Administration of Foreign Exchange.

2.2. Accounting and Valuation Principles
During the preparation of the consolidated financial statements, amendments to existing IAS and IFRS and interpretations, as well as newly issued standards and interpretations were accounted for where these had been published in the Official Gazette of the European Union prior to 31 December 2018 and had taken effect by this date.

Where necessary, the figures for the previous year were adjusted in accordance with IAS 8.

2.2.1. Goodwill from Company Combinations
Goodwill is recognized in accordance with IFRS 3 and subjected to an impairment test both annually and when events or changed circumstances indicate that impairment may have occurred.

In line with IFRS 3, following reassessment of the identifiable assets and debts, negative goodwill is recognized immediately in the income statement.

2.2.2. Intangible and Tangible Assets

Purchased intangible assets are recognized at the cost of acquisition net of scheduled and extraordinary depreciation and amortization.

In the case of internally generated intangible assets, the period during which these are accrued is divided into a research and development phase. Costs incurred during the research phase are immediately recognized as an expense. Development costs also represent period expenses. However, these are only capitalized when future financial inflows can be expected which above and beyond the normal costs, will also cover the related expenditure on development. Furthermore, all the stipulations contained in IAS 38 must be fulfilled cumulatively. Internally generated intangible assets are recognized at the cost of production, net of scheduled and extraordinary depreciation and amortization.

Tangible assets are recognized at the cost of acquisition or production net of accumulated scheduled depreciation and amortization costs.

The production costs of internally generated intangible and tangible assets consist of all direct costs and an appropriate portion of production overheads.

Borrowing costs that can be classified as relating directly to the purchase, construction or manufacture of qualified assets, are capitalized as part of the acquisition costs. All other borrowing costs are recognized as an expense in the period in which they occur. No borrowing costs were capitalized during the 2019 financial year (2018: EUR 0k).

Public grants for assets are deducted from the cost of acquisition. Cost contributions are reported in accordance with the related expenses and recognized in the income statement on an accrual basis as “Other operating income”.

Expenditure on an asset in subsequent periods is only capitalized when it results in a considerable enhancement of the future economic benefit associated with the item, e.g. through additional applications, or a significant prolongation of useful life.

The depreciation and amortization of intangible assets and property, plant and equipment occurs on a straight-line basis in accordance with the expected useful economic life of the respective item. Assets acquired in the financial year are written down pro rata temporis from the month in which the asset becomes available. The useful lives assumed for the calculation of the rates of depreciation and amortization remained unchanged over the preceding year and were as follows:

	Useful life in years	
	From	To
Intangible assets		
Capitalized development costs	5	10
Industrial property rights	5	10
Tangible assets		
Land and buildings, including buildings on non-owned land	4	50
Plant and machinery	3	15
Other plant, factory and office equipment	1	10

The residual carrying values and useful economic life periods are examined regularly and adjusted where necessary.

Individual assets with an acquisition cost of less than EUR 400 (low-value assets) are fully written down in the year of acquisition and reported as disposals in the non-current assets movement schedule.

2.2.3. Leased and Rented Assets

As already stated in the chapter 2.1.1. the Binder+Co Group applied IFRS 16 for the first time on January 1, 2019. Accordingly, operating leases previously classified under IAS 17 are now recognized as a lease liability and measured as the cash value of the remaining lease payments, discounted at the lessee's marginal borrowing cost rate. For leases previously classified as finance leases, the book value of the leased asset in accordance with IAS 17 - prior to the first application of IFRS 16 - and the book value of the lease liability in accordance with IFRS 16 are recognized. The valuation principles of IFRS 16 are only applied thereafter. As of December 31, 2019, there were liabilities from leases to the amount of EUR 1,387k, which were classified as finance leases based on the first-time application of IFRS 16 (2018: EUR 0k).

The Binder+Co Group made use of the following facilities when applying IFRS 16 for the first time:

- Applying a single discount rate to a portfolio of similar leases
- Leases are reported as short-term leases when they have a remaining term of less than 12 months or the replacement value of the leased property is less than USD 5k

Within the Binder+Co Group the decision was made not to re-examine leasing contracts concluded before the transition date neither to determine whether a contract is or contains a leasing agreement before it was applied, but to retain the previous decision made under IAS 17 and IFRIC 4.

2.2.4. Value Impairments

Assets (except inventories and deferred tax assets) are tested on the respective balance sheet date in order to ascertain whether indications of impairment exist. In the case of goodwill, even if there are no such indications a test is completed shortly before each balance sheet date.

In general, impairment tests on goodwill, other intangible and tangible assets are based on estimated future discounted net cash flows, which are to be anticipated from the continued use of an asset and its disposal at the end of service life. Impairment may be caused by factors such as lower sales revenues and resultant smaller net cash flows, as well as changes to the discount factors employed. The attainable amount is estimated for the individual assets and should this prove impossible, the superordinated cash-generating unit is assessed.

Should the reason for a past impairment loss no longer exist, except in the case of goodwill, the amortized costs of acquisition and production are reversed.

In line with IFRS 36, goodwill was subjected to an impairment test, which in the 2019 financial year did not result in an impairment (2018: EUR 0k).

2.2.5. Financial Assets

The Binder+Co Group only holds financial assets that are measured at amortized cost or at fair value through profit or loss. The financial assets contain non-current asset securities.

Pursuant to IFRS 9, the securities held to cover pension provisions are carried at fair value. Changes in value are recognized in the income statement. With effect from 2018, non-current asset securities are assigned to the category “fair value through profit and loss”. In the 2019 financial year, a depreciation in the amount of EUR 7k was made on securities held as fixed assets.

2.2.6. Deferred Taxes

Deferred taxes are determined according to the balance sheet liability method for all temporary differences between the tax value and the IFRS valuation of assets and debts. In addition, the feasible tax advantage to be gained from existing deferrals is included in the calculation. Temporary differences subject to tax that derive from the initial reporting of goodwill are excluded from these comprehensive deferments.

Tax accruals are only reported when it can be assumed with sufficient certainty that the related tax benefit is realizable. The determination of accruals is based on the income tax in the respective country at the date of the probable reversal of the value difference.

Tax deferrals that relate to items not recognized in the income statement are booked in similar fashion. Reporting takes place in line with the underlying business transaction as “Other income”.

Deferred tax assets and debts are offset when the deferrals relate to the same fiscal authority.

2.2.7. Inventories

Inventories are recognized at the lower of the cost of acquisition or production, or net realizable market value (market price) at the balance sheet date. The net realizable market value represents the sales price attainable in standard business transactions, less the outstanding production costs and necessary operating expenses.

Acquisition costs are calculated using the sliding average cost method.

The valuation of unfinished and finished products takes place at the cost of manufacture. This contains all individual costs, as well as a reasonable percentage of production overheads. General administration and sales costs, as well as interest on borrowings are not included in the cost of manufacture.

2.2.8. Trade Receivables

Trade receivables are reported at nominal value less write-downs for recognizable, individual risks.

Interest-free and low-interest receivables are discounted where necessary. Receivables in foreign currencies are recognized at the exchange rate on the balance sheet date and in the case of hedged exchange rates with the hedged rate.

As a rule, deposits received from customers in the course of open construction orders (warranty bonds) are called in by means of bank guarantees.

Credit losses on trade receivables are calculated using a value adjustment table. The value adjustment rates are set according to dunning levels (depending on the number of days payment is overdue). Further criteria, such as the geographical region, type of customer, credit rating and safeguards through letters of credit or credit insurance, are also factored in. The value adjustment rates are initially based on historic default rates. The historic default rates may be adjusted, depending on the forward-looking information available. The historic default rates are reviewed at every balance sheet date and changes to the forward-looking estimates analyzed.

The judgement of the correlation between historic default rates, forecast economic framework conditions and expected defaults represents a material estimate. The defaults experienced by the Group in the past and the forecast for economic framework conditions may not be representative of actual defaults by customers in the future.

2.2.9. Manufacturing Contracts/Revenue from Contracts with Customers

Contracts are analyzed to ascertain if they come under the provisions of IFRS 15. A check is also made to determine whether it is possible/necessary to collate contracts. The individual performance components are then identified and the transaction price is assigned to them. The allocation of the transaction prices for multi-component transactions is performed in relation to the individual realizable values of the goods or services at contract formation. The individual realizable value is the price at which an entity would be able to sell a customer a good or service separately. If no individual realizable values are observable, they are estimated.

A check is then made of the period in which the revenues should be recognized. Revenues from contracts with customers are recognized in a given period if they meet the prerequisites of IFRS 15. The anticipated order revenues are recognized as revenue according to the stage of completion attained. The stage of completion is determined on the basis of the cost incurred to date relative to the total expected cost (cost-to-cost). In exceptional cases, and when the order progression is more in line with it, the determination of the stage of completion is based on other methods (e.g. output-oriented). Add-ons are recognized if they will in all probability be accepted by the customer and if they can be measured reliably. Where the outcome of a manufacturing order cannot be reliably estimated, the order revenues are limited to the sum of the order costs already incurred. If it is probable that the sum of the order costs will exceed the order revenues, the impending loss is immediately reported in its entirety as an expense.

Costs incurred to obtain the order are also capitalized and spread over the term of the contract.

Prepayments received are deducted from the receivables derived from contracts with customers as per IFRS 15 (contractual assets). Should the resultant balance be negative, it is carried as a liability.

2.2.10. Other Receivables and Assets

Other receivables are classified at amortized cost and at their nominal value less provisions for possible defaults.

2.2.11. Cash and Cash Equivalents

Cash and cash equivalents consist of cash and credits at banks.

2.2.12. Obligations in Respect of Employees

Pension Obligations

Under individual agreements, the Binder+Co Group has commitments to pay pension benefits in respect of two beneficiaries one of these persons having died at the begining of December 2019. These performance-related obligations are not matched by any appropriated funds and are therefore reported in their entirety as a provision. These obligations consist exclusively of pensions payable to retired employees or their widows.

The amount of the provision required is calculated for the respective balance sheet date on the basis of an actuarial report and takes into account the regulations relating to such calculations contained in the amended version of IAS 19.

The calculation of entitlements as at 31 December 2019 and 2018 is based on the following assumptions:

	2019	2018
Interest rate	1.0%	1.5%
Pension increases	1.0%	1.5%
Life expectancy	AVÖ 2018-P	AVÖ 2018-P

Any difference between the amounts of the provisions as calculated in advance on the basis of the above assumptions and the actual amounts ("actuarial gain/loss") are recognized in accordance with the amended version of IAS 19.

Severance Benefits Obligations

In accordance with Austrian labour law, the company is obliged to make specified severance payments to employees who joined the company before 1 January 2003 and whose employment is terminated by notice or retirement. Employees who leave voluntarily, or are dismissed for good cause, are not entitled to such payments. Severance payments are dependent upon the number of years of service and remuneration at the severance date. They range between two and twelve monthly salaries. A provision is formed for this obligation.

