

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM561781

<b>SUBMISSION TYPE:</b>	RESUBMISSION		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>RESUBMIT DOCUMENT ID:</b>	900523279		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Huber Holdings (Asia) Limited		04/30/2019	Corporation: HONG KONG
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft		
<b>Street Address:</b>	Georg-Coch-Platz 2		
<b>City:</b>	Vienna		
<b>State/Country:</b>	AUSTRIA		
<b>Postal Code:</b>	A-1018		
<b>Entity Type:</b>	Aktiengesellschaft (Ag): AUSTRIA		
<b>Name:</b>	Commerzbank Aktiengesellschaft		
<b>Street Address:</b>	Kaiserstraße 16		
<b>City:</b>	Frankfurt am Main		
<b>State/Country:</b>	GERMANY		
<b>Postal Code:</b>	D-60311		
<b>Entity Type:</b>	Aktiengesellschaft (Ag): GERMANY		
<b>Name:</b>	HYPO Vorarlberg Bank AG		
<b>Street Address:</b>	Hypo-Passage 1		
<b>City:</b>	Bregenz		
<b>State/Country:</b>	AUSTRIA		
<b>Postal Code:</b>	A-6900		
<b>Entity Type:</b>	Aktiengesellschaft (Ag): AUSTRIA		
<b>Name:</b>	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft		
<b>Street Address:</b>	Europaplatz 1a		
<b>City:</b>	Linz		
<b>State/Country:</b>	AUSTRIA		
<b>Postal Code:</b>	A-4020		
<b>Entity Type:</b>	Aktiengesellschaft (Ag): AUSTRIA		
<b>Name:</b>	UniCredit Bank Austria AG		
<b>Street Address:</b>	Rothschildplatz 1		

<b>City:</b>	Vienna
<b>State/Country:</b>	AUSTRIA
<b>Postal Code:</b>	A-1020
<b>Entity Type:</b>	Aktiengesellschaft (Ag): AUSTRIA

**PROPERTY NUMBERS Total: 3**

Property Type	Number	Word Mark
<b>Registration Number:</b>	1068573	HOM
<b>Registration Number:</b>	1075079	HOM
<b>Registration Number:</b>	1070852	HOM

**CORRESPONDENCE DATA**

**Fax Number:** 2022891330

*Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.*

**Phone:** 202-408-6912

**Email:** Joe.Lewis@btlaw.com, TMINDocket@btlaw.com, docketingtm-dc@btlaw.com, caroline.boyd@btlaw.com

**Correspondent Name:** Joseph D. Lewis

**Address Line 1:** 1717 Pennsylvania Avenue, NW

**Address Line 2:** Suite 500

**Address Line 4:** Washington, D.C. 20006

<b>ATTORNEY DOCKET NUMBER:</b>	77308-287474
<b>NAME OF SUBMITTER:</b>	Caroline Boyd, LAA to Joseph D. Lewis
<b>SIGNATURE:</b>	/Caroline Boyd/
<b>DATE SIGNED:</b>	02/12/2020

**Total Attachments: 100**

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# **2<sup>nd</sup> Addendum Agreement**

**to the agreement regarding the restructuring  
of the financings to Huber Group**

entered into by and between

**BAWAG P.S.K. Bank für Arbeit und Wirtschaft und  
Österreichische Postsparkasse Aktiengesellschaft**

Wiedner Gürtel 11  
A-1100 Vienna

and

**Commerzbank Aktiengesellschaft**

Kaiserstraße 16  
D-60311 Frankfurt am Main

and

**HYPO Vorarlberg Bank AG**

Hypo-Passage 1  
A-6900 Bregenz

and

**Raiffeisenlandesbank Oberösterreich Aktiengesellschaft**

Europaplatz 1a  
A-4020 Linz

and

**UniCredit Bank Austria AG**

Rothschildplatz 1  
A-1020 Wien

and

**Huber Holding AG**

Hauptstraße 17

A-6840 Götzis

in its own name and acting on behalf of all entities of Huber Group

and

**Huber Holding GmbH**

Exerzierplatz 1

A-6841 Mäder

and

**Mr. Man Choong Ng**

Hauptstraße 17

A-6840 Götzis



**1. Definitions**

1.1 Terms in this 2<sup>nd</sup> Addendum shall have the meaning as given to them in the Framework Agreement (as defined below) unless otherwise or in addition defined in this 2<sup>nd</sup> Addendum.

1.2 In this 2<sup>nd</sup> Addendum the following terms shall have the following meaning:

2 <sup>nd</sup> Addendum	shall mean this 2 <sup>nd</sup> Addendum to the Framework Agreement.
1 <sup>st</sup> Addendum	shall mean the 1 <sup>st</sup> Addendum to the Framework Agreement entered into by and between the Parties hereof on 22/18 May / 6 June 2018.
EBITDA	shall mean for purpose of testing the conditions for repayment of the New Shareholder Loan as set out in Clause 4 the result from operating activities of Huber Group as defined in Sec 231 para 2 cit 9 (without consideration of any depreciation pursuant to cit 7) UGB (GAAP) with any extraordinary items as earnings from the sale of real estate or other assets to be excluded. The financial data to compute EBITDA from operating activities under this definition (i.e. without extraordinary gains and extraordinary costs associated with the financial restructuring) will be extracted from the financial data, which serves as the basis for the audited consolidated financial statement.
Effective Date	shall mean 1 April 2019, subject to the condition of the satisfaction of the conditions precedent stipulated in Clause 13.
Framework Agreement	shall mean the agreement regarding the restructuring of the financing to Huber Group entered into by and between the Parties hereof on 29 March 2018.
Going Concern Prognosis	shall mean the going concern prognosis as described in Annex ./1







## 5. Repayments to Existing Financing Agreements

5.1 Clause 9.1 of the Framework Agreement shall be replaced by the following provisions (not-applicable part deleted, new part underlined):

"Huber Group shall procure and execute the Real Estate Transaction (closing and payment of purchase price) until 30 June 2019 and utilize the proceeds out of the Real Estate Transaction in total or partially pursuant to Clause 9.1.(b) and 9.1.(c) of the Framework Agreement (as amended by this 2<sup>nd</sup> Addendum) to repay the Banks, provided that all conditions as described in Clause 9.2 of the Framework Agreement (as amended by this 2<sup>nd</sup> Addendum) are met.

Huber Group shall repay, irrespective of the proceeds out of the Real Estate Transaction, to the Banks in accordance with Clause 10.1 the outstanding amounts under the Existing Financing Agreements as follows:

- (a) until 31 May 2019 an amount of EUR 1 million from the Additional Shareholder Loan;
- (b) until 30 June 2019 an amount of EUR 6.1 million; and
- (c) until 30 September 2019 an amount EUR 2 million."

5.2 Clause 9.2 of the Framework Agreement shall be replaced by the following provisions (not-applicable part deleted, new part underlined):

"The then remaining financial debts under the Existing Financing Agreements shall be refinanced or repaid until ~~31 March 2019~~ 30 September 2020 at the latest (see Clause 11).

In case of the Real Estate Transaction, the Banks will upon request by Huber Group under a separate consent and waiver letter (a) agree to such transaction and (b) waive to execute their right of pledge, concerning the deposit claim (Kaution) under the security assignment agreement dated 10/11/13 April 2018, provided that the proceeds from the Real Estate Transaction are utilized for the repayment obligation of Huber Group pursuant to Clause 9.1.(b) of the Framework Agreement (as amended by this 2<sup>nd</sup> Addendum). Huber shall procure and irrevocably instruct DUODEC Z Immobilien Leasing Gesellschaft mbH to pay the deposit claim to the extent available directly to the Banks; this amount is dedicated to reduce the repayment obligation of Huber Group pursuant to

Clause 9.1.(b) of the Framework Agreement (as amended by this 2<sup>nd</sup> Addendum) accordingly."

- 5.3 Huber Group shall have the right to repay the outstanding amounts under the Existing Financing Agreements in accordance with Clause 10.1 of the Framework Agreement in whole anytime with one month prior written notice to the Banks. Any notice pursuant to this Clause 5.3 shall be unconditional and irrevocable. Other than breakage costs, including but not limited breakage costs charged by Oesterreichische Kontrollbank AG in relation to the acquisition financing of RLB OÖ regarding HOM GmbH, no prepayment fee or other fees shall be payable to the Banks in case and as a consequence of a prepayment pursuant to this Clause 5.3.

## **6. Covenants**

- 6.1 The Financial Covenants stipulated in Annex ./6.2.(a) to the Framework Agreement shall be replaced by the Financial Covenants described in Annex ./6.2.(a) (new) to this 2<sup>nd</sup> Addendum.
- 6.2 Notwithstanding Clause 11 of this 2<sup>nd</sup> Addendum, the Non-Financial Covenants stipulated in Annex ./6.2.(b) to the Framework Agreement shall cease to apply as of the Effective Date.

## **7. Refinancing**

Clause 11.1. of the Framework Agreement shall be replaced by the following provisions (not-applicable part deleted, new part underlined):

*"Huber Holding shall and shall ~~ensure~~ procure that all entities of Huber Group will, ~~secure such~~ exert all reasonable efforts to enter into and execute without any limitation a third party refinancing of Huber Group. ~~that~~ Such third party refinancing shall be utilized no later than on ~~31 March 2019~~ 30 September 2020 for repayment of all claims of the Banks against any entity of Huber Group ~~are~~ entirely settled."*

## **8. Expert Support and Financial Advisor**

- 8.1 Without limiting the obligation of Huber Holding to retain during the term of the Framework Agreement (as prolonged pursuant to this 2<sup>nd</sup> Addendum) a Financial

Advisor, as of 1 April 2019 the obligation of Huber to maintain the existing Expert Support shall cease and Clause 12.1 to Clause 12.4 shall terminate accordingly.

- 8.2 Huber Holding shall provide and keep for the term of the Framework Agreement (as prolonged by the 2<sup>nd</sup> Addendum) in place an effective expert support at management board level with the experience and skills necessary to assume the role of the CEO of Huber Group in the midterm perspective. Huber Holding will present candidates to the Banks no later than 31 July 2019 and will take into account the Banks' arguments regarding each candidate. Such expert support shall be subject to the availability of the candidate chosen by Huber Holding to start no later than 31 December 2019.

## 9. Amendment to the Reporting

- 9.1 Clause 16 of the Framework Agreement shall be replaced by the following provisions (not-applicable part deleted, new part underlined):

*"16.1. Huber Holding shall provide to the Banks the following information, in each instance on a stand-alone and on consolidated basis, regarding Huber Holding and the other entities of Huber Group:*

- (a) Weekly liquidity forecast and reporting on a rolling 13 weeks' basis ~~checked and confirmed by the Financial Advisor until the 3<sup>rd</sup> Banking Day following the respective reporting week at the latest;~~*
- (b) monthly reports as per the end of each month, including a forecast until the end of the business-year, until the 20<sup>th</sup> day of the following month at the latest, containing key financials, including liquidity status, net working-capital, complete monthly and year-to-date P&L (including financial results [Finanzergebnis], taxes on earning [Ertragssteuern] and including net-profit), rolling liquidity reports (cash-flow calculation) as well as year-to-date balance sheet, including balance lists with banks (Bankenspiegel), including open item lists for debtors and creditors,~~approved and reviewed or checked on plausibility basis by the Financial Advisor as the case may be,~~ as well as a comparison report against the figures of the same month of the previous year, a budget update in case of amendments to the budget and a report whether the Financial Covenants and Non-Financial Covenants are complied*

with;

- (c) quarterly reports as per the end of each calendar-quarter, until the end of the following month at the latest, with the details as set out in (b) for the calendar-quarter and the month immediately preceding the end of such calendar-quarter and including the information or upon the Banks request in shorter periods, reports regarding the progress of the refinancing process (Clause 11).

~~16.2. All information referred to in Clause 15 shall be proved and reviewed by the Financial Advisor and supplemented promptly if requested so by the Banks.~~

16.32. Huber Holding shall procure that the quarterly reports pursuant to Clause 16.1(c) with respect to the economic, financial and legal development of Huber Group shall be each set up and reviewed by the Financial Advisor and provided within the timeframe set out in Clause 16.1(c) by the Financial Advisor to the Banks. Upon request by the Banks and based on Huber's own discretionary decision, the content of the reports shall be adapted."

## **10. Term and Termination**

- 10.1 Clause 17.2. (*Term and Termination*) of the Framework Agreement shall be replaced by the following provisions (not-applicable part deleted, new part underlined):

"Unless prior termination in accordance to Clause 17 of this Framework Agreement this Framework Agreement shall continue to be in force and shall be effective until the earlier of (i) the full repayment and satisfaction of all claims of the Banks against Huber Group provided that the Standstill ends pursuant to Clause 3 on and (ii) 31 March 2019 30 September 2020 without any further action or notice."

- 10.2 Clause 17.4.(f) (*Term and Termination*) of the Framework Agreement shall be replaced by the following provision (not-applicable part deleted, new part underlined):

"Huber Holding directly or any entity of Huber Group breaches any of the material obligations under this Framework Agreement or under any Finance Document, including the obligation under the Trademark Pledge Agreement to provide any information, document and consent as necessary or required for the



*(m) the expert support on management board level pursuant to Clause 8.2 of the 2<sup>nd</sup> Addendum has not been started on 31 December 2019 at the latest."*

## **11. Collateral**

11.1 Pursuant to the breaches of the Non-Financial Covenants which have occurred prior to the date of this 2<sup>nd</sup> Addendum the Banks shall continue to have in their sole discretion the unconditional and irrevocable right to apply for and proceed with registrations of the pledges granted to the Banks in respect to trademarks of Huber Group including the "HOM"-trademarks.

11.2 Clause 6.1 of the Framework Agreement shall be moved to Clause 6.2 and new Clause 6.1 shall be inserted:

*"The Security Agent has the unrestricted and unlimited right to request the registration of the Trademarks in accordance with the Trademarks Trustee Agreement. The timewise sequence of requests of the Security Agent will be stipulated by the Security Agent upon its own discretion considering economic and cost intensive registration issues."*

11.3 The Collateral and any Bilateral Collateral as well as any Finance Document shall continue to be effective also after the Effective Date and the parties to the Collateral and Bilateral Collateral as well as any other Finance Document explicitly agree to the prolongation of the Standstill and the other amendments to the Framework Agreement as stipulated by this 2<sup>nd</sup> Addendum either by signing this 2<sup>nd</sup> Amendment or executing the relevant accession letter as set in Annex ./.3.3.(ii) by the pledgors and assignors described in Annex ./.3.3.(i), as applicable.

## **12. Prolongation Fee**

Huber Holding shall pay within 5 Banking Days from the date of the last signature of the Parties a non-repayable prolongation fee in the total amount of EUR 70,000 payable to the Security Agent in favor of the Banks in the proportion of the Existing Exposure.

## **13. Conditions Precedent**

This 2<sup>nd</sup> Addendum, except Clauses 12 to Clause 15 (inclusive) which shall be effective and binding upon signing by the Parties, shall be effective upon satisfaction of the following conditions precedent:



- (i) the Banks have received a positive Going Concern Prognosis covering the full period until 30 September 2020 in the primary and monthly liquidity prognosis concerning Huber Group confirmed by the Financial Advisor acceptable in form and substance to the Banks;
- (ii) Raiffeisen Factor Bank AG has agreed in writing to a temporary increase of cash advances of up to 90% of the assigned receivables from 1 June 2019 to 30 September 2019 and from 1 June 2020 to 30 September 2020;
- (iii) Oesterreichische Kontrollbank AG has confirmed to RLB OÖ to agree to the deferral of the unpaid installment in the amount of EUR 280,872.52 in relation to the acquisition financing of RLB OÖ regarding HOM GmbH until 30 September 2020; and
- (iv) all pledgors and assignors listed in Annex ./3.3.(i) have submitted the accession letter as set out in Annex ./3.3.(ii) in proper executed form.

#### **14. Costs and Fees**

All costs, taxes and fees arising out of or in connection with negotiating, entering into, implementing and enforcing the terms of this 2<sup>nd</sup> Addendum, including the costs of the Banks external advisors shall be borne by Huber Group.

#### **15. Miscellaneous**

- 15.1 The Banks confirm to each other that during the term of this 2<sup>nd</sup> Addendum, they will not seek or accept or receive any advantage over the other Banks either directly or indirectly through the conclusion of individual or special agreements (including other measures with an economically similar effect) in relation to any of the claims of the Banks towards Huber Group.
- 15.2 Unless explicitly stated otherwise in this 2<sup>nd</sup> Addendum, all provisions of the Framework Agreement and the 1<sup>st</sup> Addendum shall remain unchanged and in full force and effect in accordance with their terms.
- 15.3 The terms of the Framework Agreement and the 1<sup>st</sup> Addendum, including but not limited to Clause 25 (*Applicable Law*) and Clause 26 (*Jurisdiction*) of the Framework Agreement, shall form an integrated part of this 2<sup>nd</sup> Addendum.

- 15.4 The Framework Agreement as amended by the 1<sup>st</sup> Addendum and by this 2<sup>nd</sup> Addendum, including all annexes attached to these documents, as well as the documents referred to in these annexes, constitute the entire agreement of the Parties in relation to the subject matter hereof.
- 15.5 In case of any conflict or inconsistencies between the terms of the Framework Agreement (as amended by the 1<sup>st</sup> Addendum), the terms of this 2<sup>nd</sup> Addendum shall prevail over the terms of the Framework Agreement (as amended by the 1<sup>st</sup> Addendum).

**16. Annexes**

Annex ./1	Going Concern Prognosis
Annex ./2.2.(i)	Financing of Huber Group (updated)
Annex ./2.2.(ii)	Banks Refinancing Letter
Annex ./3.3.(i)	Pledgors and Assignors
Annex ./3.3.(ii)	Accession Letter
Annex ./6.2.(a) new	Financial Covenants (new)

**Signature Page**

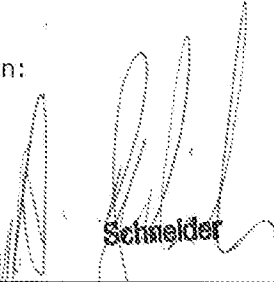
Vienna, the


30/06/2019

**BAWAG P.S.K. Bank für Arbeit und Wirtschaft und  
Österreichische Postsparkasse Aktiengesellschaft**

Name:

Function:

  
Schneider



Hans Twietmeyer

Name:

Function:

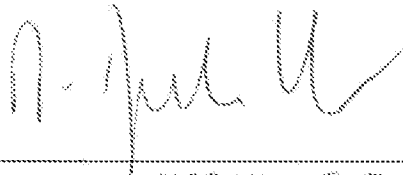
Andreas Schneider  
Head of Restructuring & Workout Corp.

