JOST

JOST
ROCKINGER
TRIDEC
Edbro
Quicke

INTERIM REPORT Q1 2021

DRIVING GROWTH

JOST AT A GLANCE

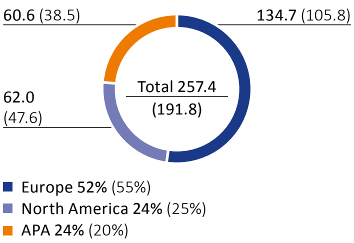
Key figures

in € million	Q1 2021	Q1 2020	Change
Consolidated sales	**257.4**	**191.8**	**34.2%**
thereof sales Europe	155.5	122.8	26.6%
thereof sales North America	55.3	44.9	23.0%
thereof sales Asia, Pacific and Africa (APA)	46.6	24.1	93.5%
Adjusted EBITDA[1]	37.1	22.0	68.6%
Adjusted EBITDA margin (%)	14.4%	11.5%	2.9%-points
Adjusted EBIT[1]	29.8	14.7	101.9%
Adjusted EBIT margin (%)	11.6%	7.7%	3.9%-points
Equity ratio (%)	29.7%	26.9%	2.8%-points
Net debt[2]	207.5	278.2	–25.4%
Leverage[3,9]	1.76x	2.45x	–28.2%
Liquid assets	95.7	102.8	–6.9%
Capex[4]	3.9	4.1	–3.9%
ROCE (%)[5,9]	14.2%	12.1%	2.1%-points
Cash conversion rate (%)[6]	89.4%	81.4%	8%-points
Profit/loss after taxes	18.9	–4.1	–560.7%
Earnings per share (in €)	1.27	–0.28	–553.6%
Adjusted profit/loss after taxes[7]	20.1	5.7	249.5%
Adjusted earnings per share (in €)[8]	1.35	0.39	246.2%

1 Adjustments for PPA effects and exceptionals
2 Interest-bearing capital (excl. accrued refinancing costs) – liquid assets
3 Net debt/LTM adj. EBITDA
4 Gross presentation (capex; without taking into account divestments)
5 LTM adj. EBIT / interest bearing capital employed; interest bearing capital: equity + financial liabilities (except for refinancing costs) – liquid assets + provisions for pensions
6 (Adj. EBITDA – Capex / adj. EBITDA)
7 Profit after taxes adjusted for exceptionals in accordance with note 7
8 Adjusted profit after taxes / 14,900,000 (number of shares as of March 31)
9 LTM figures from Q1 2020 for comparison purposes also include figures for Ålö before the January 31, 2020, acquisition date

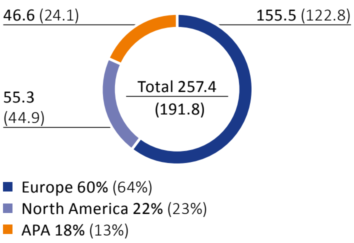
Regional sales by destination

Q1 2021 (2020), in € million



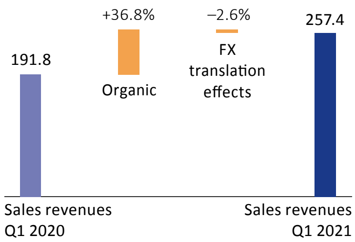
Regional sales by origin

Q1 2021 (2020), in € million



Sales development organic

Q1 2021, in € million, in %



DRIVING GROWTH

JOST is a leading global producer and supplier of safety-critical systems for the commercial vehicle industry under the JOST, ROCKINGER, TRIDEC, Edbro and Quicke brands.

JOST's global leadership position is driven by the strength of its brands, its long-standing client relationships serviced through its global distribution network, and its efficient and asset-light business model. With sales and production facilities in 25 countries across five continents, JOST has direct access to all major truck, trailer and agricultural tractor manufacturers as well as relevant end customers in the commercial vehicle industry. JOST currently employs more than 3,000 staff worldwide and has been listed on the Frankfurt Stock Exchange since 20 July 2017.

CONTENT

Interim Group Management Report

for the first quarter of 2021

Executive Board's overall assessment of the course of business

JOST made a successful start to 2021. Compared with the first quarter of 2020, the group lifted global sales by 34.2% to €257.3m. All regions made a substantial contribution to this strong performance, though the biggest increase was recorded in Asia-Pacific-Africa (APA) due to JOST's APA business having been hit particularly hard by the outbreak of the coronavirus pandemic in Wuhan, China, in the comparative prior-year period. After that, the Chinese market recovered rapidly and JOST was able to leverage its outstanding regional presence to post a steady increase in sales. In the first quarter of 2021, we achieved a new sales record in the APA region with growth of 93.5% to €46.6m (Q1 2020: €24.1m).

The dynamic sales growth in all regions allowed JOST to substantially improve the operating leverage of fixed cost degression. Adjusted EBIT doubled year-over-year, climbing to €29.8m in the first quarter of 2021, and the adjusted EBIT margin rose by 390 basis points to 11.6%. JOST achieved the biggest improvement in the transport sector, its area of business most severely affected by the pandemic last year.

During the first quarter of 2021, JOST further reduced its financial liabilities and was able to lower its net debt over the last twelve months to €207.5m from (Q1 2020: €278.2m). Combined with this strong operating performance, we thus managed to reduce our leverage ratio to 1.76x, further strengthening JOST's financial position (Q1 2020 leverage: 2.45x).

Macroeconomic environment

Global economic recovery continues. In spite of the ongoing pandemic, the global economy continued its path to recovery. Nonetheless, this overall positive trend is fraught with challenges because the pace of recovery varies greatly from region to region and from country to country depending on how fast COVID-19 vaccination campaigns are being rolled out, the extent of economic and monetary support measures, and the regions' dependence on tourism.

The International Monetary Fund (IMF) currently expects world output to increase by 6.0% year-over-year in 2021 (2020: –3.3%). This in turn will have a positive effect on the global trade volume, which is projected to increase by 8.4% in 2021 (2020: –8.5%). In Europe the IMF estimates that gross domestic product (GDP) will rise by 4.4% (2020: –6.6%). The IMF anticipates that the US economy will surpass pre-pandemic levels as early as 2021 and grow by 6.4% compared with the previous year (2020: –3.5%). China is also expected to continue its recovery, expanding by 8.4% year-over-year (2020: 2.3%). India's economy is likewise rebounding from its slump in 2020 and is projected to grow by 12.5% (2020: –8.0%), though the new wave of the pandemic could put a damper on the anticipated performance. Overall, the IMF nevertheless expects Asia's emerging market and developing economies to improve by as much as 8.6%, mainly sustained by China and India (2020: –1.0%). The forecasts also point to substantial growth in Latin America, where the economy is projected to expand by 4.6% year-over-year in 2021 (2020: –7.0%).

Sector-specific environment

Truck market starts 2021 on a strong footing. Forecasting institute LMC Automotive (LMC) expects global heavy truck production (excluding China) to grow by 25.9% year-over-year in the 2021 fiscal year. The heavy truck market in Europe is predicted to expand by 16.3% in 2021 compared to the previous year. Market research firm FTR Consulting, which specializes in North America, expects to see strong growth of 39.3% in the North American truck market in 2021 compared with the previous year.