Italian law (Art. 2120 of the Codice Civile) foresees that in every case employees have a claim to severance pay (TFR) at the end of the employment relationship. The TFR is established through the addition of remuneration (including payments in kind) and the division of this amount by a factor of 13.5 for every year of company service. This amount is raised annually by 1.5% plus 75% of the increase in the consumer price index.

The provision is calculated using the projected unit credit method through the aggregation by means of actuarial principles of the current value of future payments over an employee's projected period of employment. In line with IAS 19 (R 2011), the effects on value of changes to the interest and pension parameters (actuarial gains and losses) are recognized directly in equity during their year of origin. The calculation is carried out by an actuary for each balance sheet date.

The calculation of entitlements as at 31 December 2019 and 2018 is based on the following assumptions:

	2019	2018
Interest rate	1.0%	1.5%
Increases in remuneration	3.0%	3.0%
Pensionable age for women	60[1)]	60[1)]
Pensionable age for men	65[1)]	65[1)]
Life expectancy	AVÖ 2018-P	AVÖ 2018-P

[1)] Taking into account the interim stipulations of the 2003 pension reform. The increase in the age limit for retirement pensions for female retirees from 2024 is accounted for. For Comec-Binder S.r.l. the end of the 62nd year has been adopted as the pensionable age.

Austrian employment relationships that commenced as agreed contractually after 31 December 2002 are subject to the provisions of a new severance payment scheme. This amended system stipulates that for every month of an employment relationship and certain non-contributory periods, the employee receives a vested entitlement to benefit, irrespective of length of service and the reason for the termination of employment. This represents a contribution-oriented scheme, in which the funds required to cover the obligation are transferred to an employees' severance pay and pension fund. The contributions to the employees' severance pay and pension fund totalled EUR 242k (2018: EUR 226k) and are recognized under the expenses for severance benefits.

Other Long-Term Obligations in Respect of Employees

The Binder+Co Group has obligations under collective bargaining agreements to pay long-service bonuses to employees, who achieve a certain specified length of service (from 25 years onwards). A provision was made for this obligation.

Basically, this provision is calculated using the same methods and assumptions as those utilized for severance payments obligations, with the difference that depending on length of service, a reduction of up to 16.2% (2018: up to 16.2%) is applied to reflect personnel fluctuations. Furthermore, and pursuant to IAS 19 (R 2011), the actuarial gains and losses emanating from the provision for long-service bonuses are recognized immediately in the income statement.

2.2.13. Other Provisions

Other provisions are recognized when the company is subject to a legal or actual obligation to a third party as a result of a past event and it is probable that this obligation will result in an outflow of resources. The provision sums are based on the best estimates possible at the time that the annual financial statements are prepared. Where the amount cannot be reasonably estimated, no provision is made. Where the present value of the provision calculated according to a market interest rate differs materially from the nominal value, the present value of the obligation is recognized.

2.2.14. Taxes

The amount recognized as an income tax expense for the financial year consists of the income tax payable on taxable income for the individual companies using the applicable rate of corporate income tax (actual taxes) in the respective country, together with adjustments to accrued and deferred taxation.

Binder+Co AG is the lead company for taxation of the Binder+Co Group in Austria. The group members have undertaken to pay the corporation tax due on their profits to the lead company. Losses made by group members are treated as internal Group losses carried forward and are offset by profits made at a later date. Upon leaving the Group, a group member will be compensated for any of its losses transferred to the lead company and not yet offset with profits. In accordance with the tax compensation agreement, Binder+Co AG records the corporation tax sums of the group members as income.

With an agreement dated 16 December 2013, a fiscal company group was formed in accordance with §9 KStG (Austrian Corporation Tax Act) between Binder+Co AG as the lead company pursuant to §9 Para. 3 KStG and Bublon GmbH as the group member pursuant to §9 Para. 2 KStG. The Group came into effect from the tax assessment for the 2013 financial year.

The following companies are also members of the Group in line with §9 KStG, but as foreign corporate enterprises are not included in tax equalisation pursuant to §9 Para. 8. line three KStG.

- Comec-Binder S.r.l., 31050 Badoere di Morgano (TV), Italy

Within the scope of the group, the taxable results of Bublon GmbH are taxed at Binder+Co AG level. As far as the international members of the Group are concerned, only tax losses of the respective lead company are realized, which in subsequent years are then subject to a deferred tax obligation in line with §9 Para. 6. Clause 6. KStG.

The calculation of tax distribution takes place on the basis of the contribution method. Accordingly, the lead company either burdens the group member with a charge or provides an appropriate credit.

With effect from 1 March 2014 only those foreign group members that are based in EU member states or in states with which Austria has comprehensive administration assistance arrangements can be included in the group.

The current income tax rates applicable to the Binder+Co Group are as follows:

- Austria: 25.0%
- Italy: 24.0%
- China: 25.0%
- USA: 21.0%[1)]

1) 2018: 25%, since the information was given including the state tax. As of 2019, only the federal tax percentage has been reported.

2.2.15. Financial Liabilities

In line with IFRS 9, except for derivative financial instruments, the Binder+Co Group categorizes financial liabilities as "Other financial liabilities"; and the liabilities are initially recognized at fair value less the directly allocable transaction costs and subsequently at amortized cost. Should the amount of repayment be lower or higher, a write-down or write-up takes place in accordance with the effective interest method.

The financial liabilities of the Binder+Co Group comprise financial loans, trade payables and other liabilities.

2.2.16. Contingent Liabilities

Contingent liabilities consist of possible or existing obligations, where a resource outflow is unlikely. They are not included in the consolidated balance sheet, but are reported in the notes.

2.2.17. Income Realization

Income from deliveries is realized when all the main risks and opportunities derived from the supplied item have been transferred to the purchaser (completed contract method). Income from services unrelated to a complete project is realized to the extent of the services provided on the balance sheet date. As far as income realization in connection with order completion is concerned, reference should be made to the relevant notes in item 2.2.9.

2.2.18. Financial Expenses and Income from Financial Investments

Financial expenses include the interest and interest-like expenses attached to borrowings and financial leasing transactions, as well as losses from the disposal or unscheduled write-down of financial assets.

The income from financial investments includes the interest, dividends and similar income derived from financial investments and spending on financial assets, as well as gains on the disposal and write-up of financial assets.

Interest is deferred over time using the effective interest method. Dividends are reported when a legal entitlement to payment arises on the part of the shareholders.

2.2.19. Research and Development Costs

All research costs are recognized as an expense. Development costs are subject to obligatory capitalization only when all the following preconditions are demonstrated and cumulatively fulfilled:

- The technical realizability of the completion of the intangible asset makes possible its availability for internal use or sale.
- The intention to complete the intangible asset and the ability to use or sell it both exist.
- The asset will generate a future economic benefit.
- Resources for the completion of the intangible asset are available.
- The expenditure attributable to the intangible asset during its development can be reliably determined.

As at 31 December 2019, development costs amounting to EUR 1,219k (2018: EUR 1,101k) were capitalized in the consolidated financial statements.

During the 2019 financial year, total research and development costs amounted to EUR 2,038k (2018: EUR 1,811k).

2.2.20. Risk Management

The monitoring and management of financial risks constitute integral elements of accounting and controlling within the entire Binder+Co Group. Ongoing controlling and regular reporting are intended to increase the likelihood of the early recognition of larger-scale risks and the initiation of countermeasures where necessary. Nonetheless, there is no guarantee that the monitoring and risk control systems are sufficiently effective.

The main risks to the business development of the Binder+Co Group in 2019 related primarily to a dependency upon the general economic trend, the receipt of large orders and the attainment of appropriate sales revenues and margins from a high order backlog. In addition, during the completion of orders further material risks derive from unexpected price increases and problems related to the achievement of the guaranteed performance parameters of plant and machinery supplied by Binder+Co AG.

The financial difficulties of individual eurozone countries and the continuation of the testing overall economic situation also constitute a risk with regard to the financial development of the Binder+Co Group. In addition, a possible slowing of economic activity in the developing nations represents a further risk. Such economic weakness could lead to the delay or cessation of projects that are either in progress or the acquisition phase. The cancellation of existing contracts may also exert a negative influence on the order backlog of the Binder+Co Group, which in turn can have a negative effect upon the use of capacity at the group's production centres.

The complete or partial write-off of goodwill obtained in the course of acquisitions could also impact the Binder+Co Group's results if the business targets for these companies cannot be reached.

Apart from this, there is a constant risk that trade receivables may have to be partially or totally written down. For the majority of orders, bank hedging and the conclusion of credit insurance reduce the risk of customer defaults on payments. However, individual payment defaults can have a materially detrimental effect on group results. As a rule, the risk related to deliveries to countries with an average to high political risk rating is largely hedged.

Owing to the basic Binder+Co Group principle that all international transactions take place in euros, interest and currency exchange rate risks play a subordinate role. In those exceptional cases where business is not concluded in euros, the risk is minimized and controlled by the use of derivative financial instruments and especially foreign exchange forwards and swaps. In the case of orders invoiced in foreign currency, the net currency positions are hedged through the conclusion of forward transactions. Cash flow risks are monitored through monthly cash flow reports. Moreover, in order to further reduce financial risks and improve the surveillance, control and evaluation of financial and liquidity items, the Binder+Co Group is constantly improving its treasury guidelines and information systems.

Risks to the Binder+Co Group derived from interest rate changes relate primarily to current borrowings subject to variable interest, whereas non-current borrowings within the framework of participation and investment financing are hedged by means of fixed interest agreements.

Had interest rates been 50 basis points higher/lower and all other variables remained constant, the consolidated net profit for the financial year ending on 31 December 2019 would have decreased by EUR 90k or risen by EUR 92k (2018: decrease of EUR 158k/increase of EUR 88k). These figures can be traced mainly to the interest risks derived from borrowings subject to variable interest rates.

The Binder+Co Group avoids dependency upon a single bank. Therefore, to ensure independence only a certain volume of all important financial products (cash and cash equivalents, financial liabilities, financial assets, guarantees and derivatives) is handled respectively with only one bank. Despite this approach, the insolvency of one or several banks would have a considerable negative impact upon Binder+Co Group results and equity.

The primary aim of capital controls within the Binder+Co Group is to ensure that apart from the availability of the liquidity required to underpin business activities and maximize shareholder value, appropriate credit-worthiness and a sufficient equity ratio can be maintained.

The Binder+Co Group controls its capital with the help of the net financial debt/EBITDA key indicator and the equity ratio. Net debt incorporates non-current and current bank borrowings less cash, cash equivalents and bank balances. Equity consists of issued shares, capital reserves, revenue reserves and other reserves (foreign currency differences) as well as the stocks of non-controlling interests.

At a maximum, the net financial debt/EBITDA key indicator should amount to 3.25 and may only be exceeded for a limited period.