Vienna, the 29/4/2019

**Commerzbank Aktiengesellschaft (Zweigniederlassung Wien)**



Name: Vaclav Firtik  
Function: Head of International Desk

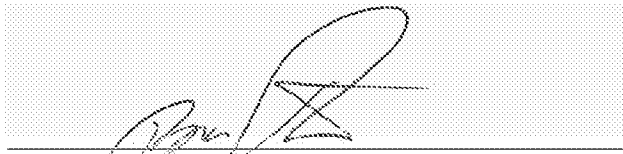


Name: MARTIN BUTOLLO  
Function: COUNTRY CEO

**Commerzbank AG**  
Niederlassung Wien  
Hietzinger Kai 101-105; A-1130 Wien  
Tel.: +43 (1) 506 72-0  
Fax: +43 (1) 506 72-222

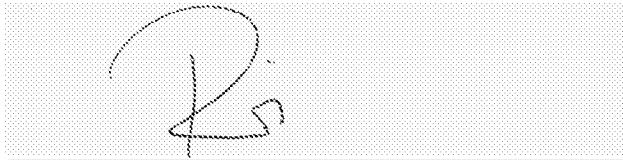
Bregenz, the 30.4.19

**HYPO Vorarlberg Bank AG**



Name: **Klaus Diem**

Function: *HEAD OF LEGAL*




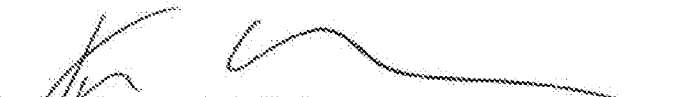
Name: *Reiner*

Function:

Linz, the 29.4.19

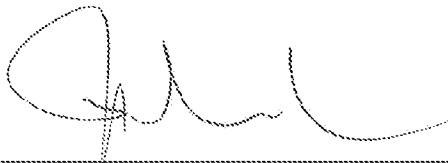
**Raiffeisenlandesbank Oberösterreich Aktiengesellschaft**

  
Name: Mog. Kerinka Schusterbauer  
Function: Abteilungsleiter  
Raiffeisenlandesbank  
Oberösterreich Aktiengesellschaft  
4020 Linz, Ebnegaplatz 1  
Lehrer 7102

  
Name: Mog. Kerinka Schusterbauer  
Function: TIW/Sonierung

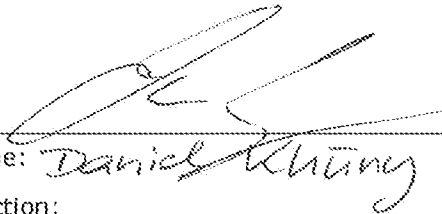
Vienna, the 30.4.2019

**UniCredit Bank Austria AG**



Name: Helmo Tschank

Function:

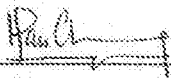


Name: Daniel Khüny

Function:

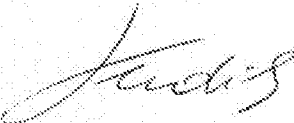
Götzis, the <sup>29<sup>th</sup></sup> April 2019

**Huber Holding AG** (in its own name and acting on behalf of all entities of Huber Group)



Name: NG MAN CHONG

Function: CEO



Name: MAG. DR. EHRENFRIED WERDERITS

Function: CFO



Mäder, the 26 April 2018

**Huber Holding GmbH**



Name: 1021 MICHAEL MILLAVER

Function: Konzeptions Direktor

Name:

Function:

Gatzis, the *29th April 2019*

**Mr. Man Choong Ng**

*Ball*  
\_\_\_\_\_



Acctony

*Project Underwear*  
Huber Holding AG – Review  
Document

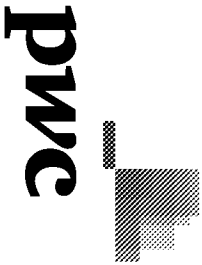


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and Confidential*

11 April 2019



**PWC**



**Manfred Kvasnicka**

Partner, Advisory  
T: +43 1 501 88 - 2937  
M: +43 676 833 77 - 2937  
manfred.kvasnicka@pwc.com

**Christian Daxer**

Senior Manager, Advisory  
T: +43 1 501 88 - 2954  
M: +43 676 833 77 - 2954  
Christian.daxer@pwc.com

**PwC Advisory Services  
GmbH**

Donau-City-Strasse 7  
1220 Wien  
Tel.: +43 1 501 88 - 0  
Fax: +43 1 501 88 - 601

Project Underwear  
PwC

**Huber Holding AG**  
Attn Mr. Robert Ng and Dr. Ehrenfried Werderits  
Hauptstraße 17  
6840 Götzis

**Review Going Concern Prognosis Huber Group**

Dear Sirs,

The Review of the going concern prognosis of Huber Holding AG (further „Huber Group“) was prepared in accordance with our contract dated 3 Mar 2017 (Appendix I).

This report is exclusively intended for the Client or Persons who signed and handed out to us the Reliance Letter. Save as described in the contract or as expressly agreed by us in writing, we accept no liability (including for negligence) to anyone else or for any other purpose in connection with this report and it may not be provided to anyone else.

Yours faithfully

PwC Advisory Services GmbH

Manfred Kvasnicka

Christian Daxer

Geschäftsführer: Dr. Diana Ajpoca, Georg Beham, MSc, WP/StB Mag. Horst Bernegger, WP/StB Mag. Dr. Christine Catala, StB Mag. Andrea Cerne-Stark, WP/StB Mag. (FH) Gerald Eibisberger, Dr. Matthias Eicher, Mag. Bernhard Engel, Mag. Dieter Harreither, WP (D) Dipl.Kfm. (Univ.) Hans Hartmann, Mag. MBA Agatha Kalandra, MMag. Manfred Kvasnicka, MBA, WP/StB Mag. Dr. Aslan Milla, Mag. Christoph Obermair, Mag. Georg Ogrietz, StB Mag. Hannes Orthofer, WP/StB Dipl.Kfm. Univ. Dorotea-E. Rebmann, Mag. Dr. Barbara Redlein, Dr. Thomas Riegler, Mag. Miklós Révay, Steffen Salvennosser, WP/StB Mag. Jürgen Schauer, Roland Schöbel, StB Mag. Thomas Strobach, WP/StB MMag. Frédéric Vilain, Mag. Kristof Waal, WP/StB Mag. Günter Willschick, Mag. Thomas Windtner, WP/StB Mag. Felix Wittl  
Sitz der Gesellschaft: Wien; Firmenbuch: FN 389905 v, Handelsgericht Wien, DVR: 05882484 UID: ATU16070203  
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11 April 2019

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1 Historic development

# *Historic development*

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*Overview*

*Huber Group reached a normalised EBITDA of € 2.5m in FY18.*

*For FY19 an EBITDA of € 4.6m is expected.*

*Based on the sale of two Real Estate properties and a new shareholder loan Huber Group plans to reduce its bank liabilities by € 9m and to prolong the remaining bank debt.*

*Pw C view*

*Pw C was asked to analyse the restructuring concept and business plan of Huber Group. In particular, we were engaged to assess the going concern and the ability of the company to repay existing bank loans based on the presented restructuring concept.*

**Status Huber Group**

- In the beginning of FY18 Huber prolonged its credit lines until March 2019 based on a business plan with an EBITDA of € 6.2m.

- In FY18 Huber Group reached a normalised EBITDA of € 2.5m mainly due to lower sales as expected caused by supply chain issues and lower market demand as expected (for details see the following slides).

- Several measures were implemented in FY18 in order to secure liquidity and to improve operational performance (see below a summary of the main measures).

- Based on the implemented improvements in 2018 and additional measures for 2019 management expects to reach an EBITDA of € 4.6m in FY2019.

- In addition Huber Group plans to sell a Real Estate properties (net Cash Effect of approx. € 7.2m) and to receive additional shareholder loans of € 3m. These funds shall be used to reduce the bank liabilities by € 9.1m, to receive a prolongation for the remaining bank debt and to secure the liquidity need in FY19.

**Overview Implemented Measures 2018**

*Liquidity/Financing – main measures*

- Sale-and-Lease-Back machinery in Mäder with a cash effect of € 1.65m in Feb18; Sale of assets to BOOS € 0.5m

- Reduction of bank liabilities of € 1.2m in Jan18 and € 2.0m in fall of FY18

- Additional Shareholder loan of € 1.0m

- Optimisation of factoring utilisation

- Local refinancing in US (replacement of factoring line of approx. € 1m by permanent credit line of approx. € 1.8m)

- Temporary increase of factoring prefinancing from 80% to 90% from Jun18-Sep18

- Temporary tax deferrals and moratorium of 3 real estate leasing payments

*Operations - main measures*

- Shift of Skinny production to Asia and therefore shift of additional production capacity to HANRO and HOM

- Improvements of Skinny collections for FY19

- Development and implementation (beginning) of retail optimisation concept

- Stringent cost management (personnel and other costs below business plan)

- Filling of vacant management positions (GM Skinny/Huber, GM Arula, Treasury, Accounting, E-Commerce)

**Group P&L**

Net sales of Huber declined by € 0.8m to € 136.8m compared to FY17 and are € 9.0m below the business plan.

Normalised group EBITDA in FY18 reached € 2.5m and is € 1.3m below FY17 and € 3.7m lower as planned.

**Pw C view**

*The negative deviation from the business plan on EBITDA level of € -3.7m mainly results from lower 3rd party sales due to supply chain issues (SKINNY, HANRO) and lower market demand (HOM, SKINNY, ARULA, RETAIL).*

*The gross margin could be increased from 61.6% in FY17 to 63.6%.*

*Fixed costs are below planned level.*

*Due to the higher as expected gains from assets sales net profit in FY18 is only € 1.6m below plan level.*

**Huber Group FY16, FY17, FY18 Act/Plan**

Group EBIT in millions	FY16 AC	FY17 AC	FY18 AC prel AC	FY18 GCP	FY18 Dev.
sales 3rd parties	136.7	141.9	141.9	151.6	(9.6)
sales intercompany	(0.0)	-	-	-	-
gross sales	136.7	141.9	141.9	151.6	(9.6)
cash discounts	(2.2)	(4.3)	(5.1)	(5.8)	0.7
net sales	134.5	137.6	136.8	145.8	(9.0)
changes in inventory	0.9	(0.9)	(0.4)	(0.6)	0.1
total company output	135.4	136.6	136.4	145.2	(8.8)
costs	(50.1)	(52.5)	(49.6)	(54.7)	5.1
gross profit I	85.3	84.1	86.8	91.4	(4.7)
other operating income	2.9	1.9	1.3	1.8	(0.5)
gross profit II	88.3	86.0	88.1	93.3	(5.2)
personnel costs	(46.7)	(48.2)	(48.8)	(50.8)	2.0
other operating expenses	(35.8)	(34.0)	(36.8)	(36.3)	(0.5)
marketing & advertising	(7.2)	(7.6)	(7.4)	(7.9)	0.6
EBITDA	5.8	3.8	2.5	6.2	(3.7)
depreciation & amortization	(3.9)	(4.0)	(3.5)	(4.1)	0.6
EBIT	1.8	(0.2)	(1.0)	2.1	(3.0)
financial result	(0.9)	(1.3)	(1.2)	(1.4)	0.2
EBT	1.0	(1.5)	(2.2)	0.7	(2.9)
extraordinary gains / income	0.0	0.4	1.7	0.0	1.7
extraordinary losses / charges	(0.0)	(1.3)	(1.7)	(1.7)	(0.0)
disposal of F/A	0.0	(0.0)	-	0.5	(0.5)
extraordinary result	0.0	(0.9)	(0.0)	(1.2)	1.2
net profit before tax	1.0	(2.4)	(2.2)	(0.5)	(1.7)
taxes on income (ex deferred)	2.6	(2.0)	(0.3)	(0.4)	0.1
Net profit	3.6	(4.4)	(2.5)	(0.9)	(1.6)
Gross margin I	63.0%	61.6%	63.6%	63.0%	0.6%
EBITDA margin	4.3%	2.7%	1.9%	4.3%	-2.4%

Source: Company Reports, PwC Analysis

Note: FY18 financials are preliminary and the year end audit procedures are still ongoing. The financials as presented are based on management accounts – there may be classification differences compared to the final statutory accounts but no material changes on EBITDA level.  
FY18 GCP refers to business plan from the going concern prognosis as at 20<sup>th</sup> April 2018

- Overall net sales are € 9.0m below the business plan and are on previous year level. The development of the brands was very heterogeneous.
- HANRO could increase its sales by 5.2% or € 2.6m whereas HUBER and HOM developed largely stable and SKINNY (-6.5%), RETAIL (-2.2%) an ARULA (-6%) lost sales in FY18.
- Several reasons caused the underperformance in sales:
  - SKINNY approx. € 2m due to poor swimwear collection and late update of a basic range and a not optimum supply chain from Asian.
  - HANRO approx. € 1m (lost additional potential) due to delays from ARULA (fabric production).
  - HOM, SKINNY and RETAIL lower market demand.
- Gross margin could be increased to 63.6% due to improvements of SKINNY, HOM, RETAIL, ARULA and HTG. HANRO margin remained stable and HUBER margin declined mainly due to sell-offs in May18.
- Personnel costs are € 2m below planned level mainly due to lower costs in the HOLDING (€ -0.8m) and slightly lower costs in almost all other BUs.
- Other operating expenses are € 1.1m higher as planned mainly due to higher costs at HANRO, ARULA and HOM.
- Marketing costs are € 0.6m below the plan mainly due to savings in RETAIL (€ -0.4m).
- The book gain from the sales of assets was with € 1.7m higher as expected and compensated all extraordinary expenses due to the financial restructuring (advisors, lawyers, banks).

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1 Historic development

**Group Balance Sheet**

Net debt as at Dec18 is € 5.5m lower than planned mainly due to higher trade payables and lower receivables than expected.

Due to the lower sales the order quantities could not be sold and therefore inventory further increased to € 43.2m as at Dec18.

**Pw € view**

Trade payables declined significantly in the beginning of FY19, the levels as at Dec18 is not sustainable and includes over € 6.5m overdue payables.

Transfer price risks in HOM S.A. in France because of ongoing losses (approx. € 0.5m). Since acquisition of HOM no detailed transfer price concept with France established.

Huber management initiated a project to introduce group wide transfer price documentation.

Project Underwear  
PWC

**Huber Group FY16, FY17, FY18 Act/Plan**

Group EUR in millions	FY16		FY17		FY18		FY18 Dev.
	AC	AC prel. AC	AC	AC prel. AC	AC	AC prel. AC	
Intangible Assets	2.3	1.4	1.4	1.0	1.4	1.4	(0.5)
Tangible Assets	12.5	11.2	9.2	9.2	10.4	10.4	(1.2)
Financials Assets	0.1	0.1	0.2	0.2	0.1	0.1	0.0
<b>Fixed Assets</b>	<b>15.0</b>	<b>12.7</b>	<b>10.3</b>	<b>10.3</b>	<b>12.0</b>	<b>12.0</b>	<b>(1.7)</b>
Inventories	42.3	41.8	43.2	43.2	41.8	41.8	1.4
Trade receivables	8.9	7.0	5.9	5.9	8.0	8.0	(2.1)
Intercompany receivables	0.0	0.1	-	-	0.0	0.0	(0.0)
Other receivables	8.8	10.6	9.9	9.9	11.1	11.1	(1.2)
Receivables and other assets	17.7	17.7	15.9	15.9	19.2	19.2	(3.3)
Cash & Cash equivalents	5.6	4.2	4.2	4.2	1.0	1.0	3.2
<b>Current Assets</b>	<b>65.6</b>	<b>63.7</b>	<b>63.3</b>	<b>63.3</b>	<b>62.0</b>	<b>62.0</b>	<b>1.3</b>
Prepaid exp. & defer. charges	1.5	1.5	-	-	-	-	-
Deferred tax assets	3.0	1.9	2.5	2.5	2.2	2.2	0.3
<b>Assets</b>	<b>85.1</b>	<b>79.9</b>	<b>76.1</b>	<b>76.1</b>	<b>76.2</b>	<b>76.2</b>	<b>(0.0)</b>
<b>Stockholders' equity</b>	<b>28.7</b>	<b>23.8</b>	<b>21.5</b>	<b>21.5</b>	<b>23.5</b>	<b>23.5</b>	<b>(2.0)</b>
<b>Special investment grants</b>	<b>0.1</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>0.1</b>	<b>(0.1)</b>
<b>Provisions</b>	<b>8.7</b>	<b>9.4</b>	<b>9.7</b>	<b>9.7</b>	<b>9.4</b>	<b>9.4</b>	<b>0.3</b>
Liabilities to banks	28.0	26.6	23.1	23.1	25.3	25.3	(2.2)
Trade payables	9.5	10.1	12.7	12.7	8.4	8.4	4.3
Liabilities to other fin. partners	-	1.0	2.0	2.0	2.0	2.0	(0.0)
Intercompany payables	0.2	-	-	-	0.1	0.1	(0.1)
Other liabilities	8.2	8.9	7.3	7.3	7.5	7.5	(0.2)
<b>Liabilities</b>	<b>45.9</b>	<b>46.6</b>	<b>45.0</b>	<b>45.0</b>	<b>43.3</b>	<b>43.3</b>	<b>1.7</b>
Deferred credits to income	1.7	-	-	-	-	-	-
<b>Equity and liabilities</b>	<b>85.1</b>	<b>79.9</b>	<b>76.1</b>	<b>76.1</b>	<b>76.2</b>	<b>76.2</b>	<b>(0.1)</b>
Equity ratio	33.8%	29.8%	28.3%	28.3%	30.8%	30.8%	(2.6%)
Trade Working Capital	41.7	38.6	36.5	36.5	41.5	41.5	(5.0)
Bank liabilities	28.0	26.6	23.1	23.1	25.3	25.3	(2.2)
Net Debt	22.4	22.4	18.8	18.8	24.3	24.3	(5.5)

Source: Company Reports, PwC Analysis

Note: FY18 financials are preliminary and the year end audit procedures are still ongoing. The financials as presented are based on management accounts – there may be classification differences compared to the final statutory accounts.  
FY18 GCP refers to business plan from the going concern prognosis as at 20th April 2018

- Fixed assets are below the business plan mainly due to lower CAPEX (approx. € -1m) and the unplanned sale of machinery to Boos.
  - Inventories are higher than planned due to lower sales (especially SKINY and HOM) and higher inventories at HANRO.
  - Total trade working capital as at Dec18 is € 5.0m lower than planned. The higher inventory was overcompensated by higher trade payables (thereof overdue: € 6.5m) and lower trade receivables.
  - Other receivables and other payables are both below plan level.
  - Equity is below planned level due to the negative deviations of the result as at Dec18 and a lower equity in the final financial statements FY17 compared to budget. Net debt is € 5.5m lower than planned mainly due to the lower trade working capital and lower CAPEX.
  - Shareholder loan increased to € 2m in FY18.
- For a monthly development of inventory and trade payables please refer to the next pages.*

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**Group Trade Payables**

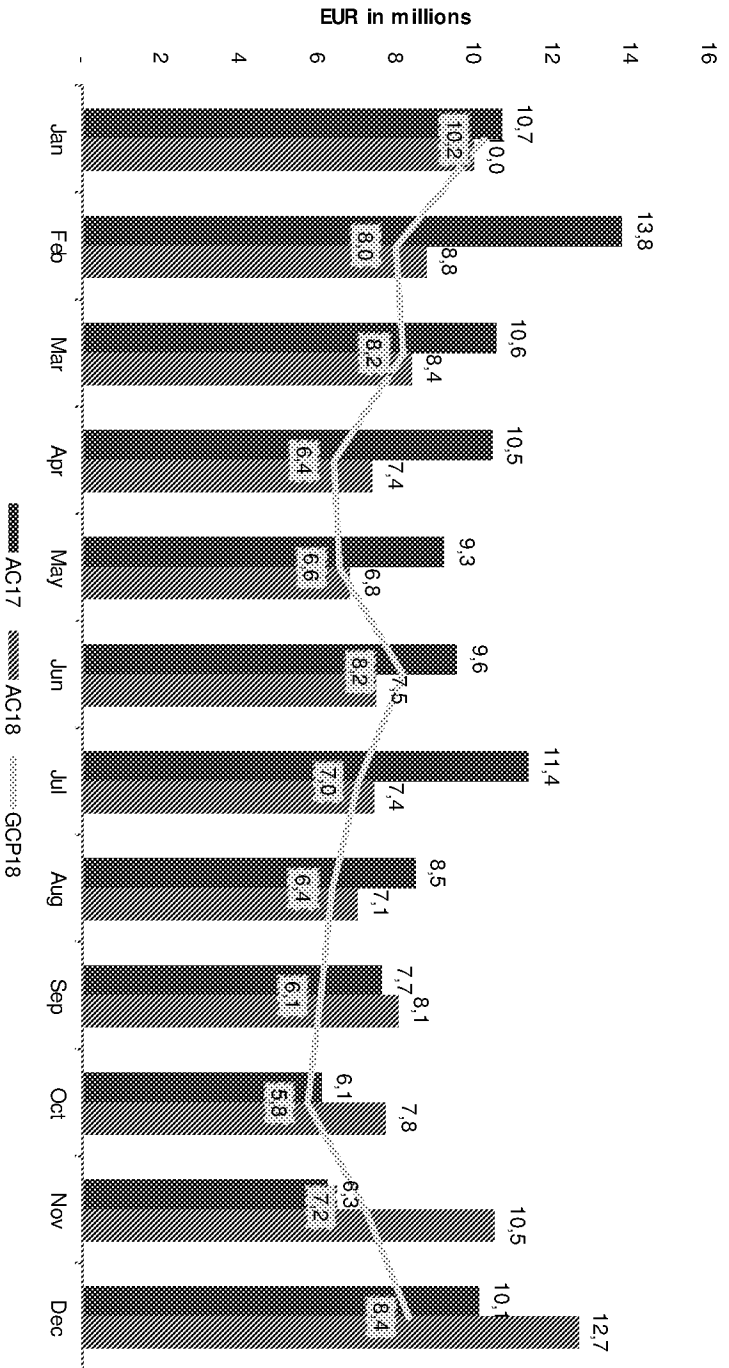
Until August trade payables are close to planned level and significantly below FY17.

