INTERIM REPORT H1 2020
JOST Werke AG

H1 2020

JOST ROCKINGER TRIDEC Edbro Quicke

JOST AT A GLANCE

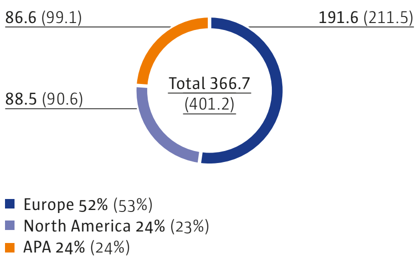
Key figures

in € million	**H1 2020**	H1 2019	Change	**Q2 2020**	Q2 2019	Change
Consolidated sales	**366.7**	**401.2**	**−8.6%**	**174.9**	**201.8**	**−13.3%**
thereof sales Europe	226.9	240.3	−5.6%	104.1	117.0	−11.0%
thereof sales North America	81.5	86.0	−5.2%	36.6	45.6	−19.8%
thereof sales Asia, Pacific and Africa (APA)	58.3	74.9	−22.1%	34.2	39.2	−12.6%
Adjusted EBITDA[1]	40.0	58.3	−31.3%	18.0	28.7	−37.2%
Adjusted EBITDA margin (%)	10.9%	14.5%	−3.6%-points	10.3%	14.2%	−3.9%-points
Adjusted EBIT[1]	25.8	46.6	−44.5%	11.1	22.7	−49.0%
Adjusted EBIT margin (%)	7.0%	11.6%	−4.6%-points	6.3%	11.2%	−4.9%-points
Equity ratio (%)	27.2%	39.7%	−12.5%-points			
Net debt[2]	268.0	88.0	204.6%			
Leverage[3,9]	2.84x	0.85x	235.4%			
Capex[4]	7.6	7.0	8.9%	3.5	3.7	−6.0%
ROCE (%)[5,9]	9.4%	18.8%	−9.4%-points			
Cash conversion rate (%)[6]	81.1%	88.1%	−7%-points	80.7%	87.1%	−6.4%-points
Profit / loss after taxes	0.7	23.3	−96.9%	4.8	9.1	−46.7%
Earnings per share (in €)	0.05	1.56	−96.8%	0.32	0.61	−47.5%
Adjusted profit / loss after taxes[7]	15.6	29.9	−48.1%	9.8	13.8	−28.9%
Adjusted earnings per share (in €)[8]	1.04	2.01	−48.3%	0.66	0.93	−29.0%

1 Adjustments for PPA effects and exceptionals
2 Interest bearing loans (excl. accrued financing costs) – liquid assets
3 Net debt / adj. EBITDA, last 12 months
4 Gross presentation (capex; without taking into account divestments)
5 LTM adj. EBIT / interest-bearing capital employed; interest-bearing capital:
shareholders' 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 June 30, 2020)
9 LTM figures for comparison purposes also include figures for Ålö before the January 31, 2020 acquisition date

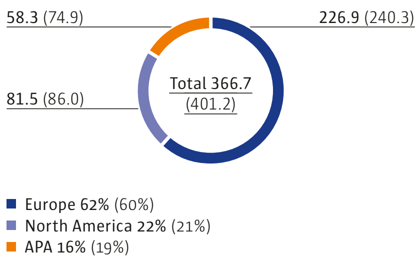
Regional sales by destination

H1 2020 (2019), in € million



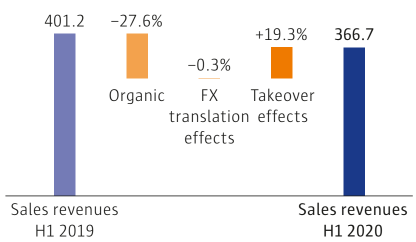
Regional sales by origin

H1 2020 (2019), in € million



Sales development organic

H1 2020, in € million



ABOUT JOST

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, by its long-standing client relationships serviced through its global distribution network as well as by its efficient and asset-light business model. With its sales and production facilities in more than 20 countries across five continents, JOST has direct access to all major manufacturers of trucks, trailers and agricultural tractors and relevant end customers in the commercial vehicle industry.

JOST currently employs over 3,500 staff worldwide and has been listed on the Frankfurt Stock Exchange since 20 July 2017.

CONTENT

INTERIM GROUP MANAGEMENT REPORT

for the first six months of 2020

MACROECONOMIC ENVIRONMENT

Coronavirus pandemic triggering global recession in 2020: The economic situation has changed dramatically in the first half of 2020. At the end of December 2019, the first cases of a new respiratory disease caused by a previously unknown virus in the coronavirus family (SARS-CoV-2 virus) were recorded in the Chinese province of Hubei. The first infections outside of China were already being reported at the end of January. The rapid spread of this novel coronavirus around the world, together with the associated countermeasures introduced to reduce the rate of infection, slowed down the global economy significantly in the first half of 2020.

Dwindling demand for products and services, interruptions in trading activity and disruption to production and supply chains resulting from national quarantines and border controls had a severe negative impact on many economies, especially in the second quarter of 2020. In light of this, the International Monetary Fund (IMF) revised its already negative economic outlook for the global economy from April 2020 even further downwards in its latest study from June 2020. The IMF now anticipates a −4.9% decline in global economic output in 2020 (previously: −3.0%). Global trade is expected to fall by −11.9% in 2020 (previously: −11.0%). The IMF also expects ongoing measures to reduce the risk of infection to lead to losses in productivity compared to the previous year, even in countries where the pandemic is currently under control.

According to IMF expectations, economic output in Europe is likely to drop by −10.2% in 2020 compared to the previous year (previously: −7.5%). The IMF anticipates an −8.0% decline in the USA (previously: −5.9%). Only in China is the economy expected to grow by +1.0% (previously: +1.2%). Despite China's positive influence, Asia's emerging and developing markets are likely to contract by −0.8% compared to 2019 (previously: +1.0%). The Latin American economy was hit particularly hard by the coronavirus pandemic during the second quarter. The IMF now expects the region's gross domestic product to fall by −9.4% in 2020 (previously: −5.2%).

SECTOR-SPECIFIC ENVIRONMENT

Sharp decline expected in global truck market: Even before the outbreak of the pandemic, market experts were predicting that global heavy truck production would decline in 2020. After making substantial investments in previous years, fleet operators in many regions were coming to a natural break in the investment cycle. The deteriorating economic outlook and interruptions to the production and supply chains of many commercial vehicle manufacturers (OEMs) exacerbated this negative development further. By the end of the first quarter of 2020, almost all OEMs worldwide had announced production shutdowns lasting up to four weeks, which had a massive impact on the second quarter of 2020.

There were positive developments in China during the second quarter of 2020, as demand for heavy trucks increased significantly in the second quarter and even recorded growth compared to the same quarter last year. This improved global expectations for heavy truck production in 2020. In its latest forecast from July 2020, forecasting institute LMC Automotive expects global production of heavy trucks to fall by −24.3% in 2020 compared to the previous year (previously: −32.0%). China's favorable market development has also significantly raised expectations for the Asia-Pacific-Africa (APA) region, where LMC Automotive is now predicting a decline in truck production of just −11.5% for 2020 (previously: −24.2%). In Europe, truck production is set to shrink by −34.7% in 2020 (previously: −39.6%). The outlook for North America has also improved slightly toward the end of the second quarter. Market research firm FTR, which specializes in North America, anticipates a −49.9% contraction in North American truck production (previously: −53.1%). In Latin America, the effects of the pandemic are expected to lead to a −30.5% reduction in truck production according to LMC Automotive (previously: −37.4%).

Decline in trailer production in 2020 accelerates: The effects of the pandemic on the real economy will also leave a significant mark on the trailer market. Market research firm FTR anticipates a –41.7% contraction in North American trailer production in 2020 compared to the previous year. Also in this market segment, the outlook for the North American trailer market has improved slightly during the second quarter (previously: –53.4%). In Europe, Clear Consulting expects the trailer market to fall by around –25% during 2020 compared to 2019. The rapid recovery of the commercial vehicle market in China is likely to have a positive impact on demand for trailers in the APA region, which means that trailer production in this region is now expected to contract only by a low two-digit percentage figure year-over-year by the end of 2020, despite the sharp decline in the market seen in the first quarter of 2020.

Market for agricultural tractors also expected to shrink: As demand for food is not impacted by the pandemic, the agricultural sector is less affected by the pandemic than the truck and trailer market. Nevertheless, economic uncertainty is expected to dampen farmers' willingness to invest. In addition, several OEMs in this sector have also had to temporarily close their production plants during the second quarter of 2020 due to quarantine measures and supply chain disruptions. Overall, experts expect the market for agricultural tractors in Europe and North America to record a low double-digit percentage decline compared to the previous year.