LMC has raised its forecast for the heavy truck market in the Asia-Pacific-Africa (APA) region. According to the latest estimates, truck production in 2021 is expected to fall approximately –9.1% short of the 2020 figure; at the beginning of 2021, LMC had anticipated a decline of –15.3%. This is primarily due to China, as the Chinese truck market bucked the general market trend and shrugged off the coronavirus pandemic to record strong growth in 2020, leading market analysts to expect a reduction in fleet's propensity to invest in 2021. However, LMC Automotive believes that the other countries in this region will grow in 2021. Excluding China, the institute expects the APA truck market to expand by 27.8% year-over-year. According to LMC, the truck market in South America is also likely to grow by 23.4% compared to 2020 in the 2021 fiscal year.

Trailer market set to grow. After the sharp decline in the trailer market in 2019 and 2020, forecasting institute Clear Consulting anticipates growth in the 2021 fiscal year. In Europe, Clear expects trailer production to increase by 13.1% year-over-year, while the market in Asia-Pacific-Africa is predicted to expand by 11.1%. According to FTR, trailer production in North America is set to grow by 34.9% compared to 2020. This significant increase in estimates reflects the increasing momentum seen in the market. As recently as the beginning of 2021, FTR had forecast market growth of only 13.6%. Clear Consulting also expects the Latin American market to increase by 7.3% year-over-year.

Strong demand for agricultural tractors. The year 2021 also got off to a positive start for the agricultural market. In North America, the mood among farmers brightened considerably as a result of government support and rising prices for agricultural products. The North American agricultural market is likely to grow by around 5% in 2021 compared to the previous year. In Europe, a better harvest and the resulting increase in cereal production partially offset weaknesses in dairy and livestock farming. The mood among farmers here also improved, resulting in a greater willingness to invest. Experts believe that the European tractor market will remain at the previous year's level or grow slightly in 2021.

Course of business in Q1 2021

Sales

Sales revenues by origin Q1 *

in € thousands	Q1 2021	Q1 2020	% yoy
Europe	155,468	122,796	+26.6%
North America	55,257	44,923	+23.0%
Asia-Pacific-Africa (APA)	46,616	24,086	+93.5%
Total	**257,341**	**191,805**	**+34.2%**
of which transport	198,344	158,393	+25.2%
of which agriculture	58,997	33,412	+76.6%

* The Ålö Group was included in the group's basis of consolidation effective February 1, 2020. Accordingly, the comparability of sales, especially in agriculture, with the previous year is limited.

JOST made a successful start to 2021. In spite of the continuing pandemic and the ongoing uncertainty in the market, JOST lifted sales by 34.2% year-over-year to €257.3m in the first quarter of 2021 (Q1 2020: €191.8m). In the transport sector, JOST saw sales rise by 25.2% to €198.3m (Q1 2020: €158.4m). In the agricultural sector, JOST's sales rose by 76.6% in the first three months to €59.0m (Q1 2020: €33.4m). A comparison in the agricultural sector is only of limited value because the Ålö Group was not consolidated until February 1, 2020. Including Ålö's January 2020 sales, the entire agricultural sector grew by 23.7% in the first quarter of 2021 over the first quarter of 2020.

The division between transport and agriculture reflects the organizational structure introduced on January 1, 2021, consolidating all of JOST's agricultural activities. This includes the sales revenues generated by the Ålö Group acquired in 2020 and the sales from ROCKINGER Agriculture.

European sales rose by 26.6% in the first quarter of 2021 to €155.5m (Q1 2020: €122.8m). The vigorous growth rate that we had observed at the end of 2020 was sustained. Demand for trucks, trailers and agricultural front loaders continued to rise as the quarter went on. After the reluctance of many end users to invest in the previous year, a marked increase in willingness to purchase new capital assets could be observed.

JOST registered a similar trend in North America, where the market is rebounding and demand for trucks, trailers and agricultural front loaders is growing steadily. Sales in North America rose by 23.0% in the first quarter of 2021 to €55.3m (Q1 2020: €44.9m).

JOST recorded its strongest growth in sales in the Asia-Pacific-Africa (APA) region. The group nearly doubled its sales revenue in this region with an increase of 93.5% to €46.6m, hitting a new record (Q1 2020: €24.1m). The sharp increase year-over-year can be attributed to the fact that JOST had been profoundly impacted by the pandemic in the prior-year period due to the pandemic-related closure of its production facility in Wuhan, China. By comparison, we recorded very encouraging growth in all countries in APA including India in the first quarter of 2021. Marketing of agricultural products in APA is still at a relatively low level, so the contribution from agriculture to the region's total sales is negligible.

Results of operations

Results of operations Q1

in € thousands	Q1 2021	Q1 2020	% yoy
Sales revenues	**257,341**	**191,805**	**34.2%**
Cost of sales	–183,583	–142,888	
Gross profit	**73,758**	**48,917**	**50.8%**
Operating expenses/income	–52,564	–46,481	
Operating profit (EBIT)	**21,194**	**2,436**	**770.0%**
Net finance result	**–1,060**	**–6,765**	
Earnings before taxes	**20,134**	**–4,329**	**–565.1%**
Income taxes	–1,185	216	
Earnings after taxes	**18,949**	**–4,113**	**–560.7%**

JOST increased its gross margin by 320 basis points year-over-year to 28.7% in the first quarter of 2021 (Q1 2020: 25.5%). The surge in the volume of business enabled JOST to offset its fixed costs much more effectively than in the previous year. This positive effect from the operating leverage is the main reason behind the improvement in the gross margin. In addition, the prior-year quarter had been impacted by the pandemic-related closure of the plant in Wuhan, China. In the first quarter of 2021, earnings before interest and taxes (EBIT) decreased to €21.2m (Q1 2020: €2.4m).

Adjusted for exceptionals, EBIT doubled to €29.8m in the first quarter of 2021 (Q1 2020: €14.7m). JOST therefore witnessed a significant improvement in its adjusted EBIT margin in the first quarter of 2021 by 390 basis points year-over-year to 11.6% (Q1 2020: 7.7%).

The adjustments made mainly concerned non-operating exceptionals arising from depreciation and amortization in connection with purchase price allocation (D&A from PPA) in the amount of €7.3m (Q1 2020: €7.0m). The other effects were down year-over-year because earnings in the first quarter of 2021 were no longer reduced by consultant fees and other administrative expenses in connection with the acquisition of Ålö. The following table shows a summary of adjustments made:

Reconciliation of adjusted earnings Q1

in € thousands	Q1 2021	Q1 2020
EBIT	**21,194**	**2,436**
D&A from PPA	–7,308	–7,020
Other effects	–1,256	–5,280
Adjusted EBIT	**29,758**	**14,736**
Depreciation	–6,668	–6,203
Amortization	–713	–1,094
Adjusted EBITDA	**37,139**	**22,033**

The net finance result improved to €–1.1m in the first quarter of 2021 compared with the same quarter of the previous year (Q1 2020: €–6.8m). This improvement is largely attributable to the fact that earnings in the first quarter of the previous year had been significantly impacted by non-cash effects from the measurement of foreign currency loans.