In the period under review the two key indicators developed as follows:

EUR k	**2019**	2018
Debts[1]	19,230	26,896
Cash, cash equivalents and bank balances	–2,192	–1,256
Net debts	17,038	25,640
EBITDA	8,777	5,940
Net debt/EBITDA	1,9	4,3
Equity ratio	31.1%	27.1%

[1] Debts are defined as non-current and current bank borrowings

2.2.21. Estimates

During the preparation of the consolidated financial statements in line with generally recognized IFRS accounting and valuation methods, the management must make estimates and assumptions, which can affect the reported values of assets and liabilities and other obligations on the balance sheet date, as well as those of income and expenses for the year under review.

The following assumptions create a not inconsiderable risk, as they could lead to a major adjustment of the assets and debts in the subsequent financial year:

Value Impairment of Intangible and Tangible Assets
In general, impairment tests on goodwill, other intangible and tangible assets are based on estimated future discounted net cash flows, which are to be anticipated from the continued use of an asset and its disposal at the end of service life. Impairment may be caused by factors such as lower sales revenues and resultant smaller net cash flows, as well as changes to the discount factors employed.

Manufacturing Contracts/Revenue from Customers
The assessment of manufacturing contracts for which the revenues are recognized in a specific period, up to the conclusion of the project – especially with regard to the reporting of supplements, the amount of the deferred order income in line with the percentage of completion method and the estimation of the probable contractual income – are all based on expectations in relation to the future development of the corresponding orders. Changes can lead to asset value adjustments and have a major influence on the results in subsequent periods.

Provisions for Warranties
In the case of concluded projects, the Binder+Co Group continues to be subject to legal or contractually agreed obligations regarding the correction of defects or damage. Should a known, concrete warranty problem arise, provision is made to the amount of the probable claim. This represents an estimate of future expenses and can deviate from the actual requirement for correction.

Provision for Litigation Risks
The results of litigation can only be predicted with limited certainty. However, where these are estimable, appropriate provisions were made in the consolidated financial statements.The actual results of litigation can deviate from these estimates.

Obligations to Employees
The actuarial calculation of pensions, severance payments and long-service bonuses is based on estimates regarding discount factors, increases in remuneration and life expectancy tables. Changes in the parameters as a result of shifts in the economic and/or demographic framework can lead to larger or smaller provisions and expenditure on human resources.

Deferred Taxes
The calculation of tax deferrals takes place on the basis of the tax rates that according to the current legal situation will apply when the temporary differences again even out. However, tax rate changes can necessitate modifications regarding the deferred taxes that have to be taken into account.

2.2.22. Adjustments to the Accounting and Valuation Methods

Basically, the accounting and valuation methods employed on 31 December 2018 were retained.

The first-time application of IFRS 16 resulted in corresponding changes. The impact of these changes and the transitional provisions are described in item 2.1.1. respectively in 2.2.3.

2.2.23. Details of subsidiaries that are not 100% owned in which substantial non-controlling shares are held

Name of the subsidiary	Reg. office	Participation and voting right rate of the non-controlling shares		Result apportionable to the non-controlling shares		Cumulative non-controlling shares	
		31 Dec. 2019	31 Dec. 2018	2019 EUR k	2018 EUR k	31 Dec. 2019 EUR k	31 Dec. 2018 EUR k
Statec Binder GmbH	Gleisdorf	49.3%	49.3%	983	637	5,674	4,937
Total no. of non-controlling shares						**5,674**	**4,937**

Binder+Co AG participates directly in Statec Binder GmbH with a 50.7% shareholding.

A summary of the financial information in respect of the Group's subsidiaries in which substantial non-controlling shares are held can be found below. The summarized financial information corresponds to the amounts of intra-Group eliminations.

EUR k	**31 Dec. 2019**	31 Dec. 2018
Short-term assets	12,300	14,708
Long-term assets	8,501	7,433
Short-term debts	8,169	11,063
Long-term debts	1,122	1,061
Non-controlling shareholders from the subgroup		
Proportion of equity attributable to shareholders in the parent company:	5,836	5,080
Non-controlling shareholders	5,674	4,937

EUR k	**2019**	2018
Sales revenues	43,887	32,839
Result after taxation	2,028	1,290
Result after tax attributable to shareholders in the parent company:	1,028	654
Result after tax attributable to non-controlling shareholders	1,000	636

EUR k	**31 Dec. 2019**	31 Dec. 2018
Dividends paid to non-controlling shareholders	0	493
Total subgroup cash flow		
Cash flow from operations	4,310	2,234
Cash flow from investment activities	–1,619	–827
Cash flow from financing activities	–1,421	–1,700
Total net payment flows	1,270	–294

3. Notes to the Consolidated Balance Sheet and Income Statement

3.1. Intangible Assets and Goodwill

During the 2019 financial year, intangible assets and goodwill developed in the following manner:

EUR k	Capitalized development costs	Licences and industrial property rights	Goodwill	Prepayments made	Total
Acquisition costs					
As at 31 Dec. 2018	10,493	6,205	746	0	17,444
Transfers	0	0	0	0	0
Additions	1,219	325	0	0	1,544
Disposals	0	–24	0	0	–24
Currency translation	0	0	0	0	0
As at 31 Dec. 2019	11,712	6,506	746	0	18,964
Accumulated amortization					
As at 31 Dec. 2018	3,768	4,919	0	0	8,687
Transfers	0	0	0	0	0
Additions	1,354	371	0	0	1,725
Disposals	0	–21	0	0	–21
Currency translation	0	0	0	0	0
As at 31 Dec. 2019	5,122	5,269	0	0	10,391
Carrying amount as at 31 Dec. 2018	6,725	1,286	746	0	8,757
Carrying amount as at 31 Dec. 2019	6,590	1,237	746	0	8,573

During the 2018 financial year, intangible assets and goodwill developed in the following manner:

EUR k	Capitalized development costs	Licences and industrial property rights	Goodwill	Prepayments made	Total
Acquisition costs					
As at 31 Dec. 2017	9,392	6,015	746	24	16,177
Transfers	0	24	0	–24	0
Additions	1,101	166	0	0	1,267
Disposals	0	0	0	0	0
Currency translation	0	0	0	0	0
As at 31 Dec. 2018	10,493	6,205	746	0	17,444
Accumulated amortization					
As at 31 Dec. 2017	2,608	4,506	0	0	7,114
Transfers	0	0	0	0	0
Additions	1,160	413	0	0	1,573
Disposals	0	0	0	0	0
Currency translation	0	0	0	0	0
As at 31 Dec. 2018	3,768	4,919	0	0	8,687
Carrying amount as at 31 Dec. 2017	6,784	1,509	746	24	9,063
Carrying amount as at 31 Dec. 2018	6,725	1,286	746	0	8,757

The recognized goodwill derives from the company combination in the Comec-Binder S.r.l. subsidiary (asset deal) from 2011. This subsidiary is defined as a cash-generating unit for the recognized goodwill.

The valuation process for the determination of the amount that can be attained in this regard is oriented towards company valuation principles (discounted cash flow method). The estimated future cash flows are extrapolated from the planning data for the coming five years approved by the Management Board, which includes previous results and best estimates regarding future developments. In line with the long-term growth forecasts for the branch, a 0.5% (2018: 1.0%) growth deduction and hence an increase in the capital cost rate, is taken into account for the discounting of the cash flows following the detailed planning period. The discount interest rate is determined on the basis of a weighted capital cost rate that is standard in the branch and amounts to 8.4% (2018: 11.0%). The value thus established represents a value in use, which is compared to the carrying value. The impairment test showed no impairment requirement.

The surplus of EUR 3.930k between the value in use and the carrying value would be cut to zero, either through a reduction in the cash flow from the fifth planning year by approximately 42.8% (2018: 15.3%), or an increase in the discount rate to 11.9% (2018: 12.2%). Goodwill carrying values were allocated to the sub-groups as follows:

EUR k	**2019**	2018
Comec-Binder S.r.l.	746	746

3.2. Tangible Assets

During the 2019 financial year, tangible assets developed in the following manner:

EUR k	Land and buildings	Plant and machinery	Other plant, factory and office equipment	Prepayments made and plant under construction	Total
Acquisition costs					
As at 31 Dec. 2018	53,799	5,797	7,589	2,525	69,710
Transfers	20	4,036	70	–2,474	1,652
Additions	714	636	543	1,198	3,091
Disposals	0	–27	–257	0	–284
Currency translation	0	0	6	0	6
As at 31 Dec. 2019	54,533	10,442	7,951	1,249	74,175
Accumulated amortization					
As at 31 Dec. 2018	20,322	4,116	5,734	0	30,173
Transfers	0	–3	5	0	2
Additions	1,210	1,045	617	0	2,872
Disposals	0	–22	–252	0	–274
Currency translation	0	0	2	0	2
As at 31 Dec. 2019	21,532	5,136	6,106	0	32,774
Carrying amount as at 31 Dec. 2018	33,477	1,681	1,855	2,525	39,538
Carrying amount as at 31 Dec. 2019	33,001	5,306	1,845	1,249	41,401

During the 2018 financial year, tangible assets developed in the following manner:

EUR k	Land and buildings	Plant and machinery	Other plant, factory and office equipment	Prepayments made and plant under construction	Total
Acquisition costs					
As at 31 Dec. 2017	50,551	5,622	7,262	4,485	67,920
Transfers	2,935	6	158	–3,099	0
Additions	383	192	399	1,139	2,113
Disposals	–70	–23	–234	0	–327
Currency translation	0	0	4	0	4
As at 31 Dec. 2018	53,799	5,797	7,589	2,525	69,710
Accumulated amortization					
As at 31 Dec. 2017	19,124	3,715	5,376	0	28,216
Transfers	0	–1	0	0	–1
Additions	1,268	422	585	0	2,275
Disposals	–70	–20	–230	0	–320
Currency translation	0	0	3	0	3
As at 31 Dec. 2018	20,322	4,116	5,734	0	30,173
Carrying amount as at 31 Dec. 2017	31,426	1,907	1,886	4,485	39,704
Carrying amount as at 31 Dec. 2018	33,477	1,681	1,855	2,525	39,538

As already stated in section 2.1.1, the first-time application of IFRS 16 is carried out retrospectively in accordance with the transitional provisions of the standard. An adjustment of the previous year's figures was not carried out. The cumulative effect in the amount of EUR 21k from the first-time application of IFRS 16 as of January 1, 2019 was recognized in retained earnings.

With the first application of IFRS 16, the Binder+Co Group recognized existing and new leases in the 2019 financial year as a lease liability. It was measured as the present value of the remaining lease payments and discounted at the lessee's marginal borrowing cost rate of 2.5%.