COURSE OF BUSINESS IN THE FIRST HALF OF 2020

In January 2020, the relevant antitrust authority approved JOST's acquisition of Ålö Holding AB ("Ålö") without conditions. This enabled JOST to complete the planned transaction on January 31, 2020 and acquire 100% of the shares in Ålö.

The Ålö Group is headquartered in Umeå, Sweden, with production sites in Sweden, China, the USA and France as well as sales offices in other significant markets worldwide. The company develops, produces and markets its agricultural applications under the internationally renowned brand Quicke. The acquisition can transform JOST's existing business with commercial vehicle components for the agricultural industry into another cornerstone of the group.

JOST acquired a total of 14,207,973 shares with a notional value of SEK 10 per share. The enterprise value was €245.4m. Ålö had liquid assets of €12.3m at the acquisition date. The existing bank liabilities in the amount of €98.9m were repaid by JOST on January 31, 2020.

Ålö was included in the basis of consolidation of JOST effective February 1, 2020. Accordingly, the comparability of key financials with those of the previous year is limited.

Sales

Sales revenues by origin H1

in € thousands	**H1 2020**	Organic sales trend	FX effects	Takeover effects	**Change**	H1 2019
Europe	226,853	–28.5%	–0.2%	23.1%	–5.6%	240,375
North America	81,506	–31.1%	1.7%	24.2%	–5.2%	85,970
Asia-Pacific-Africa (APA)	58,315	–20.6%	–2.8%	1.3%	–22.1%	74,891
Total	**366,674**	**–27.6%**	**–0.3%**	**19.3%**	**–8.6%**	**401,236**

Sales revenues by origin Q2

in € thousands	**Q2 2020**	Organic sales trend	FX effects	Takeover effects	**Change**	Q2 2019
Europe	104,092	–38.1%	–0.5%	27.6%	–11.0%	116,996
North America	36,548	–50.7%	0.9%	30.0%	–19.8%	45,598
Asia-Pacific-Africa (APA)	34,229	–10.2%	–3.7%	1.3%	–12.6%	39,168
Total	**174,869**	**–35.5%**	**–0.8%**	**23.0%**	**–13.3%**	**201,762**

The outbreak and spread of the coronavirus pandemic had a significantly adverse effect on JOST's business performance in the first half of 2020. As the virus spread across the world and the number of cases and deaths rose dramatically, many governments introduced nationwide measures to contain the spread of the pandemic. The effects of restrictions on movement, border closures and strong limitations on public life had a negative impact on the real economy and dampened demand for commercial vehicles.

While during the first quarter of 2020, the effects of the pandemic were predominantly felt in China – the country that recorded the first cases of infection – Europe and North America were hit particularly hard by the economic consequences of the pandemic during the second quarter. Truck manufacturers (OEMs) in both Europe and North America shut down their production facilities in April or May. OEMs in India, South Africa and Brazil were also forced to close plants due to the quarantine measures imposed.

China's development was encouraging during the second quarter of 2020. After pandemic-related closures in the first quarter, demand for commercial vehicles rose dramatically from April onwards. Despite the pandemic's negative impact, the agricultural sector remained relatively robust in the second quarter of 2020, enabling Ålö to make a positive contribution to JOST's performance.

On the whole, group sales dropped by −13.3% to €174.9m in the second quarter of 2020 (Q2 2019: €201.8m). This includes a positive effect of €46.5m arising from the acquisition of Ålö. The negative FX effects amounted to −0.8% and were almost negligible. Overall, organic consolidated sales decreased by −35.5% to €128.4m in the second quarter of 2020. In Europe, sales fell by −8.6% to €366.7m in the first half of 2020 (H1 2019: €401.2m). The consolidation of Ålö effective February 1, 2020 made a positive contribution on sales of €77.3m.

Europe

The European truck market had already reached the turning point of its growth cycle in 2019 and was expected to decline year-over-year in 2020. The effects of the pandemic have placed an additional strain on an already weak demand in the second quarter of 2020. By contrast, the trailer market appeared to be slightly more resilient, even though the decline in demand was also strong. The business with spare parts and agricultural front loaders, which was included in JOST's product portfolio as a result of the acquisition of Ålö, was not impacted as severely by the pandemic and helped to stabilize JOST's sales in Europe to some extent.

Sales in Europe dropped by −11.0% to €104.1m in the second quarter of 2020 (Q2 2019: €117.0m). Ålö's contribution was €32.3m. Adjusted for takeover and FX effects, organic sales in the region fell by −38.1% to €71.8m.

In Europe, sales decreased by −5.6% to €226.9m in the first half of 2020 (H1 2019: €240.4m). The sales revenues generated by Ålö since February 1, 2020, amounted to €55.6m. Excluding FX and takeover effects, organic sales in Europe declined by −28.5% in the first half of 2020.

North America

The North American truck and trailer market found itself in a cyclical downturn even before the outbreak of the pandemic. The situation deteriorated dramatically in the second quarter of 2020. The slump in the economy and measures to contain the virus caused the market to decline even further. According to FTR estimates, heavy truck production in North America dropped by −75.5% in the second quarter of 2020, while trailer production shrunk by −52.8% over the same period.

JOST was able to profit from the market share it has gained in North America, particularly in the last two years, with the robust replacement parts business cushioning the drastic market slump. Organic sales, adjusted for currency and takeover effects, fell by −50.7% to €22.9m in the second quarter of 2020. The acquired agricultural front loader business generated an additional €13.7m, which meant that JOST's North American sales only fell by −19.8% to €36.5m in the second quarter of 2020 (Q2 2019: €45.6m).

Sales in the region dropped by −5.2% to €81.5m in the first half of 2020 (H1 2019: €86.0m). This includes sales of €20.8m generated by Ålö. Excluding acquisition and FX effects, JOST's organic sales in North America fell by −31.1% in the first half of the year.

Asia-Pacific-Africa (APA)

The development of the commercial vehicle industry in APA showed a mixed picture. Having been severely impacted by the pandemic in the first quarter of the year, China made a breathtaking recovery in the second quarter. The catch-up effect from the first quarter and strong economic growth significantly boosted demand for trucks and trailers within the country. JOST generated record sales in China in the second quarter of 2020. By contrast, the pandemic put India and South Africa under severe pressure. The government quarantine measures imposed forced JOST to close its production plants completely in April and part of May. OEM customers were also forced to shut down their production facilities.

However, the exceptional performance in China enabled JOST to offset the decline in some of the region's other countries in the second quarter of 2020, which meant that organic sales in APA were only −10.2% below the previous year's figure. Exchange rate translation effects had a −3.7% impact on sales, while Ålö slightly increased sales in APA by 1.3% or €0.5m. On the whole, reported sales in APA dropped by −12.6% to €34.2m (Q2 2019: €39.2m). In the first half of 2020, sales decreased by −22.1% to €58.3m (H1 2019: €74.9m). This includes an amount of €0.9m contributed by Ålö.

Results of operations

Results of operations H1

in € thousands	**H1 2020**	H1 2019	% yoy
Sales revenues	**366,674**	**401,236**	**−8.6%**
Cost of sales	−273,700	−296,731	
Gross profit	**92,974**	**104,505**	**−11.0%**
Gross margin	**25.4%**	**26.0%**	**−0.6%-Punkte**
Operating expenses / income	−89,592	−71,231	
Operating profit (EBIT)	**3,382**	**33,274**	**−89.8%**
Net finance result	**−3,847**	**−3,792**	
Income taxes	1,187	−6,178	
Earnings after taxes	**722**	**23,304**	

Results of operations Q2

in € thousands	**Q2 2020**	Q2 2019	% yoy
Sales revenues	**174,869**	**201,762**	**−13.3%**
Cost of sales	−130,812	−148,598	
Gross profit	**44,057**	**53,164**	**−17.1%**
Gross margin	**25.2%**	**26.3%**	**−1.1%-Punkte**
Operating expenses / income	−43,111	−37,085	
Operating profit (EBIT)	**946**	**16,079**	**−94.1%**
Net finance result	**2,918**	**−2,984**	
Income taxes	971	−4,018	
Earnings after taxes	**4,835**	**9,077**	

Despite the sharp decline in sales across all of JOST's markets with the exception of China, the Group kept the gross margin virtually stable in the second quarter compared to the previous year, as it dropped by just 1.2 percentage points to 25.2% (Q2 2019: 26.3%). This includes negative exceptionals of €2.6m from the step-up of Ålö inventories. When adjusted for this amount, the gross margin for the second quarter of 2020 was 26.6%. JOST succeeded in almost completely adjusting the cost of sales to reflect the decline in sales across all regions with only a slight delay, demonstrating the high degree of flexibility within the Group's business model.