Earnings after taxes rose to €18.9m in the first three months of 2021 (Q1 2020: €–4.1m). Earnings per share came to €1.27 in the first quarter (Q1 2020: €–0.28).

Adjusted for exceptionals, earnings after taxes in the first quarter of 2021 came to €20.1m (Q1 2020: €5.7m) and earnings per share rose to €1.35 (Q1 2020: €0.39).

Segments

Segment reporting Q1 2021

in € thousands	Europe	North America	Asia, Pacific and Africa	Reconciliation	Consolidated financial statements
Sales revenues*	244,174	56,000	71,287	–114,120	257,341**
thereof: external sales revenues*	**155,468**	**55,257**	**46,616**	**0**	**257,341**
thereof: internal sales revenues*	88,706	743	24,671	–114,120	0
Adjusted EBIT***	**16,491**	**4,132**	**8,166**	**969**	**29,758**
thereof: depreciation and amortization	4,987	1,110	1,284	0	7,381
Adjusted EBIT margin	10.6%	7.5%	17.5%		11.6%
Adjusted EBITDA***	**21,478**	**5,242**	**9,450**	**969**	**37,139**
Adjusted EBITDA margin	13.8%	9.5%	20.3%		14.4%

* Sales by destination in the reporting period:
– Europe: €134,735 thousand
– Americas: €62,000 thousand
– Asia-Pacific-Africa: €60,606 thousand

** Sales revenues in the segments show the sales revenues by origin.

*** Adjusted EBIT/ EBITDA includes share of profit or loss of investment accounted for using the equity method that is not allocated to a segment and therefore included in the reconciliation column.

Segment reporting Q1 2020

in € thousands	Europe	North America	Asia, Pacific and Africa	Reconciliation	Consolidated financial statements
Sales revenues*	201,586	47,604	35,716	–93,101	191,805**
thereof: external sales revenues*	**122,796**	**44,923**	**24,086**	**0**	**191,805**
thereof: internal sales revenues*	78,790	2,681	11,630	–93,101	0
Adjusted EBIT***	**10,562**	**3,282**	**259**	**633**	**14,736**
thereof: depreciation and amortization	4,800	1,335	1,162	0	7,297
Adjusted EBIT margin	8.6%	7.3%	1.1%		7.7%
Adjusted EBITDA***	**15,362**	**4,617**	**1,421**	**633**	**22,033**
Adjusted EBITDA margin	12.5%	10.3%	5.9%		11.5%

* Sales by destination in the reporting period:
– Europe: €105,749 thousand
– Americas: €47,550 thousand
– Asia-Pacific-Africa: €38,506 thousand

** Sales revenues in the segments show the sales revenues by origin.

*** Adjusted EBIT/ EBITDA includes share of profit or loss of investment accounted for using the equity method that is not allocated to a segment and therefore included in the reconciliation column.

Europa

In the first quarter of 2021, both transport and the agricultural sector in Europe continued to grow, with demand for JOST products rising steadily. This enabled JOST to significantly increase its manufacturing output, particularly compared with the previous year. In contrast to the first three months of the previous year, short-time working was no longer necessary, but higher steel and logistics costs and supply chain bottlenecks affected earnings. All the same, JOST increased adjusted EBIT in Europe by 56.1% year-over-year to €16.5m (Q1 2020: €10.6m) and improved its adjusted EBIT margin by 200 basis points to 10.6% (Q1 2020: 8.6%).

North America

The market recovery that began in North America at the end of 2020 also continued. JOST posted higher sales year-over-year in both transport and agriculture. Earnings were weakened by the rise in steel and logistics costs. In the agricultural sector in particular, bottlenecks in logistics chains and limited transport capacity from Asia to North America reduced earnings, as some products for the North American agricultural market are produced in China. Over and above this, earnings were impacted by product mix effects because the bulk of the growth took place in the OEM business, which generates lower margins than the aftermarket business.

Nevertheless, JOST succeeded in raising adjusted EBIT in North America by 25.9% to €4.1m (Q1 2020: €3.3m) and improving its adjusted EBIT margin by 20 basis points to 7.5% (Q1 2020: 7.3%).

Asia-Pacific-Africa

The buoyant growth in APA was mainly driven by the transport business because JOST's APA agricultural business has not yet made a significant contribution. The sustained recovery of the Chinese market combined with the considerable growth momentum in South Africa, India and the Pacific region lead to increased capacity utilization at all plants. The results achieved in APA are particularly gratifying in view of the very weak prior-year quarter, which was hit exceptionally hard by the closure of the plant in Wuhan, China.

JOST increased adjusted EBIT significantly to €8.2m (Q1 2020: €0.3m) and improved its adjusted EBIT margin by 1,640 basis points to 17.5% (Q1 2020: 1.1%).

Net assets

Condensed balance sheet

Assets

in € thousands	03/31/2021	12/31/2020
Noncurrent assets	531,224	546,916
Current assets	431,283	391,649
	962,507	**938,565**

Equity and Liabilities

in € thousands	03/31/2021	12/31/2020
Equity	286,071	265,235
Noncurrent liabilities	403,885	411,941
Current liabilities	272,551	261,389
	962,507	**938,565**

Underpinned by the group's strong business performance, JOST Werke AG's equity rose by 7.9% to €286.1m in the first three months of the year (December 31, 2020: €265.2m). As of March 31, 2021, the equity ratio increased in tandem to 29.7% (December 31, 2020: 28.3%).

JOST repaid financial liabilities of €13.0m during the first quarter of 2021. This reduced current interest-bearing loans and borrowings as of March 31 to €35.1m (December 31, 2020: €47.2m). Noncurrent financial liabilities remained almost flat at €267.7m. This item mostly included promissory note loans of €150.0m as well as another financing arrangement of €114.0m concluded with a consortium of banks for the acquisition of the Ålö Group in 2020.

The amortization of intangible assets arising from purchase price allocations (PPA) and ongoing depreciation of property, plant, and equipment reduced noncurrent assets. As of the reporting date, these came to €531.2m (December 31, 2020: €547.0m).

Inventories rose by €11.4m to €147.7m (December 31, 2020: €136.3m) and trade receivables increased by €39.6m to €163.5m (December 31, 2020: €123.9m). This increase was mainly due to seasonal effects as inventories and receivables are generally lower at the end of the year. The strong increase in business volume during the quarter further reinforced this effect. Trade payables rose analogously by €10.9m to €138.2m (December 31, 2020: €127.3m). Overall, working capital rose by 30.1% to €173.0m in the first three months of 2021, reflecting the increase in sales revenues (December 31, 2020: €133.0m).

Compared with the first quarter of the preceding year, working capital improved by –2.2% (Q1 2020: €176.9m). The ratio of working capital to sales over the last twelve months remained virtually unchanged at 20.1% (Q1 2020: 20.0%). The increase in sales was the primary driver here.

Due to the repayment of financial liabilities mentioned above, liquid assets decreased to €95.7m during the first quarter of 2021 compared with December 31, 2020 (December 31, 2020: €108.3m). The increase in working capital versus December 31, 2020, also slightly reduced liquid assets because the company's growth needs to be pre-financed.