At the same time, the historical cash values of the identified leases minus the previously notional depreciation were shown as assets under the transfers to the amount of EUR 1,652k in fixed assets, which are accounted for on a straight-line basis over the term of the underlying leasing contract. The distribution into the different categories is structured as follows:

EUR k	**31 Dec. 2019**	01 Jan. 2019
Usage rights		
Plant and machinery	1,151	1,579
Other equipment, factory and office equipment	206	73
Total	1,357	1,652

EUR k	**31 Dec. 2019**	01 Jan. 2019
Leasing liabilities		
Current	490	459
Non-current	897	1,214
Total	1,387	1,673

The allocations to the rights of use during the financial year 2019 amounted to EUR 189k (2018: EUR 0k) and are shown under additions. The depreciations regarding the capitalized usage rights amounted to EUR 484k (2018: EUR 0k). The strongest positions in leasing liabilities (with an amount of EUR 1,178k) are the two sale and leaseback transactions concluded in the 2017 financial year.

Payments for short-term leases or leases that are based on a small asset are recognized as an expense on a straight-line basis categorized in profit or loss. Short-term leases are leases considered with a (remaining) term of up to 12 months and are mainly affecting office rents. Assets of low value mainly refer to IT equipment.

Obligations from operating rental and leasing contracts mainly apply to items of operating and office equipment and are listed under "3.22. Other operating expenses ".

The outward flow of liquid funds from rental and leasing relationships amounted to EUR 1,027k in the financial year 2019 of which EUR 514k was recognized directly as expenses and EUR 513k related to leasing obligations capitalized in accordance with IFRS 16. In 2019, the calculated interests were EUR 38k on the capitalized leasing obligations in accordance with IFRS 16.

As there were no indications of depreciation of value in the reporting year 2019, no depreciation of value test was carried out.

3.3. Financial Assets

During the 2019 financial year, financial assets showed the following movements:

EUR k	Participations in associated companies	Securities	Other loans	Total
Acquisition costs				
As at 31 Dec. 2018	0	223	0	223
Additions	0	0	0	0
Disposals	0	0	0	0
Currency translation	0	0	0	0
As at 31 Dec. 2019	0	223	0	223
Accumulated amortization				
As at 31 Dec. 2018	0	0	0	0
Additions	0	7	0	7
Disposals	0	0	0	0
As at 31 Dec. 2019	0	7	0	7
Carrying amount as at 31 Dec. 2018	0	223	0	223
Carrying amount as at 31 Dec. 2019	0	216	0	216

During the 2018 financial year, financial assets showed the following movements:

EUR k	Participations in associated companies	Securities	Other loans	Total
Acquisition costs				
As at 31 Dec. 2017	0	223	0	223
Additions	0	0	0	0
Disposals	0	0	0	0
Currency translation	0	0	0	0
As at 31 Dec. 2018	0	223	0	223
Accumulated amortization				
As at 31 Dec. 2017	0	0	0	0
Additions	0	0	0	0
Disposals	0	0	0	0
As at 31 Dec. 2018	0	0	0	0
Carrying amount as at 31 Dec. 2017	0	223	0	223
Carrying amount as at 31 Dec. 2018	0	223	0	223

The securities consist of shares in various investment funds, which serve to cover the provisions for pension obligations under §§14 and 116 of the Austrian Income Tax Act (EStG).

3.4. Deferred Taxes

Temporary differences between the valuations in the IFRS consolidated financial statements and the respective taxation valuation have the following effect on the tax deferrals recognized in the balance sheet:

EUR k	**31 Dec. 2019**	31 Dec. 2018
Accrued differences		
Non-current assets	136	138
Current assets	67	19
Provision for severance payments	705	660
Provision for pension obligations	15	34
Interest	384	346
Other provisions	591	576
Liabilities	342	0
Loss carryforwards	2,105	2,733
	4,345	4,506
There of non-capitalized	0	0
Netting of tax accruals and deferrals	–2,456	–2,271
Tax accruals	1,889	2,235
Accrued expenses and deferred income		
Non-current assets	2,405	2,219
Current assets	1,081	1,780
Provision for severance payments	15	–48
Other provisions	88	56
Liabilities	0	0
Payment of tax on foreign losses within the framework of Group taxation	0	–64
	3,589	3,943
Netting of tax accruals and deferrals	–2,456	–2,271
Tax deferrals	1,133	1,672
Provision for tax deferrals (net)	**756**	563

As a result of current fiscal regulations, it may be assumed that the differences resulting from retained earnings between the tax participation and the pro rata equity of the subsidiaries that are included in the consolidated financial statements will remain generally tax free. Therefore, no tax deferrals were made in this regard.

The tax deferral on loss carryforwards was capitalized to the extent that this can probably be netted against future gains on taxation. According to current legal statutes there are no temporal limits regarding the realization of loss carryforwards, with the exception of China, where losses lapse after five years. No capitalized losses of Binder+Co Machinery (Tianjin) Ltd. were depreciated in the 2019 financial year.

Income taxes comprise the following components:

EUR k	**2019**	2018
Current income tax expense	958	712
Change in accrued and deferred taxation	–130	–130
Total	**828**	582

During the year under review, tax accruals of EUR 53k (2018: EUR 71k) on items booked directly under equity were also recognized as equity and not included in the income statement.

The reasons for the difference between the anticipated tax burden and the reported income tax expense are as follows:

EUR k	**2019**	2018
Pre-tax result	3,381	1,215
Anticipated tax burden	846	304
Tax expense pursuant to the income statement	828	582
Difference to be explained	**–18**	278
Reasons for the difference:		
Reduction in the tax burden owing to:		
A change in the tax accruals on loss carryforwards	0	168
The effect of differing tax rates	15	0
Group taxation	0	0
Tax income relating to earlier periods	–2	51
Various allowances and other permanent differences	–43	–23
Increase in the tax burden owing to:		
Withholding tax	–35	3
Shareholder subvention	0	0
Non-deductible expenses	11	65
Back tax payments relating to earlier periods	44	0
Other	–8	14
Declared difference	**–18**	278

3.5. Inventories

Raw, auxiliary and operating materials, as well as finished goods are reported under “Inventories”, which are structured as follows:

EUR k	**31 Dec. 2019**	31 Dec. 2018
Raw, auxiliary and operating materials	6,813	6,891
Unfinished goods	392	250
Finished products and goods	288	899
Prepayments made	31	0
Total	**7,524**	8,040

Depreciation on the replacement value in the form of a deduction is made for inventories in accordance with their length of storage and their usability in production. Depreciation on inventories amounted to EUR 296k (2018: EUR 371k).

The expense for **materials used** reported in the income statement is as follows:

EUR k	**2019**	2018
Materials used	45,668	44,540
Services purchased	12,804	10,870
Total	**58,472**	55,410

3.6. Receivables and other Assets

EUR k	**31 Dec. 2019**	31 Dec. 2018
Trade receivables	20,784	27,458
Receivables from affiliated companies	0	0
Other receivables and assets	4,156	4,373
Other accruals	493	589
Total	**25,433**	32,420

The trade receivables sum includes receivables from contracts with customers totalling EUR 11,554k (2018: EUR 9,965k).

The maturities of the receivables reported in the consolidated balance sheet are as follows:

As at 31 Dec. 2019

EUR k	Current	Non-current	Total
Trade receivables	20,784	0	20,784
Receivables from affiliated companies	0	0	0
Other receivables and assets	4,162	43	4,205
Other financial assets	0	0	0
Other accruals	494	0	494
Total	25,440	43	**25,483**

As at 31 Dec. 2018

EUR k	Current	Non-current	Total
Trade receivables	27,458	0	27,458
Receivables from affiliated companies	0	0	0
Other receivables and assets	4,373	0	4,373
Other financial assets	0	0	0
Other accruals	589	0	589
Total	32,420	0	32,420

Every change in the credit rating of the customer from the granting of payment terms to the balance sheet date is accounted for during the valuation of trade receivables. The determination of value impairments took the collateralization of payments by banks, as well as concluded export insurance agreements into account.

The **accruals on trade receivables** showed the following movements:

EUR k	**2019**	2018
Accruals at the beginning of the year	1,450	1,256
Additions to the scope of consolidation	0	0
Transfers	0	0
Currency translation differences	–6	–15
Additions	941	288
Availments	–203	–47
Reversals	–122	–32
Accruals at the end of the year	**2,060**	1,450

The **receivables from contracts with customers** (trade receivables) contain the following sums:

EUR k	2019	2018
Order costs up to the balance sheet date	14,754	18,340
Plus recognized gains/less recognized losses	3,264	3,926
Less liabilities from contracts with customers	–6,464	–12,301
Total	**11,554**	9,965

The deducted liabilities from contracts with customers relate to pre- and part-payments received.

According to IFRS 15, revenue from contracts with customers is recognized over a period prior to delivery to the customer's premises. As a consequence, revenue for these products is recognized earlier under IFRS 15 than under IAS 18. As revenue was being recognized in a specific period prior to the initial application of IFRS 15 by the Binder+Co Group and was thus also recognized under trade receivables, this change does not have any ramifications for other items in the consolidated financial statements.

The trade receivables structured according to due date are as follows:

EUR k	31 Dec. 2019	31 Dec. 2018
Not due	15,492	18,361
1 – 90 days overdue	2,074	4,486
91 – 180 days overdue	496	1,153
More than 180 days overdue	2,722	3,458
Total	**20,784**	27,458

Trade receivables are not interest-bearing and are generally due within 30 days.

Other receivables comprise:

EUR k	31 Dec. 2019	31 Dec. 2018
Fiscal authority balances	1,671	1,897
Severance payment liability insurance	34	31
Receivables from INPS-fund	399	370
Receivables from creditors	84	94
Receivables from payroll actions	95	98
Grant receivables	0	32
Receivables from insurers	381	766
Receivables from suppliers	224	117
Bonuses for apprentices. research. training	649	610
Security deposits	72	31
Other	547	327
Total	**4,156**	4,373

3.7. Cash and Cash Equivalents

EUR k	31 Dec. 2019	31 Dec. 2018
Cash	6	12
Bank balances	2,186	1,244
Total	**2,192**	1,256

3.8. Accruals

EUR k	31 Dec. 2019	31 Dec. 2018
Accruals	493	589

3.9. Equity

As there was no change in the issued capital of Binder+Co AG as compared to the preceding year, nominal capital is reported as EUR 3,750k. This consists of 3.750.000 registered shares with a value of EUR 1.00 each.

In 2017 85,548 treasury shares were sold at the price of EUR 12.00 each, and the share premium in the amount of EUR 143k was shown as a capital reserve.

The shares confer upon the holders the standard rights allocated under the Austrian Stock Corporation Act. These include the right to the payment of dividends pursuant to a resolution of the Annual General Meeting on the basis of the individual financial statement of the parent company prepared in accordance with the Austrian Commercial Code (UGB), together with the right to vote at the Annual General Meeting.

The item "Reserves" contains capital reserves and retained earnings including net profit, as well as the adjustment items from currency translations (cf. Consolidated Equity Statement).

For 2019, the Management Board suggests that the net profit be carried forward to new account.

