



PERFORMING BEYOND THE EXPECTED

ANNUAL REPORT 2020



ABOUT US

Armacell is the inventor of flexible elastomeric foams for equipment insulation. We develop innovative and safe thermal, acoustic and mechanical solutions that create sustainable value for our customers. Day in, day out, our products make a significant difference around the world. As a multi-material and multi-product company, we operate two main businesses: Advanced Insulation and Engineered Foams. Our product focus is on insulation materials enhancing the energy efficiency of technical equipment, high-performance foams for technical and lightweight applications, 100% recycled PET products and next-generation aerogel technology.

CONTENTS

01

PERFORMING BEYOND THE EXPECTED

- 02 ARMACELL DELIVERS SUPERIOR PERFORMANCE
- 08 FAMILY MATTERS
- 10 WHAT WE MAKE – A DIFFERENCE
- 20 TRUST-BASED, CUSTOMER-FOCUSED
- 24 DEDICATED TO SAFETY, QUALITY AND EVERYDAY ESSENTIALS
- 28 EXPLORING THE FUTURE TODAY



LUNARK SPACE PROJECT

A moon mission in Arctic Greenland: a practical test of how to make space liveable for future travellers – in the LUNARK Habitat built with Armacell materials.

 Find out more on pages 28–31

32

CORPORATE STRATEGY

- 32 Performance
- 34 Letter from the CEO
- 36 2021 executive team
- 38 Strategy
- 40 Global presence

42

CORPORATE RESPONSIBILITY

- 42 Committed to ESG
- 44 Sustainable Development Goals
- 46 Areas of commitment

48

FINANCIAL RESULTS

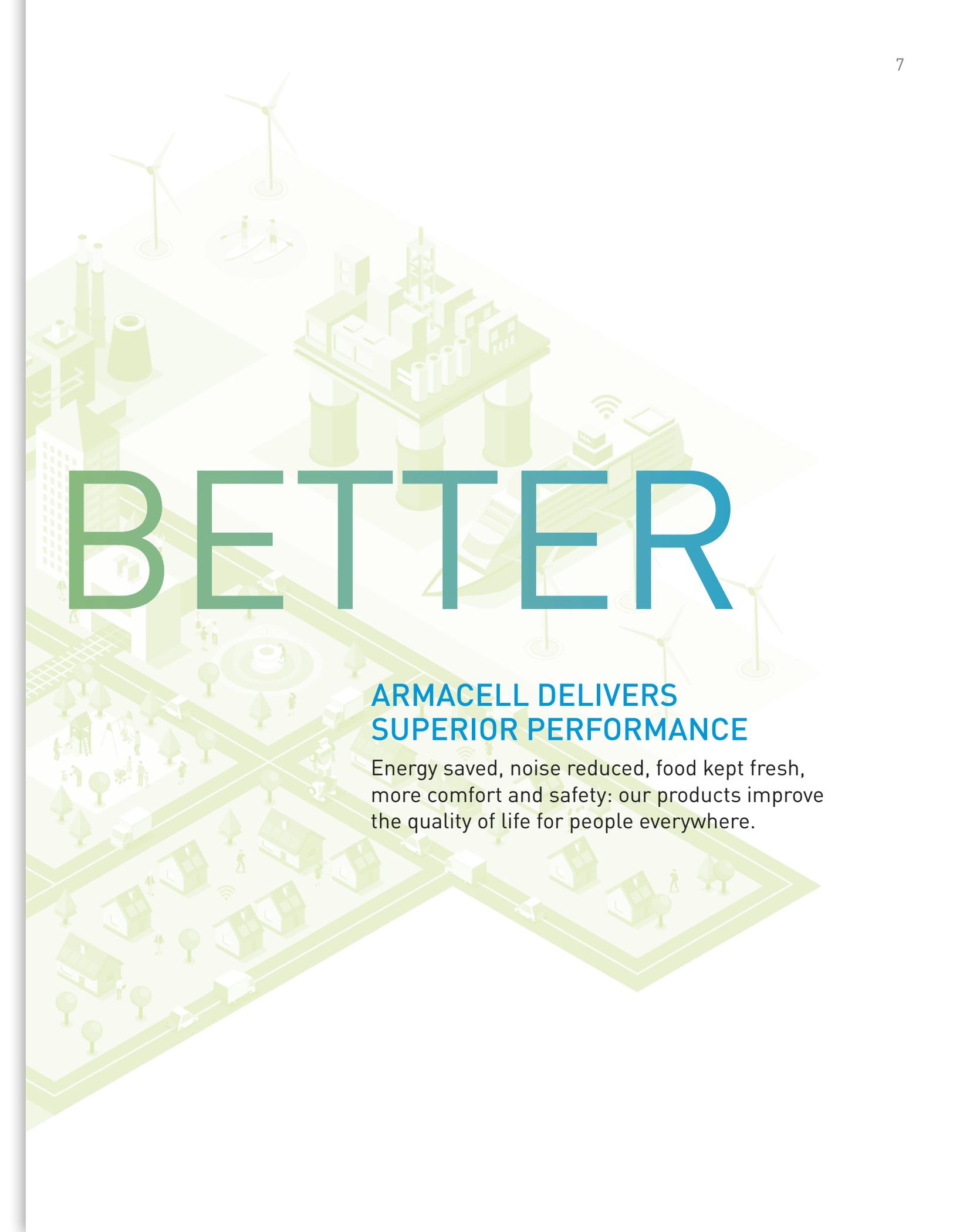
- 50 Reporting structure
- 51 Outlook
- 53 Group performance
- 55 Business performance
- 57 Corporate governance

PERFORMING BEYOND THE EXPECTED

Whatever expectations you may have of Armacell, we are determined to go beyond them. We are adding value – through our individual products, our system solutions and the expertise of our global workforce. We deliver long-term solutions through close collaboration with our customers, who can count on our enthusiasm for innovation and reliable quality. In a spirit of true partnership, we are always looking for new possibilities for our Advanced Insulation and Engineered Foams applications. The added value from these products and system solutions improves performance parameters in our six destination end markets and helps conserve valuable resources – beyond the expected.



BEYOND



BETTER

ARMACELL DELIVERS SUPERIOR PERFORMANCE

Energy saved, noise reduced, food kept fresh,
more comfort and safety: our products improve
the quality of life for people everywhere.

ADDING VALUE TO PEOPLE'S LIVES AROUND THE WORLD

We develop and deliver innovative and safe thermal, acoustic and mechanical insulation solutions for a wide range of applications across six destination end markets. Moreover, our global presence and multicultural heritage enable us to understand the specific needs of each market. Whether people are at work or play, home or leisure, their lives are constantly being enhanced by our products.



SAFETY

COMMERCIAL EQUIPMENT

In buildings, our insulation products enhance the energy efficiency of HVAC ducts and systems as well as hot & cold water, heating, plumbing and cooling systems. Our portfolio also includes acoustic and vibration solutions.

40 – 45%
of net sales

ArmaComp OleCell
Padding & cushioning

Insuguard
Pipe hangers

ArmaComp Ensolite
Automotive gaskets

ArmaPET Eco
Vehicle body structure

ArmaFlex with Microban®
Air quality

ArmaFlex Protect
Passive fire protection

ArmaFlex Ultra with FlameDefense
HVAC pipe & duct applications

Microban® antimicrobial product protection is a trademark of Microban Products Company.

SPORTS & LEISURE

Shock absorption makes people's lives safer. Our products are found where impact cushioning, flotation properties or lightweighting are needed, e.g. sports turf and floor underlayment, wrestling mats and helmet paddings.