From Sep18 onwards trade payables increased both compared to FY17 and the business plan.

**PwC view**

The increase in trade payables from Sep18 onwards results from the repayments to the banks of € 2m until November and from a postponement of payments to the beginning of FY19.

Huber Group Trade Payables – FY17/18 and GCP18



Source: Company Reports, PwC Analysis

- Due to reduced limits from credit insurances the trade payables in FY18 are well below FY17 level.
- During the seasonal peak liquidity need (Jun-Aug) trade payables reached approx. € 7.5m.
- Due to the repayments of € 2m and the lower as expected operating results trade payables increased towards the end of the year.
- Increase towards end of the year due to postponed payment runs.
- During the whole year Huber Group had significant overdues. If all trade payables were paid at formal contractual payments terms and low credit insurance limits the trade payables would decline to € 5-6m.

1 Historic development

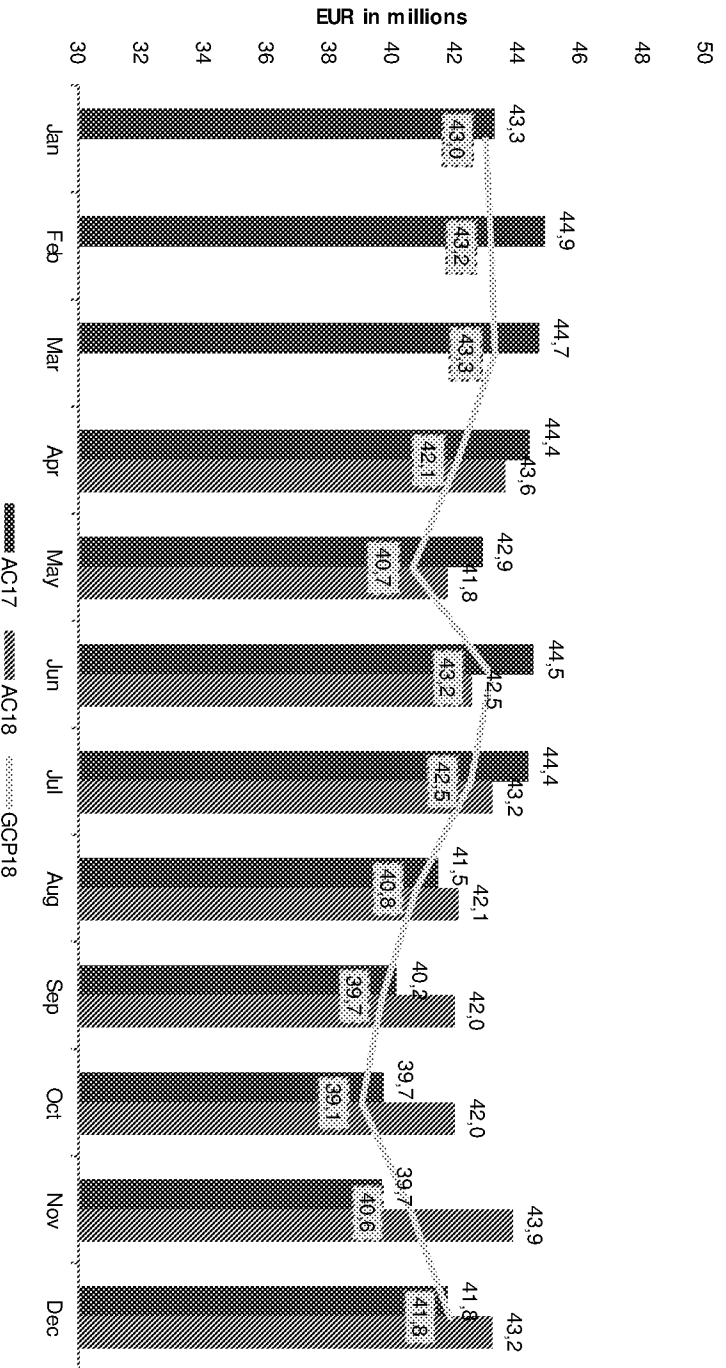
*Group Inventory*

Until July inventory level is € 1-2m below FY17.

Due to lower sales, the continuous high sales forecasts and therefore higher order quantities and the limited ability to reduce orders in short term inventory exceed both the plan and previous year level in fall 18

Stocks increase towards years end due to a conscious Management decision to bring stock in from Asia ahead of plan to ensure availability for the new season (see strong sales performance Jan/Feb19).

Huber Group Inventory – FY17/18 and GCP 18



Source: Company Reports, PwC Analysis

**PwC view**  
*The envisaged reduction of inventories could not be realised in FY18. Due to late reduction of order quantities inventory level increased compared to previous year.*  
*As at Dec18 the amount of old stock (18/2 and older) is approx. 70% higher as at Dec17.*

- The inventory reduction plan in FY18 could not compensate the too high order quantities.
  - Lacking senior management attention after the expiration of the contract of the COO led to lower pressure on inventory management in the 2<sup>nd</sup> half of FY18.
  - Especially stocks of SKINNY and HANRO and old stock (18/2 and older) increased.
  - Mr. Werderits took over the responsibility for inventory reduction in FY19. An initial measure was the immediate reduction of order quantities of 500.000 pieces for FY19 (until July/ August).
- For additional measures to reduce inventory please refer to the FY19 restructuring measures.*

1 Historic development

**Overview**  
**Bank liabilities**

The credit lines headroom amounts to € 3.2m as of Dec18.

Factoring lines were utilized at approx. € 6.1m in Austrian and German entities. In addition, factoring lines have been in place in France as per Dec18.

The US factoring line has been replaced in Apr18 by a permanent revolving credit facility of \$ 2.3m collateralised by receivables and inventory. The shareholder loan was increased to € 2m in FY18.

Credit lines & Utilization as per 31 December 2018 & 31 January 2019

	€ in thousands	Debtor	Type of financing	As per 31 December 2018		As per 31 January 2019	
				Nominal value	Utilization	Nominal value	Utilization
<b>BAWAG</b>		Huber Tricot Gesellschaft mbH	Current account	1,500	(1,470)	1,500	(1,498)
BAWAG		HANRO International GmbH	Current account	1,500	(1,492)	1,500	(1,492)
BAWAG		HUBER-SHOP GmbH	Current account	1,500	(1,206)	1,500	(1,483)
BAWAG		Huber Holding AG	Current account	2,171	(2,164)	2,171	(2,164)
<b>Commerzbank</b>		Huber Holding AG	Current account	2,224	(2,224)	2,224	(2,224)
<b>Hypo Vorarlberg</b>		Huber Tricot Gesellschaft mbH	Current account	1,334	(1,339)	1,334	(1,332)
<b>RLB OÖ</b>		Huber Holding AG	Current account	5,782	(5,776)	5,782	(5,777)
<b>RLB OÖ</b>		Huber Holding AG	Share financing (OEKB)	5,782	(5,782)	5,782	(5,782)
<b>UniCredit Bank Austria</b>		Awula GmbH	Current account	51	142	51	(11)
<b>UniCredit Bank Austria</b>		Huber Tricot Gesellschaft mbH	Current account	2,264	407	2,264	(2,228)
<b>Credit lines Austria / Germany</b>				<b>24,108</b>	<b>(20,904)</b>	<b>24,108</b>	<b>(23,991)</b>
<b>Ratfelsen</b>		Hanno AG	<b>Factoring</b>	103	(103)	102	(102)
Ratfelsen		Skinny Götzs	Factoring	918	(918)	1,224	(1,224)
Ratfelsen		Huber Bodywear	Factoring	540	(540)	692	(692)
Ratfelsen		Hanno International	Factoring	1,028	(1,028)	1,169	(1,169)
Ratfelsen		Skinny Deutschland	Factoring	1,429	(1,429)	1,644	(1,644)
Ratfelsen		Hanno Deutschland	Factoring	1,197	(1,197)	1,381	(1,381)
Ratfelsen		Awula	Factoring	566	(566)	210	(210)
Ratfelsen		HOM	Factoring	292	(292)	296	(296)
<b>Factoring Austria / Germany</b>				<b>6,073</b>	<b>(6,073)</b>	<b>6,718</b>	<b>(6,718)</b>
<b>Total</b>				<b>30,181</b>	<b>(26,977)</b>	<b>30,826</b>	<b>(30,709)</b>
<b>Shareholder Loan</b>				<b>1,969</b>	<b>(1,969)</b>	<b>1,969</b>	<b>(1,969)</b>

Source: Management Information, PwC Analysis  
\*as booked in FY18/19 financial statements

- Note:
- Additional off balance-sheet bank guarantees are available as follows (as at Dec18): €1.2m from UniCredit (not included in the table above)
  - Local factoring lines in F are not included in the table above
  - No bank deposits included in the table above

1 Historic development

**Huber Group**

**2018 CF**

EBITDA of Huber was € 2.5m in FY18.

Inventory increased by € 1.4m since Dec17. Trade payables are € 2.5m above FY17 level and trade receivables are € 1.1m lower. In total Trade Working Capital is € 2.2m lower as at Dec17.

In FY18 bank debt of € 3.2m was repaid.

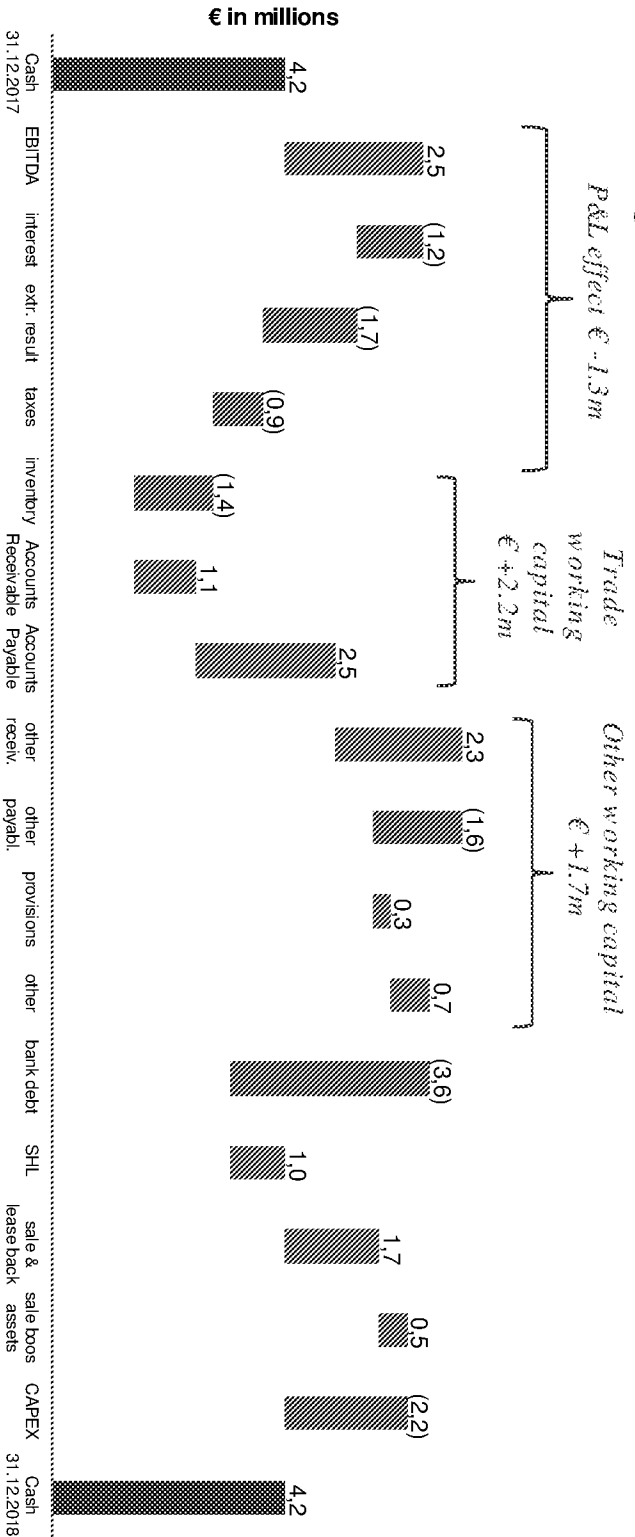
In Apr18 € 1.8m additional credit line in the USA (in exchange of a Factoring facility) was implemented ... cash effect approx. € 1m.

An additional shareholder loan of € 1.0m was provided in Jun18.

From the sale and lease back of machinery in Mader € 1.7m were generated in Feb18.

In Jun18 machinery for € 0.5m was sold to Boos.

**Huber Group CF 2018**



Source: Company Reports, PwC Analysis

*The reduction of bank debt and CAPEX was financed by the sale of assets € 2.2m, an additional shareholder loan of € 1m and lower trade working capital (optimisation of Factoring and increase of trade payables).*

Note: Please note that the FY18 financials are preliminary and the year end audit procedures are still not completed. High level Cashflow analysis based on preliminary P&L and Balance Sheet 2018

*Business Plan  
Huber Group*



**Restructuring Measures (1/2)**

*Huber Group Management has initiated group-wide initiatives to reduce tied-up capital and increase liquidity.*

*A strong focus has been put on optimization of the supply chain by aligning purchasing, manufacturing and sales activities with market demand.*

*In addition, Management sets priorities on the expansion of E-commerce business in order to support future growth.*

*Pw C view Improvement of supply chain management is essential to realise planned sales growth.*

*First priority in inventory management is to avoid further increases.*

Project Underwear PWC

Business Unit	Initiative / Measure	Description / Results	Status	Effect
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<b>Group-wide</b>	<b>Reduce inventories</b>	<ul style="list-style-type: none"> <li>• Overall reduction despite sales growth</li> <li>• Reduce orders to reflect envisaged sales growth (3%)</li> <li>• Reduce stock level of basics inventory from currently 5 months to 3 months max</li> <li>• Sell-off of old stock (collections 18/2 and older)</li> <li>• Reduction of raw materials                             <ul style="list-style-type: none"> <li>– Sell-off obsolete stock</li> <li>– Stringent order-related purchasing</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Interdisciplinary task force established</li> <li>• High senior management attention (lead: E. Werderits)</li> <li>• Adjusted order volume by 500k pcs</li> <li>• Old stock Jan19: approx. 500k pieces (lead: Robert Ng)</li> <li>• Inventory reduction not included in Business plan</li> </ul>	See Business Plan
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<b>Group-wide</b>	<b>Sales increase</b>	<ul style="list-style-type: none"> <li>• Various initiatives driven by business units</li> </ul>	• See BU analysis	See BU
<b>Group-wide</b>	<b>Supply Chain Management</b>	<ul style="list-style-type: none"> <li>• Secure raw material supply</li> <li>• Increase knitting capacities:                             <ul style="list-style-type: none"> <li>– Invest in new machinery</li> <li>– Additional knitting team</li> </ul> </li> <li>• Transfer Skiny to Asia</li> <li>• Free capacity for Hanro / HOM</li> <li>• Reduce CMT supplier base to 3 (until 2020)</li> </ul>	<ul style="list-style-type: none"> <li>• Replace distressed suppliers</li> <li>• Test machinery in use</li> <li>• Transfer Skiny to Asia as of 19/2</li> <li>• Ongoing volume bundling with Body Fashion</li> </ul>	Secure supply

<b>Arula</b>	<b>Push 3<sup>rd</sup> party business</b>	<ul style="list-style-type: none"> <li>• Expand external business with leads of new Managing Director</li> </ul>	<ul style="list-style-type: none"> <li>• Potential additional sales volume of approx. € 3.3m identified</li> <li>• Sales agents validating potential and generating leads in certain markets (Sri Lanka, China, Japan)</li> </ul>	€ 3.3m € 0.4m included in Business plan
<b>Arula</b>	<b>Reduce stock</b>	<ul style="list-style-type: none"> <li>• Sell off old stock (Yarn, fabrics)</li> <li>• Purchase order-based</li> </ul>	• Sales activities old stock initiated	€ 0.4m

Strictly private and confidential

**Restructuring Measures (2/2)**

To increase third party sales in ARULLA and to avoid shortages in fabric production the knitting capacity will be extended (machinery and workforce).

After the finalisation of the planned transfer of SKINNY products to Asia also the number of contract manufacturer shall be reduced to 3.

To allow for more focus two new business units – E-Commerce and Huber Asia – have been established.

**Pw C view**  
Need for additional knitting capacity became obvious in FY18.  
Some E-Commerce activities (e.g. marketplaces) stay with the brands – a transfer to the new BU seems reasonable.