By contrast, factors such as exceptionals relating to the acquisition of Ålö led to a sharp year-over-year rise in operating expenses. Research and development expenses were also on a par with the previous year, as JOST continued to push ahead with the enhancement of its product portfolio. These activities were focused on the final stages of development for the KKS 2 automatic coupling system, which will be introduced to the market at the end of 2020. The rise in administrative expenses compared to the previous year is primarily attributable to the initial consolidation of Ålö. In the second quarter of 2020, earnings before interest and taxes (EBIT) decreased to €0.9m (Q2 2019: €16.1m). Consolidated EBIT in the first half of 2020 came to €3.4m (H1 2019. €33.3m).

EBIT adjusted for exceptionals fell to €11.1m in the second quarter of 2020 (Q2 2019: €22.7m). The adjusted EBIT margin was 6.3% (Q2 2019: 11.2%). This development was primarily driven by strong results in the agricultural market, as the Ålö Group generated adjusted EBIT of €5.9m and an adjusted EBIT margin of 12.8% in the second quarter of 2020. In the much more adversely affected truck and trailer market, JOST (excluding Ålö) generated adjusted EBIT of €5.2m and an adjusted EBIT margin of 4.0%.

Consolidated EBIT in the first half of 2020 came to €25.8m (H1 2019: €46.6m) with an adjusted EBIT margin of 7.0% (H1 2019: 11.6%). Ålö's adjusted EBIT came to €9.1m with an adjusted EBIT margin of 11.8%. In the first half of 2020, JOST (excluding Ålö) generated adjusted EBIT of €16.7m and an adjusted EBIT margin of 5.8%.

In the first half of 2020, JOST adjusted expenses by €22.4m (H1 2019: €13.3m). EBIT adjustments mainly concerned non-operating exceptionals arising from depreciation and amortization in connection with purchase price allocation (D & A from PPA) in the amount of €14.4m (2019: €12.6m). The year-over-year increase of €1.8m is exclusively attributable to the acquisition of Ålö. There was also a €4.3m adjustment from the use of step-ups on Ålö's inventories in the first half of the year. JOST also adjusted administrative expenses by €2.2m, a substantial portion of which was triggered by consulting costs in connection with the acquisition of Ålö. An additional €1.2m concern one-off costs from an optimization project at Ålö, which will be completed by the end of 2020. The following tables show a summary of adjustments made:

Reconciliation of adjusted earnings H1

in € thousands	H1 2020	H1 2019
EBIT	**3,382**	**33,274**
D & A from PPA*	–14,366	–12,550
Other effects	–8,081	–748
Adjusted EBIT	**25,829**	**46,572**
Depreciation	–12,693	–10,737
Amortization	–1,493	–953
Adjusted EBITDA	**40,015**	**58,262**

* Due to a subsequent reclassification of D & A from PPA in relation to Ålö, total D & A from PPA of JOST increased by €0.5m to €7.0m in Q1 2020. The reclassification has no effect on the reported income statement of Q1 2020. D & A from PPA for the first half of 2020 already include the effect of reclassification.

Adjustments totaled €10.6m in the second quarter of 2020 (Q2 2019: €6.6m). This included non-operating exceptionals from PPA depreciation and amortization amounting to €7.8m (Q2 2019: €6.3m) and an additional €2.6m from the use of step-ups on Ålö inventories.

Reconciliation of adjusted earnings Q2

in € thousands	Q2 2020	Q2 2019
EBIT	**946**	**16,079**
D & A from PPA	–7,346	–6,273
Other effects	–2,801	–344
Adjusted EBIT	**11,093**	**22,696**
Depreciation	–6,490	–5,426
Amortization	–399	–493
Adjusted EBITDA	**17,982**	**28,615**

The net finance result in the second quarter of 2020 was positive, improving by €5.9m to €2.9m (Q2 2019: €–3.0m). The main reason for this improvement was non-cash effects from the measurement of foreign currency loans totaling €4.4m. These unrealized currency gains primarily arose from the appreciation of the Swedish krona in the second quarter of 2020 and to some extent offset the unrealized currency losses from the first quarter of 2020. This meant that the net finance result was virtually unchanged in the first half of 2020 at €–3.8m (H1 2019: €–3.8m).

Profit after taxes in the second quarter of 2020 amounted to €4.8m (Q2 2019: €9.1m). Earnings per share came to €0.32 in the second quarter (Q2 2019: €0.61). In the first half of 2020, JOST generated a profit of €0.7m (H1 2019: €23.3m) and earnings per share of €0.05 (H1 2019: €1.56) despite the negative impact of the pandemic.

Adjusted for exceptionals, earnings after taxes in the second quarter of 2020 fell to €9.8m (Q2 2019: €13.1m) and earnings per share to €0.66 (Q2 2019: €0.93). In the first half of 2020, adjusted earnings after taxes amounted to €15.6m (H1 2019: €29.9m) and adjusted earnings per share to €1.04 (H1 2019: €2.01).

Segments

Segment reporting H1 2020

in € thousands	Europe	North America	Asia, Pacific and Africa	Reconciliation	Consolidated financial statements
Sales revenues*	365,052	87,670	90,534	–176,582	366,674**
thereof: external sales revenues*	**226,853**	**81,506**	**58,315**	**0**	**366,674**
thereof: internal sales revenues*	138,199	6,164	32,219	–176,582	0
Adjusted EBIT* **	**13,504**	**5,249**	**5,929**	**1,147**	**25,829**
thereof: depreciation and amortization	8,998	2,750	2,438	0	14,186
Adjusted EBIT margin	6.0%	6.4%	10.2%		7.0%
Adjusted EBITDA***	**22,502**	**7,999**	**8,367**	**1,147**	**40,015**
Adjusted EBITDA margin	9.9%	9.8%	14.3%		10.9%

* Sales by destination in the reporting period:
- Europe: €191,592 thousand
- Americas: €88,472 thousand
- Asia, Pacific and Africa: €86,610 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.

To improve comparability with the previous year's figures, the following table shows the key figures of the former JOST before the acquisition of the Ålö Group and of the acquired Ålö Group separately for the first half of 2020:

in € thousands	Ålö Group	JOST (excl. Ålö)	Consolidated financial statements
Sales revenues	77,316	289,358	366,674
Adjusted EBIT	**9,087**	**16,742**	**25,829**
thereof: depreciation and amortization	2,200	11,986	14,186
Adjusted EBIT margin	11.8%	5.8%	7.0%
Adjusted EBITDA	**11,287**	**28,728**	**40,015**
Adjusted EBITDA margin	14.6%	9.9%	10.9%

Segment reporting H1 2019

in € thousands	Europe	North America	Asia, Pacific and Africa	Reconciliation	**Consolidated financial statements**
Sales revenues*	390,965	86,792	94,136	–170,657	401,236**
thereof: external sales revenues*	**240,375**	**85,970**	**74,891**	**0**	**401,236**
thereof: internal sales revenues*	150,590	822	19,245	–170,657	0
Adjusted EBIT***	**26,476**	**7,825**	**10,522**	**1,749**	**46,572**
thereof: depreciation and amortization	7,921	1,974	1,795	0	11,690
Adjusted EBIT margin	11.0%	9.1%	14.0%		11.6%
Adjusted EBITDA***	**34,397**	**9,799**	**12,317**	**1,749**	**58,262**
Adjusted EBITDA margin	14.3%	11.4%	16.4%		14.5%

* Sales by destination in the reporting period:
– Europe: €211,500 thousand
– Americas: €90,620 thousand
– Asia, Pacific and Africa: €99,116 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.

Europe

The sharp decline in demand caused by the pandemic had a significantly adverse impact on JOST's European earnings in the first half of 2020. Although JOST was able to reduce the cost of sales relatively quickly in line with sales, its selling, development and administrative expenses could not be fully adjusted. Europe bears the Group's administration costs and thus has a higher share of fixed costs, compared to the other regions. Nevertheless, JOST succeeded in tackling the significant market slump in the first half of the year with measures such as short-time work, renegotiations with suppliers and service providers and very strict and consistent cost controls across all European sites. The acquisition of Ålö effective February 1, 2020, had a particularly positive impact on earnings in Europe, as the market for agricultural front loaders was not as severely affected by the pandemic as the truck and trailer market.

As a result, JOST generated an operating profit in Europe in the first half of 2020 despite the dramatic impact of the pandemic on the course of business: Adjusted EBIT in the region contracted by 49.1% to €13.5m (H1 2019: €26.5m) with an adjusted EBIT margin of 6.0% (H1 2019: 11.0%).

