PROSPECTUS

for the admission to trading on

the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)

of

up to 5,200,000 newly issued ordinary bearer shares with no-par value (*Stückaktien*) from a capital increase against contribution in cash expected to be resolved by an extraordinary shareholders' meeting on July 18, 2017

and

10,025,000 existing ordinary bearer shares with no-par value (*Stückaktien*)

— each such share with a notional interest in the share capital of €1.00 and full dividend rights from January 1, 2017 —

of

JOST Werke AG

Neu-Isenburg, Germany

Price Range: €25.00 – €31.00

International Securities Identification Number (*ISIN*): DE000JST4000

German Securities Code (*Wertpapierkennnummer, WKN*): JST400

Common Code: 164843823

Trading Symbol: JST

Joint Global Coordinators and Joint Bookrunners

Deutsche Bank **J.P. Morgan** **COMMERZBANK**

Joint Bookrunner

BNP PARIBAS

The date of this prospectus is July 14, 2017.

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SUMMARY OF THE PROSPECTUS

*Summaries are made up of disclosure requirements known as elements ("**Elements**"). These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In such cases, the summary includes a short description of the Element with the words "Not applicable".*

SECTION A – INTRODUCTION AND WARNINGS

A.1	**Warnings.**	This summary should be read as an introduction to this prospectus. The investor should base any decision to invest in the securities at hand on the review of this prospectus as a whole. In case a claim relating to the information contained in this prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area (the "**EEA**"), have to bear the costs of translating this prospectus before the legal proceedings are initiated. Those persons who have assumed responsibility for the summary, including the translations thereof, or who have caused its publication (*von denen der Erlass ausgeht*), can be held liable but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this prospectus or if it does not provide, when read together with the other parts of this prospectus, all necessary key information. JOST Werke AG, Germany (the "**Company**", and, together with its consolidated subsidiaries, "**we**", "**us**", "**our**", "**our Group**", "**the Group**", the "**JOST Group**", or "**JOST**"), together with Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany ("**Deutsche Bank**"), J.P. Morgan Securities plc, London, United Kingdom ("**J.P. Morgan**"), COMMERZBANK Aktiengesellschaft, Frankfurt am Main, Germany ("**COMMERZBANK**", and together with Deutsche Bank and J.P. Morgan, the "**Joint Global Coordinators**"), BNP PARIBAS, Paris, France ("**BNP PARIBAS**", and together with the Joint Global Coordinators, the "**Joint Bookrunners**" or "**Underwriters**"), have assumed responsibility for the content of this summary and its German translation pursuant to Section 5 paragraph 2b No. 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*).
A.2	**Information regarding the subsequent use of the prospectus.**	Not applicable. Consent by the Company to the use of this prospectus for a subsequent resale or final placement of the Company's shares by financial intermediaries has not been granted.

SECTION B – ISSUER

B.1	**Legal and commercial name.**	The Company's legal name is "JOST Werke AG". The Group primarily operates under the commercial name "JOST".
B.2	**Domicile, legal form, legislation under which the issuer operates, country of incorporation.**	The Company has its registered seat in Neu-Isenburg and its business address at Siemensstraße 2, 63263 Neu-Isenburg, Germany, and is registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Offenbach am Main, Germany (the "**Commercial Register**"), under

		number HRB 50149. The Company is a German stock corporation (*Aktiengesellschaft*) incorporated in Germany and governed by German law.
B.3	**Current operations and principal business activities and principal markets in which the issuer competes.**	We believe we are a leading global producer and supplier of safety-critical truck and trailer components with a portfolio of well-recognized brands built around our core brand "JOST". Our global leadership position is driven by the strength of our brands, which include the market-leading names of Rockinger, TRIDEC and Edbro, by our long-standing client relationships serviced through our global distribution network as well as by our efficient and asset-light business model. We follow a system approach by categorizing our products in three systems: Maneuvering (focusing on truck and trailer axles and forced steering), Vehicle Interface (focusing on products required to operate a commercial vehicle combination of trucks and trailers) and Handling solutions (including, among others, our container technology and hydraulic cylinders products). In 2016, excluding sales revenues of €29.1 million in 2016 from the Brazilian joint venture, in which we held an equity interest of 49% as of December 31, 2016 (the "**Brazilian JV Company**"), our Vehicle Interface products, Maneuvering products and Handling solutions products contributed approximately 74%, 16% and 10%, respectively, to our sales revenues. Our core products are fifth wheels and landing gears, which accounted for approximately 64% of our total sales (excluding the Brazilian JV Company sales) in 2016. In the same year, we had a global market share of 54% for fifth wheels and of 56% for landing gears in terms of sales revenues (including the Brazilian JV Company) (Source: Roland Berger 2017). We believe that our respective market shares for our core products (fifth wheels and landing gears) are approximately three times larger than our closest competitors. We serve the truck and trailer industry on a global basis. In particular, we supply components to truck and trailer original equipment manufacturers ("**OEMs**") through our global distribution network, providing parts to OEMs in the first-fit business and the aftermarket. In addition, we serve the independent aftermarket as well as small fleets and end users through wholesale organizations. We classify all sales of components not directly delivered to first-fit OEM production as trading activities. We supply trading parts to large OEM aftermarket organizations as well as parts delivered to wholesale organizations and then on-sold by the wholesale organization to smaller OEMs, fleets or other end users. In 2016, our first-fit OEM business contributed approximately 75% to our sales revenues (excluding the Brazilian JV Company) and our aftermarket/trading activities contributed approximately 25%. Over the years, we have established strong relationships with our customers. For example, customer relationships with a key group of our customers representing approximately 45% of our sales revenues in 2016 (including the Brazilian JV Company) have been in place for, on average, 33 years. However, none of our customers accounted for more than 8% of our sales revenues in 2016 due to our highly diversified customer base. We believe we are one of the most geographically diversified manufacturers and suppliers of truck and trailer components and systems in the world. We have built a particularly strong footprint in the European market, which is home to many leading global truck OEMs. In addition, we entered the North American fifth wheel market in 2001 and have since managed

to build strong relationships with leading truck OEMs with the aim of expanding our presence in the North American market. We also have an established and growing footprint in key emerging markets, including Russia, China and India as well as Brazil, where we produce and market our products through our Brazilian JV Company. In particular, we have a long track record of supplying products to the Asian market, initially through our European operations and subsequently through our local production in China, which commenced in 1991. Through our Chinese production, we expanded our penetration of the Asian market. As of the date of this prospectus, we count essentially all major Asian truck and trailer OEMs among our customers. In 2016, the split of our sales revenues by destination (excluding the Brazilian JV Company) was 59% in Europe, 23% in Asia, Pacific and Africa ("**APA**") and 18% in North America. If we take into account the sales revenues of our Brazilian JV Company, which is accounted for at equity under International Financial Reporting Standards ("**IFRS**") as adopted by the European Union ("**EU**"), the split of our sales revenues by destination would be 56% in Europe, 22% in APA, 17% in North America and 5% in Brazil (including 100% of sales revenues generated by the Brazilian JV Company, in which we own 49%). In the same year, the split of our sales revenues by origin (excluding the Brazilian JV Company) was 66% in Europe, 16% in APA and 17% in North America.

With our 17 production facilities (including the Brazilian JV Company) in 13 countries across five continents, we operate an efficient global production platform consisting of product-specific master plants and low-cost intercompany supply plants. We focus on modular product design, supply chain efficiency and higher value-add rather than asset-heavy production processes which allows us to optimize the flexibility of our production, in order to quickly react on emerging market dynamics and ultimately to support our financial performance. We have optimized our value chain through low-cost-country sourcing and commodity management measures, efficient logistics and tailored sales activities.

Since the early 1960s, we have grown mainly organically by establishing regional subsidiaries across Europe as well as in Asia, North America and Africa. In addition, we have expanded our footprint through our Brazilian JV Company, thereby gaining access to the South American market. More recently, we have grown through acquisitions which included the acquisition of Rockinger, TRIDEC, Edbro and Mercedes-Benz TrailerAxleSystems ("**MBTAS**"). Throughout the years, our formerly family-run enterprise has evolved into a globally operating enterprise, and we are regularly assessing further opportunities to expand our global footprint.

Our Competitive Strengths

We believe that our business is characterized by the following competitive strengths:

- We believe we are a global market leader for our core products with strong brands in a market with high barriers to entry.
- We have an attractive growth profile.
- We are a focused player with a global distribution network and long-standing relationships with a diversified customer base.
- We have a highly efficient and flexible production platform.

- We have an industry leading performance and cash generation.
- We have an experienced management team with an excellent track record of profitable organic and inorganic growth.

Our Strategy

Our strategy is geared to grow our business sustainably and to achieve above-market revenue growth, as well as strong profitability and cash flow. We aim to achieve this objective by pursuing the following strategies:

- Increase the content value per vehicle through product innovations.
- Growth initiatives in attractive markets through specific product and geographical expansion, such as focus on trailer axle systems, hydraulic systems and efficiency enhancing products as well as on the fifth wheel business in the United States of America ("**United States**" or "**U.S.**") and addressing demand in China which we expect to further increase.
- We seek to exploit our profitability improvements by further optimizing processes across all functional areas, strictly controlling and managing our costs and even further reduce our fixed and variable costs, in order to increase our operating profit margins and cash flows in all of our business units.

B.4a **Most significant recent trends affecting the issuer and the industry in which it operates.**

The global truck and trailer industry is focused on designing, developing, manufacturing, selling and servicing medium and heavy-duty commercial vehicles. The development of the truck and trailer component market is strongly influenced by the developments in and related to the truck and trailer market and its characteristics, macroeconomic indicators such as economic growth and population growth and by the regulation of trucks and trailers on a local, national and international level. Global production of medium- and heavy-duty trucks amounted to approximately 2.77 million units in 2016 with expected growth of approximately 3% per year until the end of 2021. The global production of medium- and heavy-duty commercial vehicle trailers is estimated at approximately 1.12 million units in 2016 with expected growth of approximately 3% per year until 2021 (Source: Roland Berger 2017).

The Group's key markets are expected to demonstrate positive real gross domestic product ("**GDP**") growth between 2017 and 2021, with more mature markets expected to demonstrate stable GDP growth ranging from 1.4% per year in Western Europe to 1.9% per year in North America while Brazil and Eastern Europe are expected to grow at 3.1% per year and 2.8% per year, respectively, over the same period (Source: Roland Berger 2017). The highest growth is expected in India and China, with India expected to grow by 7.0% per year between 2017 and 2021, while China is expected to grow by 5.7% per year (Source: Roland Berger 2017).

This positive GDP outlook is also supported by the latest business climate indicators. As of 2017, the business climate index for North America, Europe and Asia-Pacific was above the long-term average levels (Source: Roland Berger 2017). Strong business confidence has a positive effect on the demand for trucks and trailers, given the long utilization cycles of trucks and trailers.

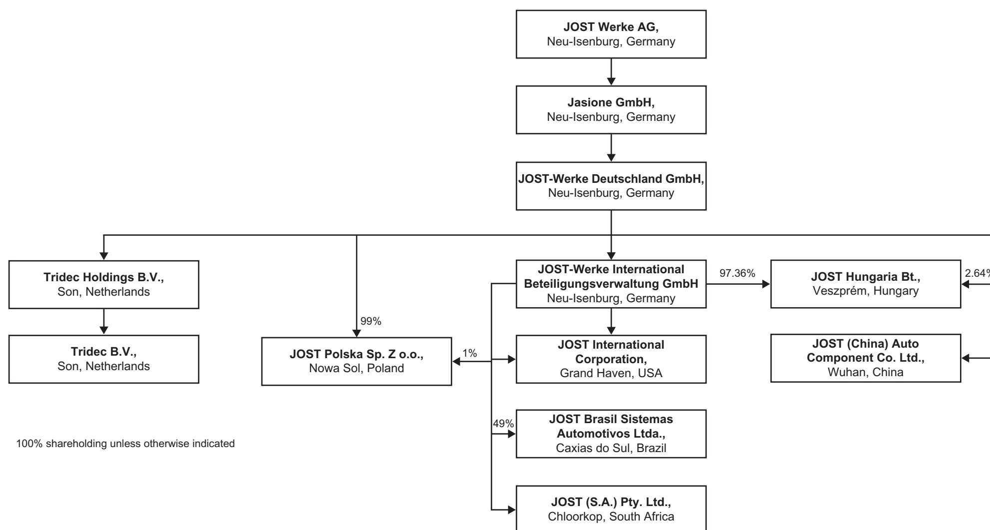
Population growth has an indirect impact on the market demand for trucks and trailers through the effects on overall economic development. Population is expected to grow in most of the regions in which we operate.

Many countries have launched initiatives and enacted regulations to limit emission levels of medium and heavy-duty trucks. The United States have already communicated its future targets while the EU is expected to follow in the near term. Although the United States' climate change policy under the current administration is uncertain, carbon dioxide emission targets are expected to be in place for most of the world's major truck markets by 2020. These tightening emission standards and fiscal penalties for operating older (less environment-friendly) trucks support demand for new trucks, and thereby support demand for our products.

B.5 **Description of the Group and the issuer's position within the Group.**

The Company is the parent company of our Group and the sole shareholder of Jasione GmbH, which in turn is the sole shareholder of JOST-Werke Deutschland GmbH (formerly known as JOST-Werke GmbH). JOST-Werke Deutschland GmbH acts as operational management company of our Group. The Group's business is primarily conducted by the operating subsidiaries of JOST-Werke Deutschland GmbH.

The following diagram provides an overview of the Company's significant subsidiaries, as of the date of this prospectus. All shareholdings are 100% unless otherwise indicated:



B.6 **Persons who, directly or indirectly, have a (notifiable) interest in the issuer's capital and voting rights.**

The sole direct shareholder of the Company, Jantinori 2 S.à r.l. (the "**Principal Shareholder**"), is itself directly controlled by Jantinori 1 S.à r.l., which itself is directly controlled by Cintinori S.à r.l., which itself is directly controlled by Jost-Global & Co S.C.A. ("**Jost-Global**"), in each case based on the ownership of all voting rights and shares in the relevant subsidiary. The sole general partner of Jost-Global is Jost-Global GP S.à r.l. ("**Jost-Global GP**"). As of the date of this prospectus, the following persons indirectly have a notifiable interest in the Company's capital and voting rights through their holdings in Jost-Global and Jost-Global GP:

Indirect shareholding in the Company	Indirect ownership as of the date of this prospectus[1]
Cinven funds[2]	**63.86%**
GSC funds[3]	**4.25%**
Sankaty funds[4]	**4.25%**
NIBC MBF Mezzanine IB B.V.	**4.25%**
Current and former members of Management and Supervisory Board, partially through certain vehicles	
Diskus & Langholm S.à r.l.[5]	18.76%
Yellow Sky S.à r.l.[6]	3.84%
Dr. Klaus-Peter Bleyer	0.80%
Sub-Total	**23.40%**
Total	**100.00%**

1 Numbers might not add up to the total numbers due to rounding.

2 "Cinven funds" comprises Fourth Cinven Fund (No.1) Limited Partnership, Fourth Cinven Fund (No.2) Limited Partnership, Fourth Cinven Fund (No.3 - VCOC) Limited Partnership, Fourth Cinven Fund (No.4) Limited Partnership, Fourth Cinven Fund (UBTI) Limited Partnership, Fourth Cinven Fund FCPR, Fourth Cinven Fund Co-Investment Partnership, and Fourth Cinven (MACIF) Limited Partnership, each of them being a direct shareholder of Jost-Global and Jost-Global GP.

3 "GSC funds" comprises GSC European Mezzanine Luxembourg IV, S.à r.l, GSC European Mezzanine Luxembourg V, S.à r.l., GSC European Mezzanine Luxembourg VI, S.à r.l., GSC European Mezzanine Luxembourg VII, S.à r.l., and GSC European Mezzanine Luxembourg VIII, S.à r.l., each of them being a direct shareholder of Jost-Global and Jost-Global GP.

4 "Sankaty funds" comprises Sankaty Credit Opportunities III, L.P., Sankaty Credit Opportunities IV, L.P., and Sankaty Credit Opportunities (Offshore Master) IV, L.P., each of them being a direct shareholder of Jost-Global and Jost-Global GP.

5 Lars Brorsen indirectly holds 13.40% and Dirk Schmidt indirectly holds 5.36% of the common shares in Jost-Global and Jost-Global GP. Lars Brorsen holds his indirect participation in Jost-Global and Jost-Global GP through his direct shareholding of 70.00% of the shares in Langholm GmbH (the remaining 30.00% of the shares in Langholm GmbH are held by three shareholders each holding 10.00% of the shares in Langholm GmbH); Langholm GmbH in turn holds 71.43% of the shares in Diskus & Langholm S.à r.l., whereby the remaining 28.57% of the shares in Diskus & Langholm S.à r.l. are being held by Dirk Schmidt through his direct shareholding of 100% of the shares in DISKUS Einhundertsechsundachtzigste Beteiligungs- und Verwaltungs-GmbH.

6 Alexander Kleinke indirectly holds 2.00% and Dr. Ralf Eichler indirectly holds 1.84% of the common shares in Jost-Global and Jost-Global GP. Alexander Kleinke holds his indirect participation in Jost-Global and Jost-Global GP through his direct shareholding of 100% of the shares in AKGK GmbH, which in turn holds 10.00% of the shares in Yellow Sky S.à r.l.; Dr. Ralf Eichler holds his indirect participation in Jost-Global and Jost-Global GP through his direct shareholding of 100% of the shares in EICOM GmbH, which in turn holds 10.00% of the shares in Yellow Sky S.à r.l.. The remaining 80% of the shares in Yellow Sky S.à r.l. are held by Inventa (Luxembourg) S.A. as a trustee. Each of Meranti Investments S.à r.l., (sole shareholder: Mr. Frank Bergman) and Centower Investments S.à r.l., (sole shareholder: Mr. John Dercksen) hold 50% of the shares in Inventa (Luxembourg) S.A.

Different voting rights.

Not applicable. Each Company's share carries one vote at the Company's shareholders' meeting. There are no restrictions on voting rights. All shares have identical voting rights.

	Direct or indirect control over the issuer and nature of such control.	Apart from the above-mentioned shareholders, the Company is currently not aware of any shareholders that directly or indirectly hold 3% or more of the voting rights in the Company. There are no arrangements known to the Company, the operation of which may at a subsequent date result in a change of control of the Company. The management of the Company is neither under the direction of any other company nor any other person, in particular on the basis of a domination agreement, and is not controlled by another company or person.
B.7	**Selected key historical financial information.**	*The financial information contained in the following tables is taken or derived from our audited consolidated financial statements as of and for the years ended December 31, 2016, December 31, 2015 and December 31, 2014, our unaudited condensed consolidated interim financial statements as of and for the three-month period ended March 31, 2017 (including comparative financial information as of and for the three-month period ended March 31, 2016) and our accounting records and internal reporting system. The audited consolidated financial statements and the unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS. Our historical results are not necessarily indicative of our future results.* *PricewaterhouseCoopers GmbH (formerly PricewaterhouseCoopers AG) Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Germany ("***PWC***"), has audited the consolidated financial statements as of and for the years ended December 31, 2016, December 31, 2015 and December 31, 2014 and issued an independent auditor's report thereon. The independent auditor's report has been issued without qualifications. The aforementioned audited consolidated financial statements and the independent auditor's report thereon as well as the unaudited condensed consolidated interim financial statements as of and for the three-month period ended March 31, 2017 are included in this prospectus.* *Where financial data in this prospectus is labeled "audited", this means that it has been taken from the audited financial statements mentioned above. The label "unaudited" is used in this prospectus to indicate financial data that has not been taken from the audited financial statements mentioned above but rather was taken from the unaudited condensed consolidated interim financial statements as of and for the three-month period ended March 31, 2017, from our accounting records, our internal reporting system, or has been calculated based on financial data from the above-mentioned sources, including the audited financial statements mentioned above. All of the financial data presented in this prospectus are shown in millions of euro (in € million) rounded to one decimal point or thousands of euro (€ thousand) rounded to the nearest whole number. Certain financial data (including percentages) in this prospectus have been rounded according to established commercial standards, whereby aggregate amounts (sum totals, sub-totals, differences or amounts put in relation) are calculated based on the underlying unrounded amounts. As a result, the aggregate amounts in the tables in this prospectus may not correspond in all cases to the corresponding rounded amounts contained in the tables in this prospectus. Furthermore, in those tables, these rounded figures may not add up exactly to the totals contained in those tables. With respect to financial data set out in this prospectus, a dash ("—") signifies that the relevant figure is not available or equals zero, while a zero ("0") signifies that the relevant figure is available but has been rounded to zero.*

Selected Data from the Consolidated Statement of Income

The following table shows selected financial information from our consolidated statement of income for the years ended December 31, 2016, December 31, 2015 and December 31, 2014 as well as for the three-month periods ended March 31, 2017 and March 31, 2016.

	Three-month period ended March 31,		Year ended December 31,		
	2017	2016	2016	2015	2014
	(in € million)				
	(unaudited)		(audited)		
Sales revenues	**180.5**	**165.5**	**633.9**	**649.8**	**516.3**
Cost of sales	(129.8)	(122.1)	(456.1)	(485.2)	(376.2)
Gross profit	**50.7**	**43.4**	**177.9**	**164.6**	**140.1**
Selling expenses	(21.0)	(19.4)	(82.1)	(81.0)	(1.2)
Research and development expenses	(2.6)	(2.6)	(10.7)	(9.4)	(7.6)
Administrative expenses	(11.7)	(11.8)	(54.4)	(55.5)	(35.6)
Other income	1.1	1.1	7.4	7.1	2.9
Other expenses	(1.0)	(1.2)	(6.3)	(2.7)	(4.0)
Share of profit or loss of equity method investments	0.5	0.3	1.4	1.4	2.7
Operating profit (EBIT)	**15.9**	**9.8**	**33.1**	**24.6**	**97.4**
Financial income	1.0	0.2	3.9	1.1	4.4
Financial expense	(9.7)	(9.4)	(39.1)	(76.6)	(51.5)
Net finance result	**(8.7)**	**(9.2)**	**(35.2)**	**(75.5)**	**(47.1)**
Loss/Profit before tax	**7.2**	**0.6**	**(2.1)**	**(50.9)**	**50.2**
Income taxes	(4.2)	(2.3)	(13.1)	(1.2)	(21.9)
Consolidated net loss/ income for the period	**3.0**	**(1.7)**	**(15.2)**	**(52.1)**	**28.3**
Noncontrolling interests	–	–	–	–	(0.0)
Loss/Profit attributable to owners of the parent	**3.0**	**(1.7)**	**(15.2)**	**(52.1)**	**28.3**

Selected Data from the Consolidated Balance Sheet

The following table shows selected financial information from our consolidated balance sheet as of December 31, 2016, December 31, 2015, December 31, 2014 and as of March 31, 2017.

	As of March 31, 2017	As of December 31, 2016	2015	2014
	(unaudited)	(in € million) (audited, unless stated otherwise)		
Assets				
Intangible assets	254.9	261.5	281.7	309.7
Property, plant, and equipment	80.1	80.1	85.1	77.6
Further noncurrent assets[1] (unaudited)	24.6	24.2	24.1	24.4
Noncurrent assets	**359.6**	**365.9**	**391.0**	**411.7**
Inventories	88.7	90.4	92.6	86.6
Trade receivables	117.0	90.1	88.4	77.6
Cash and cash equivalents	57.5	47.2	40.4	42.9
Further current assets[2] (unaudited)	10.1	10.9	14.7	10.9
Current assets	**273.3**	**238.5**	**236.1**	**218.0**
Assets	**632.9**	**604.4**	**627.0**	**629.7**
Equity and liabilities				
Subscribed capital	0.0	0.0	0.0	0.0
Capital reserves	79.7	79.7	79.7	79.7
Other reserves	(20.5)	(22.5)	(20.8)	(18.5)
Retained earnings	(191.6)	(194.6)	(179.4)	(135.0)
Equity attributable to owners of the parent	(132.4)	(137.4)	(120.5)	(73.8)
Noncontrolling interests	–	–	–	–
Equity	**(132.4)**	**(137.4)**	**(120.5)**	**(73.8)**
Liabilities to shareholders	137.8	132.5	121.7	186.5
Pension obligations	59.3	60.7	53.7	62.2
Interest-bearing loans and borrowings	313.9	314.0	319.7	209.6
Further noncurrent liabilities[3] (unaudited)	134.6	134.2	134.0	145.5
Noncurrent liabilities	**645.5**	**641.4**	**629.2**	**603.9**
Pensions obligations	1.7	1.7	1.9	1.6
Interest-bearing loans and borrowings	6.0	6.0	11.6	0.4
Trade payables	71.0	57.7	71.8	59.3
Further current liabilities[4] (unaudited)	41.0	34.9	33.0	38.1
Current liabilities	**119.7**	**100.4**	**118.3**	**99.5**
Equity and liabilities	**632.9**	**604.4**	**627.0**	**629.7**

1 Includes investments accounted for using the equity method, deferred tax assets, other noncurrent financial assets, other noncurrent assets and noncurrent receivables from shareholders. The condensed consolidated balance sheet as of March 31, 2017 does not contain or separately disclose "noncurrent receivables from shareholders".

2 Includes receivables from income taxes, other current financial assets, other current assets and current receivables from shareholders. The condensed consolidated balance sheet as of March 31, 2017 does not contain or separately disclose "current receivables from shareholders".

3 Includes other provisions, deferred tax liabilities, other noncurrent financial liabilities and other noncurrent liabilities. The condensed consolidated balance sheet as of March 31, 2017 does not contain or separately disclose "other noncurrent financial liabilities".

4 Includes other provisions, liabilities from income taxes, other current financial liabilities and other current liabilities.

Selected Data from the Consolidated Cash Flow Statement

The following table shows selected financial information from our consolidated cash flow statement for the years ended December 31, 2016, December 31, 2015 and December 31, 2014 as well as for the three-month periods ended March 31, 2017 and March 31, 2016.

	Three-month period ended March 31,		Year ended December 31,		
	2017	2016	2016	2015	2014
	(in € million)				
	(unaudited)		(audited)		
Loss/Profit before tax	**7.2**	**0.6**	**(2.1)**	**(50.9)**	**50.2**
Depreciation, amortization, impairment losses and reversal of impairment on noncurrent assets	10.9	10.3	41.3	46.6	(33.7)
Other non-cash expenses	5.1	4.9	20.5	46.8	41.0
Change in other assets and liabilities	(3.3)	(16.4)	6.8	19.0	4.1
Income tax payments	(2.6)	(4.9)	(9.9)	(18.9)	(8.5)
Cash flow from operating activities	**17.3**	**(5.5)**	**56.6**	**42.5**	**53.1**
Proceeds from sales of intangible assets	0.0	–	–	–	–
Payments to acquire intangible assets	(0.4)	(1.0)	(5.1)	(5.9)	(4.0)
Proceeds from sales of property, plant and equipment	0.1	0.1	1.4	5.4	–
Payments to acquire property, plant and equipment	(3.1)	(5.3)	(13.3)	(24.4)	(15.1)
Acquisition of subsidiary, net of cash acquired	–	–	–	(3.0)	(18.3)
Loans granted to related parties	–	–	–	(0.8)	(0.3)
Dividends received	0.5	–	0.2	1.5	3.2
Interests received	0.1	0.1	0.7	0.4	0.4
Cash flow from investing activities	**(2.9)**	**(6.1)**	**(16.1)**	**(26.8)**	**(34.1)**
Interest payments	(4.2)	(1.0)	(16.9)	(8.2)	(9.4)
Proceeds from short-term borrowings	–	12.5	–	10.5	–
Proceeds from long-term borrowings	–	–	–	108.2	–
Refinancing costs	–	(3.8)	(3.8)	(5.9)	–
Repayment of long-term borrowings	–	–	–	–	(11.7)
Repayment of short-term borrowings	–	(0.0)	(10.5)	(0.4)	–
Repayment of long-term liabilities to shareholders	–	–	–	(107.2)	–
Interest payments to shareholders	–	–	(3.0)	(15.2)	–
Acquisition of interest in a subsidiary	–	–	–	–	(0.1)
Cash flow from financing activities	**(4.2)**	**7.7**	**(34.2)**	**(18.2)**	**(21.2)**
Net change in cash and cash equivalents	**10.2**	**(3.8)**	**6.4**	**(2.5)**	**(2.1)**
Change in cash and cash equivalents due to exchange rate movements	0.1	(0.7)	0.4	(0.0)	1.0
Cash and cash equivalents at January 1	47.2	40.4	40.4	42.9	44.0
Cash and cash equivalents at period end	**57.5**	**35.8**	**47.2**	**40.4**	**42.9**

Selected Segment Information

The following table shows selected segment information based on the three reporting segments APA, Europe and North

America for the years ended December 31, 2016, December 31, 2015 and December 31, 2014 as well as for the three-month periods ended March 31, 2017 and March 31, 2016.

	Three-month period ended March 31,		Year ended December 31,		
	2017	2016	2016	2015	2014
	(in € million)				
	(unaudited)		(audited)		
Sales revenues by origin (consolidated)	**180.5**	**165.5**	**633.9**	**649.8**	**516.3**
thereof: external sales revenues in APA	*34.8*	*24.5*	*103.2*	*98.9*	*85.9*
thereof: external sales revenues in Europe	*115.7*	*110.3*	*420.9*	*421.0*	*336.1*
thereof: external sales revenues in North America	*30.0*	*30.6*	*109.8*	*129.9*	*94.4*
Adjusted EBIT (consolidated)[1]	**22.5**	**16.8**	**61.9**	**62.2**	**58.8**
thereof: Adjusted EBIT in APA	*5.8*	*4.0*	*15.9*	*14.8*	*13.2*
thereof: Adjusted EBIT in Europe	*13.1*	*10.5*	*35.0*	*38.0*	*40.9*
thereof: Adjusted EBIT in North America	*3.1*	*2.0*	*9.7*	*7.9*	*2.1*
thereof: Reconciliation/Other[2]	*0.5*	*0.3*	*1.4*	*1.4*	*2.7*

1 Adjusted EBIT is defined as operating profit (EBIT) adjusted for exceptional items, depreciation and amortization of property, plant and equipment and intangible assets from the purchase price allocation (PPA) and impairment and reversal of impairment of property, plant and equipment and intangible assets from the PPA. Exceptional items include other non-recurring expenses and income, which occurred mainly in various IT projects and acquisitions of the MBTAS business and Edbro business. Adjustments to operating profit (EBIT) are allocated exclusively to our European segment. The Company believes that these adjustments are useful to understand and correctly assess the ordinary course of business. The following table shows the reconciliation from (consolidated) operating profit (EBIT) to (consolidated) Adjusted EBIT.

	Three-month period ended March 31,		Year ended December 31,		
	2017	2016	2016	2015	2014
	(in € million)				
	(unaudited)		(audited)		
Operating profit (EBIT)	**15.9**	**9.8**	**33.1**	**24.6**	**97.4**
Edbro acquisition	(0.0)	(0.0)	(0.8)	(0.8)	(0.8)
Axle acquisition	–	(0.2)	(0.3)	(2.8)	(0.9)
IT/ERP project	–	(0.1)	(0.2)	(0.7)	(2.7)
IPO	(0.0)	(0.1)	(1.1)	(2.2)	–
Other[(a)]	(0.2)	(0.2)	(1.2)	(2.6)	(1.6)
Additional depreciation from PPA	(0.6)	(0.6)	(2.2)	(2.4)	(2.0)
Additional amortization from PPA	(5.7)	(5.7)	(23.0)	(26.2)	(17.5)
Additional impairment from PPA	–	–	–	–	–
Additional reversal of impairment from PPA	–	–	–	–	64.0
Adjusted EBIT	**22.5**	**16.8**	**61.9**	**62.2**	**58.8**

(a) Other mainly consists of financing restructuring costs, restructuring costs for operational improvements, IT improvement costs and redundancy payments and consultancy fees in connection with personnel restructuring.

2 Adjusted EBIT includes share of profit or loss of investments accounted for using the equity method.

Significant changes to the issuer's financial condition and operating results during and subsequent to the period covered by the historical key financial information.

Results of Operations

The following significant changes in the Company's results of operations occurred in the three-month periods ended March 31, 2017 and March 31, 2016 as well as in the years ended December 31, 2016, December 31, 2015 and December 31, 2014:

Three-month period ended March 31, 2017

Sales revenues increased by €15.0 million, or 9.1%, to €180.5 million in the three-month period ended March 31, 2017 from €165.5 million in the three-month period ended March 31, 2016. The increase in sales revenues resulted mainly from an increase in sales revenues in China due to strong demand for fifth wheels after legislation changes, including new emission regulations, which led to prebuy effects, partially offset by lower sales revenues in North America due to a slowdown in the truck market which resulted in a lower demand for fifth-wheels.

External sales revenues in APA increased by €10.3 million, or 41.8%, to €34.8 million in the three-month period ended March 31, 2017 from €24.5 million in the three-month period ended March 31, 2016 primarily due to an increase in sales revenues in China due to strong demand for fifth wheels after legislation changes, including new emission regulations, which led to prebuy effects. External sales revenues in Europe increased by €5.3 million, or 4.8%, to €115.7 million in the three-month period ended March 31, 2017 from €110.3 million in the three-month period ended March 31, 2016 primarily due to additional working days in many countries in Europe. External sales revenues in North America decreased by €0.6 million, or 1.9%, to €30.0 million in the three-month period ended March 31, 2017 from €30.6 million in the three-month period ended March 31, 2016 primarily due to a slowdown in the truck market which led to a lower demand for fifth wheels.

Adjusted EBIT increased by €5.7 million, or 33.8%, to €22.5 million in the three-month period ended March 31, 2017 from €16.8 million in the three-month period ended March 31, 2016. Adjusted EBIT of €22.5 million in the three-month period ended March 31, 2017 included a share of profit or loss of investments accounted for using the equity method in the amount of €0.5 million.

Adjusted EBIT in APA increased by €1.9 million, or 47.0%, to €5.8 million in the three-month period ended March 31, 2017 from €4.0 million in the three-month period ended March 31, 2016. Adjusted EBIT in Europe increased by €2.6 million, or 24.4%, to €13.1 million in the three-month period ended March 31, 2017 from €10.5 million in the three-month period ended March 31, 2016. Adjusted EBIT in North America increased by €1.1 million, or 54.1%, to €3.1 million in the three-month period ended March 31, 2017 from €2.0 million in the three-month period ended March 31, 2016.

Fiscal Years 2016 and 2015

Sales revenues decreased by €15.9 million, or 2.4%, to €633.9 million in the year ended December 31, 2016 from

€649.8 million in the year ended December 31, 2015. The decrease in sales revenues was primarily due to lower sales revenues in North America resulting from a slow-down in the heavy-duty truck market and negative currency translation effects. This decrease was partially offset by higher sales revenues in China resulting mostly from additional demand for our products in anticipation of new regulations recently introduced in China.

External sales revenues in APA increased by €4.3 million, or 4.4%, to €103.2 million in the year ended December 31, 2016 from €98.9 million in the year ended December 31, 2015 primarily due to increasing sales in China as well as new regulations recently introduced in China, which have started to positively affect external sales revenues in APA in the fourth quarter of the year ended December 31, 2016. External sales revenues in Europe remained stable at €420.9 million in the year ended December 31, 2016 compared to €421.0 million in the year ended December 31, 2015. Increases in external sales in Europe due to increased sales of TRIDEC products and axles were offset by decreasing external sales of hydraulic products and negative currency translation effects. External sales revenues in North America decreased by €20.2 million, or 15.5%, to €109.8 million in the year ended December 31, 2016 from €129.9 million in the year ended December 31, 2015 primarily due to negative currency translation effects and a slow-down in the heavy-duty truck market leading to a decreasing demand for fifth wheels.

Adjusted EBIT decreased slightly by €0.3 million, or 0.4%, to €61.9 million in the year ended December 31, 2016 from €62.2 million in the year ended December 31, 2015. The decrease in Adjusted EBIT was primarily due to foreign exchange related losses and investments in the MBTAS and Edbro businesses, leading to higher depreciation of property, plant and equipment. The decrease in Adjusted EBIT was partially offset by higher operating profit. Adjusted EBIT of €61.9 million in the year ended December 31, 2016 included a share of profit or loss of investments accounted for using the equity method in the amount of €1.4 million.

Adjusted EBIT in APA increased by €1.1 million, or 7.2%, to €15.9 million in the year ended December 31, 2016 from €14.8 million in the year ended December 31, 2015. Adjusted EBIT in Europe decreased by €3.1 million, or 8.0%, to €35.0 million in the year ended December 31, 2016 from €38.0 million in the year ended December 31, 2015. Adjusted EBIT in North America increased by €1.8 million, or 22.3%, to €9.7 million in the year ended December 31, 2016 from €7.9 million in the year ended December 31, 2015.

Fiscal Years 2015 and 2014

Sales revenues increased by €133.5 million, or 25.9%, to €649.8 million in the year ended December 31, 2015 from €516.3 million in the year ended December 31, 2014. The increase in sales revenues resulted mainly from the acquisition of the MBTAS business in December 2014. Assuming that the MBTAS acquisition had been completed on January 1, 2014, sales revenues would have been €74.1 million higher in 2014. In addition, we benefited from growth across all regions and positive currency translation effects, in particular due to the U.S. dollar appreciating against the euro. The increase was partially offset by decreasing sales revenues for draw bar trailer parts.

External sales revenues in APA increased by €13.0 million, or 15.2%, to €98.9 million in the year ended December 31, 2015 from €85.9 million in the year ended December 31, 2014 primarily due to growth in China and India, which was partially offset by decreasing sales revenues in Australia and South Africa. External sales revenues in Europe increased by €84.9 million, or 25.3%, to €421.0 million in the year ended December 31, 2015 from €336.1 million in the year ended December 31, 2014 primarily as a result of the acquisition of the MBTAS business in December 2014, whose results of operations were consolidated beginning in the year ended December 31, 2015. This increase in external sales revenues in Europe was partially offset by decreasing sales revenues in Russia. External sales revenues in North America increased by €35.5 million, or 37.7%, to €129.9 million in the year ended December 31, 2015 from €94.4 million in the year ended December 31, 2014 primarily due to market share gains, growing heavy-duty truck production increasing the demand for fifth wheels and positive currency translation effects.

Adjusted EBIT increased by €3.3 million, or 5.7%, to €62.2 million in the year ended December 31, 2015 from €58.8 million in the year ended December 31, 2014. The increase in Adjusted EBIT was primarily due to a sales increase across all regions with particularly strong growth in North America as a result of increased truck demand. This increase was partially offset by decreasing results in our Edbro hydraulic business. Adjusted EBIT of €62.2 million in the year ended December 31, 2015 included a share of profit or loss of investments accounted for using the equity method in the amount of €1.4 million.

Adjusted EBIT in APA increased by €1.6 million, or 12.2%, to €14.8 million in the year ended December 31, 2015 from €13.2 million in the year ended December 31, 2014. Adjusted EBIT in Europe decreased by €2.9 million, or 7.0%, to €38.0 million in the year ended December 31, 2015 from €40.9 million in the year ended December 31, 2014. Adjusted EBIT in North America increased by €5.9 million, or 281.9%, to €7.9 million in the year ended December 31, 2015 from €2.1 million in the year ended December 31, 2014.

Recent Developments

On July 18, 2017, the Company and certain of its subsidiaries are expected to enter into a facilities agreement in an aggregate nominal amount of up to €260,000,000 in order to refinance the Existing Senior Facilities Agreement and provide funds for general corporate purposes (the "**New Senior Facilities Agreement**") with Bayerische Landesbank, BNP PARIBAS Fortis S.A./N.V., COMMERZBANK Aktiengesellschaft, DZ Bank AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, ING Bank, a branch of ING-DiBa AG and UniCredit Bank AG as lead arrangers, Commerzbank Finance & Covered Bond S.A. as agent, as well as other lenders. The proposed repayment of the Existing Senior Facilities Agreement will be funded partly through the proceeds from the New Senior Facilities Agreement, partly through the proceeds from the Private Placement (as defined below) and partly through cash on balance sheet. Thus, we expect to be able to reduce our financing costs, which would further improve our net finance result beginning in 2017. Pursuant to this refinancing, our net finance costs are expected to decrease for 2017 and continue to decrease in 2018, and our leverage ratio over the medium term is expected to be 1.0 – 1.5 times our net financial debt as divided by our Adjusted EBITDA (excluding potential acquisitions).

On July 12, 2017, in anticipation of the expected admission to trading of the Company's shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard), the Company and the Principal Shareholder, together with the Joint Bookrunners, initiated a private placement to certain institutional and other investors that qualify under available offering exemptions in various jurisdictions (the "**Private Placement**") of the New Shares (as defined under C.1) and up to 2,915,000 Existing Shares (as defined under C.1) from the holdings of the Principal Shareholder (the New Shares (as defined under C.1) and the up to 2,915,000 Existing Shares (as defined under C.1) from the holdings of the Principal Shareholder, together, the "**Placement Shares**").

Investors may, in addition to the Placement Shares, be allocated up to 1,141,000 Company's shares (the "**Over-Allotment Shares**" and together with the Placement Shares, the "**Offered Shares**" and each an "**Offered Share**") as part of the Private Placement (the "**Over-Allotment**"). For the purpose of a potential Over-Allotment, the Stabilization Manager, for the account of the Underwriters, will be provided with up to 1,141,000 Existing Shares from the holdings of the Principal Shareholder in the form of a securities loan; the number of Over-Allotment Shares will not exceed 15% of the Placement Shares. In addition, the Principal Shareholder has granted the Underwriters an option to acquire a number of Company's shares equal to the borrowed shares at the final placement price (the "**Offer Price**") less agreed commissions (the "**Greenshoe Option**"). The Greenshoe Option will terminate 30 calendar days after commencement of the stock exchange trading of the Company's shares expected to take place on July 20, 2017.

On July 12, 2017, the Company and the Principal Shareholder, together with the Underwriters, set the price range at €25.00 to €31.00 per Offered Share (the "**Price Range**").

The Offer Price and the final number of Company's shares placed in the Private Placement are expected to be determined on the basis of the order book prepared during the bookbuilding process expected to take place in the period from July 12, 2017 to July 19, 2017.

The Company will, at the low end of the Price Range, receive gross proceeds of €130.0 million and estimated net proceeds of approximately €118.1 resulting from the sale of the New Shares (as defined under C.1) (assuming that all New Shares (as defined under C.1) are placed).

Subject to the Offer Price, the number of New Shares to be sold in the Private Placement, and therefore to be issued in connection with the Capital Increase, as well as the number of Existing Shares to be sold in the Private Placement may be adjusted. The Company is targeting gross proceeds of at least €130.0 million from the sale of the New Shares and a free float of around 50% (assuming no exercise of the Greenshoe Option) of the Company's shares upon commencement of trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

The Company intends to use the net proceeds from the Private Placement (resulting from the sale of the New Shares (as defined under C.1)) to partially fund the repayment of its outstanding indebtedness under its Existing Senior Facilities Agreement as well as for general corporate purposes. The

		Company anticipates that such use might include, but will not necessarily be limited to, the geographical expansion of its existing business, as well as the expansion into new or related lines of business and selective acquisitions, in each case in furtherance of its corporate strategy.
B.8	**Selected key pro forma financial information.**	Not applicable. No pro forma financial information has been prepared by the Company.
B.9	**Profit forecast or estimate.**	Not applicable. No profit forecast or estimate is being presented by the Company.
B.10	**Qualifications in the audit report on the historical financial information.**	Not applicable. The independent auditor's reports on the historical financial information included in this prospectus have been issued without qualification.
B.11	**Insufficiency of the issuer's working capital for its present requirements.**	Not applicable. The Company is of the opinion that the Group is in a position to meet the payment obligations that become due within at least the next twelve months.

SECTION C – SECURITIES

C.1	**Type and class of the securities being offered and/or admitted to trading.**	For the purpose of admission to trading on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), this prospectus relates to up to 15,225,000 ordinary bearer shares with no-par value (*Stückaktien*), each with a notional interest in the share capital of the Company of €1.00 and full dividend rights from January 1, 2017 consisting of: • up to 5,200,000 newly issued ordinary bearer shares with no-par value (*Stückaktien*) from a capital increase against contribution in cash (the "**Capital Increase**") expected to be resolved by an extraordinary shareholders' meeting on July 18, 2017 (the "**New Shares**"); and • 10,025,000 existing ordinary bearer shares with no par value (*Stückaktien*) from the holdings of the Principal Shareholder (the "**Existing Shares**").
	Security identification number.	International Securities Identification Number (*ISIN*): DE000JST4000 German Securities Code (*Wertpapierkennnummer, WKN*): JST 400 Common Code: 164843823 Trading Symbol: JST
C.2	**Currency.**	Euro.
C.3	**The number of shares issued and fully paid.**	As of the date of this prospectus, the share capital of the Company amounts to €10,025,000 and is divided into 10,025,000 ordinary bearer shares with no-par value (*Stückaktien*). The extraordinary shareholders' meeting is expected to resolve on July 18, 2017 to issue up to 5,200,000 New Shares against contribution in cash in connection with and for the purposes of the Private Placement. Upon registration of the Capital Increase with the Commercial Register, the Company's outstanding share capital is expected to amount to up to €15,225,000 and is expected to be divided into a total number of up to 15,225,000 ordinary bearer shares with no-par value (*Stückaktien*). All shares of the Company issued as of the date of the Prospectus are, and the New Shares that will be issued prior to commencement of trading will be fully paid up.

		Following the consummation of the Capital Increase and after the Capital Increase takes effect, the Company's shares will be represented by one or more global share certificates (the "**Global Share Certificate**"), which will be deposited with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany.
	Notional value.	Each Company's share represents a notional interest of €1.00 in the Company's share capital.
C.4	**A description of the rights attached to the securities.**	Each Company's share carries one vote at the Company's shareholders' meeting. There are no restrictions on voting rights. The Company's shares carry full dividend rights from January 1, 2017, i.e., for the full fiscal year 2017 and for all subsequent fiscal years. In the event of liquidation, any eventual liquidation proceeds will be distributed to the shareholders in proportion to their interest in the Company's share capital.
C.5	**A description of any restrictions on the free transferability of the securities.**	Not applicable. The Company's shares are freely transferable in accordance with the legal requirements for ordinary bearer shares. Except for the lock-up agreements with the Underwriters described below under E.5, there are no restrictions on the transferability of the Company's shares.
C.6	**Application for admission to trading on a regulated market and identity of regulated markets where the securities are to be traded.**	On July 4, 2017, the Company applied for admission of the Company's shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard). The application for admission to trading also includes the New Shares. The listing approval for the Company's shares is expected to be granted on or about July 19, 2017. Trading in the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) is planned to commence on July 20, 2017.
C.7	**Dividend policy.**	Over the medium term, the Company targets a dividend pay-out ratio of 35% to 50% of its consolidated net income, and such pay-out ratio is anticipated to be at the lower end for fiscal year 2017. Any future determination to pay dividends will be made in accordance with applicable laws and will depend upon, among other factors, the Company's results of operations, financial condition, contractual restrictions and capital requirements. The Company's ability to pay dividends may be limited by the terms of any existing and future debt or preferred securities.

SECTION D – RISKS

D.1	**Key risks specific to the issuer and its industry.**	An investment in the Company's shares is subject to a number of risks. Prospective investors should read the entire document and carefully consider the following risks together with all the other information contained in this prospectus prior to making any investment decision regarding the Company's shares. The following risks, alone or together with additional risks and uncertainties not currently known to us, or that we might currently deem immaterial, could materially adversely affect our business, financial condition and results of operations. The market price of the Company's shares could fall if any or all of these risks were to materialize, in which case prospective investors could lose all or part of their investment. The order in which the following risks are presented is not an indication of the likelihood of these risks actually materializing, or their likely significance or degree, or the scope of any potential harm to our business, financial condition, or results of operations that might result.

Risks Related to Our Markets

- We are exposed to substantial risks associated with the performance of the global economy.
- Political, social or economic conditions and changes in countries in which we and our customers operate could have an adverse impact on our business, financial condition and results of operations.
- We operate in a cyclical industry and our business could be adversely impacted by periodic downturns in target markets, in particular within the commercial vehicle industry, and our production capacities may not meet the actual demand for our products.
- The industry in which we operate is characterized by intense competition, which could reduce our sales or put continued pressure on our sales prices.
- Consolidation of our competitors or an oversupply in the market may adversely affect our business, financial condition and results of operations.

Risks Related to Our Business

- We depend on a limited number of large OEM customers.
- Shifts in market shares among vehicles or vehicle segments or shifts away from vehicles for which we supply significant parts could have a material adverse effect on our profitability.
- We depend on energy prices as well as on a limited number of key suppliers for certain products, manufacturing equipment and raw materials and could suffer shortages if these suppliers were to interrupt their supply or increase their prices.
- We do not control our joint venture.
- Products that do not meet customer specifications or that contain, or are perceived to contain, defects or errors or that are otherwise incompatible with the intended end use could impose significant costs on us.
- Our business could suffer if the reputation of our brands is damaged.
- Our future business success depends on our ability to maintain the high quality of our products and processes.
- We may be unable to anticipate, respond to, or utilize changing technologies.
- We may be unable to successfully integrate or achieve the expected benefits from current or future acquisitions or joint ventures as well as plant openings or relocations.
- There is a risk that we may infringe upon intellectual property rights of third parties.
- We are exposed to the risk of product-related crime and industrial espionage.
- We are subject to export controls that could subject us to liability or impair our ability to compete in international markets.
- We face environmental risks associated with soil, water, or groundwater contamination and risks related to hazardous materials.
- Our results of operations and financial condition may be adversely impacted by movements in exchange rates.

- Work stoppages or other labor issues at our facilities or at the facilities of our customers or those in our supply chain could have a material adverse effect on our business, especially if we were urged to adopt or negotiate a collective bargaining agreement providing for higher wages than currently applied or additional benefits or employment protection, or as a result of relocations or closures of production facilities.

Legal, Regulatory and Tax Risks

- Governmental regulations or taxes could increase our costs and could adversely affect our business and results of operations.
- We are exposed to warranty and product liability claims.
- We may be subject to antitrust investigations, the outcome of which could lead to fines and related damage claims.
- We are subject to risks from legal, administrative and arbitration proceedings.
- We could be required to pay additional taxes following tax audits of our Group companies.
- We may not be able to rely on favorable tax regimes or subsidies.

Risks Related to Our Capital Structure

- Our leverage and debt-service obligations could limit the cash we have available for acquisition financing, dividend payments and other measures, and a significant increase in our indebtedness could restrict our access to credit or change the terms on which it is extended to us.
- Existing debt obligations contain, and future debt obligations are likely to contain, financial and other covenants as well as change of control provisions.
- Our consolidated balance sheet includes significant intangible assets, which could become impaired.

D.3 Key risks specific to the securities.

Risks Related to the Company's shares, the Listing and the Shareholder Structure

- Our share price and trading volume of our shares could fluctuate significantly and investors could lose all or part of their investment.
- Following the listing, our Principal Shareholder will retain a significant interest in the Company and its interests may conflict with those of our other shareholders.
- Our ability to pay dividends depends, among other things, on our financial condition and results of operations.
- The Company will incur additional costs as a listed company.

SECTION E – OFFER

E.1 The total net proceeds.

Not applicable. There will be no public offering.

Estimate of the total expenses of the offering and listing, including estimated expenses charged to the investor by the issuer.

The costs related to the listing and the Private Placement are expected to total approximately €12.9 million (excluding underwriting and placement commissions payable to the Underwriters), of which approximately €5.2 million or 41% will be borne by the Principal Shareholder, which means that the Company will ultimately bear approximately €7.7 million or 59% thereof.

		Investors will not be charged expenses by the Company or the Underwriters in connection with their role as underwriters. Investors will have to bear customary transaction and handling fees charged by their brokers or other financial institutions through which they hold their securities.
E.2a	**Reasons for the offering.**	Not applicable. There will be no public offering.
	Use of proceeds, estimated net amount of the proceeds.	Not applicable. There will be no public offering.
E.3	**Offer conditions.**	Not applicable. There will be no public offering.
E.4	**Interests material to the issue/ offer including conflicting interests.**	In connection with the admission to trading of the Company's shares, the Underwriters have formed a contractual relationship with the Company and the Principal Shareholder. The Underwriters act for the Company and the Principal Shareholder in connection with the structuring and consummation of the Private Placement. In addition, the Joint Global Coordinators have been appointed to act as designated sponsors for the Company's shares and Deutsche Bank has been appointed to act as paying agent. The Underwriters have a financial interest in the listing as they will only receive a commission following the completion of the listing and the successful consummation of the Private Placement. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of shares in the Company. None of the Underwriters intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so or as disclosed in this prospectus. Some of the Underwriters or their affiliates have, and may from time to time in the future continue to have, business relations with our Group (including lending activities) or may perform services for our Group in the ordinary course of business. In particular, the Underwriters may have the following interests in the listing: • BNP PARIBAS Fortis S.A./N.V., an affiliate of BNP PARIBAS and COMMERZBANK are lenders under the Existing Senior Facilities Agreement entered into, among others, by Jasione GmbH (formerly known as Cintinori Acquisition GmbH and JOST-World GmbH) as borrower. • Certain affiliates of COMMERZBANK and BNP PARIBAS are expected to be lenders under the New Senior Facilities Agreement with the Company. The Principal Shareholder will receive the proceeds from the sale of up to 2,915,000 Existing Shares and the Over-Allotment Shares (if any) in the Private Placement. The members of the Company's management board (*Vorstand*) (the "**Management Board**") have a financial interest in the Private Placement since the value of their shareholding in the Company after completion of the Private Placement may be influenced by the listing of the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).
E.5	**Name of the person or entity offering to sell the security.**	Not applicable. There will be no public offering.

Lock-up agreement: the parties involved; and indication of the period of the lock-up.	The Company, the Principal Shareholder and each of the Underwriters entered into an underwriting agreement on July 12, 2017, relating to the offer and sale of the Offered Shares in connection with the Private Placement (the "**Underwriting Agreement**"). In the Underwriting Agreement, the Company has agreed with each Underwriter that the Company, its Management Board or its supervisory board (*Aufsichtsrat*) (the "**Supervisory Board**") will not, and will not agree to without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed) for a period of 180 days following the first day of trading of the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (currently expected to take place on July 20, 2017): • announce or effect an increase of the share capital of the Company out of authorized capital; • submit a proposal for a capital increase to any shareholders' meeting for resolution; • announce to issue, effect or submit a proposal for the issuance of any securities convertible into shares of the Company, with option rights for shares of the Company; or • enter into a transaction or perform any action economically similar to those described in the bullet points above, in each case of the four bullets above other than as expressly described in this prospectus. In the Underwriting Agreement, the Principal Shareholder has undertaken, not to, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed) for a period of 180 days following the first day of trading of the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (currently expected to take place on July 20, 2017): • offer, pledge, allot, distribute, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, transfer or otherwise dispose of, directly or indirectly (including, but not limited to, the issuance or sale of any securities exchangeable into shares of the Company), any shares of the Company; • cause or approve, directly or indirectly, the announcement, execution or implementation of any increase in the share capital of the Company or a direct or indirect placement of shares of the Company; • propose, directly or indirectly, any increase in the share capital of the Company to any shareholders' meeting for resolution, or vote in favor of such a proposed capital increase; • cause or approve, directly or indirectly, the announcement, execution or proposal of any issuance of financial instruments constituting options or warrants convertible into shares of the Company; or • enter into a transaction or perform any action economically similar to those described in the bullets above, in particular enter into any swap or other arrangement that transfers to another, in whole or in part, the economic risk of ownership of shares of the Company, whether any such transaction is to be settled by delivery of shares of the Company, in cash or otherwise,

		in each of the five bullets above other than for the purposes of the Private Placement and other than as expressly described in this prospectus. The foregoing lock-up restrictions for the Principal Shareholder will not restrict the (i) tender, sale and transfer of the Company's shares in a takeover bid for the shares of the Company pursuant to the German Securities Acquisition and Takeover Act *(Wertpapiererwerbs- und Übernahmegesetz)*, (ii) the over-the-counter *(außerbörsliche)* transfer of Company's shares by the Principal Shareholder to any of its affiliates and the transfer of Company's shares by any Authorized Recipient (as defined below) to another Authorized Recipient, and (iii) any allotments or distributions of Company's shares to direct or indirect shareholders or other securities holders of the Principal Shareholder or any affiliates of such shareholders or securities holders (together with any affiliates under (ii), the "**Authorized Recipients**"), provided that in each case mentioned in (i) and (ii) the Authorized Recipient agrees to be bound by the foregoing lock-up restrictions by entering into a corresponding lock-up undertaking. Notwithstanding the above, shares of the Company which are economically attributable to Mr. Alexander Kleinke may be transferred from Yellow Sky S.à r.l. to AKGK GmbH without AKGK GmbH having to enter into a lock-up agreement regarding these shares.
E.6	**Amount and percentage of immediate dilution resulting from the offering.**	Not applicable. There will be no public offering.
E.7	**Estimated expenses charged to the investor by the issuer.**	Not applicable. Investors will not be charged expenses by the Company or the Underwriters in connection with their role as underwriters.

GERMAN TRANSLATION OF THE SUMMARY OF THE PROSPECTUS
ZUSAMMENFASSUNG DES PROSPEKTES

*Zusammenfassungen bestehen aus geforderten Angaben, die als Punkte („**Punkte**") bezeichnet sind. Die Punkte sind in den Abschnitten A – E (A.1 – E.7) fortlaufend nummeriert. Diese Zusammenfassung enthält alle Punkte, die für die vorliegende Art der Wertpapiere und des Emittenten in eine Zusammenfassung aufzunehmen sind. Da einige Punkte nicht behandelt werden müssen, können in der Nummerierungsreihenfolge Lücken auftreten. Selbst wenn ein Punkt wegen der Art der Wertpapiere und des Emittenten in die Zusammenfassung aufgenommen werden muss, ist es möglich, dass in Bezug auf diesen Punkt keine relevanten Informationen gegeben werden können. In diesem Fall enthält die Zusammenfassung eine kurze Beschreibung des Punkts mit dem Hinweis „Entfällt".*

Abschnitt A – Einleitung und Warnhinweise

A.1 **Warnhinweise.**

Diese Zusammenfassung sollte als Einleitung zu diesem Prospekt verstanden werden.

Bei jeder Entscheidung zur Anlage in die vorliegenden Wertpapiere sollte sich der Anleger auf die Prüfung des gesamten Prospekts stützen.

Für den Fall, dass vor einem Gericht Ansprüche auf Grund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der Staaten des Europäischen Wirtschaftsraums („**EWR**") die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben.

Diejenigen Personen, die die Verantwortung für die Zusammenfassung, einschließlich etwaiger Übersetzungen hiervon, übernommen haben oder von denen der Erlass ausgeht, können haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, oder sie, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, nicht alle erforderlichen Schlüsselinformationen vermittelt.

Die JOST Werke AG, Deutschland (die „**Gesellschaft**" und, zusammen mit ihren konsolidierten Tochtergesellschaften, „**wir**", „**uns**", „**unser(e)**", „**unsere Gruppe**", „**die Gruppe**", die „**JOST-Gruppe**" oder „**JOST**"), zusammen mit der Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Deutschland („**Deutsche Bank**"), der J.P. Morgan Securities plc, London, Vereinigtes Königreich („**J.P. Morgan**"), der COMMERZBANK Aktiengesellschaft, Frankfurt am Main, Deutschland („**COMMERZBANK**" und, zusammen mit der Deutschen Bank und J.P. Morgan, die „**Joint Global Coordinators**"), der BNP PARIBAS, Paris, Frankreich („**BNP PARIBAS**" und, zusammen mit den Joint Global Coordinators, die „**Joint Bookrunners**" oder „**Konsortialbanken**"), haben nach § 5 Abs. 2b Nr. 4 Wertpapierprospektgesetz die Verantwortung für den Inhalt dieser Zusammenfassung und ihrer Übersetzung ins Deutsche übernommen.

A.2 **Verwendung des Prospekts durch Finanzintermediäre.**

Entfällt. Eine Zustimmung zur Verwendung des Prospekts für eine spätere Weiterveräußerung oder endgültige Platzierung der Aktien der Gesellschaft durch Finanzintermediäre wurde nicht erteilt.