Business Unit	Initiative / Measure	Description / Results	Status	Effect
<b>Arula</b>	<b>Increase utilization / efficiency of machinery</b>	<ul style="list-style-type: none"> <li>Invest in production capacities in order to support growth and ensure steady supply for Hanro</li> <li>Re-design production layout in line with modern standards</li> </ul>	<ul style="list-style-type: none"> <li>2 new machines to be purchased in Mar/ Apr19</li> <li>2 additional machines to be converted</li> </ul>	Secure supply and external sales
<b>Arula</b>	<b>Workforce Management</b>	<ul style="list-style-type: none"> <li>Establish additional knitting team (3 FTE) → reduce overtime &amp; potential additional shift</li> <li>Implement Director of Production</li> </ul>	<ul style="list-style-type: none"> <li>Currently 70-80% of knitting performance re-established</li> </ul>	Secure supply and external sales
<b>HTG</b>	<b>Optimize confection (external)</b>	<ul style="list-style-type: none"> <li>Transfer Skinny to Asia</li> <li>Streamline supplier portfolio</li> <li>Target: 3 CMT factories in 2020 (down from currently 8)</li> <li>Positive effects on coordination and logistics costs</li> </ul>	<ul style="list-style-type: none"> <li>Transfer to Asia 95% complete as of collection 19/2 (reduction of 2 FTE – included in business plan)</li> </ul>	Secure supply and external sales
<b>HSG</b>	<b>Category Management</b>	<ul style="list-style-type: none"> <li>Optimize in-store presentation of own brands</li> <li>Ongoing category optimization</li> <li>Targeted sales activities</li> <li>Stock reduction in close cooperation with brands (focus on best sellers, narrow ranges)</li> </ul>	<ul style="list-style-type: none"> <li>Measures defined in cooperation with ADVICUM</li> <li>Implementation initiated</li> </ul>	meet sales plan
<b>E-Commerce</b>	<b>New business unit</b>	<ul style="list-style-type: none"> <li>Bundling own workshops (Hanro, Skinny, Huber)</li> <li>New webshop for Huber Shops</li> <li>New shop platform (Magenta 2)</li> <li>Internationalization of webshop</li> </ul>	<ul style="list-style-type: none"> <li>BU operating; Head: Darren Pepper</li> <li>New webshop platform to be launched by Apr19</li> </ul>	€ 3.5m sales included in BP
<b>Huber Asia</b>	<b>Increase sales in Asia</b>	<ul style="list-style-type: none"> <li>New Business Unit head</li> <li>Focus on Asia not only with HOM but also with other HUBER brands such as Skinny.</li> </ul>	<ul style="list-style-type: none"> <li>New management in place.</li> <li>Market entry in Australia</li> </ul>	€ 5m sales included in BP

**Restructuring**

*Measures - Liquidity Management has defined a number of initiatives to safeguard liquidity.*

**For a view**

*In addition to the sale of Real Estate assets and new shareholder loans (details see next page) the reduction of minimum operating cash and the temporary increase of the factoring prefinancing will be used to cover the planned repayments to the banks and the seasonal liquidity needs in FY18.*

**Measure Description / Results**

**Effect**

**Reduction of inventories**

- See restructuring initiatives on previous pages

- No further growth of inventory
- No reduction included in business plan FY19.
- Long-term growth lower as expected sales development.

**Optimize factoring**

- Ongoing review and reduction of receivables that are not included in funding
- Negotiate temporary increase of cash advances of up to 90% of assigned receivables

- € 0.5m from May19 onwards (secure peak liquidity need)

**Reduction of minimum operating cash**

- Reduce number of bank accounts in order to minimize cash transfer requirements
- Review minimum operating cash requirements of overseas entities

- See Business Plan

**Stringent A/R management**

- Review & adjust dunning process
- Review & negotiate payment terms

- Ongoing – no effect included in BP

**Financial**

**Restructuring**

Management plans to generate an estimated € 7.2m of cash from the sale of a property in Mäder.

In addition, the shareholder intends to provide a subordinated loan amounting to € 3.0m.

Based on the funds resulting from these transactions,

Management intends to reduce credit lines by € 9.1m (€ 24.1m to € 15m)

In addition, € 1.1m shall be used to cover seasonal peak liquidity requirements.

For details on the planned transactions see page 40

**Sources of Funds**

**1. Sale of factory premises (land and buildings located in Mäder)**

**2. Subordinated shareholder loan**

Description	Estimated cash effect*
<ul style="list-style-type: none"> <li>• Repurchase of assets currently under leasing with UniCredit (Duodec)</li> <li>• Sale and lease back of property to 3<sup>rd</sup> party investor</li> <li>- Duration: unlimited</li> <li>- Rent: € 0.8m p.a. (+ operating costs);</li> <li>- Termination notice period: 1 year;</li> <li>- Repurchase option</li> </ul>	€ 7.2m
<ul style="list-style-type: none"> <li>• Additional shareholder loan amounting to € 3.0m</li> </ul>	€ 3.0m
<p>* net of taxes, fees</p> <p>Total funds to be generated by asset deals / shareholder loan</p>	€ 10.2m

**Use of Funds**

**Planned financial restructuring**

**1. Reduction of credit lines**  
€ 9.1m

- Management plans further repayments (ie, reduction of credit lines) to financing banks amounting to € 9.1m
- Remaining available credit lines after repayment: € 15.0m + US financing: € 1.8m

**II. Peak financing (liquidity reserve)**  
€ 1.1m

- Management plans to use € 1.1m of the funds for the operating business
- Cash will be needed to cover seasonal peak liquidity requirements

**VOGEWOSI – Property**

- Huber currently owner of land plot; building on land owned by VOGEWOSI (building on 3rd party land)
- It was planned to purchase the buildings and sale of land plot including buildings to 3rd party investor (alternatively: sale of land plot to VOGEWOSI)

**Status:** Rejected by supervisory board due to unsolved issues with VOGEWOSI – transaction not include in Business Plan

**Huber Group  
EBITDA**

**EBITDA Bridge FY18-FC19**

Management expects an increase of EBITDA from € 2.5m to € 4.6m in FY19.

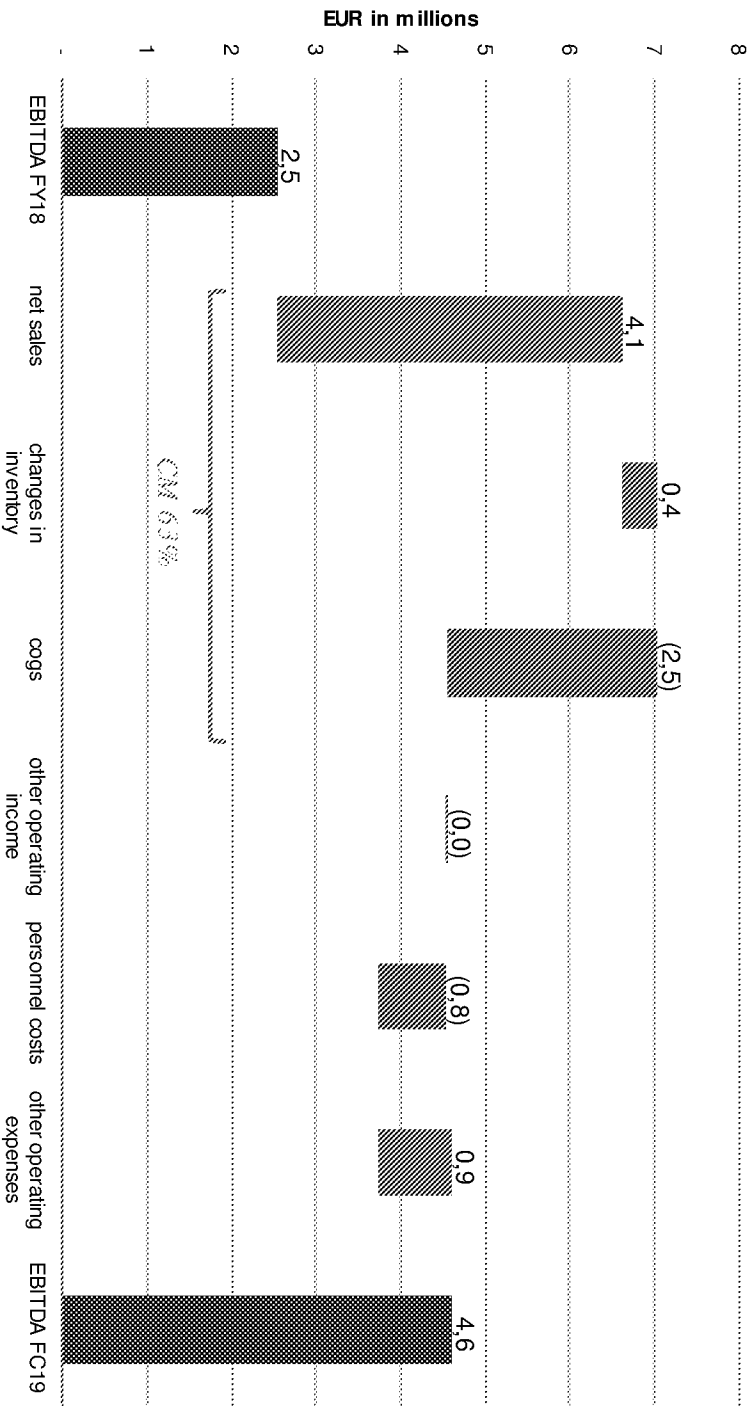
The planned increase is based on the expected sales growth of € 4.1m.

With a contribution margin of 63%. The sales growth leads to an increase of the gross profit by € 1.6m.

The increase of other operating expenses include costs for the refinancing as part of the ordinary result.

**PwC view**

*The planned increase of net sales depends on a stable supply chain. Due to supply chain issues in FY18 the market potential could not be realised. To reach the planned personnel cost cuts compared to the planned/hired employees per Business Unit are necessary.*



Source: Company Reports, PwC Analysis

- Sales organisation has been significantly changed in FY19 (new business units E-Commerce, Huber Asia and transfer of SKINNY Shops from SKINNY to HSG (no detailed like-for-like analysis available)).
- The planned sales increase results mainly from HANRO (€ +1.0m), E-Commerce (€ +1.3m) and Huber Asia (€ +1.0m).

**Personnel costs**

- Full year effects from replacements of management in FY18 (Finance, ARULAMD, SKINNYMD)
  - Selective new hires (e.g. ARULAKnitters)
  - Annual pay increase
- Other operating expenses**
- Slight increase of marketing expenses of € 0.1m
  - Refinancing costs included in ordinary results
  - Rent for Mäder (after transaction) of € 0.8m p.a. included.

**Huber Group P&L**

Management plans an increase of net sales to € 140.9m (+3%) in FY19, and +3.5% p.a. in the following years.

EBITDA is expected to increase to € 4.6m in FY19 and to € 6.2m until FY21 due to the planned sales growth.

**Pw C view**

We expect EBITDA in FY19 to reach € 3.5-4.6m.

The realisation of the expected sales growth depends on the stabilisation of the supply chain. We also see a risk, that especially personnel costs will be higher as planned (see previous page).

In the following years the potential to reach the planned results exists but is depending on the implementation of the planned restructuring measures.

**P&L FY18-FY21 – Management case**

Group EÜR in millions	FY 18 prel. AC	FY 19 Plan	FY 20 Plan	FY 21 Plan
sales 3rd parties	141.9	146.0	151.2	155.5
sales intercompany	-	(0.0)	-	-
gross sales	141.9	146.0	151.2	155.5
cash discounts	(5.1)	(5.1)	(5.3)	(5.5)
<b>net sales</b>	<b>136.8</b>	<b>140.9</b>	<b>145.9</b>	<b>151.0</b>
changes in inventory	(0.4)	-	0.7	0.8
<b>total company output</b>	<b>136.4</b>	<b>140.9</b>	<b>146.6</b>	<b>151.8</b>
coogs	(49.6)	(52.1)	(55.0)	(57.7)
<b>gross profit I</b>	<b>86.8</b>	<b>88.8</b>	<b>91.6</b>	<b>94.1</b>
other operating income	1.3	1.3	1.3	1.3
<b>gross profit II</b>	<b>88.1</b>	<b>90.1</b>	<b>92.9</b>	<b>95.4</b>
personnel costs	(48.8)	(49.6)	(50.5)	(51.6)
other operating expenses	(36.8)	(35.9)	(36.7)	(37.6)
marketing & advertising	(7.4)	(7.5)	(8.1)	(8.5)
<b>EBITDA</b>	<b>2.5</b>	<b>4.6</b>	<b>5.7</b>	<b>6.2</b>
depreciation & amortization	(3.5)	(3.6)	(3.8)	(4.0)
<b>EBIT</b>	<b>(1.0)</b>	<b>1.0</b>	<b>1.9</b>	<b>2.2</b>
financial result	(1.2)	(0.6)	(0.7)	(0.6)
<b>EBT</b>	<b>(2.2)</b>	<b>0.4</b>	<b>1.2</b>	<b>1.6</b>
extraordinary gains / income	1.7	3.9	-	-
extraordinary losses / charges	(1.7)	-	-	-
extraordinary result	(0.0)	3.9	-	-
<b>net profit before tax</b>	<b>(2.2)</b>	<b>4.3</b>	<b>1.2</b>	<b>1.6</b>
taxes on income (exdeferred)	(0.3)	(1.0)	(0.3)	(0.4)
<b>Net profit</b>	<b>(2.5)</b>	<b>3.3</b>	<b>0.9</b>	<b>1.2</b>
<b>Gross margin I</b>	<b>63.6%</b>	<b>63.0%</b>	<b>62.5%</b>	<b>62.0%</b>
<b>EBITDA margin</b>	<b>1.9%</b>	<b>3.3%</b>	<b>3.9%</b>	<b>4.1%</b>

Source: Company Information

Note: FY18 financials are preliminary and the year end audit procedures are still ongoing. The financials as presented are based on management accounts – there may be classification differences compared to the final statutory accounts but no material changes on EBITDA level.

- The planned growth of net sales until FY21 of € 14.2m is mainly based on HANRO (€ +2m), Huber Asia (€ +4m) and E-Commerce (€ +5.3m).
- To increase the focus in sales two new business units (Huber Asia and E-Commerce) have been established in FY19 under new management.
- Huber Asia was historically focusing on HOM, in the new structure also other Huber brands such as Skinny shall be pushed in Asia.
- E-commerce is currently focusing on the optimisation of the own web shops of Huber Group (except HOM). A new platform will be launched which allows for an internationalisation of the web shops (e.g. more languages).
- Gross margin is planned stable in FY19 and even slightly declining in the business plan.
- Personnel costs increase per 1.6-2% p.a. To reach the planned personnel costs in FY19 it is essential to reduce the current/ planned headcount for FY19 (see previous page).
- Other operating expenses increase continuously over the planning period. Management will adjust the marketing expenses in short notice according to the operating results during the year.
- Expected gains from the planned Real Estate transactions in FY19 are included in the extraordinary result. Refinancing costs are planned in the other operating expenses.
- Taxes in FY20-FY21 are planned too low and will be at least € 1m p.a.

**Huber Group****Balance Sheet**

Bank liabilities declined to € 15-16m after the planned Real Estate Transactions in FY19 and remain stable thereafter.

Compared to FY18 a higher Trade Working Capital has been planned – mainly due to lower trade payables and increasing trade receivables.

**PwC view**

The envisaged reduction of inventory is not included in the business plan. If the internal reductions goals (-20%) are realised a further reduction of bank liabilities is possible.

Equity ratio will increase to >35% due to positive effects of the Real Estate Transactions in FY19. In addition the shareholder loans will increase to € 5m.

**Balance Sheet FC18-FY21 – Management case**

Group	FY17	FY18	FY19	FY20	FY21
EUR in Mio.	AC	prel AC	Plan	Plan	Plan
Intangible Assets	1,4	1,0	0,6	0,7	0,8
Tangible Assets	11,2	9,2	9,4	9,6	9,8
Financials Assets	0,1	0,2	0,2	0,1	0,1
<b>Fixed Assets</b>	<b>12,7</b>	<b>10,3</b>	<b>10,2</b>	<b>10,4</b>	<b>10,7</b>
Inventories	41,8	43,2	41,7	42,7	43,5
Trade receivables	7,0	5,9	6,8	7,3	7,6
Intercompany receivables	0,1	-	-	-	-
Other receivables	10,5	9,9	7,3	7,5	7,7
Receivables and other assets	17,6	15,9	14,1	14,8	15,3
Cash & Cash equivalents	4,2	4,2	2,0	2,0	2,5
<b>Current Assets</b>	<b>63,7</b>	<b>63,3</b>	<b>57,8</b>	<b>59,5</b>	<b>61,3</b>
Prepaid exp. & defer. charges	1,5	-	-	-	-
Deferred tax assets	1,9	2,5	2,5	2,5	2,5
<b>Assets</b>	<b>79,9</b>	<b>76,1</b>	<b>70,5</b>	<b>72,4</b>	<b>74,5</b>
<b>Stockholders' equity</b>	<b>23,8</b>	<b>21,5</b>	<b>24,9</b>	<b>25,8</b>	<b>27,0</b>
<b>Special investment grants</b>	<b>0,1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>	<b>9,4</b>	<b>9,7</b>	<b>9,5</b>	<b>9,8</b>	<b>10,2</b>
Liabilities to banks	26,6	23,1	15,4	15,4	15,2
Trade payables	10,1	12,7	8,2	8,5	9,0
Liabilities to other fin. partners	1,0	2,0	5,0	5,0	5,0
Other liabilities	8,9	7,3	7,5	8,0	8,2
<b>Liabilities</b>	<b>46,6</b>	<b>45,0</b>	<b>36,1</b>	<b>36,9</b>	<b>37,4</b>
Deferred credits to income	-	-	-	-	-
<b>Equity and liabilities</b>	<b>79,9</b>	<b>76,1</b>	<b>70,5</b>	<b>72,4</b>	<b>74,5</b>
Equity ratio	29,8%	28,3%	35,3%	35,6%	36,2%
Trade Working Capital	38,6	36,5	40,3	41,5	42,1
Bank liabilities	26,6	23,1	15,4	15,4	15,2
Net Debt	22,4	18,8	13,4	13,4	12,7

Source: Company Reports, PwC Analysis

Note: FY18 financials are preliminary and the year end audit procedures are still ongoing.

- Annual investments of € 3.5-4m are planned (approx. in line with depreciation).
- Inventories decline by € 1.2m in FY19 (better planning/reduction of order quantities) and increase thereafter along with the growing sales.
- Trade receivables are exceptionally low as in Dec18 and increase to a normal level in the business plan.
- Deferred tax assets will in practice decline after the usage of the losses carried forward to for the profits from the asset sale.
- Trade payables are planned to decline to € 8-9m as at Dec19-21. After the reduction of the bank debt and the increase of the equity ratio management expects that credit insurance limits increase and Huber will be able to fully use the negotiated payment terms with its suppliers.
- In May19 management expects to receive an additional shareholder loan of € 3m.
- Latest in May19 the reduction of the bank debt by € 9.1m out of the Real Estate transaction (see page 17) is planned.
- Without an optimisation of the working capital further repayments of bank debt are unlikely.

**Huber Group**  
**CF**  
**Cash Flow FY17 – FY21 – Huber Group Management Case**

In FY19 Huber Group generates a positive Cash flow due to the sale of the Real Estate Assets and the shareholder loan.

From FY20 onwards Huber group generates slightly positive Cash-flows.

Management considers the planned CAPEX in FY20/21 as conservative.

**Pw C view**

The last years Huber Group needed to sell assets to finance its operations.

In FY19 a part of the proceeds from the asset sale/shareholder loan € 1.1m will be used to improve the liquidity situation of Huber Group.

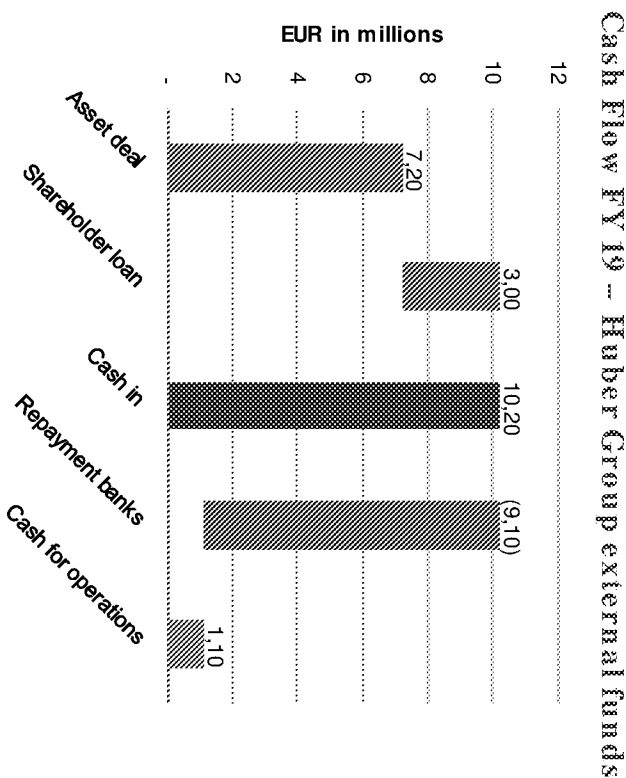
In the following years Huber will be able to operate without external funds – if the planned EBITDA level can broadly be reached.