North America

Due to the market shares gained in recent years, JOST was able to grow the share of the replacement parts business in North America disproportionately during the first half of 2020 and thus offset a portion of the sharp decline in sales from OEM customers in the original equipment business. The additional cost cutting measures introduced quickly took effect, leading to a significant reduction in the region's cost of sales and administrative expenses. JOST was also able to adjust the number of employees to reflect the drop in demand very quickly in some cases. In the first half of 2020, Ålö's business performance in North America was adversely impacted by the planned US production plant relocation from Telford, Tennessee to Simpsonville, South Carolina. This also affected the operating result in this segment.

Despite a drop of almost half in the North American commercial vehicle market, JOST recorded adjusted EBIT of €5.2m in the first six months of 2020 (H1 2019: €7.8m) and an adjusted EBIT margin of 6.4% (H1 2019: 9.1%).

Asia-Pacific-Africa

The APA segment was particularly hard hit by the outbreak of the coronavirus pandemic in the first half of 2020. JOST was forced to close its Chinese production plant in Wuhan, Hubei province, from the end of January to mid-March 2020. The plants in India and South Africa also had to be closed from the end of March to mid-May 2020 due to the pandemic. Adjusted EBIT was adversely impacted in the first half by the plant closures and additional logistics costs for maintaining the supply chain in the region. The sharp recovery of the Chinese market from April 2020 onwards had a positive effect, however.

Ålö's production in Ningbo, China, was also affected by the quarantine measures in early February 2020. However, as the plant is located outside Hubei province, it was able to resume production as early as the end of February. The outbreak of the pandemic had a much smaller effect as a result. The plant in Ningbo primarily manufactures products for distribution in North America.

Overall, JOST's adjusted EBIT in APA fell to €5.9m in the first half of 2020 (H1 2019: €10.5m) and the adjusted EBIT dropped to 10.2% (H1 2019: 14.0%).

Segment reporting Q2 2020

in € thousands	Europe	North America	Asia, Pacific and Africa	Reconciliation	Consolidated financial statements
Sales revenues*	163,465	40,067	54,818	−83,481	174,869**
thereof: external sales revenues*	**104,057**	**36,583**	**34,229**	**0**	**174,869**
thereof: internal sales revenues*	59,408	3,484	20,589	−83,481	0
Adjusted EBIT* **	**2,942**	**1,967**	**5,670**	**514**	**11,093**
thereof: depreciation and amortization	4,198	1,415	1,276	0	6,889
Adjusted EBIT margin	2.8%	5.4%	16.6%		6.3%
Adjusted EBITDA* **	**7,140**	**3,382**	**6,946**	**514**	**17,982**
Adjusted EBITDA margin	6.9%	9.2%	20.3%		10.3%

* Sales by destination in the reporting period:
– Europe: €85,843 thousand
– Americas: €40,922 thousand
– Asia, Pacific and Africa: €48,104 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.

To improve comparability with the previous year's figures, the following table shows the key figures of the former JOST before the acquisition of the Ålö Group and of the acquired Ålö Group separately for the second quarter of 2020:

in € thousands	Ålö Group	JOST (excl. Ålö)	Consolidated financial statements
Sales revenues	46,485	128,384	174,869
Adjusted EBIT	**5,930**	**5,163**	**11,093**
thereof: depreciation and amortization	1,231	5,658	6,889
Adjusted EBIT margin	12.8%	4.0%	6.3%
Adjusted EBITDA	**7,161**	**10,821**	**17,982**
Adjusted EBITDA margin	15.4%	8.4%	10.3%

Segment reporting Q2 2019

in € thousands	Europe	North America	Asia, Pacific and Africa	Reconciliation	Consolidated financial statements
Sales revenues*	187,395	46,114	48,619	–80,366	201,762**
thereof: external sales revenues*	**116,996**	**45,598**	**39,168**	**0**	**201,762**
thereof: internal sales revenues*	70,399	516	9,451	–80,366	0
Adjusted EBIT* **	**11,614**	**4,572**	**5,604**	**906**	**22,696**
thereof: depreciation and amortization	4,019	995	905	0	5,919
Adjusted EBIT margin	9.9%	10.0%	14.3%		11.2%
Adjusted EBITDA* **	**15,633**	**5,567**	**6,509**	**906**	**28,615**
Adjusted EBITDA margin	13.4%	12.2%	16.6%		14.2%

* Sales by destination in the reporting period:
– Europe: €102,154 thousand
– Americas: €47,632 thousand
– Asia, Pacific and Africa: €51,976 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.

Europe

Plant closures for truck OEMs in April 2020 and weak demand for trucks and trailers caused by the pandemic led JOST's European sales (excluding Ålö) to fall by –38.6% year-over-year in the second quarter of 2020. The use of short-time work, employees and management voluntarily waiving wages and additional cost reduction measures enabled JOST to successfully cope with the abrupt slump in the market. The acquired agricultural front loader business significantly boosted the operating result in the second quarter of 2020 and was a major reason why JOST was able to generate positive adjusted EBIT in Europe.

In the second quarter of 2020, JOST recorded adjusted EBIT in Europe of €2.9m (Q2 2019: €11.6m) and an adjusted EBIT margin of 2.8% (Q2 2019: 9.9%).

North America

The North American truck and trailer market almost completely collapsed in the second quarter of 2020. Truck and trailer manufacturers closed their production facilities from the end of April until mid-May as a result of the pandemic. The truck and trailer market more than halved during this period. The replacement parts business also declined in the second quarter of 2020, albeit not as dramatically as the original equipment market. Although JOST (excluding Ålö) recorded a –49.8% decline in sales compared to the same quarter in the previous year, this meant that it still significantly outperformed the market. JOST used strict cost reduction measures to quickly lower its cost of sales and administrative expenses in North America and thus cover its operating costs. Ålö's earnings in North America continued to be adversely impacted by the relocation of its US production plant from Telford, Tennessee, to Simpsonville, South Carolina.

In the second quarter of 2020, JOST managed to record adjusted EBIT in North America of €2.0m (Q2 2019: €4.6m) and an adjusted EBIT margin of 5.4% (Q2 2019: 10.0%).

Asia-Pacific-Africa

The APA segment was dominated by the quick recovery of the Chinese market in the second quarter of 2020. JOST generated record sales in China, which helped to offset some of the sharp decline in the Indian and South African markets. As a result, sales in the APA region as a whole were only –12.6% below the previous year's figure in the second quarter of 2020. Ålö's sales activities in APA are mainly limited to the Pacific region and have hardly any impact on sales.

China's rapid recovery, combined with a strong performance in the Pacific region, had a positive effect on earnings in the second quarter. A more favorable product mix also boosted the operating result. Despite low sales, Ålö also made a positive contribution to earnings in the region. As a result, JOST slightly increased its adjusted EBIT in APA to €5.7m in the second quarter of 2020 (Q2 2019: €5.6m), even though sales declined. The adjusted EBIT margin improved to 16.6% (Q2 2019: 14.3%)

Net assets and results of operations

Condensed balance sheet

Assets

in € thousands	**06/30/2020**	12/31/2019
Noncurrent assets	534,676	313,477
Current assets	400,865	325,075
	935,541	**638,552**

Equity and Liabilities

in € thousands	**06/30/2020**	12/31/2019
Equity	254,184	263,130
Noncurrent liabilities	417,970	267,851
Current liabilities	263,387	107,571
	935,541	**638,552**

In the first half of 2020, the equity of JOST Werke AG fell by –3.4% to €254.2m(December 31, 2019: €263.1m). This development is mainly due to exchange differences of foreign companies. The equity ratio decreased to 27.2% as of June 30, 2020 (December 31, 2019: 41.2%). Alongside the slight decline in equity, the main reason for the reduced equity ratio was the increase in noncurrent and current liabilities following the acquisition of the Ålö Group.

To finance its acquisition of Ålö, JOST entered into a financing arrangement with a consortium of banks for an amount of €120.0m and a term of 5 years. This was the primary reason for the increase in noncurrent liabilities to €418.0m (December 31, 2019: €267.9m). JOST also drew €110.0m from the available revolving facility as of June 30, 2020. Around €90m of this figure was used to finance the acquisition of Ålö in January 2020. JOST drew down the remainder at the end of March as a precaution to counteract potential liquidity shortages as a result of the coronavirus pandemic. JOST repaid the bank liabilities it assumed from Ålö totaling €98.9m on January 31, 2020, also using around €50m in existing liquidity in the process.

The Group's current and noncurrent assets increased as a result of the acquisition. As part of the purchase price allocation, significant step-ups on intangible assets (€81.3m) such as customer lists and brand names were identified and measured. As a result of the Ålö Group's strong market position and high profitability, as well as the expected synergies, goodwill of €79.7m was also recognized in intangible assets. A detailed overview of the assets identified in the acquisition can be found in note 3 of the Notes.