3.10. Non-controlling Interests

The item "Non-controlling interests" contains the share of subsidiary equity held by non-Group shareholders. As per 31 December 2019 the third-party share of the Group's equity was 20.9%. In 2019 the decision was taken to distribute EUR 246k to non-Group shareholders in subsidiaries for the financial year 2018 (2018: EUR 739k).

Non-controlling interests exist with regard to the following subsidiary:

	31 Dec. 2019	31 Dec. 2018
Statec Binder GmbH	49.3%	49.3%

3.11. Obligations in Respect of Employees (Social Capital)

EUR k	31 Dec. 2019	31 Dec. 2018
Provision for severance payments	7,003	7,090
Provision for pensions	416	716
Provision for long-service bonuses	1,671	1,557
Total	**9,090**	9,363

3.12. Provisions for Severance Payments

EUR k	**31 Dec. 2019**	31 Dec. 2018
Present value of severance payment obligations (DBO) as at 1 Jan.	7,090	7,009
Service cost	228	232
Interest cost	104	104
Severance payments	–796	–440
Liabilities from severance payments	0	0
Actuarial gains/losses in the consolidated income statement	0	0
Actuarial gains/losses in the consolidated comprehensive income statement	377	185
Present value of severance payment obligations (DBO) as at 31 Dec.	**7,003**	7,090

Sensibility scenario with regard to interest rate changes:

EUR k	–0,5%	**ACTUAL %**	+0.5%
Present value (DBO) as at 31 Dec. 2019	7,471	7,003	6,575
Service cost	242	225	211
Interest cost	40	73	101
Anticipated payments 2020	–62	–62	–62
Anticipated value (DBO) as at 31 Dec. 2020	7,691	**7,239**	6,825

Duration: **12.4 years**

Parameter change (Interest rate cut from 1.5% to 1.0%)	
Actuarial gain/loss	377
Owing to an adjustment to financial assumptions	413
Owing to an experience adjustment	–36
Owing to demographic assumptions	0

Sensibility scenario with regard to remuneration changes:

EUR k	–0,5%	**ACTUAL %**	+0.5%
Present value (DBO) as at 31 Dec. 2019	6,642	7,003	7,397
Service cost	210	225	242
Interest cost	66	73	79
Anticipated payments 2020	–62	–62	–62
Anticipated value (DBO) as at 31 Dec. 2020	6,856	**7,239**	7,656

Duration: **12.2 years**

Parameter change (interest rate unchanged at 3.0%)	
Actuarial gain/loss	377
Owing to an adjustment to financial assumptions	413
Owing to an experience adjustment	–36
Owing to demographic assumptions	0

3.13. Provision for Pensions

EUR k	**31 Dec. 2019**	31 Dec. 2018
Present value of pension obligations (DBO) as at 1 Jan.	716	749
Change in pension payments	–147	–146
Interest and services cost	11	11
Actuarial gains/losses in the consolidated comprehensive income statement	–164	102
Present value of pension obligations (DBO) as at 31 Dec.	**416**	716

Sensibility scenario with regard to interest rate changes:

EUR k	–0.5%	**ACTUAL %**	+0.5%
Present value (DBO) as at 31 Dec. 2019	423	416	410
Service cost	0	0	0
Interest cost	2	4	6
Anticipated payments 2020	–99	–99	–99
Anticipated value (DBO) as at 31 Dec. 2020	326	**321**	317

Duration: **3.0 years**

Parameter change (Interest rate cut from 1.5% to 1.0%)	
Actuarial gain/loss	–164
Owing to parameter changes	0
Owing to an adjustment to financial assumptions	6
Owing to an experience adjustment	–170
Owing to demographic assumptions	0

Sensibility scenario with regard to remuneration changes:

EUR k	–0.5%	**ACTUAL %**	+0.5%
Present value (DBO) as at 31 Dec. 2019	410	416	423
Service cost	0	0	0
Interest cost	4	4	4
Anticipated payments 2020	–99	–99	–99
Anticipated value (DBO) as at 31 Dec. 2020	315	**321**	328

Duration: **3.0 years**

Parameter change (interest rate unchanged at 1.5%)	
Actuarial gain/loss	–164
Owing to parameter changes	0
Owing to an adjustment to financial assumptions	6
Owing to an experience adjustment	–170
Owing to demographic assumptions	0

3.14. Provision for Long-Service Bonuses

EUR k	**31 Dec. 2019**	31 Dec. 2018
Present value of long-service bonus obligations (DBO) as at 1 Jan.	1,557	1,448
Service cost	81	73
Interest cost	23	21
Long-service bonus payments	–128	–78
Actuarial gains/losses	138	93
Present value of long-service bonus obligations (DBO) as at 31 Dec	**1,671**	1,557

Sensibility scenario with regard to interest rate changes:

EUR k	–0.5%	**ACTUAL %**	+0.5%
Present value (DBO) as at 31 Dec. 2019	1,773	1,671	1,578
Service cost	95	88	82
Interest cost	9	16	23
Anticipated payments 2020	–149	–149	–149
Anticipated value (DBO) as at 31 Dec. 2020	1,728	**1,626**	1,534

Duration: **11.7 years**

Parameter change (Interest rate cut from 1.5% to 1.0%)	
Actuarial gain/loss	138
Owing to parameter changes	0
Owing to an adjustment to financial assumptions	93
Owing to an experience adjustment	45
Owing to demographic assumptions	0

Sensibility scenario with regard to remuneration changes:

EUR k	–0.5%	**ACTUAL %**	+0.5%
Present value (DBO) as at 31 Dec. 2019	1,598	1,671	1,750
Service cost	83	88	94
Interest cost	15	16	17
Anticipated payments 2020	–149	–149	–149
Anticipated value (DBO) as at 31 Dec. 2020	1,547	**1,626**	1,712

Duration: **11.7 years**

Parameter change (interest rate unchanged at 3.0%)	
Actuarial gain/loss	138
Owing to parameter changes	0
Owing to an adjustment to financial assumptions	93
Owing to an experience adjustment	45
Owing to demographic assumptions	0

3.15. Provisions

EUR k	Current taxes	Payroll	Open contracts	Other	Total
As at 31 Dec. 2018	2,369	2,540	5,824	1,307	12,040
Reclassification	44	0	0	0	44
Consumption	–1,080	–1,881	–9,555	–1,017	–13,533
Reversals	–171	–5	–75	–220	–471
Addition	200	2,133	8,585	1,151	12,069
Currency translation	3	3	7	1	14
As at 31 Dec. 2019	1,365	2,790	4,786	1,222	10,163
There of non-current	1,133	0	262	0	1,395
Thereof current	232	2,790	4,524	1,222	8,768
Total	1,365	2,790	4,786	1,222	10,163

EUR k	Current taxes	Payroll	Open contracts	Other	Total
As at 31 Dec. 2017	2,996	2,510	6,806	488	12,800
Consumption	0	0	0	0	0
Reversals	–367	–1,762	–7,132	–256	–9,517
Addition	–55	–237	–783	–141	–1,216
Currency translation	5	5	10	1	21
As at 31 Dec. 2018	2,369	2,540	5,824	1,307	12,040
There of non-current	1,672	0	260	0	1,932
Thereof current	697	2,540	5,564	1,307	10,108
Total	2,369	2,540	5,824	1,307	12,040

3.16. Financial Liabilities

EUR k	Non-Current	Current	**31 Dec. 2019** Total	Non-Current	Current	31 Dec. 2018 Total
Liabilities to banks						
Overdraft facility/cash	0	6,391	6,391	0	12,090	12,090
Financial loans	12,317	522	12,839	14,298	508	14,806
Total	12,317	6,913	**19,230**	14,298	12,598	26,896

The registration of a mortgage to the amount of EUR 12,000k was agreed in favor of the financing banks and has been set down with a mortgage order agreement dated December 20, 2019. This was carried out in the land registry on January 13, 2020 by order of the Weiz district court.

The current value of the financial liabilities corresponds with the carrying values. Current values are determined by the discounting of future payments subject to the assumption of the current market interest rate.

3.17. Trade Payables

EUR k	31 Dec. 2019	31 Dec. 2018
Creditors	6,959	8,973
Obligations from manufacturing contracts	1,553	5,331
Total	**8,512**	14,304

The item "Liabilities from contracts with customers" includes prepayments received. EUR 2k (2018: EUR 0k) of the trade payables can be classified as non-current.

3.18. Liabilities to Companies with which a Participation Relationship Exists

In December 2019, a subsequent shareholder loan of EUR 6,000k with a term until 31 December 2020 and an interest rate of 6% p.a. was agreed with the main shareholders and paid in. As repayment is not expected until after 31 December 2020 at the earliest, the loan was classified as long-term. Under the item liabilities to companies in which participations are held, the loan amounts received and the interest payable thereon by shareholders holding more than 20% of the shares in Binder+Co are reported. The remaining amount is shown under the item other liabilities, which are described under point 3.19.

			31 Dec. 2019			31 Dec. 2018
EUR k	Non-Current	Current	Total	Non-Current	Current	Total
LIAG Industrieholding AG	2,080	5	2,085	0	0	0
Albona Private Trust	1,615	4	1,619	0	0	0
Total	3,695	9	**3,704**	0	0	0

3.19. Other Liabilities and Deferrals

			31 Dec. 2019			31 Dec. 2018
EUR k	Non-Current	Current	Total	Non-Current	Current	Total
Other liabilities	4,725	4,647	9,372	1,757	3,051	4,808
Deferrals	0	14	14	0	29	29
Total	4,725	4,661	**9,386**	1,757	3,080	4,837

Other liabilities and referrals comprise:

EUR k	31 Dec. 2019	31 Dec. 2018
Fiscal authorities	1,126	812
Outstanding invoices for contract-related costs	173	379
Health insurance funds	684	227
Personnel expenses and similar obligations	464	531
Debtors with credit balances	170	170
Deferrals	14	29
FFG loans	544	571
Liabilities from Group taxes (back-dated tax obligations)	1,454	1,295
Deferred distribution to third party shareholders	986	740
Leasing obligations carried as liabilities	1,387	0
Shareholder loan	2,312	0
Other	72	83
Total	**9,386**	4,837

3.20. Sales Revenue/Revenue from Contracts with Customers

The Binder+Co Group's revenues come primarily from the manufacture of plant and machinery for processing, recycling and packing bulk goods and from the provision of services to its customers. These were generated over the same period of time as in the previous year, and are regionally split as follows:

EUR k	**2019**	2018
Austria	8,746	7,271
EU area	36,290	40,028
Rest of Europe incl. Russia	22,611	13,365
Africa	13,699	9,541
Asia/Australia	25,023	26,719
America	7,038	9,195
Total	**113,407**	106,119

All other types of revenue are covered in item 3.21. in "Other operating income".