Net debt came to €207.5m (December 31, 2020: €207.6m). Due to the increase in adjusted EBITDA, the leverage ratio (ratio of net debt to adjusted EBITDA for the last twelve months) improved to 1.76x (December 31, 2020: 1.997x).

Financial Position

Cash flows Q1

in € thousands	Q1 2021	Q1 2020
Cash flow from operating activities	**5,549**	**22,210**
thereof change in net working capital	–38,637	–5,708
Cash flow from investing activities	**–3,815**	**–249,427**
of which acquisition of subsidiary, less acquired cash	0	–245,419
Cash flow from financing activities	**–16,727**	**227,096**
Net change in cash and cash equivalents	**–14,993**	**–121**
Change in cash and cash equivalents due to exchange rate movements	2,391	–1,852
Cash and cash equivalents at January 1	108,315	104,812
Cash and cash equivalents at March 31	**95,713**	**102,839**

Cash flow from operating activities fell to €+5.5m in the first three months of 2021 due in particular to the increase in working capital (Q1 2020: €+22.2m), which in turn is largely attributable to the higher volume of business compared with the pandemic-hit first quarter of the previous year.

Cash flow from investing activities amounted to €–3.8m (Q1 2020: €–249.4m). The substantial change can be attributed to the acquisition of the Ålö Group in the same quarter of the preceding year. Investments in property, plant and equipment fell to €–2.8m versus the previous year (Q1 2020: €–3.4m) while investments in intangible assets amounted to €–1.2m (Q1 2020: €–0.9m).

Free cash flow (cash flow from operating activities less payment made for the acquisition of property, plant and equipment and intangible assets) stood at €+1.6m (Q1 2020: €+18.2m). The reduction is due to the higher volume of business and the associated increase in working capital.

Cash flow from financing activities also fell sharply year-over-year owing to the financing arrangements made for the acquisition of Ålö in the first quarter of 2020. In the first quarter of 2021, this item therefore came to €–16.7m, due in no small measure to the repayment of loans in the amount of €–13.0m (Q1 2020: €+227.1m).

At the end of the first quarter of 2021, liquid assets amounted to €+95.7m (Q1 2020: €+102.8m).

Opportunities and risks

The risk and opportunity situation of JOST has not changed significantly since the preparation of our 2020 Annual Report on March 17, 2021. For more details please refer to p. 40 et seq. of that report.

Outlook

JOST is positive about its prospects in 2021. Despite the ongoing uncertainty caused by the coronavirus pandemic, all leading indicators suggest that the global markets for trucks and trailers are back on track for growth. The agricultural market is also likely to record growth in 2021.

In light of the positive overall macroeconomic and sector-specific environment, the Executive Board expects consolidated sales to increase in the low double-digit percentage range year-over-year (2020: €794.4m).

Adjusted EBIT is predicted to grow disproportionately compared to sales, rising by a low double-digit percentage (2020: €73.2m). As we do not expect any further pandemic-related plant closures in our core markets in 2021, the utilization of our plants is set to improve accordingly. With this in mind, JOST anticipates an increase in the adjusted EBIT margin in 2021 compared to the previous year (2020: 9.2%). Our ongoing efficiency improvement measures will help us to offset some of the expected impact of rising commodity and logistics prices as well as wages. Adjusted EBITDA will develop in line with adjusted EBIT.

This forecast is based on the assumption that there will be no prolonged plant closures at JOST or its important customers or suppliers during the 2021 fiscal year. It also assumes that the global economic situation will not unexpectedly and rapidly deteriorate.

Our investment activity will focus on increasing the level of automation in production. We also want to continuously improve the energy efficiency of our plants to reduce our carbon emissions even further. We will invest in the agricultural sector to enhance the positioning of our front loader business in regions where our presence is yet to be fully developed. Overall, capital expenditure (excluding acquisition-related expenses) in relation to sales is expected to remain at around 2.5%.

Net working capital in relation to sales is likely to increase compared to 2020 (2020: 16.4%), primarily as a result of higher business volumes. We expect net working capital in relation to sales to remain below our 20% target in the 2021 fiscal year.

Leverage (ratio of net debt to adjusted EBITDA) will continue to improve in 2021 compared to 2020. Excluding any acquisitions, we anticipate a further reduction in leverage compared to 2020 by the end of 2021 (2020: 1.99x).

From today's perspective and taking into account the current performance during the first months of 2021, the Executive Board is confident that the group's economic position is sound and offers an excellent basis for effectively seizing opportunities.

The Executive Board of JOST Werke AG

Neu-Isenburg, May 10, 2021

Condensed Consolidated Interim Financial Statements

for the three months ended March 31, 2021
Neu-Isenburg, Germany

Condensed Consolidated Statement of Income

for the three months ended March 31, 2021
JOST Werke AG

in € thousands	Notes	Q1 2021	Q1 2020
Sales revenues	(6)	**257,341**	**191,805**
Cost of sales		**–183,583**	**–142,888**
Gross profit		**73,758**	**48,917**
Selling expenses	(7)	–31,739	–26,608
thereof: depreciation and amortization of assets		–7,385	–7,736
thereof: depreciation of right-of-use assets from leases		–643	–468
Research and development expenses		–4,536	–3,689
Administrative expenses		–16,183	–16,556
Other income	(8)	3,770	2,513
Other expenses	(8)	–4,845	–2,774
Share of profit or loss of equity method investments		969	633
Operating profit (EBIT)		**21,194**	**2,436**
Financial income	(9)	2,996	464
Financial expense	(9)	–4,056	–7,229
Net finance result		**–1,060**	**–6,765**
Earnings before tax		**20,134**	**–4,329**
Income taxes	(10)	–1,185	216
Earnings after taxes		**18,949**	**–4,113**
Weighted average number of shares		**14,900,000**	**14,900,000**
Basic and diluted earnings per share (in €)	(11)	**1.27**	**–0.28**

Condensed Consolidated Statement of Comprehensive Income

for the three months ended March 31, 2021
JOST Werke AG

in € thousands	Q1 2021	Q1 2020
Earnings after taxes	**18,949**	**–4,113**
Items that may be reclassified to profit or loss in subsequent periods		
Exchange differences on translating foreign operations	–589	–12,971
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans	3,537	8,333
Deferred taxes relating to other comprehensive income	–1,061	–2,500
Other comprehensive income	**1,887**	**–7,138**
Total comprehensive income	**20,836**	**–11,251**

Condensed Consolidated Balance Sheet

as of March 31, 2021
JOST Werke AG

Assets

in € thousands	Notes	03/31/2021	12/31/2020
Noncurrent assets			
Goodwill	(3)	87,813	92,146
Other intangible assets	(3)	292,432	301,839
Property, plant, and equipment		131,629	133,791
Investments accounted for using the equity method		8,583	8,085
Deferred tax assets		8,362	9,359
Other noncurrent financial assets	(13)	1,483	0
Other noncurrent assets		922	1,696
		531,224	**546,916**
Current assets			
Inventories		147,716	136,339
Trade receivables	(13)	163,530	123,947
Receivables from income taxes		3,198	3,981
Other current financial assets	(13), (14)	3,795	4,546
Other current assets		17,331	14,521
Cash and cash equivalents	(13)	95,713	108,315
		431,283	**391,649**
Total assets		**962,507**	**938,565**