ABSCHNITT B – EMITTENT

B.1	**Juristische und kommerzielle Bezeichnung.**	Die juristische Bezeichnung der Gesellschaft lautet „JOST Werke AG". Die Gruppe operiert vorrangig unter ihrer kommerziellen Bezeichnung „JOST".
B.2	**Sitz und Rechtsform des Emittenten, geltendes Recht, Land der Gründung.**	Die Gesellschaft hat ihren eingetragenen Sitz in Neu-Isenburg, Deutschland, und ihre Geschäftsanschrift lautet Siemensstraße 2, 63263 Neu-Isenburg. Sie ist im Handelsregister des Amtsgerichts Offenbach am Main, Deutschland (das „**Handelsregister**") unter der Nummer HRB 50149 eingetragen. Die Gesellschaft ist eine Aktiengesellschaft, die in Deutschland gegründet wurde und deutschem Recht unterliegt.
B.3	**Derzeitige Geschäfts- und Haupttätigkeiten des Emittenten sowie die Hauptmärkte, auf denen der Emittent vertreten ist.**	Wir sind nach unserer Einschätzung ein weltweit führender Hersteller und Lieferant von sicherheitsrelevanten Komponenten für Sattelzugmaschinen, Sattelauflieger und Anhänger und wir verfügen neben unserer Kernmarke „JOST" über ein Portfolio aus bekannten Marken. Die Grundlage für unsere weltweite Führungsposition sind die Stärke unserer Marken, zu denen marktführende Namen wie Rockinger, TRIDEC und Edbro gehören, unsere langjährigen Beziehungen zu unseren Kunden, die wir über unser weltweites Vertriebsnetz beliefern, sowie unser effizientes nicht-anlagenintensives Geschäftsmodell (sog. Asset-Light-Geschäftsmodell). Wir folgen einem Systemansatz, indem wir unsere Produkte in drei Systeme einteilen, „Maneuvering" (mit dem Schwerpunkt auf Achsen für Sattelzugmaschinen („**Trucks**") und Sattelauflieger und Anhänger („**Trailer**") und Zwangslenkung), „Vehicle Interface" (mit dem Schwerpunkt auf Produkten, die für den Betrieb einer Nutzfahrzeugkombination aus Truck und Trailer benötigt werden) und „Handling Solutions" (einschließlich, unter anderen, unserer Containertechnologie und hydraulischen Zylinderprodukte). Im Geschäftsjahr 2016 entfielen auf unsere Systeme „Vehicle Interface", „Maneuvering" und „Handling Solutions" ca. 74 %, 16 % bzw. 10 % unserer Umsatzerlöse (ohne Umsatzerlöse von 29,1 Mio. EUR im Geschäftsjahr 2016 aus dem brasilianischen Joint Venture, an dem wir zum 31. Dezember 2016 eine Beteiligung von 49 % hielten (die „**Brasilianische JV Gesellschaft**")). Unsere Kernprodukte sind Sattelkupplungen und Stützwinden, auf die im Geschäftsjahr 2016 ca. 64 % unserer Umsatzerlöse (ohne Umsatzerlöse der Brasilianischen JV Gesellschaft) entfielen. Im gleichen Jahr betrug unser Weltmarktanteil auf der Grundlage der Umsatzerlöse (inklusive der Brasilianischen JV Gesellschaft) bei Sattelkupplungen 54 % und bei Stützwinden 56 % (Quelle: Roland Berger 2017). Nach unserer Einschätzung sind unsere jeweiligen Marktanteile für unsere Kernprodukte (Sattelkupplungen und Stützwinden) ca. drei Mal höher als diejenigen unserer nächststärksten Wettbewerber. Wir beliefern weltweit die Truck- und Trailer-Branche. Insbesondere liefern wir Komponenten an Erstausrüster (Original Equipment Manufacturers bzw. „**OEMs**") von Trucks und Trailern über unser weltweites Vertriebsnetz sowohl in der Erstausrüstung als auch im Ersatzteil- und Anschlussmarkt (sog. Aftermarket). Ferner bedienen wir den

unabhängigen Aftermarket, kleinere Fahrzeugflotten und Endnutzer über Großhandelsunternehmen. Wir klassifizieren alle Verkäufe von Komponenten, die wir nicht direkt an OEM-Hersteller liefern, als Handelsaktivitäten. Wir liefern im Rahmen dieser Handelsaktivitäten Komponenten an große OEM-Aftermarket-Unternehmen, sowie Komponenten, die an Großhandelsunternehmen geliefert und dann von diesen an kleinere OEMs, Fahrzeugflotten oder sonstige Endnutzer weiterverkauft werden. Im Geschäftsjahr 2016 entfielen ca. 75 % unserer Umsatzerlöse (ohne die Brasilianische JV Gesellschaft) auf unser Erstausrüstungs-OEM-Geschäft und ca. 25 % unserer Umsatzerlöse auf unsere Aftermarket-/ Handelsaktivitäten. Im Laufe der Jahre haben wir enge Beziehungen zu unseren Kunden aufgebaut. Beispielsweise bestehen die Beziehungen zu einer Gruppe von wichtigen Kunden, mit denen wir im Geschäftsjahr 2016 zusammen ca. 45 % unserer Umsatzerlöse (inklusive der Brasilianischen JV Gesellschaft) erzielten, im Durchschnitt seit 33 Jahren. Dabei entfielen aufgrund unseres breit gestreuten Kundenstamms auf keinen unserer Kunden mehr als 8 % unserer Umsatzerlöse im Geschäftsjahr 2016.

Wir sind nach unserer Einschätzung einer der geografisch am breitesten aufgestellten Hersteller und Lieferanten von Truck- und Trailer-Komponenten und -Systemen weltweit. Wir verfügen über eine besonders starke Präsenz im europäischen Markt, der der Heimatmarkt vieler führender international tätiger Truck-OEMs ist. Ferner sind wir seit 2001 auf dem nordamerikanischen Markt für Sattelkupplungen aktiv und konnten seitdem enge Beziehungen zu führenden Truck-OEMs aufbauen, um unsere Präsenz im nordamerikanischen Markt weiter auszubauen. Ferner sind wir seit langem und zunehmend in wichtigen Schwellenmärkten präsent, unter anderem in Russland, China und Indien sowie in Brasilien, wo wir unsere Produkte über unsere Brasilianische JV Gesellschaft produzieren und vertreiben. Insbesondere verfügen wir über langjährige Erfahrung mit der Lieferung von Produkten in den asiatischen Markt, anfangs über unsere europäischen Betriebsstätten und später über unsere Produktion vor Ort in China, mit der wir 1991 begannen. Über unsere Produktion in China konnten wir den asiatischen Markt stärker durchdringen. Zum Datum dieses Prospekts zählen wir im Wesentlichen alle bedeutenden Truck- und Trailer-OEMs Asiens zu unseren Kunden. Im Geschäftsjahr 2016 erzielten wir folgende Umsatzerlöse (ohne die Brasilianische JV Gesellschaft) nach Zielregionen: Europa 59 %, Asien, Pazifik und Afrika („**APA**") 23 % und Nordamerika 18 %. Wenn wir die Umsatzerlöse unserer Brasilianischen JV Gesellschaft, die gemäß den International Financial Reporting Standards wie sie in der Europäischen Union („**EU**") anzuwenden sind („**IFRS**") nach der Equity-Methode bilanziert wird, einbeziehen, würde sich folgende Aufgliederung unserer Umsatzerlöse nach Zielregionen ergeben: Europa 56 %, APA 22 %, Nordamerika 17 % und Brasilien 5 % (inklusive Berücksichtigung von 100 % der Umsatzerlöse aus der Brasilianischen JV Gesellschaft, an der wir eine Beteiligung von 49 % halten). Im selben Jahr erzielten wir folgende Umsatzerlöse (ohne die Brasilianische JV Gesellschaft) nach Ursprungsregionen: Europa 66 %, APA 16 % und Nordamerika 17 %.

Mit unseren siebzehn Produktionsstätten (einschließlich der Brasilianischen JV Gesellschaft) in dreizehn Ländern auf fünf Kontinenten betreiben wir eine effiziente weltweite Produktionsplattform, die produktspezifische Hauptproduktions-stätten und Produktionsstätten in Niedrigkostenländern (sog. Low-Cost-Produktions-stätten) für gruppeninterne Lieferungen umfasst. Wir konzentrieren uns auf modulare Produktgestaltung, effiziente Lieferketten und Wertschöpfung anstelle von vermögensintensiven Produktionsprozessen und können so die Flexibilität unserer Produktion optimieren, um schnell auf Entwicklungen in Schwellenländern zu reagieren, und letztlich unsere finanzielle Leistung zu steigern. Wir haben unsere Wertschöpfungskette durch Beschaffung und Warenmanagement unter Berücksichtigung von Low Cost Country Sourcing, effizienter Logistik und maßgeschneiderten Vertriebsaktivitäten fortlaufend verbessert.

Wir sind seit den frühen 1960er Jahren hauptsächlich organisch gewachsen, indem wir regionale Tochtergesellschaften in Europa sowie in Asien, Nordamerika und Afrika gegründet haben. Ferner konnten wir über unsere Brasilianische JV Gesellschaft unsere Präsenz ausbauen und Zugang zum südamerikanischen Markt erhalten. In der jüngeren Vergangenheit sind wir durch Übernahmen, u. a. die Übernahme von Rockinger, TRIDEC, Edbro und Mercedes-Benz TrailerAxleSystems („**MBTAS**"), gewachsen. Im Laufe der Jahre ist aus unserem früheren Familienbetrieb ein international tätiger Konzern geworden, und wir bewerten regelmäßig neue Chancen für einen weiteren Ausbau unserer weltweiten Präsenz.

Unsere Wettbewerbsstärken

Wir glauben, dass sich unser Geschäft durch folgende Wettbewerbsstärken auszeichnet:

- Wir sind nach eigener Einschätzung eines der weltweit führenden Unternehmen für unsere Kernprodukte mit starken Marken in einem Markt mit hohen Eintrittsbarrieren.
- Wir verfügen über ein attraktives Wachstumsprofil.
- Wir orientieren uns eng am Markt und verfügen über ein weltweites Vertriebsnetz und langjährige Beziehungen zu einem breit gestreuten Kundenstamm.
- Wir verfügen über eine hocheffiziente und flexible Produktionsplattform.
- Wir erzielen branchenweit führende Ergebnisse und Cashflows.
- Wir verfügen über ein erfahrenes Führungsteam, das herausragende Erfolge bei der Erzielung profitablen organischen und nichtorganischen Wachstums aufweisen kann.

Unsere Strategie

Die Ziele unserer Strategie sind ein nachhaltiges Wachstum unseres Geschäfts, eine über dem Marktdurchschnitt

liegende Umsatzsteigerung sowie eine hohe Profitabilität und hohe Cashflows. Wir streben an, diese Ziele durch Einsatz folgender Strategien zu erreichen:

- Steigerung des Werts der Fahrzeuginhalte durch Produktinnovationen.
- Wachstumsinitiativen auf attraktiven Märkten durch spezifische Erweiterungen unserer Produktpalette und geografische Expansion, wie z.B. unsere Konzentration auf Trailer-Achsensysteme, Hydrauliksysteme und effizienzsteigernde Produkte sowie auf das Sattelkupplungsgeschäft in den Vereinigten Staaten von Amerika („**USA**") und Ansprache der Nachfrage in China, die nach unserer Einschätzung weiter ansteigen wird.
- Weitere Verbesserung unserer Profitabilität durch Optimierung von Prozessen in allen Funktionsbereichen, strikte Kostenkontrolle und Kostenmanagement und Reduzierung unserer Fixkosten und variablen Kosten, um unsere operativen Ergebnismargen und Cashflows in allen Geschäftsbereichen zu steigern.

B.4a Wichtigste jüngste Trends, die sich auf den Emittenten und die Branchen, in denen er tätig ist, auswirken.

Schwerpunkte der weltweiten Truck- und Trailer-Branche sind die Konzeption, Entwicklung und Fertigung, der Vertrieb und Kundendienstleistungen für mittelschwere und schwere Nutzfahrzeuge. Die Entwicklung des Marktes für Truck- und Trailer-Komponenten wird stark durch den Truck- und Trailer-Markt und dessen Merkmale, gesamtwirtschaftliche Indikatoren wie das Wirtschaftswachstum und Bevölkerungswachstum und Vorschriften zu Trucks und Trailern auf regionaler, nationaler und internationaler Ebene beeinflusst. Die weltweite Produktion von mittelschweren und schweren Trucks betrug 2016 ca. 2,77 Mio. Einheiten mit einem erwarteten jährlichen Wachstum von ca. 3 % bis Ende 2021. Die weltweite Produktion von Trailern für mittelschwere und schwere Nutzfahrzeuge beträgt geschätzte 1,12 Mio. Einheiten in 2016 mit einem erwarteten jährlichen Wachstum von ca. 3 % bis 2021 (Quelle: Roland Berger 2017).

Die Hauptmärkte der Gruppe werden zwischen 2017 und 2021 voraussichtlich ein positives reales Wachstum des Bruttoinlandsprodukts („**BIP**") aufweisen, wobei mit einem konstanten jährlichen BIP-Wachstum der reiferen Märkte gerechnet wird, das voraussichtlich 1,4 % in Westeuropa, 1,9 % in Nordamerika, 3,1 % in Brasilien und 2,8 % in Osteuropa betragen wird (Quelle: Roland Berger 2017). Das höchste jährliche Wachstum zwischen 2017 und 2021 wird mit 7,0 % in Indien und mit 5,7 % in China erwartet (Quelle: Roland Berger 2017).

Diese positiven Aussichten für das BIP-Wachstum werden auch durch die jüngsten Indikatoren für das Geschäftsklima bestätigt. In 2017 lag der Geschäftsklimaindex für Nordamerika, Europa und Asien-Pazifik über seinen langfristigen Durchschnittswerten (Quelle: Roland Berger 2017). Ein hohes Geschäftsvertrauen wirkt sich positiv auf die Nachfrage nach Trucks und Trailern aus, bei der die langen Nutzungszyklen von Trucks und Trailern zu berücksichtigen sind.

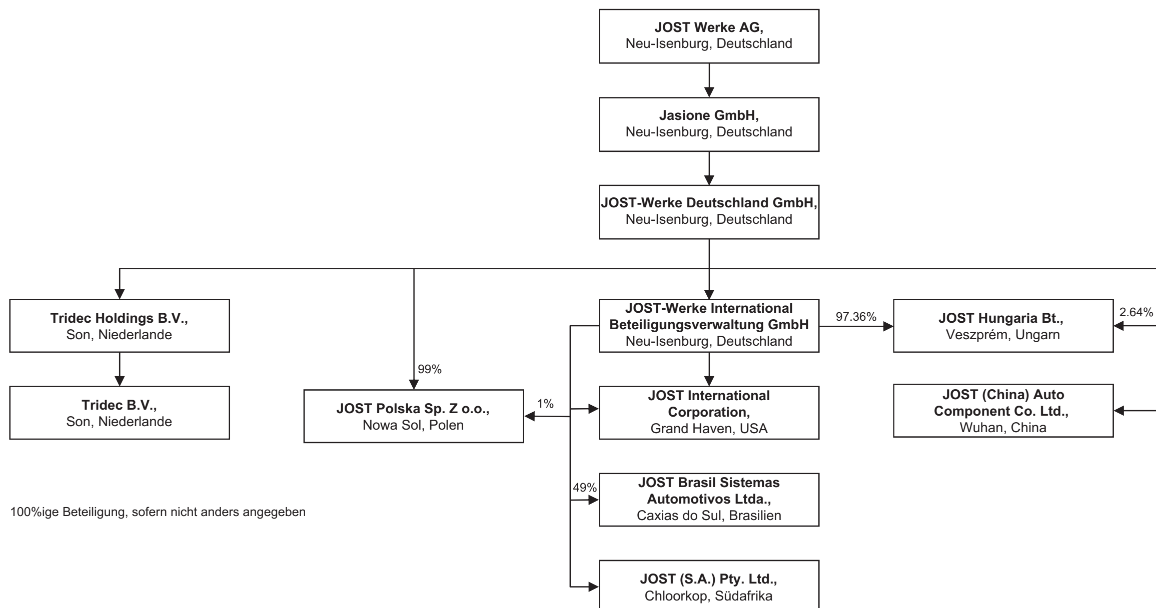
Das Bevölkerungswachstum wirkt sich über seine Auswirkungen auf die gesamtwirtschaftliche Entwicklung indirekt auch auf die Marktnachfrage nach Trucks und Trailern aus. In den meisten Regionen, in denen wir aktiv sind, wird mit einem Wachstum der Bevölkerung gerechnet.

Viele Länder haben Initiativen eingeleitet und Vorschriften erlassen, um die Emissionen von mittelschweren und schweren Nutzfahrzeugen zu verringern. Die USA haben ihre Ziele für die zukünftigen Emissionen bereits bekanntgegeben und die EU dürfte bald folgen. Obwohl die Klimapolitik der USA unter der derzeitigen Regierung unklar ist, werden solche Ziele bis 2020 voraussichtlich auf den meisten der bedeutenden Nutzfahrzeugmärkte der Welt gelten. Diese Verschärfung der Emissionsnormen und finanzielle Sanktionen für den Betrieb älterer (weniger umweltfreundlicher) Nutzfahrzeuge unterstützen die Nachfrage nach neuen Nutzfahrzeugen und damit die Nachfrage nach unseren Produkten.

B.5 Beschreibung der Gruppe und der Stellung des Emittenten innerhalb dieser Gruppe.

Die Gesellschaft ist die Muttergesellschaft unserer Gruppe und der alleinige Anteilseigner der Jasione GmbH, die wiederum der alleinige Anteilseigner der JOST-Werke Deutschland GmbH (vormals JOST-Werke GmbH) ist. Die JOST-Werke Deutschland GmbH fungiert als operative Führungsgesellschaft unserer Gruppe. Die Geschäftstätigkeit der Gruppe wird vorwiegend von den operativen Tochtergesellschaften der JOST-Werke Deutschland GmbH ausgeübt.

Das folgende Schaubild enthält eine Übersicht über die wesentlichen Tochtergesellschaften der Gesellschaft zum Datum dieses Prospekts. Alle Beteiligungen sind, soweit nicht anders angegeben, 100%ige Beteiligungen.



B.6	**Personen, die eine (meldepflichtige) direkte oder indirekte Beteiligung am Eigenkapital und den Stimmrechten des Emittenten halten.**	Der alleinige direkte Anteilseigner der Gesellschaft, Jantinori 2 S.à r.l. (der „**Hauptaktionär**"), wird seinerseits unmittelbar von der Jantinori 1 S.à r.l. beherrscht, die ihrerseits von der Cintinori S.à r.l. unmittelbar beherrscht wird, die ihrerseits von der Jost-Global & Co S.C.A. („**Jost-Global**") unmittelbar beherrscht wird, jeweils auf der Grundlage einer 100%igen Beteiligung an den Stimmrechten und Anteilen der jeweiligen Tochtergesellschaft. Der alleinige Komplementär von Jost-Global ist die Jost-Global GP S.à r.l. („**Jost-Global GP**"). Zum Datum dieses Prospekts halten folgende Personen indirekt über ihre Beteiligungen an Jost-Global und Jost-Global GP eine meldepflichtige Beteiligung am Grundkapital und den Stimmrechten der Gesellschaft:

Indirekte Beteiligung an der Gesellschaft	**Indirekte Beteiligung zum Datum dieses Prospekts[1]**
Cinven Funds[2]	**63,86%**
GSC Funds[3]	**4,25%**
Sankaty Funds[4]	**4,25%**
NIBC MBF Mezzanine IB B.V.	**4,25%**
Gegenwärtige und ehemalige Mitglieder des Vorstands und Aufsichtsrats, teilweise über bestimmte Vehikel	
Diskus & Langholm S.à r.l.[5]	18,76%
Yellow Sky S.à r.l.[6]	3,84%
Dr. Klaus-Peter Bleyer	0,80%
Zwischensumme	**23,40%**
Summe	**100,00%**

1 Die Summenangaben können Rundungsdifferenzen enthalten.

2 „Cinven Funds" bestehen aus Fourth Cinven Fund (No.1) Limited Partnership, Fourth Cinven Fund (No.2) Limited Partnership, Fourth Cinven Fund (No.3 - VCOC) Limited Partnership, Fourth Cinven Fund (No.4) Limited Partnership, Fourth Cinven Fund (UBTI) Limited Partnership, Fourth Cinven Fund FCPR, Fourth Cinven Fund Co-Investment Partnership, und Fourth Cinven (MACIF) Limited Partnership, wobei jede dieser Gesellschaft eine direkte Beteiligung an den Stammaktien bzw. Stammanteilen von Jost-Global und Jost-Global GP hält.

3 „GSC Funds" bestehen aus GSC European Mezzanine Luxembourg IV, S.à r.l, GSC European Mezzanine Luxembourg V, S.à r.l., GSC European Mezzanine Luxembourg VI, S.à r.l., GSC European Mezzanine Luxembourg VII, S.à r.l., und GSC European Mezzanine Luxembourg VIII, S.à r.l., wobei jede dieser Gesellschaft eine direkte Beteiligung an den Stammaktien bzw. Stammanteilen von Jost-Global und Jost-Global GP hält.

4 „Sankaty Funds" bestehen aus Sankaty Credit Opportunities III, L.P., Sankaty Credit Opportunities IV, L.P., und Sankaty Credit Opportunities (Offshore Master) IV, L.P., wobei jede dieser Gesellschaft eine direkte Beteiligung an den Stammaktien bzw. Stammanteilen von Jost-Global und Jost-Global GP hält.

5 Lars Brorsen hält eine indirekte Beteiligung von 13,40% und Dirk Schmidt hält eine indirekte Beteiligung von 5,36% an den Stammaktien bzw. Stammanteilen von Jost-Global und Jost-Global GP. Lars Brorsen hält seine indirekte Beteiligung an Jost-Global und Jost-Global GP über seine direkte 70,00%ige Beteiligung an der Langholm GmbH (die übrigen 30,00% der Geschäftsanteile der Langholm GmbH stehen im Eigentum von drei Gesellschaftern, die jeweils 10,00% der Geschäftsanteile der Langholm GmbH halten), die ihrerseits 71,43% der Geschäftsanteile der Diskus & Langholm S.à r.l. hält, während die übrigen 28,57% der Geschäftsanteile der Diskus & Langholm S.à r.l. von Dirk Schmidt über seine direkte

100%ige Beteiligung an der Diskus Einhundertsechsundachtzigste Beteiligungs- und Verwaltungs-GmbH gehalten werden.

6 Alexander Kleinke hält eine indirekte Beteiligung von 2,00% und Dr. Ralf Eichler hält eine indirekte Beteiligung von 1,84% an den Aktien bzw. Geschäftsanteilen von Jost-Global und Jost-Global GP. Alexander Kleinke hält seine indirekte Beteiligung an Jost-Global und Jost-Global GP über seine direkte 100%ige Beteiligung an der AKGK GmbH, die ihrerseits 10,00% der Geschäftsanteile der Yellow Sky S.à r.l. hält; Dr. Ralf Eichler hält seine indirekte Beteiligung an Jost-Global und Jost-Global GP über seine direkte 100%ige Beteiligung an der EICOM GmbH, die ihrerseits 10,00% der Geschäftsanteile der Yellow Sky S.à r.l. hält. Die übrigen 80% der Geschäftsanteile der Yellow Sky S.à r.l. werden von der Inventa (Luxembourg) S.A. als Treuhänder gehalten. Die Meranti Investments S.à r.l. (deren alleiniger Anteilseigner Frank Bergman ist) und die Centower Investments S.à r.l. (deren alleiniger Anteilseigner John Dercksen ist) halten jeweils 50% der Aktien an Inventa (Luxembourg) S.A.

	Unterschiedliche Stimmrechte.	Entfällt. Jede Aktie der Gesellschaft gewährt in der Hauptversammlung der Gesellschaft eine Stimme. Beschränkungen des Stimmrechts bestehen nicht. Alle Aktien haben identische Stimmrechte.
	Unmittelbare oder mittelbare Beherrschung des Emittenten und Art der Beherrschung.	Der Gesellschaft ist derzeit nicht bekannt, dass andere als die vorgenannten Anteilseigner direkt oder indirekt drei Prozent oder mehr der Stimmrechte der Gesellschaft halten. Der Gesellschaft sind keine Vereinbarungen bekannt, deren Durchführung zu einem späteren Zeitpunkt zu einer Veränderung der Beherrschungsverhältnisse bezüglich der Gesellschaft führen kann. Die Geschäftsführung der Gesellschaft untersteht weder den Weisungen eines anderen Unternehmens noch einer anderen Person, insbesondere nicht im Rahmen eines Beherrschungsvertrages, und sie wird nicht durch ein anderes Unternehmen oder eine andere Person beherrscht.
B.7	**Ausgewählte wesentliche historische Finanzinformationen.**	*Die in den folgenden Tabellen enthaltenen Finanzinformationen wurden unserem geprüften Konzernabschluss für die zum 31. Dezember 2016, 31. Dezember 2015 und 31. Dezember 2014 endenden Geschäftsjahre, unserem ungeprüften verkürzten Konzernzwischenabschluss für den zum 31. März 2017 endenden Dreimonatszeitraum (einschließlich Vergleichsinformationen für den zum 31. März 2016 endenden Dreimonatszeitraum) und unseren Buchführungsunterlagen und unserem internen Berichtswesen entnommen oder daraus abgeleitet. Der geprüfte Konzernabschluss und der ungeprüfte verkürzte Konzernzwischenabschluss wurden gemäß den IFRS erstellt. Unsere in der Vergangenheit erzielten Ergebnisse sind nicht notwendigerweise ein Indikator für unsere zukünftigen Ergebnisse.* *PricewaterhouseCoopers GmbH (zuvor PricewaterhouseCoopers AG) Wirtschaftsprüfungsgesellschaft, Frankfurt am Main („**PWC**") hat den Konzernabschluss für die zum 31. Dezember 2016, 31. Dezember 2015 und 31. Dezember 2014 endenden Geschäftsjahre geprüft und darüber einen Bestätigungsvermerk erteilt. Der Bestätigungsvermerk wurde uneingeschränkt erteilt. Der vorgenannte geprüfte Konzernabschluss und der Bestätigungsvermerk sowie der ungeprüfte verkürzte Konzernzwischenabschluss für den zum 31. März 2017 endenden Dreimonatszeitraum sind in diesem Prospekt enthalten.*

Soweit in diesem Prospekt enthaltene Finanzinformationen als „geprüft" bezeichnet sind, wurden sie dem vorgenannten geprüften Konzernabschluss entnommen. Die Bezeichnung „ungeprüft" wird in diesem Prospekt für Finanzinformationen verwendet, die nicht dem vorgenannten geprüften Konzernabschluss entnommen wurden, sondern dem ungeprüften verkürzten Konzernzwischenabschluss für den zum 31. März 2017 endenden Dreimonatszeitraum, unseren Buchführungsunterlagen oder unserem internen Berichtswesen entnommen wurden oder auf der Grundlage von Finanzinformationen aus den vorgenannten Quellen, einschließlich des vorgenannten geprüften Konzernabschlusses, errechnet wurden. Alle in diesem Prospekt dargestellten Finanzinformationen sind, soweit nicht anders angegeben, in Millionen Euro (Mio. EUR), gerundet auf eine Dezimalstelle, oder in Tausend Euro (TEUR), gerundet auf die nächste ganze Zahl, angegeben. Einige Finanzinformationen (darunter auch Prozentangaben) in diesem Prospekt wurden kaufmännisch gerundet; Summen (Gesamtsummen, Zwischensummen, Differenzen oder in Verhältnis gesetzte Beträge) wurden anhand der zugrunde liegenden nicht gerundeten Beträge ermittelt. Es kann daher zu Rundungsdifferenzen zwischen den in den Tabellen in diesem Prospekt enthaltenen Einzelangaben und den jeweiligen Gesamtsummen kommen. Darüber hinaus können sich die gerundeten Zahlen in diesen Tabellen nicht immer exakt auf die Summen aufaddieren lassen, die in den Tabellen enthalten sind. In Bezug auf Finanzinformationen, die in diesem Prospekt angegeben sind, bedeutet ein Spiegelstrich („—"), dass die betreffende Zahl nicht verfügbar ist oder Null beträgt, während eine Null („0") angibt, dass die betreffende Zahl verfügbar ist, aber auf Null gerundet wurde.

Ausgewählte Daten aus der Konzern-Gewinn- und Verlustrechnung

Die folgende Tabelle enthält ausgewählte Finanzinformationen aus unserer Konzern-Gewinn- und Verlustrechnung für die zum 31. Dezember 2016, 31. Dezember 2015 und 31. Dezember 2014 endenden Geschäftsjahre sowie die zum 31. März 2017 und 31. März 2016 endenden Dreimonatszeiträume:

	Dreimonatszeitraum zum 31. März		**Geschäftsjahr zum 31. Dezember**		
	2017	**2016**	**2016**	**2015**	**2014**
	(in Mio. EUR)				
	(ungeprüft)		**(geprüft)**		
Umsatzerlöse	**180,5**	**165,5**	**633,9**	**649,8**	**516,3**
Umsatzkosten	(129,8)	(122,1)	(456,1)	(485,2)	(376,2)
Bruttoergebnis vom Umsatz	**50,7**	**43,4**	**177,9**	**164,6**	**140,1**
Vertriebskosten	(21,0)	(19,4)	(82,1)	(81,0)	(1,2)
Forschungs- und Entwicklungskosten	(2,6)	(2,6)	(10,7)	(9,4)	(7,6)
Verwaltungskosten	(11,7)	(11,8)	(54,4)	(55,5)	(35,6)
Sonstige Erträge	1,1	1,1	7,4	7,1	2,9
Sonstige Aufwendungen	(1,0)	(1,2)	(6,3)	(2,7)	(4,0)
Anteil am Ergebnis von nach der Equity-Methode bilanzierten Beteiligungen	0,5	0,3	1,4	1,4	2,7
Betriebliches Ergebnis (EBIT)	**15,9**	**9,8**	**33,1**	**24,6**	**97,4**
Finanzerträge	1,0	0,2	3,9	1,1	4,4
Finanzaufwendungen	(9,7)	(9,4)	(39,1)	(76,6)	(51,5)
Finanzergebnis	**(8,7)**	**(9,2)**	**(35,2)**	**(75,5)**	**(47,1)**
Ergebnis vor Steuern	**7,2**	**0,6**	**(2,1)**	**(50,9)**	**50,2**
Steuern vom Einkommen und vom Ertrag	(4,2)	(2,3)	(13,1)	(1,2)	(21,9)
Konzern-Periodenergebnis	**3,0**	**(1,7)**	**(15,2)**	**(52,1)**	**28,3**
Nicht beherrschende Anteile	–	–	–	–	(0,0)
Den Eigentümern des Mutterunternehmens zuzurechnendes Ergebnis	**3,0**	**(1,7)**	**(15,2)**	**(52,1)**	**28,3**

Ausgewählte Daten aus der Konzern-Bilanz

Die folgende Tabelle enthält ausgewählte Finanzinformationen aus unserer Konzern-Bilanz zum 31. Dezember 2016, 31. Dezember 2015 und 31. Dezember 2014 sowie zum 31. März 2017:

	Zum 31. März	Zum 31. Dezember		
	2017	2016	2015	2014
	(in Mio. EUR)			
	(ungeprüft)	(geprüft, soweit nicht anders angegeben)		
Vermögenswerte				
Immaterielle Vermögenswerte	254,9	261,5	281,7	309,7
Sachanlagen	80,1	80,1	85,1	77,6
Weitere langfristige Vermögenswerte[1] (ungeprüft)	24,6	24,2	24,1	24,4
Langfristige Vermögenswerte	**359,6**	**365,9**	**391,0**	**411,7**
Vorräte	88,7	90,4	92,6	86,6
Forderungen aus Lieferungen und Leistungen	117,0	90,1	88,4	77,6
Zahlungsmittel und Zahlungsmitteläquivalente	57,5	47,2	40,4	42,9
Weitere kurzfristige Vermögenswerte[2] (ungeprüft)	10,1	10,9	14,7	10,9
Kurzfristige Vermögenswerte	**273,3**	**238,5**	**236,1**	**218,0**
Bilanzsumme	**632,9**	**604,4**	**627,0**	**629,7**
Eigenkapital und Schulden				
Gezeichnetes Kapital	0,0	0,0	0,0	0,0
Kapitalrücklagen	79,7	79,7	79,7	79,7
Sonstige Rücklagen	(20,5)	(22,5)	(20,8)	(18,5)
Gewinnrücklagen	(191,6)	(194,6)	(179,4)	(135,0)
Den Eigentümern des Mutterunternehmens zuzurechnendes Eigenkapital	(132,4)	(137,4)	(120,5)	(73,8)
Nicht beherrschende Anteile	–	–	–	–
Eigenkapital	**(132,4)**	**(137,4)**	**(120,5)**	**(73,8)**
Verbindlichkeiten gegenüber Anteilseignern	137,8	132,5	121,7	186,5
Pensionsverpflichtungen	59,3	60,7	53,7	62,2
Verzinsliche Darlehen und Ausleihungen	313,9	314,0	319,7	209,6
Weitere langfristige Schulden[3] (ungeprüft)	134,6	134,2	134,0	145,5
Langfristige Schulden	**645,5**	**641,4**	**629,2**	**603,9**
Pensionsverpflichtungen	1,7	1,7	1,9	1,6
Verzinsliche Darlehen und Ausleihungen	6,0	6,0	11,6	0,4
Verbindlichkeiten aus Lieferungen und Leistungen	71,0	57,7	71,8	59,3
Weitere kurzfristige Schulden[4] (ungeprüft)	41,0	34,9	33,0	38,1
Kurzfristige Schulden	**119,7**	**100,4**	**118,3**	**99,5**
Bilanzsumme	**632,9**	**604,4**	**627,0**	**629,7**

1 Beinhaltet nach der Equity-Methode bilanzierte Beteiligungen, latente Steueransprüche, sonstige langfristige finanzielle Vermögenswerte, sonstige langfristige Vermögenswerte und langfristige Forderungen gegen Gesellschafter. In der verkürzten Konzernbilanz zum 31. März 2017 sind keine „langfristigen Forderungen gegenüber Gesellschaftern" enthalten oder separat ausgewiesen.

2 Beinhaltet Forderungen aus Ertragsteuern, sonstige kurzfristige finanzielle Vermögenswerte, sonstige kurzfristige Vermögenswerte und kurzfristige Forderungen gegen Gesellschafter. In der verkürzten Konzernbilanz zum 31. März 2017 sind keine „kurzfristigen Forderungen gegenüber Gesellschaftern" enthalten oder separat ausgewiesen.

3 Beinhaltet sonstige Rückstellungen, latente Steuerverbindlichkeiten, sonstige langfristige finanzielle Verbindlichkeiten und sonstige langfristige Verbindlichkeiten. In der verkürzten Konzernbilanz zum 31. März 2017 sind keine „sonstigen langfristigen finanziellen Verbindlichkeiten" enthalten oder separat ausgewiesen.

4 Beinhaltet sonstige Rückstellungen, Verbindlichkeiten aus Ertragsteuern, sonstige kurzfristige finanzielle Verbindlichkeiten und sonstige kurzfristige Verbindlichkeiten.

Ausgewählte Daten aus der Konzern-Kapitalflussrechnung

Die folgende Tabelle enthält ausgewählte Finanzinformationen aus unserer Konzern-Kapitalflussrechnung für die zum 31. Dezember 2016, 31. Dezember 2015 und 31. Dezember 2014 endenden Geschäftsjahre sowie die zum 31. März 2017 und 31. März 2016 endenden Dreimonatszeiträume:

	Dreimonatszeitraum zum 31. März		Geschäftsjahr zum 31. Dezember		
	2017	2016	2016	2015	2014
	(in Mio. EUR)				
	(ungeprüft)		(geprüft)		
Ergebnis vor Steuern	**7,2**	**0,6**	**(2,1)**	**(50,9)**	**50,2**
Abschreibungen, Wertminderungen und Wertaufholungen auf langfristige Vermögenswerte	10,9	10,3	41,3	46,6	(33,7)
Sonstige zahlungsunwirksame Aufwendungen	5,1	4,9	20,5	46,8	41,0
Veränderung der sonstigen Vermögenswerte und Schulden	(3,3)	(16,4)	6,8	19,0	4,1
Gezahlte Ertragsteuern	(2,6)	(4,9)	(9,9)	(18,9)	(8,5)
Mittelzufluss aus laufender Geschäftstätigkeit	**17,3**	**(5,5)**	**56,6**	**42,5**	**53,1**
Erlös aus dem Verkauf von immateriellen Vermögenswerten	0,0	–	–	–	–
Auszahlungen für den Erwerb von immateriellen Vermögenswerten	(0,4)	(1,0)	(5,1)	(5,9)	(4,0)
Erlös aus dem Verkauf von Sachanlagen	0,1	0,1	1,4	5,4	–
Auszahlungen für den Erwerb von Sachanlagen	(3,1)	(5,3)	(13,3)	(24,4)	(15,1)
Erwerb eines Tochterunternehmens (abzüglich erworbener Finanzmittel)	–	–	–	(3,0)	(18,3)
Darlehen an nahestehende Unternehmen und Personen	–	–	–	(0,8)	(0,3)
Erhaltene Dividenden	0,5	–	0,2	1,5	3,2
Erhaltene Zinsen	0,1	0,1	0,7	0,4	0,4
Mittelabfluss aus der Investitionstätigkeit	**(2,9)**	**(6,1)**	**(16,1)**	**(26,8)**	**(34,1)**

	Dreimonatszeitraum zum 31. März		Geschäftsjahr zum 31. Dezember		
	2017	2016	2016	2015	2014
	(in Mio. EUR) (ungeprüft)		(geprüft)		
Zinszahlungen	(4,2)	(1,0)	(16,9)	(8,2)	(9,4)
Einzahlungen aus kurzfristigen Darlehen	–	12,5	–	10,5	–
Einzahlungen aus langfristigen Darlehen	–	–	–	108,2	–
Refinanzierungskosten	–	(3,8)	(3,8)	(5,9)	–
Tilgung langfristiger Darlehen	–	–	–	–	(11,7)
Tilgung kurzfristiger Darlehen	–	(0,0)	(10,5)	(0,4)	–
Tilgung langfristiger Verbindlichkeiten gegenüber Gesellschaftern	–	–	–	(107,2)	–
Zinszahlungen an Gesellschafter	–	–	(3,0)	(15,2)	–
Erwerb einer Beteiligung an einer Tochtergesellschaft	–	–	–	–	(0,1)
Mittelzufluss(-abfluss) aus der Finanzierungstätigkeit	**(4,2)**	**7,7**	**(34,2)**	**(18,2)**	**(21,2)**
Zahlungswirksame Veränderungen des Finanzmittelfonds	**10,2**	**(3,8)**	**6,4**	**(2,5)**	**(2,1)**
Wechselkursbedingte Veränderungen des Finanzmittelfonds	0,1	(0,7)	0,4	(0,0)	1,0
Finanzmittelfonds zum 1. Januar	47,2	40,4	40,4	42,9	44,0
Finanzmittelfonds zum Ende der Periode	**57,5**	**35,8**	**47,2**	**40,4**	**42,9**

Ausgewählte Segmentinformationen

Die folgende Tabelle enthält ausgewählte Segmentinformationen auf der Basis der drei Berichtssegmente APA, Europa und Nordamerika für die zum 31. Dezember 2016, 31. Dezember 2015 und 31. Dezember 2014 endenden Geschäftsjahre sowie die zum 31. März 2017 und 31. März 2016 endenden Dreimonatszeiträume.

	Dreimonatszeitraum zum 31. März		Geschäftsjahr zum 31. Dezember		
	2017	2016	2016	2015	2014
	(in Mio. EUR) (ungeprüft)		(geprüft)		
Umsatzerlöse nach Ursprungsregionen (konsolidiert)	**180,5**	**165,5**	**633,9**	**649,8**	**516,3**
davon: Umsatzerlöse mit Dritten in APA	*34,8*	*24,5*	*103,2*	*98,9*	*85,9*
davon: Umsatzerlöse mit Dritten in Europa	*115,7*	*110,3*	*420,9*	*421,0*	*336,1*
davon: Umsatzerlöse mit Dritten in Nordamerika	*30,0*	*30,6*	*109,8*	*129,9*	*94,4*
Bereinigtes EBIT (konsolidiert)[1]	**22,5**	**16,8**	**61,9**	**62,2**	**58,8**
davon: Bereinigtes EBIT in APA	*5,8*	*4,0*	*15,9*	*14,8*	*13,2*
davon: Bereinigtes EBIT in Europa	*13,1*	*10,5*	*35,0*	*38,0*	*40,9*
davon: Bereinigtes EBIT in Nordamerika	*3,1*	*2,0*	*9,7*	*7,9*	*2,1*
davon: Überleitung/Sonstige[2]	*0,5*	*0,3*	*1,4*	*1,4*	*2,7*

1 Das Bereinigte EBIT ist definiert als das betriebliche Ergebnis (EBIT), bereinigt um Sondereinflüsse, Abschreibungen auf Sachanlagen und immaterielle Vermögensgegenstände aus der Kaufpreisallokation (Purchase Price Allocation, PPA) und Wertminderungen und Wertaufholungen auf Sachanlagen und immaterielle Vermögensgegenstände aus der PPA. Sondereinflüsse umfassen sonstige nicht wiederkehrende Aufwendungen und Erträge, die vor allem in verschiedenen IT-Projekten und den Übernahmen des MBTAS-Geschäfts und des Edbro-Geschäfts verbucht wurden. Bereinigungen des betrieblichen Ergebnisses (EBIT) werden ausschließlich unserem Segment Europa zugerechnet. Die Gesellschaft ist der Auffassung, dass diese Bereinigungen sinnvoll sind, um den gewöhnlichen Geschäftsverlauf zu verstehen und richtig zu bewerten. Die folgende Tabelle zeigt die Überleitung von dem (konsolidierten) betrieblichen Ergebnis (EBIT) auf das (konsolidierte) Bereinigte EBIT.

	Dreimonatszeitraum zum 31. März		**Geschäftsjahr zum 31. Dezember**		
	2017	**2016**	**2016**	**2015**	**2014**
	(in Mio. EUR)				
	(ungeprüft)		**(geprüft)**		
Betriebliches Ergebnis (EBIT)	**15,9**	**9,8**	**33,1**	**24,6**	**97,4**
Edbro-Übernahme	(0,0)	(0,0)	(0,8)	(0,8)	(0,8)
Axle-Übernahme	–	(0,2)	(0,3)	(2,8)	(0,9)
IT/ERP-Projekt	–	(0,1)	(0,2)	(0,7)	(2,7)
Börsengang (IPO)	(0,0)	(0,1)	(1,1)	(2,2)	–
Sonstige[(a)]	(0,2)	(0,2)	(1,2)	(2,6)	(1,6)
Weitere Abschreibungen auf Sachanlagen aus PPA	(0,6)	(0,6)	(2,2)	(2,4)	(2,0)
Weitere Abschreibungen auf immaterielle Vermögensgegenstände aus PPA	(5,7)	(5,7)	(23,0)	(26,2)	(17,5)
Weitere Wertminderungen aus PPA	–	–	–	–	–
Weitere Wertaufholungen aus PPA	–	–	–	–	64,0
Bereinigtes EBIT	**22,5**	**16,8**	**61,9**	**62,2**	**58,8**

(a) Sonstige bestehen hauptsächlich aus Kosten für finanzielle Restrukturierungsmaßnahmen, Kosten für operative Restrukturierungsmaßnahmen, Kosten für Verbesserungen der IT, Abfindungszahlungen und Beratungskosten im Zusammenhang mit Personalrestrukturierungen.

2 Das Bereinigte EBIT enthält den Anteil am Ergebnis von nach der Equity-Methode bilanzierten Beteiligungen.

Wesentliche Änderungen der Finanzlage und des Betriebsergebnisses des Emittenten in dem oder nach dem von den wesentlichen historischen Finanzinformationen abgedeckten Zeitraum.

Ertragslage

In den zum 31. März 2017 und 31. März 2016 endenden Dreimonatszeiträumen und den zum 31. Dezember 2016, 31. Dezember 2015 und 31. Dezember 2014 endenden Geschäftsjahren haben sich folgende wesentliche Änderungen der Ertragslage der Gesellschaft ergeben:

Dreimonatszeitraum zum 31. März 2017

Die Umsatzerlöse stiegen von 165,5 Mio. EUR in dem zum 31. März 2016 endenden Dreimonatszeitraum um 15,0 Mio. EUR bzw. 9,1 % auf 180,5 Mio. EUR in dem zum 31. März 2017 endenden Dreimonatszeitraum. Der Anstieg der Umsatzerlöse war vor allem auf höhere Umsatzerlöse in China aufgrund der hohen Nachfrage nach Sattelkupplungen nach Änderungen von Rechtsvorschriften, einschließlich neuer Emissionsvorschriften, die zu Vorkaufeffekten führten, zurückzuführen. Die höheren Umsatzerlöse in China

wurden teilweise durch niedrigere Umsatzerlöse in Nordamerika aufgrund eines rückläufigen Marktes für Trucks, der einen Rückgang der Nachfrage nach Sattelkupplungen zur Folge hatte, kompensiert.

Die Umsatzerlöse mit Dritten in APA stiegen von 24,5 Mio. EUR in dem zum 31. März 2016 endenden Dreimonatszeitraum um 10,3 Mio. EUR bzw. 41,8 % auf 34,8 Mio. EUR in dem zum 31. März 2017 endenden Dreimonatszeitraum. Der Anstieg der Umsatzerlöse war vor allem auf höhere Umsatzerlöse in China aufgrund der hohen Nachfrage nach Sattelkupplungen nach Änderungen von Rechtsvorschriften, einschließlich neuer Emissionsvorschriften, die zu Vorkaufeffekten führten, zurückzuführen. Die Umsatzerlöse mit Dritten in Europa stiegen von 110,3 Mio. EUR in dem zum 31. März 2016 endenden Dreimonatszeitraum um 5,3 Mio. EUR bzw. 4,8 % auf 115,7 Mio. EUR in dem zum 31. März 2017 endenden Dreimonatszeitraum, vor allem aufgrund einer höheren Anzahl an Werktagen in vielen Ländern Europas. Die Umsatzerlöse mit Dritten in Nordamerika sanken von 30,6 Mio. EUR in dem zum 31. März 2016 endenden Dreimonatszeitraum um 0,6 Mio. EUR bzw. 1,9 % auf 30,0 Mio. EUR in dem zum 31. März 2017 endenden Dreimonatszeitraum, vor allem aufgrund eines rückläufigen Marktes für Trucks, der einen Rückgang der Nachfrage nach Sattelkupplungen zur Folge hatte.

Das Bereinigte EBIT erhöhte sich von 16,8 Mio. EUR in dem zum 31. März 2016 endenden Dreimonatszeitraum um 5,7 Mio. EUR bzw. 33,8 % auf 22,5 Mio. EUR in dem zum 31. März 2017 endenden Dreimonatszeitraum. Das Bereinigte EBIT von 22,5 Mio. EUR in dem zum 31. März 2017 endenden Dreimonatszeitraum beinhaltete einen Anteil am Ergebnis von nach der Equity-Methode bilanzierten Beteiligungen in Höhe von 0,5 Mio. EUR.

Das Bereinigte EBIT in APA erhöhte sich von 4,0 Mio. EUR in dem zum 31. März 2016 endenden Dreimonatszeitraum um 1,9 Mio. EUR bzw. 47,0 % auf 5,8 Mio. EUR in dem zum 31. März 2017 endenden Dreimonatszeitraum. Das Bereinigte EBIT in Europa erhöhte sich von 10,5 Mio. EUR in dem zum 31. März 2016 endenden Dreimonatszeitraum um 2,6 Mio. EUR bzw. 24,4 % auf 13,1 Mio. EUR in dem zum 31. März 2017 endenden Dreimonatszeitraum. Das Bereinigte EBIT in Nordamerika erhöhte sich von 2,0 Mio. EUR in dem zum 31. März 2016 endenden Dreimonatszeitraum um 1,1 Mio. EUR bzw. 54,1 % auf 3,1 Mio. EUR in dem zum 31. März 2017 endenden Dreimonatszeitraum.

Geschäftsjahre 2016 und 2015

Die Umsatzerlöse sanken von 649,8 Mio. EUR in dem zum 31. Dezember 2015 endenden Geschäftsjahr um 15,9 Mio. EUR bzw. 2,4 % auf 633,9 Mio. EUR in dem zum 31. Dezember 2016 endenden Geschäftsjahr. Der Rückgang der Umsatzerlöse war vor allem auf niedrigere Umsatzerlöse in Nordamerika aufgrund eines rückläufigen Marktes für Schwerlastkraftwagen und negative Währungsumrechnungseffekte zurückzuführen. Dieser Rückgang konnte teilweise durch höhere Umsatzerlöse in China kompensiert werden, die vor allem auf eine höhere Nachfrage nach unseren Produkten im Vorgriff auf neue Vorschriften, die kürzlich in China eingeführt wurden, zurückgehen.

Die Umsatzerlöse mit Dritten in APA stiegen von 98,9 Mio. EUR in dem zum 31. Dezember 2015 endenden Geschäftsjahr um 4,3 Mio. EUR bzw. 4,4 % auf 103,2 Mio. EUR in dem zum 31. Dezember 2016 endenden Geschäftsjahr, vor allem aufgrund von höheren Umsätzen in China und kürzlich eingeführten neuen Vorschriften in China, die sich im vierten Quartal des zum 31. Dezember 2016 endenden Geschäftsjahrs erstmals positiv auf die Umsatzerlöse mit Dritten in APA auswirkten. Die Umsatzerlöse mit Dritten in Europa blieben stabil bei 420,9 Mio. EUR in dem zum 31. Dezember 2016 endenden Geschäftsjahr im Vergleich zu 421,0 Mio. EUR in dem zum 31. Dezember 2015 endenden Geschäftsjahr. Der Anstieg der Umsatzerlöse mit Dritten in Europa aufgrund von höheren Umsätzen bei TRIDEC-Produkten und Achsen wurde durch den Rückgang der Umsatzerlöse mit Dritten bei Hydraulikprodukten und negative Währungsumrechnungseffekte kompensiert. Die Umsatzerlöse mit Dritten in Nordamerika sanken von 129,9 Mio. EUR in dem zum 31. Dezember 2015 endenden Geschäftsjahr um 20,2 Mio. EUR bzw. 15,5 % auf 109,8 Mio. EUR in dem zum 31. Dezember 2016 endenden Geschäftsjahr, vor allem aufgrund negativer Währungsumrechnungseffekte und eines rückläufigen Marktes für Schwerlastkraftwagen, der einen Rückgang der Nachfrage nach Sattelkupplungen zur Folge hatte.

Das Bereinigte EBIT verringerte sich leicht von 62,2 Mio. EUR in dem zum 31. Dezember 2015 endenden Geschäftsjahr um 0,3 Mio. EUR bzw. 0,4 % auf 61,9 Mio. EUR in dem zum 31. Dezember 2016 endenden Geschäftsjahr. Der Rückgang des Bereinigten EBIT war vor allem auf Währungsverluste und Investitionen in den Geschäftsbereichen MBTAS und Edbro, die zu höheren Abschreibungen auf Sachanlagen führten, zurückzuführen. Der Rückgang des Bereinigten EBIT konnte teilweise durch ein höheres betriebliches Ergebnis kompensiert werden. Das Bereinigte EBIT von 61,9 Mio. EUR in dem zum 31. Dezember 2016 endenden Geschäftsjahr beinhaltete einen Anteil am Ergebnis von nach der Equity-Methode bilanzierten Beteiligungen in Höhe von 1,4 Mio. EUR.

Das Bereinigte EBIT in APA erhöhte sich von 14,8 Mio. EUR in dem zum 31. Dezember 2015 endenden Geschäftsjahr um 1,1 Mio. EUR bzw. 7,2 % auf 15,9 Mio. EUR in dem zum 31. Dezember 2016 endenden Geschäftsjahr. Das Bereinigte EBIT in Europa verringerte sich von 38,0 Mio. EUR in dem zum 31. Dezember 2015 endenden Geschäftsjahr um 3,1 Mio. EUR bzw. 8,0 % auf 35,0 Mio. EUR in dem zum 31. Dezember 2016 endenden Geschäftsjahr. Das Bereinigte EBIT in Nordamerika erhöhte sich von 7,9 Mio. EUR in dem zum 31. Dezember 2015 endenden Geschäftsjahr um 1,8 Mio. EUR bzw. 22,3 % auf 9,7 Mio. EUR in dem zum 31. Dezember 2016 endenden Geschäftsjahr.

Geschäftsjahre 2015 und 2014

Die Umsatzerlöse stiegen von 516,3 Mio. EUR in dem zum 31. Dezember 2014 endenden Geschäftsjahr um 133,5 Mio. EUR bzw. 25,9 % auf 649,8 Mio. EUR in dem zum 31. Dezember 2015 endenden Geschäftsjahr. Der Anstieg

der Umsatzerlöse war vor allem auf den Erwerb des MBTAS-Geschäfts im Dezember 2014 zurückzuführen. Angenommen, der MBTAS-Erwerb wäre am 1. Januar 2014 vollzogen worden, wären die Umsatzerlöse in 2014 um 74,1 Mio. EUR höher ausgefallen. Ferner profitierten wir von dem Wachstum in allen Regionen und positiven Währungsumrechnungseffekten, insbesondere aufgrund der Aufwertung des US-Dollars gegenüber dem Euro. Der Anstieg wurde teilweise durch einen Rückgang der Umsatzerlöse mit Anhängerteilen kompensiert.

Die Umsatzerlöse mit Dritten in APA stiegen von 85,9 Mio. EUR in dem zum 31. Dezember 2014 endenden Geschäftsjahr um 13,0 Mio. EUR bzw. 15,2 % auf 98,9 Mio. EUR in dem zum 31. Dezember 2015 endenden Geschäftsjahr, vor allem aufgrund des Wachstums in China und Indien. Dieser Anstieg wurde teilweise durch rückläufige Umsatzerlöse in Australien und Südafrika kompensiert. Die Umsatzerlöse mit Dritten in Europa stiegen von 336,1 Mio. EUR in dem zum 31. Dezember 2014 endenden Geschäftsjahr um 84,9 Mio. EUR bzw. 25,3 % auf 421,0 Mio. EUR in dem zum 31. Dezember 2015 endenden Geschäftsjahr, vor allem aufgrund des Erwerbs des MBTAS-Geschäfts im Dezember 2014, dessen operative Ergebnisse ab dem zum 31. Dezember 2015 endenden Geschäftsjahr konsolidiert wurden. Der Anstieg der Umsatzerlöse mit Dritten in Europa wurde teilweise durch einen Rückgang der Umsatzerlöse in Russland kompensiert. Die Umsatzerlöse mit Dritten in Nordamerika stiegen von 94,4 Mio. EUR in dem zum 31. Dezember 2014 endenden Geschäftsjahr um 35,5 Mio. EUR bzw. 37,7 % auf 129,9 Mio. EUR in dem zum 31. Dezember 2015 endenden Geschäftsjahr, vor allem aufgrund von höheren Marktanteilen, einer zunehmenden Produktion von Schwerlastkraftwagen, die zu einer höheren Nachfrage nach Sattelkupplungen führte, und positiven Währungsumrechnungseffekten.

Das Bereinigte EBIT erhöhte sich von 58,8 Mio. EUR in dem zum 31. Dezember 2014 endenden Geschäftsjahr um 3,3 Mio. EUR bzw. 5,7 % auf 62,2 Mio. EUR in dem zum 31. Dezember 2015 endenden Geschäftsjahr. Der Anstieg des Bereinigten EBIT war vor allem auf das Umsatzwachstum in allen Regionen und insbesondere in Nordamerika aufgrund der gestiegenen Nachfrage nach Trucks zurückzuführen. Dieser Anstieg wurde teilweise durch einen Rückgang des Ergebnisses in unserem Edbro-Hydraulikgeschäft kompensiert. Das Bereinigte EBIT von 62,2 Mio. EUR in dem zum 31. Dezember 2015 endenden Geschäftsjahr beinhaltete einen Anteil am Ergebnis von nach der Equity-Methode bilanzierten Beteiligungen von 1,4 Mio. EUR.

Das Bereinigte EBIT in APA erhöhte sich von 13,2 Mio. EUR in dem zum 31. Dezember 2014 endenden Geschäftsjahr um 1,6 Mio. EUR bzw. 12,2 % auf 14,8 Mio. EUR in dem zum 31. Dezember 2015 endenden Geschäftsjahr. Das Bereinigte EBIT in Europa verringerte sich von 40,9 Mio. EUR in dem zum 31. Dezember 2014 endenden Geschäftsjahr um 2,9 Mio. EUR bzw. 7,0 % auf 38,0 Mio. EUR in dem zum 31. Dezember 2015 endenden Geschäftsjahr. Das Bereinigte EBIT in Nordamerika erhöhte

sich von 2,1 Mio. EUR in dem zum 31. Dezember 2014 endenden Geschäftsjahr um 5,9 Mio. EUR bzw. 281,9 % auf 7,9 Mio. EUR in dem zum 31. Dezember 2015 endenden Geschäftsjahr.

Jüngste Entwicklungen

Am 18. Juli 2017 werden die Gesellschaft und bestimmte ihrer Tochtergesellschaften voraussichtlich mit der Bayerische Landesbank, der BNP PARIBAS Fortis S.A./N.V., der COMMERZBANK Aktiengesellschaft, der DZ Bank Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, der ING Bank, einer Niederlassung der ING-DIBA AG, und der UniCredit Bank AG als Lead Arrangers, der Commerzbank Finance & Covered Bond S.A. als Agent, sowie anderen Kreditgebern einen Kreditvertrag mit einem Gesamtnennbetrag von bis zu 260.000.000 EUR abschließen, um den bestehenden vorrangigen Kreditvertrag der Gesellschaft zu refinanzieren und Mittel für allgemeine betriebliche Zwecke bereitzustellen (der „**neue vorrangige Kreditvertrag**"). Die geplante Rückzahlung des bestehenden vorrangigen Kreditvertrags wird teilweise mit den Erlösen aus dem neuen vorrangigen Kreditvertrag, teilweise mit den Erlösen aus der Privatplatzierung (wie nachstehend definiert) und teilweise aus verfügbaren Barmitteln finanziert. Wir rechnen damit, dass wir dadurch unsere Finanzierungskosten senken können und unser Finanzergebnis ab 2017 weiter verbessern können. Aufgrund der Refinanzierung rechnen wir damit, dass unsere Nettofinanzierungskosten im Geschäftsjahr 2017 sinken und im Geschäftsjahr 2018 weiter sinken werden und dass unser Verschuldungsgrad (ausgedrückt als Verhältnis von Nettofinanzverbindlichkeiten zu Bereinigtem EBITDA) mittelfristig 1,0 bis 1,5 betragen wird (ohne potenzielle Akquisitionen).

Am 12. Juli 2017 haben die Gesellschaft und der Hauptaktionär, zusammen mit den Joint Bookrunners, im Vorfeld der erwarteten Zulassung der Aktien der Gesellschaft zum Handel im regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Markts mit weiteren Zulassungsfolgepflichten (*Prime Standard*) eine Privatplatzierung der Neuen Aktien (wie in C.1 definiert) und von bis zu 2.915.000 Bestehenden Aktien (wie in C.1 definiert) aus dem Bestand des Hauptaktionärs (die Neuen Aktien (wie in C.1 definiert) und bis zu 2.915.000 Bestehenden Aktien (wie in C.1 definiert) aus dem Bestand des Hauptaktionärs zusammen die „**Platzierungsaktien**") bei gewissen institutionellen Investoren und anderen Investoren initiiert, die aufgrund der in verschiedenen Rechtsordnungen geltenden Ausnahmeregelungen für Angebote hierfür qualifiziert sind (die „**Privatplatzierung**").