~5%
of net sales

ArmaComp ArmaSport AHC
Headgear & body padding

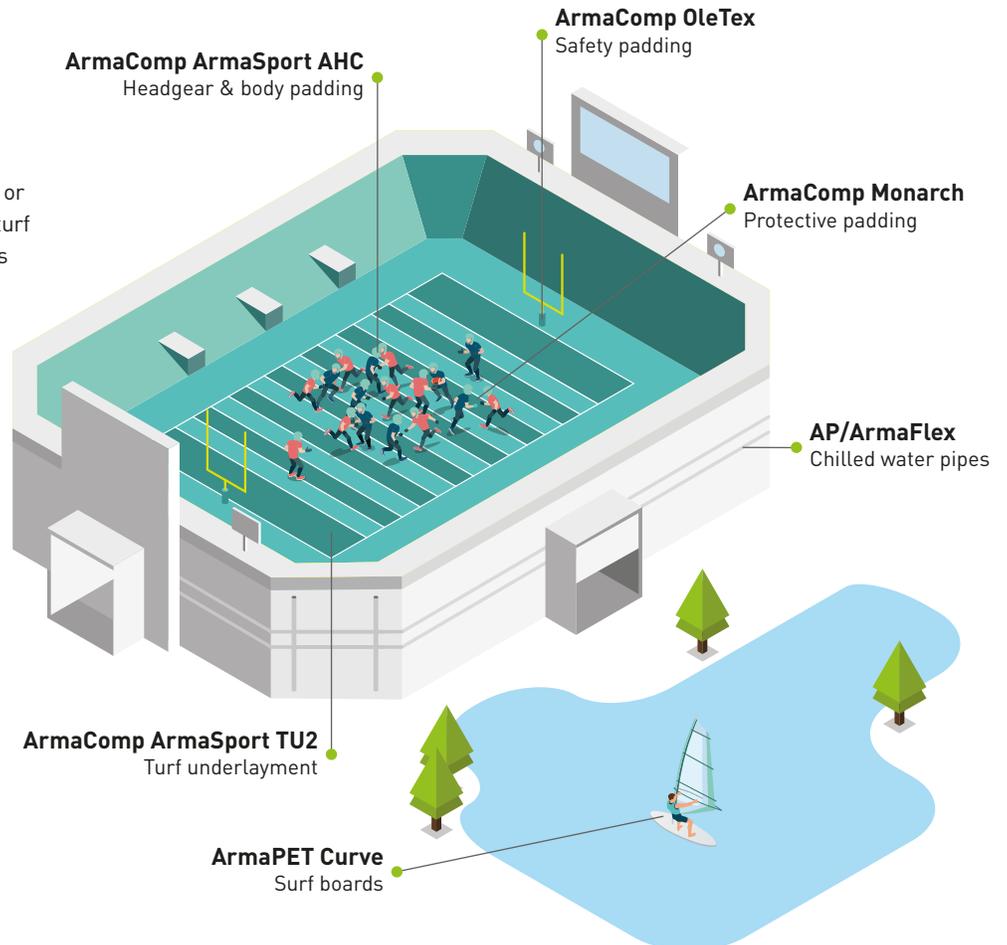
ArmaComp OleTex
Safety padding

ArmaComp Monarch
Protective padding

AP/ArmaFlex
Chilled water pipes

ArmaComp ArmaSport TU2
Turf underlayment

ArmaPET Curve
Surf boards

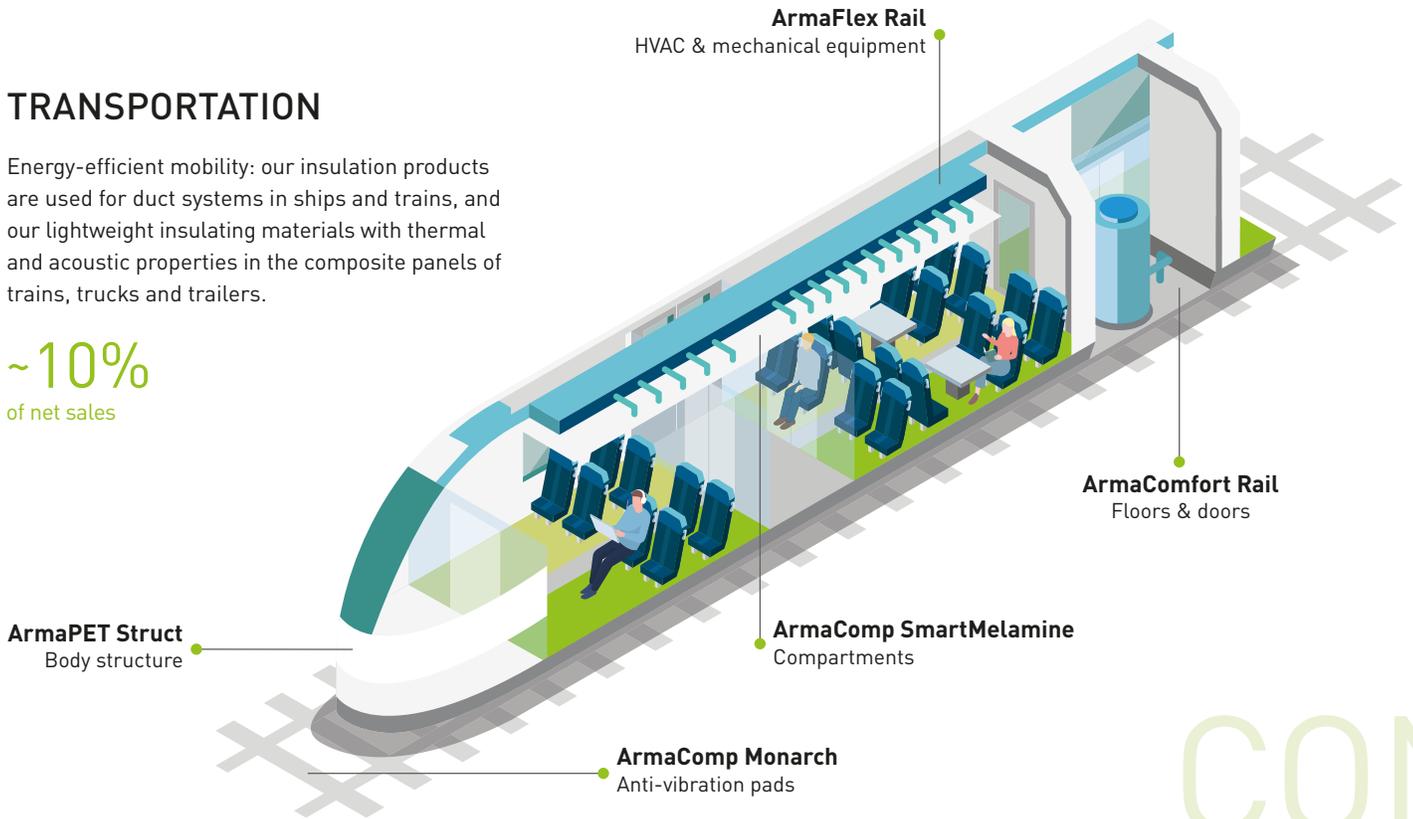


TRANSPORTATION

Energy-efficient mobility: our insulation products are used for duct systems in ships and trains, and our lightweight insulating materials with thermal and acoustic properties in the composite panels of trains, trucks and trailers.

~10%

of net sales



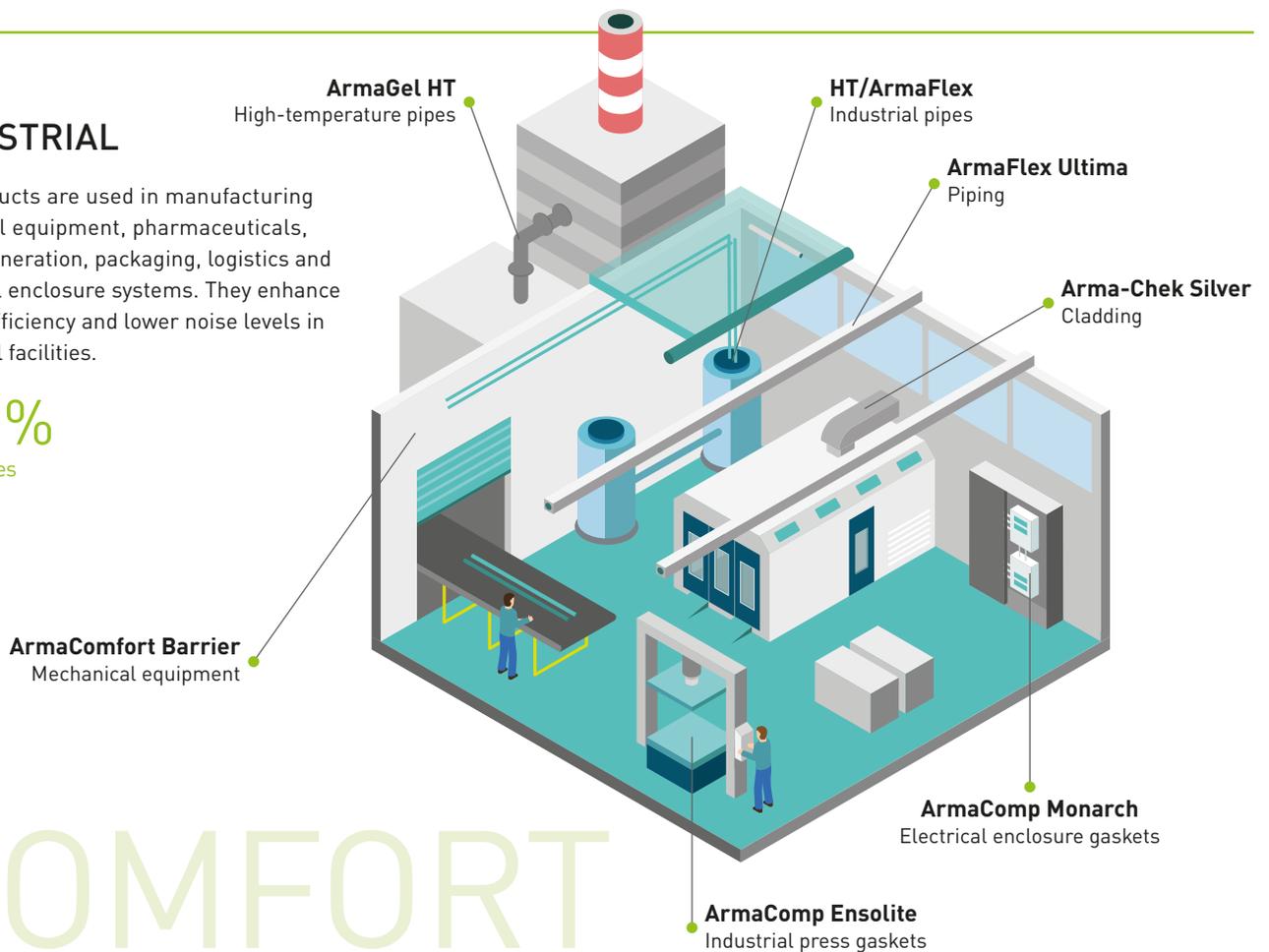
CON

INDUSTRIAL

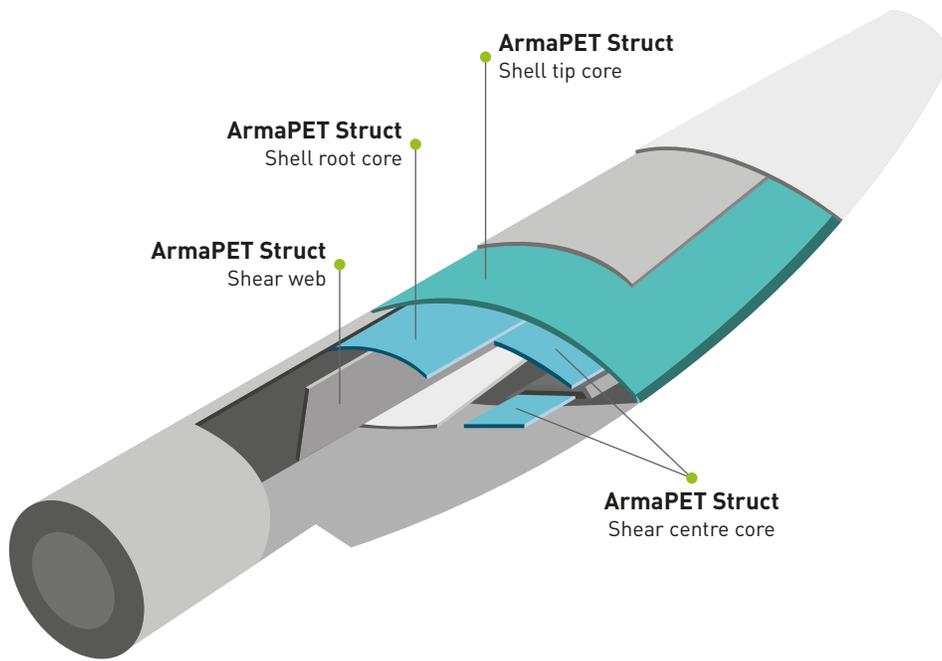
Our products are used in manufacturing industrial equipment, pharmaceuticals, power generation, packaging, logistics and electrical enclosure systems. They enhance energy efficiency and lower noise levels in industrial facilities.

~20%

of net sales



COMFORT



ENERGY

Our thermal and acoustic insulation solutions are used in manufacturing wind turbine blades, in diverse energy industry systems and in a variety of applications involving the production or transformation of energy.