Equity and Liabilities

in € thousands	Notes	03/31/2021	12/31/2020
Equity			
Subscribed capital		14,900	14,900
Capital reserves		466,212	466,212
Other reserves		–54,836	–56,723
Retained earnings		–140,205	–159,154
	(20)	**286,071**	**265,235**
Noncurrent liabilities			
Pension obligations	(15)	68,711	69,885
Other provisions		5,125	3,845
Interest-bearing loans and borrowings	(16)	267,725	268,238
Deferred tax liabilities		30,982	35,842
Other noncurrent financial liabilities	(13), (17)	26,134	28,903
Other noncurrent liabilities		5,208	5,228
		403,885	**411,941**
Current liabilities			
Pension obligations	(15)	1,962	1,962
Other provisions		18,667	19,461
Interest-bearing loans and borrowings	(16)	35,066	47,187
Trade payables	(13)	138,226	127,261
Liabilities from income taxes		8,581	6,503
Contract liabilities		4,846	4,943
Other current financial liabilities	(13), (17)	25,070	24,353
Other current liabilities		40,133	29,719
		272,551	**261,389**
Total equity and liabilities		**962,507**	**938,565**

Condensed Consolidated Statement of Changes in Equity

for the three months ended March 31, 2021
JOST Werke AG

Condensed Consolidated Statement of Changes in Equity for the three months ended March 31, 2021

in € thousands	Subscribed capital	Capital reserves	Exchange differences on translating foreign operations
Balance at January 1, 2021	**14,900**	**466,212**	**–25,789**
Earnings after taxes	0	0	0
Other comprehensive income	0	0	–589
Deferred taxes relating to other comprehensive income	0	0	0
Total comprehensive income	0	0	–589
Balance as of March 31, 2021	**14,900**	**466,212**	**–26,378**

Condensed Consolidated Statement of Changes in Equity for the three months ended March 31, 2020

in € thousands	Subscribed capital	Capital reserves	Exchange differences on translating foreign operations
Balance at January 1, 2020	**14,900**	**474,653**	**–10,025**
Earnings after taxes	0	0	0
Other comprehensive income	0	0	–12,971
Deferred taxes relating to other comprehensive income	0	0	0
Total comprehensive income	0	0	–12,971
Balance as of March 31, 2020	**14,900**	**474,653**	**–22,996**

Other reserves				
Remeasurements of defined benefit pension plans	Other reserves	Retained earnings	**Total consolidated equity**
–30,831	**–103**	**–159,154**	**265,235**
0	0	18,949	18,949
3,537	0	0	2,948
–1,061	0	0	–1,061
2,476	0	18,949	20,836
–28,355	**–103**	**–140,205**	**286,071**

Other reserves			
Remeasurements of defined benefit pension plans	Other reserves	Retained earnings	**Total consolidated equity**
–29,410	**–103**	**–186,885**	**263,130**
0	0	–4,113	–4,113
8,333	0	0	–4,638
–2,500	0	0	–2,500
5,833	0	–4,113	–11,251
–23,577	**–103**	**–190,998**	**251,879**

Condensed Consolidated Cash Flow Statement

for the three months ended March 31, 2021
JOST Werke AG

in € thousands	Q1 2021	Q1 2020
Earnings before tax	**20,134**	**–4,329**
Depreciation, amortization, impairment losses and reversal of impairment on noncurrent assets	14,692	14,317
Other noncash expenses and income	–648	6,292
Change in inventories	–9,492	–9,820
Change in trade receivables	–37,508	–16,112
Change in trade payables	8,363	20,224
Change in other assets and liabilities	10,296	11,005
Income tax payments	–288	633
Cash flow from operating activities	**5,549**	**22,210**
Proceeds from sales of intangible assets	9	0
Payments to acquire intangible assets	–1,176	–809
Proceeds from sales of property, plant, and equipment	21	45
Payments to acquire property, plant, and equipment	–2,765	–3,293
Acquisition of subsidiaries, less acquired cash and cash equivalents	0	–245,419
Interests received	96	49
Cash flow from investing activities	**–3,815**	**–249,427**
Interest payments	–1,210	–390
Proceeds from short-term interest-bearing loans and borrowings	0	110,000
Proceeds from long-term interest-bearing loans and borrowings	0	120,000
Acquisition financing costs	0	–510
Repayment of short-term interest-bearing loans and borrowings	–13,047	–78
Repayment of lease liabilities	–2,470	–1,926
Cash flow from financing activities	**–16,727**	**227,096**
Net change in cash and cash equivalents	**–14,993**	**–121**
Change in cash and cash equivalents due to exchange rate movements	2,391	–1,852
Cash and cash equivalents at January 1	108,315	104,812
Cash and cash equivalents at March 31	**95,713**	**102,839**

Notes to the Condensed Consolidated Interim Financial Statements

for the period from January 1 to March 31, 2021
JOST Werke AG

1. General information

JOST is a leading global producer and supplier of safety-critical systems for the commercial vehicle industry.

The registered office of JOST Werke AG is at Neu-Isenburg, Germany. Its address is Siemensstraße 2 in 63263 Neu-Isenburg. The company is registered in the Commercial Register of Offenbach am Main under section B, number 50149.

The shares of JOST Werke AG (hereinafter also "JOST", the "group," the "company," or the "JOST Werke Group") have been traded on the Frankfurt Stock Exchange since July 20, 2017. As of 31 March 2021, the majority of JOST shares were held by institutional investors.

The condensed consolidated interim financial statements of JOST Werke AG were prepared based on the going concern principle.

2. Basis of preparation of the Interim Financial Statements

The condensed consolidated interim financial statements (hereinafter also "interim financial statements") as of and for the three months ended March 31, 2021 (hereinafter also "2021 reporting period") comprise JOST Werke AG, its subsidiaries and the joint venture. These interim financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), London, that are effective as of the reporting date, and the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRS IC), as adopted by the European Union (EU).

The interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS consolidated financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the group's net assets, financial position and results of operations since the last annual consolidated financial statements as of and for the fiscal year ended December 31, 2020. The interim financial statements should be read in conjunction with the annual consolidated financial statements as of and for the fiscal year ended December 31, 2020, which can be downloaded at → **http://ir.jost-world.com/**. The new and amended International Financial Reporting Standards and Interpretations that are effective for fiscal years beginning on or after January 1, 2021 (Amendments to IFRS 4 – Deferral of IFRS 9 and Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform (Phase 2)), had no effect on the reporting period or earlier periods and will probably not have a material effect on future periods.

The Executive Board approved the condensed consolidated interim financial statements of JOST Werke AG for the period ended March 31, 2021, for issue on May 12, 2021.

3. Business combinations

Acquisition of Ålö Holding AB, Umeå, Sweden

On January 31 of the previous year, the subsidiary Jost-Werke International Beteiligungsverwaltung GmbH acquired a 100% interest in Ålö Holding AB, a leading international manufacturer of agricultural front loaders marketed under the Quicke brand, for a purchase price of €159.2m. This acquisition concerned 14,207,973 shares with a notional value of SEK 10 per share. The main reason for the acquisition was that JOST intends to use the takeover to expand its successful business and sales model, and its industrial expertise as a producer and supplier of systems and components in the agricultural sector.