Anlegern können zusätzlich zu den Platzierungsaktien bis zu 1.141.000 zusätzliche Aktien der Gesellschaft (die „**Mehrzuteilungsaktien**" und zusammen mit den Platzierungsaktien, die „**Angebotsaktien**" und jeweils eine „**Angebotsaktie**") im Rahmen der Privatplatzierung zugeteilt werden (die „**Mehrzuteilung**"). Zum Zweck einer potenziellen Mehrzuteilung werden dem Stabilisierungsmanager für Rechnung der Konsortialbanken bis zu 1.141.000 Bestehende Aktien aus dem Bestand des

		Hauptaktionärs in Form eines Wertpapierdarlehens zur Verfügung gestellt; die Anzahl der Mehrzuteilungsaktien wird 15 % der Anzahl der Platzierungsaktien nicht überschreiten. Zudem hat der Hauptaktionär den Konsortialbanken eine Option zum Erwerb einer der Anzahl der entliehenen Aktien entsprechenden Anzahl an Aktien der Gesellschaft zum finalen Platzierungspreis (der „**Angebotspreis**") abzüglich vereinbarter Provisionen eingeräumt (die „**Greenshoe-Option**"). Die Greenshoe-Option endet 30 Kalendertage nach der Notierungsaufnahme der Aktien der Gesellschaft, erwartet für den 20. Juli 2017. Am 12. Juli 2017 haben die Gesellschaft und der Hauptaktionär gemeinsam mit den Konsortialbanken die Preisspanne auf 25,00 EUR bis 31,00 EUR je Angebotsaktie festgesetzt (die „**Preisspanne**"). Der Angebotspreis und die endgültige Anzahl der in der Privatplatzierung platzierten Aktien der Gesellschaft werden voraussichtlich auf der Grundlage des im Rahmen eines Bookbuilding-Verfahrens erstellten Orderbuchs festgelegt. Das Bookbuilding-Verfahren wird voraussichtlich im Zeitraum vom 12. Juli 2017 bis zum 19. Juli 2017 stattfinden. Die Gesellschaft wird am unteren Ende der Preisspanne Bruttoerlöse in Höhe von 130,0 Mio. EUR und geschätzte Nettoerlöse in Höhe von ca. 118,1 Mio. EUR aus dem Verkauf der Neuen Aktien (wie in C.1 definiert) erzielen (unter der Annahme, dass alle Neuen Aktien (wie in C.1 definiert) platziert werden). Abhängig von dem Angebotspreis können die Anzahl der Neuen Aktien, die in der Privatplatzierung verkauft und somit im Zusammenhang mit der Kapitalerhöhung emittiert werden sollen, sowie die Anzahl der in der Privatplatzierung zu verkaufenden Bestehenden Aktien angepasst werden. Die Gesellschaft strebt Bruttoerlöse aus dem Verkauf der Neuen Aktien in Höhe von mindestens 130,0 Mio. EUR sowie einen Streubesitz von etwa 50 % (unter der Annahme, dass die Greenshoe-Option nicht ausgeübt wird) mit Notierungsaufnahme an der Frankfurter Wertpapierbörse an. Die Gesellschaft beabsichtigt, die Nettoerlöse aus der Privatplatzierung (die aus dem Verkauf der Neuen Aktien (wie in C.1 definiert) resultieren) zur teilweisen Finanzierung der Rückzahlung ihrer unter dem bestehenden vorrangigen Kreditvertrag ausstehenden Verschuldung sowie für allgemeine betriebliche Zwecke zu verwenden. Die Gesellschaft geht davon aus, dass eine solche Verwendung auch die geografische Expansion ihres bestehenden Geschäfts, die Erweiterung um neue oder damit verbundene Geschäftsfelder und ausgewählte Akquisitionen umfassen könnte (ohne zwingend darauf beschränkt zu sein), jeweils in Umsetzung ihrer Unternehmensstrategie.
B.8	**Ausgewählte wesentliche Pro-forma-Finanzinformationen.**	Entfällt. Die Gesellschaft hat keine Pro-forma-Finanzinformationen erstellt.
B.9	**Gewinnprognosen oder -schätzungen.**	Entfällt. Die Gesellschaft hat keine Gewinnprognosen oder -schätzungen abgegeben.

B.10	**Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen.**	Entfällt. Die Bestätigungsvermerke für die in diesem Prospekt enthaltenen historischen Finanzinformationen wurden jeweils uneingeschränkt erteilt.
B.11	**Nichtausreichen des Geschäftskapitals des Emittenten zur Erfüllung bestehender Anforderungen.**	Entfällt. Die Gesellschaft ist der Auffassung, dass die Gruppe in der Lage ist, sämtliche Zahlungsverpflichtungen zu erfüllen, die in den nächsten mindestens zwölf Monaten fällig werden.

Abschnitt C – Wertpapiere

C.1	**Art und Gattung der angebotenen und/ oder zum Handel zuzulassenden Wertpapiere.**	Zum Zweck der Zulassung zum Handel im regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Markts mit weiteren Zulassungsfolgepflichten (Prime Standard) bezieht sich dieser Prospekt auf bis zu 15.225.000 auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien), jeweils mit einem anteiligen Betrag am Grundkapital der Gesellschaft von 1,00 EUR und mit voller Gewinnanteilberechtigung ab dem 1. Januar 2017, bestehend aus: • bis zu 5.200.000 neu ausgegebenen, auf den Inhaber lautenden Stammaktien ohne Nennbetrag (Stückaktien) aus einer Kapitalerhöhung gegen Bareinlagen (die „**Kapitalerhöhung**"), die vorraussichtlich von einer außerordentlichen Hauptversammlung am 18. Juli 2017 beschlossen wird (die „**Neuen Aktien**"); und • 10.025.000 auf den Inhaber lautenden Stammaktien ohne Nennbetrag (Stückaktien) aus dem Bestand des Hauptaktionärs (die „**Bestehenden Aktien**").
	Wertpapierkennung.	International Securities Identification Number (ISIN): DE000JST4000 Wertpapierkennnummer (WKN): JST400 Common Code: 164843823 Börsenkürzel: JST
C.2	**Währung.**	Euro.
C.3	**Zahl der ausgegebenen und voll eingezahlten Aktien.**	Zum Datum dieses Prospekts beträgt das Grundkapital der Gesellschaft 10.025.000 EUR, eingeteilt in 10.025.000 auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien). Die außerordentliche Hauptversammlung beschließt vorraussichtlich am 18. Juli 2017 die Ausgabe von bis zu 5.200.000 Neuen Aktien gegen Bareinlagen im Zusammenhang mit und für die Zwecke der Privatplatzierung. Nach der Eintragung der Kapitalerhöhung im Handelsregister wird erwartet, dass das ausgegebene Grundkapital der Gesellschaft bis zu 15.225.000 EUR betragen wird und in eine Gesamtzahl von bis zu 15.225.000 auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien) eingeteilt sein wird. Alle zum Datum des Prospekts ausgegebenen Aktien der Gesellschaft sind vollständig eingezahlt und die vor der Notierungsaufnahme ausgegebenen Neuen Aktien werden vollständig eingezahlt sein. Nach der Durchführung der Kapitalerhöhung und Wirksamwerden der Kapitalerhöhung werden die Aktien der Gesellschaft in einer oder mehreren Globalurkunden (die „**Globalurkunde**") verbrieft werden, die bei der Clearstream Banking Aktiengesellschaft, Mergenthaleralle 61, 65760 Eschborn, Deutschland hinterlegt werden.

	Nennwert.	Jede Aktie der Gesellschaft repräsentiert einen anteiligen Betrag von 1,00 EUR am Grundkapital der Gesellschaft.
C.4	**Beschreibung der mit den Wertpapieren verbundenen Rechte.**	Jede Aktie der Gesellschaft gewährt in der Hauptversammlung der Gesellschaft eine Stimme. Beschränkungen des Stimmrechts bestehen nicht. Die Aktien der Gesellschaft sind ab dem 1. Januar 2017 voll gewinnanteilberechtigt, d. h. für das gesamte Geschäftsjahr 2017 und für alle darauffolgenden Geschäftsjahre. Im Falle der Liquidation der Gesellschaft werden etwaige Liquidationserlöse an die Aktionäre anteilig im Verhältnis zur Höhe ihrer jeweiligen Beteiligung am Grundkapital der Gesellschaft verteilt.
C.5	**Beschreibung aller etwaigen Beschränkungen für die freie Übertragbarkeit der Wertpapiere.**	Entfällt. Die Aktien der Gesellschaft sind in Übereinstimmung mit den gesetzlichen Anforderungen für auf Inhaber lautende Stammaktien frei übertragbar. Mit Ausnahme der in E.5 beschriebenen Lock-up-Vereinbarungen mit den Konsortialbanken bestehen keine Beschränkungen für die freie Übertragbarkeit der Aktien der Gesellschaft.
C.6	**Antrag auf Zulassung der Wertpapiere zum Handel an einem geregelten Markt und Nennung der geregelten Märkte, an denen die Wertpapiere gehandelt werden sollen.**	Am 4. Juli 2017 hat die Gesellschaft die Zulassung der Aktien der Gesellschaft zum Handel im regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) beantragt. Der Zulassungsantrag umfasst auch die Neuen Aktien. Der Zulassungsbeschluss für die Aktien der Gesellschaft wird voraussichtlich am oder um den 19. Juli 2017 erteilt. Die Notierungsaufnahme an der Frankfurter Wertpapierbörse ist für den 20. Juli 2017 vorgesehen.
C.7	**Dividendenpolitik.**	Die Gesellschaft beabsichtigt, mittelfristig eine Dividende zwischen 35 % und 50 % ihres Konzernergebnisses zu zahlen und diese Ausschüttungsquote wird für das Geschäftsjahr 2017 am unteren Ende erwartet. Jeder künftige Beschluss zur Ausschüttung von Dividenden wird in Übereinstimmung mit geltendem Recht gefasst werden und wird unter anderem von der Ertrags- und Finanzlage, vertraglichen Beschränkungen und dem Kapitalbedarf der Gesellschaft abhängen. Die Fähigkeit der Gesellschaft zur Zahlung von Dividenden kann durch die Bedingungen bestehender und zukünftiger Schuld- oder Vorzugstitel beschränkt sein.
Abschnitt D – Risiken		
D.1	**Zentrale Risiken, die dem Emittenten oder seiner Branche eigen sind.**	Eine Anlage in Aktien der Gesellschaft ist mit einer Reihe von Risiken verbunden. Potenzielle Anleger sollten vor der Entscheidung über eine Anlage in Aktien der Gesellschaft die nachfolgend beschriebenen Risiken sowie alle sonstigen in diesem Prospekt enthaltenen Informationen sorgfältig prüfen. Die folgenden Risiken könnten alleine oder zusammen mit zusätzlichen Risiken und Unwägbarkeiten, die uns derzeit nicht bekannt sind oder die wir derzeit für unwesentlich halten, unser Geschäft sowie unsere Vermögens-, Finanz- und Ertragslage wesentlich nachteilig beeinflussen. Im Fall des Eintritts einzelner oder aller dieser Risiken könnte der Marktpreis der Aktien der Gesellschaft sinken und potenzielle Anleger könnten ihre Anlage ganz oder teilweise verlieren.

Die Reihenfolge, in der die folgenden Risiken dargestellt sind, stellt keine Aussage über die Wahrscheinlichkeit, mit der diese Risiken tatsächlich eintreten, oder die Bedeutung oder Höhe dieser Risiken dar, und auch nicht darüber, in welchem Maße sich diese Risiken nachteilig auf unser Geschäft sowie unsere Vermögens-, Finanz- und Ertragslage auswirken könnten.

Risiken im Zusammenhang mit unseren Märkten

- Wir sind erheblichen Risiken im Zusammenhang mit der Entwicklung der weltweiten Konjunktur ausgesetzt.
- Politische, soziale oder wirtschaftliche Bedingungen und Veränderungen in Ländern, in denen wir und unsere Kunden tätig sind, könnten sich nachteilig auf unser Geschäft und unsere Vermögens-, Finanz- und Ertragslage auswirken.
- Wir sind in einer konjunkturabhängigen Branche tätig und unser Geschäft könnte durch zyklische Konjunkturrückgänge in unseren Zielmärkten, insbesondere in der Nutzfahrzeugindustrie, beeinträchtigt werden, und unsere Produktionskapazitäten könnten nicht ausreichen, um die tatsächliche Nachfrage nach unseren Produkten zu decken.
- Die Branche, in der wir tätig sind, ist durch einen intensiven Wettbewerb geprägt, und dieser könnte unsere Umsätze verringern oder unsere Verkaufspreise ständig unter Druck setzen.
- Konsolidierungen unserer Wettbewerber oder ein Überangebot im Markt könnten sich nachteilig auf unser Geschäft und unsere Vermögens-, Finanz- und Ertragslage auswirken.

Risiken im Zusammenhang mit unserer Geschäftstätigkeit

- Wir sind von einer begrenzten Anzahl großer OEM-Kunden abhängig.
- Veränderungen der Marktanteile zwischen Fahrzeugen oder Fahrzeugsegmenten oder Veränderungen, die zu einer Verringerung der Marktanteile von Fahrzeugen führen, für die wir wesentliche Komponenten liefern, könnten unsere Profitabilität erheblich beeinträchtigen.
- Wir sind von Energiepreisen und bei bestimmten Produkten, Fertigungsanlagen und Rohstoffen von einer begrenzten Anzahl wesentlicher Zulieferer abhängig und könnten Engpässen ausgesetzt sein, falls diese Zulieferer ihre Lieferungen unterbrechen oder ihre Preise erhöhen.
- Unser Joint Venture untersteht nicht unserer Kontrolle.
- Durch Produkte, die Kundenvorgaben nicht einhalten oder Mängel oder Fehler enthalten oder als mangel- oder fehlerhaft empfunden werden oder anderweitig nicht für den beabsichtigten Endverwendungszweck geeignet sind, könnten uns erhebliche Kosten entstehen.
- Unser Geschäft könnte beeinträchtigt werden, wenn der Ruf unserer Marken geschädigt werden sollte.

- Unser künftiger geschäftlicher Erfolg hängt von unserer Fähigkeit ab, die hohe Qualität unserer Produkte und Prozesse aufrechtzuerhalten.
- Wir könnten nicht in der Lage sein, technologische Veränderungen vorauszusehen, uns darauf einzustellen oder diese zu nutzen.
- Wir könnten nicht in der Lage sein, bisherige oder zukünftige Akquisitionen oder Joint Ventures sowie neu eröffnete oder verlagerte Produktionsstätten erfolgreich zu integrieren oder die erwarteten Vorteile daraus zu erzielen.
- Es besteht ein Risiko, dass wir Rechte an geistigem Eigentum Dritter verletzen könnten.
- Wir sind dem Risiko von Produktkriminalität und Wirtschaftsspionage ausgesetzt.
- Wir unterliegen Exportkontrollen, die uns einem Haftungsrisiko aussetzen und die unsere Wettbewerbsfähigkeit an internationalen Märkten beeinträchtigen könnten.
- Wir sind Umweltrisiken im Zusammenhang mit Boden-, Wasser- oder Grundwasserverunreinigungen und Risiken im Zusammenhang mit Gefahrstoffen ausgesetzt.
- Unsere Vermögens-, Finanz- und Ertragslage könnte durch Veränderungen von Wechselkursen beeinträchtigt werden.
- Arbeitsniederlegungen oder andere arbeitsrechtliche Angelegenheiten in unseren Betrieben oder in den Betrieben unserer Kunden oder denjenigen in unserer Lieferkette könnten erhebliche nachteilige Auswirkungen auf unser Geschäft haben, insbesondere, falls wir dazu gedrängt werden sollten, einen Tarifvertrag abzuschließen oder auszuhandeln, der höhere Löhne als derzeit oder Nebenleistungen oder eine Beschäftungssicherung vorsieht, oder infolge von Verlagerungen oder Schließungen von Produktionsstätten.

Rechtliche, regulatorische und steuerliche Risiken

- Behördliche Vorschriften oder Steuern könnten unsere Kosten erhöhen und sich nachteilig auf unser Geschäft und unsere Ertragslage auswirken.
- Wir könnten Gewährleistungs- und Produkthaftungsansprüchen unterliegen.
- Wir könnten Gegenstand kartellrechtlicher Untersuchungen werden, deren Ergebnis zu Geldbußen und damit zusammenhängenden Schadensersatzansprüchen führen könnte.
- Wir sind Risiken aus Gerichts-, Verwaltungs- und Schiedsverfahren ausgesetzt.
- Wir könnten nach Betriebsprüfungen in unseren Gruppenunternehmen zu Steuernachzahlungen verpflichtet sein.

- Wir könnten nicht in der Lage sein, Steuervergünstigungen oder -subventionen in Anspruch zu nehmen.

Risiken im Zusammenhang mit unserer Kapitalstruktur

- Unsere Fremdkapitalquote und unsere Verpflichtungen zur Schuldentilgung könnten die Barmittel beschränken, die uns zur Finanzierung von Akquisitionen, Dividendenzahlungen und anderen Maßnahmen zur Verfügung stehen, und eine wesentliche Zunahme unserer Verschuldung könnte unseren Zugang zu Krediten beschränken oder die Bedingungen, zu denen wir Kredite erhalten, verändern.
- Die Bedingungen bestehender Verbindlichkeiten enthalten Verpflichtungen zur Einhaltung von Finanzkennzahlen und sonstige Verpflichtungen sowie Bestimmungen bezüglich eines Kontrollwechsels, und die Bedingungen zukünftiger Verbindlichkeiten werden voraussichtlich ebenfalls solche Verpflichtungen und Bestimmungen enthalten.
- Unsere Konzern-Bilanz enthält erhebliche immaterielle Vermögenswerte, die Wertminderungen unterliegen könnten.

D.3 Zentrale Risiken, die den Wertpapieren eigen sind.

Risiken im Zusammenhang mit den Aktien der Gesellschaft, der Börsenzulassung und der Aktionärsstruktur

- Der Kurs und das Handelsvolumen unserer Aktien könnten erheblich schwanken und Anleger könnten ihre Anlage insgesamt oder teilweise verlieren.
- Nach der Börsenzulassung wird unser Hauptaktionär weiterhin eine wesentliche Beteiligung an der Gesellschaft halten und es könnte ein Konflikt zwischen den Interessen des Hauptaktionärs und den Interessen unserer anderen Aktionäre bestehen.
- Unsere Fähigkeit zur Zahlung von Dividenden hängt unter anderem von unserer Vermögens-, Finanz- und Ertragslage ab.
- Der Gesellschaft werden als börsennotierter Gesellschaft zusätzliche Kosten entstehen.

ABSCHNITT E – ANGEBOT

E.1 Gesamtnettoerlöse.

Entfällt. Es findet kein öffentliches Angebot statt.

Geschätzte Gesamtkosten des Angebots und der Börsenzulassung, einschließlich der geschätzten Kosten, die dem Anleger vom Emittenten in Rechnung gestellt werden.

Die Kosten im Zusammenhang mit der Börsenzulassung und der Privatplatzierung werden sich (ohne an die Konsortialbanken zahlbare Übernahme- und Platzierungsprovisionen) voraussichtlich insgesamt auf ca. 12,9 Mio. EUR belaufen. Davon werden ca. 5,2 Mio. EUR oder 41 % von dem Hauptaktionär getragen, was bedeutet, dass die Gesellschaft letztlich ca. 7,7 Mio. EUR oder 59 % der Kosten tragen wird.

Den Anlegern werden von der Gesellschaft oder den Konsortialbanken im Zusammenhang mit ihrer Funktion als Konsortialbanken keine Kosten in Rechnung gestellt. Anleger werden die üblichen Transaktions- und Abwicklungskosten tragen müssen, die ihnen ihre depotführenden Broker oder anderen Finanzinstitute, über die sie ihre Wertpapiere halten, in Rechnung stellen.

E.2a	**Gründe für das Angebot.**	Entfällt. Es findet kein öffentliches Angebot statt.
	Zweckbestimmung der Erlöse, geschätzte Nettoerlöse.	Entfällt. Es findet kein öffentliches Angebot statt.
E.3	**Angebotskonditionen.**	Entfällt. Es findet kein öffentliches Angebot statt.
E.4	**Wesentliche Interessen an der Emission/dem Angebot, einschließlich kollidierender Interessen.**	Im Zusammenhang mit der Zulassung der Aktien der Gesellschaft zum Handel sind die Konsortialbanken ein vertragliches Verhältnis mit der Gesellschaft und dem Hauptaktionär eingegangen. Die Konsortialbanken handeln im Zusammenhang mit der Strukturierung und Durchführung der Privatplatzierung im Auftrag der Gesellschaft und des Hauptaktionärs. Zudem wurden die Joint Global Coordinators beauftragt, als Designated Sponsors für die Aktien der Gesellschaft zu fungieren, und die Deutsche Bank wurde als Zahlstelle bestellt. Die Konsortialbanken haben ein finanzielles Interesse an der Börsenzulassung, da sie nur nach erfolgter Börsenzulassung und der erfolgreichen Durchführung der Privatplatzierung eine Provision erhalten werden. Zudem können bestimmte Konsortialbanken oder ihre verbundenen Unternehmen Finanzierungsvereinbarungen (einschließlich Swaps oder Differenzkontrakten) mit Anlegern abschließen, in Verbindung mit denen diese Konsortialbanken (oder ihre verbundenen Unternehmen) jeweils Aktien der Gesellschaft erwerben, halten oder veräußern können. Keine der Konsortialbanken beabsichtigt, solche Anlagen oder Transaktionen in einem weiteren Umfang offenzulegen, als demjenigen, zu dem sie aufgrund gesetzlicher oder aufsichtsrechtlicher Vorschriften verpflichtet ist, bzw. in einem weiteren Umfang als sie in diesem Prospekt offengelegt sind. Einige der Konsortialbanken oder ihre verbundenen Unternehmen unterhalten derzeit geschäftliche Beziehungen (einschließlich Darlehensgeschäfte) zu unserer Gruppe oder erbringen im Rahmen des gewöhnlichen Geschäftsbetriebs Leistungen für unsere Gruppe oder können in Zukunft weiterhin solche Beziehungen unterhalten oder Leistungen erbringen. Die Konsortialbanken könnten insbesondere folgende Interessen an der Börsenzulassung haben: • Die BNP PARIBAS Fortis S.A./N.V., eine Konzerngesellschaft der BNP PARIBAS und die COMMERZBANK sind Kreditgeber im Rahmen des bestehenden vorrangigen Kreditvertrages, der u. a. mit der Jasione GmbH (vormals Cintinori Acquisition GmbH und JOST-World GmbH) als Kreditnehmer abgeschlossen wurde. • Bestimmte Konzerngesellschaften der COMMERZBANK und der BNP PARIBAS sind voraussichtlich Kreditgeber im Rahmen des neuen vorrangigen Kreditvertrages mit der Gesellschaft. Der Hauptaktionär erhält die Erlöse aus dem Verkauf von bis zu 2.915.000 Bestehenden Aktien und etwaiger Mehrzuteilungsaktien im Rahmen der Privatplatzierung.

		Die Mitglieder des Vorstands der Gesellschaft (der „**Vorstand**") haben ein finanzielles Interesse an der Privatplatzierung, da der Wert ihrer Beteiligung an der Gesellschaft nach der Durchführung der Privatplatzierung von der Notierung der Aktien der Gesellschaft an der Frankfurter Wertpapierbörse beeinflusst werden könnte.
E.5	**Name der Person/des Unternehmens, die/das das Wertpapier zum Verkauf anbietet.**	Entfällt. Es findet kein öffentliches Angebot statt.
	Lock-up-Vereinbarungen, beteiligte Parteien und Lock-up-Frist.	Die Gesellschaft, der Hauptaktionär und jede Konsortialbank haben am 12. Juli 2017 im Zusammenhang mit der Privatplatzierung einen Übernahmevertrag in Bezug auf das Angebot und den Verkauf der Angebotsaktien (der „**Übernahmevertrag**") abgeschlossen. In dem Übernahmevertrag hat sich die Gesellschaft gegenüber jeder Konsortialbank dazu verpflichtet, dass die Gesellschaft, ihr Vorstand und ihr Aufsichtsrat (der „**Aufsichtsrat**") für einen Zeitraum von 180 Tagen nach dem Tag der Notierungsaufnahme der Aktien der Gesellschaft an der Frankfurter Wertpapierbörse (derzeit für den 20. Juli 2017 erwartet) Folgendes nicht ohne die vorherige schriftliche Zustimmung der Joint Global Coordinators (die nur aus wichtigem Grund verweigert oder zurückgehalten werden darf) unternehmen oder sich dazu verpflichten werden: • eine Erhöhung des Grundkapitals der Gesellschaft aus genehmigtem Kapital ankündigen oder durchführen; • einer Hauptversammlung eine Kapitalerhöhung zur Beschlussfassung vorschlagen; • die Begebung von Wertpapieren, die in Aktien der Gesellschaft wandelbar sind oder Optionsrechte auf Aktien der Gesellschaft gewähren, ankündigen, durchführen oder vorschlagen; • Transaktionen abschließen oder Handlungen durchführen, die den in den vorstehenden Punkten genannten wirtschaftlich ähnlich sind, im Falle jedes der vorstehenden vier Punkte außer soweit dies ausdrücklich in diesem Prospekt beschrieben ist. In dem Übernahmevertrag hat sich der Hauptaktionär dazu verpflichtet, für einen Zeitraum von 180 Tagen nach dem Tag der Notierungsaufnahme der Aktien der Gesellschaft an der Frankfurter Wertpapierbörse (derzeit für den 20. Juli 2017 erwartet) nicht ohne die vorherige schriftliche Zustimmung der Joint Global Coordinators (die nur aus wichtigem Grund verweigert oder zurückgehalten werden darf): • Aktien der Gesellschaft direkt oder indirekt anzubieten, zu verpfänden, zuzuteilen, zu vertreiben, zu verkaufen, sich vertraglich zu deren Verkauf zu verpflichten, auf diese Aktien bezogene Kaufoptionen oder vertragliche Kaufverpflichtungen zu verkaufen, auf diese Aktien bezogene Verkaufsoptionen zu erwerben, auf diese

Aktien bezogene Kaufoptionen, Kaufrechte oder Bezugsrechte einzuräumen oder diese Aktien zu übertragen oder in sonstiger Weise zu veräußern (einschließlich der Ausgabe oder des Verkaufs von Wertpapieren, die in Aktien der Gesellschaft umtauschbar sind);

- direkt oder indirekt die Ankündigung, Durchführung oder Umsetzung einer Erhöhung des Grundkapitals der Gesellschaft oder eine direkte oder indirekte Platzierung von Aktien der Gesellschaft zu veranlassen oder zu genehmigen;
- einer Hauptversammlung eine Erhöhung des Grundkapitals der Gesellschaft direkt oder indirekt zur Beschlussfassung vorzuschlagen oder für eine solche vorgeschlagene Kapitalerhöhung zu stimmen;
- die Ankündigung, Durchführung oder den Vorschlag für eine Ausgabe von Finanzinstrumenten, die in Aktien der Gesellschaft wandelbare Optionen oder Optionsscheine repräsentieren, zu veranlassen oder zu genehmigen;
- Transaktionen abzuschließen oder Handlungen durchzuführen, die den in den vorstehenden Punkten genannten wirtschaftlich ähnlich sind, insbesondere Swap- oder sonstige Vereinbarungen abzuschließen, mit denen das wirtschaftliche Risiko des Eigentums an Aktien der Gesellschaft teilweise oder vollständig auf Dritte übertragen wird, unabhängig davon, ob eine solche Transaktion gegen Lieferung von Aktien der Gesellschaft, gegen Barzahlung oder anderweitig zu erfüllen ist,

im Falle jedes der vorstehenden fünf Punkte außer zum Zwecke der Privatplatzierung und im Falle jedes der vorstehenden Punkte außer soweit dies ausdrücklich in diesem Prospekt beschrieben ist.

Die vorstehenden Lock-up-Beschränkungen für den Hauptaktionär beschränken nicht (i) das Angebot, den Verkauf und die Übertragung von Aktien der Gesellschaft im Rahmen eines Übernahmeangebots für die Aktien der Gesellschaft gemäß dem Wertpapiererwerbs- und Übernahmegesetz, (ii) die außerbörsliche Übertragung von Aktien der Gesellschaft durch den Hauptaktionär auf eines seiner verbundenen Unternehmen und die Übertragung von Aktien der Gesellschaft durch einen bevollmächtigten Übertragungsempfänger (wie nachstehend definiert) auf einen anderen bevollmächtigten Übertragungsempfänger und (iii) Zuteilungen oder Ausschüttungen von Aktien der Gesellschaft an direkte oder indirekte Anteilseigner oder andere Inhaber von Wertpapieren des Hauptaktionärs oder mit solchen Anteilseignern oder Wertpapierinhabern verbundene Personen (zusammen mit den in (ii) genannten verbundenen Unternehmen die "**bevollmächtigten Übertragungsempfänger**"), sofern in jedem der in (i) und (ii) vorstehend genannten Fälle der jeweilige bevollmächtigte Übertragungsempfänger akzeptiert, an die vorstehenden Lock-up-Beschränkungen gebunden zu sein, indem er eine entsprechende Lock-up-Verpflichtungserklärung abgibt.

		Ungeachtet des Vorstehenden dürfen Aktien der Gesellschaft, die wirtschaftlich Alexander Kleinke zurechenbar sind, von der Yellow Sky S.à r.l. auf die AKGK GmbH übertragen werden, ohne dass die AKGK GmbH eine Lock-up-Vereinbarung in Bezug auf diese Aktien abschließen muss.
E.6	**Betrag und Prozentsatz der aus dem Angebot resultierenden unmittelbaren Verwässerung.**	Entfällt. Es findet kein öffentliches Angebot statt.
E.7	**Schätzung der Ausgaben, die dem Anleger vom Emittenten in Rechnung gestellt werden.**	Entfällt. Anlegern werden von der Gesellschaft oder den Konsortialbanken im Zusammenhang mit ihrer Funktion als Konsortialbanken keine Ausgaben in Rechnung gestellt.

A. RISK FACTORS

*An investment in the shares of JOST Werke AG (the "**Company**", and, together with its consolidated subsidiaries, "**we**", "**us**", "**our**", "**our Group**", "**the Group**", the "**JOST Group**", or "**JOST**") is subject to a number of risks. Prospective investors should read the entire document and carefully consider the following risks together with all the other information contained in this prospectus prior to making any investment decision regarding the Company's shares. The following risks, alone or together with additional risks and uncertainties not currently known to us, or that we might currently deem immaterial, could materially adversely affect our business, financial condition and results of operations. The market price of the Company's shares could fall if any or all of these risks were to materialize, in which case prospective investors could lose all or part of their investment.*

Prospective investors should carefully consider whether an investment in the Company's shares is suitable for them in light of the risks described below, the other information in this prospectus and their personal circumstances.

The order in which the following risks are presented is not an indication of the likelihood of these risks actually materializing, their likely significance or degree, or the scope of any potential harm to our business, financial condition, or results of operations that might result.

I. RISKS RELATED TO OUR MARKETS

1. We are exposed to substantial risks associated with the performance of the global economy.

In general, demand for commercial vehicle products and services as well as for the industrial sectors is cyclical and directly related to the development of the global economy. Therefore, our income and results of operations have been, and will continue to be, influenced by the general state and the performance of the global economy, which does not show clear directions. Even though most global stock markets have recently reached record highs after the past turmoils, global industrial production levels remained almost unchanged in 2016. There is no assurance that global stock markets will remain at current levels or rise. A renewed downturn in the European, U.S. and global economies could cause demand in our relevant markets to decline, which would have a material adverse effect on our business, financial condition and results of operations.

In the recent past, global markets and economic conditions have been negatively affected by concerns regarding the ability of certain EU member states and other countries to service their sovereign debt obligations as well as to repay financial aid to the respective creditors. The economic stagnation in certain countries in the Eurozone, including Cyprus, Greece, Italy, Ireland, Spain and Portugal, in part due to the effects of the sovereign debt crisis and austerity measures implemented to address the crisis in these markets, has – together with the risk of contagion to other, more stable, countries, particularly Germany – also raised a number of uncertainties regarding the stability and overall standing of the European Monetary Union. Concerns that the Eurozone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Eurozone countries or, in extremely dire circumstances, the abandonment of the euro. The departure or risk of departure from the euro by one or more Eurozone countries, especially Greece, and/or the abandonment of the euro as a currency could have major negative effects on both existing contractual relations and the fulfillment of obligations by us and/or our customers, which would have a material adverse effect on our business, financial condition and results of operations.

Furthermore, the result of the United Kingdom's referendum to leave the EU and the subsequent initiation of the legal process pursuant to Article 50 of the Lisbon Treaty that must end in two years' time with the United Kingdom leaving the EU, commonly referred to as ("**Brexit**"), may have significant, albeit unpredictable consequences for the economies and financial markets in both the United Kingdom and the EU and, thus, on our business. Regardless of the ultimate terms and date of an exit from the EU, the referendum has created significant political, financial and macroeconomic turmoil and uncertainty. Brexit could result in significant macroeconomic deterioration including, in particular, increased volatility of foreign exchange markets, a further devaluation of the euro against other leading currencies and a decrease of the gross domestic product in the EU. Any of these developments could have a severe adverse impact on the economic situation and consumer climate in the EU, including Germany (for which the United Kingdom is an important trade partner). Moreover, other EU countries could follow suit and also leave the EU in the future, or threaten to leave unless certain concessions are made.

In addition, our presence in the People's Republic of China ("**China**") exposes us to significant risks linked to the Chinese economy. The Chinese government focuses heavily on investment to stimulate growth in, among others, the Chinese automotive industry, and it cannot be ruled out that the same applies to the truck and trailer industry. It is unclear, however, whether such moves to stimulate growth will be coupled with increasingly strict regulation, which could have a material adverse effect on our expansion plans in

China and could, in turn, have a material adverse effect on our business, financial condition and results of operations. Furthermore, any Chinese financial sector regulations may have a material impact on the economic climate in China.

The Brazilian economy and other emerging markets are, to varying degrees, influenced by political, economic and market conditions in more industrialized countries, particularly the United States and the Eurozone. In particular, changes in the U.S. central bank policy and resulting devaluations may lead to significant economic volatility in emerging markets which could affect our ability to obtain financing at favorable terms in such markets. The uncertain political situation in Brazil may have a material impact on the economic climate in the region.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

2. *Political, social or economic conditions and changes in countries in which we and our customers operate could have an adverse impact on our business, financial condition and results of operations.*

In some of the countries in which we and our customers operate, in particular in emerging markets, the general economic, political and legal environment is less stable than in Western Europe or North America. In the event of sudden large or frequent increases in interest rates, the Company may not be able to reprice its rates in time, which may negatively affect margins and overall revenue in the short term. Far-reaching changes in the political, social and economic environment of such countries cannot be ruled out, including changes to monetary policies or substantial changes to exchange rates or interest rates. Our international operations and those of our customers are, therefore, exposed to a number of factors, over which we and our customers have little to no control. These factors include, but are not limited to, the following:

- political, social, economic, financial or market-related instability or volatility;
- foreign currency control regulations and other regulations or government interventions or the negative impacts related to exchange rates, foreign currencies and taxation;
- restrictions on capital transfer;
- absence of an independent and experienced judiciary and inability to enforce contracts, as well as corruption;
- reimbursement rates and services covered by government reimbursement programs;
- trade restrictions and sanctions regimes; and
- restrictions on repatriation of earnings.

In addition, operating in emerging markets presents risks that underdeveloped infrastructure will increase our production costs, a lack of qualified management or adequately trained personnel will hinder our production, or legal authorities will impose trade restrictions or fail to adequately protect intellectual property. Legal, regulatory, and tax authorities in emerging markets may also impose additional liabilities upon us or hinder our ability to produce and sell our products.

Any material deterioration in any of the factors named above, in particular any material deterioration of the economic situation in one or more of the countries in which we operate, such as the economic downturn in Russia as a result of the decline in the oil and gas prices as well as the sanctions imposed in 2014 by the United States and the EU due to the ongoing Ukraine crisis, the economic downturn in Brazil as a result of bad economic policies, low investment rates and high inflation or the global downturn in the mining sector caused by a decline in commodity prices, could have a material adverse effect on our business, financial condition and results of operations.

3. *We are subject to material location and country-specific risks.*

We operate 17 production facilities (including the production facility of our Brazilian joint venture, in which we held an equity interest of 49% as of December 31, 2016 (the "**Brazilian JV Company**")) in 13 countries across five continents. As an internationally operating group, we are subject to material location and country-specific risks, such as logistical risks, risks related to international deliveries, risks of order processing and fulfillment and risks arising from different legal and tax systems as well as suddenly introduced import restrictions and import duties, especially with respect to Russia.

In several countries in which we operate or plan to expand operations, we are exposed to political uncertainties and risks, including the risk of political unrest, war and terrorist attacks. For example, we currently plan to establish production capabilities in Turkey, where political risks are currently difficult to

assess and the political developments in the aftermath of the attempted coup in 2016 including significant tension between Turkey, *inter alia*, member states of the EU may adversely affect trade flows and the Turkish economy. Other political and economic uncertainties and challenges, such as the continuing conflicts in Syria and the Middle East, potential terrorist attacks, closures of national borders, high integration costs resulting from the continued migration of refugees into some EU countries, high private and public debt levels, low public investments, high long-term unemployment have affected and may, *inter alia*, continue to affect business confidence. In addition, some countries may lack a certain infrastructure which may give rise to logistical risks. Furthermore, there is a risk that we may lose some or all of our investments in buildings and production facilities due to political unrest, war or natural disasters in the countries in which we operate or in neighboring countries. Should such events occur, the production capacities of larger production facilities with several hundreds of employees could not be replaced at short notice. This could impair our ability to fulfill our obligations to our customers, cause our customers to temporarily suspend production and result in substantial claims for damages against our Group.

Furthermore, the rise of populist parties and/or increasingly protectionist measures by governments in several countries within and outside the EU may negatively affect the global economy and restrict international trade flows, all of which could adversely affect our operations and sales. Consequently, such social, political and economic uncertainties and challenges may lead to a substantial decrease in demand for our products. There is also uncertainty with respect to relations between the United States and other economic areas following the presidential election in the United States, in particular, relating to an increase in tax rates following the adoption of a comprehensive U.S. tax reform as this has been stated to be a priority by the current U.S. administration.

In addition, when we commence operations in a new country, we must comply with that country's legal system, which may differ significantly from the legal systems which we are currently accustomed to. Therefore, we may be unable to obtain licenses and permits required for the operation of our sites in the new countries or such licenses and permits may be revoked. As a result, there is a risk that the production sites in a new country will be unable to commence operations or to continue operations for a certain period or will have to be closed.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

4. We operate in a cyclical industry and our business could be adversely impacted by periodic downturns in target markets, in particular within the commercial vehicle industry, and our production capacities may not meet the actual demand for our products.

With our large product range applicable to commercial vehicles and trailers, we sell products to truck and trailer original equipment manufacturers ("**OEMs**") and independent wholesalers worldwide. Sales to our customers in these industries and markets are cyclical and depend, among other things, on general economic conditions, on fiscal policies, infrastructure programs, the development of total weight transported as compared to the total kilometers travelled, the modal split between road transportation of goods and other transport methods, fuel prices or general consumer behavior and customer demand in certain countries or industry sectors. Due to this wide variety of factors influencing the truck and trailer industry in both our more mature and our emerging markets, the demand for our products is characterized by significant cyclicality and periodic downturns; for example the U.S. heavy duty truck market experienced a continued decline in the first quarter of 2017. In addition, OEMs generally do not commit to purchasing minimum quantities from their suppliers. These uncertainties make it difficult for us to accurately estimate the necessary level of production capacity or reliably predict our future working capital requirements.

Market developments and industry overcapacity may lead to underutilization of our production facilities, which may result in idle capacity costs, write-offs of inventories and losses on products due to falling average sale prices. Fluctuations in the rate at which industry capacity grows relative to the growth rate in demand for our products may in the future put pressure on our average sale prices and negatively affect our results of operations. On the other hand, during periods of increased demand, we may not have sufficient capacity to meet customer orders. If we are unable to meet rapidly increasing customer demand, we may lose orders from our customers, resulting in a loss of overall market share. Increasing production capacity may require us to invest in our production facilities and such investments may amortize only over time or not at all. In addition, we may not be able to meet the demands of our customers due to capacity shortages or production shortfalls.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

5. The industry in which we operate is characterized by intense competition, which could reduce our sales or put continued pressure on our sales prices.

The markets in which we operate are competitive and can be characterized by changing market penetration, increased price competition, and the development and introduction of new products, product designs and technologies by significant existing and new competitors. We compete primarily on the basis of quality and service to our customers, timeliness of delivery, design and price as well as the ability to provide engineering support and aftermarket services on a global basis. Should we fail to secure the quality of our products and the reliability of our supply in the future, then our customers could decide to procure products from our competitors.

We compete with other international suppliers and, to a lesser extent, regional companies. Increasing pricing-pressure in a more competitive market environment, combined with increased requirements concerning product performance and enhanced functionalities require us to offset price reductions with improved operating efficiencies and the realization of synergies. Should we not be able to achieve such operating efficiencies and synergies, price reductions would adversely impact our profit margins.

Furthermore, establishing a strong position in emerging markets is one of the key components of our global growth strategy. While the commercial vehicle supply market in Asia is already highly competitive, as the size of such markets (in particular in China) continues to increase, additional competitors may seek to enter such markets with the effect of further increasing competition. Also, new competitors from emerging markets may seek to enter more mature markets in which we operate. Increased competition can lead to price reductions, reduced margins and our inability to increase or maintain our current market share. If we are unable to compete successfully in our key markets, our sales and market shares in such markets could decrease.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

6. Consolidation of our competitors or an oversupply in the market may adversely affect our business, financial condition and results of operations.

Any consolidation of our competitors could enhance their product offerings and financial resources, further strengthening their competitive position relative to ours. Such changes in the competitive landscape could potentially reduce our market share. In addition, such industry consolidation could lead to declining sales volumes and prices for our products and services.

Additionally, supply in the markets in which we operate is driven by our own manufacturing capacity and that of our competitors. Typically, capacity is added in periods when current or expected future demand is strong and margins are, or are expected to be, attractive. Additional supply from new capacity at times where there is insufficient demand to support such supply results in overcapacity, thereby leading to a reduction of prices for industrial trucks, which might have a material adverse effect on our margins.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

II. Risks Related to our Business

1. We depend on a limited number of large OEM customers.

Many of our customers are large OEMs, which tend to have substantial bargaining power with respect to price and other commercial terms. As of December 31, 2016, approximately 25% of our sales revenues (excluding the Brazilian JV Company) related to our top five customers and approximately 36% of our sales revenues (excluding sales from the Brazilian JV Company) related to our top ten customers. There can be no assurance that we will not lose all or a portion of sales to our large OEM customers or that we will be able to offset continued reduction of prices to these customers with reductions in our costs. Factors that could cause such a loss of sales include loss of market share by these customers, including due to regulatory changes and inadequate responses to market demand, insolvency of these customers, reduced or delayed customer requirements and plant shutdowns, strikes, or other work stoppages affecting production by such customers. In addition, if any of our OEM customers discontinues its business relationship with us or terminates a contract prematurely, outstanding claims against such customer could be wholly or partially lost. There is also no assurance that we will be able to renew a contract with any of our OEM customers at all or at similar terms. While we believe that OEMs already enjoy a significant bargaining advantage, due to a further increased bargaining position, in particular if OEM customers gained market share or became bigger due to acquisitions or consolidation in the industry, we may have to accept terms that are less favorable than terms previously agreed when renegotiating contracts with such OEM customers.

The timing and amount of sales to our OEM customers ultimately depend on sales levels and shipping schedules for the OEM products into which our products are incorporated. We have no control over the volume of products shipped by our OEM customers or shipping dates, and we cannot be certain that our OEM customers will continue to ship products that incorporate our products at current levels or at all. Failure of our OEM customers to achieve significant sales of products incorporating our products and fluctuations in the timing and volume of such sales could be harmful to our business. Failure of these customers to inform us of changes to their production needs in a timely manner could also hinder our ability to effectively manage our business.

Finally, we do not carry insurance on all of our receivables. If certain of our OEM customers are unable to make payment against products we have delivered, we may not be able to recover those receivables.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

2. Shifts in market shares among vehicles or vehicle segments or shifts away from vehicles for which we supply significant parts could have a material adverse effect on our profitability.

While we supply parts for a wide variety of truck and trailers produced globally, we do not supply parts for all vehicles produced, nor is the number or value of parts we supply evenly distributed among the vehicles for which we do supply parts. Shifts in market shares among vehicles or vehicle segments, particularly shifts away from vehicles for which we supply significant parts and shifts away from vehicle segments in which our sales may be more heavily concentrated, could have a material adverse effect on our business, financial condition and results of operations.

3. We depend on energy prices as well as on a limited number of key suppliers for certain products, manufacturing equipment and raw materials and could suffer shortages if these suppliers were to interrupt their supply or increase their prices.

We require substantial amounts of commodities, purchased components, raw materials and electric power. Cost of materials accounted for 53% of our cost of sales for the year ended December 31, 2016. We are subject to the risk that any or all of these materials may become in short supply or become unavailable. We cannot always avoid relying on a single supplier for certain raw materials and, consequently, we are dependent on certain suppliers, with our top ten suppliers accounting for approximately 28% of our purchasing volume. Furthermore, our procurement logistics may experience supply delays, cancellations, strikes, insufficient quantities or inadequate quality which would result in interruptions in production and, therefore, have a negative impact on our production capacity and lead to underutilization of our production sites.

This in turn may cause delays in the delivery of products to our customers in these areas. If any one of our suppliers becomes unable to meet our delivery requirements for any reason (for example, due to insolvency, force majeure, subcontractor default or refusal to perform following a change of control), we might be unable to source input products from other suppliers upon short notice and/or at the required volume, or we might be required to pay higher prices for these products, which would reduce our operating margin.

Commodities, raw materials and energy are subject to substantial price fluctuations. These price fluctuations may give rise to material earnings risks. Due to the strong competition on the markets relevant for our Group, we may not be able or may only be able to a certain extent to pass on these price fluctuations to our customers.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

4. We do not control our joint venture.

We currently participate in, and may continue to participate in the Brazilian JV Company. There can be no assurance that the arrangements will be successful or achieve their planned objectives. The performance of this operation in which we do not have a controlling interest will depend on the financial and strategic support of the other shareholder. Such other shareholder may make ill-informed or inadequate management decisions, or may fail to supply or be unwilling to supply the required operational, strategic and financial resources, which could materially adversely affect these operations. If our strategic partner was to encounter financial difficulties, change its business strategies or no longer be willing to participate in the Brazilian JV Company, our business, financial condition and results of operations could be materially adversely affected. Moreover, we may not have the power to control the payment of dividends or other distributions. As a result, even if the business is performing well, we may not receive payment of our share

of any profits. Finally, there could be circumstances in which we may wish or be required to acquire the ownership interests of our partner, and there can be no assurance that we will have access to the funds necessary to do so, on commercially reasonably terms or at all.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

5. Products that do not meet customer specifications or that contain, or are perceived to contain, defects or errors or that are otherwise incompatible with the intended end use could impose significant costs on us.

We manufacture many products pursuant to OEM customer specifications and quality requirements. If the products manufactured and delivered by us do not meet the requirements determined by our OEM customers at the agreed date of delivery, production of the relevant products may be discontinued until the cause of the product defect has been identified and remedied. Furthermore, our OEM customers could potentially bring claims for damages on the basis of breach of contract, even if the cause of the defect is remedied at a later point in time.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

6. Our business could suffer if the reputation of our brands is damaged.

Our business depends to a significant extent on our reputation and the reputation of the brands under which we market our products. Actual or alleged instances of inferior service or product quality or of damage caused or allegedly caused by our services or products could damage our reputation in the markets in which we operate and could lead to customers becoming less willing to work with the relevant company of our Group. The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

7. Our future business success depends on our ability to maintain the high quality of our products and processes.

For customers, one of the determining factors in purchasing our components and systems is the high quality of our products and manufacturing processes. A decrease in the actual and perceived quality of these products and processes could damage our image and reputation as well as those of our products. Any errors or delays caused by mistakes or miscalculations in our project management could negatively affect our customers' own production processes, resulting in reputational damage to us as supplier as well as to the affected customer as manufacturer. A recall of products may affect our ability to provide sufficient quantities for commercial sale and may also adversely affect our reputation, lead to significant costs and create logistical challenges. In addition, defective products could result in loss of sales, loss of customers and loss of market acceptance. See *A.III.2. "We are exposed to warranty and product liability claims"*.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

8. We may be unable to anticipate, respond to, or utilize changing technologies.

Our future operating results will be influenced by our ability to continue to introduce new products and applications that offer distinct value for our customers. Many of our products could be affected by technological change and new product introductions and enhancements. We expect to continue to enhance our existing products, to identify, develop, and manufacture new products with improved capabilities, and to make improvements in our productivity in order to maintain our competitive position. We anticipate devoting resources to the development of new technologically-advanced products and systems and to continue to devote a substantial amount of expenditures to the research and development functions of our business. However, we cannot assure that:

- we will be successful in developing new products or systems, or bringing them to market in a timely manner;
- we will be successful in adapting to the shift to electric mobility and the rise of new OEMs due to such technology change;
- products or technologies developed by others will not render our offerings obsolete or non-competitive;
- we will not be forced to increase the resources that we are devoting to the development of new technologically-advanced products and systems due to an increased spending of our competitors;

- our customers will not substitute our products with competing products or alternate technology;
- the market will accept our innovations; or
- our competitors will not be able to produce our non-patented products more efficiently.

In addition, our growth prospects may be particularly limited if we are not successful in maintaining our market position.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

9. The financial resources available to us may be insufficient to meet our capital needs and may limit our research and development efforts.

Our cash from operating activities and current cash resources as well as our existing sources of external financing could be insufficient to meet our further capital needs.

Furthermore, future disruptions in the financial markets, including the bankruptcy, insolvency or restructuring of a number of financial institutions, and further changes in the regulatory environment affecting financial institutions could adversely impact the availability and cost of additional financing for us and could adversely affect the availability of financing already arranged or committed. Our liquidity could also be adversely impacted if our suppliers tighten terms of payment as the result of any decline in our financial condition or if our customers were to extend their normal payment terms.

Should we be unable to secure sufficient funding to finance our development activities, we could lose our competitive position in a number of important market segments. We spent €10.7 million on research and development expenses in the year ended December 31, 2016 (2015: €9.4 million; 2014: €7.6 million), which mainly include personnel expenses. If we devote resources to the pursuit of new technologies and products that fail to be accepted in the marketplace or that fail to become commercially viable, all or part of these research and development expenses may be lost.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

10. We may be unable to successfully integrate or achieve the expected benefits from current or future acquisitions or joint ventures as well as plant openings, closures or relocations.

We have completed or established a number of significant acquisitions or joint ventures in the past and have opened new and relocated certain plants. We may continue to pursue selected acquisitions, open, close or relocate plants, or enter into new joint ventures in the future. To the extent we are successful in making acquisitions, establishing joint ventures or opening, closing or relocating plants, we may need to expend substantial amounts of cash, incur additional debts or assume loss-making divisions. Future acquisitions or joint ventures as well as plant openings, plant closures or plant relocations may also involve a number of other risks, including unexpected losses of key employees of the acquired, relocated or established operations; extraordinary or unexpected legal, regulatory, contractual, employee-related restructuring and other costs; difficulties in integrating the financial, technological and management standards, processes, procedures and controls of the acquired, relocated or established businesses with those of our existing operations; challenges in managing the increased scope, geographic diversity and complexity of our operations; mitigating contingent and/or assumed liabilities; the possible loss of customers and/or suppliers; and control issues in relation to acquisitions through joint ventures and other arrangements where we do not exercise sole control.

We may not realize the anticipated cost savings, synergies, future earnings or other benefits that we intend to achieve from acquisitions, plant openings, plant relocations or joint ventures. We cannot guarantee that any future acquisition, plant opening, plant relocation or joint venture will yield benefits that are sufficient to justify the expenses we have incurred or will incur in completing such acquisition, plant opening, plant relocation or joint venture. Furthermore, any future acquisition, plant opening, plant relocation or joint venture may not be as successful as the acquisitions, plant openings, plant relocations or joint ventures that we have completed in the past. We could also take on additional risks as a result of acquisitions or joint ventures, including the risk of potential guarantee or liability claims resulting from the disposal of former business units or joint ventures.

The realization of any of these risks, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

11. *If we are unable to extend or renew our lease agreements on favorable terms or at all, or if any of our current leases are terminated prior to the expiry of their stated term and we cannot find suitable alternate locations, our growth and profitability could be harmed.*

As of March 31, 2017, we leased the majority of our production facilities and offices. Our Group currently leases real property at locations in Europe, North America, and APA. The underlying lease agreements have varying maturities and we are regularly looking into options to extend such lease agreements. If we are unable to extend or extend any of our lease agreements on favorable terms or at all, our growth and profitability could be harmed and we may consider relocating or closing the leased real property. As of March 31, 2017, lease agreements have lease terms of up to 10 years. The Company does not have the option to purchase the assets at the end of the lease agreement, and while the lease agreements relieve the Company from capital expenditure payments, the Company recorded €9.6 million, €7.9 million and €6.8 million in rental and lease expenses in the years ended December 31, 2016, December 31, 2015 and December 31, 2014, respectively.

Our ability to maintain our existing rental rates during renewals or to renew any expired lease on favorable terms will depend on many factors that are not within our control, such as conditions in the local real estate market, competition for desirable properties and our relationships with current and prospective landlords. We have made certain assumptions about future rent reviews in respect of our leasehold property. If rent reviews were to be agreed at rates higher than currently anticipated, there would be an adverse impact on our financial performance. In addition, there is a risk that the leases may not be renewed in due course or at all due to, among other factors, the state of the real estate market at such time and the competition for retail space. This would result in additional costs being incurred in selecting appropriate or equally suitable alternative premises and relocating to them and there is a risk that suitable alternative premises may not be available. If our lease payments increase or we are unable to renew existing leases or lease suitable alternate locations, our profitability may be significantly harmed.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

12. *We may be unable to protect our intellectual property rights effectively.*

Many of our products and services are highly dependent upon our technological know-how and the scope and limitations of our proprietary rights therein. We have obtained and applied for a large number of intellectual property rights, such as patents, that are of considerable importance to our business.

The process of seeking patent protection can be lengthy and expensive. Furthermore, patents may not be granted on currently pending or future applications or may not be of sufficient scope or strength to provide us with meaningful protection or commercial advantage. In addition, while there is a presumption that patents are valid, the granting of a patent does not necessarily imply that it is effective or that possible patent claims can be enforced to the degree necessary or desired. Furthermore, a significant part of our know-how and industrial secrets is not patented or cannot be protected through intellectual property rights. Consequently, there is a risk that certain parts of our know-how and trade secrets could be transferred to collaboration partners, customers or suppliers. Granted patents for important products may also expire before these products are replaced by new products. This poses a risk that competitors will copy our know-how without incurring any expenses of their own.

Moreover, we have concluded a number of license, cross-license, and cooperation and development agreements with our customers, competitors and other third parties under which our Group is granted rights in industrial property and/or know-how of such third parties. It is possible that license agreements could be terminated, for example, in the event of the licensing partner's insolvency or bankruptcy or in the event of a change-of-control in either party, leaving our Group with reduced access to intellectual property rights to commercialize our own technologies.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

13. *There is a risk that we may infringe intellectual property rights of third parties.*

There is a risk that we may infringe intellectual property rights of third parties, since our competitors, suppliers and customers also submit a large number of inventions for industrial property protection. It is not always possible to determine with certainty whether processes, methods or applications we use are subject to intellectual property rights of third parties. Therefore, third parties could assert infringements of intellectual property rights (including illegitimate ones) against us or an entity of our Group. As a result, we could be required to cease manufacturing, using or marketing the relevant technologies or products in certain countries or be forced to make changes to manufacturing processes and/or products. In addition,

we could be liable to pay compensation for infringements or could be forced to purchase licenses to make use of technology from third parties.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

14. We may not have validly acquired employee inventions or could fail to validly acquire them in the future.

There is a risk that we have failed or will fail to properly claim inventions of our employees. Present or former employees who made or make employee inventions may continue to be the owners of the rights to inventions if we fail to claim the invention in a timely manner. If this should be the case and we nevertheless registered an employee invention with us as the owner of a patent or utility model and/or used an employee invention as such, then the employee who made the invention may have a claim for transfer of the patent or utility model against us. Also, the relevant employee may be able to assert claims for damages for the unauthorized use of his or her invention (e.g., disgorgement of profits or notional license fees). In addition, a claim could be asserted against us to enjoin our use of the invention, or we could be forced to enter into a license agreement providing for the payment of royalties in order to use the invention in the future. We may also be forced to acquire the invention. Furthermore, there is a risk that employees may have claims for employee invention compensation which have not yet been fully satisfied. Should we have failed to validly acquire employee inventions or should we potentially fail to validly acquire them in the future or should employees have claims for employee invention compensation which have not been fully satisfied, this could have a material adverse effect on our business, financial condition and results of operations.

15. We may experience failures of or other malfunctions in our computer systems.

The increasing reliance on information technology ("**IT**") systems and the necessity of their permanent availability impose high demands on the information technology used. Our IT systems support almost all functions of our Group, including all business units, and we have taken precautions to manage our risks related to system and network disruptions. Despite these precautionary measures, an extended outage in a data center or telecommunications network utilized by our systems, any malfunction, fault or security breach in our computer systems and software, including possible attacks by outsiders (e.g., by hackers or computer viruses) or any similar event could lead to an extended unanticipated interruption of our systems or networks. In such a case, we may have to expend substantial amounts of money and resources on the prevention and fixing of potential or existing security breaches and their consequences.

We are also constantly expanding and improving our information technology systems to assist us in the management of our business. The implementation and ongoing optimization of new IT systems, such as the current implementation of a new IT system at our headquarters in Neu-Isenburg, and the addition of these systems at new locations require significant management time, support and cost. Moreover, there are inherent risks associated with developing, improving and expanding our core systems. We cannot be sure that these systems will be fully or effectively implemented on a timely basis, if at all. If we do not successfully implement and manage these systems, our operations may be disrupted and our results of operations could be harmed. In addition, new systems may not operate as we expect them to, and we may be required to expend significant resources to correct problems or find alternative sources for performing these functions.

The realization of any risks related to our IT system and network disruptions could have a material adverse effect on our business, financial condition and results of operations.

16. We are exposed to the risk of product-related crime and industrial espionage.

As a manufacturer and supplier of high-quality products, we face certain crime risks. These include, among others, theft, misuse and counterfeiting of products (including attempts at these crimes). This is often accompanied by an infringement of trademark rights. The risk resulting from illegal trading of counterfeit products by criminal third parties relates to the fact that, in most cases, the quality of counterfeit products is inferior to that of the original products. Products originating from illegal third-party manufacturers not only endanger users and the environment but also jeopardize our reputation and that of our products and therefore undermine our competitiveness. The sophistication and complexity of product-related crime has increased in recent years. The material damage cannot easily be estimated, in particular, because an exact number of cases of product related crimes is not available. The impact of product related crimes on business activities differs by case and is influenced by factors specific to regions and products.

Furthermore, there is a risk of loss of sensitive business information, other data or our tangible and intangible expertise due to an ineffective protection of confidential information, in particular as a result of

any possible form of offense such as industrial espionage. Our key employees and officers have access to sensitive confidential information relating to our business such as insights about strategic developments, business case planning and core technology. In the event that competitors, third parties or the general public gain access to such confidential information in spite of our protective measures, be it on purpose or by accident, our market position could be materially weakened.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

17. We rely on strategic partners and other third-party contractors, and our business could be harmed if they fail to perform as expected or relationships with them were to be terminated.

Many of our OEM customers reserve the right to approve the suppliers we use. Our ability to source input products from additional or alternate suppliers on short notice may be limited if the relevant OEM customer needs time to approve the additional or alternate supplier. If approved suppliers fail to perform as expected or the relationships with them were terminated, this could lead to order cancellations or even damages and could harm our long-term relationships with OEM customers, who may choose to select another supplier.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

18. We are subject to export controls that could subject us to liability or impair our ability to compete in international markets.

We are subject to export control laws that may limit where and to whom we may sell certain of our products and with whom we undertake business activities. We are subject to routine foreign trade audits by competent German authorities. Moreover, export licenses are required from government agencies for some of our products in accordance with various statutory and regulatory authorities, and in some cases we are not allowed to undertake any business activities. Failure to obtain these necessary licenses, to pay required customs duties or to comply with applicable export controls, or the termination or significant limitation on our ability to export certain of our products, could have a material adverse effect on our business, financial condition and results of operations as well as cause individual penalties and sanctions for each involved employee.

19. We face environmental risks associated with soil, water, or groundwater contamination and risks related to hazardous materials.

Many of the sites at which we operate have been used for industrial purposes for many years, leading to risks of contamination and the resulting site restoration obligations. In addition, we could be held responsible for the remediation of areas adjacent to our sites if these areas were contaminated due to our activities. Furthermore, soil, water and groundwater contamination have been discovered at sites operated by us in the past and there can be no assurance that no such discoveries will be made in the future. There can be no assurance that unreported disposal of waste or other activities of which we are not aware may have occurred that could impair the environmental status of property.

The competent authorities could assert claims against us, as the owner or tenant of the affected plots for the examination or remediation of such soil or groundwater contamination, or order us to dispose of or treat contaminated soil excavated in the course of construction. If the authorities were to pursue claims against the relevant owner of the property and if we caused the contamination, we could also be required to indemnify the owners of plots leased by us or of other properties. In addition, remediation activities have taken place upon order by or agreement with the competent authorities where contaminations have been discovered in the past. There can be no assurance as to whether contaminations of other properties will be discovered, whether our remediation activities will prove effective, or whether similar remediation activities will be required or prove effective in the future. Costs typically incurred in connection with such claims or remediation activities are generally difficult to predict. Also, if any contamination were to become a subject of public discussion, there is a risk that our reputation or relations with our customers could be harmed.