Group	FY19 Plan	FY20 Plan	FY21 Plan
EUR in Mio.			
EBITDA	4,6	5,7	6,2
Interest	(0,6)	(0,7)	(0,6)
Taxes	(1,0)	(0,3)	(0,4)
<b>Sum</b>	<b>3,0</b>	<b>4,7</b>	<b>5,2</b>
Inventry	1,5	(1,0)	(0,8)
Trade receivables	(0,9)	(0,5)	(0,3)
Trad payables	(4,5)	0,3	0,5
<b>Trade working capital</b>	<b>(3,8)</b>	<b>(1,2)</b>	<b>(0,6)</b>
Other receivables	2,7	(0,2)	(0,2)
Cash in hand	2,2	-	(0,5)
Other payables	0,1	0,8	0,6
<b>Other working capital</b>	<b>4,9</b>	<b>0,6</b>	<b>(0,1)</b>
<b>Operating Cash Flow</b>	<b>4,1</b>	<b>4,1</b>	<b>4,5</b>
CAPEX	(3,4)	(4,1)	(4,3)
<b>Cash Flow from Investing</b>	<b>(3,4)</b>	<b>(4,1)</b>	<b>(4,3)</b>
<b>Free Cash Flow</b>	<b>0,7</b>	<b>0,0</b>	<b>0,2</b>
Shareholder Loan	3,0	-	-
Asset Sale	3,9	-	-
<b>Cash Flow from Financing</b>	<b>6,9</b>	<b>-</b>	<b>-</b>
<b>Total Cash Flow</b>	<b>7,5</b>	<b>0,0</b>	<b>0,2</b>

Source: Company Reports, PwC Analysis

External funds of € 10.2m (interest € 3.3m in charge of other receivables)

- The planned cash-out for taxes in FY20 and FY21 is too low. We expect payments of approx. € 1m. In addition to corporate tax other taxes (especially abroad) are included in this position.



- Expected Cash-in from the asset sale of € 7.2m is planned in the change of other receivables and extraordinary income – the planned transaction is still subject to ongoing negotiations and final cash flows may be different – see page 38
- An additional shareholder loan of € 3m is expected in May19.
- After the repayment of bank debt of € 9.1m the excess liquidity of € 1.1m shall be used for the operational business.



**Monthly Liquidity**

Peak liquidity need is expected for June/July 19 when the products for autumn / winter 2019 are delivered.

As soon as the new products are sold (July onwards) and the receivables are factored the liquidity situation improves significantly.

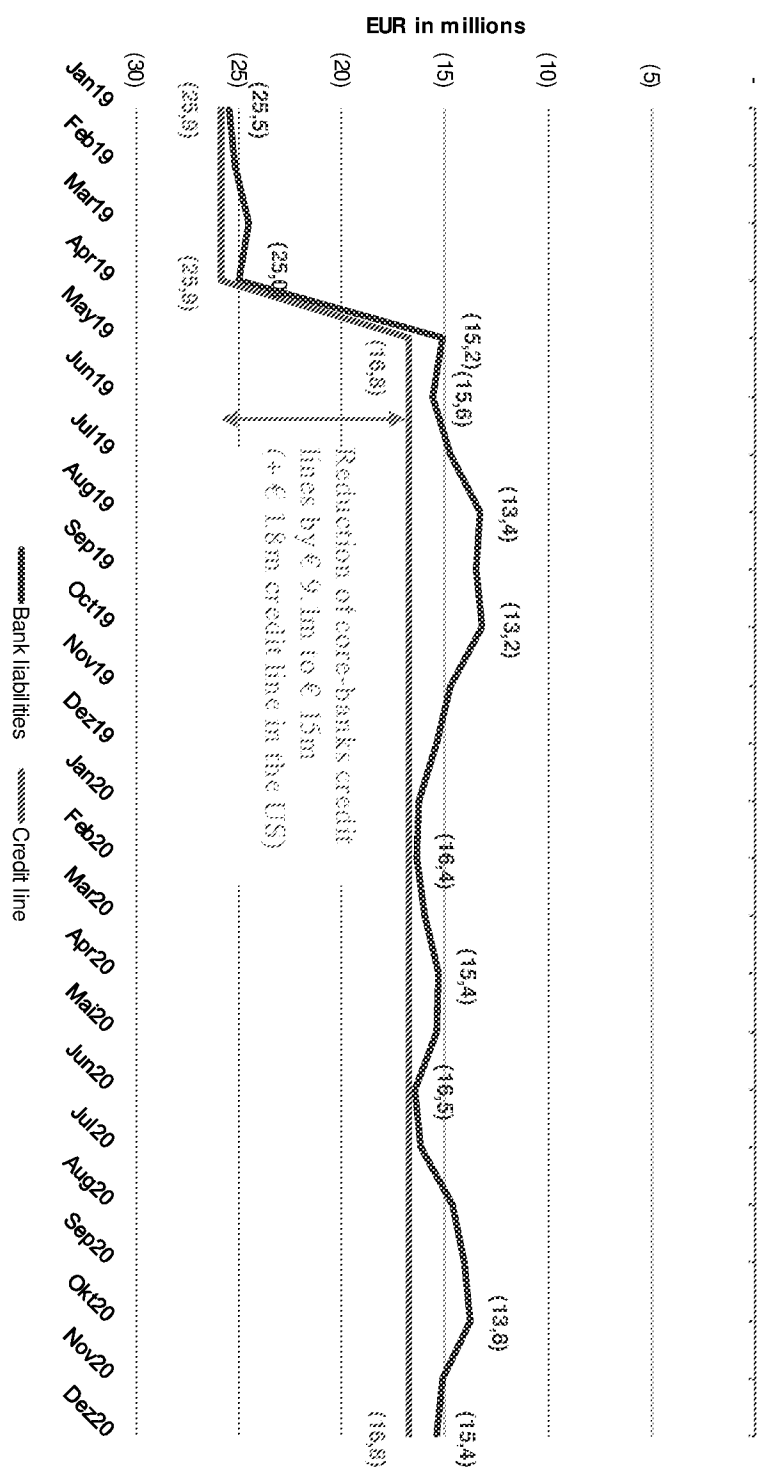
Repayments for the existing banks of € 9.1m are included in May19.

**PwC view**

We expect the peak liquidity need in FY19 over a longer period and that a part of the planned repayment of the € 9.1m has to be postponed until fall 2019.

For details please refer to the PwC sensitivity case.

**Huber Group – Monthly Liquidity Management Case**



Source: Company Reports, PwC Analysis

**Measures**

- Shareholder loan € 3m in May19
- Asset sale – net cash in € 7.2m May19
- Repayment core banks € 9.1m in May19
- Temporary increase of factoring prefinancing to 90% (Jun-Sep19 and Jun-Sep20)
- Reduction of minimum operating cash
- Consequent management of A/R

*Sensitivity Case &  
PwC Comment*

*Initial comment*

As an independent expert, we were asked to analyse the restructuring concept and business plan of Huber Group. In particular, we were engaged to assess the going concern and the ability of the company to repay existing bank loans presented based on the presented restructuring concept.

With regards to our responsibilities and conditions, we refer to our engagement letter and the general conditions of contracts in the Appendix of this report.

The integrated business planning underlying the restructuring concept and that is sensitized by us is based on future-oriented information which are subject to uncertainty. The development of future-oriented information requires, to a large extent, estimates and the employment of empirical values. Even if the premises, on which the calculation of the planning is based, occur to a large extent as assumed, the final results may deviate from the original calculation. Other planned events may not take place or other not planned occurrences may influence the final results.

The success of the restructuring significantly depends on the implementation of the planned restructuring measures especially with regards to financing and operational improvement measures. The possibility of future market failures or the occurrence of the identified risks can not be excluded and may lead to further need of capital or refinancing measures.

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**Huber Group Cashflow**

**PwC Sensitivity**

Until the cash-in from the assets sale and the shareholder loan Huber Group will have overdues comparable to the previous months.

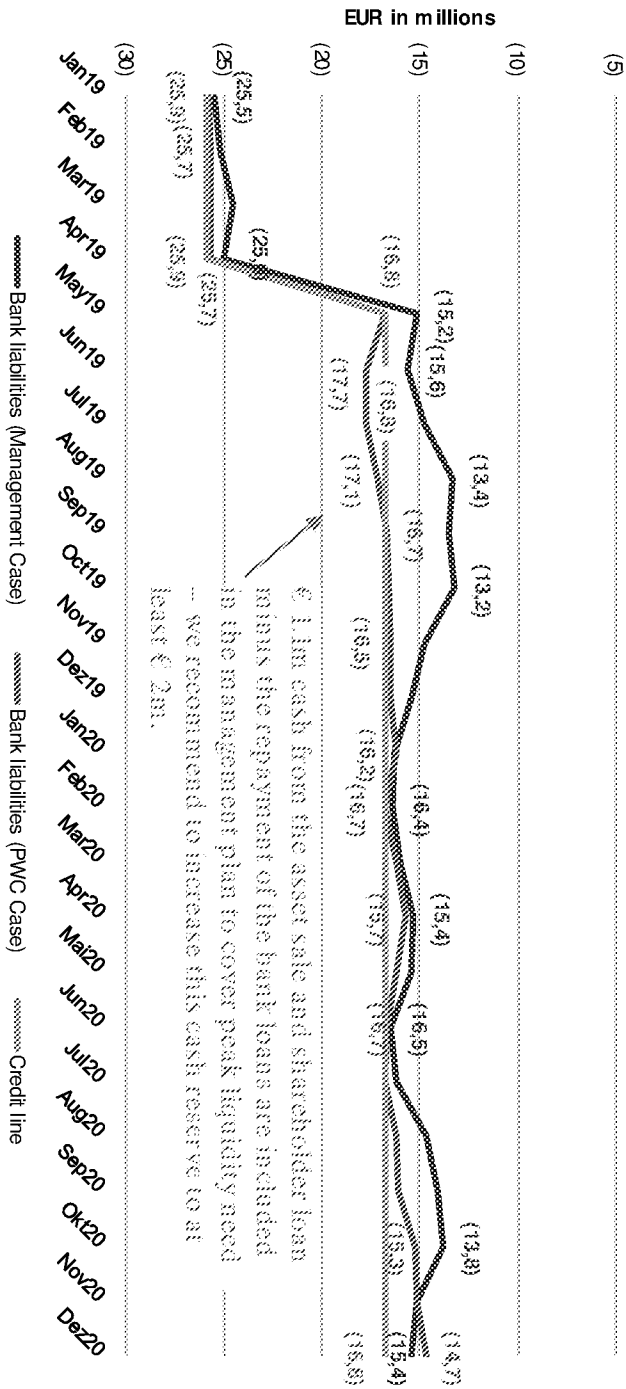
The seasonal peak liquidity need is expected as usual in June-August.

Depending on the results of the working capital reduction, the accuracy of the order forecast and the development of sales we expect the liquidity situation to remain tight over the whole planning period. To cover peak liquidity need temporary increases of due liabilities will be unavoidable.

To cover the peak liquidity need in Jan-Aug19 we recommend to amend the repayment profile of the € 9.1m so that at least € 2m out of the proceeds from the assets sale and the shareholder loan are available to cover seasonal peak financing need.

Project Underwear PwC

**Liquidity of Huber Group – monthly FY19 (Mgt. forecast compare to sensitivity case)**



€ 1.1m cash from the asset sale and shareholder loan minus the repayment of the bank loans are included in the management plan to cover peak liquidity need – we recommend to increase this cash reserve to at least € 2m.

Source: Company Reports, PwC Analysis

**Sensitivity Case**

- For our sensitivity analysis we did not amend the monthly P&L planning of Huber management. The identified planning risk will have no material impact on the peak liquidity need.
- We primarily adjusted the trade working capital positions according to our estimates and prior year developments and adjusted the other receivables to lower level from Jan20 onwards.

Strictly private and confidential

*Going concern prognosis*

We have reviewed whether Huber Holding AG shows a sustainable ability to continue as a going concern and whether it is objectively capable of being restructured.

The planned asset sale is still subject to ongoing negotiations and examinations (e.g. test drilling in Mäder). A net cash-effect out of the sale of these assets and the shareholder loan less the repayment of the core banks of at least € 2.0m is necessary to cover the liquidity need of the operational business at the time of the seasonal peak liquidity need (Jan-Aug19).

Conditions for a positive going concern prognosis:

- Cash in from a shareholder loan of at least € 2m to cover seasonal peak liquidity needs from June to August 2019; thereof € 0.9m can be used to repay bank debt after the peak liquidity need in FY19 is covered.
- Sale of the property in Mäder with available net cash flows of € 7.2m, which can be used to repay bank debt to the core banks;
- Additional shareholder loan of at least € 1m for repayment of bank debt together with the cash flows from the Sale of the property in Mäder.
- The total repayment of the banks shall be € 9.1m, thereof € 7.2m out of the sale of the property in Mäder and € 1.9m out of shareholder loans (€ 1m together with the sale of the property, € 0.9m after the peak liquidity need in FY19)
- Prolongation of the remaining bank debt (of the core banks) until September 30<sup>th</sup> 2020.
- Temporary increase of the factoring prefinancing from 80% to 90% from Jun-Sep19 and Jun-Sep20.

Additional management resources on board level to accelerate implementation of restructuring measures particularly regarding the supply chain of the group with a view to improve conversion of orders to sales and to release cash from inventory in 2020 at the latest.

The business plan and our sensitivity analysis show (based on the conditions above):

- Huber Group will be able to cover its liquidity need within the period of the “Primärprognose” until Sep20.
- From FY20 onwards the EBITDA of HUBER group will be sufficient to cover interest, tax, CAPEX and Working Capital changes so that no additional external funds are necessary for normal business operation.
- In FY20 we also expect partly a lower monthly inventory compared to FY19. Due to the higher focus on inventory management and the reduced orders we do expect lower levels of old stock. Further possible improvement from the inventory reduction program are not included in the business plan.
- If however negative deviations from the business plan occur until the peak liquidity need in FY20 Huber group still can sell the “Vogewosi” property. Two alternative offers are existing which both yield to a positive cash effect of € 1m – see page 40.
- Repayments can only be made if trade exceeds the business plan or progress is made regarding inventory reduction.
- Should management not be able to refinance the business by September 30<sup>th</sup> 2020 it may be required to extend the maturity of the bank liabilities for another year. Please note that a positive going concern assumption requires the assumption that a prolongation for another year with the current financing partners can be achieved if required.

*Based on the business plan of Huber Management, the pwc sensitivity case and if the conditions above are fulfilled it is more likely than not, that Huber Group will be able to meet its payment obligations and has a positive going concern prognosis.*

# *Appendix*

*Financials*  
*Jan19-Dec20*

*Group monthly P&L*

*Group P&L FY19 – “Primärprognose until Sep20”*

For FY 2019  
 (“Primärprognose”) the  
 P&L was planned on a  
 monthly basis.

	Group P&L in millions													
	FY19 Plan	Jan19 BU	Feb19 BU	Mar19 BU	Apr19 BU	May19 BU	Jun19 BU	Jul19 BU	Aug19 BU	Sep19 BU	Oct19 BU	Nov19 BU	Dec19 BU	Jan20 BU
sales 3rd parties	146,0	12,7	11,6	12,1	11,3	11,8	10,8	12,8	13,3	12,4	12,4	12,2	12,6	13,0
sales intercompany	(0,0)	(0,0)	0,0	(0,0)	0,0	0,0	0,0	(0,0)	0,0	(0,0)	(0,0)	(0,0)	(0,0)	-
gross sales	146,0	12,7	11,6	12,1	11,3	11,8	10,8	12,8	13,3	12,4	12,4	12,2	12,6	13,0
cash discounts	(5,1)	(0,3)	(0,3)	(0,4)	(0,4)	(0,5)	(0,3)	(0,4)	(0,5)	(0,5)	(0,4)	(0,5)	(0,6)	(0,3)
net sales	140,9	12,4	11,4	11,7	10,9	11,2	10,4	12,3	12,9	11,9	12,0	11,8	11,9	12,7
changes in inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	0,1
total company output	140,9	12,4	11,4	11,7	10,9	11,2	10,4	12,3	12,9	11,9	12,0	11,8	11,9	12,7
coogs	(52,1)	(4,6)	(3,9)	(4,1)	(4,1)	(4,2)	(3,7)	(4,4)	(5,3)	(4,6)	(4,2)	(4,3)	(4,7)	(4,8)
gross profit I	88,8	7,9	7,4	7,6	6,8	7,0	6,8	7,9	7,6	7,3	7,7	7,5	7,2	7,9
other operating income	1,3	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1
gross profit II	90,1	8,0	7,5	7,7	6,9	7,1	6,9	8,0	7,7	7,4	7,8	7,6	7,3	8,0
personnel costs	(49,6)	(4,4)	(4,2)	(4,2)	(4,2)	(4,2)	(4,2)	(4,1)	(3,5)	(4,1)	(4,1)	(4,2)	(4,2)	(4,4)
other operating expenses	(35,9)	(3,2)	(2,9)	(3,0)	(2,7)	(2,9)	(2,8)	(3,1)	(3,1)	(3,1)	(3,1)	(3,0)	(3,0)	(3,2)
marketing & advertising	(7,5)	(0,8)	(0,6)	(0,6)	(0,5)	(0,6)	(0,7)	(0,6)	(0,5)	(0,7)	(0,7)	(0,7)	(0,6)	(0,8)
EBITDA	4,6	0,5	0,4	0,6	0,0	0,1	(0,1)	0,7	1,1	0,3	0,7	0,3	0,1	0,3
depreciation & amortization	(3,6)	(0,3)	(0,3)	(0,3)	(0,3)	(0,3)	(0,3)	(0,3)	(0,3)	(0,3)	(0,3)	(0,3)	(0,3)	(0,3)
EBIT	1,0	0,2	0,1	0,3	(0,3)	(0,2)	(0,4)	0,4	0,8	(0,0)	0,4	0,0	(0,2)	0,0
financial result	(0,6)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)
EBT	0,4	0,1	0,0	0,2	(0,3)	(0,2)	(0,4)	0,4	0,7	(0,1)	0,3	(0,0)	(0,3)	(0,0)
extraordinary gains / income	3,9	-	-	-	-	-	-	-	-	-	-	-	-	-
extraordinary losses / charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
disposal of F/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
extraordinary result	3,9	-	-	-	-	-	-	-	-	-	-	-	-	-
net profit before tax	4,3	0,1	0,0	0,2	(0,3)	3,6	(0,4)	0,4	0,7	(0,1)	0,3	(0,0)	(0,3)	(0,0)
taxes on income (ex.deferred)	(1,0)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,0)
Net profit	3,3	0,0	(0,0)	0,2	(0,4)	3,5	(0,5)	0,3	0,6	(0,2)	0,2	(0,1)	(0,4)	(0,1)

Source: Company Reports, PwC Analysis



4.1 Financials Jan19-Dec20

*Group monthly P&L*

*Group P&L FY20 – "Primärprognose until Sep 20"*

For FY 2020  
("Primärprognose") the  
P&L was planned on a  
monthly basis.