3.21. Other Operating Income

EUR k	**2019**	2018
Income from the disposal and reversal of non-current assets	19	4
Income from the release of provisions	308	747
Other	2,421	854
Total	**2,748**	1,605

Other income includes:

EUR k	**2019**	2018
Exchange rate gains	0	0
Income from the reversal of provisions	187	72
Expenses invoiced to third parties	569	396
Income from licences	87	110
Training, apprenticeship and research premiums	176	100
Insurance payments	1,115	99
Non-repayable grants	137	67
Income from rents	0	3
Other	150	7
Total	**2,421**	854

3.22. Other Operating Expenses

Other receivables comprise:

EUR k	2019	2018
Rental and leasing expenses	514	894
Travel expenses and allowances	3,366	3,539
Commission	4,131	3,744
Legal and consultancy fees	1,713	1,519
Maintenance and repairs	1,032	943
Freight costs and transport	2,110	2,065
Insurance	604	555
External services	2,066	1,836
Vehicle fleet	24	24
Advertising	1,051	826
Exchange rate differences	39	65
Losses from asset disposal	14	7
Long distance calls and postal charges	265	284
Patents	539	585
Money transfer and other bank charges	318	289
Warranty and guarantee payments	14	93
Risk cover and provisions	906	1,276
Office expenses	136	180
Write-offs of receivables	731	109
Loss events	0	6
Expenses from associated companies	0	64
Other	747	548
Total	**20,320**	19,451

The **auditing expenses** incurred during the financial year amount to:

EUR k	2019	2018
Fees for the auditing of the annual financial statements (company/group)	65	59
Fees for tax consultancy	0	0
Fees for other consultancy	7	1
Total	**72**	60

The auditing expenses for the annual financial statements incurred during the financial year include the separate and consolidated financial statements of Binder+Co AG and the separate financial statements of Statec Binder GmbH and Bublon GmbH.

3.23. Personnel Costs

EUR k	**2019**	2018
Wages and salaries	22,489	22,459
Statutory social security contributions	5,896	4,928
Severance payments	750	639
Pensions	11	11
Other employee benefits	410	395
Total	**29,556**	28,432

Average **employee numbers** were as follows:

	2019	2018
Non-salaried staff	107	114
Salaried staff	257	240
Apprentices	8	8
Total	**372**	362

3.24. Financial Expenses

EUR k	**2019**	2018
Interest and similar expenses	826	885
Write-down of financial assets	8	0
Other expenses relating to financial assets	0	0
Gesamt	**834**	885

3.25. Income from Financial Investments

EUR k	**2019**	2018
Interest and similar income	33	3
Income from other securities and financial asset securities and bonds	3	5
Total	**36**	8

4. Notes to the Consolidated Cash Flow Statement

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist entirely of cash in hand and bank balances.

With the exception of the first-time application of IFRS 16, there are no significant non-cash transactions. For further explanation reference is made to the cash flow statement.

5. Financial Instruments

A financial instrument is a contract, which simultaneously leads one partner to a financial asset and the other to a financial liability or an equity instrument. In particular, financial instruments consist of cash and cash equivalents, trade receivables, other receivables and derivatives. Financial liabilities establish a repayment obligation in cash or in the form of another financial asset. In particular these include financial liabilities such as liabilities to banks, from financial leasing and trade payables.

On the balance sheet date, the financial instruments were structured as follows (valuation pursuant to IFRS 9):

EUR k	Valuation category as per IFRS 9	Carrying value as at 31 Dec. 2019	Amortized cost	Fair value not recognized as profit or loss	Fair value recognized as profit or loss	Fair Value as at 31 Dec. 2019
Assets						
Participations in affiliated companies	FVPL	0	0	0	0	0[1]
Securities (rights) held as fixed assets	FVPL	216	0	0	216	216
Other loans	L&R	0	0	0	0	0
Trade receivables	L&R	20,784	20,784	0	0	20,784
Receivables from affiliated companies	L&R	0	0	0	0	0
Other receivables and assets	L&R	1,836	1,836	0	0	1,836
Derivative financial instruments	FVPL	0	0	0	0	0
Cash and cash equivalents	L&R	2,192	2,192	0	0	2,192
Liabilities						
Liabilities to banks	FLaC	19,230	19,230	0	0	19,230[2]
Trade payables	FLaC	6,959	6,959	0	0	6,959
Liabilities to affiliated companies	FLaC	0	0	0	0	0
Liabilities to companies with which a shareholding relationship exists	FLaC	3,704	3,704	0	0	3,704
Prepayments received	FLaC	1,553	1,553	0	0	1,553
Derivative financial instruments	FLPL	0	0	0	0	0
Other liabilities and provisions	FLaC	6,122	6,122	0	0	6,122
By category						
Loans and receivables (at amortized costs)	L&R	24,812	24,812	0	0	24,812
Fair value through profit or loss	FVPL	216	0	0	216	216
Financial liabilities at amortized costs	FLaC	37,568	37,568	0	0	37,568
Financial liabilities through profit or loss	FLPL	0	0	0	0	0

[1] Owing to the lack of a reliable market value, participations in affiliated companies are reported at amortized cost less depreciation.
[2] Owing to the lack of a current price, fair value was determined with the present value of the related payments taking into account the given market parameters on the balance sheet date.

EUR k	Valuation category as per IFRS 9	Carrying value as at 31 Dec. 2018	Amortized cost	Fair value not recog-nized as profit or loss	Fair value recognized as profit or loss	Fair Value as at 31 Dec. 2018
Assets						
Participations in affiliated companies	FVPL	0	0	0	0	0[1]
Securities (rights) held as fixed assets	FVPL	223	0	0	223	223
Other loans	L&R	0	0	0	0	0
Trade receivables	L&R	27,458	27,458	0	0	27,458
Receivables from affiliated companies	L&R	0	0	0	0	0
Other receivables and assets	L&R	1,866	1,866	0	0	1,866
Derivative financial instruments	FVPL	0	0	0	0	0
Cash and cash equivalents	L&R	1,256	1,256	0	0	1,256
Liabilities						
Liabilities to banks	FLaC	26,896	26,896	0	0	26,896[2]
Trade payables	FLaC	8,973	8,973	0	0	8,973
Liabilities to affiliated companies	FLaC	0	0	0	0	0
Prepayments received	FLaC	5,331	5,331	0	0	5,331
Derivative financial instruments	FLPL	0	0	0	0	0
Other liabilities and provisions	FLaC	2,503	2,503	0	0	2,503
By category						
Loans and Receivables (at Amortized Costs)	L&R	30,580	30,580	0	0	30,580
Available for Sale	FVPL	223	0	0	223	223
Financial Liabilities at Amortized Costs	FLaC	43,703	43,703	0	0	43,703
Financial Liabilities through Profit or Loss	FLPL	0	0	0	0	0

[1] Owing to the lack of a reliable market value, participations in affiliated companies are reported at amortized cost less depreciation.
[2] Owing to the lack of a current price, fair value was determined with the present value of the related payments taking into account the given market parameters on the balance sheet date.

The majority of the cash and cash equivalents, trade receivables and other financial receivables have short maturities. Therefore, the carrying values on the balance sheet date approximate to fair value. Where no current values are available, the fair value of non-current financial assets corresponds with the present values of the related payments, taking into account the respective current market parameters.

Trade payables and other financial liabilities regularly have short maturities. The reported values correspond roughly with fair value. Where no current values are available, the fair value of liabilities to banks and from financial leasing corresponds with the present values of the related payments, taking into account the respective current market parameters.

The Binder+Co Group employs the following hierarchy for the determination and reporting of the fair value of financial instruments:

Level 1: Listed (unadjusted) prices on active markets for identical assets or liabilities.

Level 2: Processes in which all the input parameters with a major influence on fair value are either directly or indirectly observable.

Level 3: Processes that use input parameters which exert a significant influence on fair value and are not based on observable market data.

6. Other Information

6.1. Other Obligations and Contingent Liabilities

6.1.1. Rental and Leasing Agreements

Since 1 January 2019, the Group has recognized rights of use for these leases, with the exception of short-term leases of a low value (see item 2.2.3. and 3.2.).

6.1.2. Pending Litigation

As at 31 December 2019 a legal dispute was ongoing with an English customer. Process costs of EUR 541k have been set aside for this. A claim is being made for services performed and as yet unpaid by the customer. There are no other legal disputes pending that could have a material effect on the financial statements.

6.1.3. Off-Balance Sheet Transactions

As at 31 December 2019, bank guarantees from prepayments of EUR 9,956k and performance bonds to the value of EUR 9,616k existed as liabilities to customers.

The risk to the Group emanating from these guarantees can be classified as extremely small and therefore they need not be reported as a provision.

6.1.4. Contingent Liabilities

On the balance sheet date the contingent liabilities that were omitted from balance sheet reporting owing to a lack of concrete detail consisted of the following:

EUR k	**31 Dec. 2019**	31 Dec. 2018
Guarantees	0	0
Other contractual contingent liabilities	0	0
Total	**0**	0

An order commitment for investments in the coming year exists amounting to EUR 472k (2018: EUR 453k).

6.2. Business Relationships to Related Companies and Personages

The Binder+Co Group corporate bodies are:

Management Board of Binder+Co AG, Gleisdorf

- Jörg Rosegger (1.1.2016 to 31.12.2021 / since 2007)
- Martin Pfeffer (1.1.2018 to 31.12.2020)

Supervisory Board of Binder+Co AG, Gleisdorf

- Kerstin Gelbmann, Chairman (1.5.2017 to AGM 2021)
  prior to this Supervisory Board member since 12.4.2016
- Alexander Liaunig, Deputy Chairman (18.4.2018 to AGM 2021)
- Kurt Berger (10.4.2013 to AGM 2021)
- Hubertus Nikolaus Schaschl (9.4.2014 to AGM 2021)
- Veit Sorger (10.4.2013 to AGM 2021)

Staff Council delegates:
Johann Voit (Member until 21.11.2019)
Doris Leiner (Member since 21.11.2019)
Harald Simon

The salaries of the Management Board contain both fixed and success-related payments, whereby the amount of the variable remuneration is dependent upon net Group income. In the financial year the salaries of the members of the Management Board totalled EUR 594k (2018: EUR 859k), of which EUR 46K (2018: EUR 0k) was as variable remuneration. The total remuneration amount includes both long-service bonus and severance payments.

In the reporting year remuneration payments to the Binder+Co AG Supervisory Board totalled EUR 35k (2018: EUR 41k). In 2019, a pensions provision of EUR 416k (2018: EUR 716k) was recognized for former Management Board members and their dependants. The ongoing annual payments in 2019 amounted to EUR 147k (2018: EUR 146k).

Binder+Co AG has concluded a D&O insurance agreement, which hedges certain personal liability risks of the persons with active responsibility for the Binder+Co Group. The annual costs, which are borne by the company, amount to EUR 11k (2018: EUR 11k).