Furthermore, at some of the sites which we operate, or which we operated in the past, hazardous materials and petroleum products, such as heat insulation containing asbestos, oils, lubricants, paints, paint thinners, solvents, lead chromate, acids, bases and auxiliary products and other materials were previously used. The environment and the health and safety of third parties (such as former employees) may have been affected due to the use of such hazardous materials, and we could be exposed to related damage claims in the future. We face similar risks with respect to former sites which we sold in the past. Even if we have contractually excluded or limited our liability in connection with the sale of such properties, we could be held responsible for currently unknown contamination on properties which we previously owned or used.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

20. Our results of operations and financial condition may be adversely impacted by movements in exchange rates.

Our earnings are exposed to exchange rate fluctuations. For example, a 5% exchange rate change of the 2016 year end exchange-rate of all exchange rates against the euro (assuming all other parameters are constant), would change trade receivables by €2.4 million and trade payables by €1.8 million, each as of the year ended December 31, 2016. This could lead to the value of our production costs not matching the value of the consideration received in transactions, since income and expenditure arise in different currencies. Exchange rate fluctuations affect the levels of proceeds, liabilities and receivables in particular.

Furthermore, foreign-exchange exposure arises at subsidiaries where the functional currency is not the euro, most importantly those operating in the U.S. dollar or Chinese renminbi, since on the one hand the earnings of these companies determined in a foreign currency are translated at average rates and recognized in profit or loss, and on the other hand the net assets are translated into euro at spot rates and result in currency-related fluctuations in the equity of our Group. As in previous years, the Group generally does not hedge these risks, but our subsidiaries conduct their operating business largely in their local currency to mitigate the risk of exchange movements. Further, on an ongoing basis we review our exchange rate exposure in the various currencies. Further, fluctuations in foreign-exchange rates could impact payments due in euro or other permitted currencies under the New Senior Facilities Agreement (as defined in *A.IV.1. "Our leverage and debt service obligations could have a material adverse effect on our business"* below).

Although we may enter into certain hedging arrangements in the future, there can be no assurance that hedging will be available or continue to be available on commercially reasonable terms. In addition, if we were to use any hedging transactions in the future in the form of derivative financial instruments, such transactions may result in mark-to-market losses.

There is no assurance that these fluctuations in currency exchange rates can be compensated by other means. Any uncompensated fluctuations could have a material adverse effect on our business, financial condition and results of operations.

21. Our pension and other post-retirement benefits obligations are significant and the related expense and funding requirements of our pension plans could materially increase, thereby reducing our profitability.

We have substantial pension and other long-term employee benefits-related obligations, which are only partly covered by plan assets. At December 31, 2016, our total defined benefit obligations from pension commitments amounted to €69.3 million (calculated under IAS 19). With pension obligations of €62.4 million as of December 31, 2016, the largest part of these obligations was attributed to unfunded defined benefit pension schemes which we maintain in Germany and which were closed to new entrants in 1992. Hence, there is no assurance that future retirees will receive the pensions they were promised or that current retirees will continue to get their previously established distribution amount. Other long-term related obligations in respect of the employees include obligations from long-term working time accounts (*Langzeitkonten*).

The amount of our defined benefit obligations is dependent on the development of the present value of the obligations. Changes in the assumptions used for calculating the obligations under our pension and retirement benefit plans, such as discount rates, inflation rates, rates for compensation increase, mortality tables, healthcare cost trends, legal and regulatory developments and requirements regarding the calculation of pensions owed and other factors can lead to significant increases or decreases in our pension or retirement benefit obligations. This would affect the reported volume of the pension and retirement obligations and therefore could also negatively (or positively, as the case may be) affect net periodic pension cost, future cash contributions and equity. Any increase in the present value of our pension and other long-term benefit obligations could have material adverse effects on our business, net assets, financial condition, cash flow and results of operations and there can be no assurance that sufficient cash flow to satisfy these obligations can be generated.

22. We could have difficulties in hiring and retaining qualified executives, key employees and key consultants.

Our success depends largely on our executive board members and other qualified executives, employees and consultants in key functions and key geographical regions. The loss of executives, key employees or consultants could have a material adverse effect on our market position and prospects. Considerable

expertise could be lost or access thereto gained by competitors. Due to intense competition for qualified executives, key employees and consultants in general, there is a risk of losing qualified employees or being unable to find a sufficient number of appropriate new employees or consultants. There is no guarantee that we will be successful in retaining our executives or employees and consultants in key positions or in attracting new employees or consultants with corresponding qualifications. Any failure to attract, train, motivate or retain skilled personnel at reasonable costs could have a material adverse effect on our business, financial condition and results of operations.

23. Work stoppages or other labor issues at our facilities or at the facilities of our customers or those in our supply chain could have a material adverse effect on our business. Any failure to adopt or negotiate collective agreements which are satisfactory to us could result in additional employment costs.

Personnel expenses represent a significant cost factor for our business. Although we believe that we have good relations with our employees and their representatives, there can be no assurance that these relations will not deteriorate in the future and that we will be able to reach collective agreements on terms which are satisfactory to us. There can be no assurance for the future that we will not experience strikes, unionization efforts or other types of conflicts with labor unions, our employees and works councils, which might disrupt our operations or lead to a loss in revenue, loss of customers and increase of our operating costs (for example, if we were urged to adopt or negotiate a collective bargaining agreement providing for higher wages than currently applied or additional benefits or employment protection, or as a result of relocations or closures of production facilities). In addition, many of our customers and our suppliers have unionized workforces. Refusals to work or work stoppages experienced by our customers or our suppliers could result in decreased or delayed demand for our products (in case of work stoppages affecting our customers) or could require us to slow or shut down our production (in case of supply delays).

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

24. Our insurance coverage may not be adequate to cover all the risks we may face.

We have obtained insurance coverage in relation to a number of risks associated with our business activities that are subject to standard exclusions, such as willful misconduct. In addition, our production plants, equipment and other assets are insured for property damage and business interruption risks, and we carry insurance for product liability risks. Our insurance policies are subject to deductibles and other coverage limitations and we cannot ensure that we are fully insured against all potential hazards incident to our business, including losses resulting from risks of war or terrorist acts, certain natural hazards (such as earthquakes), environmental damage or all potential losses, including damage to our reputation.

However, as some risks cannot be assessed or can only be assessed to a limited extent, the possibility of loss or damage not being covered by the insured amounts and provisions cannot be ruled out. Furthermore, we may suffer losses or claimants may bring claims against us that exceed the type and scope of our existing insurance coverage. Significant losses could also lead to higher insurance premium payments.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

III. Legal, Regulatory and Tax Risks

1. Governmental regulations or taxes could increase our costs and could adversely affect our business and results of operations.

We must observe a large number of different regulatory systems across the world that change frequently and are continuously evolving and becoming more stringent, in particular with respect to environmental regulations, chemicals and hazardous materials, as well as worker's health regulations. This applies also to air, water and soil pollution regulations and to waste legislation, all of which have recently become more stringent through new laws, in particular, but not limited to, in the EU, the United States and China. We could become subject to additional burdensome environmental, health and safety regulations across the world.

Currently ten out of our 17 production facilities (including the Brazilian JV Company) are certified according to the ISO 14001 standard. ISO 14001 sets out the criteria for an environmental management system ("**EMS**"). It does not state requirements for environmental performance but maps out a framework that a company or organization can follow to set up an effective EMS. ISO 14001, as with other ISO 14000 standards, is voluntary, primarily aimed at assisting companies to continually improve their environmental performance, while complying with any applicable legislation. Seven out of our ten ISO 14001 sites produce for the truck industry, since our truck customers generally expect this standard. Where necessary, the

locations are certified according to the British Standard for Occupational Health and Safety Assessment Series 18001 ("**OHSAS**"). OHSAS specifies requirements for an occupational health and safety ("**OH&S**") management system to help an organization develop and implement a policy and objectives, which take into account legal requirements and information about OH&S risks. In addition, for our sites and operations, we require various permits and must comply with the requirements specified therein. In the past, adjusting to new requirements required significant investments. We currently assume that we will require in the future further but presumably non-extensive investments with regard to the implementation or maintenance of environmental and health and safety quality management systems. Regulations restricting or limiting vehicle traffic with an aim at reducing carbon emission could lead to a material decrease in vehicle sales and consequently adversely affect demand for our products and services. Moreover, any failure to comply with the above mentioned regulations and standards may lead to significant fines or penalties.

In addition, any change in legislation concerning corporate income tax and other future changes in tax law in Germany or other countries in which we are subject to taxation could lead to higher tax expenses. Furthermore, increasing taxes reducing the income available for consumption may also weaken the global demand in the commercial vehicle markets. Tax increases are a likely reaction of the national governments (especially of the EU member states) to the increase of national debt resulting from the various bailout programs set out for banks or the stabilization package for EU member states.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

2. We are exposed to warranty and product liability claims.

As a manufacturer, we are subject to product liability lawsuits and other proceedings alleging violations of due care, warranty obligations, treatment errors and safety provisions as well as claims arising from breaches of contract, recall actions or fines imposed by government or regulatory authorities in relation to our products. Any such lawsuits, proceedings and other claims could result in increased costs for us. Additionally, authorities could prohibit the future sale of our products, particularly in cases of safety concerns, which could result in loss of market acceptance, loss of revenue and loss of customers. The corresponding insurance coverage, if any, could prove insufficient in individual cases. Additionally, any major defect in one of our products could also have a material adverse effect on our reputation and market perception, which in turn could have a significant adverse effect on our revenue and results of operations.

In addition, vehicle manufacturers are increasingly requiring a contribution from, or indemnity by, their suppliers for potential product liability, warranty and recall claims, and we have been subject to continuing efforts by our customers to change contract terms and conditions concerning warranty and recall participation.

We are and may become party to certain disadvantageous contracts pursuant to which we are required to sell certain products at a loss or to agree to broad indemnities. For example, we may enter into a contract at an agreed price and production costs may end up exceeding the amount assumed in the development phase. If the assumptions on which we rely in contract negotiations turn out to be inaccurate, this could have an adverse effect on our revenue and results of operations.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

3. We may be subject to antitrust investigations, the outcome of which could lead to fines and related damage claims.

Antitrust authorities, including those in Europe, may focus on investigating possible violations of competition (antitrust) laws by commercial vehicle parts suppliers, which may include us or subsidiaries of our Group. While the duration and outcome of these investigations is uncertain, the risk remains that competition authorities in Europe or elsewhere may impose penalties or that third parties may claim for damages. In particular, a determination that we or any of our subsidiaries has violated European competition (antitrust) laws could result in significant penalties which could have a material adverse effect on our financial condition, results of operations and cash flows, as well as our reputation.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

4. We are subject to risks from legal, administrative and arbitration proceedings.

We are, or may become, involved in a number of legal, administrative and arbitration proceedings. Proceedings relating to our operative business have in the past and will likely in the future include, among

others, labor disputes as well as disputes relating to intellectual property rights, warranty and civil damages claims including (alleged) product and service liability claims. These and other proceedings or potential proceedings could involve substantial claims for damages or other payments. Based on a judgment or a settlement agreement, we could be obligated to pay substantial damages or fines. Our litigation costs and those of third parties (in relation to which we may have to indemnify such third parties) could also be significant. The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

5. We are subject to a variety of laws and future regulations which might impose additional requirements and other obligations on our business.

The laws and regulations that apply to our business, and to public companies generally, are constantly evolving and can differ, or be subject to differing interpretation, from jurisdiction to jurisdiction. Although we strive to implement and improve legal and regulatory compliance procedures throughout our Group, there can be no assurance that we have complied or will fully comply with all applicable laws and regulations. Any non-compliance, or alleged non-compliance, by us in relation to any of these laws or regulations could result in damage to our reputation, a loss of revenue, civil liability, administrative orders (including injunctive relief), fines or even criminal charges and may lead to legal or enforcement action being brought against us as a result of such actual or alleged non-compliance, which could further damage our reputation and result in substantially increased legal expenses. Furthermore, various legislative and regulatory bodies, or self-regulatory organizations in the jurisdictions in which we operate now or in the future, may extend the scope of current laws or regulations, enact new laws or regulations or issue revised rules or guidance. Changes in laws or regulations applicable to us could cause us to incur substantial costs or require us to change our business practices, and could compromise our ability to pursue our growth strategy effectively. The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

6. We are exposed to compliance, internal controls and tax risks.

We are exposed to a large variety of business and compliance risks. Since our domestic and foreign managers retain a certain amount of operational and decision-making flexibility we cannot guarantee that our domestic and foreign managers will not take actions, or, in particular cases, take fraudulent actions against us or third parties, or experience problems or conflicts of interest, that could be detrimental to our business, financial condition and results of operations or damage our reputation. Individual employees of the JOST Group could violate applicable laws, for example in the areas of antitrust and competition law as well as anticorruption laws. This could have a material adverse effect on our business, financial condition and results of operations. Our business is subject to the general tax environment in Germany and abroad, which may change to our detriment.

While we have certain internal compliance procedures and internal controls, such procedures and internal controls must be reviewed on an ongoing basis, and the processes to effectively and adequately maintain and improve such procedures and internal controls may be delayed due to the lack of internal resources or subject to lapses in judgment and breakdowns resulting from human error. While we plan to continue to effectively and adequately maintain and improve our standards and procedures, work on effective communication and training with respect to our compliance program, monitor the effectiveness of our compliance program, remediate non-compliant situations we become aware of and establish a regular reporting routine on the state of compliance to the management board, there can be no guarantee that such processes uncover all shortcomings.

The Company's business is subject to the general tax environment in Germany and abroad. In the midterm, the Company currently expects a profit and loss tax rate of approximately 20% going forward, and targets a cash tax rate of approximately 30%. Changes in tax legislation, administrative practice or case law could result in higher tax liability than expected and could have adverse tax consequences for us. Despite a general principle prohibiting retroactive changes, amendments to applicable laws, orders and regulations can be issued or altered with retroactive effect. Additionally, divergent interpretations of tax laws by the tax authorities or the tax courts are possible. These interpretations may be changed at any time with adverse effects on the Company's tax position. Furthermore, in Germany, court decisions are often overruled by the tax authorities by way of issuing non-application decrees (*Nichtanwendungserlasse*). As a result, major uncertainties exist with regard to the tax rules applicable to the Company and its German and foreign subsidiaries. Deviating views adopted by the tax authorities or the tax courts might lead to a higher tax burden. Additionally, adverse changes in the tax framework occur, individually or together, could have a material adverse effect on the Group's business and cash flows, financial condition and results of operations.

The Group currently experiences certain value added tax ("**VAT**") administration issues in Poland, since the Polish tax authorities are currently reviewing the application of the VAT exemption for intra-community

supplies from Poland to Germany and certain other EU countries. In the event that the Polish tax authorities deny the application of the VAT exemption, the Group would need to initiate procedures in order to obtain an input VAT refund. As a result, the Group could become subject to additional interest and penalties, but overall VAT burden of the Group is not expected to increase. In addition, there can be no assurance that the Polish tax authorities may not deny the refund of such input VAT, which could result in additional VAT payments of the Group as well as interest and penalties thereon.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

7. We could be required to pay additional taxes following tax audits of our Group companies.

Our Group is regularly subject to tax audits in Germany and abroad. The most recent tax audit of the German companies of our Group covered the fiscal years 2010 to 2014 and was completed in 2016 without material findings. The amount of additional taxes payable by the Group resulting from such tax audit has already been paid to the German tax authorities to ensure that no interest will be payable thereon. However, the final tax audit report for the fiscal years 2010 to 2014 has not yet been issued. All tax assessment notices issued for the audit periods and for tax periods not yet audited are not yet final and binding and are subject to full review and therefore can be changed by the tax authorities at any time without restrictions. As a consequence of current or future tax audits or previously completed tax audits for which no final tax assessments have been issued, or as a result of possibly divergent tax law interpretations by the tax authorities or tax courts, tax loss carry-forwards could be reduced, or the Company could be obliged to pay additional taxes, including additional VAT and tax on any gain from a contribution of shareholder loan receivables to the extent such receivables are not fully valuable. Such additional taxes may have a material adverse effect on the Group's business and cash flows, financial condition and results of operations.

8. The tax authorities might not accept all tax deductions for the Group's interest payments.

In the course of its business, the Group has entered into financing transactions with third parties and affiliates. These debt financing agreements require the respective subsidiaries to pay principal and interest. There are several rules in German tax laws restricting the tax deductibility of interest expenses for corporate income and trade tax purposes. Such rules have been changed considerably on several occasions in the recent past. As a result, major uncertainties exist as to the interpretation and application of such rules, which are not yet clarified by the tax authorities and the tax courts. The tax deductibility of interest expenses depends, among other things, on the details of the security structure for debt financings, the annual amounts of tax net-debt interest expense, the amounts of shareholder financings, the equity-ratio of the Group and any particular business within the Group, the general tax structure of the Group, the annual tax EBITDA (*verrechenbares EBITDA*) and the tax EBITDA of previous years. As a general rule, annual net-debt interest expenses (i.e., interest expenses which exceed any interest income realized) are only deductible to the extent that they do not exceed 30% of the tax EBITDA. There is a risk of additional taxes being triggered for the Group if interest expenses were not to be tax deductible. If this were the case, it would result in a higher tax burden and, consequently, may have a material adverse effect on the Group's business and cash flows, financial condition and results of operations.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

9. The Group might be exposed to additional customs duties.

The Group uses the tariff group classifications provided by our suppliers for the declaration of import duties and export duties, respectively, since they usually know how to classify their products. In the event that such classification proves to be wrong or the required documentation is missing, additional customs duties may be levied on the import and export, respectively, of the concerned goods. Additional amounts might be claimed by the customs authorities upon audit which may have an adverse effect on the Group's business and cash flows, financial condition and results of operations.

10. We may be exposed to export restrictions due to changing export control regulations or trade sanctions.

We may be affected by export control regulations or trade sanctions imposed by the EU or by other states in which we operate or in which customers or suppliers are located. In particular, certain supply items or products might be subject to export control under EU law. The export of such goods to destinations outside the EU requires a permit that might be withheld by the competent national authorities. In addition, we may be affected by trade sanctions that prohibit the import or export of certain items from specific countries

under international, or domestic law. For example, there is uncertainty with respect to relations between the United States and other economic areas following the presidential election in the United States, in particular, relating to an increase in tax rates following the adoption of a comprehensive U.S. tax reform, but also relating to export control regulations.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

11. Tax authorities may take the position that a subsidiary of our Group has created a permanent establishment abroad.

Because of our international production and sales activities, it cannot be ruled out that a tax authority successfully claims the creation of a permanent establishment of a subsidiary of our Group in a jurisdiction other than the jurisdiction or incorporation of such subsidiary. This could result in a re-attribution of assets, risks and chances and profits deriving thereof. To the extent that these profits have already been taxed in another jurisdiction, such re-attribution may potentially result in a double taxation should a corresponding readjustment not be possible in the jurisdiction in which the respective profits have already been taxed. The risks associated with the creation of a permanent establishment may have an adverse effect on the Group's business and cash flows, financial condition and results of operations.

12. We may face demands to adjust our transfer pricing policy by tax authorities.

Because of our international footprint, Group companies are engaged in numerous intra-group cross-border transactions. The Company takes the position that the prices applied for these intra-group cross border transactions have been thoroughly reviewed and are in line with the arm's length principle. However, tax authorities may take a differing view and demand the adjustment of the Group's transfer pricing policy with potential effects on both past and future intra-group transactions. These adjustments could have a material adverse effect on our business, financial condition and results of operations.

13. We may not be able to rely on favorable tax regimes or subsidies.

Currently, the Group companies rely on a preferential tax/subsidy regime in some jurisdictions. The application of these preferential regimes are subject to the fulfillment of certain requirements in the past and the future. Should the competent authorities take the position that the respective Group companies failed to fulfill these requirements, the authorities may deny the benefits of such regime (possibly with retroactive effect). Such denial may have an adverse effect on the Group's business and cash flows, financial condition and results of operations.

IV. Risks Related to our Capital Structure

1. Our leverage and debt service obligations could have a material adverse effect on our business.

We have incurred substantial indebtedness and will continue to have substantial debt obligations after the admission to trading and listing on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). As of December 31, 2016, our interest bearing loans and borrowings amounted to €320.0 million and our equity amounted to negative €137.4 million. On July 18, 2017, we expect to enter into a €260,000,000 senior term and revolving credit facilities agreement (the "**New Senior Facilities Agreement**") to, among other matters, refinance the Existing Senior Facilities Agreement as described in more detail in *H.XIII.4.a.* "*Existing Senior Facilities Agreement*". Our level of indebtedness, which we may increase further in the future, could have important consequences for investors in the Company shares. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to our indebtedness;
- increase our vulnerability to adverse economic and industry conditions;
- require us to dedicate a substantial portion of cash flow from operating activities to payments on our existing indebtedness, which could reduce the availability of cash flow to fund capital expenditures, future acquisitions and other general corporate needs;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors with less debt and/or more equity on their balance sheet; and
- limit our ability to borrow additional funds.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

2. *Our leverage and debt-service obligations could limit the cash we have available for acquisition financing, dividend payments and other measures, and a significant increase in our indebtedness could restrict our access to credit or change the terms on which it is extended to us.*

As of December 31, 2016, our total non-current and current liabilities amounted to €741.7 million, our total assets amounted to €604.4 million, and our Adjusted EBIT amounted to €61.9 million. To the extent that cash flow from operating activities is dedicated to the payment of principal and interest on our indebtedness, it reduces the amount of cash we have available for other purposes, including capital expenditures, the exploitation of business opportunities, future acquisitions and other general corporate needs, as well as any future dividends. Furthermore, a significant increase in our net indebtedness could result in changes in the terms on which banks and suppliers are willing to extend credit to us. Any of these events, if they occur, could increase our costs of financing, or cause us to become obligated to make early repayment on some or all of our indebtedness, either of which could have a material adverse effect on our business, financial condition and results of operations.

3. *We are exposed to a number of risks associated with our existing indebtedness.*

Our New Senior Facilities Agreement contains a number of covenants, including among others, a requirement to comply with specified maximum net debt to EBITDA (leverage) ratios. Other credit facilities that we may enter into in the future may include similar financial covenants.

In light of the cyclical nature of our business and the possible effects on our business activities and results of operations as well as the other market and business-related risks described herein, we may not be able to maintain our current Group sales and profitability at the levels required for meeting the EBITDA-related financial ratios. Hence, we cannot ensure that we will continue to comply with these financial covenants in the future. A breach of any of these covenants, in particular the inability to comply with the required financial ratios, could result in a default under the New Senior Facilities Agreement unless we can obtain waivers for the breach of any of the financial obligations thereunder. There can be no assurance that any such waivers would be granted. In the event of any default under the New Senior Facilities Agreement, the respective lenders will not be required to lend any additional amounts to us and could elect to declare all outstanding borrowings, together with accrued interest, fees and other amounts due, to be immediately due and payable. In addition, indebtedness under other instruments that contain cross-default or cross-acceleration provisions may also be accelerated and become due and payable. If our debt under our New Senior Facilities Agreement were to be accelerated, we cannot assure that our assets would be sufficient to repay such debt in full.

Furthermore, in addition to the compliance with specific covenants, the New Senior Facilities Agreement provides for representations, covenants and undertakings that limit our operations as well as a change of control provision. If we fail to comply with any of these representations, covenants or undertakings, if a change of control occurs, or if a cross-default or cross-acceleration provision or other event of default is triggered, and we are unable to obtain a waiver from the respective lenders, a default or mandatory prepayment could result under the relevant debt instrument, which then could be declared to be immediately due and payable or would then become immediately due and payable.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

4. *Existing debt obligations contain, and future debt obligations are likely to contain, financial and other covenants as well as change of control provisions.*

In addition to the risks related to our New Senior Facilities Agreement, we may be subject to risks related to other existing and future debt obligations, which contain restrictive covenants, as well as change-of-control and other mandatory prepayment provisions. Any debt financing we incur in the future may contain similar financial and other covenants, representations, undertakings and change-of-control or other mandatory prepayment provisions. If we fail to comply with any of these representations, covenants or undertakings or if a change-of-control or other mandatory prepayment event occurs, and we are unable to obtain a waiver from the respective lenders, a default could result under the relevant debt instrument, which then could be declared to be immediately due and payable or would become immediately due and payable.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

5. Our results of operations and financial condition can be adversely impacted by changes in our borrowing costs.

The costs at which we can obtain financing depend on general market conditions, particularly on the development of interest rates and our (perceived) creditworthiness and ratings. Disruptions in the financial markets, including the bankruptcy, insolvency or restructuring of a number of financial institutions, and restricted availability of liquidity could adversely impact the availability and cost of additional financing for us and could adversely affect the availability of financing already arranged or committed. In the case of deteriorating general market conditions, only debt financing with comparatively higher interest rates may be available. In addition, a substantial part of our financing arrangements contains variable interest rates. There is no assurance that increased interest rates may be compensated by other means. A rise in interest rates could have a material adverse effect on our business, financial condition and results of operations, whereas a decrease in interest rates, on the other hand, would adversely impact our interest income on our interest-earning investments.

6. Our consolidated balance sheet includes significant intangible assets, which could become impaired.

We carry significant intangible assets on our consolidated balance sheet. As of December 31, 2016, the carrying amount of intangible assets on our consolidated balance sheet was €261.5 million, representing 43% of our total assets. These intangible assets are tested annually for impairment and carried at cost less accumulated amortization and impairment losses. There is no guarantee that impairments will not occur, particularly in the event of a substantial deterioration of our future prospects or general economic conditions. Although intangible assets other than goodwill that suffered impairment are reviewed for a possible reversal of the impairment at each reporting, there is no guarantee that such a reversal may occur. A significant impairment of intangible assets could have a material adverse effect on our business, financial condition and results of operations.

7. Changes in accounting rules may adversely impact the Company's financial statements.

The Company is affected by the accounting rules applicable from time to time in the jurisdictions in which the Company operates, such as IFRS, pursuant to which JOST prepares its consolidated financial statements, and other international accounting rules. In the future, JOST's accounting, financial reporting and internal control may be affected by, and need to adapt to, changes in accounting rules or changes in the application and interpretation of such accounting rules.

For example, IFRS 16 (Leases) is effective from 2019 and sets out new principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, replacing IAS 17. IFRS 16 eliminates the classification of leases as either operating leases or finance leases required by IAS 17 for lessees. Instead, a lessee is required to recognize (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. Lessors will continue to have two types of leases, finance and operating, and account for those two types of leases generally as they do today. The most significant effect of the new requirements will be an increase in lease assets and financial liabilities.

IFRS 9 (Financial Instruments) will replace IAS 39 with effect from 2018. IFRS 9 contains rules for the classification and measurement of financial assets and liabilities, impairment of financial instruments and hedge accounting.

IFRS 15 (Revenue from contracts with customers), replaces the existing IFRS related to revenue recognition, such as IAS 18 Revenue, IAS 11 Construction Contracts and interpretations related to revenue. IFRS 15 is effective from 2018 and introduces new ways of determining how revenue is recognized. IFRS 15 contains rules regarding revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contacts with customers. Pursuant to IFRS 15, revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use of, and obtain the benefits from, the good or service.

The Company is evaluating the impact of these changes taking place in 2018 and 2019. Changes in accounting rules or the application and interpretation thereof may entail uncertainty related to JOST's accounting, financial reporting and internal control and could also affect the Company's reported earnings, balance sheet and equity. In addition, changes in accounting rules may also impair the comparability of the historical financial information with future financial statements.

The realization of any of these risks could have a material adverse effect of our business, financial condition and results of operations.

V. Risks Related to the shares of the Company, the Listing and the Shareholder Structure

1. Our shares have not been publicly traded, and there is no guarantee that an active and liquid market for our shares will develop.

As of the date of this prospectus, there has been no public trading market for our shares. There is no guarantee that, following the listing, an active trading in our shares will develop or be maintained. The failure to develop or maintain an active trading may affect the liquidity of our shares, and there can be no assurance that the share price of our shares will not decline. Consequently, investors may not be in a position to sell their shares in the Company quickly.

2. Our share price and trading volume of our shares could fluctuate significantly, and investors could lose all or part of their investment.

Following the listing of the Company's shares and any future offerings, the trading volume and share price of our shares may fluctuate significantly. Our share price will be affected primarily by the supply and demand for our shares and could fluctuate significantly in response to numerous factors, many of which are beyond our control. These factors include, among others, fluctuations in actual or projected results of operations, changes in projected earnings or failure to meet securities analysts' earnings expectations, the absence of analyst coverage on our company, changes in trading volumes in our shares, changes in macroeconomic conditions, including fluctuations in foreign currencies, the activities of competitors and suppliers, changes in the market valuations of similar companies, changes in investor and analyst perception of our Company or our industry, changes in the statutory framework in which we operate and other factors. In addition, general market conditions and fluctuations of share prices and trading volumes, particularly of shares of companies in the same sector, could lead to pressure on our share price, even though there may not be a reason for this based on our business performance or earnings outlook. If our share price or the trading volume in our shares decline as a result of the realization of any or all of these events, investors could lose part or all of their investment in our shares.

3. Following the listing, our principal shareholder Jantinori 2 S.à r.l. will retain a significant interest in the Company and its interests may conflict with those of our other shareholders.

Following the listing, our principal shareholder Jantinori 2 S.à r.l. (the "**Principal Shareholder**") will continue to own approximately 42.5% of the outstanding share capital of the Company (assuming exercise of Greenshoe Option). The interests of the Principal Shareholder may be different from our interests or those of other shareholders. The remaining stake of the Principal Shareholder may have the effect of making certain transactions more difficult or impossible without the support of our other existing shareholders and may have the effect of delaying, postponing or preventing certain major corporate actions, including a change of control in the Company, thereby potentially preventing mergers, consolidations, acquisitions or other forms of combination that might be advantageous for investors.

The realization of any of the Principal Shareholder's interests which are in conflict with our interests or those of our other shareholders could have a material adverse effect on the value of our shares and our business, financial condition and results of operations.

4. Future sales by our shareholders could depress the price of our shares.

Sales of a substantial number of our shares in the public market following the listing of the Company's shares, or the perception that such sales might occur, could depress the market price of our shares and could impair our ability to raise capital through the sale of additional equity securities. If, for example, one or more of our other shareholders effect a sale or sales of a substantial number of our shares, or if the market believes that such sales might take place, this could have a material adverse effect on the share price of our shares.

5. Future offerings of equity or debt securities by us could adversely affect the share price of our shares, and future capitalization measures could substantially dilute the interests of our existing shareholders.

We may require additional capital in the future to finance our business operations and growth. We may seek to raise capital through offerings of additional equity securities or debt securities (potentially including convertible debt securities). An issuance of additional equity securities or securities containing a right to convert into equity, such as convertible debentures and option debentures, could potentially reduce the market price of our shares and would dilute the economic and voting rights of our existing shareholders if made without granting subscription rights to our existing shareholders. Because the timing and nature of any future offering would depend on market conditions at the time of the future offering, we cannot predict

or estimate the amount, timing or nature of any future offering. In addition, the acquisition of other companies or investments in companies in exchange for newly issued shares of the Company, as well as the exercise of stock options by our employees in the context of the existing and possible future stock option programs, or the issuance of the Company's shares to employees in the context of possible future employee share participation programs, could lead to a dilution of the economic and voting rights of our existing shareholders. Our shareholders thus bear the risk that such future offerings could reduce the market price of our shares and/or dilute their shareholdings.

6. Our ability to pay dividends depends, among other things, on our financial condition and results of operations.

Our general shareholder's meeting will decide matters relating to the payment of future dividends. These decisions will be based on the particular situation of the Company at the time. Our ability to pay dividends depends upon, among other things, our results of operations, financing and investment requirements, as well as the availability of distributable profit. Certain reserves must be established by law and must be deducted when calculating the distributable profit. In addition, our debt financing arrangements contain and future debt financing arrangements may contain covenants which impose restrictions on our business and on our ability to pay dividends under certain circumstances. Any of these factors, individually or in combination, could restrict our ability to pay dividends.

7. An investment in our shares by an investor whose principal currency is not the euro may be affected by exchange rate fluctuations.

Our shares are, and any dividends to be paid in respect of them will be, denominated in euro. An investment in our shares by an investor whose principal currency is not the euro exposes the investor to foreign currency exchange rate risk. Any depreciation of the euro in relation to an investor's principal currency will reduce the value of the investment in our shares or any dividends in relation to such currency.

8. The Company will incur additional costs as a listed company.

As a listed company, the Company will incur additional legal, accounting and other expenses, including the costs resulting from public company reporting obligations and the rules and regulations regarding corporate governance practices, including the admission and listing requirements of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) ("**BaFin**"). In addition, the Company's management and other employees will need to devote a substantial amount of time to ensure that the Company complies with all of these requirements. The reporting requirements, rules and regulations will increase the Company's legal and financial compliance costs and make some activities more time consuming and costly. These rules and regulations will make it more difficult and more expensive for the Company to obtain director and officer liability insurance and the Company may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These factors could also make it more difficult for the Company to attract and retain qualified persons to serve on its Management Board or its Supervisory Board, particularly to serve on any board committees, or as executive officers.

B. GENERAL INFORMATION

I. Responsibility Statement

JOST Werke AG, with its registered seat in Neu-Isenburg, Germany and its business address at Siemensstraße 2, 63263 Neu-Isenburg, Germany, a German stock corporation (*Aktiengesellschaft*) registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Offenbach am Main (the "**Commercial Register**"), under the number HRB 50149 (the "**Company**", and, together with its consolidated subsidiaries, "**we**", "**us**", "**our**", "**our Group**", "**the Group**", the "**JOST Group**" or "**JOST**"), together with Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany ("**Deutsche Bank**"), J.P. Morgan Securities plc, London, United Kingdom ("**J.P. Morgan**"), COMMERZBANK Aktiengesellschaft, Frankfurt am Main, Germany ("**COMMERZBANK**", and together with Deutsche Bank and J.P. Morgan, the "**Joint Global Coordinators**"), BNP PARIBAS, Paris, France ("**BNP PARIBAS**", and together with the Joint Global Coordinators, the "**Joint Bookrunners**" or "**Underwriters**"), have assumed responsibility for the contents of this prospectus pursuant to Section 5 paragraph 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), and declare that the information contained in this prospectus is, to the best of their knowledge, correct and contains no material omissions.

If any claims are asserted before a court of law based on the information contained in this prospectus, the investor appearing as plaintiff may have to bear the costs of translating this prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area (the "**EEA**").

II. Purpose of this Prospectus

The purpose of this prospectus is the admission of:

- up to 5,200,000 newly issued ordinary bearer shares with no-par value (*Stückaktien*) from a capital increase against contribution in cash (the "**Capital Increase**") expected to be resolved by an extraordinary shareholders' meeting on July 18, 2017 (the "**New Shares**"); and
- 10,025,000 existing ordinary bearer shares with no-par value (*Stückaktien*) from the holdings of the Principal Shareholder (the "**Existing Shares**"),

to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard), each such share representing a notional value of €1.00 and with full dividend rights from January 1, 2017.

III. Background to the Private Placement

1. General

On July 12, 2017, in anticipation of the expected admission to trading of the Company's shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard), the Company and the Principal Shareholder, together with the Joint Bookrunners, initiated a private placement to certain institutional and other investors that qualify under available offering exemptions in various jurisdictions (the "**Private Placement**") of the New Shares and up to 2,915,000 Existing Shares from the holdings of the Principal Shareholder (the New Shares and up to 2,915,000 Existing Shares from the holdings of the Principal Shareholder together, the "**Placement Shares**", and the Placement Shares together with the Over-Allotment Shares (as defined in *B.III.6. "Stabilization Measures, Over-Allotments and Greenshoe Option"*), the "**Offered Shares**" and each an "**Offered Share**").

On July 12, 2017, the Company and the Principal Shareholder, together with the Underwriters, set the price range at €25.00 to €31.00 per Offered Share (the "**Price Range**").

The placement price and the final number of Company's shares placed in the Private Placement are expected to be determined based on the order book prepared during the bookbuilding process expected to take place in the period from July 12, 2017 to July 19, 2017. The results of the Private Placement, including the final placement price (the "**Offer Price**"), will be published by the Company through an electronic information dissemination system and on the Company's website on or about July 19, 2017.

Once the Capital Increase takes effect, the share capital of the Company that will be represented by the Company's shares is expected to total up to €15,225,000. Approximately 57.5% of the share capital of the Company (after effectiveness of the Capital Increase) is expected to be offered in the Private Placement.

Immediately prior to the Private Placement, the entire share capital of the Company is held by the Principal Shareholder (see *J. "Shareholder Information"*). Following completion of the Private Placement and assuming placement of all of the Offered Shares (including full exercise of the Greenshoe Option as defined in *B.III.6. "Stabilization Measures, Over-Allotments and Greenshoe Option"*), the Principal Shareholder will continue to hold approximately 42.5% of the share capital of the Company. The Principal Shareholder will receive consideration for the sale of up to 2,915,000 Existing Shares from its holdings and the Over-Allotment Shares (if any) (after deduction of fees and commissions payable by the Principal Shareholder). The Company will receive only the proceeds of the Private Placement resulting from the sale of the New Shares after deduction of fees and commissions payable by the Company. The Company will not receive any proceeds from the sale of up to 2,915,000 Existing Shares and the Over-Allotment Shares (if any).

The Underwriters are acting in the following capacities: Deutsche Bank, J.P. Morgan and COMMERZBANK are acting as the Joint Global Coordinators and Joint Bookrunners; BNP PARIBAS is acting as Joint Bookrunner.

2. Structure

The Private Placement consists of private placements of the Offered Shares to certain institutional and other investors that qualify under available offering exemptions in various jurisdictions. In the United States of America (the "**United States**" or "**U.S.**"), the Offered Shares will be offered and sold only to qualified institutional buyers ("**Qualified Institutional Buyers**") as defined in Rule 144A under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Outside the United States, the Offered Shares will be offered and sold in reliance on Regulation S under the Securities Act.

Book-entry delivery of the allotted Offered Shares against payment of the Offer Price is expected to take place on or about July 24, 2017. Should the placement volume prove insufficient to satisfy all orders placed at the Offer Price, the Underwriters reserve the right to reject orders, or to accept them in part only.

3. Dilution

According to the Company's consolidated statement of financial position, the Group's equity, i.e., the net asset value (total assets less all non-current and current liabilities), amounted to negative €134.6 million as of April 30, 2017, and would amount to €6.4 per Company's share based on 10,025,000 outstanding Company's shares immediately prior to the Private Placement (after adjusting for (i) the effects of the increase of the registered share capital by way of a contribution in kind (*Sachkapitalerhöhung*) in the amount of negative €110.5 million, (ii) the effects of the conversion of further loan receivables into equity in the amount of €312.3 million and (iii) the effects from the refinancing of the Existing Senior Facilities Agreement with the New Senior Facilities Agreement in the amount of negative €2.5 million (see *D.I. "Capitalization"*)).

After giving effect to the issuance of the New Shares in the context of the Private Placement, assuming an Offer Price of €25.00 at the low end of the Price Range, and after subtracting the maximum estimated costs related to the listing and the Private Placement to be borne by the Company in the amount of €11.9 million, (including underwriting and placement commissions payable to the Underwriters by the Company), the net asset value of the Company would have been €182.8 million as of April 30, 2017 or €12.0 per share. That would correspond to a direct dilution of €13.0, corresponding to 52.0%, per Company's share for the parties acquiring the Offered Shares, based on 15,225,000 outstanding Company's shares following the completion of the Private Placement.

The table below illustrates the dilutive effect following the completion of the Private Placement:

Offer Price per share (in €; based on the low end of the Price Range)	25.00
Net asset value of the Company per share as of April 30, 2017 (assuming 10,025,000 outstanding shares of the Company immediately prior to the Private Placement) (in €)	6.4
Net asset value per share following the Private Placement (assuming 15,225,000 outstanding shares of the Company after completion of the Private Placement) (in €)	12.0
Amount by which the Offer Price per share exceeds the equity attributable to shareholders per share following the Private Placement (immediate dilution to the new shareholders of the Company per share) (in €)	13.0
Immediate dilution (in %)	52.0

4. Delivery and Settlement

The delivery of the Offered Shares under the Private Placement against payment of the Offer Price is expected to take place on July 24, 2017. The Offered Shares will be made available to the shareholders as co-ownership interests in one or more global Global Share Certificates (see *B.IV.2. "Certification of the Shares"*).

At each of the shareholder's option, the Offered Shares purchased in the Private Placement will be credited to a securities deposit account maintained by a German bank with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany, for the account of such shareholder.

5. Use of Proceeds

The Company intends to sell the New Shares to finance the growth and development of its business. The Principal Shareholder will offer the shares to partially divest its shareholding in the Company.

Assuming that the maximum number of New Shares (5,200,000 Company's shares) is placed at the low end of the Price Range, the Company estimates that the gross proceeds to the Company resulting from the sale of the New Shares would amount to approximately €130.0 million. Assuming that the maximum number of New Shares (5,200,000 Company's shares) is placed at the low end of the Price Range, the Company estimates that net proceeds to the Company would amount to approximately €118.1 million.

Subject to the Offer Price, the number of New Shares to be sold in the Private Placement, and therefore to be issued in connection with the Capital Increase, as well as the number of Existing Shares to be sold in the Private Placement may be adjusted. The Company is targeting gross proceeds of at least €130.0 million from the sale of the New Shares and a free float of around 50 % (assuming no exercise of the Greenshoe Option) of the Company's shares upon commencement of trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

The Company intends to use the net proceeds from the sale of the New Shares in the Private Placement to fund the repayment of its outstanding indebtedness under its Existing Senior Facilities Agreement (see *H.XII.4.a.* "*Existing Senior Facilities Agreement*") as well as for general corporate purposes. The Company anticipates that such use might include, but will not necessarily be limited to, the geographical expansion of its existing business, as well as the expansion into new or related lines of business and selective acquisitions, in each case in furtherance of its corporate strategy. The Company will not receive any proceeds from the sale of up to 2,915,000 Existing Shares and the Over-Allotment Shares (if any).

6. Stabilization Measures, Over-Allotments and Greenshoe Option

In connection with the Private Placement, Deutsche Bank, acting for the account of the Underwriters, will act as the stabilization manager (the "**Stabilization Manager**") and may, as Stabilization Manager acting in accordance with legal requirements (Article 5 paragraph 4 and 5 of the Market Abuse Regulation (EU) No. 596/2014 of April 16, 2014), take stabilization measures to support the market price of the Company's shares and thereby counteract any selling pressure.

The Stabilization Manager is under no obligation to take any stabilization measures. Therefore, no assurance can be provided that any stabilization measures will be taken. Where stabilization measures are taken, these may be terminated at any time without notice. Such measures may be taken from the date the Company's shares are listed on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and must be terminated no later than the thirtieth calendar day after such date (the "**Stabilization Period**"). Any profits or losses out of or in connection with stabilization measures shall be borne by the Underwriters.

These measures may result in the market price of the Company's shares being higher than would otherwise have been the case. Moreover, the market price may temporarily be at an unsustainable level.

Under the possible stabilization measures, investors may, in addition to the Placement Shares, be allocated up to 1,141,000 Company's shares (the "**Over-Allotment Shares**") as part of the Private Placement (the "**Over-Allotment**"). For the purpose of a potential Over-Allotment, the Stabilization Manager, for the account of the Underwriters, will be provided with up to 1,141,000 Existing Shares from the holdings of the Principal Shareholder in the form of a securities loan; the number of Over-Allotment Shares will not exceed 15% of the Placement Shares. In addition, the Principal Shareholder has granted the Underwriters an option to acquire a number of Company's shares equal to the borrowed shares at the Offer Price less agreed commissions (the "**Greenshoe Option**"). The Greenshoe Option will terminate 30 calendar days after commencement of the stock exchange trading of the Company's shares expected to take place on July 20, 2017.

The Stabilization Manager is entitled to exercise the Greenshoe Option up to the extent to which Over-Allotments were initially made; the number of Existing Shares for which the Greenshoe Option is exercised is to be reduced by the number of shares held by the Stabilization Manager as of the date on which the Greenshoe Option is exercised and that were acquired by the Stabilization Manager in the context of stabilization measures.

Once the Stabilization Period has ended, an announcement will be made within one week in various media outlets distributed across the entire EEA as to whether stabilization measures were taken, when price stabilization started and finished, and the price range within which the stabilization measures were taken; the latter will be made known for each occasion on which price stabilization measures were taken.

7. *Lock-up Agreement, Limitations on Disposal*

On July 12, 2017, the Company, the Principal Shareholder and the Underwriters entered into an underwriting agreement (the "**Underwriting Agreement**") relating to the offer and sale of the Offered Shares in connection with the Private Placement, pursuant to which the Company has agreed with each Underwriter that the Company, its Management Board or its Supervisory Board will not, and will not agree to, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed) for a period of 180 days following the first day of trading of the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (currently expected to take place on July 19, 2017):

- announce or effect an increase of the share capital of the Company out of authorized capital;
- submit a proposal for a capital increase to any shareholders' meeting for resolution;
- announce to issue, effect or submit a proposal for the issuance of any securities convertible into shares of the Company, with option rights for shares of the Company; or
- enter into a transaction or perform any action economically similar to those described in the bullet points above,

in each case of the four bullets above other than as expressly described in this prospectus.

The foregoing will not apply to the Capital Increase and the Private Placement and in case the Company issues or sells any Company's shares or other securities to employees and members of its executive bodies or its subsidiaries under management participation plans.

In the Underwriting Agreement, the Principal Shareholder has undertaken, not to, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed) for a period of 180 days following the first day of trading of the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (currently expected to take place on July 20, 2017),

- offer, pledge, allot, distribute, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, transfer or otherwise dispose of, directly or indirectly (including, but not limited to, the issuance or sale of any securities exchangeable into shares of the Company), any shares of the Company held by it as of the date of the Underwriting Agreement;
- cause or approve, directly or indirectly, the announcement, execution or implementation of any increase in the share capital of the Company or a direct or indirect placement of shares of the Company;
- propose, directly or indirectly, any increase in the share capital of the Company to any shareholders' meeting for resolution, or vote in favor of such a proposed capital increase;
- cause or approve, directly or indirectly, the announcement, execution or proposal of any issuance of financial instruments constituting options or warrants convertible into shares of the Company; or
- enter into a transaction or perform any action economically similar to those described in the bullets above, in particular enter into any swap or other arrangement that transfers to another, in whole or in part, the economic risk of ownership of shares of the Company, whether any such transaction is to be settled by delivery of shares of the Company, in cash or otherwise,

in each of the five bullets above other than for purposes of the Private Placement and other than as expressly described in this prospectus.

The foregoing lock-up restrictions for the Principal Shareholder will not restrict the (i) tender, sale and transfer of the Company's shares in a takeover bid for the shares of the Company pursuant to the German Securities Acquisition and Takeover Act *(Wertpapiererwerbs- und Übernahmegesetz)*, (ii) the over-the-counter *(außerbörsliche)* transfer of Company's shares by the Principal Shareholder to any of its affiliates and the transfer of Company's shares by any Authorized Recipient (as defined below) to another Authorized Recipient, and (iii) any allotments or distributions of Company's shares to direct or indirect shareholders or other securities holders of the Principal Shareholder or any affiliates of such shareholders or securities holders (together with any affiliates under (ii), the "**Authorized Recipients**"), provided that in each case mentioned in (i) and (ii) the Authorized Recipient agrees to be bound by the foregoing lock-up restrictions by entering into a corresponding lock-up undertaking.

Notwithstanding the above, shares of the Company which are economically attributable to Mr. Alexander Kleinke may be transferred from Yellow Sky S.à r.l. to AKGK GmbH without AKGK GmbH having to enter into a lock-up agreement regarding these shares.

8. *Designated Sponsors*

The Joint Global Coordinators have agreed to assume the function of a designated sponsor of the Company's shares traded on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) for a period of at

least two years. Pursuant to the designated sponsor agreement concluded among each of the designated sponsors and the Company, the designated sponsors will, among other things, place limited buy and sell orders for the Company's shares in the electronic trading system of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) during regular trading hours. This is intended to achieve greater liquidity in the market for the Company's shares. The Joint Global Coordinators are entitled to delegate their duties under the designated sponsors' agreement to authorized third parties.

9. Interests of Parties Participating in the Private Placement

The Underwriters act for the Company and the Principal Shareholder in connection with the structuring and consummation of the Private Placement. In addition, the Joint Global Coordinators have been appointed to act as designated sponsors for the Company's shares and Deutsche Bank has been appointed to act as paying agent. The Underwriters have a financial interest in the listing as they will only receive a commission following the completion of the listing and the successful consummation of the Private Placement.

In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of shares in the Company. None of the Underwriters intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so or as disclosed in this prospectus.

Some of the Underwriters or their affiliates have, and may from time to time in the future continue to have, business relations with our Group (including lending activities) or may perform services for our Group in the ordinary course of business. In particular, the Underwriters may have the following interests:

- BNP PARIBAS Fortis S.A./N.V., an affiliate of BNP PARIBAS, and COMMERZBANK are lenders under the Existing Senior Facilities Agreement entered into, among others, by Jasione GmbH (formerly known as Cintinori Acquisition GmbH and JOST-World GmbH) as borrower (see *H.XIII.4.a. "Existing Senior Facilities Agreement"*); and
- Certain affiliates of COMMERZBANK and BNP PARIBAS, are expected to enter into the New Senior Facilities Agreement with the Company (see *H.XIII.4.c. "New Senior Facilities Agreement"*).

The Principal Shareholder will receive the proceeds from the sale of up to 2,915,000 Existing Shares and the Over-Allotment Shares (if any) in the Private Placement.

The members of the Company's management board (*Vorstand*) (the "**Management Board**") have a financial interest in the Private Placement since the value of their shareholding in the Company after completion of the Private Placement may be influenced by the listing of the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

IV. INFORMATION ON THE COMPANY'S SHARES

1. Current and Future Share Capital; Form of the Shares

As of the date of this prospectus, the share capital of the Company amounts to €10,025,000 and is divided into 10,025,000 ordinary bearer shares with no-par value (*Stückaktien*).

In connection with and for the purposes of the Private Placement, it is expected that the Company will issue up to 5,200,000 new ordinary bearer shares with no-par value (*Stückaktien*) pursuant to the Capital Increase expected to be resolved by an extraordinary shareholders' meeting on July 18, 2017. Upon registration of the Capital Increase with the Commercial Register, the Company's outstanding share capital is expected to amount to up to €15,225,000 and is expected to be divided into a total number of up to 15,225,000 ordinary bearer shares with no-par value (*Stückaktien*). All Company's shares will be fully paid up.

2. Certification of the Shares

As of the date of this prospectus, all of the Company's shares are ordinary bearer shares (*Inhaberaktien*) with no-par value (*Stückaktien*). The Company's shares will be represented after the Capital Increase takes effect by one or more global share certificates ("**Global Share Certificates**"), which will be deposited with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany.

Section 7 paragraph 2 of the Articles of Association excludes, to the extent legally permissible and not required by the rules and procedures of a stock exchange on which the Company's shares are admitted for trading, the right of the shareholders to receive share certificates. The Management Board determines with

the consent of the Supervisory Board pursuant to Section 7 paragraph 3 of the Articles of Association the form and content of the share certificates as well as dividend and renewal coupons, if any. The Offered Shares provide holders thereof with the same rights as all of the other shares of the Company and do not provide any additional rights or advantages.

3. Voting Rights

Each share in the Company carries one vote at the Company's shareholders' meeting. There are no restrictions on voting rights.

4. Dividend and Liquidation Rights

The Company's shares carry full dividend rights from January 1, 2017 (i.e., for the full fiscal year 2017 and for all subsequent fiscal years). In the event of the Company's liquidation, any proceeds will be distributed to the holders of the Company's shares in proportion to their interest in the Company's share capital.

5. ISIN/WKN/Common Code/Ticker Symbol

International Securities Identification Number (*ISIN*)	DE000JST4000
German Securities Code (*Wertpapierkennnummer, WKN*)	JST 400
Common Code	164843823
Trading Symbol	JST

6. Transferability of the Shares, Lock-up

The Company's shares are freely transferable in accordance with the legal requirements for ordinary bearer shares. Except for the restrictions set forth in *B.III.7. "Lock-up Agreement, Limitations on Disposal"*, there are no prohibitions on disposals or restrictions with respect to the transferability of the Company's shares.

V. Admission to the Frankfurt Stock Exchange and Commencement of Trading

On July 4, 2017, the Company applied for admission of the Company's shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard). The listing approval for the Company's shares is expected to be granted on or about July 18, 2017. Trading in the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) is planned to commence on July 20, 2017.

VI. Forward-looking Statements

This prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of this prospectus. This applies, in particular, to statements in this prospectus containing information on our future earnings capacity, plans and expectations regarding our business growth and profitability, and the general economic conditions to which we are exposed. Statements made using words such as "predicts", "forecasts", "plans", "endeavors" or "expects" may be an indication of forward-looking statements.

As they relate to future events, the forward-looking statements in this prospectus are subject to risks and uncertainties and are based on estimates and assessments made to the best of the Company's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause the Company's actual results, including the financial condition and profitability of our Group, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. These expressions can be found in several sections in this prospectus, particularly in the sections entitled *A. "Risk Factors"*, *F. "Management Discussion and Analysis of Financial Condition and Results of Operations"*, *G. "Industry Overview"*, *H. "Business"* and *R. "Recent Developments and Outlook"*, and wherever information is contained in this prospectus regarding our intentions, beliefs, or current expectations relating to its future financial condition and results of operations, plans, liquidity, business outlook, growth, strategy and profitability, as well as the economic and regulatory environment to which we are subject.

In light of these uncertainties and assumptions, it is also possible that the future events mentioned in this prospectus will not occur. In addition, the forward-looking estimates and forecasts reproduced in this prospectus from third-party reports could prove to be inaccurate (for more information on the third-party sources used in this prospectus, see *B.VII. "Sources of Market Data"*). Actual results, performance or events may differ materially from those in such statements due to, among other reasons:

- changes in general economic conditions in the markets in which the Group operates, including changes in the unemployment rate, the level of consumer prices, wage levels etc.;

- changes in the demand for our products by our customers;
- changes affecting interest rate levels;
- changes in the price of fuel;
- changes in the competitive environment and in the competition level;
- changes affecting currency exchange rates;
- the occurrence of accidents, natural disasters, fire, environmental damage or systemic delivery failures;
- inability to attract and retain qualified personnel;
- changes in the arrangement surrounding our joint venture in Brazil;
- strikes;
- political changes; and
- changes in laws and regulations.

Moreover, it should be noted that neither the Company nor any of the Underwriters assumes any obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments.

See *A. "Risk Factors"* for a further description of some of the factors that could influence the Company's forward-looking statements.

VII. Sources of Market Data

To the extent not otherwise indicated, the information contained in this prospectus on the market environment, market developments, growth rates, market trends and competition in the markets in which the Group operates are based on the Company's assessment. These assessments, in turn, are based in part on internal observations of the market and on various market studies.

The following sources were used in the preparation of this prospectus:

- "Truck and trailer components — Success factors for suppliers in specialized markets", prepared by the global consultancy firm Roland Berger GmbH, Munich, Germany ("**Roland Berger**"), May 2017, as commissioned by the Company ("**Roland Berger 2017**"); and
- "The Best Brands 2017" ("*Die Besten Marken 2017*"), a reader survey of the magazines *Lastauto Omnibus*, *Trans Aktuell* and *Fernfahrer*, June 2017 ("**Best Brands**").

While neither the Company nor the Underwriters verified or modified any of the market data included in Roland Berger 2017, the Company provided Roland Berger with certain information and financial data related to the Company and its business for preparing Roland Berger 2017.

It should also be noted in particular that reference has been made in this prospectus to information concerning markets and market trends. Such information was obtained from the above-mentioned sources. The Company has accurately reproduced such information and, as far as it is aware and able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, prospective investors are advised to consider these data with caution. For example, market studies are often based on information or assumptions that may be inaccurate or inappropriate, and their methodology is inherently predictive and speculative.

Irrespective of the assumption of responsibility for the content of this prospectus by the Company and the Underwriters (see *B.I. "Responsibility Statement"*), neither the Company nor the Underwriters have independently verified the figures, market data or other information on which third parties have based their studies. Accordingly, the Company and the Underwriters make no representation or warranty as to the accuracy of any such information from third-party studies included in this prospectus, including Roland Berger 2017. Prospective investors should note that the Company's own estimates and statements of opinion and belief are not always based on studies of third parties.

VIII. Documents Available for Inspection

For the period during which this prospectus is valid, the following documents will be available for inspection during regular business hours at the Company's offices at Siemensstraße 2, 63263 Neu-Isenburg, Germany (tel. +49 (0) 6102 295 0):

- the Company's articles of association (the "**Articles of Association**");

- the Company's unaudited condensed consolidated interim financial statements as of and for the three-month period ended March 31, 2017 prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**");
- the Company's audited consolidated financial statements as of and for the years ended December 31, 2016, December 31, 2015, and December 31, 2014 prepared in accordance with IFRS; and
- the Company's audited unconsolidated financial statements as of and for the fiscal year ended December 31, 2016 prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*).

The audited unconsolidated financial statements referred to above are also published in the German Federal Gazette (*Bundesanzeiger*).

The Company's future consolidated annual and interim financial statements will be available from the Company on its website (www.jost-world.com/en/investor-relations.html) and from the paying agent designated in this prospectus (see *K.VIII "Announcements, Paying Agent"*).

IX. CURRENCY PRESENTATION AND PRESENTATION OF FIGURES

In this prospectus, "**euro**" and "€" refer to the single European currency adopted by certain participating member states of the EU, including Germany.

Where financial data in this prospectus is labeled "audited", this means that it has been taken from the audited financial statements mentioned above. The label "unaudited" is used in this prospectus to indicate financial data that has not been taken from the audited financial statements mentioned above but rather was taken from the unaudited condensed consolidated interim financial statements as of and for the three-month period ended March 31, 2017, from our accounting records, our internal reporting system, or has been calculated based on financial data from the above-mentioned sources, including the audited financial statements (see *B.VIII. "Documents Available for Inspection"*). All of the financial data presented in this prospectus are shown in millions of euro (in € million) rounded to one decimal point or thousands of euro (€ thousand) rounded to the nearest whole number. Certain financial data (including percentages) in this prospectus have been rounded according to established commercial standards, whereby aggregate amounts (sum totals, sub-totals, differences or amounts put in relation) are calculated based on the underlying unrounded amounts. As a result, the aggregate amounts in the tables in this prospectus may not correspond in all cases to the corresponding rounded amounts contained in the tables in this prospectus. Furthermore, in those tables, these rounded figures may not add up exactly to the totals contained in those tables. Financial information presented in parentheses denotes the negative of such number presented. With respect to financial data set out in this prospectus, a dash ("—") signifies that the relevant figure is not available or equals zero, while a zero ("0") signifies that the relevant figure is available but has been rounded to zero.

X. ENFORCEMENT OF CIVIL LIABILITIES

The Company is a stock corporation (*Aktiengesellschaft*) governed by German law and all or a substantial portion of its assets are located primarily outside the United States. In addition, the members of the Company's management board (*Vorstand*) (the "**Management Board**") and members of the Company's supervisory board (*Aufsichtsrat*) (the "**Supervisory Board**") are non-residents of the United States and all or most of their assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Company or such persons or to enforce against them or the Company judgments of courts of the United States, whether or not predicated upon the civil liability provisions of the federal securities laws of the United States or other laws of the United States or any state thereof. The United States and Germany do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for payment of money rendered by a federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, may not be enforceable, either in whole or in part, in Germany. However, if the party in whose favor such final judgment is rendered brings a new suit in a competent court in Germany, such party may submit to the German court the final judgment rendered in the United States. Under such circumstances, a judgment by a federal or state court of the United States against the Company or such persons will be regarded by a German court only as evidence of the outcome of the dispute to which such judgment relates, and a German court may choose to re-hear the dispute. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in Germany.

XI. Presentation of Financial Information

1. Application of IFRS and the German Commercial Code (Handelsgesetzbuch)

We prepared our consolidated financial statements as of and for the years ended December 31, 2016, December 31, 2015 and December 31, 2014 and our unaudited condensed consolidated interim financial statements as of and for the three-month period ended March 31, 2017 in accordance with IFRS. Our unconsolidated financial statements as of and for the fiscal year ended December 31, 2016 were prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*). Such consolidated and unconsolidated financial statements were audited by PricewaterhouseCoopers GmbH (formerly PricewaterhouseCoopers AG) Wirtschaftsprüfungsgesellschaft, Frankfurt am Main ("**PWC**"), as stated in the independent auditor's report (*Bestätigungsvermerk*) on our consolidated financial statements, which has been issued without qualifications, and the unqualified auditor's report (*uneingeschränkter Bestätigungsvermerk*) on the unconsolidated financial statements. PWC is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany.