Group EUR in millions	FY 20												
	Jan20 Plan	Feb20 BU	Mar20 BU	Apr20 BU	May20 BU	Jun20 BU	Jul20 BU	Aug20 BU	Sep20 BU	Oct20 BU	Nov20 BU	Dec20 BU	
sales 3rd parties	151,2	13,0	11,8	12,3	11,5	12,0	11,0	13,4	14,0	13,0	13,0	12,9	13,2
sales intercompany	-	-	-	-	-	-	-	-	-	-	-	-	-
gross sales	151,2	13,0	11,8	12,3	11,5	12,0	11,0	13,4	14,0	13,0	13,0	12,9	13,2
cash discounts	(5,3)	(0,3)	(0,3)	(0,4)	(0,4)	(0,6)	(0,4)	(0,4)	(0,5)	(0,5)	(0,4)	(0,5)	(0,6)
net sales	145,9	12,7	11,6	11,9	11,1	11,4	10,6	13,0	13,5	12,6	12,6	12,4	12,6
changes in inventory	0,7	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1
total company output	146,6	12,7	11,6	12,0	11,2	11,5	10,7	13,0	13,6	12,6	12,7	12,5	12,6
coogs	(55,0)	(4,8)	(4,2)	(4,3)	(4,3)	(4,5)	(3,9)	(4,7)	(5,5)	(4,9)	(4,5)	(4,5)	(5,0)
gross profit I	91,6	7,9	7,5	7,7	6,8	7,1	6,8	8,3	8,0	7,8	8,2	7,9	7,7
other operating income	1,3	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1
gross profit II	92,9	8,0	7,6	7,8	6,9	7,2	6,9	8,4	8,1	7,9	8,3	8,1	7,8
personnel costs	(50,5)	(4,4)	(4,3)	(4,3)	(4,3)	(4,3)	(4,3)	(4,2)	(3,6)	(4,2)	(4,2)	(4,3)	(4,3)
other operating expenses	(36,7)	(3,2)	(3,0)	(3,0)	(2,8)	(2,9)	(2,9)	(3,2)	(3,2)	(3,1)	(3,1)	(3,1)	(3,1)
marketing & advertising	(8,1)	(0,8)	(0,6)	(0,6)	(0,6)	(0,6)	(0,8)	(0,7)	(0,6)	(0,7)	(0,7)	(0,7)	(0,7)
EBITDA	5,7	0,3	0,3	0,5	(0,1)	(0,0)	(0,2)	1,0	1,4	0,5	1,0	0,6	0,3
depreciation & amortization	(3,8)	(0,3)	(0,3)	(0,3)	(0,3)	(0,3)	(0,3)	(0,3)	(0,3)	(0,3)	(0,3)	(0,3)	(0,3)
EBIT	1,9	0,0	(0,0)	0,2	(0,4)	(0,3)	(0,5)	0,7	1,1	0,2	0,6	0,3	0,0
financial result	(0,7)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)
EBT	1,2	(0,0)	(0,1)	0,1	(0,5)	(0,4)	(0,6)	0,7	1,0	0,2	0,6	0,3	(0,0)
extraordinary gains / income	-	-	-	-	-	-	-	-	-	-	-	-	-
extraordinary losses / charge	-	-	-	-	-	-	-	-	-	-	-	-	-
disposal of F/A	-	-	-	-	-	-	-	-	-	-	-	-	-
extraordinary result	-	-	-	-	-	-	-	-	-	-	-	-	-
net profit before tax	1,2	(0,0)	(0,1)	0,1	(0,5)	(0,4)	(0,6)	0,7	1,0	0,2	0,6	0,3	(0,0)
taxes on income (ex deferred)	(0,3)	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)
Net profit	0,9	(0,1)	(0,1)	0,1	(0,5)	(0,4)	(0,6)	0,6	1,0	0,1	0,6	0,2	(0,1)

Source: Company Reports, PwC Analysis

*Group monthly BS*

For FY 2019

("Primärprognose") the balance sheet was planned on a monthly basis.

Balance Sheet FY19 - "Primärprognose until Sep20"

Group EUR in Mio.	Jan19												
	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	
Intangible Assets	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.6	0.6
Tangible Assets	9.1	9.2	9.2	9.2	9.2	9.3	9.3	9.3	9.3	9.3	9.4	9.4	9.4
Financials Assets	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
<b>Fixed Assets</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>
Inventories	44.6	44.8	43.8	42.4	42.4	43.0	41.9	41.0	40.0	39.4	40.8	41.7	41.7
Trade receivables	6.8	6.8	6.8	6.8	6.8	6.8	7.3	7.3	7.3	7.3	7.3	7.3	6.8
Intercompany receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	9.5	9.5	9.5	9.5	6.2	6.2	5.7	5.7	6.7	7.2	7.2	7.2	7.3
Receivables and other assets	16.3	16.3	16.3	16.3	13.0	13.0	13.0	13.0	14.0	14.5	14.5	14.1	14.1
Cash & Cash equivalents	2.0	1.5	1.5	2.0	2.0	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Current Assets</b>	<b>62.9</b>	<b>62.6</b>	<b>61.6</b>	<b>60.7</b>	<b>57.4</b>	<b>57.5</b>	<b>56.9</b>	<b>56.0</b>	<b>56.0</b>	<b>55.9</b>	<b>57.3</b>	<b>57.8</b>	<b>57.8</b>
Prepaid exp. & deferr. charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax assets	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
<b>Assets</b>	<b>75.7</b>	<b>75.4</b>	<b>74.3</b>	<b>73.4</b>	<b>70.1</b>	<b>70.2</b>	<b>69.6</b>	<b>68.7</b>	<b>68.7</b>	<b>68.6</b>	<b>70.0</b>	<b>70.5</b>	<b>70.5</b>
<b>Stockholders' equity</b>	<b>21.5</b>	<b>21.5</b>	<b>21.6</b>	<b>21.2</b>	<b>24.9</b>	<b>24.3</b>	<b>24.6</b>	<b>25.3</b>	<b>25.1</b>	<b>25.3</b>	<b>25.2</b>	<b>24.9</b>	<b>24.9</b>
<b>Special investment grants</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Provisions</b>	<b>9.7</b>	<b>9.7</b>	<b>9.7</b>	<b>9.7</b>	<b>9.7</b>	<b>9.7</b>	<b>9.7</b>	<b>9.6</b>	<b>9.6</b>	<b>9.6</b>	<b>9.6</b>	<b>9.6</b>	<b>9.5</b>
Liabilities to banks	25.5	25.2	24.5	25.0	15.2	15.6	14.8	13.4	13.5	13.2	14.7	15.4	15.4
Trade payables	9.5	9.5	9.0	8.0	8.0	8.2	8.1	8.0	8.0	8.0	8.0	8.2	8.2
Liabilities to other fin. partners	2.0	2.0	2.0	2.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Other liabilities	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
<b>Liabilities</b>	<b>44.4</b>	<b>44.2</b>	<b>43.0</b>	<b>42.5</b>	<b>35.6</b>	<b>36.2</b>	<b>35.3</b>	<b>33.8</b>	<b>34.0</b>	<b>33.7</b>	<b>35.2</b>	<b>36.1</b>	<b>36.1</b>
Deferred credits to income	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Equity and liabilities</b>	<b>75.7</b>	<b>75.4</b>	<b>74.3</b>	<b>73.4</b>	<b>70.1</b>	<b>70.2</b>	<b>69.6</b>	<b>68.7</b>	<b>68.7</b>	<b>68.6</b>	<b>70.0</b>	<b>70.5</b>	<b>70.5</b>
Equity ratio	28.5%	28.5%	29.1%	28.9%	35.4%	34.7%	35.4%	36.8%	36.5%	36.9%	36.1%	35.3%	35.3%
Trade Working Capital	51.4	51.6	51.1	50.7	47.4	47.8	46.8	46.0	46.0	45.9	47.3	47.6	47.6
Bank liabilities	25.5	25.2	24.5	25.0	15.2	15.6	14.8	13.4	13.5	13.2	14.7	15.4	15.4
Net Debt	23.5	23.7	23.0	23.0	13.2	14.1	12.8	11.4	11.5	11.2	12.7	13.4	13.4

Source: Company Reports, PWC Analysis

*Group monthly BS*

For FY 2020

("Primärprognose") the balance sheet was planned on a monthly basis.

Balance Sheet FY20 - "Primärprognose until Sep20"

Group EUR in Mio.	Jan20		Feb20		Mar20		Apr20		May20		Jun20		Jul20		Aug20		Sep20		Oct20		Nov20		Dec20	
	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC
Intangible Assets	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Tangible Assets	9.4	9.4	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6
Financials Assets	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Fixed Assets</b>	<b>10.1</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.3</b>	<b>10.3</b>	<b>10.3</b>	<b>10.3</b>	<b>10.3</b>	<b>10.3</b>	<b>10.3</b>	<b>10.3</b>	<b>10.3</b>	<b>10.4</b>	<b>10.4</b>	<b>10.4</b>	<b>10.4</b>	<b>10.4</b>	<b>10.4</b>
Inventories	43.0	43.0	42.0	41.0	41.0	41.0	41.0	41.0	41.0	42.0	41.0	40.3	40.1	40.4	41.9	42.7								
Trade receivables	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3
Intercompany receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Receivables and other assets	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.3	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8
Cash & Cash equivalents	1.5	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Current Assets</b>	<b>58.6</b>	<b>58.6</b>	<b>58.1</b>	<b>57.1</b>	<b>57.1</b>	<b>57.1</b>	<b>57.1</b>	<b>57.1</b>	<b>57.1</b>	<b>57.8</b>	<b>57.8</b>	<b>57.8</b>	<b>57.1</b>	<b>56.9</b>	<b>57.2</b>	<b>58.7</b>	<b>59.5</b>							
Prepaid exp. & defer. charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax assets	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
<b>Assets</b>	<b>71.3</b>	<b>71.3</b>	<b>70.8</b>	<b>69.8</b>	<b>69.9</b>	<b>69.9</b>	<b>70.6</b>	<b>70.6</b>	<b>69.9</b>	<b>70.6</b>	<b>70.6</b>	<b>69.9</b>	<b>69.8</b>	<b>70.1</b>	<b>71.6</b>	<b>72.4</b>								
<b>Stockholders' equity</b>	<b>24.8</b>	<b>24.7</b>	<b>24.8</b>	<b>24.3</b>	<b>23.9</b>	<b>23.3</b>	<b>23.9</b>	<b>24.9</b>	<b>25.0</b>	<b>25.6</b>	<b>25.8</b>	<b>25.8</b>	<b>25.8</b>	<b>25.8</b>	<b>25.8</b>	<b>25.8</b>								
<b>Special investment grants</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>	<b>9.7</b>	<b>9.7</b>	<b>9.7</b>	<b>9.7</b>	<b>9.7</b>	<b>9.7</b>	<b>9.7</b>	<b>9.7</b>	<b>9.8</b>	<b>9.8</b>	<b>9.8</b>	<b>9.8</b>	<b>9.8</b>	<b>9.8</b>	<b>9.8</b>	<b>9.8</b>	<b>9.8</b>	<b>9.8</b>	<b>9.8</b>	<b>9.8</b>
Liabilities to banks	16.3	16.4	16.0	15.4	15.4	16.5	16.2	14.6	14.0	13.8	15.1	15.4												
Trade payables	8.2	8.2	8.0	8.0	8.2	8.5	8.2	8.0	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.5							
Liabilities to other fin. partners	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0							
Other liabilities	7.5	7.5	7.5	7.7	7.7	7.7	7.7	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	8.0							
<b>Liabilities</b>	<b>36.9</b>	<b>37.1</b>	<b>36.5</b>	<b>36.0</b>	<b>36.3</b>	<b>37.6</b>	<b>37.0</b>	<b>35.4</b>	<b>34.9</b>	<b>34.7</b>	<b>36.0</b>	<b>36.9</b>	<b>36.9</b>	<b>37.0</b>	<b>36.0</b>	<b>36.9</b>								
Deferred credits to income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Equity and liabilities</b>	<b>71.3</b>	<b>71.3</b>	<b>70.8</b>	<b>69.8</b>	<b>69.9</b>	<b>70.6</b>	<b>70.6</b>	<b>69.9</b>	<b>69.8</b>	<b>70.1</b>	<b>71.6</b>	<b>72.4</b>												
Equity ratio	34.8%	34.7%	35.0%	34.8%	34.2%	33.0%	33.9%	35.6%	35.9%	36.5%	36.1%	35.6%												
Trade Working Capital	48.9	48.9	48.1	47.1	46.9	47.8	47.6	47.1	46.8	47.1	48.6	49.0												
Bank liabilities	16.3	16.4	16.0	15.4	15.4	16.5	16.2	14.6	14.0	13.8	15.1	15.4												
Net Debt	14.8	14.9	14.0	13.4	13.4	15.0	14.2	12.6	12.0	11.8	13.1	13.4												

Source: Company Reports, PWC Analysis

*Liquidity  
Forecast 13-weeks*

## 4.2 Liquidity Forecast 13-weeks

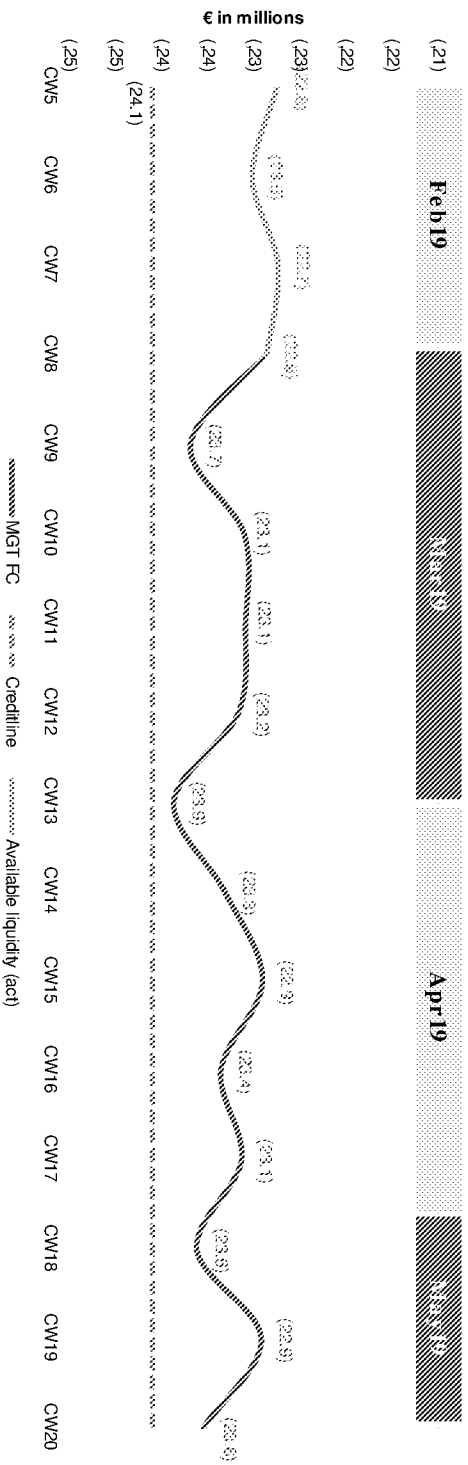
### Direct Liquidity Forecast

Based on the current weekly cash forecast for the Austrian & German sub-group of Huber, Management expects ongoing pressure on liquidity, in line with the cash flow profile usual for the low season (first half-year).

Intra-month swings and peak liquidity requirements (month-end) are safeguarded by a set of cash initiatives established and monitored by Management.

The management forecast does not reflect the effects of the planned financial restructuring – namely the sale of factory premises (land and buildings located in Mäder), sale of non-operating assets (land plot Mäder) as well as the subordinated shareholder loan.

Huber - Direct Liquidity Forecast as of 22Feb19 | CW5 2019 - CW20 2019



Source: Management Information, PwC Analysis

- The direct liquidity forecast as of 22Feb19 is based on Management expectations regarding the operating business and does not include any effects of the planned financial restructuring (real estate transaction and further repayment of debt / reduction of credit lines, respectively).
- Short-term development of liquidity will be driven by the following impacts:
  - decreasing cash-in from revenues in line with seasonal pattern (after completion of Spring/Summer 2019 deliveries in Mar19);
  - ongoing supplier payment requirements (remaining settlement of payables due from the Spring/Summer 2019 collection as well as increasing requirements for prepayments);
  - reduction of planned purchasing volume (finished goods - basics, raw materials)
- Management has established a number of cash initiatives in order to ensure sufficient headroom throughout the coming months
- Based on the current outlook prepared by Management, month-end liquidity peaks and intra-month swings over the next three months offer sufficient headroom.