The increase in property, plant and equipment by €17.9m to €127.6m (December 31, 2019: €109.7m) is largely due to the initial consolidation of Ålö. Overall, noncurrent assets rose by €221.2m to €534.7m as of June 30, 2020 (December 31, 2019: €313.5m).

The €36.4m increase in inventories to €144.6m (December 31, 2019: €108.2m) was primarily attributable to the initial consolidation of Ålö and as of June 30, 2020, still included a step-up of Ålö's inventories totaling €5.2m associated with the purchase price allocation. The increase in inventories was also bolstered by seasonal effects as inventories and receivables are generally lower at the end of the year. In addition to the initial consolidation of Ålö, this was the main reason for the €34.1m increase in trade receivables to €124.0m as of June 30, 2020 (December 31, 2019: €89.9m). Trade payables rose analogously by €25.2m to €89.4m (December 31, 2019: €64.2m). As a result, working capital increased by 33.8% to €179.2m in the first half of 2020 (December 31, 2019: €133.9m). Working capital rose by only 13.9% to €179.2m compared with the first half of the previous year (H1 2019: €157.4m), mainly due to the consolidation of Ålö.

Working capital as a percentage of sales rose to 22.3% in the last twelve months (H1 2019: 20.3%). The main reason for this development is the sharp decline in sales in the first half of 2020 compared with the first half of 2019 due to the pandemic-related slump in the commercial vehicle market. To avoid a continued distortion of key figures, Ålö's sales of the last twelve months have been taken into account.

Although liquid assets of €50m were used for the acquisition of Ålö, liquid assets increased by €8.1m to €112.9m as of June 30, 2020 (December 31, 2019: €104.8m). This is mainly attributable to the positive change in operating cash flow, but also to the drawing of a €20m tranche of the revolving credit facility to bridge possible liquidity bottlenecks in the wake of the coronavirus pandemic. However, these funds were not needed and were therefore repaid in July 2020. Net debt amounted to €268.0m (December 31, 2019: €46.3m) due to the acquisition of Ålö. As a result, the ratio of net debt to adjusted EBITDA for the last twelve months rose to 2.84x as of June 30, 2020 (December 31, 2019: 0.46x).

Cash flows

Cash flows H1

in € thousands	**H1 2020**	H1 2019
Cash flow from operating activities	**37,831**	**22,357**
thereof change in net working capital	–5,298	–16,888
Cash flow from investing activities	**–250,696**	**–5,236**
Cash flow from financing activities	**222,236**	**–20,477**
Net change in cash and cash equivalents	**9,371**	**–3,356**
Change in cash and cash equivalents due to exchange rate movements	–1,295	505
Cash and cash equivalents at January 1	104,812	66,087
Cash and cash equivalents at June 30	**112,888**	**63,236**

Cash flows Q2

in € thousands	**Q2 2020**	Q2 2019
Cash flow from operating activities	**15,621**	**19,834**
thereof change in net working capital	410	6,735
Cash flow from investing activities	**–1,269**	**–2,076**
Cash flow from financing activities	**–4,860**	**–18,486**
Net change in cash and cash equivalents	**9,492**	**–728**
Change in cash and cash equivalents due to exchange rate movements	557	–575
Cash and cash equivalents at April 1	102,839	64,539
Cash and cash equivalents at June 30	**112,888**	**63,236**

Cash flow from operating activities increased to €+37.8m in the first half of 2020, driven primarily by the improvement in working capital (H1 2019: €+22.4m). Cash flow from operating activities in the second quarter of 2020 was also positive at €+15.6m (Q2 2019: €+19.8m).

As a result of the acquisition of Ålö effective January 31, 2020, cash flow from investing activities in the first half of 2020 was €–250.7m (H1 2019: €–5.2m). Investments in property, plant and equipment decreased year-over-year to €5.1m (H1 2019: €6.4m). Cash flow from investing activities in the second quarter of 2020 was €–1.3m (Q2 2019: €–2.1m). Investments in property, plant and equipment in the second quarter of 2020 came to €–1.8m (Q2 2019: €–3.4m).

Cash flow from financing activities in the first half of 2020 was also significantly impacted by the acquisition of Ålö. As a result of cash inflows from long-term loans (€+120.0m) and short-term loans (€+110.0m), it rose to €+222.2m in the reporting period (H1 2019: €–20.4m). Cash flow from financing activities in the second quarter of 2020 improved to €–4.9m (Q2 2019: €–18.5m). This improvement is due to the fact that JOST did not pay a dividend to shareholders in the second quarter of 2020, whereas a distribution of €16.4m was made in the second quarter of 2019. On July 1, 2020, the Annual General Meeting of JOST Werke AG adopted a resolution not to pay a dividend for the 2019 fiscal year.

Overall, liquid assets rose to €112.9m at the end of the first half of 2020 (H1 2019: €63.2m).

Opportunities and risks

The risk situation of JOST has changed significantly since the preparation of our 2019 Annual Report. The global spread of the SARS-CoV-2 coronavirus is having a major negative impact on the company and the economy. As the duration and severity of measures to contain the epidemic differ significantly from one country to the next, it is not possible to reliably predict its consequences for the future development of both individual economies and the global economy.

JOST is affected by the consequences of the pandemic in all stages of the value chain. Particular risks arise from persistently low demand and possible production and supply chain interruptions caused by the pandemic as well as the quarantine measures imposed to contain the pandemic. Competition may also continue to intensify as a result of decreasing demand worldwide. There are also other challenges associated with protecting the health of our workforce. JOST has introduced additional hygiene and protective measures in all production plants to protect the health of our employees and ensure operations.

JOST's Management Board currently expects negative impacts on the operating business worldwide. As a result, JOST will not be able to meet the guidance published in the 2019 Annual Report. Nevertheless, JOST's solid financial position and healthy profitability mean it is well positioned to manage the current crisis.

Overall, the risks identified do not influence the Group's net assets, financial position and results of operations in a way that represents a risk to the Group as a going concern and are considered by the Management Board to be manageable from today's perspective.

Outlook

Since the Annual Report was prepared on March 13, 2020, the effects of the coronavirus pandemic have intensified significantly worldwide. In most countries, OEM customers have reacted by temporarily closing their plants or reducing their production programs. National quarantine measures put additional pressures on the production of our customers and suppliers in the second quarter of 2020. Some of our sites have also had to close, in part due to national regulations. By August 2020, all JOST plants were operational again.

The assumptions underlying our forecasts in the 2019 Annual Report no longer apply. The pandemic's impact on the markets and our customers' purchasing behavior is still difficult to predict, which means it remains impossible to provide a reliable forecast of the course of business development for the 2020 fiscal year. We are currently anticipating the market situation to improve from the third quarter of 2020 onwards.

The Management Board will provide more precise guidance for the entire 2020 fiscal year on September 1, 2020. By then, the Group's most important OEM customers in Europe and North America will have returned from their summer break and JOST will have better visibility of expected business development in the second half of 2020.

JOST is working hard to swiftly adapt its costs, structures and processes to the rapidly changing situation. The Management Board is confident that JOST is well positioned to deal with the latest challenges in a successful and results-driven manner and that the Group will emerge stronger from the current crisis.

The Management Board of JOST Werke AG

Neu-Isenburg, August 13, 2020

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended June 30, 2020
Neu-Isenburg, Germany

CONDENSED CONSOLIDATED STATEMENT OF INCOME – BY FUNCTION OF EXPENSES

for the six months ended June 30, 2020
JOST Werke AG

in € thousands	Notes	H1 2020	H1 2019	Q2 2020	Q2 2019
Sales revenues	(6)	**366,674**	**401,236**	**174,869**	**201,762**
Cost of sales		**–273,700**	**–296,731**	**–130,812**	**–148,598**
Gross profit		**92,974**	**104,505**	**44,057**	**53,164**
Selling expenses		–51,115	–45,193	–24,507	–23,202
thereof: depreciation and amortization of assets		–16,560	–14,053	–8,824	–7,027
thereof: depreciation of right-of-use assets from leases		–1,204	–1,076	–736	–547
Research and development expenses		–7,127	–6,889	–3,438	–3,701
Administrative expenses	(7), (12)	–31,966	–21,178	–15,410	–10,779
Other income	(8)	4,558	2,310	2,045	870
Other expenses	(8)	–5,089	–2,030	–2,315	–1,179
Share of profit or loss of equity method investments		1,147	1,749	514	906
Operating profit (EBIT)		**3,382**	**33,274**	**946**	**16,079**
Financial income	(9)	1,125	805	661	–119
Financial expense	(9)	–4,972	–4,597	2,257	–2,865
Net finance result		**–3,847**	**–3,792**	**2,918**	**–2,984**
Profit / loss before tax		**–465**	**29,482**	**3,864**	**13,095**
Income taxes	(10)	1,187	–6,178	971	–4,018
Profit / loss after taxes		**722**	**23,304**	**4,835**	**9,077**
Weighted average number of shares		**14,900,000**	**14,900,000**	**14,900,000**	**14,900,000**
Basic and diluted earnings per share (in €)	(11)	**0.05**	**1.56**	**0.32**	**0.61**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended June 30, 2020
JOST Werke AG

in € thousands	H1 2020	H1 2019	Q2 2020	Q2 2019
Profit / loss after taxes	**722**	**23,304**	**4,835**	**9,077**
Items that may be reclassified to profit or loss in subsequent periods				
Exchange differences on translating foreign operations	–8,371	2,851	4,600	–1,166
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit pension plans	–1,853	–9,174	–10,186	–2,945
Deferred taxes relating to other comprehensive income	556	2,752	3,056	883
Other comprehensive income	**–9,668**	**–3,571**	**–2,530**	**–3,228**
Total comprehensive income	**–8,946**	**19,733**	**2,305**	**5,849**