2. Alternative Performance Measures (APMs)

This prospectus contains alternative performance measures ("**APMs**") that are not defined under IFRS. These APMs comprise various financial measures and ratios, including Adjusted EBIT, Adjusted EBIT Margin, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Interest Expense, Net Working Capital, Capital Expenditure, Net Financial Debt, CAGR (compound annual growth rate), Adjusted Free Cash Flow and Cash Conversion, that are not required by, or presented in accordance with, IFRS. We present APMs because they are used by management in monitoring our business and because we believe that they and similar measures are frequently used by securities analysts, investors and other interested parties in evaluating companies in our industry. The definitions of the APMs may not be comparable to other similarly titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. APMs such as Adjusted EBIT, Adjusted EBIT Margin, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Interest Expense, Net Working Capital, Capital Expenditure, Net Financial Debt, CAGR (compound annual growth rate), Adjusted Free Cash Flow and Cash Conversion are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives to result for the period or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

C. DIVIDEND POLICY

I. General Provisions Relating to Profit Allocation and Dividend Payments

The shareholders' share of the Company's profits is determined based on their respective interests in the Company's share capital. For a stock corporation (*Aktiengesellschaft*) under German law, the distribution of dividends for a given fiscal year and the amount and payment date thereof are resolved by the shareholders' meeting (*Hauptversammlung*) of the subsequent fiscal year. The shareholders' meeting must be held within the first eight months of each fiscal year. Proposals for the distribution of dividends will be issued by the Management Board and the Supervisory Board jointly or by the Management Board and the Supervisory Board separately, with the shareholders' meeting not bound by those proposals.

Dividends may only be distributed from the distributable profit (*Bilanzgewinn*) of the Company. The distributable profit is calculated based on the Company's unconsolidated financial statements prepared in accordance with the requirements of the German Commercial Code (*Handelsgesetzbuch*). Accounting regulations under the German Commercial Code (*Handelsgesetzbuch*) differ from the IFRS in material aspects.

When determining the distributable profit, net income or loss for the fiscal year (*Jahresüberschuss/-fehlbetrag*) must be adjusted for profit/loss carry-forwards (*Gewinn-/Verlustvorträge*) from the prior fiscal year and releases of or allocations to reserves. Certain reserves are required to be set up by law, and amounts mandatorily allocated to these reserves in the given fiscal year must be deducted when calculating the distributable profit. The Management Board must prepare unconsolidated financial statements (balance sheet, income statement and notes to the unconsolidated financial statements) and a management report for the previous fiscal year by the statutory deadline and present these to the auditors and the Supervisory Board immediately after preparation. At the same time, the Management Board must present to the Supervisory Board a proposal for the allocation of the Company's distributable profits pursuant to Section 170 paragraph 2 of the German Stock Corporation Act (*Aktiengesetz*). According to Section 171 of the German Stock Corporation Act (*Aktiengesetz*), the Supervisory Board must review the unconsolidated financial statements, the Management Board's management report and the proposal for the allocation of the distributable profit and report to the shareholders' meeting in writing on the results. The Supervisory Board must submit its report to the Management Board within one month after the documents were received. If the Supervisory Board approves the financial statements after its review, these are deemed adopted unless the Management Board and the Supervisory Board resolve to assign adoption of the financial statements to the shareholders' meeting. If the Management Board and the Supervisory Board choose to allow the shareholders' meeting to adopt the financial statements, or if the Supervisory Board does not approve the financial statements, the Management Board must convene a shareholders' meeting without delay.

The shareholders' meeting's resolution on the allocation of the distributable profits requires a simple majority of the votes cast. If the Management Board and the Supervisory Board adopt the financial statements, they can allocate an amount of up to half of the Company's net loss/income for the year to other retained earnings. In addition, pursuant to Section 22 paragraph 2 of the Articles of Association, they are authorized to allocate up to 100% of the net loss/income for the fiscal year to other retained earnings as long and as far as the other retained earnings do not exceed half of the registered share capital and would not exceed such amount following a transfer. Additions to the legal reserves and loss carry-forwards must be deducted in advance when calculating the amount of net loss/income for the year to be allocated to other retained earnings. Pursuant to Section 23 paragraph 4 of the Articles of Association, the shareholders' meeting may also resolve to distribute the distributable profit by way of a dividend in kind in addition to or instead of a cash dividend, or it may allocate further amounts to retained earnings or carry such amounts forward as profit in the resolution on the appropriation of the distributable profits. Pursuant to Section 23 paragraph 5 of the Articles of Association the Management Board may, after the expiry of a fiscal year and with the consent of the Supervisory Board, distribute an interim dividend to the shareholders within the framework of Section 59 of the German Stock Corporation Act. Dividends resolved by the shareholders' meeting are due and payable immediately after the relevant shareholders' meeting, unless provided otherwise in the dividend resolution, in compliance with the rules of the respective clearing system. Clearstream Banking Aktiengesellschaft will transfer the dividends to the shareholders' custodian banks for crediting to their accounts and German custodian banks are under an obligation to distribute the funds to their customers. Shareholders using a custodian bank located outside Germany must inquire at their respective bank regarding the terms and conditions applicable in their case. Notifications of any distribution of dividends resolved upon are published in the German Federal Gazette (*Bundesanzeiger*) immediately after the shareholders' meeting. To the extent dividends can be distributed by the Company in accordance with the German Commercial Code (*Handelsgesetzbuch*) and corresponding decisions are taken, there are no restrictions on shareholder rights to receive dividends. Any dividends not claimed within the past three

years become time-barred. If dividend payment claims expire, the Company becomes the beneficiary of the dividends. Generally, withholding tax (*Kapitalertragsteuer*) is withheld from dividends paid. For more information on the taxation of dividends, see *O.III. "Taxation of Dividends of Shareholders with a Tax Residence in Germany" and O.IV. "Taxation of Dividends of Shareholders without a Tax Residence in Germany"*.

II. Dividend Policy and Earnings per Share

Over the medium term, the Company targets a dividend pay-out ratio of 35% to 50% of its consolidated net income, such pay-out ratio is anticipated to be at the lower end for fiscal year 2017. Any future determination to pay dividends will be made in accordance with applicable laws and will depend upon, among other factors, the Company's results of operations, financial condition, contractual restrictions and capital requirements. The Company's ability to pay dividends may be limited by the terms of any existing and future debt or preferred securities.

No distributions of profits or reserves were made to our shareholders in any of the fiscal years ended December 31, 2016, December 31, 2015 and December 31, 2014 or in the fiscal year 2017 (up to the date of this prospectus).

D. CAPITALIZATION AND INDEBTEDNESS

The following tables set forth, on an unaudited basis, the Group's actual capitalization and indebtedness as of April 30, 2017, as adjusted for (i) the effects of the increase of the registered share capital by way of a contribution in kind (*Sachkapitalerhöhung*), (ii) the effects of the conversion of further loan receivables into equity, (iii) the effects from the refinancing of the Existing Senior Facilities Agreement with the New Senior Facilities Agreement, (iv) the effects from the Private Placement and (v) the aggregated effects of the contribution in kind, the conversion, the refinancing and the Private Placement, assuming in each case of (i), (ii), (iii) and (iv) that the contribution in kind, the conversion, the refinancing and the Private Placement had taken place on April 30, 2017. Except for changes with regards to deferred tax liabilities corresponding to the effects of the contribution in kind and the effects of the conversion of further loan receivables into equity, no tax effects were considered for simplification purposes.

For more information on the increase of the registered share capital by way of a contribution in kind (*Sachkapitalerhöhung*), see *L.I.2. "Development of the Share Capital"*, for information on the conversion of further loan receivables into equity, see *L.I.2. "Development of the Share Capital"* and *N.III.2. "Shareholder Loans"*, for information on the New Senior Facilities Agreement, see *H.XIII.4.c. "New Senior Facilities Agreement"* and *R.I. "Recent Developments"* and for information on the Private Placement, see *B.III. "Background to the Private Placement"*.

Investors should read these tables in conjunction with *E. "Selected Consolidated Financial Information"* and *F. "Management's Discussion and Analysis of Financial Condition and Results of Operations"*.

I. CAPITALIZATION

(in € thousand)*	Actual as of April 30, 2017	Adjustment to reflect the contribution in kind (i)[1]	Adjustment to reflect the conversion (ii)[2]	Adjustment to reflect the refinancing (iii)[3]	Adjustment to reflect the Private Placement (iv)[4]	As adjusted for the contribution in kind, the conversion, the refinancing and the Private Placement (v)
				(unaudited)		
Total current debt[5]	**113,144**	–	–	**(6,002)**	**–**	**107,142**
Guaranteed	–	–	–	–	–	–
Secured[6]	6,002	–	–	(6,002)	–	–
Unguaranteed/ unsecured	107,142	–	–	–	–	107,142
Total non-current debt (excluding current portion of long-term debt)[(7)]	**646,146**	**110,540**	**(312,340)**	**(15,568)**	**(118,097)**	**310,681**
Guaranteed	–	–	–	180,000	–	180,000
Secured[6]	313,665	–	–	(195,568)	(118,097)	–
Unguaranteed/unsecured	332,481	110,540	(312,340)	–	–	130,681
Shareholders' equity[8]	**(134,640)**	**(110,540)**	**312,340**	**(2,500)**	**118,097**	**182,757**
Share capital[9]	25	10,000	–	–	5,200	15,225
Legal reserve[10]	79,728	30,000	312,340	–	112,897	534,965
Other reserves[11]	(214,393)	(150,540)	–	(2,500)	–	(367,433)
Total[12]	**624,650**	–	–	**(24,070)**	–	**600,580**

* Columns may not add up due to rounding.

1 By resolution of the extraordinary shareholders' meeting of the Company held on June 23, 2017, the Company's shareholders' equity was increased by €40,000 thousand through a contribution in kind of a loan receivable by assignment, resulting in €10,000 thousand being accounted for as share capital and €30,000 thousand being accounted for as legal reserve. Concurrently, total non-current debt decreased by €40,000 thousand. Prior to the contribution in kind, the Company entered into an amendment agreement on June 22, 2017 with regards to certain other loan receivables, resulting in the remeasurement of such loan receivables in the amount of €212,825 thousand and concurrent derecognition of deferred tax liabilities in the amount of €62,285 thousand. Consequently, total non-current debt increased by €150,540 thousand, resulting in a net increase of total non-current debt in the amount of €110,540 thousand after taking into account the decrease in total non-current debt resulting from the effects of the contribution in kind in the amount of €40,000 thousand. Accordingly, other reserves decreased by €150,540 thousand, resulting in a net decrease of the Company's shareholders' equity in the amount of €110,540 thousand after taking into account the capital increase in the amount of €40,000 thousand. The capital increase was registered with the Commercial Register on July 5, 2017.

2 By a contribution and assignment agreement dated June 23, 2017, the Company's shareholders' equity was further increased by €287,340 thousand through a contribution of certain other loan receivables by assignment in the aggregate amount of €287,340 thousand. The total amount of €287,340 thousand was accounted for as legal reserve pursuant to Section 272 paragraph 2 No. 4 of the German Commercial Code (*Handelsgesetzbuch*). By a further contribution and assignment agreement dated June 23, 2017, the Company's shareholders' equity was further increased by €25,000 thousand through a contribution of another loan receivable by assignment in the aggregate amount of €25,000 thousand to the Company's legal reserve pursuant to Section 272 paragraph 2 No. 4 of the German Commercial

Code (*Handelsgesetzbuch*), which contribution is conditional upon the listing and takes effect on the first day of trading of shares in the Company. As a result, a total increase of the Company's shareholders' equity in the amount of €312,340 was accounted for as legal reserve with total non-current debt decreasing by the same amount.

3 On July 18, 2017, the Company is expected to sign the New Senior Facilities Agreement with an aggregate nominal amount of up to €260,000 thousand. The Company expects to draw €180,000 thousand, which, together with €24,070 thousand from cash on balance sheet, are intended to be used to partially repay outstanding indebtedness under the Existing Senior Facilities Agreement in the amount of €201,570 thousand (thereof €6,002 thousand and €195,568 thousand in current and non-current debt, respectively) and to pay related transaction costs of €2,500 thousand. As a result, net total non-current debt decreases by €15,568 thousand while net total current debt decreases by €6,002 thousand. In addition, transaction costs related to the refinancing in the amount of €2,500 thousand are accounted for as deduction from other reserves (assuming all transaction costs are expensed), thereby decreasing shareholders' equity by the same amount. The utilization of cash on balance sheet for the partial repayment results in a reduction of total capitalization in the amount of €24,070 thousand.

4 The amounts shown assume that all New Shares are placed at the low end of the Price Range, resulting in net proceeds of €118,097 thousand. An amount of €5,200 thousand is allocated to share capital and an amount of €112,897 thousand is allocated to the legal reserve (assuming all transaction costs can be accounted for as a deduction from the legal reserve). The net proceeds from the Private Placement are intended to be used to repay the remainder of outstanding indebtedness under the Existing Senior Facilities Agreement amounting to €118,097 thousand, resulting in the obligations under the Existing Senior Facilities Agreement to be fully discharged.

5 "Total current debt" is referred to as "Current liabilities" in the Company's consolidated financial statements.

6 "Secured" represents the current and noncurrent carrying amounts of interest-bearing loans and borrowings. Interest-bearing loans and borrowings are partially collateralized by senior land charges and property, plant and equipment, intangible assets, bank balances and customer receivables.

7 "Total non-current debt (excluding current portion of long-term debt)" is referred to as "Noncurrent liabilities" in the Company's consolidated financial statements.

8 "Shareholders' equity" is referred to as "Equity attributable to owners of the parent" in the Company's consolidated financial statements. The amounts shown as of April 30, 2017 do not include total comprehensive income for the month ending April 30, 2017.

9 "Share capital" is referred to as "Subscribed capital" in the Company's consolidated financial statements.

10 "Legal reserve" is referred to as "Capital reserves" in the Company's consolidated financial statements.

11 "Other reserves" is referred to as "Other reserves" plus "Retained earnings" in the Company's consolidated financial statements. The amounts shown as of April 30, 2017 do not include total comprehensive income for the month ending April 30, 2017.

12 "Total" is the sum of "Total current debt", "Total non-current debt" and "Shareholders' equity".

II. INDEBTEDNESS

(in € thousand)*	Actual as of April 30, 2017	Adjustment to reflect the contribution in kind (i)[1]	Adjustment to reflect the conversion (ii)[2]	Adjustment to reflect the refinancing (iii)[3]	Adjustment to reflect the Private Placement (iv)[4]	As adjusted for the contribution in kind, the conversion, the refinancing and the Private Placement (v)
				(unaudited)		
A. Cash	49,089	–	–	(24,070)	–	25,019
B. Cash equivalents	10,168	–	–	–	–	10,168
C. Trading securities	–	–	–	–	–	–
D. Liquidity (A) + (B) + (C)	**59,257**	–	–	**(24,070)**	**–**	**35,187**
E. Current financial receivable[5]	**1,085**	–	–	**–**	**–**	1,085
F. Current bank debt[6]	6,002	–	–	(6,002)	–	–
G. Current portion of non-current debt[7]	–	–	–	–	–	–
H. Other current financial debt[8]	100	–	–	–	–	100
I. Current financial debt (F) + (G) + (H)	**6,102**	–	–	**(6,002)**	**–**	**100**
J. Net current financial indebtedness (I) – (E) – (D)	**(54,240)**	–	–	**18,068**	**–**	**(36,172)**
K. Non-current bank loans[9]	313,665	–	–	(15,568)	(118,097)	180,000
L. Bonds issued	–	–	–	–	–	–
M. Other non-current loans[10]	139,515	172,825	(312,340)	–	–	–
N. Non-current financial indebtedness (K) + (L) + (M)	**453,180**	**172,825**	**(312,340)**	**(15,568)**	**(118,097)**	**180,000**
O. Net financial indebtedness (J) + (N)	**398,940**	**172,825**	**(312,340)**	**2,500**	**(118,097)**	**143,828**

* Columns may not add up due to rounding.

1 By resolution of the extraordinary shareholders' meeting of the Company held on June 23, 2017, the Company's shareholders' equity was increased by €40,000 thousand through a contribution in kind of a loan receivable by assignment. Concurrently, other non-current loans decreased by €40,000 thousand. Prior to the contribution in kind, the Company entered into an amendment agreement on June 22, 2017 with regards to certain other loan receivables, resulting in the remeasurement of such loan receivables in the amount of €212,825 thousand. Consequently, other non-current loans increased by a total of €172,825 thousand. The capital increase was registered with the Commercial Register on July 5, 2017.

2 By a contribution and assignment agreement dated June 23, 2017, the Company's shareholders' equity was further increased by €287,340 thousand through a contribution of certain other loan receivables by assignment in the aggregate amount of €287,340 thousand. By a further contribution and assignment agreement dated June 23, 2017, the Company's shareholders' equity was further increased by €25,000 thousand through a contribution of another loan receivable by assignment in the aggregate amount of €25,000 thousand to the Company's legal reserve pursuant to Section 272 paragraph 2 No. 4 of the German Commercial Code (*Handelsgesetzbuch*), which contribution is conditional upon the listing and takes effect on the first day of trading of shares in the Company. As a result, other non-current loans decreased by a total of €312,340 thousand.
3 On July 18, 2017, the Company is expected to sign the New Senior Facilities Agreement. The Company expects to draw €180,000 thousand, which, together with €24,070 thousand from cash on balance sheet, are intended to be used to partially repay outstanding indebtedness in the amount of €6,002 thousand and €15,568 thousand in current and non-current debt, respectively, in each case under the Existing Senior Facilities Agreement, and to pay related transaction costs of €2,500 thousand. As a result, net current financial indebtedness increases by €18,068 thousand and non-current financial indebtedness decreases by €15,568. Accordingly, net financial indebtedness increases by a total of €2,500 thousand.
4 The amounts shown assume that all New Shares are placed at the low end of the Price Range, resulting in net proceeds of €118,097 thousand. The net proceeds from the Private Placement are intended to be used to repay the remainder of outstanding indebtedness under the Existing Senior Facilities Agreement amounting to €118,097 thousand, resulting in the obligations under the Existing Senior Facilities Agreement to be fully discharged and non-current bank loans to be reduced by the same amount.
5 "Current financial receivable" refers to "Other current financial assets" categorized as "Current assets" in the Company's consolidated financial statements.
6 "Current bank debt" refers to "Interest-bearing loans and borrowings" categorized as "Current liabilities" in the Company's consolidated financial statements. Current interest-bearing loans and borrowings consist of current portion of the non-current interest-bearing loans and borrowings, being the non-current debt.
7 "Current portion of non-current debt" is already included in "Current bank debt".
8 "Other current financial debt" refers to "Other current financial liabilities" categorized as "Current liabilities" in the Company's consolidated financial statements.
9 "Non-current bank loans" refers to "Interest-bearing loans and borrowings" categorized as "Noncurrent liabilities" in the Company's consolidated financial statements.
10 "Other non-current loans" refers to "Liabilities to shareholders" and "Other noncurrent financial liabilities" categorized as "Noncurrent liabilities" in the Company's consolidated financial statements.

Our indirect and contingent indebtedness amounted to approximately €40,000 thousand as of April 30, 2017 on an unaudited basis. As of April 30, 2017, these contingent obligations comprised obligations under lease and rental agreements in the amount of approximately €40,000 thousand.

III. STATEMENT ON WORKING CAPITAL

The Company is of the opinion that the Group is in a position to meet the payment obligations that become due within at least the next twelve months from the date of this prospectus.

E. SELECTED CONSOLIDATED FINANCIAL INFORMATION

*The financial information contained in the following tables is taken or derived from our audited consolidated financial statements as of and for the years ended December 31, 2016, December 31, 2015 and December 31, 2014, our unaudited condensed consolidated interim financial statements as of and for the three-month period ended March 31, 2017 (including comparative financial information as of and for the three-month period ended March 31, 2016) and our accounting records and internal reporting system. The audited consolidated financial statements and the unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"). Our historical results are not necessarily indicative of the results that should be expected in the future.*

*PricewaterhouseCoopers GmbH (formerly PricewaterhouseCoopers AG) Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Germany ("**PWC**"), has audited the consolidated financial statements as of and for the years ended December 31, 2016, December 31, 2015 and December 31, 2014 and issued an independent auditor's report thereon. The independent auditor's report has been issued without qualifications. The aforementioned audited consolidated financial statements and the independent auditor's report thereon as well as the unaudited condensed consolidated interim financial statements as of and for the three-month period ended March 31, 2017 are included in this prospectus beginning on page F-2.*

*This prospectus contains alternative performance measures ("**APMs**") that are not defined under IFRS. These APMs comprise various financial measures and ratios, including Adjusted EBIT, Adjusted EBIT Margin, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Interest Expense, Net Working Capital, Capital Expenditure, Net Financial Debt, CAGR (compound annual growth rate), Adjusted Free Cash Flow and Cash Conversion, that are not required by, or presented in accordance with, IFRS. We present APMs because they are used by management in monitoring our business and because we believe that they and similar measures are frequently used by securities analysts, investors and other interested parties in evaluating companies in our industry. The definitions of the APMs may not be comparable to other similarly titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. APMs such as Adjusted EBIT, Adjusted EBIT Margin, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Interest Expense, Net Working Capital, Capital Expenditure, Net Financial Debt, CAGR (compound annual growth rate), Adjusted Free Cash Flow and Cash Conversion are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives to result for the period or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.*

Where financial information in the following tables is labeled "audited", this means that it was taken from the audited financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial information from the Company's unaudited condensed consolidated interim financial statements or that was taken or derived from the Company's accounting records or internal reporting system and not included in its audited consolidated financial statements. All of the financial information presented in the text or tables in this section of this prospectus is shown in millions of euro (€ millions) rounded to one decimal point or thousands of euro (€ thousands) rounded to the nearest whole number. Certain financial data (including percentages) in the following tables have been rounded according to established commercial standards, whereby aggregate amounts in the following tables (sum totals, sub-totals, difference of amounts put in relation) are calculated on the underlying unrounded amounts. As a result, the aggregate amounts in the following tables may not correspond in all cases to the corresponding rounded amounts contained in the following tables. Furthermore, in those tables, these rounded figures may not add up exactly to the totals contained in those tables. With respect to financial data set out in this prospectus, a dash ("—") signifies that the relevant figure is not available or equals zero, while a zero ("0") signifies that the relevant figure is available but has been rounded to zero.

I. SELECTED CONSOLIDATED FINANCIAL DATA

The following table shows selected financial information from our consolidated statement of income for the years ended December 31, 2016, December 31, 2015 and December 31, 2014 as well as for the three-month periods ended March 31, 2017 and March 31, 2016.

Consolidated Statement of Income

	Three-month period ended March 31,		Year ended December 31,		
	2017	2016	2016	2015	2014
	(in € million)				
	(unaudited)		(audited)		
Sales revenues	**180.5**	**165.5**	**633.9**	**649.8**	**516.3**
Cost of sales	(129.8)	(122.1)	(456.1)	(485.2)	(376.2)
Gross profit	**50.7**	**43.4**	**177.9**	**164.6**	**140.1**
Selling expenses	(21.0)	(19.4)	(82.1)	(81.0)	(1.2)
Research and development expenses	(2.6)	(2.6)	(10.7)	(9.4)	(7.6)
Administrative expenses	(11.7)	(11.8)	(54.4)	(55.5)	(35.6)
Other income	1.1	1.1	7.4	7.1	2.9
Other expenses	(1.0)	(1.2)	(6.3)	(2.7)	(4.0)
Share of profit or loss of equity method investments	0.5	0.3	1.4	1.4	2.7
Operating profit (EBIT)	**15.9**	**9.8**	**33.1**	**24.6**	**97.4**
Financial income	1.0	0.2	3.9	1.1	4.4
Financial expense	(9.7)	(9.4)	(39.1)	(76.6)	(51.5)
Net finance result	**(8.7)**	**(9.2)**	**(35.2)**	**(75.5)**	**(47.1)**
Loss/Profit before tax	**7.2**	**0.6**	**(2.1)**	**(50.9)**	**50.2**
Income taxes	(4.2)	(2.3)	(13.1)	(1.2)	(21.9)
Consolidated net loss/income for the period	**3.0**	**(1.7)**	**(15.2)**	**(52.1)**	**28.3**
Noncontrolling interests	–	–	–	–	(0.0)
Loss/Profit attributable to owners of the parent	**3.0**	**(1.7)**	**(15.2)**	**(52.1)**	**28.3**

The following table shows selected financial information from our consolidated balance sheet as of December 31, 2016, December 31, 2015, December 31, 2014 and as of March 31, 2017.

Consolidated Balance Sheet

	As of March 31, 2017	As of December 31, 2016	2015	2014
		(in € million)		
	(unaudited)	(audited, unless stated otherwise)		
Assets				
Intangible assets	254.9	261.5	281.7	309.7
Property, plant, and equipment	80.1	80.1	85.1	77.6
Further noncurrent assets[1] (unaudited)	24.6	24.2	24.1	24.4
Noncurrent assets	**359.6**	**365.9**	**391.0**	**411.7**
Inventories	88.7	90.4	92.6	86.6
Trade receivables	117.0	90.1	88.4	77.6
Cash and cash equivalents	57.5	47.2	40.4	42.9
Further current assets[2] (unaudited)	10.1	10.9	14.7	10.9
Current assets	**273.3**	**238.5**	**236.1**	**218.0**
Assets	**632.9**	**604.4**	**627.0**	**629.7**
Equity and liabilities				
Equity	**(132.4)**	**(137.4)**	**(120.5)**	**(73.8)**
Liabilities to shareholders	137.8	132.5	121.7	186.5
Pension obligations	59.3	60.7	53.7	62.2
Interest-bearing loans and borrowings	313.9	314.0	319.7	209.6
Further noncurrent liabilities[3] (unaudited)	134.6	134.2	134.0	145.5
Noncurrent liabilities	**645.5**	**641.4**	**629.2**	**603.9**
Pensions obligations	1.7	1.7	1.9	1.6
Interest-bearing loans and borrowings	6.0	6.0	11.6	0.4
Trade payables	71.0	57.7	71.8	59.3
Further current liabilities[4] (unaudited)	41.0	34.9	33.0	38.1
Current liabilities	**119.7**	**100.4**	**118.3**	**99.5**
Equity and liabilities	**632.9**	**604.4**	**627.0**	**629.7**

1 Includes investments accounted for using the equity method, deferred tax assets, other noncurrent financial assets, other noncurrent assets and noncurrent receivables from shareholders. The condensed consolidated balance sheet as of March 31, 2017 does not contain or separately disclose "noncurrent receivables from shareholders".

2 Includes receivables from income taxes, other current financial assets, other current assets and current receivables from shareholders. The condensed consolidated balance sheet as of March 31, 2017 does not contain or separately disclose "current receivables from shareholders".

3 Includes other provisions, deferred tax liabilities, other noncurrent financial liabilities and other noncurrent liabilities. The condensed consolidated balance sheet as of March 31, 2017 does not contain or separately disclose "other noncurrent financial liabilities".

4 Includes other provisions, liabilities from income taxes, other current financial liabilities and other current liabilities.

The following table shows selected financial information from our consolidated cash flow statement for the years ended December 31, 2016, December 31, 2015 and December 31, 2014 as well as for the three-month periods ended March 31, 2017 and March 31, 2016.

Consolidated Cash Flow Statement

	Three-month period ended March 31,		Year ended December 31,		
	2017	**2016**	**2016**	**2015**	**2014**
	(in € million)				
	(unaudited)		(audited)		
Loss/Profit before tax	**7.2**	**0.6**	**(2.1)**	**(50.9)**	**50.2**
Depreciation, amortization, impairment losses and reversal of impairment on noncurrent assets	10.9	10.3	41.3	46.6	(33.7)
Other non-cash expenses	5.1	4.9	20.5	46.8	41.0
Change in other assets and liabilities	(3.3)	(16.4)	6.8	19.0	4.1
Income tax payments	(2.6)	(4.9)	(9.9)	(18.9)	(8.5)
Cash flow from operating activities	**17.3**	**(5.5)**	**56.6**	**42.5**	**53.1**
Proceeds from sales of intangible assets	0.0	–	–	–	–
Payments to acquire intangible assets	(0.4)	(1.0)	(5.1)	(5.9)	(4.0)
Proceeds from sales of property, plant and equipment	0.1	0.1	1.4	5.4	–
Payments to acquire property, plant and equipment	(3.1)	(5.3)	(13.3)	(24.4)	(15.1)
Acquisition of subsidiary, net of cash acquired	–	–	–	(3.0)	(18.3)
Loans granted to related parties	–	–	–	(0.8)	(0.3)
Dividends received	0.5	–	0.2	1.5	3.2
Interests received	0.1	0.1	0.7	0.4	0.4
Cash flow from investing activities	**(2.9)**	**(6.1)**	**(16.1)**	**(26.8)**	**(34.1)**
Interest payments	(4.2)	(1.0)	(16.9)	(8.2)	(9.4)
Proceeds from short-term borrowings	–	12.5	–	10.5	–
Proceeds from long-term borrowings	–	–	–	108.2	–
Refinancing costs	–	(3.8)	(3.8)	(5.9)	–
Repayment of long-term borrowings	–	–	–	–	(11.7)
Repayment of short-term borrowings	–	(0.0)	(10.5)	(0.4)	–
Repayment of long-term liabilities to shareholders	–	–	–	(107.2)	–
Interest payments to shareholders	–	–	(3.0)	(15.2)	–
Acquisition of interest in a subsidiary	–	–	–	–	(0.1)
Cash flow from financing activities	**(4.2)**	**7.7**	**(34.2)**	**(18.2)**	**(21.2)**
Net change in cash and cash equivalents	**10.2**	**(3.8)**	**6.4**	**(2.5)**	**(2.1)**
Change in cash and cash equivalents due to exchange rate movements	0.1	(0.7)	0.4	(0.0)	1.0
Cash and cash equivalents at January 1	47.2	40.4	40.4	42.9	44.0
Cash and cash equivalents at period end	**57.5**	**35.8**	**47.2**	**40.4**	**42.9**

II. SELECTED KEY PERFORMANCE INDICATORS AND OTHER FINANCIAL INFORMATION

The selected key performance indicators and other financial information presented in this section to some extent represent alternative performance measures ("**APMs**") that are not defined under IFRS. We present APMs because they are used by management in monitoring our business and because we believe that they and similar measures are frequently used by securities analysts, investors and other interested parties in evaluating companies in our industry. The definitions of the APMs may not be comparable to other similarly titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. The APMs presented in this section are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives to result for the period or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

The following table shows selected key performance indicators and other financial information as of and for the years ended December 31, 2016, December 31, 2015 and December 31, 2014 as well as for the three-month periods ended March 31, 2017 and March 31, 2016.

	Three-month period ended March 31,		Year ended December 31,		
	2017	2016	2016	2015	2014
	(in € million, unless otherwise stated)				
	(unaudited)		(audited, unless otherwise stated)		
Sales revenues	180.5	165.5	633.9	649.8	516.3
Sales revenues growth (in %) (unaudited)	9.1	–	(2.4)	25.9	8.6
Cost of sales	(129.8)	(122.1)	(456.1)	(485.2)	(376.2)
Gross profit	50.7	43.4	177.9	164.6	140.1
Gross profit in % of sales revenues (unaudited)	28.1	26.2	28.1	25.3	27.1
Operating profit (EBIT)[1]	15.9	9.8	33.1	24.6	97.4
Operating profit (EBIT)[1] in % of sales revenues (unaudited)	8.8	6.0	5.2	3.8	18.9
Adjusted EBIT[2]	22.5	16.8	61.9	62.2	58.8
Adjusted EBIT Margin[3] (unaudited)	12.4	10.2	9.8	9.6	11.4
EBITDA[4] (unaudited)	26.8	20.2	74.4	68.5	63.7
EBITDA[4] in % of sales revenues (unaudited)	14.8	12.2	11.7	10.9	12.3
Adjusted EBITDA[5]	27.0	20.8	78.0	77.5	69.6
Adjusted EBITDA Margin[6] (unaudited)	15.0	12.6	12.3	11.9	13.5
Adjusted Interest Expense[7] (unaudited)	3.3	4.4	19.3	9.6	9.4
Net Working Capital[8] (unaudited)	134.8	–	122.8	109.1	104.9
Net Working Capital[8] in % of sales revenues (unaudited)	74.7	–	19.4	16.8	20.3
Net Financial Debt[9] (unaudited)	262.4	–	272.8	290.9	167.1
Capital Expenditure[10] (unaudited)	3.5	6.3	18.4	30.3	19.1
Capital Expenditure[10] in % of sales revenues (unaudited)	2.0	3.8	2.9	4.7	3.7
Adjusted Free Cash Flow[11] (unaudited)	23.5	14.5	59.6	47.2	50.6
Cash Conversion[12] (in %) (unaudited)	87.0	69.9	76.4	60.9	72.6

1 Operating profit (EBIT) is defined as earnings before interest and taxes and is labelled operating profit in the consolidated statement of income of the Company.

2 Adjusted EBIT is defined as operating profit (EBIT) adjusted for exceptional items, depreciation and amortization of property, plant and equipment and intangible assets from the PPA and impairment and reversal of impairment of property, plant and equipment and intangible assets from the PPA. Exceptional items include other non-recurring expenses and income, which occurred mainly in various IT projects and acquisitions of the MBTAS business and Edbro business. Adjustments to operating profit (EBIT) are allocated exclusively to our European segment. The Company believes that these adjustments are useful to understand and correctly assess the ordinary course of business.The following table shows the reconciliation from operating profit (EBIT) to Adjusted EBIT.

	Three-month period ended March 31,		Year ended December 31,		
	2017	2016	2016	2015	2014
	(in € million)				
	(unaudited)		(audited)		
Operating profit (EBIT)	**15.9**	**9.8**	**33.1**	**24.6**	**97.4**
Edbro acquisition	(0.0)	(0.0)	(0.8)	(0.8)	(0.8)
Axle acquisition	–	(0.2)	(0.3)	(2.8)	(0.9)
IT/ERP project	–	(0.1)	(0.2)	(0.7)	(2.7)
IPO	(0.0)	(0.1)	(1.1)	(2.2)	–
Other[(a)]	(0.2)	(0.2)	(1.2)	(2.6)	(1.6)
Additional depreciation from PPA	(0.6)	(0.6)	(2.2)	(2.4)	(2.0)
Additional amortization from PPA	(5.7)	(5.7)	(23.0)	(26.2)	(17.5)
Additional impairment from PPA	–	–	–	–	–
Additional reversal of impairment from PPA	–	–	–	–	64.0
Adjusted EBIT	**22.5**	**16.8**	**61.9**	**62.2**	**58.8**

(a) Other mainly consists of financing restructuring costs, restructuring costs for operational improvements, IT improvement costs and redundancy payments and consultancy fees in connection with personnel restructuring.

3 Adjusted EBIT Margin is defined as Adjusted EBIT divided by sales revenues.

4 EBITDA is defined as EBIT before depreciation and amortization.

5 Adjusted EBITDA is defined as Adjusted EBIT before depreciation and amortization (other than depreciation and amortization of property, plant and equipment and intangible assets from the PPA and impairment and reversal of impairment of property,

plant and equipment and intangible assets from the PPA). The Company believes that these adjustments are useful to understand and correctly assess the ordinary course of business. The following table shows the further reconciliation from Adjusted EBIT to Adjusted EBITDA. See footnote 2 for a reconciliation of operating profit (EBIT) to Adjusted EBIT.

	Three-month period ended March 31,		Year ended December 31,		
	2017	2016	2016	2015	2014
	(in € million)				
	(unaudited)		(audited)		
Adjusted EBIT	**22.5**	**16.8**	**61.9**	**62.2**	**58.8**
Depreciation of property, plant, and equipment	(3.1)	(2.5)	10.3	9.5	7.9
Amortization of intangible assets	(1.4)	(1.5)	5.7	5.8	2.9
Adjusted EBITDA	**27.0**	**20.8**	**78.0**	**77.5**	**69.6**

6 Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by sales revenues.

7 Adjusted Interest Expense is defined as interest expense (excluding net interest expenses in connection with the shareholder loan) plus interest income plus realized and unrealized currency gains less realized and unrealized currency losses. Both interest expense and interest income exclude shareholder loan revaluation.

8 Net Working Capital is defined as trade receivables plus inventories less trade payables.

9 Net Financial Debt is defined as current and non-current interest bearing loans and borrowings less cash and cash equivalents.

10 Capital Expenditure is defined as payments to acquire intangible assets plus payments to acquire property, plant and equipment.

11 Adjusted Free Cash Flow is defined as Adjusted EBITDA minus Capital Expenditure.

12 Cash Conversion is defined as Adjusted Free Cash Flow divided by Adjusted EBITDA.

III. Segment Information

We have the following three reportable segments: Europe; North America; and Asia, Pacific and Africa ("**APA**"). The information presented in the following tables (including sales revenues by origin) is based on the three reporting segments APA, Europe and North America for the three-month periods ended March 31, 2017 and March 31, 2016 as well as the years ended December 31, 2016, December 31, 2015 and December 31, 2014.

1. *Segment Reporting for the three-month period ended March 31, 2017*

Amounts in € million (unaudited)	APA	Europe	North America	Reconciliation[1]	Consolidated financial statements
Sales revenues (by origin)[2]	**41.6**	**191.3**	**30.1**	**(82.5)**	**180.5**
thereof: external sales revenues	*34.8*	*115.7*	*30.0*	*–*	*180.5*
thereof: internal sales revenues	*6.8*	*75.6*	*0.1*	*(82.5)*	*–*
Adjusted EBIT	**5.8**	**13.1**	**3.1**	**0.5**	**22.5**
thereof: depreciation and amortization	*0.4*	*3.6*	*0.6*	*–*	*4.6*
Adjusted EBITDA	**6.2**	**16.7**	**3.7**	**0.5**	**27.0**

1 Adjusted EBIT and Adjusted EBITDA include share of profit or loss of investments accounted for using the equity method.

2 Sales by destination: APA: €44.6 million, Europe: €104.4 million, North America: €31.5 million.

2. *Segment Reporting for the three-month period ended March 31, 2016*

Amounts in € million (unaudited)	APA	Europe	North America	Reconciliation[1]	Consolidated financial statements
Sales revenues (by origin)[2]	**32.2**	**180.7**	**30.7**	**(78.0)**	**165.5**
thereof: external sales revenues	*24.5*	*110.3*	*30.6*	*–*	*165.5*
thereof: internal sales revenues	*7.6*	*70.4*	*0.1*	*(78.0)*	*–*
Adjusted EBIT	**4.0**	**10.5**	**2.0**	**0.3**	**16.8**
thereof: depreciation and amortization	*0.3*	*3.2*	*0.5*	*–*	*4.0*
Adjusted EBITDA	**4.3**	**13.7**	**2.5**	**0.3**	**20.8**

1 Adjusted EBIT and Adjusted EBITDA include share of profit or loss of investments accounted for using the equity method.

2 Sales by destination: APA: €38.4 million, Europe: €94.6 million, North America: €32.4 million.

3. *Segment Reporting for the year ended December 31, 2016*

Amounts in € million (audited)	APA	Europe	North America	Reconciliation[1]	Consolidated financial statements
Sales revenues (by origin)[2]	**129.8**	**677.0**	**109.9**	**(282.8)**	**633.9**
thereof: external sales revenues	*103.2*	*420.9*	*109.8*	*–*	*633.9*
thereof: internal sales revenues	*26.6*	*256.1*	*0.2*	*(282.8)*	*–*
Adjusted EBIT	**15.9**	**35.0**	**9.7**	**1.4**	**61.9**
thereof: depreciation and amortization	*1.4*	*12.6*	*2.0*	*–*	*16.0*
Adjusted EBITDA	**17.2**	**47.6**	**11.8**	**1.4**	**78.0**

1 Adjusted EBIT and Adjusted EBITDA include share of profit or loss of investments accounted for using the equity method.
2 Sales by destination: APA: €147.3 million, Europe: €372.2 million, North America: €114.5 million.

4. *Segment Reporting for the year ended December 31, 2015*

Amounts in € million (audited)	APA	Europe	North America	Reconciliation[1]	Consolidated financial statements
Sales revenues (by origin)[2]	**136.6**	**636.5**	**130.1**	**(253.4)**	**649.8**
thereof: external sales revenues	*98.9*	*421.0*	*129.9*	*–*	*649.8*
thereof: internal sales revenues	*37.7*	*215.5*	*0.2*	*(253.4)*	*–*
Adjusted EBIT	**14.8**	**38.0**	**7.9**	**1.4**	**62.2**
thereof: depreciation and amortization	*1.6*	*11.8*	*2.0*	*–*	*15.4*
Adjusted EBITDA	**16.4**	**49.8**	**10.0**	**1.4**	**77.5**

1 Adjusted EBIT and Adjusted EBITDA include share of profit or loss of investments accounted for using the equity method.
2 Sales by destination: APA: €147.8 million, Europe: €366.6 million, North America: €135.5 million.

5. *Segment Reporting for the year ended December 31, 2014*

Amounts in € million (audited)	APA	Europe	North America	Reconciliation[1]	Consolidated financial statements
Sales revenues (by origin)[2]	**121.5**	**504.5**	**94.5**	**(204.2)**	**516.3**
thereof: external sales revenues	*85.9*	*336.1*	*94.4*	*–*	*516.3*
thereof: internal sales revenues	*35.6*	*168.4*	*0.2*	*(204.2)*	*–*
Adjusted EBIT	**13.2**	**40.9**	**2.1**	**2.7**	**58.8**
thereof: depreciation and amortization	*1.4*	*8.1*	*1.3*	*–*	*10.8*
Adjusted EBITDA	**14.6**	**49.0**	**3.4**	**2.7**	**69.6**

1 Adjusted EBIT and Adjusted EBITDA include share of profit or loss of investments accounted for using the equity method.
2 Sales by destination: APA: €135.0 million, Europe: €279.8 million, North America: €101.5 million.

6. *Noncurrent Assets by Operating Segments*

The following table shows noncurrent assets by operating segments as of December 31, 2016, December 31, 2015 and December 31, 2014 and as of March 31, 2017.

Noncurrent assets[1] by segment	As of March 31, 2017	As of December 31, 2016	2015	2014
	(in € million)			
	(unaudited)	(audited)		
APA	29.6	29.4	29.6	32.4
Europe	290.5	295.8	318.3	342.3
North America	29.0	30.2	30.4	27.3
Total noncurrent assets	**349.1**	**355.5**	**378.3**	**402.0**

1 Total non-current assets as presented in this table differ from noncurrent assets as presented on the consolidated balance sheet of the Company by excluding deferred tax assets, receivables from shareholders and other noncurrent assets. Noncurrent assets as presented in this table consist of intangible assets, property, plant and equipment, investments accounted for using the equity method and other noncurrent financial assets. Effects from purchase price allocation are allocated to each segment.

F. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*Investors should read the following management's discussion and analysis of financial condition and results of operations of our Group together with the additional financial information contained elsewhere in this prospectus, in particular in the sections on A. "Risk Factors", H. "Business" and E. "Selected Consolidated Financial Information", as well as in the audited consolidated financial statements including the related notes thereto. The audited consolidated financial statements as of and for the years ended December 31, 2016, December 31, 2015 and December 31, 2014 and the unaudited condensed consolidated interim financial statements as of and for the three-month period ended March 31, 2017 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"). Our historical results are not necessarily indicative of our future results.*

*PricewaterhouseCoopers GmbH (formerly PricewaterhouseCoopers AG) Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Germany ("**PWC**"), has audited the consolidated financial statements as of and for the years ended December 31, 2016, December 31, 2015 and December 31, 2014 and issued an independent auditor's report thereon. The independent auditor's report has been issued without qualifications. The aforementioned audited consolidated financial statements and the independent auditor's report thereon as well as the unaudited condensed consolidated interim financial statements as of and for the three-month period ended March 31, 2017 are included in this prospectus beginning on page F-2.*

Where financial information in the following tables is labeled "audited", this means that it was taken from the audited financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial information from the Company's unaudited condensed consolidated interim financial statements or that was taken or derived from the Company's accounting records or management reporting system and not included in its audited consolidated financial statements. All of the financial information presented in the text or tables in this section of this prospectus is shown in millions of euro (€ millions) rounded to one decimal point or thousands of euro (€ thousands) rounded to the nearest whole number. Certain financial data (including percentages) in the following tables have been rounded according to established commercial standards, whereby aggregate amounts in the following tables (sum totals, sub-totals, difference of amounts put in relation) are calculated on the underlying unrounded amounts. As a result, the aggregate amounts in the following tables may not correspond in all cases to the corresponding rounded amounts contained in the following tables. Furthermore, in those tables, these rounded figures may not add up exactly to the totals contained in those tables.

I. OVERVIEW

We believe we are a leading global producer and supplier of safety-critical truck and trailer components with a portfolio of well-recognized brands built around our core brand "JOST". Our global leadership position is driven by the strength of our brands, which include the market-leading names of Rockinger, TRIDEC and Edbro, by our long-standing client relationships serviced through our global distribution network as well as by our efficient and asset-light business model.

II. KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

We believe that the factors discussed below have affected the development of our business, financial condition and results of operations in the periods discussed in this prospectus and that such factors will continue to affect our business, financial condition and results of operations.

1. Sales Revenues

Between 2014 and 2016, we generated a compound annual growth rate ("**CAGR**") in terms of sales revenues of 10.8% per year. The main drivers of this growth have been acquisitions, underlying sector growth in Europe and China, increased value content in our products and our market share, which we also expect to be the main drivers in the medium term. Furthermore, our sales revenues have been impacted by currency translations.

a. Acquisitions

We believe we have a proven track record of successfully integrating acquisitions, which have historically been focused on truck- and trailer-related products and services. Since 2000, we have owned Rockinger, a manufacturer of trailer couplings for road and agricultural use, TRIDEC, a developer and manufacturer of controlled steering systems for trailers, and Edbro, a manufacturer of hydraulic-tipping hoists. In December 2014, we acquired Mercedes-Benz TrailerAxleSystems ("**MBTAS**") for a total consideration paid of €22.3 million (consisting of €18.3 million in 2014, net of cash acquired of €1.0 million, and €3.0 million in

2015), a trailer and semi-trailer axle technology and systems company, which was our most recent acquisition. MBTAS was consolidated as of December 18, 2014 based on a preliminary purchase price consolidation, which was not adjusted in any of the following fiscal years of the review period. The effect of the MBTAS acquisition on income and expenses was fully reflected for the first time in our income statement as of January 1, 2015. However, assuming that the MBTAS acquisition had been completed on January 1, 2014, sales revenues would have been €74.1 million higher and our net income would have been €3.1 million higher in 2014. Since the end of 2016, our MBTAS products have been marketed under the name JOST Axle Systems.

Through these acquisitions, we were able to expand our product portfolio for commercial vehicles to incorporate hydraulic cylinders and systems as well as trailer axles, especially for European axle activities.

b. Developments in the global truck business

As a global producer and supplier of safety-critical truck and trailer components, we have a first-fit OEM business accounting for approximately 75% of our total sales revenues (excluding the Brazilian JV Company) and aftermarket/trading activities accounting for approximately 25% of our total sales revenues in 2016. Our first-fit OEM business is driven by the development of the truck and trailer market, which, in turn, is dependent on various factors, including macroeconomic indicators such as economic growth and population growth as well as the regulation of trucks and trailers on a local, national and international level, including regulations recently introduced in France, Italy and China, which are expected to result in increased demand for our products. For example, new regulations recently introduced in China in the second half of 2016 are expected to positively impact demand, particularly for heavy-duty vehicles, which was also bolstered by growth in the U.S. trucking industry in prior years, despite a recent downturn in the U.S. heavy duty truck market. See *G.II.3.b. "Industry Macro Trends"*. Further, road transportation metric ton-kilometers are expected to grow across our key geographic regions between 2017 and 2021 with a CAGR of approximately 3.8% over the period, with higher growth rates in China and India (Source: Roland Berger 2017), which is expected to fuel production demand and contribute positively to sales revenues. Our sales revenues were also positively impacted at the end of 2016 as a result of increases in our pre-buy business following the introduction of the new Chinese regulations. In contrast, our aftermarket/trading activities are not directly affected by the development of the truck and trailer production.

The most important growth driver of the truck and trailer components industry is overall vehicle production volume, which, in turn, is driven by vehicle demand, and sales volume. Worldwide heavy-duty truck production grew by 6% in 2016, including a 30% decline in North American production compared to 2015, and global production is expected to record no or slightly negative growth in 2017. From 2012 to 2017, global production of medium- and heavy-duty trucks combined remained largely stable, increasing approximately 0.7% per year and is expected to grow at approximately 3% per year between 2017 and 2021, reaching approximately 3.3 million units by 2021 (Source: Roland Berger 2017).

The global production of medium- and heavy-duty commercial vehicle trailers increased at approximately 3.5% between 2012 and 2017 (Source: Roland Berger 2017). The global production of medium- and heavy-duty commercial vehicle trailers is expected to grow at approximately 3% per year until 2021, to reach approximately 1.3 million units by 2021 (Source: Roland Berger 2017).

c. Increase content per vehicle and market share

The markets in which we operate are highly consolidated with high barriers to entry due to various quality and scale requirements as well as customer loyalty. Despite the high degree of consolidation, we believe we are well positioned within our markets to maintain and further grow the current respective market share of our existing products and to strengthen our position through new product offerings and increased volumes in our product categories of hydraulic systems and trailer axle systems.

Over the last three years, we managed to continually increase the value content of our products by adding additional features to our offerings. For example, we have added sensor technology or LubeTronic technology, an automatic lubrication systems, to our fifth wheel couplings, which we now offer as fully-integrated solution to our customers and has reached a penetration rate of approximately 18% of our sales of fifth wheels in Europe. We believe that these factors represent and provide us with significant competitive advantages in terms of retaining and potentially increasing our market share. In addition, we expanded our market share (especially in North America) between 2014 and 2016, and, as a result, were able to grow faster than the global market at a sales CAGR (excluding the Brazilian JV Company) of 3.6% between 2014 and 2016 per year (taking into account the acquisition of the MBTAS business in 2014).

d. Currency Translation

Although we conduct our business on a global basis in several major international currencies, the primary currencies in which we conduct our business are the euro, the U.S. dollar and the Chinese renminbi. Our reporting currency is the euro. In 2016, the majority of our sales revenues was denominated in euro, 17.3% was denominated in U.S. dollars, 7.2% was denominated in Chinese renminbi, and the remainder was denominated in other currencies, including the British pound, the Polish zloty, the South African rand and the Australian dollar.

In general, we do not hedge risks associated with changes in currency exchange rates. Consolidated Group sales revenue totaled €633.9 million in 2016 (excluding our Brazilian JV Company). While the euro-equivalent of the U.S. dollar remained relatively stable in 2016, fluctuations in other currencies, including the British pound, the South African rand and the Chinese renminbi in particular, resulted in negative currency translation effects of €11.0 million in 2016 for all currency translations. On the contrary, the movements in the U.S. dollar to euro exchange rate in 2015 were the main driver of positive currency translation effects amounting to €32.0 million in 2015 for all currency translations.

Our sales revenues are therefore dependent on foreign exchange changes. However, to mitigate the risk of exchange rate movements, our subsidiaries conduct their operating business largely in their local currency.

2. Operating Expenses

Our operating expenses are directly linked to developments of our margins. In addition, operating expenses are affected by raw material prices.

a. Adjusted EBIT Margin Development

We have strong margins, which are in our view mainly driven by our strong competitive position. While Adjusted EBIT Margin decreased between 2014 and 2015 due to the consolidation of the MBTAS business, the slowdown of the Edbro off-road cylinder business and strains on operations due to high demand for on-road cylinders, we recorded slight improvements in our Adjusted EBIT Margin in 2016 as compared to 2015. These improvements, resulting in an Adjusted EBIT Margin of 9.8% in 2016, were primarily driven by three factors:

(i) Acquisitions: We have industry-leading operating margins in our core business due to our high market share. Some of the companies we have acquired generally performed at lower margins than our core business at the time of the acquisition. For example, the income and expenses of the MBTAS business are fully reflected for the first time in our income statement as of January 1, 2015, and we have recorded margin dilutions in 2015 primarily due to the integration of the MBTAS business, which generally, as an axle business, has a lower gross profit margin than that of our other business. However, in 2016, the MBTAS business has started to show an improved contribution in line with Group-wide margin improvements in 2016. We have a history of improving the performance of the businesses we acquire and strive to improve profitability of our acquired businesses to the level of our core business.

(ii) Edbro operations: The slowdown of the Edbro off-road cylinder business due to the demand shortfall from the mining business has had a negative effect on the development of our margins since 2014. As a result, we have implemented efficiency measures adjusting to a lower level of demand, which have started to show slight improvements to our margins. Regarding Edbro's on-road products, we experienced significant demand growth since 2014 due to the utilization of our sales efforts and distribution network to support the sales of Edbro products. The volume demand exceeded Edbro's production capacities, and as a result we have implemented an investment program that will allow us to service demand for on-road products going forward. The increases in efficiency and production capabilities have started to positively affect the operating margin of our Edbro business in the first quarter of 2017, which represents a trend that we expect to continue. In addition, we expect operating margins of our Edbro operations to improve as a result of a potential rebound of the mining markets.

(iii) Operations outside Europe: While a market slowdown in South America has affected our Brazilian JV Company, from which we expect lower net income contributions in 2017, our operations in APA have consistently recorded solid double-digit margins due to strong organic growth in China. In addition, and despite price pressure in North America, we have recorded a strong expansion of the North America segment's Adjusted EBIT Margin from 2.2% in 2014 to 8.8% in 2016, which was particularly driven by the increased truck demand. In addition, our margin growth is supported by cost and efficiency programs in Europe, but particularly also outside Europe, and has started to positively impact our margins in 2016.

b. Price Changes for Raw Materials

The prices of energy and the raw materials that we use in our business, primarily castings and forgings for production purposes, fluctuate from year to year. Many of our long-term sales contracts include price adjustment provisions to account for increases or decreases in raw materials prices. In order to minimize the impact of raw materials prices changes, we try to forecast raw material prices and source materials according to our estimates. We also continue to search for additional qualified suppliers for these raw materials to stabilize or reduce the prices we pay for raw materials.

Historically, we have been able to pass on any price increases as well as price decreases to our customers. However, there is usually a delay until we are able to pass on any such price movements. Also, the full impact of any price changes with respect to the raw material we source is not always passed on to the same extent to our customers, thereby directly affecting our operating expenses.

3. Cash flow

Our cash generation profile is supported by low capital expenditures and disciplined working capital planning. While our Adjusted Free Cash Flow and Cash Conversion decreased between 2014 and 2015, we recorded increases for these metrics in 2016.

a. Capital expenditures

With respect to capital expenditures, we recorded an increase in 2015 as a result of increased integration costs related to the MBTAS business and increased spending in connection with capacity expansions of our Edbro business. In the medium term, we expect capital expenditures, including capital expenditures on property plant and equipment as well as capital expenditures on intangible assets, to normalize at levels between 2.0% and 2.5% of sales revenues. For a more detailed discussion on capital expenditures, see *F.VI.3. "Investments (Capital Expenditure)"*.

b. Working capital

We also manage our working capital requirements by closely monitoring our inventories, accounts receivables and accounts payables. In addition, we use measures such as Days On Hand (DOH), Days Sales Outstanding (DSO) and Days Payable Outstanding (DPO) to collect our revenues and manage our cash flow. For instance in 2016, the average days sales revenues were outstanding from trade receivables from third parties were 52 days.

Primarily due to our receivables management as well as our efforts to reduce inventory, our Net Working Capital has increased since 2014. As percentage of sales revenues, we expect our Net Working Capital to be stable at around 20%.

4. Seasonality

Activities in the truck and trailer industry are generally lower in the winter months than in the spring and summer months. While not necessarily affecting our results of operations with immediate effect, these seasonal trends can result in variations of sales and resulting profit. However, any such seasonal effects are limited for the Group. We have generally had slightly higher sales revenues and operating profit in the first half-year due to the fact that major customers especially in Europe close their manufacturing plants for summer break at the start of the second half-year. This effect has typically been almost offset by adverse weather conditions during the winter months which can cause problems in logistics. The Group's net working capital balance is generally not affected by seasonality because any decrease in cash flow from operating activities, including cash flow from sales revenues, is normally offset by cash inflow resulting from the collection of receivables. The opposite is the case in periods of higher cash flow from sales revenues and lower cash inflow resulting from the collection of receivables.

III. Results of Operations

The following table provides an overview of our results of operations for the periods shown:

Consolidated Statement of Income

	Three-month period ended March 31,		Year ended December 31,		
	2017	2016	2016	2015	2014
	(in € million)				
	(unaudited)		(audited)		
Sales revenues	**180.5**	**165.5**	**633.9**	**649.8**	**516.3**
Cost of sales	(129.8)	(122.1)	(456.1)	(485.2)	(376.2)
Gross profit	**50.7**	**43.4**	**177.9**	**164.6**	**140.1**
Selling expenses	(21.0)	(19.4)	(82.1)	(81.0)	(1.2)
Research and development expenses	(2.6)	(2.6)	(10.7)	(9.4)	(7.6)
Administrative expenses	(11.7)	(11.8)	(54.4)	(55.5)	(35.6)
Other income	1.1	1.1	7.4	7.1	2.9
Other expenses	(1.0)	(1.2)	(6.3)	(2.7)	(4.0)
Share of profit or loss of equity method investments	0.5	0.3	1.4	1.4	2.7
Operating profit (EBIT)	**15.9**	**9.8**	**33.1**	**24.6**	**97.4**
Financial income	1.0	0.2	3.9	1.1	4.4
Financial expense	(9.7)	(9.4)	(39.1)	(76.6)	(51.5)
Net finance result	**(8.7)**	**(9.2)**	**(35.2)**	**(75.5)**	**(47.1)**
Loss/Profit before tax	**7.2**	**0.6**	**(2.1)**	**(50.9)**	**50.2**
Income taxes	(4.2)	(2.3)	(13.1)	(1.2)	(21.9)
Consolidated net loss/income for the period	**3.0**	**(1.7)**	**(15.2)**	**(52.1)**	**28.3**
Noncontrolling interests	–	–	–	–	(0.0)
Loss/Profit attributable to owners of the parent	**3.0**	**(1.7)**	**(15.2)**	**(52.1)**	**28.3**

1. *Sales revenues*

Our sales revenues are primarily derived from the sale of our products. For information on the amounts of external sales revenues by the reportable segments APA, Europe and North America, see *E.III. "Segment Information"*.

a. Comparison of three-month periods ended March 31, 2017 and March 31, 2016

Sales revenues increased by €15.0 million, or 9.1%, to €180.5 million in the three-month period ended March 31, 2017 from €165.5 million in the three-month period ended March 31, 2016. The increase in sales revenues resulted mainly from an increase in sales revenues in China due to strong demand for fifth wheels after legislation changes, including new emission regulations, which led to prebuy effects, partially offset by lower sales revenues in North America due to a slowdown in the truck market which resulted in a lower demand for fifth wheels.

External sales revenues in APA increased by €10.3 million, or 41.8%, to €34.8 million in the three-month period ended March 31, 2017 from €24.5 million in the three-month period ended March 31, 2016 primarily due to an increase in sales revenues in China due to strong demand for fifth wheels after legislation changes, including new emission regulations, which led to prebuy effects. External sales revenues in Europe increased by €5.3 million, or 4.8%, to €115.7 million in the three-month period ended March 31, 2017 from €110.3 million in the three-month period ended March 31, 2016 primarily due to additional working days in many countries in Europe. External sales revenues in North America decreased by €0.6 million, or 1.9%, to €30.0 million in the three-month period ended March 31, 2017 from €30.6 million in the three-month period ended March 31, 2016 primarily due to a slowdown in the heavy duty truck market which led to a lower demand for fifth wheels.

b. Comparison of fiscal years ended December 31, 2016 and December 31, 2015

Sales revenues decreased by €15.9 million, or 2.4%, to €633.9 million in the year ended December 31, 2016 from €649.8 million in the year ended December 31, 2015. The decrease in sales revenues was

primarily due to a slow-down in the heavy-duty truck market leading to lower sales revenues in North America and negative currency translation effects. This decrease was partially offset by higher sales revenues in China resulting mostly from additional demand for our products in anticipation of new regulations recently introduced in China.