Furthermore, there were business relationships with the following companies:

EUR k	**2019**	2018
Liabilities	5,209	0
Thereof Liaunig Industrieholding AG	2,085	0
Thereof Albona Private Trust	1,619	0
Thereof Treibacher Industrieholding GmbH	1,134	0
Thereof Austro Holding GmbH	371	0
Expenses	28	64
Thereof Liaunig Industrieholding AG	18	160
Thereof Albona Private Trust	4	0
Thereof Treibacher Industrieholding GmbH	4	0
Thereof Austro Holding GmbH	1	0
Thereof Herbert Liaunig Private Trust	1	4

The above-mentioned amounts originate primarily from the shareholder loan as described under point 3.8.

6.3. Earnings per Share

The earnings per share are calculated by dividing the after-tax profit for the year attributable to the shareholders of the parent company by the weighted ordinary share average.

The diluted earnings per share are calculated by dividing the after-tax profit for the year attributable to the shareholders of the parent company by the weighted ordinary share average, taking into account the share options.

The calculation is as follows:

EUR	**2019**	2018
Profit for the year attributable to the parent company	1,553,000	–3,000
Weighted ordinary share average	3,749,343	3,749,239
Undiluted earnings per share	**0.41**	0.00
Profit for the year attributable to the parent company	1,553,000	–3,000
Weighted ordinary share average	3,749,343	3,749,239
Diluted earnings per share	**0.41**	0.00

The average number of shares was calculated as follows:

EUR	**2019**	2018
As per 01 Jan	3,750,000	3,750,000
Treasury shares	0	0
Average treasury shares	0	0
Average shares declared null and void	**–657**	–761
Average shares	**3,749,343**	3,749,239

7. Events after the Balance Sheet Date

No other procedures or events occured, which could have had a material influence on the asset, financial and earnings position reported in the consolidated financial statements between the closing date for the financial statements as at 31 December 2019 and their release by the Binder+Co AG Management Board on 21 February 2020.

Gleisdorf, 21 February 2020

Jörg Rosegger
Member of the Management Board

Martin Pfeffer
Member of the Management Board

Auditors' Report

Report on the Consolidated Financial Statements, Audit Opinion

We have audited the consolidated financial statements of Binder+Co AG, Gleisdorf, and its subsidiaries (the Group), consisting of the consolidated financial statements per 31 December 2019 with equity capital of EUR 27,144,000.00, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the changes in consolidated equity for the financial year ending on this reference date, and the notes to the consolidated financial statements.

In our opinion, the attached consolidated financial statements comply with the statutory requirements and provide a true and fair view of the assets and finances of the Group as at 31 December 2019, and of the income and cash flows of the Group for the financial year ending on this reference date, in accordance with the International Financial Reporting Standards as applicable in the EU (IFRS), and the additional requirements of section 245a of the Austrian Commercial Code (UGB).

Basis for the Audit Opinion

We carried out our audit in accordance with Austrian standards for the auditing of financial statements, which require the application of the International Standards on Auditing (ISA). Our responsibilities under these standards are described in greater detail in the section of our audit opinion entitled "Responsibilities of the auditor in regard to the auditing of consolidated financial statements". We are independent of the Group, in compliance with the requirements of Austrian corporate law and professional regulations, and we have fulfilled our other professional duties in compliance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinion.

Responsibilities of Management and of the Supervisory Board Audit Committee for the Consolidated Financial Statements

The management is responsible for drafting the consolidated financial statements and for ensuring that the consolidated financial statements provide a true and fair picture of the assets, financial position and results of operations of the Group, in accordance with the IFRS as applicable in the EU and the additional requirements of section 245a UGB. In addition the management is responsible for the internal controls which they regard as necessary to ensure that the consolidated financial statements are free from material misstatement, whether due to fraud or error.

When drawing up the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, and – insofar as may be relevant – for stating the circumstances relating to its continuation as a going concern, and also for applying the going concern accounting principle, unless the management intends either to liquidate the Group or to suspend activities, or do not have any realistic alternative to doing so.

The Supervisory Board/Audit Committee is responsible for the supervision of the accounting processes of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our aims are to attain sufficient certainty as to whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an audit certificate which contains our audit opinion. Sufficient certainty is a high level of certainty, but is not a guarantee that an audit carried out in accordance with Austrian standards for the auditing of financial statements, which require the application of the ISA, will always reveal any material misstatement that may be contained therein. Misstatements can result from fraudulent acts or errors, and are regarded as material if they could reasonably give rise to the expectation, either individually or taken together, that they will influence the economic decisions of users that have been made on the basis of these consolidated financial statements.

As part of an audit conducted in accordance with Austrian standards for the auditing of financial statements, which require the application of the International Standards on Auditing (ISA) we exercise our professional judgement throughout the whole audit process and take an intrinsically questioning approach to all that is presented to us.

The Following Applies in Addition:
We identify and assess the risks of material misstatements in the financial statements (whether due to fraud or error), design our audit procedures in response to these risks, carry out these procedures and obtain audit evidence which is sufficient and appropriate to serve as a basis for our audit opinion. The risk of material misstatements due to fraud not being revealed is greater than the risk where error is involved, since fraudulent acts can include collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- We evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- We conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. 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 continue as a going concern.

- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence concerning the financial information of the entities or business activities within the Group in order to provide an audit opinion on the consolidated financial statements. We are responsible for the direction, supervision and execution of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinion.

- We communicate with the Supervisory Board/Audit Committee regarding, among other matters, the planned scope and timing of the audit and important audit findings, including any significant deficiencies in the internal control system that we identify during our audit.

Comments on the Management Report for the Group

The consolidated management report is to be audited on the basis of the requirements of Austrian corporate law to determine whether it is in accordance with the consolidated financial statements and whether it has been drawn up in accordance with the applicable legal requirements.

The legal representatives are responsible for drawing up the consolidated management report in accordance with the requirements of Austrian corporate law.

We have carried out our audit in accordance with professional principles in regard to the auditing of consolidated management reports.

Opinion
In our opinion the consolidated management report has been drawn up in accordance with the applicable legal requirements and is in accordance with the consolidated financial statements.

Declaration
In light of the findings attained in the course of the audit of the consolidated financial statements and the understanding we obtained with regard to the Group and its environment, we found no material incorrect information in the consolidated management report.

Other Information

Management is responsible for the other information, which includes all information in the management report, except for the consolidated financial statements, the consolidated management report and the audit report. The business report is expected to be made available to us after the date of the audit report. Our audit opinion concerning the annual financial statements does not cover this other information, and we will not provide any kind of assurance in this regard.

In connection with our audit of the annual financial statements it is our responsibility to read this other information as soon as it becomes available, and to consider the question of whether, in light of our understanding based on the audit, it materially contradicts the annual financial statements, or appears materially misrepresented in any other way.

Graz, 21 February 2020

SOT Wirtschaftsprüfung GmbH

Markus Brünner
Auditor

Manfred Kraner
Auditor

This report is a translation of the original report in German, which is solely valid.
The publication or dissemination of the consolidated financial statements bearing our opinion may only take place in the version approved by us. This opinion relates exclusively to the complete consolidated financial statements with consolidated management report in German. With regard to deviating versions, the requirements of § 281 (2) UGB are to be observed.

Supervisory Board Report

Dear Shareholders,

In the 2019 financial year the Supervisory Board continuously monitored and assisted the work of the Management Board. The basis was provided by the detailed reports given by the Management Board in both written and verbal form. In addition, there were regular discussions held between the Chair of the Supervisory Board, her Deputy and the members of the Supervisory Board with the Management Board.

The Supervisory Board held five meetings in the 2019 financial year, including a meeting of the Audit Committee, which was also attended by the auditor, and a constituent meeting following the 20th Annual General Meeting to select the Executive Committee. In the four regular meetings the Supervisory Board was informed of the situation of the company through reports from the Management Board.

If agreement was required for decisions or actions by the management, the members of the Supervisory Board reviewed the proposed resolutions that had been provided to them beforehand, and took their decisions either at their meetings or by circular resolution. The Supervisory Board was involved in all decisions of essential importance for the company. The economic situation outlined in the Management Board's reports and the development prospects for the company were the subject of detailed discussions.

Consolidated Financial Statements, Final Audit

The company has prepared an individual financial statement in accordance with the Austrian Commercial Code (UGB) and consolidated financial statements in accordance with IFRS. Both financial statements have been audited by the appointed auditor, Süd-Ost Treuhand Gesellschaft m.b.H., Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Graz, and issued with an unqualified audit opinion. The auditing principles are set out in the auditor's report. Neither of the audits gave cause for objections.

The individual and consolidated financial statements, the management report and consolidated management report, and the audit report were presented to all the members of the Supervisory Board. The financial statement documents were reviewed by the Supervisory Board and discussed in detail in the presence of the auditors after they had presented their report.

The Supervisory Board adopted the individual and consolidated financial statements prepared by the Management Board. The individual and consolidated financial statements have thus been approved pursuant to section 96 para. 4 of the Austrian Stock Corporation Act (Aktiengesetz). The Supervisory Board agrees with the management report, the consolidated management report and in particular the assessment of the further development of the company.

The Supervisory Board concurs with the Management Board's proposal that the net profit shown in the annual financial statement for the 2019 financial year in the amount of EUR 161,299.72 be entirely carried forward to new account.

Pursuant to section 270 para. 1 UGB the Supervisory Board proposes that Süd-Ost Treuhand Gesellschaft m.b.H., Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Graz, be appointed as auditor for the 2020 financial year (individual and consolidated financial statements).

The Supervisory Board thanks the management of the company and all the employees for their commitment and hard work in the 2019 financial year.

Vienna, 9 March 2020

For the Supervisory Board

Kerstin Gelbmann
Chair of the Supervisory Board

Binder+Co's Company History

1894
The master metalworker Ludwig Binder founds a small building and artistic metalworking shop in Graz-Eggenberg. The focus of company activities in the following decades is on steel constructions.

1926
Alois Sernetz, the son-in-law of the founder, assumes the management of the company and guides it through the turmoil of the global economic depression.

From 1940
Following the recession years, an economic upturn commences at the beginning of the 1940s and a medium-sized industrial company emerges with a workforce of over 150.

1954
The revolutionary "Binder System" for vibratory screening machines is developed. It is used initially for the foods industry.

1960
The company moves from Graz to newly built premises in Gleisdorf, where the first processing systems are produced for the construction industry.

1971
In order to secure the global marketing of Binder+Co machines, the company is integrated into the voestalpine Group. The first large systems for the stone and earth and mining industries are designed and manufactured.

1978
Binder+Co develops its first packaging systems for free-flowing bulk goods.

1989
The first recycling machines are produced. They are employed for the sorting of cullet.

1991
Binder+Co is re-privatized and subsequently comes under the majority ownership of Auricon Beteiligungs AG, an investment group headed by the industrialist Herbert W. Liaunig.