CONDENSED CONSOLIDATED BALANCE SHEET

as of June 30, 2020
JOST Werke AG

Assets

in € thousands	Notes	06/30/2020	12/31/2019
Noncurrent assets			
Goodwill	(3)	79,709	0
Other intangible assets	(3)	309,429	184,233
Property, plant, and equipment		127,644	109,716
Investments accounted for using the equity method		9,223	10,851
Deferred tax assets		7,092	7,348
Other noncurrent financial assets	(13), (14)	99	0
Other noncurrent assets		1,480	1,329
		534,676	**313,477**
Current assets			
Inventories		144,601	108,173
Trade receivables	(13)	123,982	89,937
Receivables from income taxes		3,917	4,799
Other current financial assets	(13), (14)	529	628
Other current assets		14,948	16,726
Cash and cash equivalents		112,888	104,812
		400,865	**325,075**
Total assets		**935,541**	**638,552**

Equity and liabilities

in € thousands	Notes	06/30/2020	12/31/2019
Equity			
Subscribed capital		14,900	14,900
Capital reserves		474,653	474,653
Other reserves		−49,206	−39,538
Retained earnings		−186,163	−186,885
		254,184	**263,130**
Noncurrent liabilities			
Pension obligations	(15)	70,454	69,098
Other provisions		3,702	2,405
Interest-bearing loans and borrowings	(16)	270,504	150,444
Deferred tax liabilities		41,830	16,661
Other noncurrent financial liabilities	(13)	26,773	25,161
Other noncurrent liabilities		4,707	4,082
		417,970	**267,851**
Current liabilities			
Pension obligations	(15)	1,897	1,897
Other provisions		14,305	7,331
Interest-bearing loans and borrowings	(16)	109,894	311
Trade payables		89,384	64,223
Liabilities from income taxes		5,401	3,407
Contract liabilities		3,469	4,571
Other current financial liabilities	(13), (17)	9,236	7,419
Other current liabilities		29,801	18,412
		263,387	**107,571**
Total equity and liabilities		**935,541**	**638,552**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended June 30, 2020
JOST Werke AG

Condensed Consolidated Statement of Changes in Equity for the six months ended June 30, 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	–8,371
Deferred taxes relating to other comprehensive income	0	0	0
Total comprehensive income	0	0	–8,371
Balance as of June 30, 2020	**14,900**	**474,653**	**–18,396**

Condensed Consolidated Statement of Changes in Equity for the six months ended June 30, 2019

in € thousands	Subscribed capital	Capital reserves	Exchange differences on translating foreign operations
Balance at January 1, 2019	**14,900**	**499,399**	**–12,529**
Profit / loss after taxes	0	0	0
Other comprehensive income	0	0	2,851
Deferred taxes relating to other comprehensive income	0	0	0
Total comprehensive income	0	0	2,851
Dividends paid	0	0	0
Balance as of June 30, 2019	**14,900**	**499,399**	**–9,678**

Other reserves				
Remeasurements of defined benefit pension plans	Other reserves	Retained earnings	**Total consolidated equity**
−29,410	**−103**	**−186,885**	**263,130**
0	0	722	722
−1,853	0	0	−10,224
556	0	0	556
−1,297	0	722	−8,946
−30,707	**−103**	**−186,163**	**254,184**

Other reserves			
Remeasurements of defined benefit pension plans	Other reserves	Retained earnings	**Total consolidated equity**
−21,289	**−103**	**−228,765**	**251,613**
0	0	23,304	23,304
−9,174	0	0	−6,323
2,752	0	0	2,752
−6,422	0	23,304	19,733
0	0	−16,390	−16,390
−27,711	**−103**	**−221,851**	**254,956**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended June 30, 2020
JOST Werke AG

in € thousands	H1 2020	H1 2019	Q2 2020	Q2 2019
Profit / loss before tax	**–465**	**29,482**	**3,864**	**13,095**
Depreciation, amortization, impairment losses and reversal of impairment on noncurrent assets	28,552	24,240	14,235	12,192
Other noncash expenses	–973	881	–7,265	1,426
Change in inventories	516	–713	10,336	–899
Change in trade receivables	–8,538	–16,253	7,574	2,503
Change in trade payables	2,724	78	–17,500	5,131
Change in other assets and liabilities	18,374	–9,688	7,369	–9,387
Income tax payments	–2,359	–5,670	–2,992	–4,227
Cash flow from operating activities	**37,831**	**22,357**	**15,621**	**19,834**
Payments to acquire intangible assets	–2,463	–514	–1,654	–246
Proceeds from sales of property, plant, and equipment	2,231	130	2,186	97
Payments to acquire property, plant, and equipment	–5,109	–6,441	–1,816	–3,446
Acquisition of subsidiaries, less acquired cash and cash equivalents	–245,419	0	0	0
Dividends received	0	1,083	0	1,083
Interests received	64	506	15	436
Cash flow from investing activities	**–250,696**	**–5,236**	**–1,269**	**–2,076**
Interest payments	–2,834	–1,082	–2,444	–788
Proceeds from short-term interest-bearing loans and borrowings	110,000	0	0	0
Proceeds from long-term interest-bearing loans and borrowings	120,000	0	0	0
Refinancing costs	–510	0	0	0
Repayment of short-term interest-bearing loans and borrowings	–157	–75	–79	–75
Dividends paid to the shareholders of the Company	0	–16,390	0	–16,390
Repayment of lease liabilities	–4,263	–2,930	–2,337	–1,233
Cash flow from financing activities	**222,236**	**–20,477**	**–4,860**	**–18,486**
Net change in cash and cash equivalents	**9,371**	**–3,356**	**9,492**	**–728**
Change in cash and cash equivalents due to exchange rate movements	–1,295	505	557	–575
Cash and cash equivalents at January 1	104,812	66,087	102,839	64,539
Cash and cash equivalents at June 30	**112,888**	**63,236**	**112,888**	**63,236**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the period from January 1 to June 30, 2020
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 2, Siemensstraße in 63263 Neu-Isenburg, Germany. The Company is registered in the Commercial Register of Offenbach am Main under section B, number 50149.

As of July 20, 2017, the shares of JOST Werke AG (hereinafter also "JOST", the "Group," the "Company," or the "JOST Werke Group") were traded for the first time on the Frankfurt Stock Exchange. As of June 30, 2020, 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 six months ended June 30, 2020 (hereinafter also "2020 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 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, 2019. 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, 2019, 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, 2020 (Amendments to IAS 1 and IAS 8 - Definition of "Material"; Amendments to IFRS 3 - Definition of a Business; Revised Conceptual Framework of IFRSs; and Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform), had no effect on the reporting period or earlier periods and will probably not have a material effect on future periods.

Extensive measures have been taken at our sites to restrict and prevent the spread of the COVID-19 pandemic. These range all the way from the introduction of short-time work for some of our staff in Germany to temporary site shutdowns. By doing this, we are complying with the recommendations and regulations issued by international, national and local authorities. The health and safety of our employees and customers is our number one priority. Infection control precautions have been taken wherever work is being carried out.

JOST provides its customers with important services and rapidly supplies them with replacement parts worldwide. By doing this, we can ensure that transport is still out on the road during times of crisis, particularly when it comes to carrying medication and food.

The situation at our site in Wuhan has largely returned to normal after a temporary closure. Employees have now gone back to work and the plant start-up is running according to schedule. The plants in India, South Africa and Brazil were also affected by plant closures. All JOST plants worldwide are currently operational again and the availability of all our products is guaranteed. JOST was able to get through the first wave of the pandemic without major incidents.