# *Working Capital*

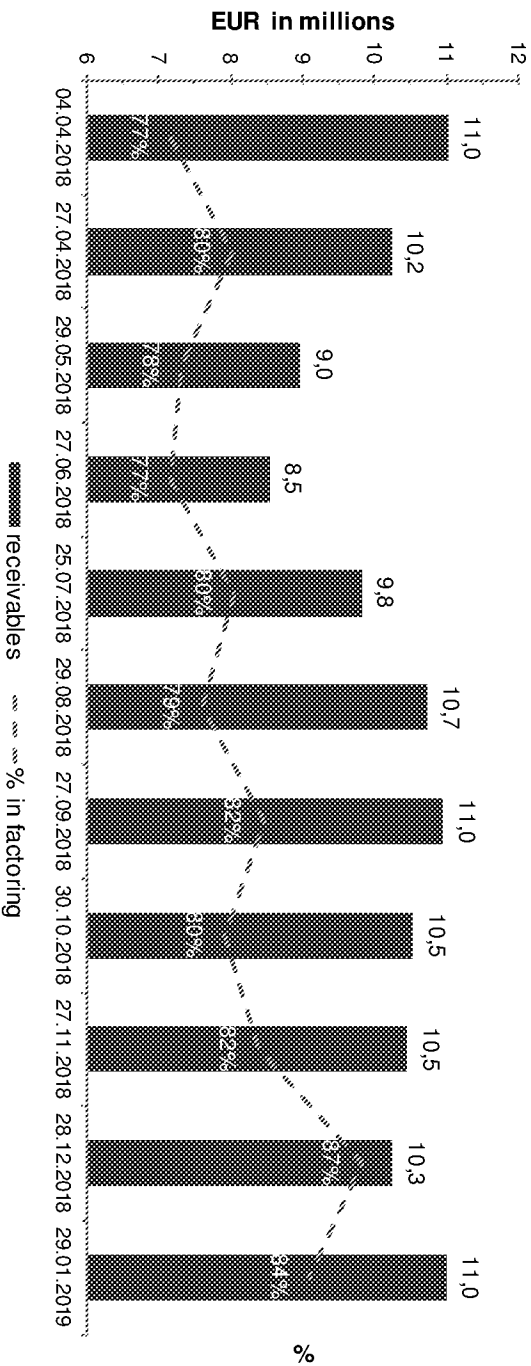
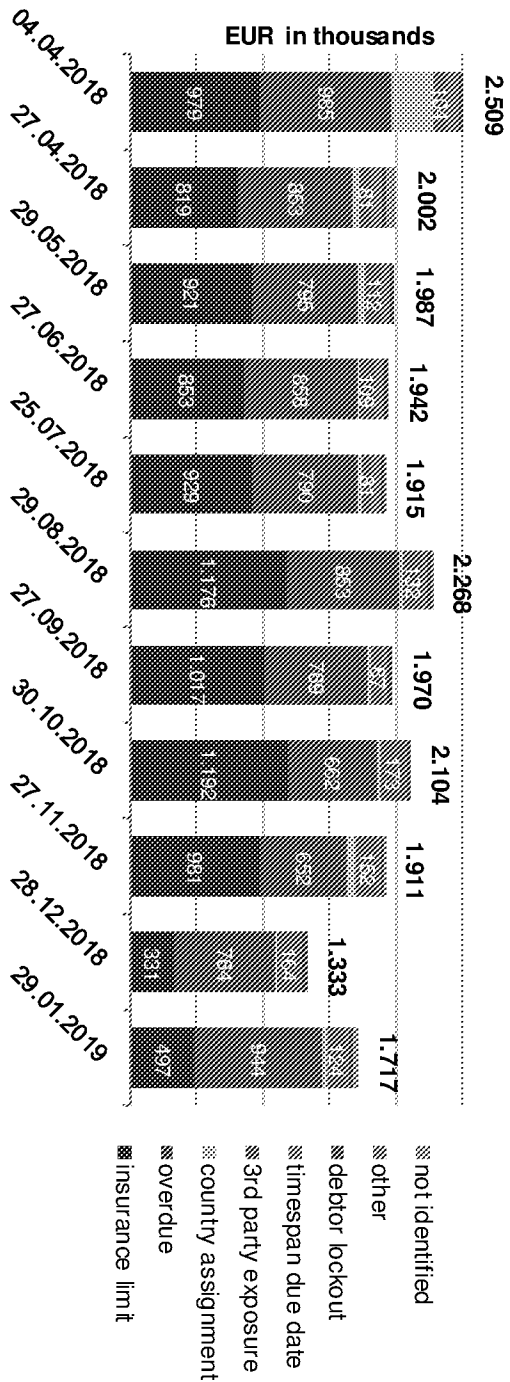
4.3 Working Capital

**Factoring**

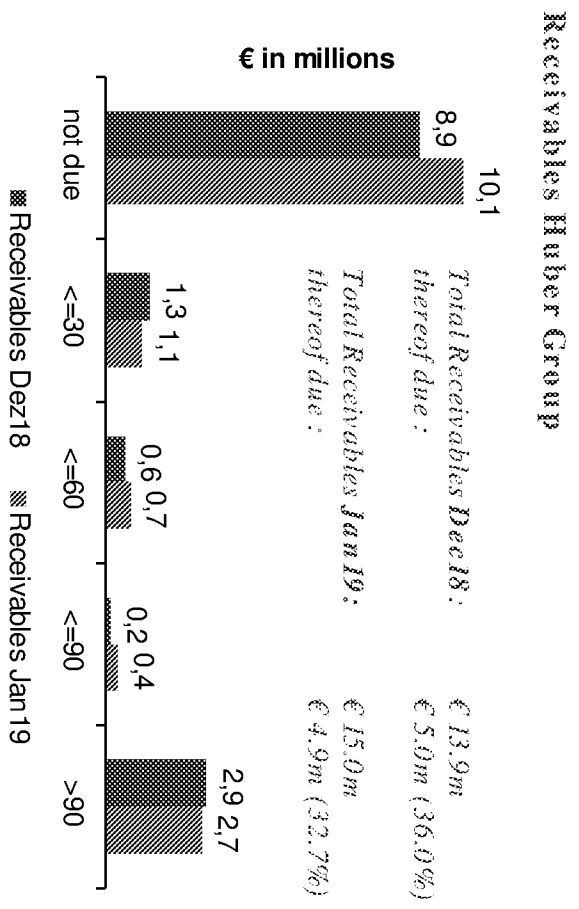
Due to the implemented factoring in 2018 a significant cash potential could be realized.

Due to the seasonal financing peak in the summer of 2019, the factoring ratio will be raised to 90%.

**Receivables Factoring Huber Group**



A/R  
 No significant overdues in receivables besides older bad debts.  
 Hong Kong and Macau not included in analysis.



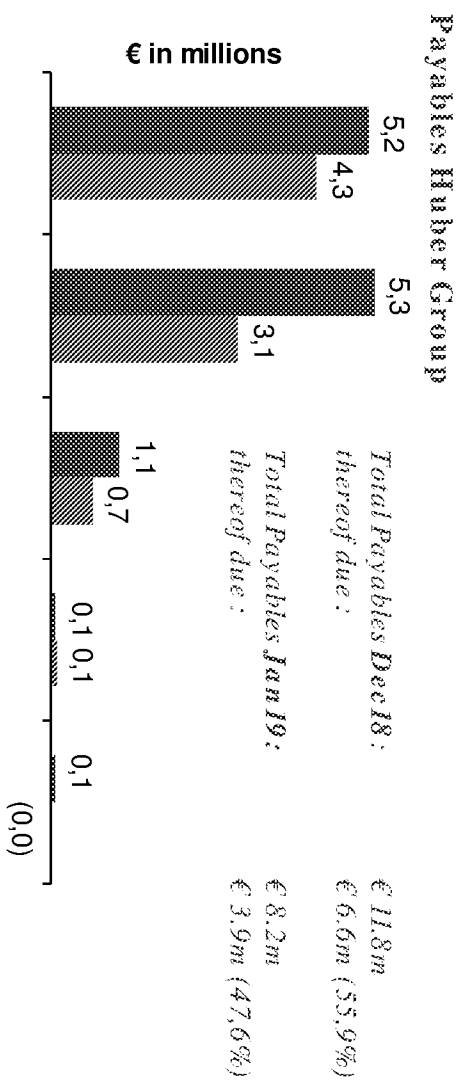
Entity	not due	<=30	<=60	<=90	>90	Total	Allowance for bad debt
Skinny AT	1,524	691	243	143	36	2,637	532
Skinny DE	1,826	114	272	10	10	2,231	48
Hantro AT	1,375	(16)	470	58	38	1,924	38
Hantro DE	1,138	53	115	68	15	1,389	54
Hantro USA		1,061				1,061	n.a.
Huber AT	752	60	69	97	51	1,030	44
Hantro IT	546	234	6	136	64	986	n.a.
HOM-FR	598	129	35	27	21	810	n.a.
ARULA	526	4	89	41	2	661	20
HOM-AT	430	66	72	17	(6)	580	22
Hantro CH	645	220	(487)	81	105	563	n.a.
HOM-DE	470	(3)	17	38	23	546	4
Huber Thailand	253	0	94	1	(1)	348	n.a.
HSG	19	20	88	2	(1)	127	n.a.
HTG	(2)	95	(8)	0	0	85	62
<b>Total receivables</b>	<b>10,099</b>	<b>2,728</b>	<b>1,076</b>	<b>718</b>	<b>358</b>	<b>14,979</b>	<b>825</b>

Source: Company Reports, PwC Analysis



4.3 Working Capital

A/P  
Overdues in Dec18 high due to year-end (no payments). Significant catch-up effect in Jan19. Hong Kong, Macau and Italy are not included in analysis.



€ in thousands	not due	<30	<60	<90	>90	Total
HTG	3.032	1.738	557	78	(20)	5.386
HSG	519	357	(231)	72	12	730
ARULA	421	194	6	(0)	(1)	620
Hanro AT	133	275	97	(15)	7	497
SkinYAT	75	150	18	(4)	(4)	235
HAG	21	91	154	(36)	(23)	207
Hanro CH	37	66	23	2	3	131
HOM-FR	52	21	11	1	5	90
HOM-AT	28	37	21	0	0	87
Huber AT	11	47	4	(1)	(1)	61
SkinY DE	9	33	14	(1)	(1)	56
Hanro DE	6	51	(1)	(1)	(2)	53
HOM-DE	1					7
Huber Thailand						2
HSG-DE	3	(6)			1	(2)
<b>Total payables</b>	<b>4.346</b>	<b>3.054</b>	<b>674</b>	<b>97</b>	<b>(14)</b>	<b>8.158</b>

Source: Company Reports, PwC Analysis

# *Real Estate Transactions*

4.4 Real Estate Transactions

*Transaction Details*  
Project DUODEC:

Details of DUODEC and VOGEWOSI Transactions

Repurchase of real estate in Mäder (production facility) and sale to I+R Gruppe

Tax effects calculated by Huber group tax advisor ... no detailed validation by PwC.

Shown Cashflows are preliminary and are subject of ongoing negotiations.

DUODEC	Effects	
	Result	Cash
in EUR million		
Selling price	12,00	12,00
Net-payment repurchase	(4,20)	(4,20)
Receivables against DUODEC	(3,30)	-
Corporate income tax	(0,20)	(0,20)
Real Estate transfer tax	(0,30)	(0,30)
Land register charge	(0,10)	(0,10)
Other costs	(0,10)	(0,10)
<b>Effect</b>	<b>3,90</b>	<b>7,20</b>

Cornerstones  
1) Repurchase Real Estate from UniCredit Leasing

- 2) Sale to i+R Group
- 3) Rent back from i+R Group

**Project VOGEWOSI:**

Termination of building rights agreement / acquisition of ownership real estate Mäder (flats) and sale to I+R Gruppe

**VOGEWOSI:**

Currently there are two different options in evaluation :

1. Purchase of building from VOGEWOSI and sale of land and building to I+R Gruppe *or*
2. Sale of land plot to VOGEWOSI

A minimum net cash-effect of € 1m and P&L effect of € 0.65m (cash-in minus book value of land plot) is expected.

*Status: Rejected by supervisory board due to unsolved issues with VOGEWOSI ... transaction not include in Business Plan*

# *Jan19 – Act/Plan*

**3<sup>rd</sup> party gross sales  
Huber Group**

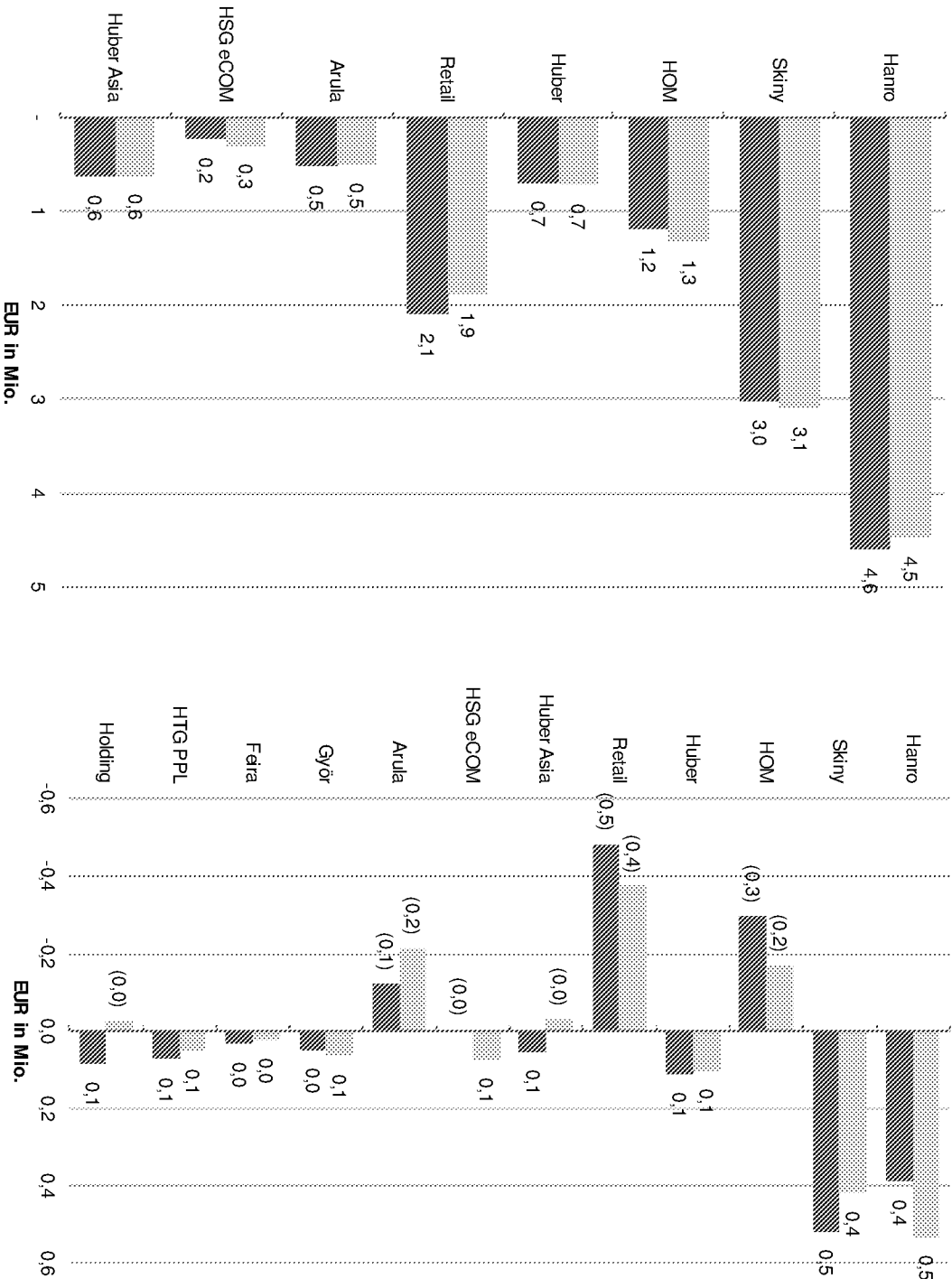
**3<sup>rd</sup> party gross sales Jan 19 – Act vs Plan**

**EBITDA Jan 19 – Act vs Plan**

Revenues and EBITDA in Jan19 of all business units more or less at the planned level.

Sales at HANRO, RETAIL and HUBER ASIA are slightly higher as expected.

EBITDA of HANRO is below plan level – in January seasonal higher marketing expenses are included which are distributed equally over the months in the business plan.



Source: Company Reports, PwC Analysis

⊠ BUD ⊠ ACT

⊠ BUD ⊠ ACT

*Income statement  
Huber Group  
Jan 19*

Net sales with € 12.6m in Jan 19 are 5% above previous year level.

The gross margin with 65.5% is on the same level as in Jan 18 but 2.3% above the business plan.

Due to higher marketing costs as in Jan 18 and the business plan EBITDA of € 0.4m is slightly below the plan level.

**P&L Jan 19 – Act vs Plan (Going Concern Prognosis Jan 19)**

Group	1 18	1 19	1 19	1 19	1 19
EUR in millions	AC	AC	BU	Delta	
sales 3rd parties	12,6	13,0	12,7	0,3	
sales intercompany	-	-	(0,0)	0,0	
gross sales	12,6	13,0	12,7	0,3	
cash discounts	(0,6)	(0,3)	(0,3)	(0,1)	
net sales	12,0	12,6	12,4	0,2	
changes in inventory	0,0	(0,2)	-	(0,2)	
total company output	12,0	12,4	12,4	0,0	
cogs	(4,2)	(4,3)	(4,6)	0,3	
gross profit I	7,9	8,1	7,9	0,3	
other operating income	0,1	0,0	0,1	(0,1)	
gross profit II	8,0	8,2	8,0	0,2	
personnel costs	(4,4)	(4,4)	(4,4)	(0,1)	
other operating expenses	(3,3)	(3,4)	(3,2)	(0,2)	
marketing & advertising	(0,8)	(1,0)	(0,8)	(0,2)	
EBITDA	0,3	0,4	0,5	(0,0)	
depreciation & amortization	(0,3)	(0,2)	(0,3)	0,1	
EBIT	(0,0)	0,2	0,2	0,0	
Gross margin I	65,4%	65,5%	63,3%	2,2%	
EBITDA margin	2,3%	3,2%	3,6%	-0,4%	

Source: Company Reports, PwC Analysis; Preliminary figures Jan 19

*Balance Sheet  
Huber Group  
Jan 19*

As at Jan19 the balance sheet items are broadly as planned.

Due to lower receivables and inventory net debt is € 2.7m lower as planned.

*Balance Sheet Jan 19 – Act vs Plan (Going Concern Prognosis Jan19)*

Group	Jan19 EIR in Mio.	Jan19 AC	Jan19 FC	Jan19 Delta
Intangible Assets	0.9	0.9	0.9	(0,0)
Tangible Assets	9.6	9.7	9.7	(0,1)
Financials Assets	0.2	0.2	0.2	0,0
<b>Fixed Assets</b>	<b>10,7</b>	<b>10,8</b>	<b>10,8</b>	<b>(0,1)</b>
Inventories	43,6	44,6	44,6	(1,0)
Trade receivables	6,6	7,0	7,0	(0,4)
Intercompany receivables	-	-	-	-
Other receivables	8,7	9,5	9,5	(0,8)
Receivables and other asset	15,3	16,5	16,5	(1,2)
Cash & Cash equivalents	4,5	2,0	2,0	2,5
<b>Current Assets</b>	<b>63,4</b>	<b>63,1</b>	<b>63,1</b>	<b>0,3</b>
Prepaid exp. & defer. charges	-	-	-	-
Deferred tax assets	2,5	2,5	2,5	(0,0)
<b>Assets</b>	<b>76,5</b>	<b>76,4</b>	<b>76,4</b>	<b>0,1</b>
<b>Stockholders' equity</b>	<b>21,4</b>	<b>21,4</b>	<b>21,4</b>	<b>(0,0)</b>
<b>Special investment grants</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>	<b>9,7</b>	<b>9,7</b>	<b>9,7</b>	<b>0,0</b>
Liabilities to banks	25,6	25,9	25,9	(0,2)
Trade payables	9,3	9,5	9,5	(0,2)
Liabilities to other fin. partner	2,0	2,0	2,0	-
Other liabilities	8,5	8,0	8,0	0,5
<b>Liabilities</b>	<b>45,4</b>	<b>45,3</b>	<b>45,3</b>	<b>0,1</b>
Deferred tax liabilities	-	-	-	-
<b>Equity and liabilities</b>	<b>76,5</b>	<b>76,4</b>	<b>76,4</b>	<b>0,1</b>
Equity ratio	27,9%	28,0%	28,0%	(0,0)
Trade Working Capital	40,9	42,1	42,1	(1,2)
Net Debt (incl. US)	21,1	23,9	23,9	(2,7)

Source: Company Reports; PwC Analysis; Preliminary figures Jan19

# *Abbreviations*



4.6 Abbreviations

*List of abbreviations  
(11/2)*

<b>Abbr.</b>	<b>Definition</b>
<b>A/R</b>	Accounts receivable
<b>AC</b>	Actual
<b>BS</b>	Balance sheet
<b>BU</b>	Business unit
<b>CAPEX</b>	Capital expenditure
<b>CF</b>	Cash flow
<b>CH</b>	Switzerland
<b>CMT</b>	Cut, Make, Trim
<b>COGS</b>	Cost of goods sold
<b>CW</b>	Calendar week
<b>DE</b>	Germany
<b>EBIT</b>	Earnings before interest and tax
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortization
<b>EBT</b>	Earnings before tax

4.6 Abbreviations

*List of abbreviations  
(2/2)*

Abbr.	Definition
EO	extraordinary
EUR	Euro
F	France
FC	Forecast
FTE	Full time employee
FY	Fiscal year
GCP	Going concern prognosis
GM	General Manager
MGT	Management
P&L	Profit & loss statement
SH	Shareholder
US	United States of America
USD	US dollars
WC	Working capital

# *Contract, Terms of Business*



**Inhaltsverzeichnis**

1. Unser Projektborgehen	4
2. Unser Team für Sie	9
3. Das Honorar	30
4. Bestätigung der Auftragsannahme	33

*Anlage:*  
PwC Advisory-Gedächtnisprotokolle vom 6. April 2017

**1. Unser Projektborgehen**

*Angelegenheiten:*

Die Huber Holding AG („Huber Holding“), mit Hauptsitz in Vörsberg (Steier), produzierte und vertreibt hochwertige Damen- und Herrenunterwäsche der Marken Skop, Huber Badewear, Kraus und HOM und vertreibt diese im Jahr 2017 über ein Konzernnetzwerk von 6.332 g.m.