1998
Linkage to the Waagner-Biro Group, also owned by Auricon.

2006
From December 2006, Binder+Co AG is listed on the unregulated Third Market of the Vienna Stock Exchange.

2007
In June 2007, Binder+Co AG is accepted into the newly created mid market segment of the Vienna Stock Exchange and in July is relisted in regulated OTC trading.

2008
Total withdrawal of the Waagner-Biro Group in early March.
As a result of the integration of Packaging Technology Segment activities into a joint venture, in October Binder+Co AG becomes the majority shareholder of Statec Binder GmbH with 50.7% of company stock.

2009
On 21 September, the Binder+Co AG share is accepted into mid market continuous trading.

2010
In January, the Binder+Co share switches to the Third Market within the mid market.
Binder+Co is awarded the Austrian National Innovation Prize for its development of the world's first industrially mature system for the sorting of heat-resistant glass from cullet.

2011
MINEXX, a module for mineral sorting is launched onto the market.
Binder+Co is awarded the Austrian National Work Safety Prize and is also presented with the Best Open Innovator Award in Berlin as the top SME in the D-A-CH region.
July sees the takeover of an Italian mechanical engineering company, which specializes in comminution technology. It is integrated into the Group as Comec-Binder S.r.l.

2012
In January, the fully owned Bublon GmbH subsidiary is founded. This provides Binder+Co with a solid basis for the global marketing of a new and entirely natural basic composite for construction materials with excellent insulation and soundproofing characteristics introduced in autumn 2011.
In April, Binder+Co signs a contract for the construction and rental of its own production and office complex in Wuqing, near the Chinese port of Tianjin.

2013
January sees the foundation of Binder+Co Machinery (Tianjin) Ltd. in China, and in May the new sales, production and services location goes into operation. Up to the end of December 2013, the company assembles 23 screening machines for the Chinese coal mining industry. The core components for this Binder+Co machinery continue to be supplied from Austria, while assembly takes place in China using locally manufactured components.

2014
Clients put the first customized BUBLON plants into operation.

2015
The first CLARITY modules for the sorting of plastic flakes and granulates are launched onto the market.

2016
At the end of July, Binder+Co delists its shares from the Vienna Stock Exchange. The US subsidiary Binder+Co USA, Inc., which has its company seat in Denver, Colorado, becomes operative in August.

2018
In March Binder+Co received the US-A-BIZ AWARD in the "trendsetter" category from the Los Angeles Foreign Trade Center; and in June, the Styrian Award for Exports in the category "large enterprises" from the Styrian Economic Chambers (WKÖ).

2019
Binder+Co celebrates it's 125th company anniversary.

Glossary

Company Specific

BIVITEC

Damp, fine and glutinous materials or matted substances are regarded as being difficult to screen materials. They block the perforations in the screens of conventional machines and thus render efficient screening impossible. With its **BIVITEC** system, Binder+Co offers a basic solution for these demanding tasks, as the screen linings are subject to constant vibration, which prevents perforation clogging.

BUBLON

BUBLON is a process developed by Binder+Co for the expansion of perlite and obsidian. The products produced using **BUBLON** serve as a basis for manufacturing in the construction and insulation material industries. Extremely high energy efficiency levels (50% less energy consumption than in conventional methods) and excellent raw material use characterize this process. With the BUBLITE technology we develop ultrafine microspheres for numerous applications in the lightweight materials industry.

Bulk materials

Free-flowing batches of sand, gravel and cement, raw materials (e.g. ores, coal) and foodstuffs (cereals, sugar, salt, coffee, granules etc.) are also known as **bulk materials.**

Complete systems

From the outset, Binder+Co's strategy was not only directed towards the manufacture of **single machines**, but also their combination to form **complete systems** for precisely coordinated processes. In the case of these customized solutions, the priority is to achieve both technical and economic optimization.

Difficult to screen materials

Damp, fine and glutinous materials or matted substances are regarded as being **difficult to screen materials**. They block the perforations in the screens of conventional machines and thus render efficient screening impossible. With its **BIVITEC** system, Binder+Co offers a basic solution for these demanding tasks, as the screen linings are subject to constant vibration, which prevents perforation clogging.

High-performance packaging

In the case of bags with content of 10kg and above, **high-performance packaging** is defined as the filling of at least 1,200 bags per hour. This means that at a maximum, a bag must be automatically filled and sealed within three seconds. In order to achieve this target, several plant processes have to be completed in parallel operation. With its **PRINCIPAC** series, the Binder+Co Group offers fully automatic packaging machines, which can handle up to 1,600 bags hourly.

Industrial minerals

Industrial minerals (e.g. processed calcium carbonate) play an indispensable role in industrial processes, as they constitute a vital constituent of dyes, electronic products, cast metals, paper, plastics, ceramics, cleaning agents, pharmaceuticals, cosmetics, construction materials, agricultural goods, etc., and are also employed as additives in the foods and feedstuffs industries.

Innovation ratio

Binder+Co assess the success of its R&D by means of an **innovation ratio**, which in 2018 averaged 18.3%. This means that around 18% of total order intake was attained with products that Binder+Co has launched onto the market as new, in-company developments during the past three years.

MINEXX

MINEXX is a system for the optical sorting of minerals. Hence, the diversity of minerals and their selective recognition are accounted for using a combination of the sensor modules already employed in the CLARITY systems. **MINEXX UV-VIS-NIR** is a new type of minerals sorting system, which can operate in the ultraviolet, visible and near infrared light wave ranges.

Open mouth bagging

Open mouth bagging is understood to mean the filling of pre-produced paper, plastic and synthetic woven bags with free-flowing bulk goods such as fertilizers, plastic granulate, seeds, foods and feedstuffs or salts. When filled, the bags weigh between 10 and 50kg. The main technical challenges in this regard are the combining of the high packing performance with excellent plant availability levels and low susceptibility to error.

Primary raw materials

As opposed to **secondary raw materials, primary raw materials** are working and process materials, not obtained from waste, but from natural resources.

Secondary raw materials

As opposed to **primary raw materials, secondary raw materials** are obtained from the recycling of waste (e.g. cullet, used paper, plastic waste). They frequently serve as the source material for new products. The employment of secondary raw materials taps into and protects valuable resources and thus contributes to sustainable development.

Single machines

In addition to **complete systems**, Binder+Co also develops and manufactures **single machines** for the comminuting, screening, wet processing, thermal processing, sorting, bagging and palletizing of all types of bulk goods. The most important company products are: **BIVITEC** screening machines, **SANDEXX** machines for economic wet treatment, **DRYON** machines for efficient drying and cooling, the revolutionary **CLARITY** glass sorting machine, the **MINEXX** mineral sorting system, the **PRINCIPAC** open mouth bagging system and the **PRINCIPAL** palletizing system.

Stone and earth industry

In the **stone and earth industry, industrial minerals** are utilized to obtain basic materials for differing industrial branches, such as the production of construction materials, as well as materials for the ceramic, chemical and pharmaceutical industries.

Three-way system

With **CLARITY,** Binder+Co has developed the first **three-way system** for the sorting of cullet. Using a sensor system, differing characteristics (color, electrical conductivity, etc.) are logged and determined, and the glass to be sorted and classified accordingly. As opposed to standard sorting systems, which after the sorting process emit the glass in two material flows, e.g. mixed glass (white, green, brown) and contaminants (ceramic content), the Binder+Co machine is able to sort the material according to three characteristics in a single process, e.g. white glass, colored glass (green, brown) and contaminants (ceramic content).

Business and Financial

Actual taxes

Actual taxes represent the amount of income tax due/claimed during an accounting period. As a rule, it relates to the tax expense for the respective financial year.

Available-for-Sale

Available-for-Sale securities are classified as investments that are not intended to serve company operations in the long-term.

Cash flow

Cash flow serves to define a company's financial health and also indicates its financial flexibility and independence.

Cash value

The **cash value** corresponds with the current worth of a future payment flow.

Compliance directives

Compliance directives are rules of conduct laid down for the prevention of insider trading, market manipulation, money laundering and corruption.

Contingent liabilities

Contingent liabilities are liabilities that may or may not be incurred.

Cost-to-cost method

The **cost-to-cost method** defines the ratio between the costs emanating from product manufacture and the anticipated total costs.

EBIT

EBIT (Earnings Before Interest and Taxes) is the end sum derived from the financial result, taxes and minority interests.

EBT

EBT (Earnings Before Taxes) is the result before taxes and minority interest.

Equity ratio

The **equity ratio** is an indicator of the relative proportion of equity used to finance a company's total assets.

Fair value

Fair value is the amount calculated in accordance with standard market methodology, at which an asset can be bought or sold between willing parties. In the case of listed stocks, fair value represents the current stock exchange price of the market value.

Goodwill

Goodwill is the difference between the purchase price and the sum of the fair value of the net assets of a company.

Held to maturity

The term **held to maturity** documents the intention of a company to retain a long-term security until its date of maturity.

Impairment Test

Impairment tests serve the assessment of the value of asset items. Periodic evaluations of possible indications of a lasting reduction in value are stipulated by the **International Financial Reporting Standards (IFRS).**

International Accounting Standards Board (IASB)

The **International Accounting Standards Board (IASB)** is an independent body of international accountancy experts, which is responsible for the creation and amendment of the **International Financial Reporting Standards (IFRS).**

International Financial Reporting Standards (IFRS)

The **International Financial Reporting Standards (IFRS)** are auditing regulations, which ensure internationally comparable annual and consolidated annual reports and financial statements.

mid market

The **mid market** is a sub-segment of the equity market segment market.at of the Vienna Stock Exchange. The **mid market** comprises shares of companies which have been admitted to official trading or regulated free trading or are included in the Third Market, and which contractually undertake to maintain increased transparency, quality and publicity criteria.

Moving average price method

Using the **moving average price method**, following each addition to inventory, the average price is newly calculated and then applied to the next article sold.

Organic growth

Organic growth is designated as being the expansion achieved by a company using its own resources.

Percentage of completion method

The **percentage of completion method (PoC)** is a method of reporting income from long-term contracts based on the percentage of the contract completed during the financial year.

Projected unit credit method

Using **the projected unit credit method**, the cash value of future payments is established in an actuarial procedure via the estimated employee working time.

Return on equity (ROE)

Return on equity or **ROE** shows the interest earned on reinvested equity within a financial year.

Sale and lease back

Sale and lease back is a special form of leasing in which real estate or movable assets, but also intangible assets, are sold to a leasing company and are simultaneously leased back for further use.

UGB

UGB is the abbreviation used for the **Austrian Commercial Code.** With effect from 1 January 2007, the Austrian Commercial Code (HGB) was extensively revised through the Commercial Law Amendment Act (HaRÄG), Federal Law Gazette no. 2005/120 and renamed as the **Austrian Commercial Code (UGB).**

Working capital

Working capital results from the difference between current assets and current liabilities. This ratio measures both a company's efficiency and its short-term financial health.

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