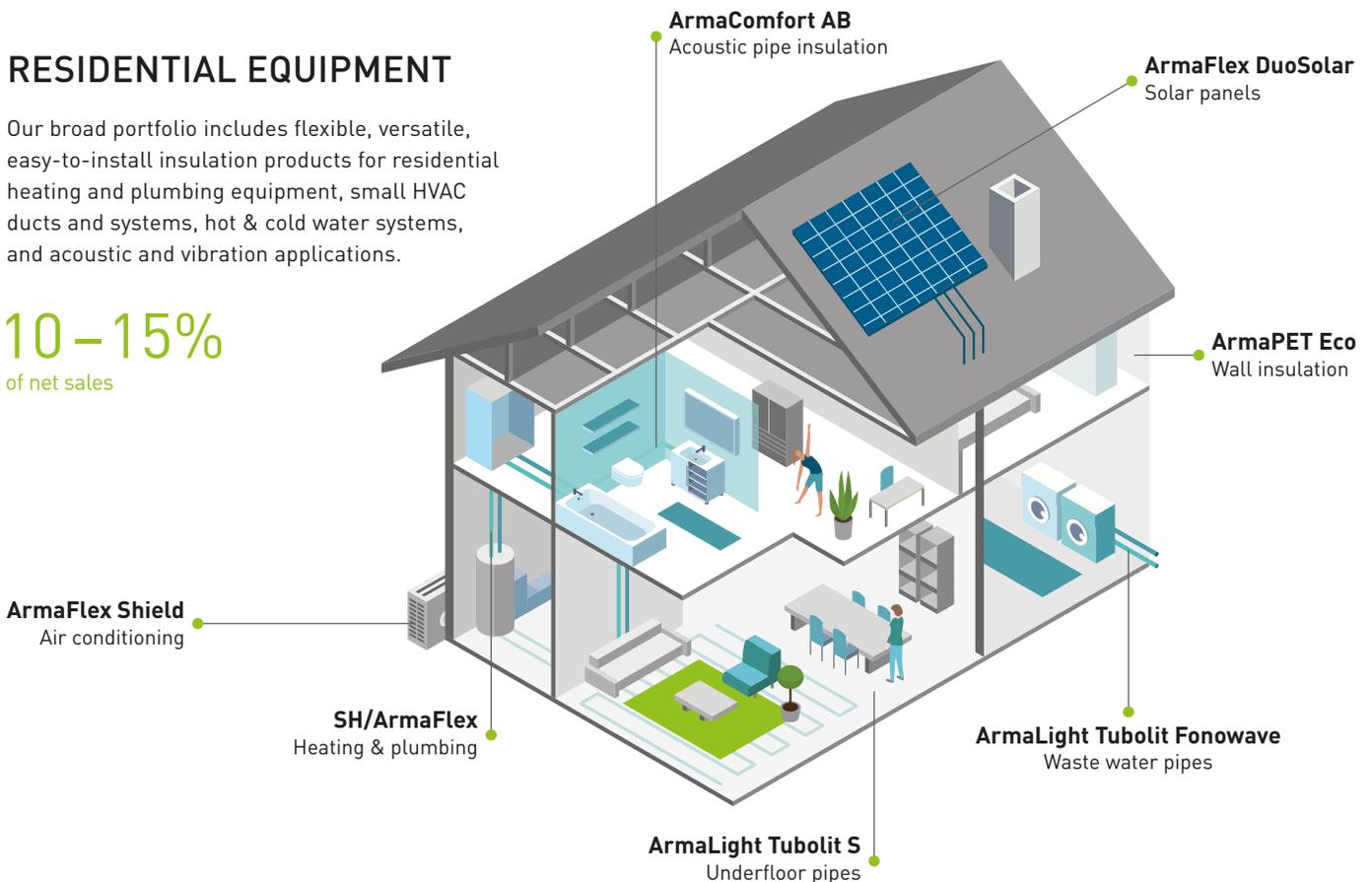
~5%
of net sales

SERVATION

RESIDENTIAL EQUIPMENT

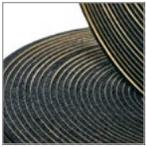
Our broad portfolio includes flexible, versatile, easy-to-install insulation products for residential heating and plumbing equipment, small HVAC ducts and systems, hot & cold water systems, and acoustic and vibration applications.

10–15%
of net sales



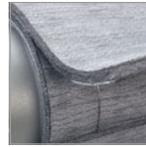
FAMILY MATTERS

FAMILY-BRANDS



ArmaFlex®

All closed-cell insulation materials based on elastomeric foam



ArmaGel®

All products based on aerogel technology



ArmaProtect™

All fire protection solutions



ArmaLight®

All polyethylene-based materials

We are rejuvenating our brand portfolio to create a simpler and more efficient brand architecture with ten family-brands. Family-branding creates brand equity, enhances product marketability and simplifies customer interaction.



armacell®



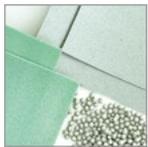
ArmaSound®

All industrial acoustic solutions (incl. energy)



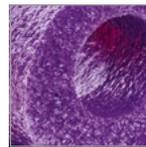
ArmaComfort™

All insulation products for sound attenuation



ArmaPET®

All PET-based foams



ArmaComp®

All component foams

To further enhance the marketability of our products, two additional family-brands will be launched in due course for our cladding solutions and for our mounting and fixing solutions.

WHAT WE MAKE – A DIFFERENCE

Our extensive product portfolio has been designed and developed to meet the specific requirements of our customers and their end-users. The products shown on the following pages exemplify how Armacell is making a difference around the world.



**ArmaFlex®**

The standard ArmaFlex® product is manufactured worldwide, customised to meet local requirements and often combined with other products to create hybrid solutions.

**ArmaPET®**

These innovative and eco-friendly products feature Armacell's patented rPET foaming technology, which converts recycled plastic bottles into high-value foam materials.





**ArmaSound®**

Armacell's all-in-one thermal insulation and noise reduction solutions for industrial, marine and offshore environments minimise the risk of corrosion under insulation.

**ArmaLight®**

Polyethylene insulation foams offer cost-effective and proven solutions to minimise energy and heat loss in residential, commercial and industrial equipment.

ArmaGel®

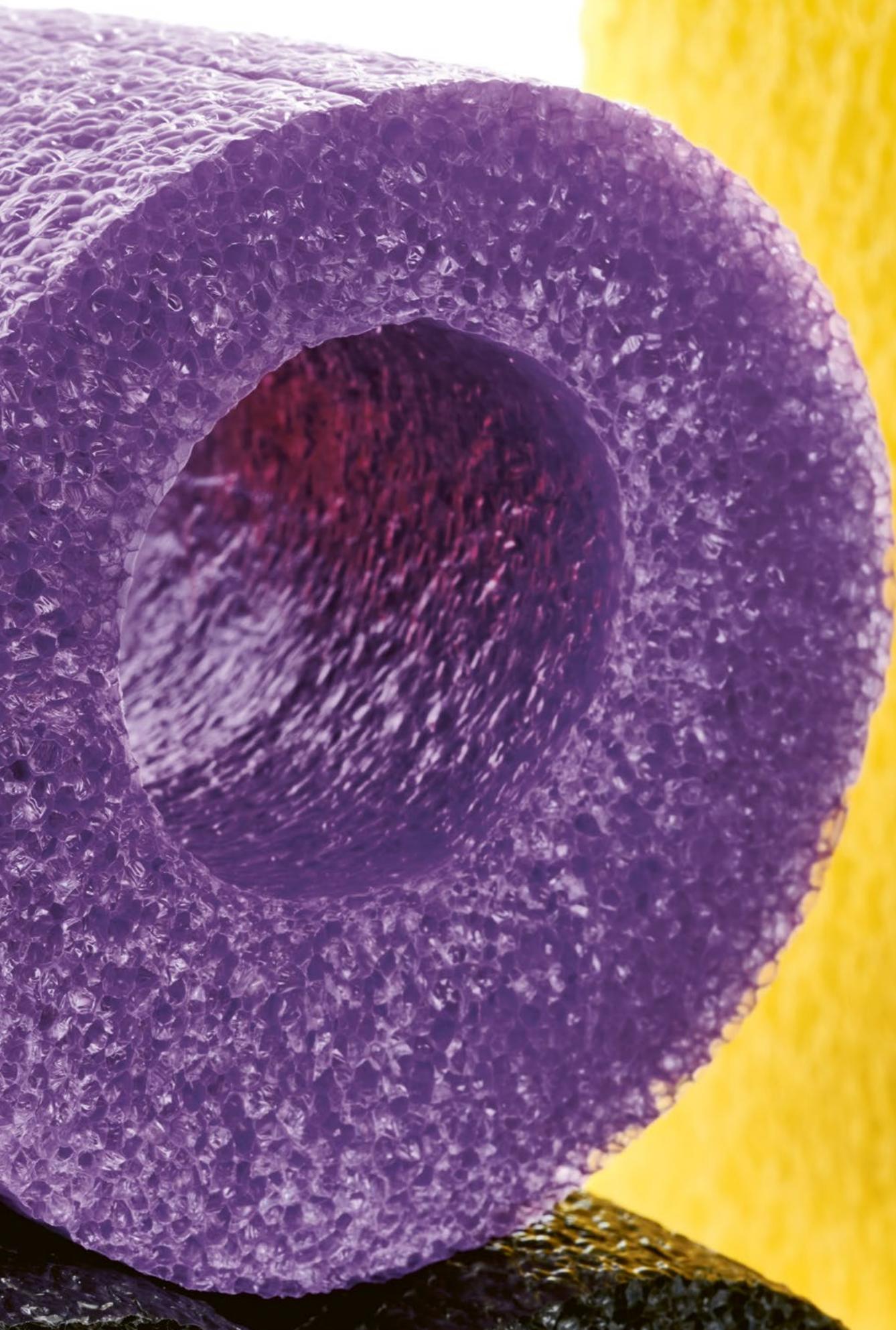
Armacell's aerogel-based insulation technology opens up new application opportunities and extends the company's temperature capabilities from -196°C to $+650^{\circ}\text{C}$.



ArmaComp®

As a proven leader and innovator in expanded foams, Armacell designs and produces a wide range of foam components for manufacturers in many industries.





ArmaComfort™

Armacell's easy-to-install, high-performance acoustic comfort and vibration control solutions enhance the quality of urban life and people's safety.



**ArmaProtect™**

The latest fire protection solutions include certified Armacell systems for fire stopping of plastic pipes, metal pipes, composite pipes and other services.

TRUST-BASED, CUSTOMER-FOCUSED

The constructive, trust-based teamwork we enjoy within the global Armacell family paves the way to our success. It facilitates collaborating closely with customers to develop tailored solutions to meet their specific requirements. This creates the added value that makes a real difference.

Staying in touch with the shop floor.



Discussing customer-specific requirements.



Multi-disciplinary meetings bring broader perspectives.



“Adapting to a changed environment, serving customers, keeping each other safe: business continuity through teamwork.”

Patrick Mathieu, President & CEO



Great precision in workmanship and monitoring.



A globally operating company with a global workforce.



All photos were shot in pre-Covid-19 days.

OUR CUSTOMERS
EXPECT THE BEST.
WE WORK HARD TO
GO BEYOND THAT
AND EXCEED THEIR
EXPECTATIONS.

What we make is in use all over the world. By partnering with our customers, we create new products and solutions that make people's lives more pleasant. Through our extensive investment in R&D and the efforts of our researchers, pioneering new products are made possible. Over the past three years, Armacell has invested around €30 million in research to expand our product portfolio – to go beyond the expected.

PORTFOLIO EXPANSION // PASSIVE FIRE PROTECTION

As working from home becomes the new norm in the office world, much of the floor space in many high-rise office towers will be converted into apartments, leisure facilities, retail outlets or even student accommodations. Dividing up open-plan office space into much smaller units will boost the demand for passive fire protection products in general and fire-stopping systems in particular.

MAKING
SAFETY
A TOP
PRIORITY

// Single-source supplier

Passive fire protection (PFP) is far bigger than stopping a fire. With PFP customers increasingly expecting a full range of solutions from a single supplier, Armacell is becoming a holistic PFP vendor with a key customer benefit: supplying thermal, acoustic and PFP solutions from a single source. This will become even more interesting to high-rise owners and construction contractors as redundant office space is converted to other uses.

// ArmaProtect™

Armacell has a portfolio of fire-stopping products that act as penetration seals at the point where services pass through a fire-rated wall or ceiling. The ArmaFlex® Protect products for steel piping are now being supplemented by new fire protection products sold under the ArmaProtect™ family-brand. They include very good and well-certified systems for fire-stopping insulation of plastic pipes, cable trays, ventilation ducts and other services.