Das negative Konzernergebnis im Jahr 2017 von €-9,9m wurde hauptsächlich durch die Abgabekosten und Integriertkosten der französischen Marke H&M im Jahr 2015 getrieben. Obwohl im Jahr 2016 aus operativer Sicht mit einem vorläufigen EBITDA von €-9,4m ein Turnaround geschäftlich gesehen konnte, sieht sich die Huber Holding AG durch die Kreditlinienrückführung von €1,9m zum Jahresende 2016 mit einem kurzfristigen Liquidationsengpass konfrontiert.

Planungserfordernisse der Huber Holding AG zeigen einen möglichen Liquidationsbedarf von bis zu €1,0m vor allem vor dem nächsten Geschäftsjahr und dem daraus resultierenden erhöhten Liquidationsbedarf in den Sommermonaten (April-August) zu decken. Dieser Bedarf soll überprüft und, sofern bestätigt, einseitig durch eine kurzfristige Überbrückungsfinanzierung der Finanzierenden Banken nachweislich durch interne Maßnahmen gedeckt werden. Zur Finanzüberbrückung der Planungserfordernisse berät der Vorstand der Huber Holding AG einen externen Berater anzufragen.

Das Ende des Jahres 2017 soll zudem die mehrjährige Finanzierung der Huber Holding AG neu strukturiert werden. Auf Wunsch der Finanzierenden Banken soll die Vergütung der Finanzierungsstruktur ohne Indententur, sondern über einen externen Berater über die Huber Holding AG erstellt werden.

*Anfrage:*  
Aus diesem Anlass beauftragt die Huber Holding AG die PwC Advisory Services („PwC“) mit der planwirtschaftlichen Planung der Huber Holding AG.

PwC

4



Contract (4/5)

Wir bestätigen unsere Absicht, sofort nach Eingang der Angebote und Erläuterung ihrer Punkte, Zahlungen mit Ihnen ein Recht abzugeben. Hinsichtlich der Punkte, die nicht in der Ausschreibung enthalten sind, werden wir uns vorbehaltlich der Entscheidung der Ausschreibungsausschüsse für die Punkte, die in der Ausschreibung enthalten sind, nicht an der Entscheidung der Ausschreibungsausschüsse beteiligen. Wir geben Ihnen zu verstehen, dass die Entscheidung der Ausschreibungsausschüsse für die Punkte, die in der Ausschreibung enthalten sind, die Entscheidung der Ausschreibungsausschüsse ist und dass die Entscheidung der Ausschreibungsausschüsse für die Punkte, die in der Ausschreibung enthalten sind, die Entscheidung der Ausschreibungsausschüsse ist.

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PwC 7

2. Unser Team für Sie

Die Betreuung besteht aus der Bereitstellung, beruflichen Qualifikation und effizienter Zusammenarbeit mit Ihnen. Wir haben die Sie ein Team zusammengestellt, das die notwendigen Expertise besitzt und alle für Sie wichtigen Voraussetzungen mitbringt.

Unsere Experten:

- Dr. Kristina Gassen  
Partner  
Elder Advisory Service  
Wien  
T: +43 (0) 101 188 - 1100  
M: +43 (0) 100 1694  
www.pwc.com  
Slovak Republic, BRNO  
Director  
Ladislav Baborovsky  
Wien  
T: +43 (0) 100 1694  
M: +43 (0) 100 1694  
www.pwc.com

Das Bюro wird auf weitere Mitarbeiter mit spezifischen Know-how aus dem lokalen oder internationalen PwC-Netzwerk zurückgegriffen.

PwC 8

3. Das Honorar

Fürs Honorar erfolgt die Komplettzahlung des Auftrages bei der vollen Fertigstellung unterverpflichten Zahlungen und der Erhaltung der eingeworbenen Patentrechte.

Auf Basis unserer Erfahrung bei vergleichbaren Projekten rechnen wir mit einem Honorar von etwa 250.000,- € (zwei Hundertfünfzigtausend Euro) für Phase I und etwa 200.000,- € (zwei Hunderttausend Euro) für Phase II.

Bei einem durchschnittlichen von Ausweisung beider Phasen von 25.000,- € pro Tag und einer Dauer von 200 Tagen (Phase I) und 150 Tagen (Phase II), wie an die Vorbereitung und Durchführung von Workshops, die Arbeit zur Beschaffung der notwendigen Ressourcen sowie die Kommunikation mit den Mitarbeitergesprächen werden auf 200.000,- € pro Monat abgezogen.

Zusätzlich zu dem oben genannten Honorar vorzuzahlen wir für Ausgaben (Reisekosten, Telefonie, Druckkosten) nach Kofehl.

Die Schlussrechnung bereitende wir Ihnen bei Vorlage unserer Rechnungen als Kostenpunkt. Alle Änderungen sind bei Vorlage möglich.

Bei unserem Angebot gehen wir davon aus, dass wir von Ihnen vollständig unterstützt werden, das heißt insbesondere, dass die notwendigen Kapazitäten, sinnvolle Zeitfragen und Diskussionen entsprechend zeitig sind. Darüber sind wir bei der Abwicklung. Hinweise darauf, dass projektrelevante Daten bzw. Ausgaben nicht verfügbar sind, werden wir mit Ihnen ein weiteres Mal vorab klären. Sollten Abstände entstehen, werden wir mit Ihnen die weiteren Tätigkeiten entsprechend zeitig nach Absprache mit Ihnen über die Verantwortlichen oder andere Verantwortliche für einen Tag vor dem Beginn der Produktion stellen.

Dieses Angebot wird zusammen mit dem PwC Advisory Geschäftsvertrag mit dem Beginn einer von Ihnen eingesetzten Person für die Projektleitung (Projektmanagement) zwischen PwC und dem Auftraggeber wirksam.

PwC

9

4. Beendigung der Auftragsaufnahme

Wir bitten Sie, den Beginn eines Scheiterns und der Einstellung mit den vorgenannten Angebotsbedingungen durch die Nichterfüllung einer essenziell unternehmerischen Zweckmäßigkeit zu belegen.

Die bisherige Arbeit PwC Advisory Personne GmbH mit der Planung der Phase I (Projektmanagement) wird beendet, wenn eine dieser Aufgaben über die Verantwortung der Person nicht auf eine gute Zusammenarbeit.

Mit freundlichen Grüßen:

Christine Casson PwC Advisory Services GmbH Wien Michael Kwaschka

PwC Advisory-Gesellschaft mbH, geboren in der Person von 6. April 2011

Wir bestätigen hiermit unsere Zusammenarbeit mit dem Auftraggeber von 3. März 2017 für die Beendigung der Phase I (Projektmanagement) sowie die Auftragsbedingungen.

Datum und Unterschriftliche Bestätigung  
AC/PT/RA/PT/RE/RE/RE  
Michael Kwaschka AG

PwC

10





Terms of Business (2/3)



<p>43</p>	<p>Die Besondere ist durch einen oder mehrere dieser Punkte gekennzeichnet, die im Anhang 1 der Besondere aufgeführt sind. Die Besondere ist durch einen oder mehrere dieser Punkte gekennzeichnet, die im Anhang 1 der Besondere aufgeführt sind. Die Besondere ist durch einen oder mehrere dieser Punkte gekennzeichnet, die im Anhang 1 der Besondere aufgeführt sind.</p>
<p>44</p>	<p>Die Besondere ist durch einen oder mehrere dieser Punkte gekennzeichnet, die im Anhang 1 der Besondere aufgeführt sind. Die Besondere ist durch einen oder mehrere dieser Punkte gekennzeichnet, die im Anhang 1 der Besondere aufgeführt sind. Die Besondere ist durch einen oder mehrere dieser Punkte gekennzeichnet, die im Anhang 1 der Besondere aufgeführt sind.</p>
<p>45</p>	<p>Die Besondere ist durch einen oder mehrere dieser Punkte gekennzeichnet, die im Anhang 1 der Besondere aufgeführt sind. Die Besondere ist durch einen oder mehrere dieser Punkte gekennzeichnet, die im Anhang 1 der Besondere aufgeführt sind. Die Besondere ist durch einen oder mehrere dieser Punkte gekennzeichnet, die im Anhang 1 der Besondere aufgeführt sind.</p>

<p>46</p>	<p>Die Besondere ist durch einen oder mehrere dieser Punkte gekennzeichnet, die im Anhang 1 der Besondere aufgeführt sind. Die Besondere ist durch einen oder mehrere dieser Punkte gekennzeichnet, die im Anhang 1 der Besondere aufgeführt sind. Die Besondere ist durch einen oder mehrere dieser Punkte gekennzeichnet, die im Anhang 1 der Besondere aufgeführt sind.</p>
<p>47</p>	<p>Die Besondere ist durch einen oder mehrere dieser Punkte gekennzeichnet, die im Anhang 1 der Besondere aufgeführt sind. Die Besondere ist durch einen oder mehrere dieser Punkte gekennzeichnet, die im Anhang 1 der Besondere aufgeführt sind. Die Besondere ist durch einen oder mehrere dieser Punkte gekennzeichnet, die im Anhang 1 der Besondere aufgeführt sind.</p>
<p>48</p>	<p>Die Besondere ist durch einen oder mehrere dieser Punkte gekennzeichnet, die im Anhang 1 der Besondere aufgeführt sind. Die Besondere ist durch einen oder mehrere dieser Punkte gekennzeichnet, die im Anhang 1 der Besondere aufgeführt sind. Die Besondere ist durch einen oder mehrere dieser Punkte gekennzeichnet, die im Anhang 1 der Besondere aufgeführt sind.</p>







**Financing of Huber Group (updated)**  
**Huber Financing (Bankenspiegel) as of 31 December 2018**

Annex ./2.2(i)  
to the 2nd Addendum

company	type	Bank	credit-terms	balance	collateral
ARLIX GmbH	Bausparkredit	Unionbank Bank Austria AG	50.661,00	-	1.) Garantie der Huber Holding AG über EUR 500 TSD 2.) Garantie der Huber Treust Gesellschaft mbH über EUR 500 TSD 3.) beide wechselseitig unterliegt
HANRO International GmbH	Kontokorrentkredit	BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft	1.500.000,00	1.498.712,68	Garantie der Huber Holding AG über EUR 1,5 Mio., 2. BW + WYE der Huber Holding AG
Huber Holding AG	Kontokorrentkredit	BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft	2.171.422,02	2.154.205,71	2. BW + WYE
Huber Holding AG	Kontokorrentkredit	Commerzbank Aktiengesellschaft	2.500.000,00 ohne 0 since 01.11.2017	2.213.972,08	keine Besicherung
Huber Holding AG	Kontokorrentkredit	Raffineriebank Österreich Aktiengesellschaft	5.782.309,74	5.776.177,65	keine Besicherung
Huber Holding AG	Einkaufskredit / Exportfinanzierung (Kaufschonfinanzierung KOM GmbH)	Kraftanlagenbetriebe Österreich Aktiengesellschaft	5.783.309,25	5.783.309,25	Wiederkaufoption Republik Österreich in Höhe von 25% des Gesamtwertes von bis zu EUR 6,7 Mio., risikobehaltene Lieferungen Aktiengesellschaft für 50% vom ausstehenden SBK(2)
Summe der Kredite der Huber Holding AG			13.736.051,02	15.941.658,68	
HUBER-SHOP GmbH	Gewährkredit	Unionbank Bank Austria AG	597.649,60	1.006.764,30	Garantie der Huber Holding AG über EUR 1,0 Mio
HUBER-SHOP GmbH	Kontokorrentkredit	BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft	1.500.000,00	1.205.286,60	Garantie der Huber Holding AG über EUR 1,5 Mio., 2. BW + WYE der Huber Holding AG
Summe der Kredite der HUBER-SHOP GmbH			2.497.649,60	2.212.051,08	
Huber Treust Gesellschaft mbH	Kontokorrentkredit	BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft	1.500.000,00	1.479.057,47	Garantie der Huber Holding AG über EUR 1,5 Mio., 2. BW + WYE der Huber Holding AG
Huber Treust Gesellschaft mbH	Bekanntgabe wahlweise Ausübung mit Garantie	Unionbank Bank Austria AG	2.470.903,20	-	Wiederkaufoption der Huber Holding AG über EUR 2,5 Mio
Huber Treust Gesellschaft mbH	Kontokorrentkredit	Hype Vertriebsbank AG	1.334.379,07	1.328.162,72	Wiederkaufoption der Huber Holding AG
Summe der Kredite der Huber Treust Gesellschaft mbH			5.305.182,07	2.799.280,19	
Kapitalgesellschaften					
Österreichische Alpenbahngesellschaft	Besitzung ohne Einbruch (Schuldübernahme)	Commerzbank Aktiengesellschaft	3.250.000,00	3.250.000,00	Wiederkaufoption Republik Österreich in Höhe von 25% des Gesamtwertes von bis zu EUR 5,3 Mio



Huber Group shall notify the Banks in writing on or after 31 July 2020, but no later than on 31 August 2020, in case it will not be able to complete the Refinancing until 30 September 2020. The Banks, based on the information provided together with such notification, shall assess and determine whether Huber Group has made reasonable sufficient efforts to agree on a Refinancing. The Banks may then consider, but without any obligation to do so, to enter into *bona fidae* discussions concerning a grace period for completion of the Refinancing.

Kind regards,

[•]

on behalf of the Banks









Raiffeisenlandesbank Oberösterreich Aktiengesellschaft  
Mag. Veronika Schusterbauer  
Mag. Josef Mayr  
Europaplatz 1a  
4020 Linz  
**By registered email**

**By advance email**  
[schusterbauer@rlbooe.at](mailto:schusterbauer@rlbooe.at)

Date 04/26/2019

**Accession Letter to 2<sup>nd</sup> Addendum**

Dear Ms. Schusterbauer,  
Dear Mr. Mayr,

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ARULA GmbH  
Hauptstraße 17  
AT-6840 Götzis

04.04.2019

David Rygula  
Managing Director



Raiffeisenlandesbank Oberösterreich Aktiengesellschaft  
Mag. Veronika Schusterbauer  
Mag. Josef Mayr  
Europaplatz 1a  
4020 Linz  
**By registered email**

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Stephan Hohmann  
Managing Director



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Mag. Veronika Schusterbauer  
Mag. Josef Mayr  
Europaplatz 1a  
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Stephan Hohmann  
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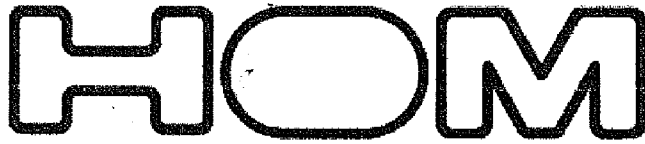
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Stephan Hohmann  
Managing Director

  
Ehrenfried Werderits  
Managing Director



Raiffeisenlandesbank Oberösterreich Aktiengesellschaft  
Mag. Veronika Schusterbauer  
Mag. Josef Mayr  
Europaplatz 1a  
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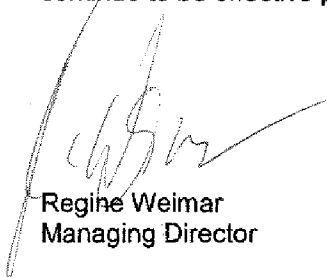
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Regine Weimar  
Managing Director



Ehrenfried Werderits  
Managing Director





Raiffeisenlandesbank Oberösterreich Aktiengesellschaft  
Mag. Veronika Schusterbauer  
Mag. Josef Mayr  
Europaplatz 1a  
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Régine Weimar  
Managing Director



# HUBER

Raiffeisenlandesbank Oberösterreich Aktiengesellschaft  
Mag. Veronika Schusterbauer  
Mag. Josef Mayr  
Europaplatz 1a  
4020 Linz  
**By registered email**

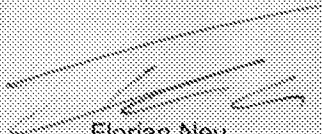
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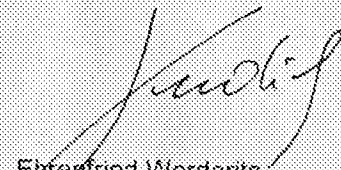
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Florian Neu  
Managing Director



Ehrenfried Werderits  
Managing Director

Raiffeisenlandesbank Oberösterreich Aktiengesellschaft  
Mag. Veronika Schusterbauer  
Mag. Josef Mayr  
Europaplatz 1a  
4020 Linz  
**By registered email**

**By advance email**  
[schusterbauer@rlb.ooe.at](mailto:schusterbauer@rlb.ooe.at)

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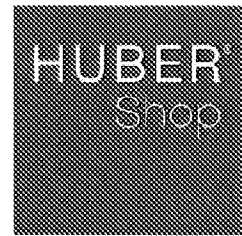
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Man Ping Chan  
Managing Director



www.hubershop.com

Raiffeisenlandesbank Oberösterreich Aktiengesellschaft  
Mag. Veronika Schusterbauer  
Mag. Josef Mayr  
Europaplatz 1a  
4020 Linz  
**By registered email**

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[schusterbauer@rloooe.at](mailto:schusterbauer@rloooe.at)

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A handwritten signature in black ink, appearing to read "Peter Kaufmann". The signature is written in a cursive style.

Peter Kaufmann  
Managing Director

---

Huber Shop GmbH  
Tel: +43 (0) 5523 505 0  
A - 6840 Götzis, Hauptstr. 17  
UID: ATU 36540203, FN 68246 M, Feldkirch

**TRADEMARK**  
**REEL: 006858 FRAME: 0213**



Huber Tricot GmbH  
Hauptstr. 17, 6840 Götzis  
ATU 355 456 09 FN 73670p  
Landesgericht Feldkirch

Postanschrift:  
Huber Tricot GmbH  
Hauptstr. 17  
6840 Götzis

T +43 (0) 5523 505-0  
F +43 (0) 5523 505-75  
www.huber-tricot.com  
PR@huber-tricot.com



Raiffeisenlandesbank Oberösterreich Aktiengesellschaft  
Mag. Veronika Schusterbauer  
Mag. Josef Mayr  
Europaplatz 1a  
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Raymond Holloway  
Managing Director

Conceicao Serra  
Managing Director

**HUBER TRICOT**-Confecções, Lda  
Rua António Martins Soares Leite, 7  
Zona Industrial do Cavaco  
4520 - 284 Santa Maria da Feira



Huber Tricot GesmbH  
Hauptstr. 17, 6840 Götzis  
ATU 365 456 08 FN 73670p  
Landesgericht Feldkirch

Postanschrift:  
Huber Tricot GesmbH  
Hauptstr. 17  
6840 Götzis

T +43 (0) 5523 505-0  
F +43 (0) 5523 505-75  
www.huber-tricot.com  
PR@huber-tricot.com



Raiffeisenlandesbank Oberösterreich Aktiengesellschaft  
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Raymond Holloway  
Managing Director

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Florian Neu  
Managing Director

Every Body In.  
**SKINY**

Raiffeisenlandesbank Oberösterreich Aktiengesellschaft  
Mag. Veronika Schusterbauer  
Mag. Josef Mayr  
Europaplatz 1a  
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Florian Neu  
Managing Director