External sales revenues in APA increased by €4.3 million, or 4.4%, to €103.2 million in the year ended December 31, 2016 from €98.9 million in the year ended December 31, 2015 primarily due to new regulations recently introduced in China, which have started to positively affect external sales revenues in APA in the fourth quarter of the year ended December 31, 2016. External sales revenues in Europe remained stable at €420.9 million in the year ended December 31, 2016 compared to €421.0 million in the year ended December 31, 2015. Increases in external sales in Europe due to increased sales of TRIDEC products and axles were offset by decreasing external sales of hydraulic products and negative currency translation effects. External sales revenues in North America decreased by €20.1 million, or 15.5%, to €109.8 million in the year ended December 31, 2016 from €129.9 million in the year ended December 31, 2015 primarily due to a slow-down in the heavy-duty truck market leading to a decreasing demand for fifth wheels and negative currency translation effects.

c. Comparison of fiscal years ended December 31, 2015 and December 31, 2014

Sales revenues increased by €133.5 million, or 25.9%, to €649.8 million in the year ended December 31, 2015 from €516.3 million in the year ended December 31, 2014. The increase in sales revenues resulted mainly from the acquisition of the MBTAS business in December 2014. Assuming that the MBTAS acquisition had been completed on January 1, 2014, sales revenues would have been €74.1 million higher. In addition, we benefited from growth across all regions and positive currency translation effects, in particular due to the U.S. dollar appreciating against the euro. The increase was partially offset by decreasing sales revenues for draw bar trailer parts.

External sales revenues in APA increased by €13.0 million, or 15.2%, to €98.9 million in the year ended December 31, 2015 from €85.9 million in the year ended December 31, 2014 primarily due to growth in China and India, which was partially offset by decreasing sales revenues in Australia and South Africa. External sales revenues in Europe increased by €84.9 million, or 25.3%, to €421.0 million in the year ended December 31, 2015 from €336.1 million in the year ended December 31, 2014 primarily as a result of the acquisition of the MBTAS business in December 2014, whose results of operations were consolidated beginning in the year ended December 31, 2015. This increase in external sales revenues in Europe was partially offset by decreasing sales revenues in Russia. External sales revenues in North America increased by €35.5 million, or 37.7%, to €129.9 million in the year ended December 31, 2015 from €94.4 million in the year ended December 31, 2014 primarily due to market share gains, growing heavy-duty truck production increasing the demand for fifth wheels and positive currency translation effects.

2. Cost of sales

Our cost of sales mainly comprise components cost of materials, personnel expenses, depreciation of property, plant and equipment, amortization of intangible assets and impairment on inventories or reversal of impairment (losses) on inventories.

The following table sets forth the components of our cost of sales for the three-month periods ended March 31, 2017 and March 31, 2016 as well as the years ended December 31, 2016, December 31, 2015 and December 31, 2014.

	Three-month period ended March 31,				**Year ended December 31,**					
	2017		**2016**		**2016**		**2015**		**2014**	
	(in € million)	**in % of sales revenues**	**(in € million)**	**in % of sales revenues**	**(in € million)**	**in % of sales revenues**	**(in € million)**	**in % of sales revenues**	**(in € million)**	**in % of sales revenues**
	(unaudited)				**(audited)**	**(unaudited)**	**(audited)**	**(unaudited)**	**(audited)**	**(unaudited)**
Cost of materials	(98.1)	54.3	(88.3)	53.4	(338.8)	53.4	(362.2)	55.7	(274.0)	53.1
Personnel expenses	(15.9)	8.8	(15.8)	9.5	(59.9)	9.4	(60.3)	9.3	(50.8)	9.8
Depreciation of property, plant, and equipment	(2.5)	1.4	(2.5)	1.5	(8.3)	1.3	(7.1)	1.1	(6.2)	1.2
Amortization of intangible assets	(0.0)	0.0	(0.0)	0.0	(0.2)	0.0	(2.5)	0.4	(0.6)	0.1
Impairment (losses) reversal on inventories	(0.3)	0.2	0.4	(0.2)	2.1	(0.3)	(0.7)	0.1	(0.9)	0.2
Other[1]	(13.0)	7.2	(15.9)	9.6	(51.1)	8.1	(52.3)	8.1	(43.7)	8.5
Total	**(129.8)**	**71.9**	**(122.1)**	**73.8**	**(456.1)**	**71.9**	**(485.2)**	**74.7**	**(376.2)**	**72.9**

1 Other mainly includes cost of supplies of €4.0 million, inbound freight cost of €2.8 million, maintenance costs of €1.3 million and purchased services of €1.3 million for the three-month period ended March 31, 2017. Other mainly includes cost of supplies of €4.4 million, inbound freight cost of €2.8 million, maintenance costs of €1.4 million and purchased services of €1.2 million for the three-month period ended March 31, 2016. Other mainly includes cost of supplies of €15.2 million, inbound freight cost of €10.2 million, maintenance costs of €6.9 million and purchased services of €5.6 million for the year ended December 31, 2016. Other mainly includes cost of supplies of €17.5 million, inbound freight cost of €12.0 million, maintenance costs of €3.9 million and purchased services of €5.3 million for the year ended December 31, 2015. Other mainly includes cost of supplies of €15.2 million, inbound freight cost of €10.8 million, maintenance costs of €3.6 million and purchased services of €4.4 million for the year ended December 31, 2014.

a. Comparison of three-month periods ended March 31, 2017 and March 31, 2016

Cost of sales increased by €7.7 million, or 6.3%, to €129.8 million in the three-month period ended March 31, 2017 from €122.1 million in the three-month period ended March 31, 2016. The increase in cost of sales was primarily related to higher sales, partially offset by lower costs for maintenance and auxiliary materials. As a percentage of sales revenues, cost of sales decreased from 73.8% in the three-month period ended March 31, 2016 to 71.9% in the three-month period ended March 31, 2017. The decrease in cost of sales as a percentage of sales revenues was primarily due to higher sales while not all costs increased proportionally as well as a fixed cost dilution.

b. Comparison of fiscal years ended December 31, 2016 and December 31, 2015

Cost of sales decreased by €29.1 million, or 6.0%, to €456.1 million in the year ended December 31, 2016 from €485.2 million in the year ended December 31, 2015. The decrease in cost of sales was primarily due to lower costs for the purchase of raw materials (primarily castings and forgings) and savings initiatives, including the relocation of our axle manufacturing process to Poland which increased operational efficiencies of the MBTAS business. This decrease was partially offset by impairment gains on certain inventories amounting to €2.1 million as compared to impairment losses of €0.7 million in the year ended December 31, 2015. As a percentage of sales revenues, cost of sales decreased from 74.7% in the year ended December 31, 2015 to 71.9% in the year December 31, 2016. The decrease in cost of sales as a percentage of sales revenues was primarily due to lower costs for the purchase of raw materials.

c. Comparison of fiscal years ended December 31, 2015 and December 31, 2014

Cost of sales increased by €108.9 million, or 29.0%, to €485.2 million in the year ended December 31, 2015 from €376.2 million in the year ended December 31, 2014. The increase in cost of sales was primarily due to increased sales revenues as a result of the MBTAS acquisition. As a percentage of sales revenues, cost of sales increased from 72.9% in the year ended December 31, 2014 to 74.7% in the year December 31, 2015. The increase in cost of sales as a percentage of sales revenues was primarily due to margin dilution in the acquired MBTAS business as a result of product and service purchase obligations, and the strong increase in lower margin truck original equipment business in North America.

3. *Gross profit*

Gross profit is defined as sales revenues less cost of sales.

a. Comparison of three-month periods ended March 31, 2017 and March 31, 2016

Gross profit increased by €7.3 million, or 16.8%, to €50.7 million in the three-month period ended March 31, 2017 from €43.4 million in the three-month period ended March 31, 2016. The increase of gross profit was primarily due to higher sales volume, partially offset by higher materials costs. Our gross profit margin increased from 26.2% in the three-month period ended March 31, 2016 to 28.1% in the three-month period ended March 31, 2017 in particular due to proportionally lower fixed costs based on higher sales.

b. Comparison of fiscal years ended December 31, 2016 and December 31, 2015

Gross profit increased by €13.2 million, or 8.0%, to €177.9 million in the year ended December 31, 2016 from €164.6 million in the year ended December 31, 2015. The increase of gross profit was primarily due to reduced prices for cost of materials purchased and reduced production costs for our axle business after the full integration of MBTAS at our production site in Poland. These reduced costs were partially offset by an increase in maintenance costs as well as investments in the MBTAS and Edbro businesses, leading to higher depreciation of property, plant and equipment. Our gross profit margin increased from 25.3% in the year ended December 31, 2015 to 28.1% in the year ended December 31, 2016 due particularly to normalization of the MBTAS business by margins after a period of lower margins and extraordinary expenses in the transition phase. In addition, selective price increases for goods sold in North America contributed to the improvement in gross profit margin.

c. Comparison of fiscal years ended December 31, 2015 and December 31, 2014

Gross profit increased by €24.6 million, or 17.5%, to €164.6 million in the year ended December 31, 2015 from €140.1 million in the year ended December 31, 2014. The increase of gross profit was primarily attributable to the positive impact from the consolidation of gross profit of the MBTAS business as well as the high gross profit in North America resulting from increased sales. This increase was partially offset by an increase in depreciation of property, plant and equipment. Our gross profit margin decreased from 27.1% in the year ended December 31, 2014 to 25.3% in the year ended December 31, 2015 primarily due to the first year consolidation of the results of operations of our MBTAS business, which generally has a lower gross profit margin than that of our other business and the strong increase of profitable original truck equipment business in North America.

4. *Selling expenses*

Selling expenses mainly comprise personnel expenses, depreciation of property, plant and equipment, amortization of intangible assets, impairment of intangible assets and reversal of impairment of intangible assets.

The following table sets forth the components of our selling expenses for the three-month periods ended March 31, 2017 and March 31, 2016 as well as the years ended December 31, 2016, December 31, 2015 and December 31, 2014.

	Three-month period ended March 31,				Year ended December 31,					
	2017		2016		2016		2015		2014	
	(in € million)	in % of sales revenues	(in € million)	in % of sales revenues	(in € million) (audited)	in % of sales revenues (unaudited)	(in € million) (audited)	in % of sales revenues (unaudited)	(in € million) (audited)	in % of sales revenues (unaudited)
	(unaudited)									
Personnel expenses	(6.6)	3.7	(6.2)	3.8	(25.9)	4.1	(25.7)	3.9	(22.4)	4.3
Depreciation of property, plant and equipment	(0.8)	0.4	(0.7)	0.4	(3.1)	0.5	(2.8)	0.4	(2.1)	0.4
Amortization of intangible assets	(5.7)	3.2	(5.8)	3.5	(23.0)	3.6	(26.2)	4.0	(17.6)	3.4
Impairment and reversal of impairment of intangible assets	–	–	–	–	–	–	(2.7)	0.4	64.0	(12.4)
Other[1]	(7.9)	4.4	(6.7)	4.1	(30.1)	4.8	(23.7)	3.6	(23.1)	4.5
Total	**(21.0)**	**11.7**	**(19.4)**	**11.7**	**(82.1)**	**13.0**	**(81.0)**	**12.5**	**(1.2)**	**0.2**

1 Other mainly includes freight expenses of €13.2 million, expenses related to marketing and trade shows of €3.3 million and travel and entertainment expenses of €3.4 million for the year ended December 31, 2016. Other mainly includes freight expenses of €10.7 million, expenses related to marketing and trade shows of €3.0 million and travel and entertainment expenses of €3.6 million for the year ended December 31, 2015. Other mainly includes freight expenses of €8.6 million, expenses related to marketing and trade shows of €3.2 million and travel and entertainment expenses of €3.3 million for the year ended December 31, 2014. Other mainly includes freight expenses of €3.8 million, expenses related to marketing and trade shows of €0.7 million and travel and entertainment expenses of €0.9 million for the three-month period ended March 31, 2017. Other mainly includes freight expenses of €3.1 million, expenses related to marketing and trade shows of €0.5 million and travel and entertainment expenses of €0.7 million for the three-month period ended March 31, 2016.

a. Comparison of three-month periods ended March 31, 2017 and March 31, 2016

Selling expenses increased by €1.6 million, or 8.4%, to €21.0 million in the three-month period ended March 31, 2017 from €19.4 million in the three-month period ended March 31, 2016. The increase in selling expenses was primarily due to higher freight out expenses and higher selling-related personnel expenses. As a percentage of sales revenues, selling expenses remained relatively stable at 11.7% in the three-month period ended March 31, 2016 and 11.7% in the three-month period ended March 31, 2017. The decrease of selling expenses as a percentage of sales revenues was primarily due to higher sales while not all selling expenses increased proportionally.

b. Comparison of fiscal years ended December 31, 2016 and December 31, 2015

Selling expenses increased by €1.1 million, or 1.4%, to €82.1 million in the year ended December 31, 2016 from €81.0 million in the year ended December 31, 2015. The increase in selling expenses was primarily due to an increase in freight costs and other selling expenses, including expenses related to marketing and trade shows as well as related travel expenses. This increase in selling expenses was partially offset by lower amortization from purchase price allocation (PPA). As a percentage of sales revenues, selling expenses increased from 12.5% in the year ended December 31, 2015 to 13.0% in the year ended December 31, 2016. The increase of selling expenses as a percentage of sales revenues was primarily due to lower sales revenues and higher other selling expenses.

c. Comparison of fiscal years ended December 31, 2015 and December 31, 2014

Selling expenses increased by €79.8 million to €81.0 million in the year ended December 31, 2015 from €1.2 million in the year ended December 31, 2014. The increase in selling expenses was primarily due to a reversal of impairment from purchase price allocation (PPA) in 2014, which was partially offset by additional amortization from purchase price allocation (PPA) in connection with the acquired MBTAS business. As a percentage of sales revenues, selling expenses increased from 0.2% in the year ended December 31, 2014 to 12.5% in the year ended December 31, 2015. The increase of selling expenses as a percentage of sales revenues was primarily due to the above described reversal of impairment from purchase price allocation (PPA).

5. Research and development expenses

Research and development expenses primarily include personnel expenses and amortization of intangible assets.

a. Comparison of three-month periods ended March 31, 2017 and March 31, 2016

Research and development expenses remained relatively stable, with a 0.8% increase, to €2.6 million in the three-month period ended March 31, 2017 (compared to €2.6 million in the three-month period ended March 31, 2016). Higher amortization for capitalized research and development expenses was essentially offset by lower personnel expenses. As a percentage of sales revenues, research and development expenses decreased to 1.5% in the three-month period ended March 31, 2017 from 1.6% in the three-month period ended March 31, 2016. The decrease of research and development expenses as a percentage of sales revenues was primarily due to higher sales revenues while R&D expenses remained almost on the same level.

b. Comparison of fiscal years ended December 31, 2016 and December 31, 2015

Research and development expenses increased by €1.3 million, or 13.9%, to €10.7 million in the year ended December 31, 2016 from €9.4 million in the year ended December 31, 2015. The increase of research and development expenses was mainly due to an increase in personnel costs in connection with the globalization initiatives of our research and development efforts, which encompasses, among others, the establishment of a central engineering resource in Germany that provides global technical support to

our engineers and key suppliers. This increase was partially offset by slightly lower costs for travel and entertainment. As a percentage of sales revenues, research and development expenses increased from 1.4% for the year ended December 31, 2015 to 1.7% for the year ended December 31, 2016. The increase of research and development expenses as a percentage of sales revenues was primarily due to the increase of research and development expenses while sales revenues decreased.

c. Comparison of fiscal years ended December 31, 2015 and December 31, 2014

Research and development expenses increased by €1.8 million, or 23.8%, to €9.4 million in the year ended December 31, 2015 from €7.6 million in the year ended December 31, 2014. The increase in research and development expenses was primarily due to the integration of the research and development functions of the MBTAS business, which was partially offset by lower patent costs. As a percentage of sales revenues, research and development expenses decreased slightly from 1.5% in the year ended December 31, 2014 to 1.4% in the year December 31, 2015. The decrease of research and development expenses as a percentage of sales revenues was primarily due to the increase in sales volumes.

6. Administrative expenses

Administrative expenses primarily comprise personnel expenses, depreciation of property, plant and equipment and amortization of intangible assets.

a. Comparison of three-month periods ended March 31, 2017 and March 31, 2016

Administrative expenses decreased by €0.1 million or 0.6% from €11.8 million in the three-month period ended March 31, 2016 to €11.7 million in the three-month period ended March 31, 2017. The decrease of administrative expenses was primarily due to a decrease in administration-related personnel expenses, partially offset by an increase of expenses for purchased services. As a percentage of sales revenues, administrative expenses decreased from 7.1% in the three-month period ended March 31, 2016 to 6.5% in the three-month period ended March 31, 2017. The decrease of administrative expenses as a percentage of sales revenues in the three-month period ended March 31, 2017 was primarily due to higher sales revenues while administrative expenses remained almost on the same level.

b. Comparison of fiscal years ended December 31, 2016 and December 31, 2015

Administrative expenses decreased by €1.2 million, or 2.1%, from €55.5 million in the year ended December 31, 2015, to €54.4 million in the year ended December 31, 2016. The decrease of administrative expenses was primarily due to lower legal and consulting fees, personnel expenses and lower depreciation of property, plant and equipment, which were partially offset by an increase in amortization of intangible assets. As a percentage of sales revenues, administrative expenses increased slightly from 8.5% in the year ended December 31, 2015 to 8.6% in the year ended December 31, 2016. The increase of administrative expenses as a percentage of sales revenues was primarily due to lower sales volumes.

c. Comparison of fiscal years ended December 31, 2015 and December 31, 2014

Administrative expenses increased by €19.9 million, or 56.1%, to €55.5 million in the year ended December 31, 2015 from €35.6 million in the year ended December 31, 2014. The increase of administrative expenses was primarily due to an increase in legal and consulting fees in 2015 and integration costs related to the MBTAS business. As a percentage of sales revenues, administrative expenses increased from 6.9% in the year ended December 31, 2014 to 8.5% in the year December 31, 2015. The increase of administrative expenses as a percentage of sales revenues was primarily due to administrative expenses increasing at a rate greater than sales revenues.

7. Operating profit (EBIT)

Operating profit (EBIT) is defined as gross profit, other income and share of profit or loss of equity method investments less selling expenses, research and development expenses, administrative expenses and other expenses.

a. Comparison of three-month periods ended March 31, 2017 and March 31, 2016

Operating profit (EBIT) increased by €6.1 million, or 61.7%, to €15.9 million in the three-month period ended March 31, 2017 from €9.8 million in the three-month period ended March 31, 2016. The increase of operating profit (EBIT) was primarily due to higher sales revenues which translated into a higher gross profit while expenses did not increase proportionally to sales revenues and also based on cost control management as well as on a higher profit from at equity accounted investments, partially offset by higher

personnel expenses and higher freight out expenses. In addition, a decrease of other expenses, which mainly comprise currency losses, also contributed to the increase in operating profit (EBIT) in a limited amount. As a percentage of sales revenues, operating profit (EBIT) increased from 6.0% in the three-month period ended March 31, 2016 to 8.8% in the three-month period ended March 31, 2017. The increase of operating profit (EBIT) as a percentage of sales revenues was primarily due to fixed cost dilution and cost control management.

b. Comparison of fiscal years ended December 31, 2016 and December 31, 2015

Operating profit (EBIT) increased by €8.6 million, or 34.9%, to €33.1 million in the year ended December 31, 2016 from €24.6 million in the year ended December 31, 2015. The increase of operating profit (EBIT) was primarily due to an increase in gross profit, which was partially offset by an increase in selling expenses, research and development expenses and other expenses, which mainly comprise currency losses. As a percentage of sales revenues, operating profit (EBIT) increased from 3.8% in the year ended December 31, 2015 to 5.2% in the year December 31, 2016. The increase of operating profit (EBIT) as a percentage of sales revenues was primarily due to an increase in operating profit while sales revenue declined.

c. Comparison of fiscal years ended December 31, 2015 and December 31, 2014

Operating profit (EBIT) decreased by €72.8 million, or 74.8%, to €24.6 million in the year ended December 31, 2015 from €97.4 million in the year ended December 31, 2014. The decrease of operating profit (EBIT) was primarily due to a reversal of impairment of intangible assets in 2014 related to customer lists and trademarks that increased operating profit (EBIT) in 2014, the lower gross profit margin during the ramp up of our North American business, the integration of the MBTAS business, higher amortization from PPA and increased legal and consulting fees. This decrease was partially offset by higher currency gains. As a percentage of sales revenues, operating profit (EBIT) decreased from 18.9% in the year ended December 31, 2014 to 3.8% in the year ended December 31, 2015. The decrease of operating profit (EBIT) as a percentage of sales revenues was primarily due to the foregoing factors.

8. Net finance result

Net finance result consists of financial income and financial expense. Financial income consists of interest income, realized and unrealized currency gains, the revaluation effect of shareholder loans and other financial income. Financial expense consists of interest expenses, realized and unrealized currency losses, other financial expenses and revaluation of shareholder loans (including losses from derecognition of shareholder loans with an amount of €30.9 million in 2015).

The following table sets forth the components of our net finance result for the three-month periods ended March 31, 2017 and March 31, 2016 as well as the years ended December 31, 2016, December 31, 2015 and December 31, 2014.

	Three-month period ended March 31,		Year ended December 31,		
	2017	**2016**	**2016**	**2015**	**2014**
	(in € million)				
	(unaudited)		(audited)		
Financial income	1.0	0.2	3.9	1.1	4.4
Financial expense	(9.7)	(9.4)	(39.1)	(76.6)	(51.5)
Net Finance Result	**(8.7)**	**(9.2)**	**(35.2)**	**(75.5)**	**(47.1)**

a. Comparison of three-month periods ended March 31, 2017 and March 31, 2016

Net finance result improved by €0.5 million or 5.9%, to negative €8.7 million in the three-month period ended March 31, 2017 from negative €9.2 million in the three-month period ended March 31, 2016. The increase of net finance result was primarily due to higher financial income based on realized and unrealized currency gains, partially offset by higher interest expenses.

Financial income increased by €0.9 million, to €1.0 million in the three-month period ended March 31, 2017 from €0.2 million in the three-month period ended March 31, 2016. The increase of financial income was primarily due to higher financial income based on realized and unrealized currency gains.

Financial expense increased by €0.3 million, or 3.5%, to €9.7 million in the three-month period ended March 31, 2017 from €9.4 million in the three-month period ended March 31, 2016. The increase of financial expense was primarily due to higher interest expenses, partially offset by realized and unrealized currency losses.

b. Comparison of fiscal years ended December 31, 2016 and December 31, 2015

Net finance result improved by €40.3 million, or 53.3%, to negative €35.2 million in the year ended December 31, 2016 from negative €75.5 million in the year ended December 31, 2015. The improvement of net finance result was primarily due to significant financial expenses incurred in 2015, which were not incurred in 2016, and increased financial income.

Financial income increased by €2.8 million to €3.9 million in the year ended December 31, 2016 from €1.1 million in the year ended December 31, 2015. The increase of financial income was primarily due to the revaluation of shareholder loans in the amount of €3.3 million, which was offset by a decrease in currency gains.

Financial expense decreased by €37.5 million, or 49.1%, to €39.1 million in the year ended December 31, 2016 from €76.6 million in the year ended December 31, 2015. The decrease of financial expense was primarily due to losses related to the derecognition of shareholder loans of €30.9 million, while the year ended December 31, 2016 contained a revaluation of shareholder loans with an amount of €3.3 million. This decrease was partially offset by an increase in interest expenses.

c. Comparison of fiscal years ended December 31, 2015 and December 31, 2014

Net finance result decreased by €28.4 million, or 60.2%, to negative €75.5 million in the year ended December 31, 2015 from negative €47.1 million in the year ended December 31, 2014. The decrease of net finance result was primarily due to losses from the derecognition of shareholder loans amounting to €30.9 million, costs incurred in the course of the refinancing in 2015 and lower financial income.

Financial income decreased by €3.3 million, or 74.9%, to €1.1 million in the year ended December 31, 2015 from €4.4 million in the year ended December 31, 2014. The decrease of financial income was primarily due to a decrease in foreign exchange related gains.

Financial expense increased by €25.1 million, or 48.6%, to €76.6 million in the year ended December 31, 2015 from €51.5 million in the year ended December 31, 2014. The increase of financial expense was primarily due to losses related to the derecognition of shareholder loans of €30.9 million in 2015, costs incurred in the connection with the refinancing of the Company in 2015 and the discharge of previously amortized costs of earlier financings, which was partially offset by a revaluation of shareholder loans in 2014.

9. Income taxes

Income taxes include domestic corporate income and trade income tax as well as comparable foreign taxes. Income taxes are calculated using tax regulations governing the individual Group companies.

The total amounts include deferred income tax or deferred expenses from origination and reversal of temporary differences, deferred tax income from recognition of tax exempt grant, and current tax expenses on profit for the period. The following table sets forth the components of our income taxes for the three-month periods ended March 31, 2017 and March 31, 2016 as well as for the years ended December 31, 2016, December 31, 2015 and December 31, 2014.

	Three-month period ended March 31,		**Year ended December 31,**		
	2017	**2016**	**2016**	**2015**	**2014**
	(in € million)				
	(unaudited)		**(audited)**		
Deferred taxes	0.2	0.7	(2.4)	14.0	(11.8)
thereof: Deferred tax expense/income or deferred expenses from origination and reversal of temporary differences	0.2	0.7	*(1.1)*	*13.1*	*(12.3)*
thereof: Deferred tax expense/income from recognition of tax exempt grant	–	–	*(1.3)*	*0.9*	*0.6*
Current tax expenses on profit	(4.4)	(3.0)	(10.6)	(15.2)	(10.2)
Total	**(4.2)**	**(2.3)**	**(13.1)**	**(1.2)**	**(21.9)**

a. Comparison of three-month periods ended March 31, 2017 and March 31, 2016

Income tax expenses increased to €4.2 million in the three-month period ended March 31, 2017 from €2.3 million in the three-month period ended March 31, 2016. This increase was primarily due to an increase in sales revenues.

b. Comparison of fiscal years ended December 31, 2016 and December 31, 2015

Income tax expenses increased by €11.9 million to €13.1 million in the year ended December 31, 2016 from €1.2 million in the year ended December 31, 2015. The increase of income tax expenses was primarily due to deferred taxes of negative €13.1 million in 2015 arising primarily from a reversal of temporary differences, which was partially offset by a decrease of our current tax expenses in 2016.

c. Comparison of fiscal years ended December 31, 2015 and December 31, 2014

Income tax expenses decreased by €20.8 million, or 94.7%, to €1.2 million in the year ended December 31, 2015 from €21.9 million in the year ended December 31, 2014. The decrease of income tax expenses was primarily due to deferred taxes of negative €13.1 million in 2015 arising primarily from a reversal of temporary differences, which was partially offset by increased current tax expenses on profit in the same year.

10. Consolidated net loss/income

Consolidated net loss/income for the period is loss/profit before tax less income taxes.

a. Comparison of three-month periods ended March 31, 2017 and March 31, 2016

Consolidated net income increased by €4.6 million, or 279.9%, to €3.0 million in the three-month period ended March 31, 2017 from negative €1.7 million in the three-month period ended March 31, 2016. The increase was primarily due to the aforementioned factors.

b. Comparison of fiscal years ended December 31, 2016 and December 31, 2015

Consolidated net income improved by €36.9 million, or 70.9%, to negative €15.2 million in the year ended December 31, 2016 from negative €52.1 million in the year ended December 31, 2015. This improvement was primarily due to the aforementioned factors.

c. Comparison of fiscal years ended December 31, 2015 and December 31, 2014

Consolidated net income decreased by €80.4 million, or 284.0%, to negative €52.1 million in the year ended December 31, 2015 from €28.3 million in the year ended December 31, 2014. The increase was primarily due to the aforementioned factors.

IV. ADJUSTED EBIT AND SEGMENT RESULTS

Management evaluates each segment on the basis of key earnings figures. Management believes the most appropriate measure in this regard is adjusted earnings before interest and taxes, or "Adjusted EBIT". In addition to Adjusted EBIT, management believes that adjusted earnings before interest, taxes, depreciation and amortization, or "Adjusted EBITDA", is helpful for investors as a measurement of the segment's ability to generate cash and to service financing obligations. Investors should not, however, consider Adjusted EBITDA or Adjusted EBIT to be an alternative to net income attributable to the parent determined in accordance with IFRS, to cash flow from operating activities, investing activities or financing activities or as a measure of cash flows generally. Because not all companies calculate Adjusted EBIT and Adjusted EBITDA consistently, the presentation herein may not be comparable to other similarly titled measures of other companies.

1. Adjusted EBIT

Adjusted EBIT is defined as operating profit (EBIT) adjusted for exceptional items, depreciation and amortization of property, plant and equipment and intangible assets from the PPA and impairment and reversal of impairment of property, plant and equipment and intangible assets from the PPA. Exceptional items include other non-recurring expenses and income, which occurred mainly in various IT projects and acquisitions of the MBTAS business and Edbro business. The Company believes that these adjustments are useful to understand and correctly assess the ordinary course of business. Adjustments to operating profit (EBIT) are allocated exclusively to our European segment.

The following table shows the reconciliation from operating profit (EBIT) to Adjusted EBIT for the three-month periods ended March 31, 2017 and March 31, 2016 as well as the years ended December 31, 2016, December 31, 2015 and December 31, 2014.

	Three-month period ended March 31,		Year ended December 31,		
	2017	**2016**	**2016**	**2015**	**2014**
	(in € million)				
	(unaudited)		(audited)		
Operating profit (EBIT)	**15.9**	**9.8**	**33.1**	**24.6**	**97.4**
Edbro acquisition	(0.0)	(0.0)	(0.8)	(0.8)	(0.8)
Axle acquisition	–	(0.2)	(0.3)	(2.8)	(0.9)
IT/ERP project	–	(0.1)	(0.2)	(0.7)	(2.7)
IPO	(0.0)	(0.1)	(1.1)	(2.2)	–
Other[(a)]	(0.2)	(0.2)	(1.2)	(2.6)	(1.6)
Additional depreciation from PPA	(0.6)	(0.6)	(2.2)	(2.4)	(2.0)
Additional amortization from PPA	(5.7)	(5.7)	(23.0)	(26.2)	(17.5)
Additional impairment from PPA	–	–	–	–	–
Additional reversal of impairment from PPA	–	–	–	–	64.0
Adjusted EBIT	**22.5**	**16.8**	**61.9**	**62.2**	**58.8**

(a) Other mainly consists of financing restructuring costs, restructuring costs for operational improvements, IT improvement costs and redundancy payments and consultancy fees in connection with personnel restructuring.

a. Comparison of three-month periods ended March 31, 2017 and March 31, 2016

Adjusted EBIT increased by €5.7 million, or 33.8%, to €22.5 million in the three-month period ended March 31, 2017 from €16.8 million in the three-month period ended March 31, 2016. The increase of Adjusted EBIT was mainly due to higher sales revenues which translated into a higher gross profit while expenses did not increase proportionally to sales revenues and also based on cost control management as well as on a higher profit from at equity accounted investments, partially offset by higher personnel expenses, higher freight out expenses and less exceptional expenses. As a percentage of sales revenues, Adjusted EBIT Margin increased from 10.2% in the three-month period ended March 31, 2016 to 12.4% in the three-month period ended March 31, 2017. The increase of Adjusted EBIT as a percentage of sales revenues was primarily due to higher sales revenues while expenses did not increase proportionally to sales revenues which led to a fixed cost dilution and in addition more focus on cost management, partially offset by higher expense ratio for freight out costs. Adjusted EBIT of €22.5 million in the three-month period ended March 31, 2017 included a share of profit or loss of investments accounted for using the equity method in the amount of €0.5 million.

b. Comparison of fiscal years ended December 31, 2016 and December 31, 2015

Adjusted EBIT decreased by €0.3 million, or 0.4%, to €61.9 million in the year ended December 31, 2016 from €62.2 million in the year ended December 31, 2015. The decrease in Adjusted EBIT was primarily due to foreign exchange related losses and investments in the MBTAS and Edbro businesses, leading to higher depreciation of property, plant and equipment. The decrease in Adjusted EBIT was partially offset by higher operating profit. As a percentage of sales revenues, Adjusted EBIT Margin increased from 9.6% in the year ended December 31, 2015 to 9.8% in the year ended December 31, 2016. The increase in Adjusted EBIT as a percentage of sales revenues was primarily due to lower sales volumes, which were partially offset by a disproportionate decrease in Adjusted EBIT. Adjusted EBIT of €61.9 million in the year ended December 31, 2016 included a share of profit or loss of investments accounted for using the equity method in the amount of €1.4 million.

c. Comparison of fiscal years ended December 31, 2015 and December 31, 2014

Adjusted EBIT increased by €3.3 million, or 5.7%, to €62.2 million in the year ended December 31, 2015 from €58.8 million in the year ended December 31, 2014. The increase in Adjusted EBIT was primarily due to sales increase across all regions with particularly strong growth in North America as a result of increased truck demand. This increase was partially offset by decreasing results in our Edbro hydraulic business. In the year ended December 31, 2015, adjustments included, among others, higher restructuring costs for operational improvements and consultancy fees associated with IT improvements. As a percentage of sales revenues, Adjusted EBIT Margin decreased from 11.4% in the year ended December 31, 2014 to 9.6% in the year ended December 31, 2015. The decrease in Adjusted EBIT as a percentage of sales revenues was primarily due to increased cost for the integration of the acquired MBTAS business, partially offset by

higher profitability in North America. Adjusted EBIT of €62.2 million in the year ended December 31, 2015 included a share of profit or loss of investments accounted for using the equity method in the amount of €1.4 million.

2. *Segment results*

The following table shows sales revenues, Adjusted EBIT and Adjusted EBITDA, including related margins, for the three reporting segments Europe, North America and APA for the three-month periods ended March 31, 2017 and March 31, 2016 as well as the years ended December 31, 2016, December 31, 2015 and December 31, 2014

	Three-month period ended March 31,				Year ended December 31,					
	2017		2016		2016		2015		2014	
	(€ millions)	(margin in %)	(€ millions)	(margin in %)	(€ millions)	(margin in %)	(€ millions)	(margin in %)	(€ millions)	(margin in %)
	(unaudited)				(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)
Europe										
Sales revenues	191.3	100.0	180.7	100.0	677.0	100.0	636.5	100.0	504.5	100.0
thereof: external sales revenues	*115.7*	–	*110.3*	–	*420.9*	–	*421.0*	–	*336.1*	–
thereof: internal sales revenues	*75.6*	–	*70.4*	–	*256.1*	–	*215.5*	–	*168.4*	–
Adjusted EBIT	13.1	11.3[2]	10.5	9.5[2]	35.0	8.3[2]	38.0	9.0[2]	40.9	12.2[2]
Adjusted EBITDA	16.7	14.4[2]	13.7	12.4[2]	47.6	11.3[2]	49.8	11.8[2]	49.0	14.6[2]
North America										
Sales revenues	30.1	100.0	30.7	100.0	109.9	100.0	130.1	100.0	94.5	100.0
thereof: external sales revenues	*30.0*	–	*30.6*	–	*109.8*	–	*129.9*	–	*94.4*	–
thereof: internal sales revenues	*0.1*	–	*0.1*	–	*0.2*	–	*0.2*	–	*0.2*	–
Adjusted EBIT	3.1	10.3[2]	2.0	6.6[2]	9.7	8.8[2]	7.9	6.1[2]	2.1	2.2[2]
Adjusted EBITDA	3.7	12.3[2]	2.5	8.3[2]	11.8	10.7[2]	10.0	7.7[2]	3.4	3.6[2]
APA										
Sales revenues	41.6	100.0	32.2	100.0	129.8	100.0	136.6	100.0	121.5	100.0
thereof: external sales revenues	*34.8*	–	*24.5*	–	*103.2*	–	*98.9*	–	*85.9*	–
thereof: internal sales revenues	*6.8*	–	*7.6*	–	*26.6*	–	*37.7*	–	*35.6*	–
Adjusted EBIT	5.8	16.7[2]	4.0	16.1[2]	15.9	15.4[2]	14.8	15.0[2]	13.2	15.4[2]
Adjusted EBITDA	6.2	17.7[2]	4.3	17.4[2]	17.2	16.7[2]	16.4	16.5[2]	14.6	17.0[2]
Consolidated Group										
Sales revenues	180.5	100.0	165.5	100.0	633.9	100.0	649.8	100.0	516.3	100.0
thereof: external sales revenues	*180.5*	–	*165.5*	–	*633.9*	–	*649.8*	–	*516.3*	–
thereof: internal sales revenues	–	–	–	–	–	–	–	–	–	–
Adjusted EBIT[1]	22.5	12.4	16.8	10.2	61.9	9.8	62.2	9.6	58.8	11.4
Adjusted EBITDA[1]	27.0	15.0	20.8	12.6	78.0	12.3	77.5	11.9	69.6	13.5

1 Adjusted EBIT and Adjusted EBITDA include share of profit or loss of investments accounted for using the equity method.

2 Adjusted EBIT Margin and Adjusted EBITDA Margin for the reporting segments calculated as a percentage of external sales revenues of the respective reporting segment.

a. *Comparison of three-month periods ended March 31, 2017 and March 31, 2016*

Adjusted EBIT in APA increased by €1.9 million, or 47.0%, to €5.8 million in the three-month period ended March 31, 2017 from €4.0 million in the three-month period ended March 31, 2016. Adjusted EBIT in Europe increased by €2.6 million, or 24.4%, to €13.1 million in the three-month period ended March 31, 2017 from €10.5 million in the three-month period ended March 31, 2016. Adjusted EBIT in North America increased by €1.1 million, or 54.1%, to €3.1 million in the three-month period ended March 31, 2017 from €2.0 million in the three-month period ended March 31, 2016.

b. *Comparison of fiscal years ended December 31, 2016 and December 31, 2015*

Adjusted EBIT in APA increased by €1.1 million, or 7.2%, to €15.9 million in the year ended December 31, 2016 from €14.8 million in the year ended December 31, 2015. Adjusted EBIT in Europe decreased by €3.1 million, or 8.0%, to €35.0 million in the year ended December 31, 2016 from €38.0 million in the year ended December 31, 2015. Adjusted EBIT in North America increased by €1.8 million, or 22.3%, to €9.7 million in the year ended December 31, 2016 from €7.9 million in the year ended December 31, 2015, in particular as a result of operating efficiencies, favorable raw material prices and a favorable mix of products sold.

c. Comparison of fiscal years ended December 31, 2015 and December 31, 2014

Adjusted EBIT in APA increased by €1.6 million, or 12.2%, to €14.8 million in the year ended December 31, 2015 from €13.2 million in the year ended December 31, 2014. Adjusted EBIT in Europe decreased by €2.9 million, or 7.0%, to €38.0 million in the year ended December 31, 2015 from €40.9 million in the year ended December 31, 2014. Adjusted EBIT in North America increased by €5.9 million, or 281.9%, to €7.9 million in the year ended December 31, 2015 from €2.1 million in the year ended December 31, 2014.

V. SELECTED DATA FROM THE CONSOLIDATED BALANCE SHEET

The following table presents selected data from the major positions of our consolidated balance sheet for the periods indicated.

	As of March 31,	As of December 31,		
	2017	2016	2015	2014
	(in € million)			
	(unaudited)		(audited)	
Assets				
Intangible assets	254.9	261.5	281.7	309.7
Property, plant, and equipment	80.1	80.1	85.1	77.6
Investments accounted for using the equity method	14.0	13.8	10.4	14.2
Deferred tax assets	10.4	10.3	12.6	9.6
Other noncurrent financial assets	0.1	0.1	0.3	0.5
Receivables from shareholders	–	–	0.8	–
Other noncurrent assets	0.1	0.1	0.1	0.1
Noncurrent assets	**359.6**	**365.9**	**391.0**	**411.7**
Inventories	88.7	90.4	92.6	86.6
Trade receivables	117.0	90.1	88.4	77.6
Receivables from income taxes	3.8	3.5	4.1	1.4
Other current financial assets	0.9	1.1	0.9	2.9
Receivables from shareholders	–	–	1.5	–
Other current assets	5.3	6.3	8.2	6.6
Cash and cash equivalents	57.5	47.2	40.4	42.9
Current assets	**273.3**	**238.5**	**236.1**	**218.0**
Total assets	**632.9**	**604.4**	**627.0**	**629.7**
Equity and liabilities				
Subscribed capital	0.0	0.0	0.0	0.0
Capital reserves	79.7	79.7	79.7	79.7
Other reserves	(20.5)	(22.5)	(20.8)	(18.5)
Retained earnings	(191.6)	(194.6)	(179.4)	(135.0)
Equity attributable to owners of the parent	(132.4)	(137.4)	(120.5)	(73.8)
Noncontrolling interests	–	–	–	–
Equity	(132.4)	(137.4)	(120.5)	(73.8)
Liabilities to shareholders	137.8	132.5	121.7	186.5
Pension obligations	59.3	60.7	53.7	62.2
Other provisions	3.0	3.0	1.5	1.9
Interest-bearing loans and borrowings	313.9	314.0	319.7	209.6
Deferred tax liabilities	126.6	126.2	128.0	135.7
Other noncurrent financial liabilities	–	–	0.1	2.7
Other noncurrent liabilities	5.0	5.0	4.4	5.2
Noncurrent liabilities	**645.5**	**641.4**	**629.2**	**603.9**
Pensions obligations	1.7	1.7	1.9	1.6
Other provisions	15.5	15.0	11.1	12.5
Interest-bearing loans and borrowings	6.0	6.0	11.6	0.4
Trade payables	71.0	57.7	71.8	59.3
Liabilities from income taxes	5.0	3.1	3.8	6.8
Other current financial liabilities	0.1	0.5	2.6	3.2
Other current liabilities	20.4	16.4	15.6	15.6
Current liabilities	**119.7**	**100.4**	**118.3**	**99.5**
Total equity and liabilities	**632.9**	**604.4**	**627.0**	**629.7**

1. *Noncurrent assets*

As of March 31, 2017, noncurrent assets decreased by €6.3 million, or 1.7%, to €359.6 million from €365.9 million as of December 31, 2016. The decrease was largely attributable to the amortization of intangible assets in the amount of €7.2 million and depreciation of tangibles assets in the amount of €3.7 million, partially offset by increases in intangible assets totaling €0.4 million and increases in tangible assets totaling €3.1 million. Noncurrent assets decreased by €25.1 million, or 6.4%, to €365.9 million as of December 31, 2016 from €391.0 million as of December 31, 2015. The decrease was largely due to ordinary-course depreciation of property, plant and equipment as well as a decrease of intangible assets of €20.2 million, which resulted mainly from regular amortization. Furthermore, the property, plant, and equipment decreased by €5.0 million. The property, plant, and equipment item included investments totaling €13.3 million based on regulatory requirements (mainly in Germany) and capital expenditures in the United Kingdom. This decrease was partially offset by capital expenditures for new equipment. Noncurrent assets decreased by €20.7 million, or 5.0%, to €391.0 million as of December 31, 2015 from €411.7 million as of December 31, 2014. The decrease was largely due to ordinary-course amortization of intangible assets and depreciation of property, plant and equipment, partially offset by capital expenditures for new equipment. In addition, a patent which had been acquired in 2013, was fully written off with an amount of €2.7 million in 2015 as, due to decreased fuel costs, the marketing of this product based on such patent will no longer be pursued.

2. *Current assets*

As of March 31, 2017, current assets increased by €34.8 million, or 14.6%, to €273.3 million from €238.5 million as of December 31, 2016. The increase was largely attributable to higher sales which led to the increase of trade receivables in the amount of €27.0 million and to the increase of cash and cash equivalents in the amount of €10.3 million, partially offset by the decrease of inventories in the amount of €1.7 million. Current assets increased slightly by €2.4 million, or 1.0%, to €238.5 million as of December 31, 2016 from €236.1 million as of December 31, 2015. The increase was largely due to an increase in cash and cash equivalents, partially offset by lower inventories. Current assets increased by €18.1 million, or 8.3%, to €236.1 million as of December 31, 2015 from €218.0 million as of December 31, 2014. The increase was primarily due to the integration of the MBTAS business and increasing receivables due to increased sales. This increase was partially offset by a decrease in cash and cash equivalents.

3. *Equity*

As of March 31, 2017, equity increased by €5.0 million, or 3.6%, to negative €132.4 million from negative €137.4 million as of December 31, 2016. The increase was largely due to consolidated net income contributing €3.0 million. Equity decreased by €16.9 million, or 14.0%, to negative €137.4 million as of December 31, 2016 from negative €120.5 million as of December 31, 2015. The decrease was largely due to a net loss for the year resulting from the negative net finance result. Equity decreased by €46.7 million, or 63.3%, to negative €120.5 million as of December 31, 2015 from negative €73.8 million as of December 31, 2014. The decrease was due to a net loss for the year resulting from the negative net finance result.

4. *Noncurrent liabilities*

As of March 31, 2017, noncurrent liabilities increased by €4.2 million, or 0.7%, to €645.5 million from €641.4 million as of December 31, 2016. The increase was largely due to the increase of shareholder loans in the amount of €5.3 million due to the accrued interests, partially offset by the decrease of pension obligations in the amount of €1.3 million. Noncurrent liabilities increased by €12.2 million, or 1.9%, to €641.4 million as of December 31, 2016 from €629.2 million as of December 31, 2015. The increase was largely due to an increase in liabilities to shareholders and an increase in pension obligations as a result from recalculations on changes of the market discount rate. This increase was partially offset by a repayment of interest-bearing loans. Noncurrent liabilities increased by €25.2 million, or 4.2%, to €629.2 million as of December 31, 2015 from €603.9 million as of December 31, 2014. The increase was largely due to the refinancing of certain liabilities which increased our interest-bearing loans. This increase was partially offset by a reduction in liabilities to shareholders.

5. *Current liabilities*

As of March 31, 2017, current liabilities increased by €19.4 million, or 19.3%, to €119.7 million from €100.4 million as of December 31, 2016. The increase was largely due to the increase of trade payables in the amount of €13.2 million due to higher sales and the increase of other current liabilities in the amount of €4.0 million resulted mainly from accrued liabilities. Current liabilities decreased by €18.0 million, or 15.2%,

to €100.4 million as of December 31, 2016 from €118.3 million as of December 31, 2015. The decrease was largely due to a reduction in trade payables and a repayment of interest-bearing loans, while provisions increased due to the provision for legal claims and personnel and other costs. Current liabilities increased by €18.8 million, or 18.9%, to €118.3 million as of December 31, 2015 from €99.5 million as of December 31, 2014. The increase was largely due to higher trade payables to optimize the cash position in the context of the refinancing as well as an increase in interest-bearing loans. This increase was partially offset by a decrease in liabilities from income taxes.

VI. LIQUIDITY AND CAPITAL RESOURCES

We have historically financed our capital expenditures and working capital requirements through a combination of cash flow from operating activities, bank borrowings, and shareholder loans. The most important components in our financing structure are senior loans. We had certain senior loan facilities which have been provided under the Existing Senior Facilities Agreement (see *H.XIII.4.a.* "*Existing Senior Facilities Agreement*"), under which a total of €320.0 million was outstanding as of December 31, 2016. These facilities carry variable rates of interest and varying maturities. Four interest rate swaps and three interest rate caps were entered into to hedge future interest rate volatility. Overall, the interest rate swaps had a negative fair value of €0.1 million, €0.3 million and €0.4 million as of December 31, 2016, December 31, 2015 and December 31, 2014, respectively. Approximately 51%, 9% and 33% of the liabilities under senior loans were hedged by these derivative financial instruments as of December 31, 2016, December 31, 2015 and December 31, 2014.

In addition to the senior loans, we had two outstanding shareholder loans in the initial nominal amounts of €80.0 million and €93.4 million maturing on August 28, 2023 and August 27, 2038, respectively, as presented in the consolidated financial statements as of December 31, 2016. These shareholder loans were partially converted into equity and the remainder will be contributed into the capital reserves upon the commencement of trading of the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (see *L.I.2.* "*Development of the Share Capital*" and *N.III.2.* "*Shareholder Loans*").

We also fund our operations through trade payables which are typically settled within one month. As of the end of 2016, trade payables amounted to €57.7 million (2015: €71.8 million; 2014: €59.3 million). The German companies of the Group also maintain a cash pooling system among those companies to provide intercompany liquidity.

1. Interest-bearing loans and borrowings

a. Financing arrangements prior to the Listing

As of the date of this prospectus, our financing has been provided largely by long-term financing instruments that are split into various tranches with different maturity dates.

Some companies of our Group are direct borrowers under the Existing Senior Facilities Agreement. Other companies of the Group obtain their financing from intercompany loans provided by other companies of the Group. Certain companies of the Group are liable for the obligations under the Existing Senior Facilities Agreement and have granted security over substantial parts of their assets as security in favor of the lenders under the Existing Senior Facilities Agreement.

The Existing Senior Facilities Agreement is comprised of two euro term loan facilities, a US$ term loan facility and a revolving credit facility. The revolving credit facility was fully repaid in November 2016. Following the Private Placement, we intend to also repay in full the outstanding amounts under the US$ term loan facility and terminate the Existing Senior Facilities Agreement. (see *H.XIII.4.a.* "*Existing Senior Facilities Agreement*"). In addition, we had other financial liabilities primarily consisting of overpayments from customers and derivatives in the amount of €0.4 million, €1.9 million and nil as of December 31, 2016, December 31, 2015 and December 31, 2014, respectively.

The following overview shows the maturity of financial liabilities and derivative financial instruments, including undiscounted contractual cash outflows, as of December 31, 2016.

Amounts (in € million)	Total	Less than 1 Year	1-5 Years	5 Years or More
Financial liabilities	1,886.4	79.8	100.2	1,706.4
Derivatives	0.1	0.1	–	–
Total	**1,886.5**	**80.0**	**100.2**	**1,706.4**

b. Financing arrangements following the Listing

The loans and other debt instruments under the Existing Senior Facilities Agreement shall be refinanced, among others, with utilizations under the New Senior Facilities Agreement. Under the New Senior Facilities Agreement, guarantees will be granted by certain companies of the Group to the extent necessary to comply with the guarantor coverage covenant (see *H.XIII.4.c.* "*New Senior Facilities Agreement*").

The loans to be made available under the New Senior Facilities Agreement are subject to certain customary conditions precedent, which still need to be satisfied and it is intended to satisfy those conditions at the latest shortly after the occurrence of the Private Placement.

c. Contingent liabilities

As of March 31, 2017, we had no material contingent liabilities.

d. Other financial obligations

Other financial obligations, comprising contractual obligations and commitments, amounted to €39.7 million, €40.4 million and €34.9 million as of December 31, 2016, December 31, 2015 and December 31, 2014, respectively. In addition, other financial obligations included payment obligations under lease and rental agreements amounting to €29.5 million, €28.5 million and €25.5 million as of December 31, 2016, December 31, 2015 and December 31, 2014, respectively. Obligations under lease and rental agreements related primarily to our production site in Poland, two robot welding facilities, IT systems, various forklifts, and passenger vehicles. These payment obligations are in general minimum lease obligations. As of March 31, 2017, lease agreements had lease terms of up to 10 years. The Company recorded €9.6 million (2015: €7.9 million; 2014: €6.8 million) in rental and lease expenses in 2016.

The following table sets forth our contractual commitments related to non-cancellable rental and lease agreements as of December 31, 2016.

		Payments Due by Period		
Contractual obligations (in € million)	**Total**	**Less than 1 Year**	**1-5 Years**	**5 Years or More**
Obligations from rent and operating leases	29.5	7.1	15.9	6.5

2. *Cash flow*

The following table sets forth our consolidated cash flow statement for the three-month periods ended March 31, 2017 and March 31, 2016 as well as the years ended December 31, 2016, December 31, 2015 and December 31, 2014.

	Three-month period ended March 31,		Year ended December 31,		
	2017	**2016**	**2016**	**2015**	**2014**
	(in € million)				
	(unaudited)		(audited)		
Loss/Profit before tax	**7.2**	**0.6**	**(2.1)**	**50.9**	**50.2**
Depreciation, amortization, impairment losses and reversal of impairment on noncurrent assets	10.9	10.3	41.3	46.6	(33.7)
Other non-cash expenses	5.1	4.9	20.5	46.8	41.0
Change in other assets and liabilities	(3.3)	(16.4)	6.8	19.0	4.1
Income tax payments	(2.6)	(4.9)	(9.9)	(18.9)	(8.5)
Cash flow from operating activities	**17.3**	**(5.5)**	**56.6**	**42.5**	**53.1**
Proceeds from sales of intangible assets	0.0	–	–	–	–
Payments to acquire intangible assets	(0.4)	(1.0)	(5.1)	(5.9)	(4.0)
Proceeds from sales of property, plant and equipment	0.1	0.1	1.4	5.4	–
Payments to acquire property, plant and equipment	(3.1)	(5.3)	(13.3)	(24.4)	(15.1)
Acquisition of subsidiary, net of cash acquired	–	–	–	(3.0)	(18.3)
Loans granted to related parties	–	–	–	(0.8)	(0.3)
Dividends received	0.5	–	0.2	1.5	3.2
Interests received	0.1	0.1	0.7	0.4	0.4
Cash flow from investing activities	**(2.9)**	**(6.1)**	**(16.1)**	**(26.8)**	**(34.1)**
Interest payments	(4.2)	(1.0)	(16.9)	(8.2)	(9.4)
Proceeds from short-term borrowings	–	12.5	–	10.5	–
Proceeds from long-term borrowings	–	–	–	108.2	–
Refinancing costs	–	(3.8)	(3.8)	(5.9)	–
Repayment of long-term borrowings	–	–	–	–	(11.7)
Repayment of short-term borrowings	–	(0.0)	(10.5)	(0.4)	–
Repayment of long-term liabilities to shareholders	–	–	–	(107.2)	–
Interest payments to shareholders	–	–	(3.0)	(15.2)	–
Acquisition of interest in a subsidiary	–	–	–	–	(0.1)
Cash flow from financing activities	**(4.2)**	**7.7**	**(34.2)**	**(18.2)**	**(21.2)**
Net change in cash and cash equivalents	**10.2**	**(3.8)**	**6.4**	**(2.5)**	**(2.1)**
Change in cash and cash equivalents due to exchange rate movements	0.1	(0.7)	0.4	(0.0)	1.0
Cash and cash equivalents at January 1	47.2	40.4	40.4	42.9	44.0
Cash and cash equivalents at period end	**57.5**	**35.8**	**47.2**	**40.4**	**42.9**

a. *Comparison of three-month periods ended March 31, 2017 and March 31, 2016*

Operating Activities. Our cash flow from operating activities was €17.3 million for the three-month period ended March 31, 2017, compared to negative €5.5 million for the three-month period ended March 31, 2016. The primary movements in our cash flow from operating activities for the three-month period ended March 31, 2017, compared with for the three-month period ended March 31, 2016 were the following:

- Increase of profit before tax from €0.6 million by €6.6 million to €7.2 million as a result of higher sales revenues, which translated into a higher gross profit while expenses did not increase proportionally to sales revenues, as well as cost control management, higher profit from at equity accounted investments and a higher financial income, partially offset by higher personnel expenses and higher freight out expenses; and
- Changes in other assets and liabilities from negative €16.4 million by €13.1 million to negative €3.3 million mainly due to a lower working capital increase in the first quarter of 2017 as compared to the first quarter of 2016.

Investing Activities. Our cash flow from investing activities increased to negative €2.9 million for the three-month period ended March 31, 2017 from negative €6.1 million for the three-month period ended March 31, 2016 mainly due to decreased integration costs related to the MBTAS business and higher dividends received. See also *F.VI.3. "Investments (Capital Expenditure)"*.

Financing Activities. Our cash flow from financing activities decreased to negative €4.2 million for the three-month period ended March 31, 2017 from €7.7 million for the three-month period ended March 31, 2016. The cash outflow from financing activities for the three-month period ended March 31, 2016 was predominantly characterized by proceeds from short-term borrowings amounting to €12.5 million, partially offset by refinancing costs of €3.8 million. In addition, our financing activities during the three-month period ended March 31, 2017 were affected by the full repayment of the revolving credit facility under the Existing Senior Facilities Agreement.

Cash and cash equivalents were €57.5 million as of March 31, 2017, compared with €35.8 million as of March 31, 2016.

b. Comparison of years ended December 31, 2016 and December 31, 2015

Operating Activities. Our cash flow from operating activities was €56.6 million in 2016, compared with €42.5 million in 2015. The primary movements in our cash flow from operating activities in 2016, compared with 2015 were the following:

- Changes in other non-cash expenses from €46.8 million in 2015 to €20.5 million in 2016;
- Changes in other assets and liabilities, including repayment of bank loans, from €19.0 million in 2015 to €6.8 million in 2016; and
- Changes in income tax payments from €18.9 million in 2015 to €9.9 million in 2016 as a result of deferred tax payments and tax liability adjustments in 2015.

Investing Activities. Our cash flow from investing activities decreased to €16.1 million in 2016 from €26.8 million in 2015. We made acquisitions, including payments to acquire intangible assets and property, plant and equipment, totaling €18.4 million in 2016 compared to €33.3 million in 2015, during which we also made acquisitions of subsidiaries, primarily relating to regulatory requirements mainly in Germany and capital expenditures in the United Kingdom. See also *F.VI.3. "Investments (Capital Expenditure)"*.

Financing Activities. Our financing activities used net cash in the amount of €34.2 million in 2016 and €18.2 million in 2015. The cash outflow from financing activities in 2016 was predominantly characterized by interest payments and repayment of short-term borrowings as part of the then existing repayment schedule under such borrowings. There was no additional funding from bank loans for the acquisition.

Cash and cash equivalents were €47.2 million as of December 31, 2016, compared with €40.4 million as of December 31, 2015.

c. Comparison of years ended December 31, 2015 and December 31, 2014

Operating Activities. Our cash flow from operating activities was €42.5 million in 2015, compared with €53.1 million in 2014. The primary movements in our cash flow from operating activities in 2015, compared with 2014 were the following:

- Changes in depreciation, amortization, impairment losses and reversal of impairment on noncurrent assets from negative €33.7 million in 2014 to €46.6 million in 2015;
- Changes in other assets and liabilities from €4.1 million in 2014 to €19.0 million in 2015; and
- Changes in income tax payments from €8.5 million in 2014 to €18.9 million in 2015 as a result of deferred tax payments and tax liability adjustments in 2015.

Investing Activities. Our cash flow from investing activities decreased to €26.8 million in 2015 from €34.1 million in 2014. We made acquisitions, including payments to acquire intangible assets, property, plant and equipment and acquisitions of subsidiaries, in an amount of €33.3 million in 2015 compared to €37.4 million in 2014, primarily relating to the capital expenditures in Poland in the context of the acquisition of MBTAS, the regulatory requirements mainly in Germany and capital expenditures in the United States. See also *F.VI.3. "Investments (Capital Expenditure)"*.

Financing Activities. Our financing activities used net cash in the amount of €18.2 million in 2015 compared to €21.2 million in 2014, primarily as a result of refinancing.

Cash and cash equivalents were €40.4 million as of December 31, 2015, compared with €42.9 million as of December 31, 2014.

3. Investments (Capital Expenditure)

Capital Expenditure is defined as payments to acquire intangible assets plus payments to acquire property, plant and equipment and mainly consists of the purchase of property, buildings, machinery and equipment including office equipment and intangibles.

In the three-month period ended March 31, 2017, Capital Expenditure consisted of € 0.4 million investments in intangible assets and €3.1 million investments in property, plant and equipment primarily for capital expenditures in China and regulatory requirements mainly in Germany. In the year ended December 31, 2016, Capital Expenditure consisted of €18.4 million primarily relating to the purchase of production equipment and other investments totaling €13.3 million based on regulatory requirements (mainly in Germany) and capital expenditures in the United Kingdom. In the year ended December 31, 2015, Capital Expenditure consisted of €30.3 million primarily relating to costs in connection with a major IT project concerning our enterprise resource planning system as well as the Edbro and MBTAS acquisitions. In the year ended December 31, 2014, Capital Expenditure consisted of €19.1 million primarily relating to acquisitions of property, plant and equipment, including the acquisition of machinery, IT hardware and IT software for MBTAS.

The following table sets forth Capital Expenditure by region for the three-month periods ended March 31, 2017 and March 31, 2016 as well as the years ended December 31, 2016, December 31, 2015 and December 31, 2014.

	Three-month period ended March 31,		Year ended December 31,		
	2017	2016	2016	2015	2014
	(in € million) (unaudited)				
Europe	1.8	4.8	15.1	25.7	15.7
APA	1.2	0.5	1.0	1.6	0.9
North America	0.6	0.9	2.2	3.1	2.5
Total	**3.5**	**6.3**	**18.4**	**30.3**	**19.1**

In the medium term, we expect capital expenditures to normalize at levels between 2.0% and 2.5% of sales revenues. We have approved the following key investment projects as of the date of this prospectus: investments in relation to the relocation of our axle manufacturing process to Poland, investments in relation to the increase of production capacities in our production facilities in Bolton, United Kingdom and in Wuhan, China as well as further roll-out of our enterprise resource planning system worldwide. We anticipate funding these investments using cash from ongoing operations.