For better comparability of the results in the reporting period, the results of the comparative period would have to be restated as follows: If the Ålö Group had already been included in the basis of consolidation as of January 1, 2020, the condensed consolidated income statement would have shown additional sales revenues of €14.2m. The sales revenues attributable to Ålö for the period from January 1 to March 31, 2020, would be €45.0m. For the period from January 1 to March 31, the Ålö Group would have contributed a total of €–7.1m to consolidated earnings instead of €–5.0m for the period from February 1 to March 31, 2020.

The purchase price allocation in the first quarter of 2021 resulted in €1,315 thousand (2020: €752 thousand) in depreciation of land, land rights and buildings, including buildings on third-party land, and amortization of customer lists and acquired intangible assets. In the prior-year period, there were also negative earnings effects from the utilization of step-ups on inventories amounting to €1,721 thousand.

Costs of business combinations

In the prior-year period, there were costs of business combinations amounting to €2,035 thousand. These were presented in administrative expenses within the income statement. For further details on exceptionals, see note 12.

Contingent consideration

Depending on the absolute amount of Ålö Holding AB's gross margin in fiscal year 2020, the group is obliged to pay the former owners of Ålö Holding AB up to €25m.

The group's potential payment obligations under this agreement are between €1m and €25m and will become due and payable in 2021 if this company's gross margin exceeds a certain figure.

Based on the assessment at the acquisition date, a value of €10,480 thousand was recognized for the contingent consideration. As of December 31, 2020, the contingent consideration was determined on the basis of the provisionally calculated gross margin and adjusted to an amount of €10,200 thousand. This assessment remains unchanged as of March 31, 2021. No payment has been made to date.

4. Segment Reporting

Segment reporting as of March 31, 2021

in € thousands	Europe	North America	Asia, Pacific and Africa	Reconciliation	Consolidated financial statements
Sales revenues*	244,174	56,000	71,287	–114,120	257,341**
thereof: external sales revenues*	**155,468**	**55,257**	**46,616**	**0**	**257,341**
thereof: internal sales revenues*	88,706	743	24,671	–114,120	0
Adjusted EBIT* **	**16,491**	**4,132**	**8,166**	**969**	**29,758**
thereof: depreciation and amortization	4,987	1,110	1,284	0	7,381
Adjusted EBIT margin	10.6%	7.5%	17.5%		11.6%
Adjusted EBITDA* **	**21,478**	**5,242**	**9,450**	**969**	**37,139**
Adjusted EBITDA margin	13.8%	9.5%	20.3%		14.4%

* Sales by destination in the reporting period:
- Europe: €134,735 thousand
- Americas: €62,000 thousand
- Asia-Pacific-Africa: €60,606 thousand

** Sales revenues in the segments show the sales revenues by origin.

*** The share of profit or loss of investments accounted for using the equity method is not allocated to a segment and is therefore included in the “reconciliation” column in the amount of €969 thousand.

After the acquisition of the Ålö Group, sales revenues are broken down into the Transport and Agriculture business units defined in 2020. Sales revenues in the reporting period are distributed as follows between the two business units Transport and Agriculture:

in € thousands	Q1 2021	Q1 2020
Transport	198,344	158,393
Agriculture	58,997	33,412
Total	**257,341**	**191,805**

Segment reporting as of March 31, 2020

in € thousands	Europe	North America	Asia, Pacific and Africa	Reconciliation	Consolidated financial statements
Sales revenues*	201,586	47,604	35,716	–93,101	191,805**
thereof: external sales revenues*	**122,796**	**44,923**	**24,086**	**0**	**191,805**
thereof: internal sales revenues*	78,790	2,681	11,630	–93,101	0
Adjusted EBIT* **	**10,562**	**3,282**	**259**	**633**	**14,736**
thereof: depreciation and amortization	4,800	1,335	1,162	0	7,297
Adjusted EBIT margin	8.6%	7.3%	1.1%		7.7%
Adjusted EBITDA* **	**15,362**	**4,617**	**1,421**	**633**	**22,033**
Adjusted EBITDA margin	12.5%	10.3%	5.9%		11.5%

* Sales by destination in the reporting period:
- Europe: €105,749 thousand
- Americas: €47,550 thousand
- Asia-Pacific-Africa: €38,506 thousand

** Sales revenues in the segments show the sales revenues by origin.

*** The share of profit or loss of investments accounted for using the equity method is not allocated to a segment and is therefore included in the “reconciliation” column in the amount of €633 thousand.

Reconciliation of earnings to adjusted earnings figures:

in € thousands	Q1 2021	Q1 2020
Earnings after taxes	**18,949**	**–4,113**
Income taxes	–1,185	216
Net finance result	–1,060	–6,765
EBIT	**21,194**	**2,436**
D&A from PPA	–7,308	–7,020
Other effects	–1,256	–5,280
Adjusted EBIT	**29,758**	**14,736**
Depreciation of property, plant and equipment	–6,668	–6,203
Amortization of intangible assets	–713	–1,094
Adjusted EBITDA	**37,139**	**22,033**

The other effects are explained in more detail in note 12.

The following tables show noncurrent assets by operating segments for March 31, 2021:

in € thousands	Europe*	North America	Asia, Pacific and Africa	Reconciliation	Consolidated financial statements
Noncurrent assets**	417,248	48,920	48,111	8,583	522,862

* Of this amount, €50,288 thousand is attributable to noncurrent assets of companies registered in Germany. This does not include intangible assets recognized as part of the purchase price allocation as these figures are not available at the level of individual companies and the cost to determine them would be excessive.

** Noncurrent assets include the carrying amount of investments accounted for using the equity method that is not allocated to a segment and therefore included in the reconciliation column.

The following tables show noncurrent assets by operating segments for December 31, 2020:

in € thousands	Europe*	North America	Asia, Pacific and Africa	Reconciliation	Consolidated financial statements
Noncurrent assets**	432,314	48,230	48,928	8,085	537,557

* Of this amount, €51,216 thousand is attributable to noncurrent assets of companies registered in Germany. This does not include intangible assets recognized as part of the purchase price allocation as these figures are not available at the level of individual companies and the cost to determine them would be excessive.

** Noncurrent assets include the carrying amount of investments accounted for using the equity method that is not allocated to a segment and therefore included in the reconciliation column.

5. Seasonality of operations

Seasonal effects during the fiscal year can result in variations in sales and resulting profit. The JOST Werke Group usually has higher sales and earnings in the first half-year due to the fact that major customers close their manufacturing plants for summer break at the start of the second half-year and agricultural customers usually make their investments before the harvesting seasons begins. It cannot be ruled out that the coronavirus pandemic may trigger changes to this typical seasonality.

6. Sales revenues

The previous year includes additional sales revenues from the acquisition of the Ålö Group for the period February 1 to March 31, 2020. Note 3 shows the amount of sales revenues that would have resulted for the period from January 1 to March 31, 2020.