// Enhanced safety and energy efficiency

One of Armacell's latest innovations, ArmaFlex® Ultra with its FlameDefense™ technology, combines best-in-class foam insulation with certified PFP. ArmaFlex® Ultra is the first flexible elastomeric foam insulation to receive UL classification (UL 723 with a 25/50 rating). In the event of fire, UL 723-classified materials burn more slowly and produce less smoke, which gives building occupants and first responders precious extra time to escape or enter. The FlameDefense™ technology goes beyond the required building codes and international safety regulations. The UL Classification Mark gives engineers, specifiers and building owners the assurance that ArmaFlex® Ultra will perform consistently year after year. Moreover, it meets the International Mechanical Code third-party certification standard that no other flexible elastomeric insulation manufacturer has met.

DEDICATED TO SAFETY, QUALITY AND EVERYDAY ESSENTIALS

RELIEF HOSPITALS

Hubei Province, China

As a globally operating company, Armacell wanted to be actively involved in the efforts to combat the Covid-19 pandemic right from the start. As early as the end of January 2020, Armacell made a number of donations to healthcare facilities, including 1,256 rolls of ArmaFlex® sheets for HVAC systems in the newly built Huo Shen Chan and Lei Shen Shan hospitals in Wuhan, where the pandemic was first reported.

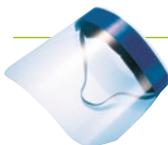
7,410 m²

of insulation material donated

PERSONAL PROTECTIVE EQUIPMENT (PPE)

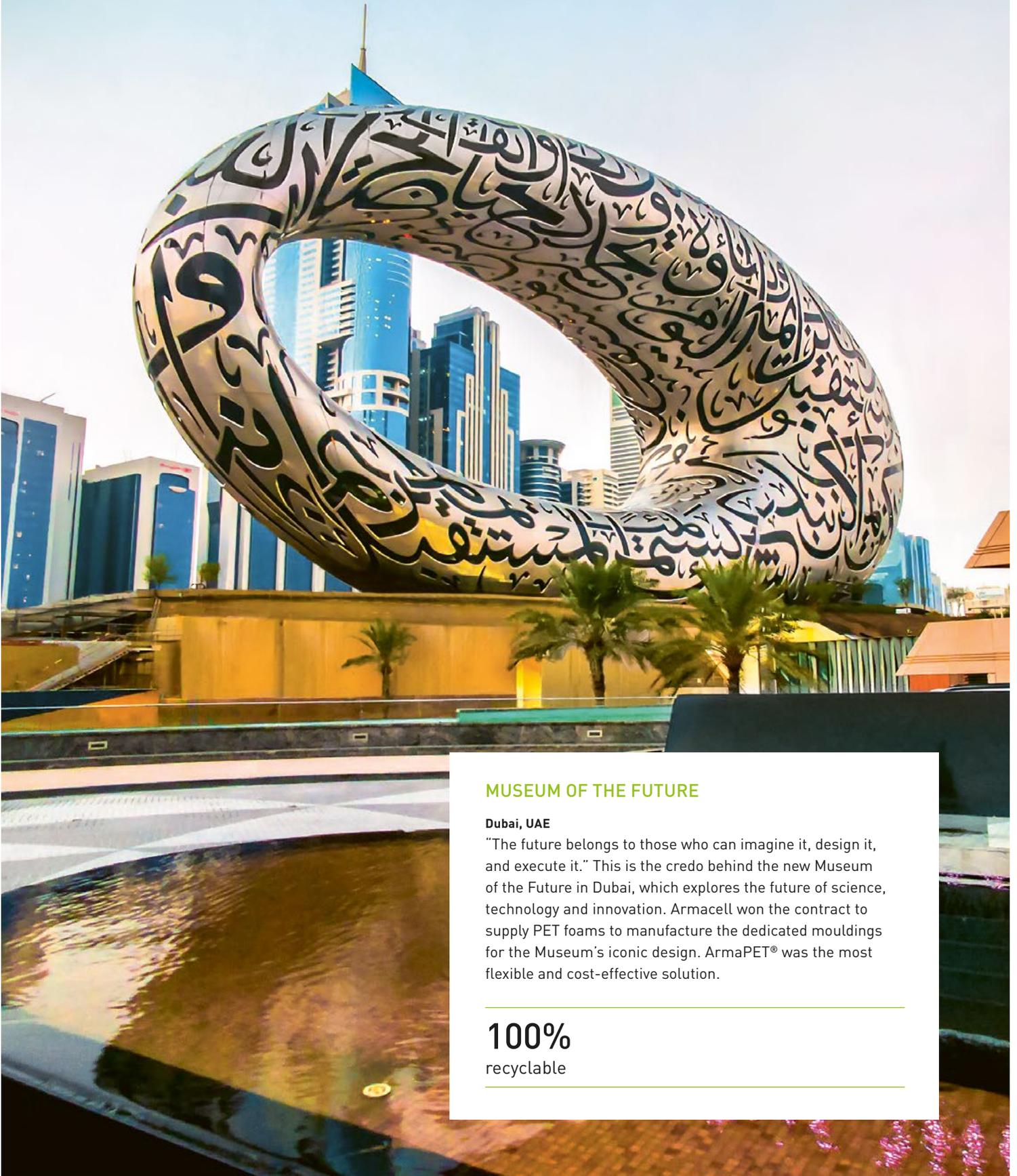
Louisiana, USA

Saving lives depends on both state-of-the-art medical equipment and good PPE. Armacell's closed-cell foams make an ideal cushion on a medical face shield. In contrast to open-cell polyurethane foam, our closed-cell material can be reused multiple times if sterilised. Armacell teamed up with a local media company that turned into a face mask manufacturer to assist with the PPE shortage.



5,000

face shields a day



MUSEUM OF THE FUTURE

Dubai, UAE

"The future belongs to those who can imagine it, design it, and execute it." This is the credo behind the new Museum of the Future in Dubai, which explores the future of science, technology and innovation. Armacell won the contract to supply PET foams to manufacture the dedicated mouldings for the Museum's iconic design. ArmaPET® was the most flexible and cost-effective solution.

100%
recyclable



MAKING BASICS BETTER

Store locations worldwide

More than ever in 2020, people around the world realised the essential role supermarkets, grocery stores and other food shops play in their lives. Controlling the cost of 24/7 refrigeration through optimum energy use is key to improving the tight margins of these outlets. Armacell's supermarket solutions enhance energy efficiency through condensation-free insulation of all the pipework.

56%

of power for refrigeration

MOON HABITAT MISSION

EXPLORING THE FUTURE TODAY





Live updates on the LUNARK mission

in Arctic Greenland from Sebastian and Karl-Johan

26 OCT

“The HAB is working well, keeping us warm and safe. On average it’s a cosy +22°C inside. We feel healthy. Our bodies are adapting to this tiny way of living.”

08 NOV

“We’re going through the HAB looking for cold spots and adding extra ArmaFlex insulation where we can. The inside-outside temperature difference is now 50°C.”

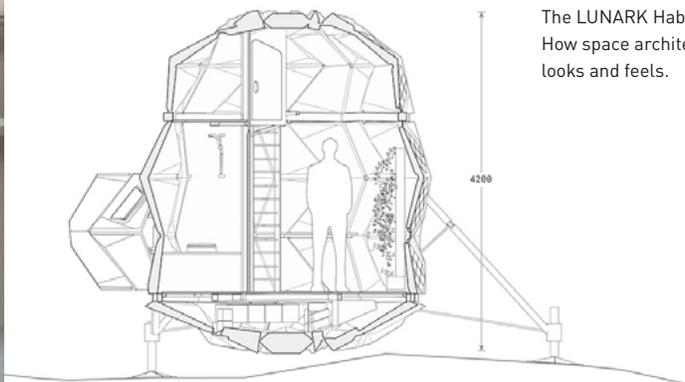


"If humans are to settle on the Moon and other planets, we must be very careful how we design the homes for these pioneers. In space, your habitat is your entire world." says SAGA. Their LUNARK experiment tested a radically different Moon habitat where architecture makes living in extreme conditions possible and helps to counteract monotony and psychological stress.

The LUNARK project

In December 1972, Gene Cernan was the last man on the Moon. Nearly 50 years later, humankind is again looking to the Moon. But what would it be like to live there instead of merely stopping over? SAGA, a Danish design studio, wants to make space liveable for future travellers. After designing and building the innovative LUNARK Habitat, SAGA co-founders Sebastian Aristotelis and Karl-Johan Sørensen tested its viability in Arctic Greenland from September to November 2020. They chose that bare location for its similarities with the Moon. As extreme cold was a major challenge, SAGA turned to Armacell for help with insulation.

The origami-inspired lightweight structure of the LUNARK Habitat was foldable to enable transportability to Greenland and, later, the Moon, yet strong enough to withstand polar bear attacks. The insulation had to cope with temperatures below -30°C and winds of up to 90 km/h. The origami structure was made of ArmaPET® and two layers of ArmaFlex® Ultima protected by ArmaFinish® were installed to insulate the internal walls. With its excellent fire performance and low smoke density, ArmaFlex® was the only flexible insulation material to meet SAGA's design requirements and Greenland's shelter regulations. The excellent insulation provided by Armacell products kept the two-man crew warm in Arctic conditions.



The LUNARK Habitat:
How space architecture
looks and feels.

PERFORMANCE

23 PLANTS IN
15 COUNTRIES

70 NATIONALITIES



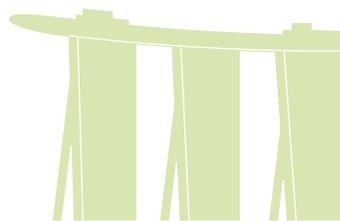
APAC



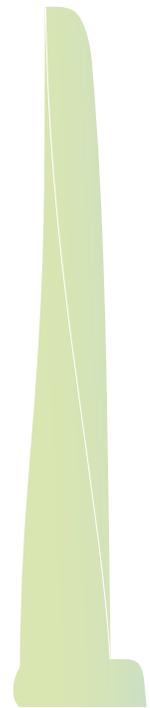
AMERICAS



EMEA



Marina Bay Sands
Singapore



Shanghai Tower
Shanghai

€454m

TOTAL NET SALES **ADVANCED INSULATION**

€136m

TOTAL NET SALES **ENGINEERED FOAMS**

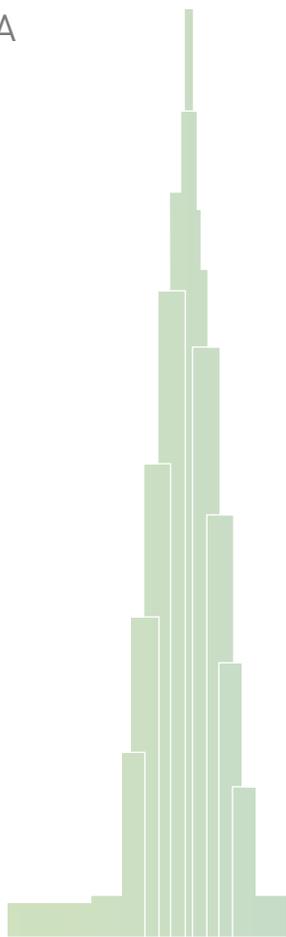
€120m

ADJUSTED EBITDA

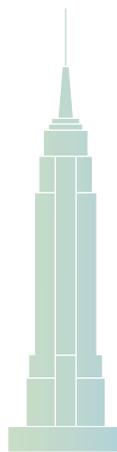
ENABLING ENERGY
EFFICIENCY
FOR EQUIPMENT
WORLDWIDE



Citic Tower
Beijing



Burj Khalifa
Dubai



Empire State Building
New York



Offshore Wind Farm
North Sea

LETTER FROM THE CEO



DEAR FRIENDS OF THE COMPANY,

PERFORMING BEYOND THE EXPECTED – This annual report demonstrates how Armacell's products and system solutions are going beyond the expected in adding value to your life. Our innovative and reliable products create long-lasting value that translates into an attractive offering for the users of our systems. The solutions we develop are based on an in-depth understanding of how systems work and how we can improve their performance to optimise energy efficiency and enhance safety. As every system has unique requirements, our experts have to design and deliver a wide range of tailored solutions developed in close collaboration with our customers. In all we do, our overriding goal is to exceed expectations in energy efficiency.