4. *Funding of investments and acquisitions*

We have historically financed our acquisitions primarily with funds that were set aside in the existing senior loans for funding acquisitions and with available cash. In particular, to fund the acquisition of MBTAS for a total consideration paid of €22.3 million (consisting of €18.3 million in 2014, net of cash acquired of €1.0 million, and €3.0 million in 2015) for which we used available funds from cash on hand to finance the consideration.

Our capital expenditures in the years ended 2016, 2015 and 2014 were financed with cash on hand. We expect to have capital expenditures of approximately 2.0-2.5% of sales revenues for 2017. These expenditures will be for maintenance of existing equipment and to invest as planned on the acquired businesses described above we intend to finance that with cash from our operations.

5. *Pension Obligations*

As of December 31, 2016, defined benefit obligations were €69.3 million and were calculated based on a discount rate of 1.5%. As of December 31, 2015, the discount rate used to calculate defined benefit obligations was 2.2% and defined benefit obligations were €62.2 million. As of December 31, 2014, defined benefit obligations were €70.7 million, calculated using a discount rate of 1.7%. The carrying amounts corresponding to the unfunded portion of our noncurrent and current pension obligations amounted to €61.1 million as of March 31, 2017 and to €62.4 million, €55.6 million and €63.9 million as of December 31, 2016, December 31, 2015 and December 31, 2014, respectively. For more details see note 17 "*Pension Obligations*" starting on page F-42.

The following table shows the sensitivity of pension obligations resulting from changes in the basic actuarial assumptions:

Effect on Defined Benefit Obligation	As of December 31, 2016
	(in % of change)
Present value of all pension obligations if:	
the discount rate increases by 0.5%	7.9
the discount rate decreases by 0.5%	9.0
salaries increase by 0.5%	1.3
salaries decrease by 0.5%	1.3
future pension increases are 0.5% higher	6.3
future pension increases are 0.5% lower	5.7
Life expectancy increases by 1 year	4.1
Life expectancy decreases by 1 year	3.7

VII. Quantitative and Qualitative Disclosure about Market Risk

As an internationally operating Group, we are exposed to a variety of risks. Management is aware of both the risks and the opportunities and deploys suitable measures to manage them to be able to react quickly to changes in the competitive environment and the general market environment.

The Group has identified market risk, credit risk, and liquidity risk as material risks.

1. Market risk/Exchange rate risk

Certain of the Group's transactions are denominated in foreign currencies, exposing the Group to the risk of changes in exchange rates. As in previous years the Group does not in general hedge this risk. To mitigate the risk of exchange rate movements, the subsidiaries conduct their operating business largely in their local currency. Further, on an ongoing basis the company reviews the exchange rate exposures in the various currencies.

In 2016, JOST International Corporation had long-term bank liabilities denominated in US$ of €10.1 million (2015: €9.7 million; 2014: €8.7 million) corresponding US$10.6 million as part of the B tranche (2015: US$10.6 million as part of the B tranche; 2014: US$10.6 million as part of the B tranche and C tranche). Caused by the dollar fluctuation against the euro compared with December 31, 2015, the long-term bank liabilities increased by €0.3 million in 2016 due to the change of exchange rates. This effect will reverse if the euro recovers against the dollar. A change in the exchange rate by 5%, while all other variables held constant, in 2016 corresponds to a €26 thousand (2015: €20 thousand; 2014: €14 thousand) change in interest expenses on the US$ tranches of the senior loans. Such a change in the exchange rate will have an impact of negative €0.5 million or €0.5 million (2015: negative €0.5 million or €0.5 million; 2014: negative €0.4 million or €0.5 million) to the total bank liabilities. Foreign-exchange changes do only have an effect on equity, but no effect on income statement. To avoid major risk concentration (foreign-exchange and interest risk) the Company hedges the interest.

Further balance sheet positions where foreign-exchange changes could have a significant influence are trade receivables as well as payables. A 5% change of the year end foreign-exchange rate of all foreign-exchange rates against the euro, while all other parameters are constant, will change the trade receivables by €2.4 million and trade payables by €1.8 million.

Exchange rate losses totaling €1.2 million (2015: gains of €0.1 million; 2014: gains of €0.3 million) were recognized in 2016 due to exchange rate movements.

The Group transacts a significant portion of its sales revenues in euros. Subsidiaries in non-Eurozone countries primarily invoice in their local currency and also procure their supplies largely on the local market, with the result that exchange rate risk from operating activities in the Group is low.

The following table shows the development of the most relevant currencies for our business and the sensitivity of net income and equity resulting from potential changes in exchange rates:

Exchange rate 1 EUR =	ISO Code	Closing rate 12/31/2016	Closing rate 12/31/2015	Closing rate 12/31/2014	Average Year rate 12/31/2016	Average Year rate 12/31/2015	Average Year rate 12/31/2014	Net income Sensitivity € thousand	Equity Sensitivity € thousand
Australia	AUD	1.46	1.49	1.48	1.49	1.48	1.47	89.84	536.09
Brazil	BRL	3.43	4.31	3.22	3.86	3.69	3.12	65.29	446.25
China	CNY	7.32	7.06	7.54	7.35	6.90	8.19	299.23	1,240.78
Great Britain	GBP	0.86	0.73	0.78	0.82	0.73	0.81	160.03	501.73
Hungary	HUF	309.83	315.98	315.54	311.44	309.59	308.71	0.00	0.00
India	INR	71.59	72.02	76.72	74.37	71.09	81.04	11.17	302.75
Japan	JPY	123.40	131.07	145.23	120.20	134.38	140.31	1.97	10.33
Poland	PLN	4.41	4.26	4.27	4.36	4.18	4.18	152.88	604.45
Russia	RUB	64.30	80.67	72.34	74.14	67.85	50.95	31.96	86.02
Singapore	SGD	1.52	1.54	1.61	1.53	1.53	1.68	16.96	130.60
United States	USD	1.05	1.09	1.21	1.11	1.11	1.33	283.68	959.83
South Africa	ZAR	14.46	16.95	14.04	16.26	14.15	14.40	174.49	683.32

2. *Market risk/Interest rate risk*

The Group is exposed to interest rate risk because it has borrowed funds at variable rates of interest. Interest rate risk arises in particular from the variable interest rate portion of its interest rate exposure, which is pegged to current market interest rates and affects cash flow from financing activities. A ten basis point change in the variable interest rate (EURIBOR/LIBOR), while all other variables held constant, in 2016 results in a €68 thousand and US$11 thousand (2015: €199 thousand/US$11 thousand; 2014: €210 thousand/US$11 thousand) increase/decrease in the Group's interest expense.

Cash flow risk arises primarily from changes in market interest rates. Higher market interest rates result in an increase in cash outflow from financing activities, while lower rates result in a decrease. To mitigate the risk of changing cash flows, the Company has hedged per December 31, 2016 about 51% its long-term bank loans using interest rate swaps. In 2016, the Company incurred interest income of €20 thousand (2015: nil; 2014: nil) and interest expenses of €0.2 million in 2016 (2015: €0.3 million; 2014: €1.4 million) for these hedging transactions. The Group did not apply hedge accounting in accordance with IAS 39 in 2016.

3. *Credit risk/Default risk*

Credit risk denotes the risk to the Group that a party to a contract will fail to discharge its obligations. To minimize this risk, the Group pays close attention to the credit quality of its contractual partners and, wherever possible, takes out credit insurance to protect against the default of all receivables from third parties. In the event that a customer is unable to discharge its payment obligations, receivables are secured in the amount of 90% of the net amount receivable €90.0 million as of December 31, 2016. The default risk is estimated at a maximum of €9.0 million resulting from accounts receivables. There is no major credit risk, due to the wide customer base. If the Group cannot take out credit insurance, the goods are delivered against advance payment or the receivables are secured by a documentary letter of credit. Appropriate credit limits have been established for all customers.

4. *Liquidity risk*

Liquidity risk describes the risk that an entity will not have sufficient cash to discharge its existing or future payment obligations, due to the fact that each of our subsidiaries has its own cash management we have no concentrated liquidity risk to certain regions.

In addition to daily monitoring of the liquidity position, liquidity is monitored and managed by rolling liquidity and cash flow projections.

In 2016, the Company discharged all of its payment obligations under the bank liabilities. The total amounts in 2016 were:

- Interest payments: €16.9 million (2015: €8.2 million; 2014: €9.4 million); and
- Principal repayments: €10.5 million (2015: nil; 2014: €11.7 million).

The interest payments and principal repayments shown above are undiscounted cash outflows.

VIII. CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Application of accounting policies under IFRS as adopted in the EU requires the Group to make assumptions and exercise judgment affecting the reported amounts of assets, liabilities, income, and

expenses in the financial statements. In certain cases, the actual amounts may differ from the assumptions and estimates made. Such changes are recognized in the income statement as soon as they become known. The most important assumptions about the future and our other key sources of estimation uncertainty at the reporting date that entail a major risk that could result in a material adjustment of the carrying amounts of assets and liabilities within the next year are discussed in the following.

1. Measurements of shareholder loans

Specific management judgment is also required in connection with the valuation of the shareholder loans. Shareholder loans were initially measured at fair value. In the past, the fair value of the loans was significantly lower than its nominal amount. After initial recognition, shareholder loans are measured at amortized cost using the effective interest method, i.e. the difference between the initial values (fair value) and the repayable amounts is amortized over the term of the loans using the original effective interest rate. Those expenses are recognized as interest expenses. At each balance sheet date the company additionally analyzes to which extent it is able to fulfill the financial obligations according to the shareholder loans taking into account the deferral mechanism of the subordination agreement. To the extent that the expected cash-outflows have changed compared to the previous balance sheet date, the Company adjusts the carrying values of the shareholder loans to reflect actual and revised estimated cash flows. The expense or income according to this adjustment is recognized as "remeasurement" in the financial income and financial expenses. Those assessments are based on the same assessments about future cash-flows for other purposes, e.g. when performing impairment tests.

2. Measurement of items of property, plant and equipment, and intangible assets with finite useful lives

The measurement of items of property, plant, and equipment, and intangible assets, with finite useful lives requires the use of estimates to measure fair value at the acquisition date, especially in the case of assets acquired in the course of a business combination. The expected useful life of these assets must also be estimated. Measuring the fair value of such assets, estimating their useful lives, and performing impairment tests if there are indications of impairment are based on management judgment.

3. Pensions and similar obligations

Provisions and expenses for defined-benefit plans and other post-employment medical benefits are determined on the basis of actuarial calculations. The actuarial valuation is based on assumptions concerning discount rates, future wage and salary increases, mortality rates, future pension increases, and expected staff turnover. All assumptions are reviewed at the balance sheet date. The discount rate is based on high quality corporate bond yields for the currency in question at the reporting date. The mortality rate is based on publicly available mortality tables for the country in question. Future wage and salary increases, as well as pension increases, are based on expected future inflation rates for the country concerned, as well as on the structure of the defined-benefit plan. Such estimates are subject to significant uncertainties, in line with the long-term orientation of the pension plans.

4. Other provisions

Other provisions are recognized and measured based on estimates of the probability of future outflows of payments and reflect past experience and circumstances known at the reporting date. For this reason, outflows of actual payments may differ from the recognized amount of other provisions.

5. Financial instruments

If the fair value of financial assets and liabilities recognized in the balance sheet cannot be measured using prices in an active market, it is estimated using valuation techniques. The inputs used in the valuation model are based as far as possible on observable market data. If this is not possible, fair value measurement is subject to a degree of management judgment. This management judgment affects inputs such as liquidity risk, credit risk, and volatility. Changes in the assumptions regarding these inputs may affect the recognized fair value of financial instruments.

IX. Information from the Audited Unconsolidated Financial Statements of the Company Prepared in Accordance with the German Commercial Code (*Handelsgesetzbuch*) as of and for the Fiscal Year Ended December 31, 2016

Some information on an unconsolidated basis from the audited unconsolidated financial statements of the Company prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*) as of and for the fiscal year ended December 31, 2016 is presented below. Such financial statements are included in this prospectus beginning on page F-60.

In the fiscal year ended December 31, 2016, the Company generated other operating income of €584 thousand and income from loans carried as financial assets of €12 thousand as determined on an unconsolidated basis in accordance with the German Commercial Code (*Handelsgesetzbuch*), compared to other operating income of €1,288 thousand in the fiscal year ended December 31, 2015. The Company had other operating expenses of €364 thousand and interest and similar expenses of €38 thousand in the fiscal year ended December 31, 2016 compared to other operating expenses of €4,933 thousand and interest and similar expenses of €9 thousand in the year ended December 31, 2015.

In the fiscal year ended December 31, 2016, the Company generated a net income in the amount of €194 thousand, compared to a net loss of €3,654 thousand in the fiscal year ended December 31, 2015.

The Company's subscribed capital was €25 thousand as of December 31, 2016 and was €25 thousand as of December 31, 2015. In addition, the Company's capital reserves remained at €80 thousand as of December 31, 2016 and at €80 thousand as of December 31, 2015.

G. INDUSTRY OVERVIEW

*The statements on markets and competition provided below are based on the cited third-party sources and our internal market observations and estimates – some of which are, in turn, derived from various sources we believe to be reliable. In particular, the market description included in this section is largely based on a study commissioned by the Company and prepared by Roland Berger, entitled "Truck and trailer components – Success factors for suppliers in specialized markets" (study extract) and dated May 2017 ("***Roland Berger 2017***"), as more fully explained under B.IV. "Sources of Market Data". While neither the Company nor the underwriters have verified or modified any of the market data or other data provided by Roland Berger, it has delivered certain factual information to, and has discussed the underlying assumptions and scope of the report with, Roland Berger. The information contained in Roland Berger 2017 is, in turn, based on several sources, such as Oxford Economics for GDP and population growth data, IHS Automotive, Progtrans, IMF Primary Commodity Prices Forecast, Clear International, interviews carried out by Roland Berger with market participants as well as several assumptions and Roland Berger's own market analysis. Interviews depend by their very nature on the subjective views of the respondents and may thus differ from other models based on a different set of respondents or other information gathering tools.*

I. OVERVIEW

We believe we are a leading global producer and supplier of safety-critical truck and trailer components with a portfolio of well-recognized brands built around our core brand "JOST". Our global leadership position is driven by the strength of our brands, which include the market-leading names of Rockinger, TRIDEC and Edbro, by our long-standing client relationships serviced through our global distribution network as well as by our efficient and asset-light business model.

II. TRUCK AND TRAILER INDUSTRY

1. Definition, size and structure

The global truck and trailer industry is focused on designing, developing, manufacturing, selling and servicing medium- and heavy-duty commercial vehicles. The medium-duty vehicle segment consists of trucks weighing between roughly 6 and 15 metric tons, while the heavy vehicle segment is generally defined as the market for vehicles exceeding roughly 15 metric tons in weight. The production value chain for trucks and trailers includes truck original equipment manufacturers ("**OEMs**"), trailer OEMs and truck and trailer components suppliers. Suppliers may develop components and systems together with OEMs or independently. The key sales channels in the market are to OEMs and to independent aftermarket components traders, with the independent aftermarket typically representing a smaller but more profitable and stable revenue source for many truck and trailer component suppliers. The term "aftermarket" is used in reference to the manufacturing, distribution, retailing and installation of all vehicle parts after the sale of the truck or trailer by the OEM to the customer. Usually, products are sold through both channels, but some products are only supplied in the independent aftermarket.

2. Long-term growth drivers

The most important growth driver of the truck and trailer components industry is overall vehicle production volume which, in turn, is driven by vehicle demand and sales volume. Although suppliers typically have contracts for particular components, the actual production volumes are rarely fixed and may vary depending on specific customer demand. Truck and trailer demand and aftermarket sales are influenced by a number of drivers including macroeconomic factors (e.g., GDP growth, population growth, business confidence levels, investments in infrastructure and construction, as well as increasing urbanization) as well as transport-related factors (e.g., road transportation, proportion of total goods transported by road transport and automation). Global production of medium- and heavy-duty trucks amounted to approximately 2.77 million units in 2016 with an expected compound annual growth rate ("**CAGR**") of approximately 3% for the period from 2017 until the end of 2021 (Source: Roland Berger 2017). The global production of medium- and heavy-duty commercial vehicle trailers was estimated at approximately 1.12 million units in 2016, with expected growth in terms of CAGR of approximately 3% for the period from 2017 until 2021 (Source: Roland Berger 2017).

Supportive GDP and road transportation trends

	Macro trends, 17-21 GAGR, %			Road transport macro trends		
	Real GDP	Population	Investment in construction[1]	Road tonnage km, 17-21 GAGR %	% of road transport, 2017	Share of road transportation, change 17-21 pp
North America	1.9%	0.9%	0.5%	1.3%	55.0%	0.0
Brazil	3.1%	0.7%	2.5%	2.9%	56.9%	(1.2)
Rest of Latin America	3.3%	1.0%	2.9%	-	-	-
Western Europe	1.4%	0.2%	1.8%	2.9%	77.9%	(0.3)
Eastern Europe	2.8%	1.0%	4.0%	2.1%	76.0%	0.5
Russia	1.2%	(0.1)%	1.8%	1.4%	10.3%	0.2
China	5.7%	0.3%	4.0%	5.5%	53.7%	(0.9)
India	7.0%	1.1%	7.3%	5.3%	70.7%	0.7
Asia Pacific	2.1%	1.0%	3.1%	-	-	-
South Africa	2.3%	0.7	2.6	2.4	90.7%	0.1
Average	**2.7%**	**0.7%**	**2.9%**	**3.8%**	**55.0%**	**(0.7)**

1 Gross output (real).
2 Based on countries for which data was available. Countries for which data is not available are referenced with "-".
* CAGR of "Total" is excluding "other countries"; pp = percentage points.
(Source: Roland Berger 2017, based on Oxford Economics for real GDP and population data, IHS Automotive and Progtrans.)

3. Key Trends

a. Macroeconomic Trends

The demand for trucks and trailers is generally cyclical and is driven most markedly by economic growth. The market is also affected by population growth and by investments in infrastructure and activity in the construction sector.

Our key regional markets are expected to demonstrate positive real GDP growth between 2017 and 2021 according to Oxford Economics, which we expect to create continued demand for the future production of trucks and trailers. More mature markets are expected to demonstrate stable GDP growth ranging from a CAGR of 1.4% over the 2017 to 2021 period in Western Europe to 1.9% in North America, while Brazil and Eastern Europe are expected to grow at a CAGR of 3.1% and 2.8%, respectively, over the same period (Source: Roland Berger 2017). The highest growth is expected in India and China, with India expected to grow by a CAGR of 7.0% between 2017 and 2021, while China is expected to grow by a CAGR of 5.7% during the same period (Source: Roland Berger 2017). Growth in Brazil and Russia is expected to rebound over the same period (Source: Roland Berger 2017).

The positive GDP outlook is also supported by the latest business climate indicators. As of March 2017, the business climate index for North America, Europe and Asia Pacific was above the long-term average levels, with further positive trends currently anticipated in North America, China and Brazil (Source: Roland Berger 2017, based on OECD business confidence index (GDP weighted; only certain countries included in Asia Pacific and Eastern Europe)). Strong business confidence has a positive effect on the demand for trucks and trailers, given the long utilization cycles of trucks and trailers.

Population growth has an indirect impact on the market demand for trucks and trailers through the effects on overall economic development. Population is expected to grow in most of the regions in which we operate. The highest growth rates in our markets are expected to occur in India, Latin America (excluding Brazil) and Asia Pacific, where it is estimated that between 2017 and 2021 the population in these regions will increase by 1.1%, 1.0% and 1.0% CAGR, respectively. North America, Brazil and South Africa are expected to show population growth with CAGRs ranging between 0.7% and 0.9% during the same period (Source: Roland Berger 2017, based on data from Oxford Economics). Population growth in China is expected to be at a CAGR of around 0.3% between 2017 and 2021 (Source: Roland Berger 2017). Population figures are expected to remain relatively stable in Western Europe and Eastern Europe (CAGR of approximately 0.2% and 0.1% between 2017 and 2021, respectively) while the population of Russia is expected to decline by a CAGR of 0.1% between 2017 and 2021 (Source: Roland Berger 2017).

Additionally, the global construction sector, which is a niche end-market especially for tipping trucks and trailers, is expected to outgrow the general economy between 2017 and 2021. Gross construction output in our key markets is expected to grow from €7.8 trillion in 2012 to €9.1 trillion in 2017 (CAGR of 3.1% over the 2012 to 2017 period) and is expected to reach €10.1 trillion by 2021 (CAGR of 2.9% for the 2017 to 2021 period), according to Roland Berger 2017.

b. Industry Macro Trends

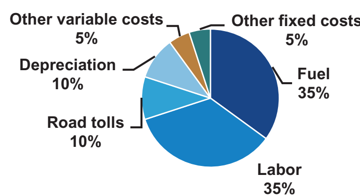
Many countries have launched initiatives and enacted regulations to limit emission levels of medium- and heavy-duty trucks. The United States has already communicated its future targets, while the EU is expected to follow in the near term. Although the United States' climate change policy under the current administration is uncertain, carbon dioxide emission targets are expected to be in place for most of the world's major truck markets by 2020. These tightening emission standards and fiscal penalties for operating older (less environmentally-friendly) trucks support demand for new trucks, and thereby support demand for our products.

Additionally, other aspects of regulations can influence the composition of fleets. For example, regulations in France and in Italy are favorable towards increasing the weight transported and towards longer transportation vehicles, respectively. Germany also introduced regulations permitting extra long trucks, so-called gigaliners. These regulations may positively impact our market given that the utilization rates of our products are higher in longer and heavier vehicles. Further, in September 2016, new regulations were introduced in China which impose new nationwide restrictions on the weight and size of truck and trailer combinations depending on the number of axles (which standards significantly reduce car carriage capacity per vehicle). These regulations are expected to positively impact demand, particularly for heavy-duty vehicles, which must be compliant with the new regulations by August 2018. Furthermore, in the United States, regulations regarding electronic logging devices have been passed, which may have a positive effect on freight rates as non-compliant fleets are removed from the market. Other proposed measures, such as mandatory speed limiting devices, may also increase truck demand in the United States, if implemented.

Lower fuel prices also have a positive impact on the development of road transportation, increasing relative attractiveness of road *vis-à-vis* other modes of transport given that fuel costs are estimated to account for around 35% of freight forwarders total costs (Source: Roland Berger 2017).

The following chart shows an overview of the cost structure of freight forwarders:

Cost structure freight forwarders

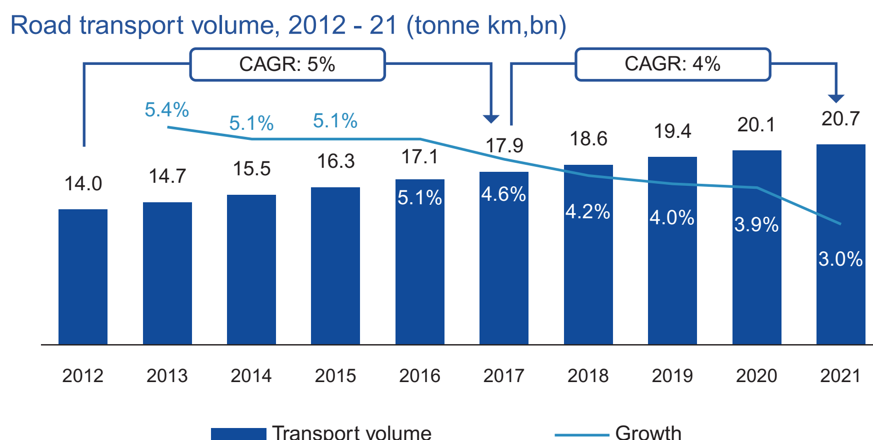


(Source: Roland Berger 2017)

Industry-wide interest and investment in autonomous driving has also spurred developments in the truck and trailer markets. In furtherance of our aim to offer autonomous driving technology, we have developed landing gears with e-drive units, which serve as stepping stones towards automated docking. Management believes that autonomous driving is expected to increase the value per product sold, especially in the case of vehicle interface systems, by reducing the total cost of ownership and the cost of maintenance.

Another key transport-related industry driver for our products is the development of road transport volumes measured in metric ton-kilometers. This measure represents the transport of one metric ton of goods by a given transport method over a distance of one kilometer, thereby accounting for both the weight of the goods and the distance covered in the calculation. Road transportation metric ton-kilometers in our key geographic regions grew at a 5.0% CAGR from 14,000 billion metric ton-kilometers in 2012 to 17,900 billion metric ton-kilometers in 2017 and is expected to reach 20,700 billion metric ton-kilometers by 2021, representing a CAGR of approximately 3.8% over the period (Source: Roland Berger 2017). All the key regions in which we operate are expected to demonstrate positive dynamics with respect to this key parameter, with India and China showing the highest expected growth rates of 5.3% and 5.5% CAGR between 2017 and 2021, respectively (Source: Roland Berger 2017). More mature geographic regions, such as Western Europe and North America, are expected to grow at a CAGR of 1.5% and 1.3% between 2017 and 2021, respectively (Source: Roland Berger 2017). The growth in volumes transported by trucks is a result of both increased weight transported and longer distances covered. The growth in road transport has a positive effect on our industry as longer distances and heavier goods imply not only the increased demand for new trucks to transport more goods but also an increased need for replacement components due to normal wear and tear from higher utilization levels. In most of the regions where we operate, road transportation accounts for more than 50% of total transportation volumes (Source: Roland Berger 2017). In China and Europe (excluding Russia), however, the share of road transport is higher (Source: Roland Berger 2017). It is expected that in most of our mature markets, road transport will remain relatively stable between 2017 and 2021.

Development of transportation volume



(Source: Roland Berger 2017)

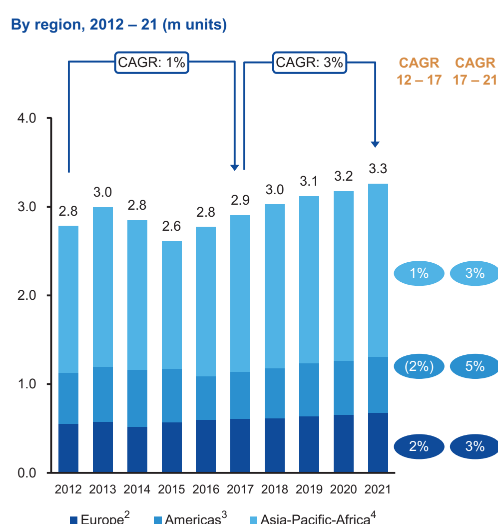
4. *Historical and forecasted truck production*

The total medium- and heavy-duty truck production amounted to 2.77 million units in 2016 (Source: Roland Berger 2017). That number is expected to grow at a CAGR of approximately 3% between 2017 and 2021, to reach approximately 3.26 million units by 2021 (Source: Roland Berger 2017).

In 2016, Europe (including Western Europe, Eastern Europe and Russia) accounted for approximately 21.7% of total production volume of medium- and heavy-duty trucks, the Americas (including North America, Brazil and the rest of Latin America) accounted for 17.7% and Asia Pacific, India and China, taken together, for 60.6% (Source: Roland Berger 2017). Additionally, it is possible that a fleet-side consolidation trend in Europe could result in the propagation of larger players, who tend to prefer semi-trailers and articulated trucks rather than rigid trucks.

Medium- and heavy-duty truck production in the Americas (including North America, Brazil and the rest of Latin America) is expected to increase at a CAGR of approximately 4.2%, 7.4% and 6.1% between 2017 and 2021, respectively (Source: Roland Berger 2017). Truck production in the Asia Pacific region is expected to remain stable during the same period (Source: Roland Berger 2017). Truck production growth in Europe is expected to grow closely in line with the global production rate at a CAGR of 3% between 2017 and 2021 (Source: Roland Berger 2017).

Global medium/heavy-duty truck[1] production

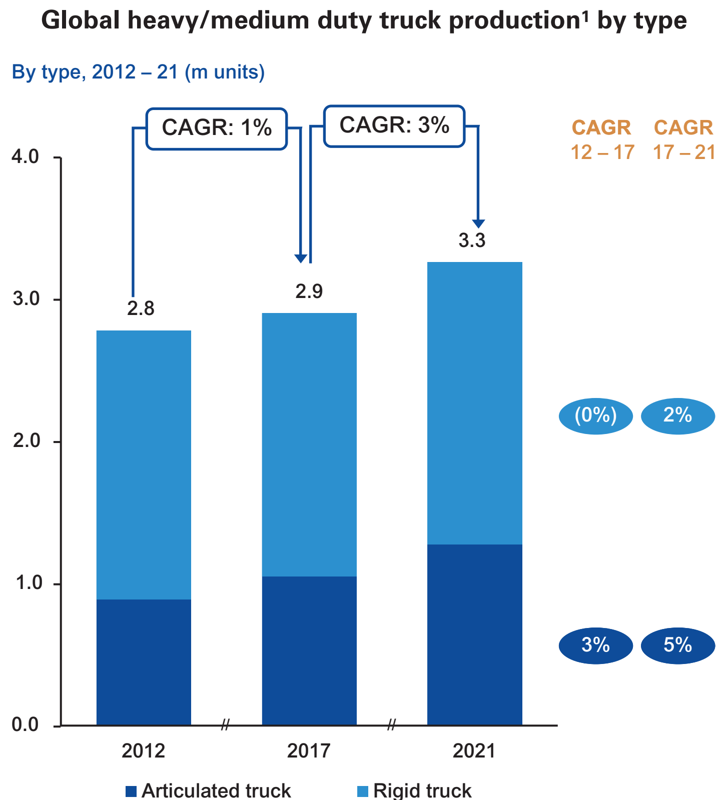


1 Including medium-duty trucks (6 – 15 to GVW) and heavy-duty trucks (>15 to GVW).
2 Western Europe, Eastern Europe and Russia.
3 North America, Brazil and rest of Latin America.
4 China, India, Asia, the Pacific, Rest of World.
(Source: Roland Berger 2017)

There are two types of trucks when classifying by the type of joint mechanism of the trailer: articulated and rigid. An articulated truck is a vehicle with a pivoting joint (i.e., a "fifth wheel") connected to a semi-trailer's king pin, whereas a rigid truck has no pivoting joint. A rigid truck is a truck without a trailer, yet it is often possible to attach a trailer via a drawbar (i.e., a drawbar trailer).

Articulated trucks play a significant role only in the heavy-duty truck market segment. In 2017, an estimated 1.0 million articulated trucks will be produced globally and it is expected that the number of articulated trucks produced globally will grow at a CAGR of approximately 5.0% between 2017 and 2021 (Source: Roland Berger 2017). The above-average growth trend for articulated trucks production compared to the overall production of heavy-duty trucks varies per region (Source: Roland Berger 2017). In Europe, the growth of articulated trucks is driven by efficiency needs, while in China, it is driven by an increasing road network and in India, by the professionalization of fleets and road network development.

Global heavy/medium duty truck production[1] by type



1 Including medium-duty trucks (6 – 15 to GVW) and heavy-duty trucks (>15 to GVW).
(Source: Roland Berger 2017)

5. *Historical and forecasted trailer production*

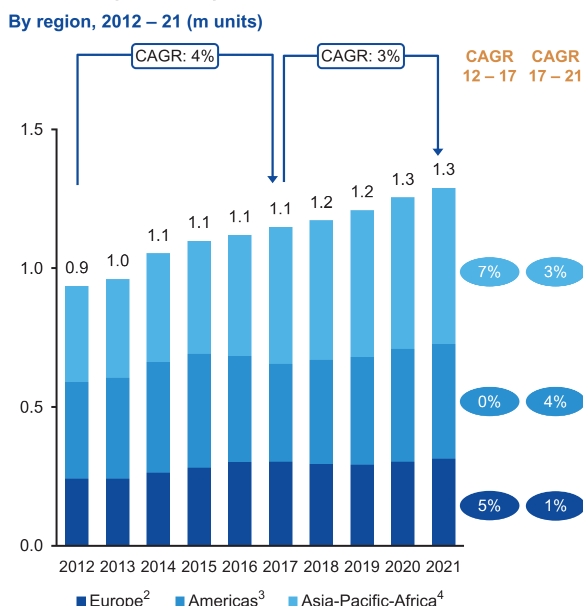
As compared to the truck market, the fluctuation of growth rates in the trailer market has been more pronounced while the length of the fluctuation cycles has proven to be roughly comparable in the past. Global trailer production amounted to approximately 1.12 million units in 2016 (Source: Roland Berger 2017). From 2012 to 2017, overall growth at a CAGR of approximately 4.2% significantly exceeded truck growth over the same period (CAGR of approximately 0.9%) (Source: Roland Berger 2017) due to a healthier rebound of the trailer market after the recession as compared to the truck industry. The trailer market is expected to grow at a CAGR of approximately 3% from 2017 to 2021 (Source: Roland Berger 2017). China is expected to remain the largest trailer producing region in the world in the period running until 2021, growing at a CAGR of approximately 4.4% over the period from 2017 to 2021, followed by the Americas and then by Europe (including Russia) (Source: Roland Berger 2017). Market demand for trailers from 2017 to 2021 is expected to moderately increase, partially as a result of the catch-up effect given the period of relatively low production in 2012 and 2013.

When classifying by type of coupling system, there are two types of trailers: semi-trailers and drawbar trailers. A semi-trailer is a trailer without a front axle which is connected to the truck by a fifth wheel coupling. As it is necessary for the tractor unit to support a large proportion of the trailer's weight when coupled, a semi-trailer is normally equipped with landing gears (legs which can be lowered) to support it when it is uncoupled. A drawbar trailer is a trailer pulled by a drawbar and supported by both front and rear axles. Semi-trailers make up the majority of trailer production worldwide with 1.04 million out of the

1.12 million trailer units produced in 2016 being semi-trailers (Source: Roland Berger 2017). Semi-trailer production is estimated to grow at a CAGR of 4.0% between 2012 and 2017 and is expected to grow at a CAGR of 2.0% between 2017 and 2021 (Source: Roland Berger 2017). Drawbar trailer production is estimated to grow at a CAGR of 2.0% between 2012 and 2017 and is projected to grow at a CAGR of approximately 10.0% between 2017 and 2021 (Source: Roland Berger 2017).

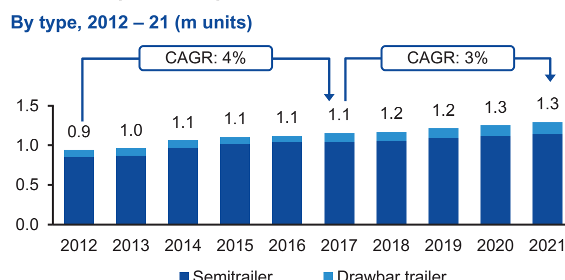
The below graph shows the levels of trailer production across various markets:

Global trailer[a] production by region, 2012 – 21 (m units)



a Medium/heavy-duty commercial vehicle trailers.
b Western Europe, Eastern Europe and Russia.
c North America, Brazil and the rest of Latin America.
d China, India, Asia, the Pacific and the rest of the World.
(Source: Roland Berger 2017)

Global trailer[a] production by vehicle segment, 2012– 21(m units)



a Medium/heavy-duty commercial vehicle trailers.
(Source: Roland Berger 2017)

The global competitive environment for the production of trailers is fragmented, with the ten largest manufacturers producing less than 50% of the overall volume (Source: Roland Berger 2017). China International Marine Containers is the world's largest producer of trailers with more than 100,000 units produced per year, followed by large American and European players such as Schmitz Cargobull, Wabash and Great Dane. All of these major trailer OEMs are our customers.

6. Aftermarket

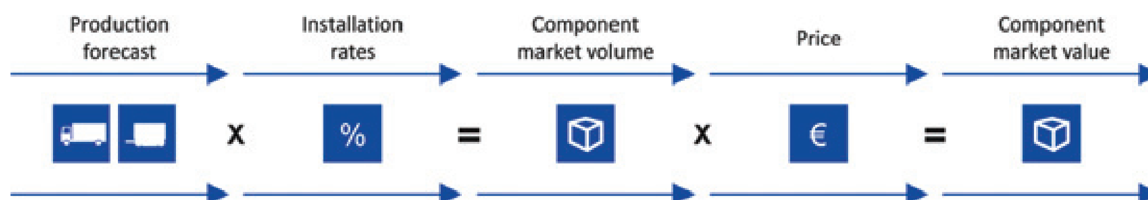
The truck and trailer aftermarket is a secondary market including the manufacturing, distribution, retailing and installation of all vehicle parts after the sale of the truck or trailer by the OEM to the customer. Replacement parts with a high installed base and a high level of standardization (simplicity, broad applicability) are more sought after by parts traders and wholesale dealers.

In the aftermarket, products are distributed to an OEMs' aftermarket organization as well as through independent aftermarket distribution chains. These independent aftermarket distribution chains and fleet workshops are supplied primarily by wholesale, distribution and importer organizations. The largest wholesalers in the European market are Winkler, Trost, Wessels + Müller and Europart. The key selection criteria in the aftermarket as to which replacement parts to stock or offer are speed of delivery and product availability, brand recognition and the size of a part's installed base. According to our estimates, the aftermarket sales opportunities as a percentage (by value) of the OEM business differ by products with approximately 30% for axles, 50% for fifth wheels and king pins and approximately 200% to 300% for landing gears and towing hitches.

III. Truck and Trailer Supplier Industry

1. Definition, size and structure

The total addressable truck and trailer component market for JOST is defined by the combination of truck and trailer production volumes by the OEMs and installations rates (also known as "line equipment rates") for the relevant products and price levels.



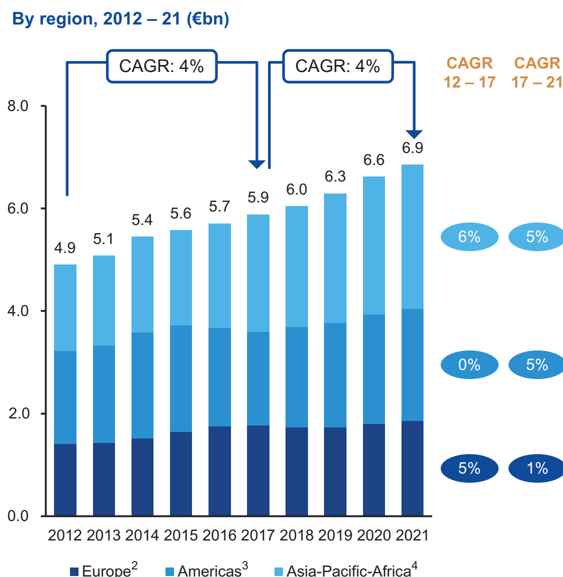
Installation rates measure the share of the vehicles or trailers which are equipped with a certain product when the vehicles or trailers were produced by an OEM. According to Roland Berger, installation rates of fifth wheels are above 80% in all regions (Source: Roland Berger 2017). Installation rates in Europe (including Russia) are 90-100%, whereas installation rates in North America are approximately 80-90% due to a large number of smaller fleets equipping their own vehicles and sourcing the parts from the trading channel (Source: Roland Berger 2017). Installation rates in China have recently developed more strongly towards the European markets (Source: Roland Berger 2017).

Almost all semi-trailers are equipped with landing gears. Installation rates of trailer axles are estimated to range between 2 and 3 axles per trailer depending on the region (Source: Roland Berger 2017). In Western Europe, most trailers have three axles, with certain exceptions (e.g., Netherlands and Scandinavia) (Source: Roland Berger 2017). In the United States, trailers are typically equipped with two or three axles (Source: Roland Berger 2017).

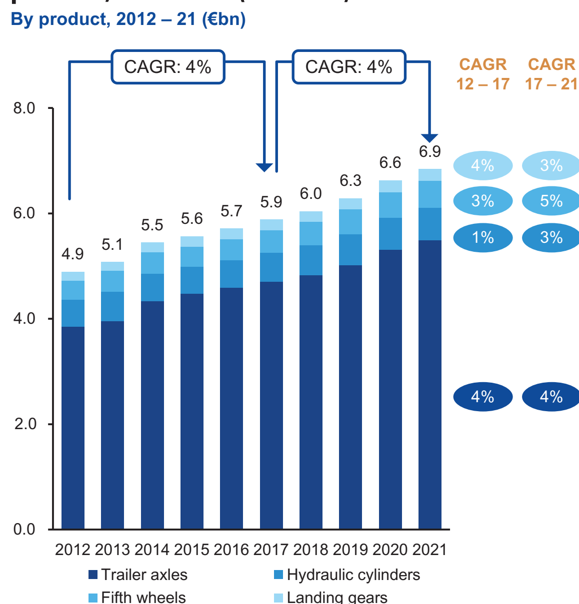
Installation rates of hydraulic cylinders vary by end product. Approximately 15% to 17% of drawbar trailers and around 7% to 10% of semi-trailers are equipped with hydraulic cylinders (Source: Roland Berger 2017). Installation rates of hydraulics are lower for rigid trucks. According to Roland Berger estimates, approximately 9% of rigid trucks are equipped with hydraulics products (Source: Roland Berger 2017). Although regional differences in installation rates of hydraulic cylinders are less pronounced, installation rates in Europe and North America tend to be higher due to broader usage of tipper trucks and trailers in the regions.

The global truck/trailer first fit component market, which includes landing gears, fifth wheels, hydraulic cylinders and trailer axles, amounted to €5.71 billion in 2016 and is expected to reach €6.85 billion by 2021, representing a CAGR of approximately 3.9% over the 2017-2021 period (Source: Roland Berger 2017). The Americas (including North America, Brazil and the rest of Latin America) and APA are expected to drive this increase, with each estimated to grow at a CAGR of approximately 4.6% between 2017 and 2021, while Europe (including Western Europe, Eastern Europe and Russia) is expected to demonstrate more moderate growth over the same period at a CAGR of approximately 1.3%. Trailer axles accounted for above 75% of the value of the component market in 2016 (Source: Roland Berger 2017). The fastest growing categories are expected to be fifth wheels as well as disk and drum brakes with an expected CAGR of 5% each from 2017 to 2021 (Source: Roland Berger 2017).

Global truck/trailer component market by region, 2012-21 (€ billion)



Global truck/trailer component market by product, 2012 – 21 (€ billion)



1 All complete knock-down ("**CKD**") fitted components are considered in country of assemply; Market size does not include drum and disk brakes.
2 Western Europe, Eastern Europe and Russia.
3 North America, Brazil and the rest of Latin America.
4 China, India, Asia, the Pacific and the rest of the World.
(Source: Roland Berger 2017)

Note: All CKD fitted components are considered in country of assembly. Revenues of brakes not included. (Source: Roland Berger 2017).

2. Industry characteristics

a. High barriers to entry

The key barriers to entry in our industry include long-standing customer relationships, brand awareness, integration of logistics in the customers' operations, range of distribution networks and availability of spare parts, R&D and innovations strength, the required regulatory approvals and conformity with worldwide regulation.

Safety-critical truck and trailer components are visible to the truck operators and fleets and operated by them. As a result, these products and their brands are recognized by the truck and trailer OEMs and their customers. High customer loyalty and long-standing customer relationships combined with a high installed based and burdensome switching costs can prevent new competitors from entering the market. Commonly, fleets require specific brands of fifth wheels or landing gears from the truck and trailer OEMs, creating demand for recognized brands. Therefore companies with strong brands, such as JOST, tend to benefit from high customer loyalty in the market.

Extensive R&D and innovation capabilities are critical to provide safety-critical equipment with greater usability and to respond to highly specific needs of the clients. A significant upfront investment in R&D is necessary in order to offer a high number of variants, creating a high cost barrier for new market entrants.

The ability of a company in the truck and trailer components market to comply with certification and regulation standards is of high importance because it is necessary for safety-critical components such as fifth wheels to pass several regulatory certifications as well as to fulfill OEM-specific requirements. The length of the process and the technological capabilities required to successfully receive all certifications represent a significant entry barrier for new market entrants.

The ability of a company in the truck and trailer components market to successfully integrate its logistics operations into its customer's operations is key, given that most of the OEMs operate on a just-in-time/just-in-sequence basis. An inability to gain proximity to OEMs and any difficulty in quickly reacting to changes in demand can represent a barrier to any new market entrant.

Furthermore, a dense and global aftermarket service network ensuring a high availability of parts and repair/maintenance services is very important to customers, as uptime is one of the most important factors for commercial vehicle operators.

b. Cyclicality

The development of our industry mainly depends on truck and trailer production. Although overall cyclicality of the truck and trailer market is roughly in line with GDP, peaks and troughs can be more accentuated than GDP fluctuations and vary across the regional markets. Typically, market downturns tend to be short. Moreover, the truck and trailer components market has an important aftermarket component as, even in an economic downturn, fleets require scheduled maintenance. Any decision to extend the useful life of a fleet's trucks and trailers creates additional demand for replacement components.

Trailer production is traditionally highly correlated with truck market growth, but may deviate due to certain factors, for example, due to environmental regulations and emission standards, which have a higher effect on trucks than on trailers. Trailer production and truck production also differ at times, as trailers have a longer usage life and fleets require more trailers than trucks.

c. Importance of truck and trailer OEMs and fleets/freight operators

Decision making for the relevant truck and trailer components by OEMs and large distributors is influenced in two ways. On the one hand, OEMs and distributors assess the attractiveness of any particular component independently, while on the other hand the end customers (fleets and freight operators) can also request specific products and brands. Such specific requests not only help to increase the installation rate by a particular OEM but can also help to win a standard position. If a component is accepted as a standard option, it is offered to all the buyers by default unless they specifically request a different brand. An ability to win and keep the standard positions with the largest OEMs can increase a component supplier's sales volume significantly. Therefore, an effective marketing strategy for truck and trailer components must target both the direct customer as well as the end-user. For the end-user, the safety criticality of the relevant truck and trailer components, broad availability of spare and replacement parts, quality, availability of a broad range of variants for different applications and brand trust are the key purchase criteria.

IV. Competitive Landscape

Any entrant into the truck and trailer components market typically requires high initial capital investments and a considerable lead time to establish market presence, to establish vital client relationships and to create the extensive sales and the necessary distribution network. Thus, the key markets for our products tend to be relatively concentrated on a global scale. Leading players are often incumbent suppliers benefitting from long-term client relationships and strong brand value.

1. Key players in our markets and our competitive position

In our key markets, there are three types of key players:

- Globally diversified players — larger players with strong positions in both a number of regions as well as in a number of products, e.g., JOST, SAF-Holland and BPW;
- Geographically diversified product specialists — players focusing on a single product with a presence in a number of regions, e.g., Fontaine and Hyva; and
- Local champions — players with a relatively diversified product offering but with limited or no presence outside local markets, e.g., Fuwa, Baohua and Haacon.

Given our product and geographical diversification, we tend to have competitors only in certain geographical regions and certain product markets. For example, we compete with SAF-Holland mainly in fifth wheels in Europe and the Americas (excluding Brazil), and in landing gears in the Americas (excluding Brazil) but face much more fragmented competition in these products in other regions. We also face competition from SAF-Holland and BPW in axles in Europe, given our entry into that market in 2014 as part of the MBTAS acquisition. Our intention is to generally increase or defend our market share in the European market (depending on the product). Overall, we expect the competition to remain fierce in the European market.

Although Fontaine and Hyva are present in a number of regions, they are focused on single products, i.e., on fifth wheels and hydraulics, respectively. We face the most pronounced competition from Fontaine in fifth wheels in the Americas and Brazil, but experience only limited competition from Fontaine in Europe and Asia Pacific. Our Edbro products compete with hydraulic cylinders produced by Hyva in all of our major markets and with Jiaheng in Asia Pacific.

We also compete with local champions in their home markets. For example, Fuwa and Baohua are among our primary competitors in fifth wheels and landing gears in Asia Pacific region. Haacon is our largest competitor in landing gears in Europe.

JOST has a leading market position with a 54% market share in the global market for fifth wheels, which is a concentrated market in which the top three suppliers have combined shares of approximately 84% (market share for 2016 in terms of OEM business and including only relevant countries and regions; source: Roland Berger 2017). In the fifth wheels market, the Group is the leading supplier in Europe, Brazil and Asia Pacific, and is the largest supplier in the Americas (excluding Brazil), according to the same source.

In the global market for landing gears, JOST is the leading supplier with a market share of 56% as well as the leading supplier in Europe, the Americas (excluding Brazil) and Brazil. The top three players in the global landing gears market account for a combined market share of 82% (market shares for 2016 in terms of OEM business and including only relevant countries and regions; source: Roland Berger 2017).

We believe that our respective market shares for our core products (fifth wheels and landing gears) are approximately three times larger than our closest competitors.

2. Other truck and trailer components producers

Apart from players that offer products similar to ours, there are many other specialized players in the truck and trailer market, including well-recognized brands such as Palfinger and Stabilus. Although these players do not offer the same products, their sales are characterized by exposure to the same end-markets as our products, strong market positions and high profitability. Among these three players, however, only Palfinger offers branded products.

Palfinger is a leading company for loader cranes, marine cranes and hooklifts and taillifts for use in commercial vehicles and in the maritime field. The company reported a revenue CAGR of 8.5% from 2014 to 2016 and an average EBIT margin of 8.1% for the same period.

Stabilus is a world market leader in gas struts and hydraulic vibration dampers with a comprehensive application spectrum and a broad product line. The company reported revenue growth from 2014 to 2016 at a CAGR of 20.6% and an average EBIT margin of 8.5% for the same period.

H. BUSINESS

I. Overview

We believe we are a leading global producer and supplier of safety-critical truck and trailer components with a portfolio of well-recognized brands built around our core brand "JOST". Our global leadership position is driven by the strength of our brands, which include the market-leading names of Rockinger, TRIDEC and Edbro, by our long-standing client relationships serviced through our global distribution network as well as by our efficient and asset-light business model.

In the year ended December 31, 2016, we recorded sales revenues of €633.9 million. Over the same period our Adjusted EBIT and Adjusted EBITDA amounted €61.9 million and €78.0 million, respectively.

We follow a system approach by categorizing our products in three systems: Maneuvering (focusing on truck and trailer axles and forced steering), Vehicle Interface (focusing on products required to operate a commercial vehicle combination of trucks and trailers) and Handling solutions (including, among others, our container technology and hydraulic cylinders products). In 2016, excluding sales revenues of €29.1 million in 2016 from the Brazilian joint venture, in which we held an equity interest of 49% as of December 31, 2016 (the "**Brazilian JV Company**"), our Vehicle Interface products, Maneuvering products and Handling solutions products contributed approximately 74%, 16% and 10%, respectively, to our sales revenues. Our core products are fifth wheels and landing gears, which accounted for approximately 64% of our total sales (excluding the Brazilian JV Company sales) in 2016. In the same year, we had a global market share of 54% for fifth wheels and of 56% for landing gears in terms of sales revenues (including the Brazilian JV Company) (Source: Roland Berger 2017). We believe that our respective market shares for our core products (fifth wheels and landing gears) are approximately three times larger than our closest competitors.

We serve the truck and trailer industry on a global basis. In particular, we supply components to truck and trailer original equipment manufacturers ("**OEMs**") through our global distribution network, providing parts to OEMs in the first-fit business and the aftermarket. In addition, we serve the independent aftermarket as well as small fleets and end users through wholesale organizations. We classify all sales of components not directly delivered to first-fit OEM production as trading activities. We supply trading parts to large OEM aftermarket organizations as well as parts delivered to wholesale organizations and then on-sold by the wholesale organization to smaller OEMs, fleets or other end users. In 2016, our first-fit OEM business contributed approximately 75% to our sales revenues (excluding the Brazilian JV Company) and our aftermarket/trading activities approximately 25%. Over the years, we have established strong relationships with our customers. For example, customer relationships with a key group of our customers representing approximately 45% of our sales revenues in 2016 (including the Brazilian JV Company) have been in place for, on average, 33 years. However, none of our customers accounted for more than 8% of our sales revenues in 2016 due to our highly diversified customer base.

We believe we are one of the most geographically diversified manufacturers and suppliers of truck and trailer components and systems in the world. We have built a particularly strong footprint in the European market, which is home to many leading global truck OEMs. In addition, we entered the North American fifth wheel market in 2001 and have since managed to build strong relationships with leading truck OEMs with the aim of expanding our presence in the North American market. We also have an established and growing footprint in key emerging markets, including Russia, China and India as well as Brazil, where we produce and market our products through our Brazilian JV Company. In particular, we have a long track record of supplying products to the Asian market, initially through our European operations and subsequently through our local production in China, which commenced in 1991. Through our Chinese production, we expanded our penetration of the Asian market. As of the date of this prospectus, we count essentially all major Asian truck and trailer OEMs among our customers. In 2016, the split of our sales revenues by destination (excluding the Brazilian JV Company) was 59% in Europe, 23% in Asia, Pacific and Africa ("**APA**") and 18% in North America. If we take into account the sales revenues of our Brazilian JV Company, which is accounted for at equity under International Financial Reporting Standards as adopted by the EU ("**IFRS**"), the split of our sales revenues by destination would be 56% in Europe, 22% in APA, 17% in North America and 5% in Brazil (including 100% of sales revenues generated by the Brazilian JV Company, in which we own 49%). In the same year, the split of our sales revenues by origin (excluding the Brazilian JV Company) was 66% in Europe, 16% in APA and 17% in North America.

With our 17 production facilities (including the Brazilian JV Company) in 13 countries across five continents, we operate an efficient global production platform consisting of product-specific master plants and low-cost intercompany supply plants. We focus on modular product design, supply chain efficiency and higher value-add rather than asset-heavy production processes which allows us to optimize the flexibility of our production, in order to quickly react on emerging market dynamics and ultimately to support our financial performance. We have optimized our value chain through low-cost-country sourcing and commodity management measures, efficient logistics and tailored sales activities.

Since the early 1960s, we have grown mainly organically by establishing regional subsidiaries across Europe as well as in Asia, North America and Africa. In addition, we have expanded our footprint through our Brazilian JV Company, thereby gaining access to the South American market. More recently, we have grown through acquisitions which included the acquisition of Rockinger, TRIDEC, Edbro and Mercedes-Benz TrailerAxleSystems ("**MBTAS**"). Throughout the years, our formerly family-run enterprise has evolved into a globally operating enterprise, and we are regularly assessing further opportunities to expand our global footprint.

II. KEY STRENGTHS

We draw on a number of strengths to support and participate in emerging and existing market opportunities:

1. Global market leadership with strong brands in a market with high barriers to entry

Global leadership

We believe we are a global market leader for our core products, namely fifth wheels and landing gears, with a global market share of 54% for fifth wheels and 56% for landing gears in terms of sales revenues in 2016 (including the Brazilian JV Company) (Source: Roland Berger 2017). Partly due to our strong market position within the truck and trailer industry, we have been able to establish close relationships with almost all relevant players within the global truck and trailer industry, including truck and trailer OEMs, wholesale traders, aftermarket service providers and fleet/freight operators (while the latter, service providers and fleets, are not actual customers). We consider our leading market positions for fifth wheels and landing gears combined with our global reach in manufacturing, distribution, sales and services as an efficient platform from which to defend and grow our market position in established markets as well as to further penetrate emerging markets worldwide.

Our exposure to emerging markets in general has enabled us to grow faster than the global market. We have a long track record of supplying our products to the Asian market through our European operations. Since the commencement of our local production in China in 1991, we have intensified and broadened our existing relationships within the Asian market, leading to stronger customer relationships with all major Asian truck and trailer OEMs.

The markets in which we operate are highly consolidated with high barriers to entry due to various certification, quality and scale requirements as well as customer loyalty. Despite the high degree of consolidation, we believe we are well positioned within our markets to maintain and further grow the current respective market share of our existing products and to strengthen our position through new product offerings and, in particular, through increased volumes in our product categories of hydraulic systems and trailer axle systems. For example, to service demand, we are in the process of increasing our hydraulic systems output capacity in our production facility in Bolton, United Kingdom.

Strong brands

Our market leadership across multiple continents is, in our view, based on certain key differentiating factors, such as our brand recognition, distribution power, product quality, reliability and availability of our products, continuous product improvement (especially through weight reduction as well as increased safety and comfort measures) and cost competitiveness based on our standardized and modular product design.

Our core brands are well-recognized in the truck and trailer industries worldwide and are highly regarded for their excellent quality and continuous innovation. For example, according to a reader survey by several German truck magazines, "Rockinger" has received the best-brand award for couplings for the thirteenth time in a row, and "JOST" is perceived as a leading brand for fifth wheels (Source: Best Brands). We believe that our brands are highly demanded by the leading OEMs as well as their customers, which we believe is primarily due to our "push and pull approach". Through continuous dialogue with our key accounts, we are able to "push" our products to OEMs and aftermarket service providers.

Through targeted marketing activities – including neither direct sales efforts nor pricing negotiations – to the actual end users, we then raise awareness for our products and their advantages, thereby encouraging demand and enabling us to "pull" additional customers from fleet operators, trailer builders and cargo owners. Our marketing activities thereby focus on superior product availability in all relevant regions and product applicability on a global scale.

This strategy of creating a self-reinforcing "pull-effect" by having our dedicated sales teams actively approach OEMs and by generating further demand for our branded products via end users (e.g., fleets or workshops) marks another cornerstone for our further growth and for the strengthening of our brands. Our product range offers compatibility of differentiated trucks and trailers as well as efficient, easy to use solutions for fleet operators and truckers that help optimize their total cost of ownership. Therefore, we are

experiencing a particularly strong "pull-effect" and demand for our branded products as part of system specifications from fleet operators. Our global sales team dedicates a significant amount of their time to building and maintaining customer relationships through continuous dialogue involving technical marketing, roadshows and sales visits.

Quality and technological leadership

We believe that our products offer our customers and end users outstanding quality and performance with lower lifecycle cost and with higher payload capacity due to lower weight, while at the same time offering the highest safety standards in the industry. We have a history of leadership in technological innovation, and our core products incorporate, to a significant degree, proprietary technology developed by our research and development team. For example, in 2010 we introduced a lubrication system that is fully integrated into fifth wheel couplings, during the International Motor Show Germany in 2016 we introduced landing gears with e-drive that allow for improved durability, safety and ease of use and in 2017 we began offering steer by wire technology to permit path following, collision avoidance systems and automated docking systems.

2. Attractive growth profile

We believe that we are well positioned to capitalize on long-term macroeconomic trends and to outperform the market.

Capitalize on macroeconomic trends

We believe that the underlying growth in the truck and trailer market is driven by fundamental economic trends, including continuing globalization, the developments in areas of automation as well as autonomous docking and driving systems, e-commerce, growing global populations and urbanization, investments in infrastructure (in particular in road networks) and growing international trade and road transport volumes. We continue to adapt our product offering towards such macroeconomic trends.

Global GDP growth forecasts continue to be favorable, mainly driven by the continued growth of Asian and Pacific economies. Road transport volumes are expected to grow at a CAGR of 3.8% per year between 2017 and 2021 (Source: Roland Berger 2017). Increasing regulatory requirements for on- and off-highway trucks in the major global markets, especially in China, have already been and are expected to be enacted in the coming years and to drive renewal of truck parts. These trends are set to increase the needs of the truck and trailer industry for various applications.

The global production of medium- and heavy-duty trucks (including medium-duty trucks (6-15 metric tons) and heavy-duty trucks (>15 metric tons)) is expected to grow at 3% CAGR between 2017 and 2021, whereas GDP across our global markets is expected to grow at a CAGR of 2.7% during the same period (India and China are expected to have a GDP growth of 7.0% per year and 5.7% per year, respectively) (Source: Roland Berger 2017). Truck production is expected to rebound in North America and to solidly grow in Europe and Asia (Source: Roland Berger 2017). Global trailer (including medium- and heavy-duty commercial vehicle trailers) production is expected to grow at 3% CAGR between 2017 and 2021, roughly equivalent to global GDP growth (Source: Roland Berger 2017).

In addition, new regulations were introduced in China in September 2016 which impose nationwide restrictions on the length (22.0 meters), width (2.6 meters) and height of truck and trailer combinations depending on the number of axles. These regulations will significantly reduce the car carriage capacity of truck and trailer combinations from up to 22 cars to between 6 and 10 cars per vehicle. As a result, these regulations are expected to positively impact demand, particularly for heavy-duty vehicles, which must be compliant with the new regulations by August 2018. In the medium term, we therefore expect fleet overhauls and fleet consolidations to continue in China in combination with a shift more towards articulated trucks, opening up additional sales opportunities, especially for our TRIDEC and Rockinger products.

We also see opportunities for growth in the development and introduction of systems that enhance efficiency for fleet operators, trailer builders or cargo owners. These include, for instance, autonomous docking systems or advanced intelligent trailer suspension systems enabling to increase capacity and driver safety while saving fuel and decreasing transportation costs.