The year-over-year increase in sales revenues extends across all regions. Adjusted for the sales revenues of the Ålö Group, there was a significant increase in sales revenues particularly in the Europe and APA regions. The effects of the COVID-19 pandemic, but also the economic slowdown in the commercial vehicle markets, had a noticeable impact on sales revenues in the previous year, whereas a recovery set in during the first quarter of 2021.

7. Selling expenses

The year-over-year increase in selling expenses is related to the increase in sales revenues and higher expenses of the Ålö Group.

8. Other income/other expenses

For the 2021 reporting period, other income amounted to €3.8m (2020 reporting period: €2.5m) and other expenses amounted to €4.8m (2020 reporting period: €2.8m).

In the 2021 reporting period as well in the 2020 reporting period, other income mainly comprises currency gains and government grants. Other expenses in the 2021 reporting period mainly relate to currency losses and expenses from the measurement of derivatives used to hedge exchange rate risk from operating activities (2020 reporting period: mainly currency losses).

9. Net finance result

Financial income is composed of the following items:

in € thousands	**Q1 2021**	Q1 2020
Interest income	94	58
Realized currency gains	62	0
Unrealized currency gains	1,454	403
Result from measurement of derivatives	1,380	0
Other financial income	6	3
Total	**2,996**	**464**

Financial expense is composed of the following items:

in € thousands	**Q1 2021**	Q1 2020
Interest expenses	–1,873	–1,412
thereof: interest expenses from leasing	–249	–225
Realized currency losses	–83	–3
Unrealized currency losses	–1,986	–5,460
Result from measurement of derivatives	–86	–77
Other financial expenses	–28	–277
Total	**–4,056**	**–7,229**

Other financial expenses in the 2020 reporting period included an expense of €0.3m from the financing agreement dated December 19, 2019, to finance the acquisition of Ålö Holding AB. The unrealized currency effects relate to non-cash effects from the measurement of foreign currency loans.

The result from measurement of derivatives is due to changes in the fair values of these instruments. Reference is made to note 17 at this point.

10. Income taxes

The following table shows a breakdown of income taxes:

in € thousands	**Q1 2021**	Q1 2020
Current tax	–3,753	–2,398
Deferred taxes	2,568	2,614
Taxes on income	**–1,185**	**216**

Tax expenses are calculated based on management's best estimate of the weighted average annual income tax rate expected for the full fiscal year multiplied by the pre-tax income of the interim reporting period.

11. Earnings per share

As of March 31, 2021, the number of no-par value shares (bearer shares) remained unchanged at 14,900,000.

The diluted earnings per share (in €) correspond to basic earnings per share.

Earnings per share

	Q1 2021	Q1 2020
Earnings after taxes (in € thousand)	18,949	–4,113
Weighted average number of shares	14,900,000	14,900,000
Basic and diluted earnings per share (in €)	**1.27**	**–0.28**

12. Exceptionals

The following explanation of adjusted effects serves to clarify the information in the income statement.

In the 2021 reporting period, expenses amounting to €8,564 thousand (2020: €12,300 thousand) were adjusted within earnings before interest and taxes (EBIT).

The items adjusted within EBIT result from expenses arising from depreciation and amortization from purchase price allocations (D&A from PPA) in the amount of €7,308 thousand (2020: €7,020 thousand) recognized under selling expenses and research and development expenses. Furthermore, cost of sales, selling expenses, research and development expenses and administrative expenses were adjusted for expenses relating to other effects totaling €1,256 thousand (2020: €5,280 thousand). In the 2020 reporting period, the other effects mainly related to expenses associated with the acquisition of Ålö Holding AB in the amount of €2,035 thousand and earnings effects from the use of step-ups on inventories in the amount of €1,721 thousand.

In the 2020 reporting period, expenses of €240 thousand arising from entering into the acquisition financing agreement were adjusted within the net finance result.

Notional income taxes resulting after adjustments based on the tax rate applicable for JOST Werke AG were considered in the amount of €–8,609 thousand in the 2021 reporting period (2020: €–2,463 thousand).

The tables below show the earnings adjusted for these effects:

in € thousands	January 1 – March 31, 2021 Unadjusted	D&A from PPA	Other effects	Adjustments, total	**January 1 – March 31, 2021 Adjusted**
Sales revenues	**257,341**			**0**	**257,341**
Cost of sales	**–183,583**		**324**	**324**	**–183,259**
Gross profit	**73,758**	**0**	**324**	**324**	**74,082**
Selling expenses	–31,739	6,610	605	7,215	–24,524
Research and development expenses	–4,536	698	34	732	–3,804
Administrative expenses	–16,183		293	293	–15,890
Other income	3,770			0	3,770
Other expenses	–4,845			0	–4,845
Share of profit or loss of equity method investments	969			0	969
Operating profit (EBIT)	**21,194**	**7,308**	**1,256**	**8,564**	**29,758**
Financial income	2,996			0	2,996
Financial expense	–4,056			0	–4,056
Net finance result	**–1,060**	**0**	**0**	**0**	**–1,060**
Earnings before tax	**20,134**	**7,308**	**1,256**	**8,564**	**28,698**
Income taxes	–1,185				–8,609
Earnings after taxes	**18,949**				**20,089**
Weighted average number of shares	**14,900,000**				**14,900,000**
Basic and diluted earnings per share (in €)	**1.27**				**1.35**

in € thousands	January 1 – March 31, 2020 Unadjusted	D&A from PPA*	Other effects	Adjustments, total	**January 1 – March 31, 2020 Adjusted**
Sales revenues	**191,805**			**0**	**191,805**
Cost of sales	**–142,888**		**1,720**	**1,720**	**–141,168**
Gross profit	**48,917**	**0**	**1,720**	**1,720**	**50,637**
Selling expenses	–26,608	7,020	1,329	8,349	–18,259
Research and development expenses	–3,689			0	–3,689
Administrative expenses	–16,556		2,231	2,231	–14,325
Other income	2,513			0	2,513
Other expenses	–2,774			0	–2,774
Share of profit or loss of equity method investments	633			0	633
Operating profit (EBIT)	**2,436**	**7,020**	**5,280**	**12,300**	**14,736**
Financial income	464				464
Financial expense	–7,229		240	240	–6,989
Net finance result	**–6,765**	**0**	**240**	**240**	**–6,525**
Earnings before tax	**–4,329**	**7,020**	**5,520**	**12,540**	**8,211**
Income taxes	216				–2,463
Earnings after taxes	**–4,113**				**5,748**
Weighted average number of shares	**14,900,000**				**14,900,000**
Basic and diluted earnings per share (in €)	**–0.28**				**0.39**

* Figures compared to the previous year restated after completion of the purchase price allocation

13. Financial assets and financial liabilities

The carrying amounts, fair values, categories and classes of financial assets and financial liabilities are as follows:

in € thousands	Measurement categories in accordance with IFRS 9	Carrying amount 03/31/2021	Fair value 03/31/2021	Carrying amount 12/31/2020	Fair value 12/31/2020	Level
Assets						
Cash and cash equivalents	FAAC	95,713	95,713	108,315	108,315	n/a
Trade receivables	FAAC	163,530	163,530	123,947	123,947	n/a
Other financial assets	FAAC	5,278	5,278	4,546	4,546	n/a
Total		**264,521**	**264,521**	**236,808**	**236,808**	