An unprecedented year

2020 has been a year like no other. In a complex and challenging environment our business model again proved resilient. With our global reach and multi-segment activity, we ended the year in relatively good shape. We took the appropriate measures to navigate changing circumstances and ensure we come out of the pandemic stronger than before. Our utmost priority was always to protect our employees, maintain operations and continuously support our customers.

What we now see is that the pandemic has brought the worldwide Armacell family closer together and shown it can be a greater force for good. Armacell supported regional relief projects by contributing insulation material to new hospitals in China, Turkey and the USA, as well as materials to make protective face shields in Europe and North America. Internally, over 60 employees and their families who were affected by Covid-19 benefited from our Solidarity Fund.

Business performance

In the financial year ending 31 December 2020, our net sales fell by 8.4% from the record total of €644.4 million in 2019 to €590.5 million. Our adjusted EBITDA in 2020 was €119.6 million, and Armacell's adjusted EBITDA margin reached 20.2%. The net sales figures recorded by our business units were as follows: Advanced Insulation EMEA €216.1 million (-4.0%), Advanced Insulation AMERICAS €145.9 million (-10.3%), Advanced Insulation APAC €92.2 million (-19.4%) and Engineered Foams €136.3 million (-4.1%).

Key developments

Throughout 2020, we sustained a regular supply of leading-edge products and launched innovative new ones like ArmaGel® DT, which is suitable for cryogenic and dual-temperature applications. We expanded our system solutions' portfolio, strengthened our passive fire protection business and streamlined our brand architecture to ten family-brands.

We successfully completed the extension of our PET foaming line at our Suzhou plant in China, finalised construction of our new plant for elastomeric foams in Cheonan, South Korea, and consolidated our Italian insulation activities in a new building in Turin. All achievements that went beyond the expected in a pandemic year.

Fresh faces

2020 also saw fresh faces in two key areas of our operations. Following the departure of Dr Max Padberg in September, Déborah Hutschemackers successfully took over as interim Chief Financial Officer (CFO). As of March 2021, the financial affairs of the Armacell Group will be managed by Wim Van Acker. Furthermore, we appointed Adrian Yeandle as Chief Legal & Compliance Officer and Laurent Couturier as Chief Information Officer, who both played a key role in minimising the impact of the cyberattack that hit us in December.

Digitalisation advancing

Another operational area we advanced was IT. We invested in new tools to further the digitalisation of our operations and processes, while accelerating the company's digital transformation and cyber-security efforts. Our objective in reshaping our IT approach is to enrich the customer experience. In this respect, we are aiming to create open lines of communication with our customers in order to better understand their needs and increase the added value of our products.

After the successful closure of our capital market refinancing in February 2020, our shareholders PAI Partners and KIRKBI expressed their commitment to our ongoing growth strategy. In 2021, we look forward to partnering with our customers in adding value to their businesses and to people's lives around the world.

In the context of such an unprecedented year, we should like to express our sincere gratitude to our customers and other partners for their continued trust in Armacell, and to all our employees for their passionate commitment to "making a difference around the world".

Yours sincerely,



Patrick Mathieu

President and CEO
Armacell Group

2021 EXECUTIVE MANAGEMENT TEAM



Adrian Yeandle
Chief Legal & Compliance
Officer

Manages the legal and compliance affairs within the Armacell Group, ensuring that our operations comply with applicable laws and internal regulations.



Roberto Mengoli
Chief Technology Officer

Safeguards and monitors the highest possible quality and safety standards by systematically optimising structures and processes throughout Armacell.



Sophie Ancelin¹
Chief Human Resources
Officer

Fosters the talents of 3,000+ employees to enable Armacell's global growth and leads all training, talent acquisition and career development activities.



Wim Van Acker¹
Chief Financial Officer

Develops Armacell's strategic choices through capital structure optimisation, management of financial resources, taxation and risk, and efficient capital utilisation.



Patrick Mathieu²
Chief Executive Officer

Sets and executes Armacell's strategy in making the company a truly global leader in advanced material technologies and energy efficiency around the world.



Déborah Hutschemackers
Chief Financial Officer (interim)

Armacell's General Manager Group Controlling served as interim CFO from 30 September 2020 to 28 February 2021 to support the company and the Management Board.

¹ Member of the Management Board

² Chairman of the Management Board



Guillaume Huguenot¹

Chief Strategic Development Officer

Leverages his deep understanding of our industry, implements Armacell's external growth strategy, and heads corporate communications, innovation and purchasing.



Ciro Ahumada

Vice President AMERICAS

Energises the synergies from multiple acquisitions in North and South America to deliver profitable, high-quality product solutions.



Liam Douglas

Vice President APAC

Strives to strengthen Armacell's position and set up the Asia Pacific region for additional growth through a wide range of tailored solutions.



Bart Janssen

Vice President Engineered Foams & Energy

Drives the development of the PET, Component Foams and Energy businesses, with a strong focus on nurturing the sustainability of product lifecycles.



Malte Witt

Vice President EMEA & Chief Marketing Officer

Grows Armacell's position and market shares in Europe, enables a customer-centric culture and adds value through sales & marketing excellence programs.

Armacell's executive team comprises ten highly experienced international managers representing six nationalities and a diverse set of skills. Their common purpose is to drive the company's future growth by fostering innovation, encouraging commitment and promoting entrepreneurship.

STRATEGY

At Armacell, we continuously invest in the expansion of our production capacities and focus on creating sustainable value for our highly diversified global customer base. We have a long track record of growth, superior profitability and cash generation orchestrated by a proven management team who have positioned Armacell as the trusted partner in the energy conservation market.

1 GROWTH

- // Operating in €12bn global equipment insulation market
- // Multi-pillar growth strategy
- // Organic long-term growth rate of insulation business at approximately 5% p.a.
- // Total growth target of approximately 10% p.a. (including inorganic growth)

2 RESILIENCE

- // Strategic development at the heart of six global megatrends
- // Broad range of end markets
- // Diversification across equipment verticals
- // Resilient through economic cycles
- // Asset- and capital-light business model
- // New opportunities from growing environmental awareness

3 MULTI-MATERIAL

- // Successful track record of expanding into adjacent technical insulation sectors
- // Extension of temperature range and application horizon
- // Broadening of core insulation business (rPET, aerogel)
- // Addressable market size increased from €6bn to €12bn during the past investment period

4 INNOVATION

- // Recognised as an industry and technology leader
- // Innovation integral part of our DNA
- // Driving industry-leading solutions and new technologies
- // Dedicated teams continuously develop IP portfolio (e.g. 300+ patents)

5 EXCELLENCE

- // World-class standards and pioneering technologies protecting market leadership
- // Energy-efficient solutions
- // Reliable, certified product performance and extended lifetime
- // Operating efficiency and execution excellence
- // Governed by the World-class Armacell Mindset (WAM)

6 FINANCIAL STRENGTH

- // Armacell's financial strategy drives dynamic growth
- // Best-in-class profitability levels (low capital intensity, high cash conversion)
- // Optimal use of raw materials, natural resources and energy
- // Maximum operational efficiency and low production costs

Our vision is to be the global leader in providing innovative, technical insulation solutions and components to save energy and make a difference around the world.

GLOBAL PRESENCE



AMERICAS

- 1 ATLANTA, GA - USA
- 2 BRAMPTON - CAN
- 3 CHAPEL HILL, NC - USA
- 4 CONOVER, NC - USA
- 5 FLORIANÓPOLIS - BRA
- 6 MEBANE, NC - USA
- 7 SPENCER, WV - USA
- 8 YUKON, OK - USA

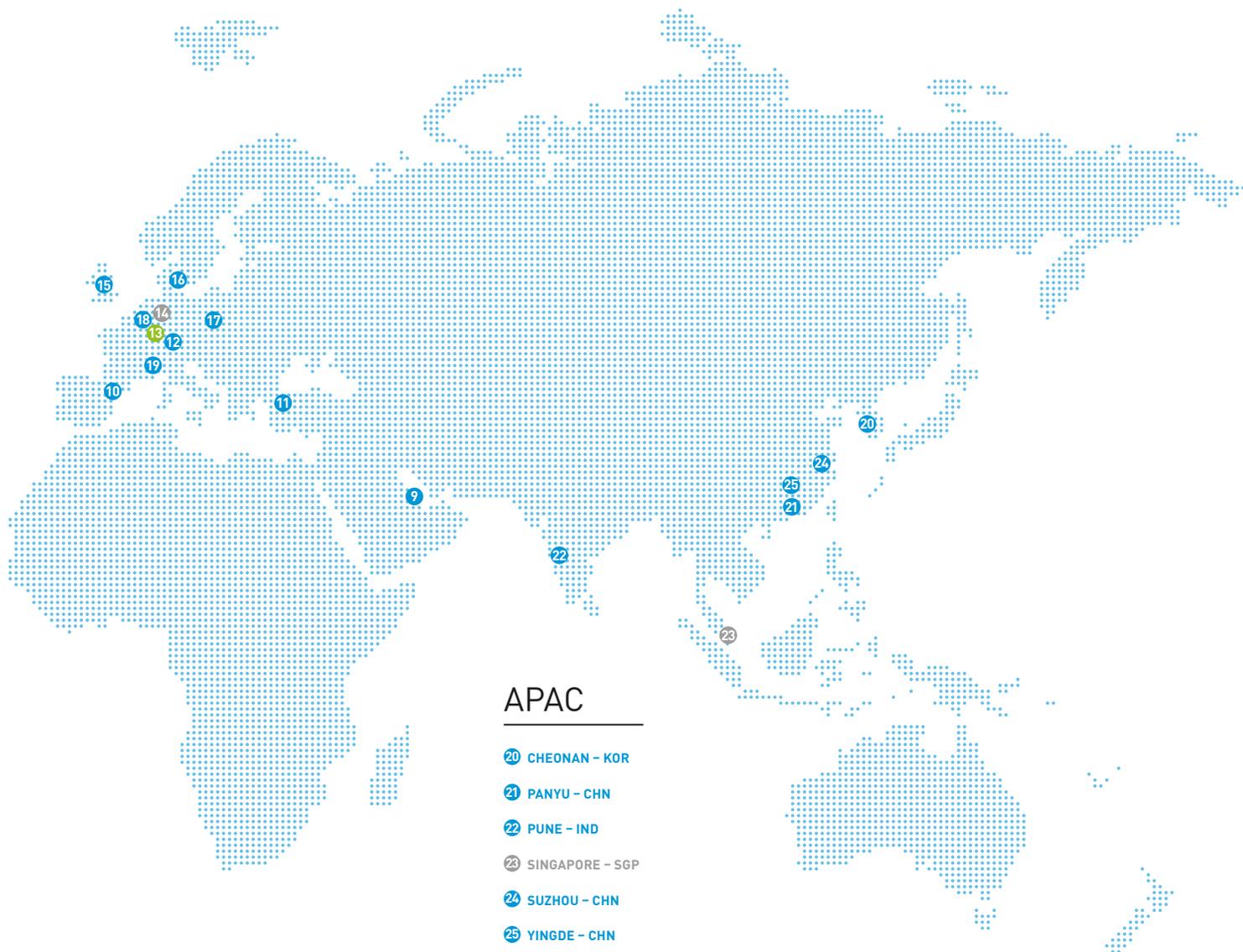
Global presence, local focus

Armacell is a truly global company managed from its corporate headquarters in Luxembourg and regional head offices in Germany, the USA and Singapore. Four product innovation centres spread around the world ensure a steady supply of pioneering innovations to meet customer and market requirements. To ensure a customer-centric product portfolio, Armacell customises its products locally at 23 manufacturing plants in 15 countries.