Looking ahead to the remainder of 2020, the Covid-19 pandemic is expected to have further consequences that will influence the international trade in goods and therefore affect JOST as well. Our focus for the remainder of the year will be on maintaining the ability to supply our products and all services to our customers worldwide in this difficult environment.

The Management Board approved the condensed consolidated interim financial statements of JOST Werke AG for the period ending on June 30, 2020 for issue on August 13, 2020.

3. BUSINESS COMBINATIONS

Acquisition of Ålö Holding AB, Umeå, Sweden

On January 31, 2020 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 is 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.

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 sales revenues attributable to Ålö in the amount of €91.5m. The Ålö Group also would have contributed €1.0m to consolidated net profit / loss.

The following table summarizes the consideration transferred for the acquisition and the fair values of the assets identified and liabilities assumed at the acquisition date:

in € thousands	
Consideration transferred	
Payment made in cash	159,160
Contingent consideration	0
Total	**159,160**

in € thousands	
Intangible assets	137,809
Property, plant, and equipment	25,464
Inventories	49,250
Trade receivables	26,676
Cash and cash equivalents	12,318
Trade payables	−23,142
Interest-bearing loans and borrowings	−98,904
Deferred tax liabilities	−32,037
Other assets and liabilities	−17,951
Net identifiable assets acquired	**79,483**
Plus: goodwill	79,677
Net assets acquired	**159,160**

Significant step-ups (fair value adjustments) on intangible assets such as customer lists (€32.5m) and brand names (€48.8m) as well as tangible assets such as inventories (€9.5m) and property, plant and equipment (€2.6m) were identified and measured as part of the purchase price allocation. The acquired goodwill of €79.7m is attributable to the strong market position and high profitability of the Ålö Group and the expected synergies. This goodwill is not deductible for tax purposes.

The bank liabilities assumed in the amount of €99m were repaid by JOST on January 31, 2020.

The purchase price allocation in the first half of 2020 resulted in €1,880 thousand in depreciation of land, land rights and buildings, including buildings on third-party land, and amortization of customer lists and acquired intangible assets. There are also negative earnings effects from step-ups on inventories amounting to €4,301 thousand.

Costs of business combinations

The costs of business combinations of €2,236 thousand (2019: €2,482 thousand) are presented in administrative expenses within the income statement. For further details on exceptionals, see note 12.

Contingent consideration

Should the gross margin of Ålö Holding AB exceed a certain absolute figure 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 €1 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 zero was recognized for the contingent consideration. Should this assessment be proven wrong, the corresponding amounts will be recognized in profit or loss. As of the reporting date, the assessment has not changed.

4. SEGMENT REPORTING

Segment reporting as of June 30, 2020

in € thousands	Europe	North America	Asia, Pacific and Africa	Reconciliation	**Consolidated financial statements**
Sales revenues*	365,052	87,670	90,534	–176,582	366,674**
thereof: external sales revenues*	**226,853**	**81,506**	**58,315**	**0**	**366,674**
thereof: internal sales revenues*	138,199	6,164	32,219	–176,582	0
Adjusted EBIT***	**13,504**	**5,249**	**5,929**	**1,147**	**25,829**
thereof: depreciation and amortization	8,998	2,750	2,438	0	14,186
Adjusted EBIT margin	6.0%	6.4%	10.2%		7.0%
Adjusted EBITDA***	**22,502**	**7,999**	**8,367**	**1,147**	**40,015**
Adjusted EBITDA margin	9.9%	9.8%	14.3%		10.9%

* Sales by destination in the reporting period:
- Europe: €191,592 thousand
- Americas: €88,472 thousand
- Asia, Pacific and Africa: €86,610 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.

To improve comparability with the previous year's figures of the JOST Werke Group, the following table shows the key figures of the former JOST Werke Group and the acquired Ålö Group for the period up to June 30, 2020.

in € thousands	Ålö Group	JOST (excl. Ålö)	Consolidated financial statements
Sales revenues	**77,316**	**289,358**	**366,674**
Adjusted EBIT	**9,087**	**16,742**	**25,829**
thereof: depreciation and amortization	2,200	11,986	14,186
Adjusted EBIT margin	11.8%	5.8%	7.0%
Adjusted EBITDA	**11,287**	**28,728**	**40,015**
Adjusted EBITDA margin	14.6%	9.9%	10.9%

Segment reporting as of June 30, 2019

in € thousands	Europe	North America	Asia, Pacific and Africa	Reconciliation	Consolidated financial statements
Sales revenues*	390,965	86,792	94,136	–170,657	401,236**
thereof: external sales revenues*	**240,375**	**85,970**	**74,891**	**0**	**401,236**
thereof: internal sales revenues*	150,590	822	19,245	–170,657	0
Adjusted EBIT* **	**26,476**	**7,825**	**10,522**	**1,749**	**46,572**
thereof: depreciation and amortization	7,921	1,974	1,795	0	11,690
Adjusted EBIT margin	11.0%	9.1%	14.0%		11.6%
Adjusted EBITDA***	**34,397**	**9,799**	**12,317**	**1,749**	**58,262**
Adjusted EBITDA margin	14.3%	11.4%	16.4%		14.5%

* Sales by destination in the reporting period:
- Europe: €211,500 thousand
- Americas: €90,620 thousand
- Asia, Pacific and Africa: €99,116 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.

Reconciliation of adjusted earnings figures

in € thousands	H1 2020	H1 2019
Profit / loss after taxes	**722**	**23,304**
Income taxes	1,187	–6,178
Net finance result	–3,847	–3,792
EBIT	**3,382**	**33,274**
D & A from PPA	–14,366	–12,550
Other effects	–8,081	–748
Adjusted EBIT	**25,829**	**46,572**
Depreciation of property, plant and equipment	–12,693	–10,737
Amortization of intangible assets	–1,493	–953
Adjusted EBITDA	**40,015**	**58,262**

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. It cannot be ruled out that the coronavirus pandemic may also trigger seasonal shifts.

6. SALES REVENUES

The sales revenues gained as part of the acquisition of the Ålö Group are shown in note 4. When adjusted for Ålö Group sales revenues, sales revenues declined significantly across all regions, which is primarily a result of the COVID-19 pandemic but is also connected with the slowing of the commercial vehicle markets expected for 2020.

For information on the effects of the COVID-19 pandemic, please refer to the explanations in note 2.

7. ADMINISTRATIVE EXPENSES

The rise in administrative expenses compared to the previous year is associated with expenses from the acquisition of Ålö Group (€2.2m; see note 12) as well as the administrative expenses of the Ålö Group itself (€7.8m).

8. OTHER INCOME / OTHER EXPENSES

For the 2020 reporting period, other income amounted to €4.6m (2019 reporting period: €2.3m) and other expenses amounted to €5.1m (2019 reporting period: €2.0m).

In the 2020 reporting period as well in the 2019 reporting period, other income mainly comprises currency gains and government grants (2020 reporting period: €0.2m; 2019 reporting period: €0.5m). Other expenses mainly compromise currency losses.

9. FINANCE RESULT

Financial income is composed of the following items:

in € thousands	H1 2020	H1 2019
Interest income	203	125
Realized currency gains	0	62
Unrealized currency gains	795	597
Result from measurement of derivatives	121	0
Other financial income	6	21
Total	**1,125**	**805**

Financial expense is composed of the following items:

in € thousands	H1 2020	H1 2019
Interest expenses	–3,384	–1,730
thereof: interest expenses from leasing	–452	–265
Realized currency losses	–118	–152
Unrealized currency losses	–1,117	–1,630
Result from measurement of derivatives	0	–846
Other financial expenses	–353	–239
Total	**–4,972**	**–4,597**

Expenses of €0.3m recognized in other financial expense resulted from the additional financing agreement dated December 19, 2019 for financing the acquisition of Ålö Holding AB.

10. INCOME TAXES

The following table shows a breakdown of income taxes:

in € thousands	H1 2020	H1 2019
Current tax	–4,505	–8,442
Deferred taxes	5,692	2,264
Taxes on income	**1,187**	**–6,178**

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 June 30, 2020, 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

	H1 2020	H1 2019
Earnings after taxes (in € thousand)	722	23,304
Weighted average number of shares	14,900,000	14,900,000
Basic and diluted earnings per share (in €)	**0.05**	**1.56**

12. EXCEPTIONALS

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

In the 2020 reporting period, expenses amounting to €22,447 thousand (2019: €13,298 thousand) were adjusted within earnings before interest and taxes (EBIT).