Cash and cash equivalents, trade receivables, and other financial assets are generally of a current nature. The fair value therefore roughly corresponds to the carrying amount. As of the reporting date, all other financial assets are measured at amortized cost (FAAC); the same applied to December 31, 2020.

in € thousands	Measurement categories in accordance with IFRS 9	Carrying amount 03/31/2021	Fair value 03/31/2021	Carrying amount 12/31/2020	Fair value 12/31/2020	Level
Liabilities						
Trade payables	FLAC	138,226	138,226	127,261	127,261	n/a
Interest bearing loans and borrowings*	FLAC	303,208	303,140	315,875	315,807	2
Lease liabilities	n/a**	34,051	–	35,571	–	n/a
Contingent purchase price liabilitiy	FLtPL	10,200	10,200	10,200	10,200	3
Other financial liabilities	FLAC	3,900	3,900	4,490	4,490	n/a
Derivative financial liabilities	FLtPL	3,053	3,053	2,995	2,995	2
Total		**492,638**	**458,519**	**496,392**	**460,753**	

* excluding accrued financing costs (see note 16)

** within the scope of IFRS 16

Since trade payables and other liabilities have short maturities, their carrying amounts do not differ from their fair values. With the exception of derivative financial liabilities and the contingent purchase price liability arising from the acquisition of the Ålö Group, all liabilities listed in the table are measured at amortized cost (FLAC). Derivative financial liabilities are measured at fair value through profit or loss (FLtPL).

Lease liabilities fall within the scope of IFRS 16 and are therefore not allocated to any of the measurement categories established under IFRS 9.

The JOST Werke Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3: Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

There were no transfers between the levels of the fair value hierarchy during 2021 and 2020.

The fair value of the interest-bearing loans and borrowings is determined in 2021 and 2020 considering actual interest curves and classified as level 2 of the fair value hierarchy.

The measurement of derivatives is described in note 17.

14. Other financial assets

Other financial assets mainly comprise bank bills that do not qualify as cash equivalents. There were no credit-impaired financial assets as of the balance sheet date. The gross carrying amount corresponds to the maximum default risk. No financial assets were known to be at risk of default as of the balance sheet date.

15. Pension obligations

Pension obligations as of March 31, 2021, were €70.7m (December 31, 2020: €71.8m). The following significant actuarial assumptions were made:

Assumptions

	03/31/2021	12/31/2020
Discount rate	0.7%	0.4%
Inflation rate/future pension increases	1.7%	1.7%
Future salary increases	2.0%	2.0%

16. Interest-bearing loans and borrowings

The following table shows the group's loan liabilities as of March 31, 2021:

in € thousands		03/31/2021	12/31/2020
Promissory note loans	5 years, fixed	29,000	29,000
	5 years, variable	86,500	86,500
	7 years, fixed	20,000	20,000
	7 years, variable	14,500	14,500
		150,000	**150,000**
Loan	5 years, variable	114,000	114,000
Revolving credit facility		32,500	45,000
Other		6,708	6,875
Interest-bearing loans		**303,208**	**315,875**
Accrued financing costs		–417	–450
Total		**302,791**	**315,425**

In order to finance its acquisition of Ålö Holding AB, JOST in December 2019 entered into a financing arrangement with a consortium of banks for an amount of €120m and over a term of 5 years, which was drawn down on January 31, 2020. This bank loan is subject to compliance with financial covenants derived from the consolidated financial statements of the ultimate parent company.

There is a revolving credit facility in place of €150m. The group drew €32.5m from this facility as of March 31, 2021 (December 31, 2020: €45m). The revolving credit facility has a short-term maturity and is therefore reported under current liabilities. It carries a variable interest rate depending on the EURIBOR and the group-wide leverage of JOST. Payments of principal in the amount of €12.5m were made on the revolving credit facility in the 2021 reporting period (2020 reporting period: €0m).

Interest payments on the financing were made in the amount of €816 thousand (2020 reporting period: €151 thousand).

To the extent that they can be accrued, the costs incurred under the previous financing agreement are spread on a pro rata basis until mid-2025 in accordance with the effective interest method, and those incurred under the additional financing agreement dated December 19, 2019 are spread until the end of 2024.

17. Other financial liabilities

The future interest rate volatility from the variable interest tranches of the promissory note loan is hedged via four interest rate swaps. Overall, the interest rate swaps as of March 31, 2021, had a negative fair value of €1,434 thousand (December 31, 2020: €1,348 thousand) (mark-to-market valuation), which is shown in the balance sheet under other noncurrent financial liabilities.

The group entered into 23 derivatives in November 2020 to hedge the exchange rate risk between the Swedish krona and the euro. These derivatives have a negative fair value of €267 thousand as of March 31, 2021 (December 31, 2020: €1,647 thousand) (mark-to-market valuation), which is also shown in the balance sheet under other noncurrent financial liabilities.

The group entered into a further 55 derivatives in March 2021 to hedge the exchange rate risk from operating activities between the Swedish krona, Norwegian krona, Danish krona, US dollar, British pound and Canadian dollar. These derivatives have a negative fair value of €1,352 thousand as of March 31, 2021 (mark-to-market valuation), which is also shown in the balance sheet under other noncurrent financial liabilities.

For details regarding the maturities of loans see note 16.

As in the previous year, the group did not apply hedge accounting in accordance with IFRS 9 in the reporting period.

18. Related party disclosures

IAS 24 defines related parties as those persons and companies that have control or a significant influence over the other party.

The structure of the group, including the subsidiaries and the joint venture, as of March 31, 2021, has not changed compared to December 31, 2020, with the exception of the merger of Alo Tennessee Inc., Telford, USA, and Alo USA Inc., Elgin, USA.

The **Executive Board** comprises the following members, who are all related parties within the meaning of IAS 24:

Joachim Dürr, Diplom-Ingenieur, Dachau
Chairman of the Executive Board
Chief Executive Officer

Dr.-Ing. Ralf Eichler, Diplom-Ingenieur, Dreieich
Chief Operating Officer

Dr. Christian Terlinde, Diplom-Kaufmann, Dinslaken
Chief Financial Officer

The **Supervisory Board** consists of the following persons:

Manfred Wennemer
(Chair)

Prof. Dr. Bernd Gottschalk
(Deputy Chair)

Natalie Hayday

Rolf Lutz

Jürgen Schaubel

Klaus Sulzbach

There were no other material changes to existing transactions or new transactions with related parties during the 2021 reporting period.

19. Events after the reporting date

There were no material, reportable events after the reporting date.

Review

This interim report was neither audited according to Section 317 HGB nor reviewed by auditors.

Neu-Isenburg, May 10, 2021

Joachim Dürr Dr. Ralf Eichler Dr. Christian Terlinde

FINANCIAL CALENDAR

AUGUST 12, 2021	INTERIM REPORT H1 2021
NOVEMBER 11, 2021	INTERIM REPORT 9M 2021

Publishing Information

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