Throughout the world, Armacell works with national teams headed by local managers. In countries where Armacell does not have its own facilities, sales offices and distributors extend the Group's presence to guarantee a global network. With its regionally diversified production footprint, Armacell has long been a pioneer in exploring new geographical markets and is focused on expanding into fast-growing markets.

EMEA

- 9 HIDD - BHR
- 10 BEGUR - ESP
- 11 BURSA - TUR
- 12 FRIESENHOFEN - GER
- 13 LUXEMBOURG - LUX
- 14 MÜNSTER - GER
- 15 OLDHAM - GBR
- 16 ØLSTYKKE - DNK
- 17 ŚRODA ŚLĄSKA - POL
- 18 THIMISTER - BEL
- 19 TURIN - ITA



APAC

- 20 CHEONAN - KOR
- 21 PANYU - CHN
- 22 PUNE - IND
- 23 SINGAPORE - SGP
- 24 SUZHOU - CHN
- 25 YINGDE - CHN

CORPORATE RESPON

COMMITTED TO ESG

The triple bottom line of our environmental, social and governance (ESG) responsibility is People – Planet – Profit. We see this as a strategic management tool that is focused on our four areas of commitment: **driving growth, putting employees first, protecting our planet and fostering local communities**. This enables us to make a sustainable difference around the world and progress to our goal of reporting to international ESG standards.

SUSTAINABILITY

// CORPORATE GOVERNANCE

At Armacell, corporate governance has a manifold, diverse focus: human rights, fair practices, consumer-related topics, workplace conditions and relations, involvement in local communities and environmental protection. Armacell's governance principles safeguard ethical conduct, compliance with legislation and human rights, accountability, and the prioritisation of stakeholder interests and dialogue. Guidelines such as our Code of Conduct, our membership in international alliances or initiatives and partnerships at a local level support the implementation of corporate governance.

CORPORATE GOVERNANCE

- Human rights
- Anti-corruption
- Environmental protection
- Fair practices
- Consumer-related topics
- Labour practices
- Local community activities



// UN GLOBAL COMPACT

Responsible and ethical conduct is fundamental to the way we do business. Our accountability and commitment to a better and cleaner future date back to 2006 when we joined the UN Global Compact (UNGC) initiative.

// CODE OF CONDUCT

Our Code of Conduct governs the framework for our employees to establish a positive, customer-centric culture and expresses our compliance with the laws and regulations applicable in every country where we do business.

// INITIATIVES AND ALLIANCES

As buildings account for over a third of global CO₂ emissions, Armacell works in multiple initiatives and alliances, such as the European Alliance of Companies for Energy Efficiency in Buildings, to promote sustainability and more efficient use of energy.

3

SUSTAINABLE DEVELOPMENT GOALS

The UN 2030 Agenda for Sustainable Development defines a blueprint for peace and prosperity for people and our planet. The 17 Sustainable Development Goals (SDGs) at its heart are a call for action to countries and companies worldwide to play their part in achieving these goals. At Armacell, we are particularly committed to three SDGs that are intrinsically linked to our business.

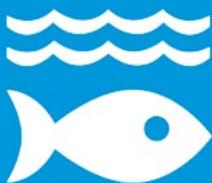
9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE

INNOVATIVE TECHNOLOGY

We develop and market innovative products and solutions that conserve energy and enable lightweighting solutions in the automotive, rail and wind energy industries.

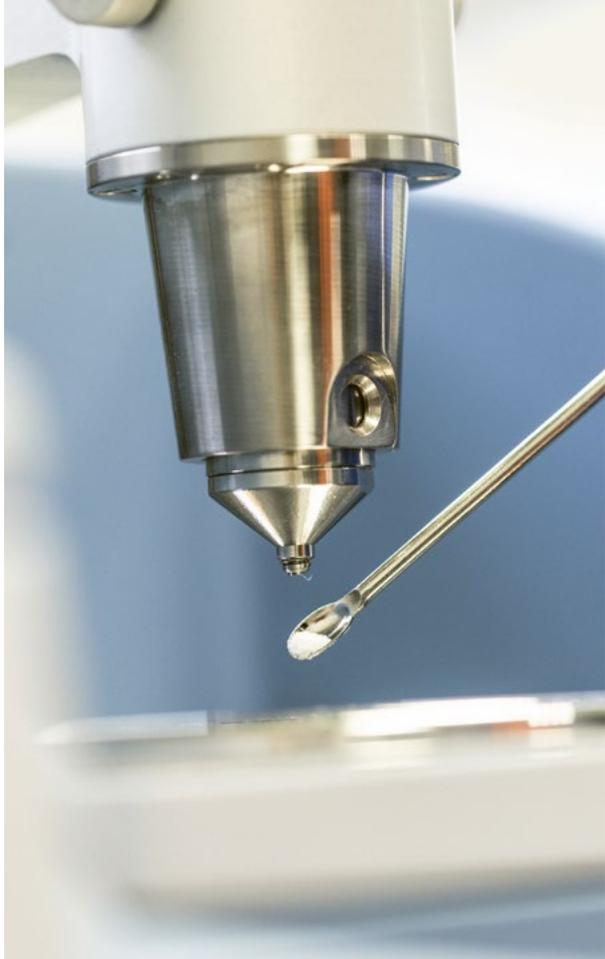
LESS PLASTIC POLLUTION

Plastic debris is polluting the world's oceans. Our structured PET foams are made entirely of recycled plastic bottles, which might otherwise have ended up in lakes, rivers or seas.

14 LIFE
BELOW WATER

13 CLIMATE
ACTION

HIGHER ENERGY EFFICIENCY

By enhancing energy efficiency and lowering CO₂ emissions in a wide range of industries, our products enable a more effective global response to climate change.



1

2



3



1 Innovation is our sustainable growth accelerator, an ideas-driven process involving everyone at Armacell.

2 E-vehicles and reduced fossil-fuel consumption: Armacell products are enabling automotive light-weighting.

3 The 1.5 bn recycled plastic bottles Armacell has turned into PET foam products are even used to build houses.

4

AREAS OF COMMITMENT

DRIVING GROWTH

The pillars of sustainable growth at Armacell are our commitment to the highest possible product quality and innovations that help to green our product portfolio and consume resources responsibly.

Product quality

- Durable raw material quality and processes
- World-class Armacell Mindset (WAM)
- ISO 9001 certifications
- Product testing

Innovation



Quality management

30,000

individual quality tests performed annually in four different categories

Innovative leadership

300+

active patents in 50 patent families – evidence of our innovative strength

EMPLOYEES FIRST

We prioritise our employees' health and safety by engaging in an interactive dialogue to ensure good working conditions, employee well-being and a positive work-life balance, while promoting training.

Health & Safety

- Health & Safety goals and measures
- Training

Internal dialogue

- Working conditions
- Well-being
- Work-life balance



Safety at work

33%

fewer lost-time accidents (LTAs) than in 2015

Gender diversity

22%

of our global and diverse workforce are women

PROTECTING OUR PLANET

Our energy-saving products and solutions, efforts to boost the circular economy, improved resource management and multiple environmental initiatives are helping to protect our planet.

Resource management

- Environmental goals and measures
- Reduced energy consumption and CO₂ emissions
- Waste management

Recycling plastic

Plant certifications

- ISO 14001, ISO 50001



Climate-friendly

37x

fewer CO₂ emissions through manufacturing products using recycled PET flakes

Saving energy

140x

more energy saved in an ArmaFlex® product lifetime than required to manufacture it

FOSTERING COMMUNITIES

The Armacell family donates time, energy and money to their local communities, in particular to help children and the elderly. As a company we facilitate and fully encourage these volunteering efforts.

Supporting local communities

- Helping children
- Caring for people
- Donating time and money

Supporting global initiatives



UN Global Compact (UNGC)

10

principles of the UNGC complied with to support local communities

Global Armacell Day

2,000

Armacell employees worldwide engaged in charity activities

FINANCIAL RESULTS

- // Net sales of €591 million in 2020
 - // Adjusted EBITDA of €120 million with an adjusted EBITDA margin of 20.2%
 - // Business model proves resilient in a challenging year
 - // Delivering positive adjusted free cash flow
 - // Significant strategic investments into production site upgrades, product portfolio extensions and innovation
 - // PAI Partners and KIRKBI committed to Armacell's ongoing growth strategy
- 

KEY FINANCIAL FIGURES

in € million	2016	2017 ⁷	2018	2019 ⁸	2020
Income statement¹					
Net sales	558.6	600.3	610.3	644.4	590.5
Adjusted EBITDA ²	100.4	103.8	106.0	133.5	119.6
Adjusted EBITDA margin	18.0%	17.3%	17.4%	20.7%	20.2%
Adjusted EBITA ³	82.4	84.8	86.4	102.7	87.5
Adjusted EBITA margin	14.8%	14.1%	14.2%	15.9%	14.8%
EBIT	37.4	43.8	28.6	56.0	28.8
Cash flow¹					
Adjusted cash flow from operating activities ⁴	83.7	83.9	94.3	129.1	100.6
Investments (excluding acquisitions)	25.7	41.0	46.0	44.3	44.2
Adjusted free cash flow ⁵	58.0	43.4	48.9	85.6	57.9
Balance sheet¹					
Current assets	191.0	210.5	252.8	265.2	268.4
Non-current assets	981.3	966.0	978.9	1,020.6	1,437.4
Current liabilities	145.8	132.4	184.6	1,272.7	185.3
Non-current liabilities and equity	1,206.5	1,044.1	1,047.1	13.1	1,520.5
Net debt – excluding shareholder loans¹					
Economic equity ⁶	306.5	276.4	253.4	249.5	530.1
Net debt	552.6	603.5	623.3	621.4	736.2

NOTES

¹ Consolidated financial statements for 2020 were prepared for Neptune Holdco and included ten months of Armacell Group activities in 2020.

² Adjusted for non-recurring items.

³ Adjusted for non-recurring items and asset impairments.

⁴ Adjusted for non-recurring items, depreciation and interest expenses on lease in 2019.

⁵ Adjusted for depreciation and lease interest expenses in 2019.

⁶ Includes shareholder loans.

⁷ Adjusted for expenses related to closure of operation.