The items adjusted within EBIT relate to selling expenses arising from the purchase price allocations (PPA depreciation and amortization) other effects in the amount of €15,663 thousand (2019: €12,680 thousand). Furthermore, cost of sales and administrative expenses were adjusted for expenses relating to other effects totaling €6,784 thousand (2019: €618 thousand). The other effects mainly relate to the expenses associated with the acquisition of Ålö Holding AB in the amount of €2,236 thousand and earnings effects from the use of step-ups on inventories in the amount of €4,301 thousand.

In the 2020 reporting period, expenses of €240 thousand (2019: €0 thousand) arising from entering into the acquisition financing agreement were adjusted within the net finance result.

Notional income taxes after adjustments were recognized in the amount of €6,667 thousand in the 2020 reporting period (2019: €12,834 thousand).

The tables below show the earnings adjusted for these effects:

in € thousands	January 1 – June 30, 2020 Unadjusted	D&A from PPA	Other effects	Adjustments, total	**January 1 – June 30, 2020 Adjusted**
Sales revenues	**366,674**			**0**	**366,674**
Cost of sales	**–273,700**		**4,301**	**4,301**	**–269,399**
Gross profit	**92,974**	**0**	**4,301**	**4,301**	**97,275**
Selling expenses	–51,115	14,366	1,297	15,663	–35,452
Research and development expenses	–7,127			0	–7,127
Administrative expenses	–31,966		2,483	2,483	–29,483
Other income	4,558			0	4,558
Other expenses	–5,089			0	–5,089
Share of profit or loss of equity method investments	1,147			0	1,147
Operating profit (EBIT)	**3,382**	**14,366**	**8,081**	**22,447**	**25,829**
Financial income	1,125			0	1,125
Financial expense	–4,972		240	240	–4,732
Net finance result	**–3,847**	**0**	**240**	**240**	**–3,607**
Earnings before tax	**–465**	**14,366**	**8,321**	**22,687**	**22,222**
Income taxes	1,187				–6,667
Earnings after taxes	**722**				**15,555**
Weighted average number of shares	**14,900,000**				**14,900,000**
Basic and diluted earnings per share (in €)	**0.05**				**1.04**

in € thousands	January 1 – June 30, 2019 Unadjusted	D&A from PPA	Other effects	Adjustments, total	**January 1 – June 30, 2019 Adjusted**
Sales revenues	**401,236**			**0**	**401,236**
Cost of sales	**–296,731**		**194**	**194**	**–296,537**
Gross profit	**104,505**	**0**	**194**	**194**	**104,699**
Selling expenses	–45,193	12,550	130	12,680	–32,513
Research and development expenses	–6,889			0	–6,889
Administrative expenses	–21,178		424	424	–20,754
Other income	2,310			0	2,310
Other expenses	–2,030			0	–2,030
Share of profit or loss of equity method investments	1,749			0	1,749
Operating profit (EBIT)	**33,274**	**12,550**	**748**	**13,298**	**46,572**
Financial income	805			0	805
Financial expense	–4,597			0	–4,597
Net finance result	**–3,792**	**0**	**0**	**0**	**–3,792**
Earnings before tax	**29,482**	**12,550**	**748**	**13,298**	**42,780**
Income taxes	–6,178				–12,834
Earnings after taxes	**23,304**				**29,946**
Weighted average number of shares	**14,900,000**				**14,900,000**
Basic and diluted earnings per share (in €)	**1.56**				**2.01**

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 06/30/2020	Fair value 06/30/2020	Carrying amount 12/31/2019	Fair value 12/31/2019	Level
Assets						
Cash and cash equivalents	FAAC	112,888	112,888	104,812	104,812	n/a
Trade receivables	FAAC	123,982	123,982	89,937	89,937	n/a
Other financial assets	FAAC	628	628	628	628	n/a
Total		**237,498**	**237,498**	**195,377**	**195,377**	

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, 2019.

in € thousands	Measurement categories in accordance with IFRS 9	Carrying amount 06/30/2020	Fair value 06/30/2020	Carrying amount 12/31/2019	Fair value 12/31/2019	Level
Liabilities						
Trade payables	FLAC	89,384	89,384	64,223	64,223	n/a
Interest bearing loans and borrowings*	FLAC	380,919	381,239	151,076	151,396	2
Lease liabilities	n/a**	33,921	33,921	30,618	—	n/a
Other financial liabilities	FLAC	636	636	389	389	n/a
Derivative financial liabilities	FLtPL	1,452	1,452	1,573	1,573	2
Total		**506,312**	**506,632**	**247,879**	**217,581**	

* 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, all financial 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 2020 and 2019.

The fair value of the interest-bearing loans and borrowings is determined in 2020 and 2019 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 primarily include deposits in the amount of €524 thousand (December 31, 2019: €431 thousand) and overpayments to suppliers in the amount of €6 thousand (December 31, 2019: €197 thousand). 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 June 30, 2020 were €72.4m (December 31, 2019: €71.0m). The following significant actuarial assumptions were made:

Assumptions

	06/30/2020	12/31/2019
Discount rate	0.7%	0.8%
Inflation rate / future pension increases	2.0%	2.0%
Future salary increases	2.0%	2.0%

16. INTEREST-BEARING LOANS AND BORROWINGS

The following table shows the Group's loan liabilities as of June 30, 2020:

in € thousands		**06/30/2020**	12/31/2019
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	120,000	0
Revolving credit facility		110,000	0
Other		919	1,076
Interest-bearing loans		**380,919**	**151,076**
Accrued financing costs		–521	–321
Total		**380,398**	**150,755**

The revolving credit facility has a short-term maturity and is therefore reported under current liabilities.

In order to finance its acquisition of Ålö Holding AB, JOST in December 2019 entered into a new financing arrangement with a consortium of banks for an amount of €120m and over a term of 5 years.

JOST drew €110m from the available revolving facility as of June 30, 2020 (December 31, 2019: €0m). Interest payments were made in the amount of €2,457 thousand (2019 reporting period: €826 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 June 30, 2020 had a negative fair value of €1,452 thousand (December 31, 2019: €1,573 thousand) (mark-to-market valuation), which is 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 JOST, including the subsidiaries and the joint venture, as of June 30, 2020, has changed compared to December 31, 2019 as a result of the acquisition of Ålö Holding AB and its subsidiaries. The following entities were acquired in this context. The list includes information on their registered office and the equity interest acquired.

- Ålö Holding AB, Umeå, Sweden (100%)
- Ålö Group AB, Umeå, Sweden (100%)
- Ålö Intressenter AB, Umeå, Sweden (100%)
- Ålö AB, Umeå, Sweden (100%)
- Alö Deutschland Vertriebs-GmbH, Dieburg, Germany (100%)
- Alo Danmark A/S, Skive, Denmark (100%)
- Ålö Norge A/S, Rakkestad, Norway (100%)
- Alo UK Ltd, Droitwich, United Kingdom (100%)
- Alo France S.A.S., Blanzac-Les-Matha, France (100%)
- Agroma S.A.S., Blanzac-Les-Matha, France (100%)
- Alo Canada Inc, Vancouver, Canada (100%)
- Alo USA Inc, Elgin, IL, USA (100%)
- Alo Tennessee Inc, Telford, TN, USA (100%)
- Alo Agricult. Machinery (Ningbo) Co. Ltd., Ningbo, PR China (100%)
- Alo Trading (Ningbo) Co. Ltd., Ningbo, PR China (100%)
- Alo Brasil Ltda, Brazil (100%)

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

Joachim Dürr, Diplom-Ingenieur, Dachau
Chairman of the Management 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 2020 reporting period.

19. EVENTS AFTER THE REPORTING DATE

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

REVIEW

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

Neu-Isenburg, August 13, 2020

Joachim Dürr Dr. Ralf Eichler Dr. Christian Terlinde

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the material opportunities and risks associated with the expected development of the company.

Neu-Isenburg, August 13, 2020

Joachim Dürr   Dr. Ralf Eichler   Dr. Christian Terlinde

FINANCIAL CALENDAR

NOVEMBER 12, 2020
INTERIM REPORT
9M 2020

Legal disclaimer

This document contains forward-looking statements. These statements reflect the current views, expectations and assumptions of the management, and are based on information currently available to the management. Forward-looking statements do not guarantee the occurrence of future results and developments and are subject to known and unknown risks and uncertainties. Therefore, actual future results and developments may deviate materially from the expectations and assumptions expressed in this document due to various factors. These factors primarily include changes in the general economic and competitive environment. Furthermore, developments on financial markets and changes in currency exchange rates as well as changes in national and international laws, in particular in respect of fiscal regulation, and other factors influence the Company's future results and developments. Neither the Company nor any of its affiliates undertakes to update the statements contained in this notification.

This interim report has been translated into English. Both language versions are available for download on the Internet at → **https://ir.jost-world.com/**. In case of any conflicts, the German version of the interim report shall prevail over the English translation.

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