⁸ IFRS 16 applied since 1 January 2019.



CORPORATE RATINGS

REPORTING STRUCTURE

On 4 December 2019, private equity funds managed by PAI Partners and KIRKBI Invest A/S, shareholders of Neptune Holdco and Neptune Bidco, agreed to acquire Armacell Holdco and Armacell Bidco, both limited liability companies registered in Luxembourg and shareholders of Armacell International S.A. The transaction closed on 28 February 2020.

On a consolidated basis, Neptune Holdco and Bidco have only included ten months of activities associated with the Armacell Group in the full fiscal year under review. In order to provide comparable numbers for 2019 and 2020, this annual report exhibits the consolidated financial performance resulting from the operations of the Armacell Group (Armacell) over a 12-month period.

Armacell operates two main businesses: Advanced Insulation and Engineered Foams.

ADVANCED INSULATION

The Advanced Insulation (AI) division provides flexible foam insulation solutions for the insulation of technical equipment utilised for the transport of energy. Typical applications include heating, ventilation and air conditioning (HVAC),

heating and plumbing (H&P), refrigeration, industrial, energy, commercial and residential infrastructure, acoustics as well as passive fire protection.

The principal value creation of the AI division is the co-design of energy-efficient installations and is managed across three regions: Europe, the Middle East and Africa (EMEA), North and South America (AMERICAS), and Asia Pacific (APAC).

ENGINEERED FOAMS

The Engineered Foams (EF) division develops and produces custom-made high-performance and lightweight foams used across a broad range of end markets, including wind energy, transportation, infrastructure, industrial and sports and leisure.

Consisting of environmentally friendly structural PET foam cores and component foam solutions, i.e. engineered elastomeric and polyethylene foams as well as cross-linked polyolefin foams, the principal value creation of the EF division is the customisation of physical properties of semi-finished and finished components sold to converters and OEMs.

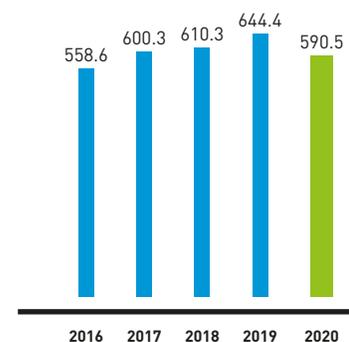
NET SALES BY BUSINESS DIVISION



NET SALES BY REGION



NET SALES in € million



OUTLOOK

Although the short-term outlook is characterised by a high level of uncertainty, Armacell's long-term growth potential remains intact and will be driven by post-pandemic market recovery. The increasing degree of market penetration and substitution will be supported by the growing public awareness of climate change and the development of new products for multiple applications.

OUTLOOK GDP growth in %

	2020	2021	2022
Global Economy	-3.5	5.5	4.2
Brazil	-4.5	3.6	2.6
Canada	-5.5	3.6	4.1
China	2.3	8.1	5.6
Euro Area	-7.2	4.2	3.6
India	-8.0	11.5	6.8
Russia	-3.6	3.0	3.9
UK	-10.0	4.5	5.0
USA	-3.4	5.1	2.5
Middle East & Central Asia	-3.2	3.0	4.2

Source: IMF World Economic Outlook Update, January 2021

Global economic activity in 2020 was impacted by the Covid-19 pandemic, leading to significant declines in GDP growth rates across the world. The IMF expects the global economy to have contracted by 3.5% over the year. The group of advanced economies saw a year-on-year minus of 4.9% in growth. Within this group, the euro zone (-7.2%) and the UK (-10.0%) were most affected. Emerging markets and developing economies did slightly better in 2020 with a contraction of 2.4%.

While the IMF expects ongoing policy supports and more widespread vaccination to strengthen economic activity in the course of 2021, the unpredictable nature of the pandemic means all economic forecasts have to be treated with a good deal of caution. Moreover, the strength of the recovery is expected to vary quite considerably from country to country.

In OECD countries and a number of emerging markets, a growing public awareness of climate change is driving the increasing use of renewable energies and enhanced energy efficiency. Armacell views renewed environmental consciousness and sustainability as a secular trend with a long-term, positive impact on the company's business. Insulation materials are regarded as the most efficient way to save energy. As a result, Armacell grew well above GDP growth rates in recent years and is expecting to benefit from this continuing trend. Changing energy policies and regulatory frameworks enhance opportunities to grow market segment shares across the entire business.

The Group targets to outperform market growth by participating in its base market growth, substituting legacy material and entering new geographies, new markets and product applications, both organically and through external growth.

In addition to the growth initiatives implemented in the Advanced Insulation business aimed at strengthening our position as a global leader in advanced material technologies, the Group foresees multiple growth opportunities in the Engineered Foams business division. While the substitution rate of legacy materials by PET continues to accelerate, Armacell will continue to broaden its customer base and its applications in the technical foams market, with a focus on transportation and selected industrial segments.

The Group foresees multiple growth opportunities

// CONSTRUCTION

North-East Asia remains the leading region in terms of total value of construction output. Despite positive trends, the pace of growth in the region will slow, reflecting the maturing of Chinese infrastructure projects. In Europe, a rebound effect is expected in economies that suffered most in 2020, with France and the UK, for example, expecting double-digit growth. In the USA, the outlook is negative, which shows the lagged effect of the pandemic on this segment of the U.S. economy.

// TRANSPORTATION

Global production of light vehicles is expected to grow in 2021, reflecting ongoing economic recovery, particularly in the major markets of China, Europe and North America. Sales of passenger battery electric vehicles (BEVs) across China, Europe and the USA are expected to reach 5.4% of all vehicle sales in 2021. The requirement for lightweight components and noise insulation in vehicles should drive the future demand for Armacell's Component Foams products.

// WIND

2020 was the highest year on record for new onshore and second-highest year for new offshore wind installations. Global new wind power installations surpassed 90 GW (+53% vs. 2019), bringing the total installed capacity to 743 GW (+14%). The world's top five markets in 2020 for new installations were China, the USA, Brazil, the Netherlands and Germany. These five markets made up 80% of global installations, with a positive outlook for the next five years.

Driven by our Innovation team, Armacell strives to strengthen its position as the technology leader and identify cross-regional opportunities for innovative products and technologies. New product recipes allow for the replacement of raw materials and should reduce price dependencies significantly. In addition, Armacell is investing in new technologies to expand the temperature range of its products, enlarge its product portfolio and provide its customers with one-stop shop opportunities.

These efforts will be accompanied by continued cost and productivity improvements. Armacell further expects greater diversification of group sales and enlargement of the addressable market.

Sources: IMF World Economic Outlook, 90th Euroconstruct Conference Summary Report, Global Wind Energy Council, GlobalData Construction Database, Economist Intelligence Unit Forecasts, FMI Corporation Engineering & Construction Industry Overview, IHS Markit

GROUP PERFORMANCE

NET SALES AND PROFIT

In 2020, Armacell achieved total **net sales** of €590.5 million (2019: €644.4 million). The decrease in net sales is largely explained by job site closures imposed by governments to mitigate the impact of Covid-19 and unfavourable currency developments, which were only partially compensated for by business growth.

Armacell generated an adjusted **EBITDA** of €119.6 million (2019: €133.5 million). The adjusted EBITDA margin reached 20.2% (2019: 20.7%). The EBITDA margin resilience was mainly driven by the diversification in terms of geography, segments, market applications as well as Armacell's diversified product portfolio together with its ability to adjust the company's cost base.

Non-recurring items totalled €19.8 million (2019: €9.8 million), mainly relating to the acquisition of the Armacell Group, shareholder management fees and adjustments to the Group's manufacturing footprint. Adjusted **EBITA** was €87.5 million (2019: €102.7 million) with an EBITA margin of 14.8% (2019: 15.9%).

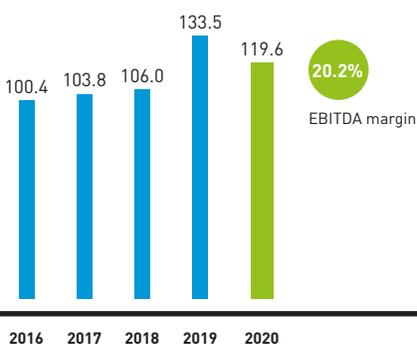
INVESTMENTS AND CASH FLOW

In 2020, Armacell continued to generate a strong operational **cash flow** and maintained a high level of investments despite the pandemic. In the reporting period, the adjusted free cash flow amounted to €57.9 million (2019: €85.6 million).

Besides the cash position and strong cash flow, the most important source of liquidity available was a **revolving credit facility** with a total volume of €110 million, of which €80 million had not been drawn at year-end.

In 2020, a senior **term loan** facility was raised. The total outstanding notional amount of the first lien term debt was €710.0 million.

ADJUSTED EBITDA* in € million



ADJUSTED EBITA in € million



* IFRS 16 applied since 2019

Total assets
1,705.8
 € million

BALANCE SHEET

The balance sheet total changed with the sale of the Armacell Group to new investors in February 2020. As of 31 December 2020, **total assets** were €1,705.8 million (2019: €1,285.8 million). Non-current assets equated to €1,437.4 million (2019: €1,020.6 million), which included intangible assets of €404.1 million (2019: €252.7 million), property, plant and equipment of €290.9 million (2019: €279.5 million) and goodwill of €712.3 million (2019: €479.2 million) arising from the first consolidation of the Group. Other intangible assets mainly consisted of customer lists, know-how, patents, trademarks and brands. Additional non-current assets were deferred tax assets and other non-current financial assets. Current assets amounted to €268.4 million (2019: €265.2 million) and mainly consisted of trade receivables of €82.2 million (2019: €79.3 million), inventories including finished goods of €73.1 million (2019: €76.8 million) and cash and cash equivalents of €93.5 million (2019: €74.5 million).

As of 31 December 2020, non-current **liabilities** equated to €1,071.7 million (2019: €236.3 million). Non-current liabilities mainly consist of long-term borrowings of €746.9 million (2019: €22.0 million), provisions for pensions and similar obligations of €114.3 million (2019: €105.5 million), deferred

tax liabilities amounting to €80.8 million (2019: €52.2 million) and of lease liabilities totalling €34.7 million (2019: €39.8 million). Current liabilities of €185.3 million (2019: €800.1 million) included borrowings of €20.2 million (2019: €627.8 million). The short-term liquidity ratio was at 94.8% (2019: 19.2%) in relation to the cash and cash equivalents of and trade receivables totalling €175.7 million (2019: €153.2 million).

As of 31 December 2020, economic **equity capital**, including the preferred equity certificates of Armacell shareholders, amounted to €530.1 million (2019: €249.4 million). The share capital was €5.0 million (2019: €17.9 million). The subscription of 7,500,000,000 preferred equity certificates, each with a par value of €0.01, was utilised to finance the acquisition of the Armacell Group. The economic equity ratio is 31.1% (2019: 19.4%).

BUSINESS PERFORMANCE

ADVANCED INSULATION

In 2020, net sales from Armacell's Advanced Insulation (AI) division amounted to €454.2 million (2019: €502.2 million). AI generated 77% of Armacell's total net sales in the year under review.

ADVANCED INSULATION NET SALES BY REGION



Advanced Insulation EMEA

According to IMF figures, the euro zone economies declined by 7.2% in 2020. Among Europe's advanced economies the performance ranged from -5.4% in Germany to -11.1% in Spain. Emerging and Developing Europe seemingly got through the pandemic year in somewhat better shape since their overall growth declined by 2.8%.

Net sales of Advanced Insulation EMEA decreased by 4.1% from €225.2 million in 2019 to €216.1 million in 2020. Excluding the effects of FX, the 3.0% drop was lower than the declines in the region's GDP and construction market.

KEY FIGURES - AI EMEA

in € million	2018	2019	2020
Net sales	210.4	225.2	216.1

Advanced Insulation AMERICAS

The U.S. economy declined by an estimated 3.4% in 2020 but is expected to grow by 5.1% in 2021. This turnaround was already apparent in Q4 2020 when 4.0% growth was recorded. Whereas Canada's GDP fell by 5.5% in 2020, it is forecast to grow by 3.6% in 2021. Following a fall in GDP of 4.5% in 2020, 3.6% growth is predicted for Brazil in 2021.

Net sales of Advanced Insulation AMERICAS decreased by 10.3% from €162.7 million in 2019 to €145.9 million in 2020. This negative performance was primarily due to Covid-related impacts on our end markets. Excluding FX effects, net sales declined by 8.1%.

KEY FIGURES - AI AMERICAS

in € million	2018	2019	2020
Net sales	157.8	162.7	145.9

Advanced Insulation APAC

Despite varying GDP growth rates in different countries, Asia's emerging and developing economies performed better than any other region of the world. In China, GDP grew by 2.3% in a year-on-year comparison. In India and South Korea, GDP declined by 8.0% and 1.0% respectively.

Net sales of Advanced Insulation APAC decreased by 19.3% from €114.3 million in 2019 to €92.2 million in 2020, resulting from unfavourable currency developments and lower volumes in China, India, Japan and Singapore. Excluding FX effects, net sales declined by 13.8%.

KEY FIGURES - AI APAC

in € million	2018	2019	2020
Net sales	110.6	114.3	92.2

Advanced Insulation

454.2

€ million net sales

Engineered Foams

136.3

€ million net sales

ENGINEERED FOAMS

In 2020, net sales from Armacell's Engineered Foams (EF) division amounted to €136.3 million (2019: €142.2 million), with contrary trends observed in the Component Foams and PET businesses. EF generated 23% of Armacell's total net sales in the year under review.

KEY FIGURES – EF

in € million	2018	2019	2020
Net sales	131.5	142.2	136.3

Component Foams

In 2020, net sales in Component Foams (CF) declined by 13.8% to €77.8 million (2019: €90.3 million). Excluding FX variations, net sales fell by 12.4%.

Industrial applications (approx. 40%) and the North American automotive industry (approx. 30%) – both sectors highly affected by the global pandemic – mainly contributed to the performance of Armacell's CF business. Additional sales were generated in the sports & leisure and the building and construction markets.

PET

In 2020, net sales from Armacell's PET business increased by 12.7% from €52 million in 2019 to €58.6 million in 2020. This strong growth was driven by multiple applications combining light-weighting and other performance parameters such as insulation, tensile strength, torsion stiffness, etc. in the wind, transportation and selected industrial segments. The increasing awareness of the benefits recycled PET foams offer is reflected in the stronger net sales figures for each of these destination end markets.

Europe remains the leading region, while APAC is steadily catching up. Demand in China is growing strongly, mainly in the wind market with China accounting for more than 40% of the wind turbines installed globally. In APAC, net sales of Armacell's PET products (ArmaPET®) grew by 44% in 2020, supported by the launch of a PET foam extrusion line at the Suzhou facility, west of Shanghai, in Q2 2020.

In addition to the fact that Armacell is approved by the majority of the global leaders in blade manufacturing, incremental diversification was generated in other destination end markets by adding new applications in transportation, infrastructure and general industry.

Additional investments are being implemented to expand our production capacity and meet the growing global market demand for PET foam products. In Q3 2020, Armacell initiated a production extension at its PET foams headquarters in Thimister-Clermont, Belgium, to accommodate two additional production lines. At the end of 2020, we reached the landmark of 1.5 billion recycled PET bottles consumed in our foaming process to manufacture PET foam products.

CORPORATE GOVERNANCE

RISK MANAGEMENT

Armacell is exposed to various risks that are part and parcel of the entrepreneurial nature of its business. The potential sources of risk are continually monitored to identify and mitigate possible risks as early as possible.

Competition

There are significant barriers to entry in the flexible insulation and technical foam markets, particularly in view of the initial investment, know-how and intellectual property required, as well as the necessary penetration of distribution channels. The risk that new competitors may enter these mature high-end markets and gain material market shares is considered to be limited.

Armacell offers products developed with the latest technologies in premium segments and is in a position to continuously optimise its production costs. Nevertheless, Armacell is equipped to absorb ongoing price pressure and mitigates this risk through manufacturing cost optimisation and a clear focus on its customers' price, quality, availability and service requirements.

Strategy and business model

Armacell's insulation business depends to a certain degree on the performance of the equipment market in infrastructure and other industries. As Armacell operates in businesses that benefit from more stringent environmental laws, more industry-specific opportunities than risks are expected to emerge. Although stricter environmental protection requirements may necessitate plant modernisation measures in future, these regulations will also drive the demand for insulation products and positively impact the Group's earnings.

Demand in Europe, the Middle East, North and South America, and Asia plays an important role for Armacell's business. Moreover, product sales to the infrastructure and construction industry are sensitive to the general level of economic activity and taxation. Armacell is highly diversified across geographies, with limited risks arising from over-concentration on individual markets.

// INNOVATION

Armacell strategically invests in innovation to mitigate the risk of margin deterioration due to direct product competition. The Group's technology platform is one of its main competitive advantages and through strong innovation efforts, Armacell expects further sales and profitable growth opportunities. Two factors are driving this growth: advancements in existing products and the launch of new products with characteristics that bring customers added value. Lighter and thinner, Armacell products – combining thermal and acoustic properties – allow customers to substitute other materials and achieve a lower overall cost.

Armacell continuously invests to optimise its performance

Material risks relating to corporate strategy are considered low since Armacell is focused on diversified stable and long-term customer relationships. The top ten customers account for less than 20% of net sales.

To mitigate risks, Armacell has introduced appropriate measures to align production capacity to the expected demand requirements. Armacell is continuously exploring and developing new and promising market opportunities, such as aerogel-based insulation, acoustic systems and solutions, accessories, passive fire protection (PFP) solutions and the PET foam market for wind turbines or in lightweight transportation and industrial applications.

Operating performance

Armacell margins have proved resilient in recent years. Raw material price pressures are managed through the ongoing multiple-sourcing optimisation of recipes and cost initiatives. Armacell product prices can be increased at relatively short notice to pass on higher raw material costs. Competing products generally depend on similar raw materials. Armacell continuously invests to optimise its performance and improve the Group's long-term competitiveness in order to absorb potentially adverse price volatility in its raw materials.

Information technology

In line with most manufacturing peers, Armacell is exposed to risks arising from cyber threats or digital disruption relating to the information technology infrastructure. The continuity and security of IT systems and data are ensured by a set of infrastructure and security measures and managed by a global governance body, which pilots the corporate and local IT teams in accordance with Group policies and best risk management practices.

In response to a cyber attack in Q4 2020, a number of additional security measures have been implemented and a Group Cyber Security Policy was released in January 2021 to provide guidance to the entire organisation on how to preserve the security of company data and technology infrastructure and mitigate security risks.

Financials

Armacell faces the typical liquidity risks of private equity financing: high interest charges and comparatively low equity ratios. Besides its partially drawn revolving credit facility of €110 million, the Group can optionally access new financing sources for acquisitions or similar investments in the business. Armacell has implemented strong liquidity monitoring tools and the financial risks from customer receivables are considered to be low.

Armacell operates globally and its trading results are affected by foreign exchange rate volatility. The reported results are impacted by two different kinds of risk. Transactional risk arises from transactions denominated in currencies other than the functional currency of the subsidiary. In general, Armacell does not hedge its transactional exposure as the business is, to a large extent, naturally hedged as local sourcing and selling activities are usually in the same currency.

Translational risk arises upon consolidation of the Group results and relates to exposure from translating the financial statements of subsidiaries that use currencies other than the euro. Less than 30% of revenues are generated by entities with the euro as their functional currency, while the U.S. dollar accounts for about a third. Other important foreign currencies within the Group are the CAD, CNY and PLN.

In 2020, the main financing was based on a €710 million term loan with an interest rate of Euribor+350bp, a floor of 0% and a maturity in 2027. In addition, Armacell has access to a revolving credit facility of €110 million with an interest rate of Euribor+300bp, a floor of 0% and a maturity in 2026.

Covid-19

Since the early days of the global pandemic, Armacell has been implementing global business continuity measures to safeguard the well-being of its employees, maintain operations (except where prohibited by local lockdowns or government measures) and continue to serve its customers.

In view of the accelerating pace of vaccination and progressive easing of lockdown measures, the business plan revised in December 2020 assumes moderate growth in 2021 for the construction and other affected industries. Besides the resilience provided by the decentralised production footprint and double sourcing strategy, plans are in place for an adequate response to any future government restrictions or lower demand. In 2020, Armacell demonstrated its ability to adjust its costs and the existing financing instruments should provide sufficient scope.

Armacell demonstrated its ability to adjust its costs

GROUP MANAGEMENT

The decision-making bodies of Armacell International S.A. consist of the individuals listed below. Responsible for the long-term success of the Group, they set the strategic goals, establish standards, and ensure compliance.

Supervisory Board

- Mathieu Paillat (Chairman)
- Laurent Rivoire
- Philipp Meyer
- Jacob Chris Lassen
- Peter Christopher Vestermark Bason

Audit Committee

- Peter Christopher Vestermark Bason (Chairman)
- Mathieu Paillat

Remuneration and Nomination Committee

- Mathieu Paillat (Chairman)
- Jacob Chris Lassen

Sustainability Committee

- Jacob Chris Lassen (Chairman)
- Mathieu Paillat

Management Board

- Please refer to pages 36–37

Executive Management Team

- Please refer to pages 36–37

OWNERSHIP STRUCTURE

Since 28 February 2020, equity funds managed by PAI Partners and KIRKBI have been Armacell's majority shareholder. The remaining shares are held by Armacell's senior management team.

About PAI Partners



PAI Partners is a leading European private equity firm with offices in Paris, London, Luxembourg, Madrid, Milan, Munich, New York and Stockholm. It manages €13.9 billion

of dedicated buyout funds and, since 1994, has completed 75 transactions in 11 countries, representing over €50 billion in transaction value. PAI Partners is characterised by its industrial approach to ownership combined with its sector-based organisation. It provides the companies it owns with the financial, operational and strategic support required to pursue their development and enhance value creation.

www.paipartners.com

About KIRKBI

KIRKBI is the Kirk Kristiansen family's private holding and investment company founded to build a sustainable future for the family ownership of the LEGO® brand through generations. KIRKBI's strategic activities include 75% ownership of the LEGO Group and 50% ownership of Merlin Entertainments. The company's investment activities also include investments in renewable energy, significant long-term invest-

ments in companies such as ISS, Nilfisk, Falck, Armacell, Välinge and Landis+Gyr as well as real estate investments in Denmark, Switzerland, Germany and the UK.



www.kirkbi.com

CONTACTS & CREDITS

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