Outperformance of market

We have achieved a sales revenues CAGR (excluding the Brazilian JV Company) of 3.6% per year between 2014 and 2016 (taking into account the acquisition of the MBTAS business in 2014), while the global truck market experienced a CAGR of negative 1.3%. We believe that by leveraging our current competitive position we are well positioned to outperform the market. Due to our global footprint, distribution network and market share, we have access to almost all relevant players in the global truck and trailer industry. We

will continue to increase the content per vehicle by cross- and up-selling products to existing customers. Our strong distribution network allows us to efficiently introduce and market new products to our existing customers. Due to increasing sophistication of truck and trailer combinations demanded by fleet operators, we assume that, on a sales revenue basis, our top line growth is set to outperform unit-based production growth of trucks and trailers. Additionally, we aim to further increase market penetration through add-on acquisitions that would enable us to further leverage our distribution network as well as to increase the content per vehicle and value per channel by continuing to focus on the development of innovative products, such as fifth wheel sensor and LubeTronic technology, steer by wire, wet-kits for trailer hydraulics or landing gears with e-drives.

Apart from our European home market, which represented 59% of our sales revenues by destination (excluding the Brazilian JV Company) in 2016, we see a strong market share growth potential in less penetrated regions, in particular in Asia and North America. Furthermore, we see further growth potential for our hydraulic systems and trailer axle systems. Since we expect to benefit from certain macroeconomic factors anticipated for the emerging markets, we expect our footprint in emerging markets, in particular in China and India, to allow us to outgrow the global market. For example, China and India are expected to experience a significant development of road transport volumes (approximately 5.3% to 5.5% CAGR for the period between 2017 and 2021) (Source: Roland Berger 2017). In Europe, we expect to benefit from sound market growth and increasing share of products with add-on features. In Asia, we benefit from regulatory changes causing a renewal of vehicle fleets (Source: Roland Berger 2017).

Finally, we see an opportunity for further value accretion through potential add-on acquisitions. In the past, we acquired Rockinger, Regensburger, TRIDEC, Edbro and MBTAS. Due to our extensive experience in successfully integrating acquired businesses into our Group, we believe we are well positioned to gain further growth through potential future acquisitions.

3. *Focused player with a global distribution network and long-standing relationships with a diversified customer base*

Global distribution network

We have developed a global distribution network that enables us to serve our customers worldwide. Through our diversified regional operations, we maintain communication channels across our distribution network, helping us to better serve our global customers and to meet their specific needs in each region. As of the date of this prospectus, we operate 17 production facilities (including the Brazilian JV Company) in 13 countries across five continents, enabling us to offer our products and services in close geographic proximity to our customers. As a result, we are perceived as a leading local supplier in many regional markets but with a "German engineering" expertise, which sets us apart and allows us to market our products and services to a growing and increasingly global customer base.

Over the years we have refined our global distribution network and implemented a "go-to-market" model to address different customer needs throughout the lifecycle of a vehicle. The implementation of this model depends on the targeted sales channels:

- **First-fit OEM business:** We offer a broad range of customized products to fulfill all relevant standards and maintain an open dialogue with our customers that focuses on delivering systems rather than mere components. Our in-depth "German engineering" expertise completes our multifaceted, comprehensive offering.
- **Aftermarket:** We successfully target the aftermarket organizations of OEMs and the independent aftermarket by providing high product availability for end users. We focus on immediate product availability and global delivery of special spare parts within a competitive time frame as well as on defined delivery cycles for all customers.

Apart from our high-quality, well-recognized brands and various product specifications, we consider our comprehensive product availability through our global distribution network as complemented by our local operations and local sales forces to be main drivers of the increasing demand for our products.

We hold substantial positions in the wallets of our largest customers. According to our estimates, our average share of wallet of the fifth wheel volume for 2016 with a view to those customers representing close to the total market for articulated truck production in Western Europe, Poland and Turkey was approximately 77%. Of the five customers representing approximately 50% of the respective total landing gear market (semi-trailer production Western and Eastern Europe), we estimate we had an average share of wallet exceeding 90% in 2016.

Long-standing relationships with a diversified customer base

Since the founding of JOST more than 60 years ago, we have established strong relationships with our customers worldwide through our global distribution network, and our customers remain the central focus

of our activities. Due to our strong relationships, we maintain framework agreements with some of our largest customers. With long-term supplier and customer relationships as well as with our highly diversified customer base, we have laid the foundation for our powerful global distribution network. For example, the customer relationships with a key group of our customers, representing approximately 45% of our 2016 sales revenues (including the Brazilian JV Company), have been in place on average for 33 years.

We believe that the key to successfully marketing our products is to supplement our long-standing relationships with OEMs, aftermarket organizations of OEMs and wholesale organizations with a focus on end users. Close relationships with many of our end users provide us with their valuable input and allow us to tailor our product and service offering to their needs.

In addition, we have a diversified customer base for both truck and trailer components. Our key customers include all top-tier OEMs in the global truck and trailer industry as well as key suppliers and distributors (including those in the independent aftermarket). Given our global distribution network, we have direct access to the purchasing and engineering departments of all major OEMs, OEM aftermarket organizations, wholesale organizations and fleet/freight operators. In 2016, we sold our products into more than 100 countries worldwide. In the same period, our top 25 customers represented only approximately 49% of our 2016 sales revenues (including the Brazilian JV Company), with our top customer representing less than approximately 8%. Therefore, we have a very low dependency on any single customer.

Moreover, through our broad customer base, especially among wholesale organizations, we have access to an extensive service network of independent aftermarket points in our core markets of Europe and North America. Apart from the high quality of our products, our renowned brands and the variety of possible specifications, we consider the availability of products through our extensive service network as one of the key reasons that end users frequently specifically request our branded products when placing their orders with OEMs. Due to the vast installed base in the field and excellent product availability, specific requests for our products are especially high among wholesale traders for the independent aftermarket.

We believe our close relationships with our customers and end users are a significant competitive advantage.

4. Highly efficient and flexible production platform

We operate a highly efficient global production base consisting of product-specific master plants and low-cost intercompany supply plants. In total we operate 17 production facilities (including the Brazilian JV Company) in 13 countries across five continents. Due to our modular and standardized product architecture with its late stage customer-specific product variations, we are able to produce a high number of output variants with a low number of input variants across the entire product range. This low complexity reduces our cost base as we purchase high volumes of standard components to assemble our products. Our asset-light and efficient supply and production platform also allows us to quickly adapt to changes in the market environment. It is our strategy to focus on low capital intensive and high value added processes (such as mechanical processing, machining, welding, coating and assembly), and we outsource to external suppliers capital intensive and fixed-cost-heavy production steps such as casting and forging. Our core competencies span from quality to process critical steps such as design and engineering, mechanical processing and machining to coating, assembly and quality control. We focus on cross-selling product bundles for trucks and trailers (e.g., fifth wheel, king pin and landing gear together) rather than selling each component individually. Advanced in-house logistics capabilities allow our customers to receive the full set of high-quality components on short notice from one supplier, guaranteeing both high performance and compatibility. Due to this lean and optimized production process, we have low production lead times.

Due to our global footprint we believe that we diversify risks stemming from a single country or region and that we capitalize on labor cost differences between our production locations since we allocate labor intensive processes to the low-cost countries in which we operate (e.g., to our production facilities in Poland, Hungary, South Africa, India, Russia and China as well as Brazil, which is operated by our Brazilian JV Company). This is closely linked to our efforts to continuously streamline our manufacturing process and increase the efficiency of our operations. Since 2000, as part of our efforts to become more cost-efficient and flexible, we relocated 11 production facilities and closed four production facilities to increase the proportion of products manufactured in low-cost countries. We periodically consider opportunities, including additional relocations and closures, to improve the cost efficiency and flexibility of our global production base. Around 45% of our personnel are located in low-cost countries, with most of the recent growth in our labor force coming from low-cost countries with more flexible labor legislation. Due to our flexible labor force and workers with short workweeks, we are able to increase or decrease production if required.

Furthermore, to secure lean and efficient manufacturing processes as well as compliance with just-in-sequence delivery systems, we have developed a robust double- or multi-sourcing supply structure for most of the critical components and raw materials assembled in our key products. In 2016, we estimate

that approximately 80% of these critical components and raw materials were obtained from at least two sources and thereof approximately 50% from three or more sources.

We have been able to build up a broad, predominantly locally sourced and well-diversified supplier base with a high proportion of low-cost-country sourcing. The main criteria for the selection of our suppliers is product quality and delivery flexibility. In 2016, our top ten suppliers accounted for only approximately 28% of aggregated material costs. According to our estimates, the proportion of low-cost-country sourcing (involving Eastern Europe, Asia and Brazil) reached approximately 47% in 2016.

5. Industry leading performance and cash generation

Based on publicly available information, we believe we have an industry leading position with regard to financial performance and cash generation compared to our major competitors.

Our focus on maintaining an optimal cost structure and our asset-light business model have led to Cash Conversion exceeding 60% between 2014 and 2016. In the financial years ended December 31, 2014, December 31, 2015 and December 31, 2016 we recorded a Cash Conversion of 72.6%, 60.9% and 76.4%, respectively. We have achieved a sales CAGR (excluding the Brazilian JV Company) of 3.6% over the last three years (taking into account the acquisition of the MBTAS business in 2014), while the global truck market experienced a CAGR of negative 1.3%. Over the same period, we recorded Adjusted EBITDA Margin at double digit levels (12.3% in 2016, 11.9% in 2015 and 13.5% in 2014) and had a net financial debt to Adjusted EBITDA ratio of 3.5 in 2016.

Our robust performance is mainly driven by our focus on strong cost management and operating profitability. According to our estimates, we quickly recovered from revenues being cut in half as a result of the financial crisis and experienced a lower sales decline than the market during 2009 with a positive EBITDA and cash flow from operating activities. According to our estimates of the market, between 2014 and 2016, our sales revenues continued to outperform the market as a whole, as we experienced larger than proportional gains. These gains were driven by our increasing market shares in key markets, including localizing Rockinger in 2016 and beginning to localize Tridec in 2017, and the integration of axles and launch of the aftermarket in 2016, as well as by our recent brand acquisitions and strategic expansions of certain plants globally, including in China, Hungary, India, Poland and the U.S., and a general capacity increase in Portugal.

We also managed to consistently achieve a high cash flow from operating activities through (i) growth in EBITDA, (ii) highly flexible modular product concepts, (iii) effective working capital and strict capital expenditure management, (iv) efficient sourcing strategy, (v) focus on customer benefits and (vi) cost reductions driven by the consolidation of manufacturing plants in Europe and the development of our engineering capabilities in low-cost regions. We achieved a Cash Conversion of 76.4% in the year ended December 31, 2016, 60.9% in the year ended December 31, 2015 and 72.6% in the year ended December 31, 2014.

6. Experienced management team with an excellent track record of profitable organic and inorganic growth

The Management Board has extensive experience in the commercial vehicle and industrial sectors with a proven track record of successfully managing global businesses and is supported by a large pool of talented middle management. Our Management Board, consisting of Lars Brorsen, CEO, Christoph Hobo, CFO, and Dr. Ralf Eichler, COO, has a combined experience of more than 40 years in various management positions in the commercial vehicle and industrial sectors. The current chief executive officer ("**CEO**") has led the Company and predecessors of Group companies since 2000. The current chief financial officer ("**CFO**"), who was acting as Managing Director for Rocket Internet Japan and Executive Member of the Management Board (*Vorstand)* of Aktivoptik Services AG, joined the Company in 2016 as CFO. The current chief operating officer ("**COO**") held various managing director positions since joining JOST in 2000 before being appointed as our COO in 2010. Our Management Board has an excellent combined track record of executing our growth strategy and improving operational efficiencies. They have worked strategically to implement structural efficiency measures designed to strengthen our global footprint and improve our product base. Following such successful initiatives, our Management Board has diversified our product base and established new growth areas – including trailer axle systems, hydraulic systems, trailer steering and drawbars – through our internal research and development efforts as well as through a series of successful acquisitions including the acquisition of MBTAS in 2014, Edbro in 2012 and TRIDEC in 2008. At the time of the acquisition of Regensburger in 2004 and Rockinger in 2001, only the current CEO was part of the then-acting Management Board. We believe that the experience of our management team gives us a competitive advantage and positions us favorably for future growth and profitability.

III. Our Strategy

We strive to grow our business sustainably and to achieve above-market revenue growth, as well as strong profitability and cash flow. The following is a summary of the key elements of our current strategy.

We offer a portfolio of branded products which are renowned and perceived as quality products by the end user as well as OEMs. We support this broad brand awareness by operating an entry level volume business for quality parts and capture a global market share of more than 50% in these products, for example, with respect to the landing gears and fifth wheel market. Along with the volume business, we established contacts to virtually all relevant truck, trailer and road transport industry participants. Requirements to service these volumes pose high entry barriers for competitors. In our view, with respect to our sales forces, we strive to upsell based on a modular product approach. On the backbone of this broad footprint and vast sales contacts, we consider that potential customers accept that we enter new markets in terms of geography and in terms of products. Therewith, we embrace downstream functions and adjacent parts of the value chain related to our products, such as logistical integration into OEM's supply and production chain. On top of this approach, we are able to take advantage of our excellent position as a leading global supplier to truck as well as trailer OEMs. Being a familiar contact and supplier of components for fleet operators, we believe to be best positioned to further grow into system related solutions, influencing the whole vehicle combination rather than either trucks or trailers. Fleets increasingly demand solutions for the whole vehicle, such as comfort coupling or finally automated docking systems, which is an area of strategic focus for us. Therefore, we have started categorizing our products within the three systems Maneuvering, Vehicle Interface and Handling solutions, so to mirror the development from single component sales to fleets demanding fully-fledged solutions applicable to truck and trailer combinations.

1. Increased content value per vehicle through product innovations

We aim to increase content value per vehicle (supply additional products, add additional features to existing products) through innovations and product improvements. In 2004, we developed sensor coupling systems for fifth wheels and currently we are collaborating with large fleets in order to test comfort coupling system technology in the field, which is a stepping stone towards automated docking. Our strong innovation capabilities and close understanding of customer requirements allow us to launch new products to the market which are of high relevance to our customers, including the fifth wheel sensor and LubeTronic technology, steer by wire, landing gears with electric drive motors, wet kits for trailer hydraulics and our durable compact axle family/AirMaster trailer axle systems, which we acquired in connection with the acquisition of MBTAS.

2. Growth initiatives in attractive markets through specific product and geographical expansion

For the time being, we believe the most significant opportunities for market share gains lie in the trailer axle systems and hydraulic systems business as well as in the fifth wheel segment in the United States. We seek to capture such opportunities by implementing the following strategic objectives:

- **Growth in China:** We expect demand for our TRIDEC and Rockinger products to increase as a result of the new regulations introduced in China in September of 2016 which impose nationwide restrictions on the length (22.0 meters), width (2.6 meters) and height of truck and trailer combinations. These regulations will significantly reduce the car carriage capacity of truck and trailer combinations from up to 22 cars to between 6 and 10 cars per vehicle, and we believe that we are able to benefit from the expected rise in demand, particularly for heavy-duty vehicles, which must be compliant with the new regulations by August 2018. The new regulation allows a drawbar-trailer to be coupled to a rigid truck. In particular, we expect higher demand for our TRIDEC products (which are able to increase floor space of a trailer by replacing standard axles with individually attached wheels) and for towing hitches under the Rockinger brand. In anticipation of this increased demand, we have been localizing Rockinger and are currently localizing Tridec products in China.
- **Growth in efficiency enhancing system solutions:** The continuous focus on enhancing efficiency and decreasing costs for fleet operators, trailer builders and cargo owners presents another potential avenue to outperform the market in the future. We plan to continue investing in the development of autonomous docking systems or advanced intelligent trailer suspension systems that help to increase capacity and driver safety while saving fuel and decreasing transportation costs. One step towards this end has been the transition to marketing the comfort coupling system as a standalone product. Paired with complementary products such as e-drive landing gears, such products are expected to increase the value per product sold, especially in terms of the Vehicle Interface system. Being perceived as a leading innovator in our field, we consider the technological shift towards trucks and trailers merging to a combined transport system as an essential strategic opportunity for JOST.
- **Growth in trailer axle systems:** The 2014 acquisition of MBTAS paved the way for a powerful market entry into the trailer axle system technology in Europe, enabling us to offer a new product to existing

customers. As part of the acquisition, we expect, due to our experienced sales force, to exploit synergies as we market a larger number of products with nearly the same number of sales people. In addition, we believe that we can grow the trailer axle business by expanding into the independent aftermarket. As one of our first steps following completion of the acquisition, we relocated our axle manufacturing process to Poland in order to benefit from lower production costs. The relocation has been completed in 2016.

- **Growth in hydraulic systems:** We entered the hydraulic systems business in 2012 through the acquisition of Edbro. Since then, we have been able to significantly increase our share of wallet with our customers. The integration of Edbro products into our sales and distribution platform resulted in significant growth of demand for the products, which exceeded the production capacity in 2014 and allows us to leverage gained distribution power. Through the further strengthening of our customer relationships in this field as well as an investment program to increase and optimize our production capacities, we expect to achieve additional significant growth in the coming years.
- **Growth in North America:** Since entering the North American market for fifth wheels in 2001 and for landing gears in 1992, we have been able to gain a significant market share and increase brand recognition in these two product categories. Our market share in the Americas (excluding Brazil) for fifth wheels amounted to 27% and for landing gears to 62% in terms of sales revenues in 2016 (Source: Roland Berger 2017). Increasing recognition of our brands has led to our gaining standard positions with two additional major OEMs, contributing in part to a CAGR of 8% in external sales revenues in North America in between 2014 and 2016. Additionally, we believe that our strategic relationships with leading truck OEMs in the United States, including Freightliner with a market share of 29% (per thousand units) in North America in 2017 (Source: Roland Berger 2017), together with our strong product offering and expanded distribution will serve to further increase our market share in the North American market in the coming years and to increase our foothold with OEMs in the United States.
- **Growth through value accretive M&A:** We have continually considered potential value-creating M&A opportunities. Our past acquisitions of Rockinger in 2001, TRIDEC in 2008, Edbro in 2012 and MBTAS in 2014 have each provided an avenue to either enter a new product market or to expand our footprint in our core markets. We strive to continue monitoring opportunities to generate value through M&A and expect external growth to form path of growth going forward as well. Typical M&A targets may include adjacent products and as well approaches to capture additional market shares or to add technological know-how suitable for our activities. Potential acquisitions as far as considered so far, will most likely be within our core focus on the global truck and trailer industry.

3. Increase in margin

We seek to exploit on our profitability improvements by further optimizing processes across all functional areas, by strictly controlling and managing our costs and by reducing our fixed and variable costs, in order to increase our operating profit margins and cash flows. With regard to our axle business acquired in 2014, we are focused on lowering our cost base and increasing our aftermarket activities. As a result, we relocated our axle manufacturing process from Germany to our production plant in Nowa Sol, Poland on the premises of JOST Polska Sp. z o.o. The relocation has been completed in 2016 and is expected to contribute to the improvement of our operating margin. The launch of our axle aftermarket business is expected to further support the Maneuvering system's performance.

The significant increase in Edbro's on-road product volumes exceeded production capacities in 2014. We have initiated an investment program in new machineries in our Bolton production facility in the United Kingdom, through which we aim to cost-effectively increase our output of hydraulic systems. Additionally, a future increase in demand for off-road products due to a recovery of the mining industry is expected, together with each of the other measures to result in increasing operating margins.

The focus of our cost-saving measures is on standardization/operating excellence, lower-cost facilities in markets that exhibit a potential for growth, reduction of maintenance costs, outsourcing and/or streamlining of non-core functions and continuous improvements in raw materials and energy utilization. In North America, we have implemented efficiency measures after the significant increase of production during 2014, which resulted in significant margin improvements in 2015 and 2016.

In the mid-term, we also expect a further margin effect from the recovery of business activities in Brazil as part of the Brazilian JV Company. In general, we continuously focus on streamlining our production processes, the improvement and alignment of our sales and logistics processes, meeting our customers' requirements, as well as the further training and motivation of our workforce. Through these initiatives, we seek to achieve continuous and sustained improvements in our competitiveness and customer satisfaction.

IV. History

JOST-Werke Deutschland GmbH (formerly known as JOST-Werke GmbH), being the strategic and operational management company of our Group, was founded in 1952 as a factory for ball-bearing turntables in Neu-Isenburg near Frankfurt, Germany. In 1956, JOST began production of fifth wheels, which is still a major core product for the Company today. During the 1960s and 70s, the Company founded affiliates across Europe and South Africa, followed by the establishment of the North American business during the 1980s and expansion into Asia during the 1990s. Due to early global expansion, JOST is a truly global company today with long lasting business relationships across the globe.

The following table sets forth key events in the Group's history:

Year	Event
1956	Start of fifth wheel production
1960	Establishment of JOST France
1966	Establishment of JOST South Africa
1969	Establishment of JOST Great Britain and JOST Italia
1980	Establishment of JOST USA and JOST Australia
1990	Acquisition of Kassel production plant
1991	Establishment of JOST China and commencement of production in Wuhan, extending product range to container equipment
1995	Establishment of JOST Brazil
2001	Establishment of JOST Netherlands Acquisition of Rockinger
2004	Establishment of JOST Russia Acquisition of Regensburger
2006	Establishment of JOST India
2007	Establishment of JOST Tat and JOST Polska
2008	Acquisition of TRIDEC
2010	Buy-out of JV partner in South Africa
2011	Establishment of JOST Japan
2012	Acquisition of Ebro Plc Bolton Production start at new fifth wheel plant in Wuhan
2013	Buy-out of JV partner in Russia Globalization of hydraulic product group
2014	Acquisition of MBTAS
2016	Integration of MBTAS, now known as JOST Axle Systems, completed and launch of aftermarket Launch of Rockinger in China
2017	Expansion of TRIDEC portfolio into China

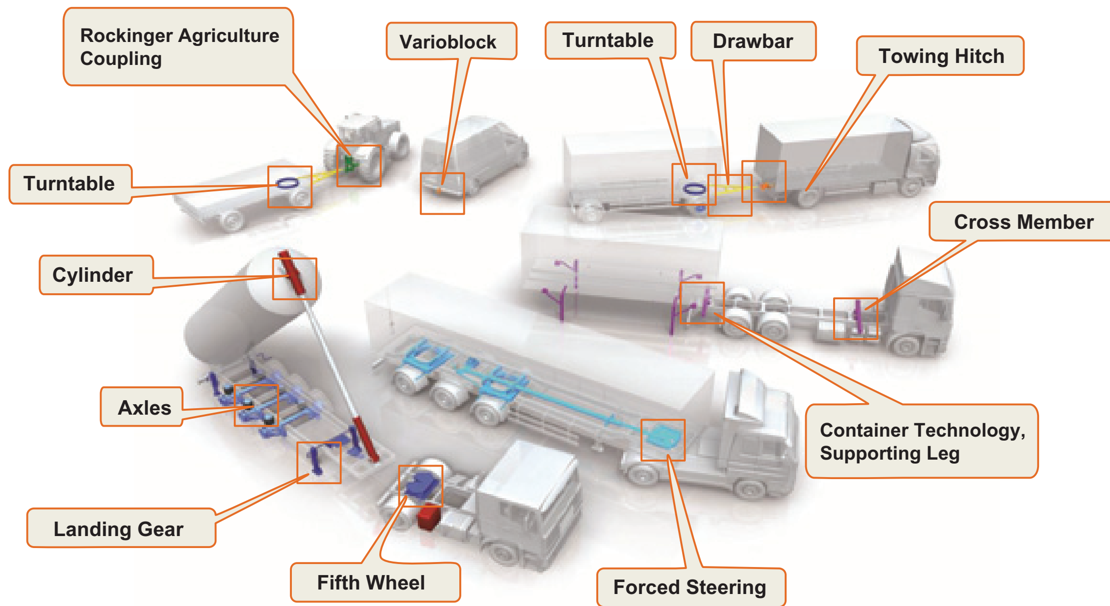
V. Products and Brands

1. *Product overview*

In order to mirror the development from single product sales to fully-fledged solutions applicable to truck and trailer combinations, we categorize our products in maneuvering products, vehicle interface products and handling solution products. In 2016, excluding sales revenues of €29.1 million in 2016 from the Brazilian JV Company, our Vehicle Interface products, Maneuvering products and Handling solutions products (among others) contributed approximately 74%, 16% and 10%, respectively, to our sales revenues. In terms of revenues sales split by truck and trailer products we recorded a relatively even distribution in 2016: Truck products generated approximately 45% of our sales revenues whereas trailer products generated approximately 55% of our sales revenues. Although we have a wide range of products sold under our various brands – including, but not limited to, fifth wheel couplings, telescopic landing gears, ball bearing turntables, king pins, container locks, towing hitches and drawbars, trailer steering systems and single wheel suspensions, trailer axles and hydraulic systems – we generated approximately 64% of our 2016 sales revenues (excluding the Brazilian JV Company) through the sale of our fifth wheel and landing gear products. The next nearest products in terms of 2016 sales revenues (excluding the Brazilian JV Company) were our trailer axle systems and our hydraulic systems.

Although many of the same products supplied to OEMs in the first-fit OEM business are generally also distributed directly into the aftermarket, there are also products supplied only to the aftermarket. For this reason, our business is not limited only to selling parts directly to OEMs but also includes producing and distributing replacement components for all our truck and trailer products as well as for certain specialized products.

The graphic below provides an illustrative overview of some of our products:



The following graphic shows the major product groups divided into our three solution systems:

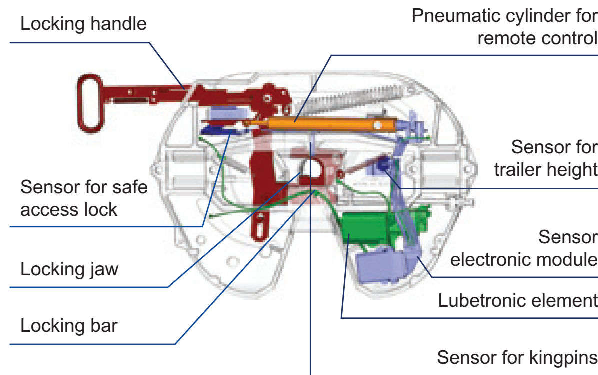
Brand (est. / years[1])	JOST (1952)	ROCKINGER (1927) / TRIDEC (1990)	Edbro (1916)
JOST Systems	Vehicle Interface	Handling Solution	Manoeuvring
Product examples	Fifth Wheel	Hydraulic	Truck Axle DCA
	Towing Hitch		Trailer Axle DLS
	King Pin	Cross member	Forced Steering System
	Drawbar		Hydraulic and Electronically Controlled Steering System
	Landing Gear	Twist lock	Swinging Axle
Share of total sales	74%	10%[2]	16%

2. Key products

a. Fifth wheels

The fifth wheel coupling device ("fifth wheels") is typically mounted on the rear of a truck tractor. A king pin mounted on a semi-trailer is slid into the fifth wheel and, once locked, creates the link between a truck tractor and a semi-trailer, permitting the truck tractor to move or tow the semi-trailer. As a trailer with a fifth wheel coupling lacks a front axle, it is necessary for the truck tractor to support a large proportion of the trailer's weight when coupled.

The following image depicts one of our fifth wheels.

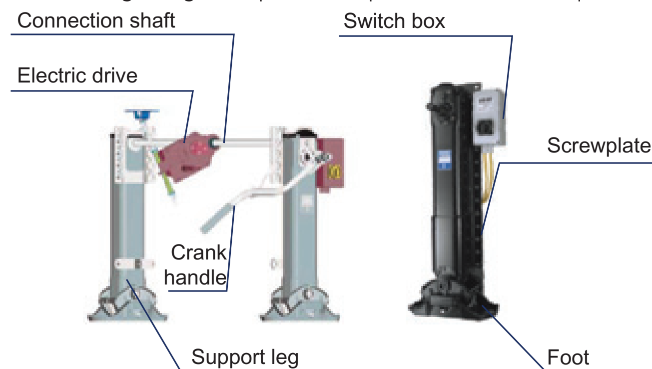


We provide fifth wheels for almost any type of application, whereby all of our fifth wheels have a closing mechanism that is based on one uniform and patented system worldwide. Most of our fifth wheels are built with a modular construction and can include, among others, a variety of sensors (trailer height, king pin and safe access lock), a pneumatic cylinder for remote control of the locking mechanism and LubeTronic elements of varying number of points of grease supply, making our fifth wheels highly versatile and able to meet individual customer specifications. Additionally, our product range includes fifth wheels which support loads for a number of applications, from lightweight distribution traffic to normal road transport and from site traffic to heavy-duty transport. We are able to serve such various end markets due to our implementation of weight-optimized pressed metal and robust cast-steel fifth wheels, enabling loads as low as six metric tons and as high as 74 metric tons. We manufacture a number of variants with a large selection of pedestals in all common heights and with all common hole patterns for plate and frame assembly. Depending on the model and height, it is possible to reduce the weight of the fifth wheel by 30 to 60 kg, increasing payload capacity. Different sensory variants that build on one another guarantee secure operation under all conditions, while the automatic lubrication solutions ensure the right level of grease. Furthermore, we continue to invest in the development of autonomous docking systems, which will automate the process of aligning and docking the king pin to the fifth wheel. This will enable end customers to increase capacity and driver safety while saving fuel and decreasing transportation costs.

We offer fifth wheels to the truck industry worldwide as a vehicle interface solution, and in 2016, we had a global market share of 54% for fifth wheels in terms of sales revenues (including the Brazilian JV Company) (Source: Roland Berger 2017). In 2016, our market share was 78%, in Europe[1] 27% in the Americas (excluding Brazil)[2], 47% in Asia-Pacific[3] and 58% in Brazil (including the Brazilian JV Company) (Source: Roland Berger 2017).

b. Landing Gears

A landing gear consists of legs that can be raised or lowered to support a semi-trailer when it is uncoupled from the truck tractor. The following images depict examples of our telescopic landing gears.



We manufacture different variations and applications of telescopic landing gears. All of our landing gears are built with a modular construction with variable mounting and bolting heights, differing crank and connection shaft lengths and four different foot types, making our landing gears extremely versatile and able to meet

1 Including the following countries: Austria, Belgium, Denmark, Finland, France, Germany, Italy, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom, Croatia, Serbia, Belarus, Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia, Turkey, Russia and the Ukraine.

2 Including the following countries: Canada, Mexico, United States of America, Colombia, Ecuador and Venezuela.

3 Including the following countries: Indonesia, Malaysia, Thailand, the Philippines, South Korea, Japan, Australia, Pakistan, Taiwan, India, China, Algeria, Egypt, Morocco, Tunisia, Saudi Arabia, United Arab Emirates, and other Middle East and Africa.

individual customer specifications. Our "Modul B" is the tried-and-tested standard telescopic landing gears. The "Modul C" range consists of various landing gear designs, which are engineered for special applications. The "L 500" landing gear can be used universally and its spare parts are usually compatible with the "Modul B" series. The "FS 075" landing gear is designed for all applications requiring a low weight and where hitching is seldom performed. Furthermore, we have developed landing gears with e-drive units, which serve as stepping stones towards automated docking, which is expected to increase the value per product sold, especially in the case of vehicle interface systems.

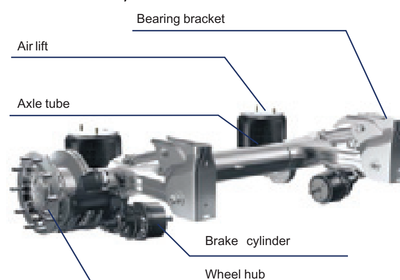
All our landing gears offer practical advantages. The gearing mechanism is an integral part of the sturdy leg column, which protects the gearing from abuse, prevents shaft misalignment and most importantly minimizes the water intrusion typical of, and very damaging to, landing gears with external gear housings. The integrated gear box is completely filled with a premium all-weather lubricant and the legs are completely sealed to retain the grease. Our landing gears require only minimal force application to the crank handle in both directions in order to operate. At the same time, the modules offer an increase in lift of up to 120 mm combined with smaller dimensions for fitting.

We offer our landing gears to the trailer industry worldwide as a Vehicle Interface solution. In 2016, we had a global market share of 56% for landing gears in terms of sales revenues (including the Brazilian JV Company) (Source: Roland Berger 2017). In 2016, our market share was 84% in Europe[4], 62% in the Americas (excluding Brazil)[5], 31% in Asia-Pacific[6] and 43% in Brazil (including the Brazilian JV Company) (Source: Roland Berger 2017).

c. *Trailer Axle System*

A trailer axle is an integral component of most wheeled vehicles. In a live-axle suspension system, the axles have the dual purpose of transmitting driving torque to the wheel while also maintaining the position of the wheels relative to each other and to the vehicle body. The 2014 acquisition of MBTAS paved the way for our market entry into the trailer axle system technology in Europe, enabling us to offer a new product to existing customers.

Below is a depiction of one of our trailer axle systems.



The JOST Axle Systems (previously known as MBTAS) are comprised of different types of Durable Compact Axle ("**DCA**") system products, such as DCA Weightmaster, DCA Megamaster, DCA Airmaster, DCA Steermaster, DCA Railmaster and DCA Pavemaster, as well as of durable leaf suspensions.

The integration of all axle functions in one axle system throughout our DCA product variants allows a compact, durable and lightweight axle housing. Components such as the trailing arm, axle tube, brake flange and axle journal are integrated in the axle housing, forming a single unit. Our DCA systems can be manufactured with standard, weight-optimized or application-specific tail ends, thereby covering all application areas. Together with three retaining brackets each and in combination with the appropriate air-bellows-supports, our DCA systems realize all possible driving heights from 215 mm to 535 mm, from megatrailer to tipper. While utilizing only a few different components, these entirely modular axle systems offer a broad range of application possibilities.

We manufacture and develop trailer axle systems for semi-trailers and drawbar trailers as a Maneuvering solution.

4 Including the following countries: Austria, Belgium, Denmark, Finland, France, Germany, Italy, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom, Croatia, Serbia, Belarus, Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia, Turkey, Russia and the Ukraine.

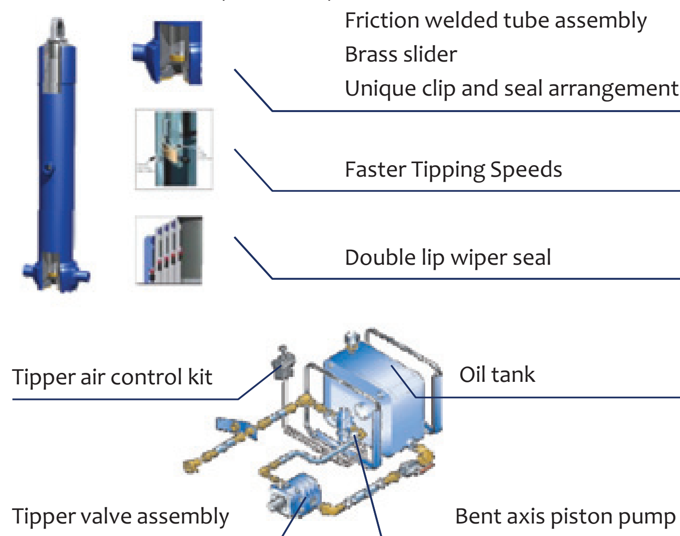
5 Including the following countries: Canada, Mexico, United States of America, Colombia, Ecuador and Venezuela.

6 Including the following countries: Indonesia, Malaysia, Thailand, the Philippines, South Korea, Japan, Australia, Pakistan, Taiwan, India, China, Algeria, Egypt, Morocco, Tunisia, Saudi Arabia, United Arab Emirates, and other Middle East and Africa.

d. Hydraulic systems

Our on-vehicle hydraulic systems are made up of front end, underbody and ejector cylinders, waste handling equipment and customized hydraulic kit solutions. We entered the hydraulic system business in 2012 through the acquisition of Edbro. Since then, we have been able to significantly increase our share of wallet.

The following is a depiction of one of our hydraulic systems.



Under the Edbro brand, we offer on-vehicle hydraulic systems including front end, underbody and ejector cylinders, waste handling equipment and wet kits. We offer customized kit solutions for a wide range of hydraulic systems, from tipper and walking floor to ejector and car transporter. Combining specially designed components including hydraulic valves, pneumatic controls, piston and gear pumps, oil tanks and all other fittings required for any hydraulic system, our kits are designed for various applications. We manufacture and develop our hydraulic systems and cylinders for semi-trailers and drawbar trailers.

We offer our hydraulic systems as Handling solutions to the trailer industry worldwide.

e. TRIDEC steering systems

Our TRIDEC steering systems offer both mechanical and hydraulic steering systems for trailers, which optimize trailer maneuverability by enabling smaller turning circles and increase safety when cornering. Trailers fitted with TRIDEC steering system and suspension offer cost savings by making previously inaccessible sites accessible with larger trailer loads. This reduces the number of necessary trips, therefore saving time, reducing tire wear and creating fuel savings. Our TRIDEC steering systems are modular and can be customized, allowing us to offer a solution for any kind of trailer.

3. Brands

As a result of our acquisition activities throughout the years, we combine the four well-known quality brands JOST, Rockinger, TRIDEC and Edbro under one roof.

- JOST is our core brand established in 1952. Under the JOST brand we focus on fifth wheels and landing gears. JOST products are manufactured in Germany, USA, China, Brazil, South Africa, India, Spain, Hungary, Russia and Poland.
- We acquired Rockinger in 2001. Under the Rockinger brand we provide drawbars and components for commercial vehicles, agriculture and forestry. Rockinger products are manufactured in Germany, Poland and Hungary.
- We acquired TRIDEC in 2008. Under the TRIDEC brand we offer mechanical and hydraulic steering systems for various types of trailers. Our mechanical steering systems are characterized by a mechanical linkage between the fifth wheel plate and axle assemblies by means of steering rods. The hydraulic steering systems on the other hand provide for a hydraulic connection between the fifth wheel plate and axles by means of hydraulic cylinders. Under the TRIDEC brand we also offer both air and hydraulic axle suspension systems which are designed to increase the capacity of trailers in terms of volume or payload. The products are manufactured in Portugal and The Netherlands.
- Edbro was acquired in 2012. Under the Edbro brand we offer on-vehicle hydraulic systems including front end, underbody and ejector cylinders, waste handling equipment and wet kits. The products are manufactured in the United Kingdom.

4. *Brazilian Joint Venture*

In August 1995, we entered into a joint venture agreement with RANDON PARTICIPACOES S.A., pursuant to which we established the Brazilian JV Company. We held an equity interest of 49% in the Brazilian JV Company, as of December 31, 2016. Through the Brazilian JV Company, we market JOST-branded products to the South American market, and the Brazilian JV Company sells only JOST-branded products. In 2016, the Brazilian JV Company was the market leader for fifth wheels and landing gears in Brazil, with a market share of 58% and 43% in terms of sales, respectively (Source: Roland Berger 2017). The Brazilian JV Company employed, on average, 222 employees in 2016, 268 employees in 2015 and 367 employees in 2014. Between 2014 and 2016, the Brazilian JV Company had the following sales revenues: €29 million in 2016, €31 million in 2015 and €59 million in 2014.

VI. CUSTOMERS

1. *OEM First-Fit business and Trading Activities*

We serve the truck and trailer industry on a global basis. In particular, we supply components to truck and trailer OEMs through our global distribution network, providing parts to OEMs both in the first-fit and as well as in the aftermarket. We provide original equipment directly to OEMs as part of our first-fit OEM business and serve the OEM aftermarket by supplying replacement products to OEMs through the OEM aftermarket organizations. We also serve the independent aftermarket by supplying replacement products to wholesale organizations which sell, in turn, to independent aftermarket distribution chains and fleet workshops. Generally, aftermarket products are systems and components purchased by end users to replace or upgrade existing components. In the independent aftermarket the end user does not exchange replacement parts through original components but rather chooses from all replacement parts regardless of brand. In contrast, in the OEM aftermarket only original replacement parts are obtained. In addition, we serve small fleets and end users (including, among others, small truck and trailer manufacturers, small fleets or other end users) through wholesale organizations. In these cases, our original equipment is used by the fleets or other end users to customize their unfinished trucks or trailers with our components. Typically, spare parts are sold as part of a "repair kit". We classify as trading activities all sales of components into the aftermarket (i.e., all sales other than to OEMs in the first-fit business). In the year ended December 31, 2016, our first-fit OEM business, which primarily comprised sales of fifth wheels, king pins and axles, and our aftermarket/trading activities, which were primarily focused on landing gears and towing hitches, contributed approximately 75% and 25% to our sales revenues (excluding the Brazilian JV Company), respectively. While fifth gears and king pins generated approximately half the value in the aftermarket/trading activities as in the first-fit OEM business, landing gears and towing hitches generated approximately 2-3 times the value in aftermarket/trading activities as in the first-fit OEM business.

Our supply chain provides for immediate product availability (e.g., global delivery of special parts within two weeks), and we offer a wide range of components and replacement products at the highest quality. Following our 2014 acquisition of MBTAS, we are focusing our efforts, *inter alia*, on increasing our aftermarket activities for axle parts as well as cross-selling axles to our existing customers. As far as landing gears and fifth wheels are concerned, we continue to seek to further develop and improve our aftermarket infrastructure. We are constantly reviewing options for an increased penetration of and increased loyalty among our aftermarket customers through optimized pricing strategies, bundled product services and warranty packages.

2. *Customer relationships*

Over the years, we have established strong relationships with our customers and have long-standing relationships with the majority of our customers. For example, customer relationships with a key group of our customers representing approximately 45% of our 2016 sales revenues (including the Brazilian JV Company) have been in place on average for 33 years. Despite these long-standing relationships, we have a highly diversified customer base and have a very low dependency on any single customer. Our top 25 customers (of which ten are non-European) represented only approximately 49% of our 2016 sales (including the Brazilian JV Company) with our top customer representing less than approximately 8%. Thus, approximately 51% of our 2016 sales result from purchases by customers not numbering among our top 25 customers.

We believe we are one of the most geographically diversified manufacturers and suppliers of truck and trailer components in the world. We serve all major global truck and trailer markets and deliver our products to customers in more than 100 countries, including to all market leaders in the truck and trailer industry (throughout Europe, North America, APA and Brazil) and many small players across all continents. We have built a particularly strong footprint in the European market, which is home to many leading global truck OEMs. In addition, we entered the North American market in 2001 and have established strong

relationships with leading truck OEMs in the United States with the aim of further increasing our penetration of the North American market. Since entering the North American market for fifth wheels in 2001 and landing gears in 1991, we have been able to gain a significant market share in these two product categories. We also have established a growing presence in key emerging markets, including Russia, China and India as well as Brazil, where we produce and market our products through our Brazilian JV Company. In particular, we have a long track record of supplying products to the Asian market, initially through our European operations and subsequently through our local production in China, which commenced in 1991. Through our Chinese production we have deepened our penetration of the Asian market and today count essentially all major Asian truck and trailer OEMs among our customers.

As we are a German manufacturer headquartered in Neu-Isenburg, Europe is traditionally our strongest sales region, followed by North America. In 2016, the split of our sales revenues (excluding the Brazilian JV Company) by destination was 59% in Europe, 23% in APA and 18% in North America. If we take into account the sales revenues of our Brazilian JV Company, which we account for at equity under IFRS, the split of our sales revenues by destination would be 56% in Europe, 22% in APA, 17% in North America and 5% in Brazil (including 100% of sales revenues generated by the Brazilian JV Company, in which we own 49%). In the same year, the split of our sales revenues by origin (excluding the Brazilian JV Company) was 66% in Europe, 16% in APA and 17% in North America.

VII. Research and Development

Since the founding of the company more than 60 years ago, we have focused on research and development ("**R&D**") to constantly improve our products and extend our product portfolio through product innovations. Our central R&D competence center is located in Neu-Isenburg, Germany. From our German competence center we manage our global R&D activities and develop new concepts, which are then refined on a regional basis through local input, as necessary. Although the underlying principal know-how input comes from Germany, we manage our R&D activities regionally, especially for region-specific application engineering. For this reason, we have established dedicated competence centers for each product line with our German competence center providing the centralized leadership function. We have also established adaptive engineering and local R&D competences in all of our main sales regions to ensure an understanding of market specifics and to cope with regional requirements (i.e., climate, road conditions, quality of infrastructure and user habit).

We believe we manage our R&D activities very efficiently as evidenced by our R&D cost ratio amounting to 1.7% of our sales revenues in 2016 (excluding the Brazilian JV Company). This low ratio is mainly driven by our effective R&D amortization, our global modular product concept and our lean in-house research capacities due to an external pool of research resources. Our global modular product concept in particular allows us to focus our R&D resources on the development of our existing products and to update our existing products with add-on features with relatively low R&D expense. Along the product life cycle we allocate approximately 5% of our R&D resources to research, 25% to the development of new products, 50% to the development of our existing products and 20% to series support. Approximately 70% of our R&D resources are therefore focused on the improvement of existing products and series support. We currently employ the following number of employees as part of our R&D activities in the following regions: 55 in Europe, 5 in North America, 19 in South America and 8 in APA.

VIII. Procurement, Suppliers and Purchasing

In selecting and managing our suppliers, we focus on quality and delivery flexibility. In general, we have at least two suppliers for critical components and raw materials and three or more suppliers globally for critical components and raw materials assembled in our core products. The exact geographical breakdown by origin for our multi-sourced parts depends on the respective production location. In Europe and North America, we estimate that our plants source approximately 60% of our supplied components in Western Europe and approximately 70% of our supplied components in North America, respectively. In Asia, we estimate that we source approximate 100% in Asia. We have established a broad and well-diversified supplier base with a high volume of supplied parts from low-cost regions like Eastern Europe, Asia and Brazil. We estimate that the share of low-cost-country sourcing for 2016 (excluding the Brazilian JV Company) reached approximately 47% versus 53% from high cost regions.

In addition to our high proportion of low-cost-country sourcing, we reduced the capital intensity of our production processes through the sourcing of castings and forgings from external suppliers. Currently, steel and casting represent the majority of our total purchasing volume. In 2016, we estimate our purchasing volume (including the Brazilian JV Company) was approximately split among our supplied components as follows: 26% castings, 14% raw materials (tubes and profiles), 14% sheet metals, 12% assembly systems and axle components, 12% forgings, 5% controls, 5% services, 3% fasteners, 3% plastics, 2% lubricants and 2% other components. Our top supplier accounted for approximately 5% of our 2016 purchasing

volume (including the Brazilian JV Company), while our top ten suppliers combined accounted for approximately 28%. For our main purchasing groups — including castings, tubes, profiles, sheet metal, forging, controls, fasteners and services — we have a commodity management team with dedicated commodity managers in place. Our suppliers are graded (preferred, maintain, reduce, phase-out) and monitored through a separate system, tracking the spending, quality, cost delivery, capacity, technology and financial situation of each respective supplier.

Arrangements with our material suppliers are predominantly not based on long-term contracts. Instead, we agree prices for a short period of time of up to one year, including non-binding volume forecasts.

IX. PRODUCTION

With 17 production facilities (including the Brazilian JV Company) in 13 countries across five continents, we operate an efficient global production base consisting of product-specific master plants and low-cost intercompany supply plants. In our master plants we bundle product know-how and test new production technologies for specific products. Once these new products or technologies have been tried and tested, they are introduced and taught to the employees of other production facilities in these master plants before being rolled out to the remaining production facilities. The low-cost intercompany supply plants focus on normal production without managing specific know-how. Our production facilities currently operate in two shifts on average. Products not directly delivered to customer facilities are stored in logistic centers responsible for particular regions and thereafter distributed to their sales destinations using the common means of freight transportation. For our European operations, including the worldwide distribution of trading products within our Group, we employ our logistics center in Neu-Isenburg, Germany. For our North American operations, we distribute fifth wheels from our location in Greeneville, Tennessee and all other products from our production plant and distribution center in Grand Haven, Michigan. For our operations in APA, we use several different logistics centers located in China, Japan, Malaysia, Indonesia, Australia and South Africa to cover the respective neighboring region.

Our production facilities, which are generally located in close proximity to the OEMs, produce a number of different product variants within our product range. The production processes are concentrated around mechanical processing (i.e., machining, automatic welding robots), coating and assembly. We manufacture a modular and standardized product architecture with no customer-owned designs or customer-specific tooling, to which we add customer specific variations at a relatively late stage in the production phase. Due to this product architecture, our production input is characterized by a low number of input variants resulting in a high number of output variants, while our production processes have a high volume of standardized made-to-order applications and a low volume of made-to-order production. This enables us to produce a wide range of products on the basis of standard components combined in a variety of configurations with limited customization work. The subsequent coating of many of the products is performed by our high performance e-coating (*Kathodisches Elektro-Tauchlackieren*) systems specifically engineered to prevent corrosion. In addition to our in-house coating, we also have products coated by third parties on a contractual basis. Our flexible assembly set-up (one-piece-flow) allows us to produce a high volume of made-to-order parts with low batch-sizes. Through this lean and optimized production process, we have been able to significantly reduce our lead-time and increase our flexibility to respond to changes in market conditions.

Since we source our castings and forgings from external suppliers, we are able to focus on the other less capital-intensive stages of the production process. The external sourcing of certain products also simplifies our initial production processes, permitting us to concentrate on a fewer number of more standardized manufacturing sequences. We regularly perform quality controls on our externally sourced pre-products and have checks in place to ensure we obtain these pre-products at the best available prices.

We have increased the geographical diversification of our production facilities by relocating some of our existing plants, with a high concentration in countries with low labor costs (e.g., production facilities in Poland, Hungary, South Africa, Brazil, India, Russia and China). Our diversification efforts are closely linked to our efforts to continuously streamline and standardize our manufacturing process and supply chain and to increase the efficiency of our operations. Our current geographical diversification permits us to capitalize on differences in labor costs among our production locations, to serve local customers' needs and requests and to mitigate the risks related to manufacturing a product in only one single country or region. Since 2000, we have relocated eleven and closed four production facilities to increase the share of products manufactured in low-cost countries. We periodically consider opportunities, including additional relocations and closures, to improve the cost efficiency and flexibility of our global production base. Around 46% of our personnel are located in low-cost countries, with a portion of the recent growth in our labor force coming from low-cost countries with more flexible labor legislation. Due to our flexible labor force and workers with short workweeks, we are able to increase or decrease production when required. In addition, opportunities may arise, which enable us to enhance our operational efficiencies through the relocation or closure of certain of our production facilities. For example, we have relocated our axle manufacturing process from

Germany to our production plant in Nowa Sol, Poland on the premises of JOST Polska Sp. z o.o. and may be considering similar relocations or closures in other countries in the near future.

Facility Location	Product Range
Europe	
Eindhoven, Netherlands	Steering systems
Bolton, United Kingdom	Hydraulics
Neu-Isenburg, Germany	Fifth wheel
Waltershausen, Germany	Towing hitches
Wolframs-Eschenbach, Germany	Landing gear
Naberezhnye Chelny, Russia	Fifth wheel; Towing hitches
Cadrete (Zaragoza), Spain	Fifth wheel; Towing hitches
Veszprém, Hungary	King pins; Towing hitches; Turntables; Container Technology
Murtede, Portugal	Steering Systems
Nowa Sól, Poland	Fifth wheel; Landing gear; Drawbars; Axles (from 2016)
North America	
Grand Haven, MI, USA	Landing gear
Greeneville, TN, USA	Fifth wheel
APA	
Shanghai, China	Landing gear
Wuhan, China	Fifth wheel
Jamshedpur, India	Fifth wheel; Axles
Johannesburg, South Africa	Fifth wheel; Axles
Brazil	
Caixas do Sul, Brazil (JV)	Fifth wheel; King pins; Landing gear; Towing hitches; Twist lock; Axle lifts

We employ computer-controlled production systems. Our production meets the requirements for International Organization for Standardization ("**ISO**") TS 16949, ISO 14001 and ISO 9001:2008 certifications. Currently, nine out of our 17 production facilities (including the Brazilian JV Company) are certified according to ISO TS 16949 standards, 15 according to ISO 9001:2008 standards and 10 according to ISO 14001 standards. ISO 14001 sets out the criteria for an environmental management system ("**EMS**"). It does not state requirements for environmental performance but maps out a framework that a company or organization may follow to set up an effective EMS. ISO 14001, as with other ISO 14000 standards, is voluntary, primarily aimed at assisting companies to continually improve their environmental performance while complying with any applicable legislation. ISO 9001:2008 sets out the requirements for a quality management system, including a strong customer focus, the motivation of top management, the process approach and continual improvement. ISO TS 16949 is an ISO technical specification based on the ISO 9001 standard and aims at the development of a quality management system that provides for continual improvement by emphasizing defect prevention and the reduction of variation and waste in the supply chain.

We also have an internal audit system with internal process audits carried out regularly in our production facilities to ensure that we are in compliance with our own system. Where non-compliance is found, we create action plans with the local management to help make their systems more robust. In addition, our Group monitors customer complaints as well as warranty cases to ensure product quality. Apart from our ongoing quality control, we permanently try to improve our manufacturing process and products.

X. Sales and Marketing

We market our products through our global sales and marketing force. Our sales force has the dedicated dual objectives of creating contact with potential customers while maintaining a close relationship with current customers. Specifically, our sales and marketing force is responsible for technical support, order processing and daily contacts with customers, and to this end we estimate that the sales force conducts between approximately 16,000 and 18,000 customer visits each year (*i.e.,* averaging more than 60 interactions with (potential) customers each day). Our global sales force comprises 240 sales executives in Europe, 78 sales executives in APA, 17 sales executives in South America and 16 sales executives in North America. The geographical diversification corresponds roughly to our proportional sales revenue by region.

We consider our strategy of actively approaching OEMs (our so called "push strategy") through our dedicated sales teams to be a cornerstone for our further growth. As a part of our "push strategy", we actively address OEMs and centralized wholesale organizations in order to position our products in the

market. Through the interaction with our OEM customers and our presence at the wholesale organizations, we emphasize our broad customized product range and establish our branded products as the standard. This "push strategy" is accompanied by a "pull strategy" aimed at the actual end users (e.g., fleets or workshops). Through targeted marketing activities for the actual end users, which neither includes direct sales efforts nor pricing negotiations, we create a self-reinforcing "pull-effect" as we encourage demand and raise awareness for our products and their advantages. We apply our "push and pull strategy" throughout our sales channels, namely OEM sales and aftermarket sales (including OEM aftermarket organization sales and independent aftermarket sales).

We have organized our sales force by truck products and trailer products, which we deliver to OEMs, OEM aftermarket organizations and the independent aftermarket. For the purpose of marketing to truck OEMs, we have a sales office in Europe, North America and APA. For the purpose of marketing to trailer OEMs, we have created key accounts for our top ten customers in Europe, with the remaining customers covered by sales persons responsible for the respective regions. Our senior sales persons convene once each year to discuss new products, sales strategies and the outlook for the upcoming year. In addition to our in-house sales force, we also make use of external sales agents with local market know-how, especially in smaller niche markets.

We regularly attend trade shows throughout the world as well as customer fairs held by various OEMs and large trading houses/wholesalers with the purpose of making contacts and building business relationships with players operating in all stages of the product chain. We also advertise our products in newspapers and trade magazines.

XI. INTELLECTUAL PROPERTY AND INFORMATION TECHNOLOGY

Intellectual property and the implementation of the know-how that accompanies it play a central role in our business, and our Group has a long track record of innovations. We believe our Group has a good know-how base with strong R&D capabilities in Europe, North America and APA. We consistently aim to be the first movers in both product innovation and intellectual property, and our standard practice is to obtain patents wherever possible for the technology that we develop. We are of the opinion that the expiration or termination of any single patent, copyright, trade secret or license, or group of related patents, copyrights, trade secrets or licenses, would not materially affect our business. However, we believe, taken in the aggregate, that these intellectual property rights provide meaningful protection for our products and technical innovations.

We place high priority on the patent protection of our own inventions. Throughout our history, we have patented a large number of innovations, including both products and processes. We currently hold around 150 patent families and developed 21 patents between 2014 and 2016.

As a result of the MBTAS acquisition, we used the trademark "Mercedes Benz" and the "three-pointed star" until December 17, 2016 on trailer axles that were in serial production as of October 27, 2014. Further, until December 17, 2020, we are permitted to attach to our products the slogan "Engineered by Mercedes Benz" on all trailer axles that were in serial production as of October 27, 2014. Apart from MBTAS, we hold the trademarks for American Eagle and Regensburger.

Although we generally do not need to enter into contractual agreements regarding the allocation or development of intellectual property, we generally preserve our intellectual property rights as a matter of course and do not transfer them to customers.

Our information technology systems are designed and organized both to support the daily logistical and financial management of our business and to provide our management with the financial and other information necessary to guide the strategic vision and long-range development of our Group. We are using various systems, including SAP software solutions, as our resources planning system throughout the Group.

XII. REAL PROPERTY OWNED AND LEASED

Our Group currently owns or leases real property at locations in Europe, North America, and APA. In cases of leased properties, the underlying lease agreements have varying maturities and we are regularly looking into options to extend or renew such lease agreements. If we are unable to extend or renew any of our lease agreements on favorable terms or at all, we may consider to relocate or close the leased real property.

The following table provides an overview of the material real property of our Group as of December 31, 2016:

Location	Size (in sqm)	Leased/Owned	Primary Use
EUROPE			
Wolframs-Eschenbach (Biederbacher Straße 24, 26, 28, 30), Germany	27,984	owned	Production facility and offices
Neu-Isenburg (Siemensstraße 2), Germany	16,517	owned	Production facility and offices
Neu-Isenburg (Dornhofstraße 91), Germany	2,776	owned	Production facility and offices
Neu-Isenburg (Blumenstraße 20), Germany	272	owned	Residential/non-office building
Nowa Sòl (ul. Motoryzacyjna 6, 67-100), Poland	26,720	leased	Production facility and offices
Henger u. I. (8200 Veszprém), Hungary	56,815	leased	Production facility and offices
Ekkersrijt 6030, 5692 GA Son, The Netherlands	7,940	leased	Production facility and offices
Bolton, Lancashire (Edbro House, Nelson St.), United Kingdom	47,200	owned	Production facility and offices
Ris Orangis (2 rue Galilée), France	8,518	owned	Offices
Cadrete (Zaragoza) (Ctra. Valencia (N-330) Km 12 – (Via Múrcia nº2)), Spain	1,807	owned	Production facility and offices
Cesano Boscone (Via Enrico De Nicola, 28), Italy	1,480	owned (building)	Offices
Cantanhede (Nucleo Industrial de Murtede, 3060-372), Portugal	19,750	owned	Production facility and offices
NORTH AMERICA			
Grand Haven, MI (1770 Hayes St.), USA	6,500	owned	Production facility and offices
Greeneville, TN (5080 W. Andrew Johnson Hwy), USA	10,000	owned	Production facility and offices
Grand Haven, MI (14350 168th St.), USA	200	leased	Production facility and offices
Grand Haven, MI (335 N Griffin St.), USA	2,000	leased	Production facility and offices
APA			
Kempton Park (2 Ossewa St., Chloorkop, Ext 19), South Africa	5,030	owned	Production facility (including storage buildings) and offices
Kempton Park (4 Ossewa St., Chloorkop, Ext 19), South Africa	3,967	owned	Production facility (including storage buildings) and offices
Belville South (Unit 4 Symphony Park, Modderdam Road and Symphony Way), South Africa	626	leased	Production facility (including storage buildings) and offices
Kempton Park (6 Ossewa St.), South Africa	4,321	leased	Production facility and offices
Seven Hills, New South Wales (18/20 Prince William Dr.), Australia	5,030	owned	Production facility (including storage buildings) and offices
Willawong, Queensland (55 Gardens Dr.), Australia	2,600	leased	Production facility (including storage buildings) and offices
Laverton North, Victoria (172-174 Cherry Ln.), Australia	2,400	leased	Production facility (including storage buildings) and offices

Location	Size (in sqm)	Leased/Owned	Primary Use
Welshpool, Western Australia (10 Adrian St.), Australia	1,500	leased	Production facility (including storage buildings) and offices facility and offices
Wingfield, South Australia (1/6 Rosberg Rd.), Australia	1,400	leased	Production facility (including storage buildings) and offices
Wuhan City (No. 888 Han Yang Avenue, Bian Dan Shan, Han Yan District), China	4,330	leased	Production facility and offices
Jamshedpur Gamharia (M-4, Large Sector, Gamharia, District Seraikela-Kharsawan), India	60,703	owned (building) leased (plot)	Production facility and offices
Shanghai (No.81 Lane 1159, East Kangqiao Road, Nanhui District) China	6,030	leased	Production facility and offices
Shanghai (No.83 Lane 1159, East Kangqiao Road, Nanhui District) China	1,080	leased	Production facility (including storage buildings) and offices
Yokohama (Shin-Yokohama Daini Center Bldg. 10th Floor 3-19-5, Shin-Yokohama, Kohoku Ku), Japan	24	leased	Office

Some of the material real property of the Group is subject to certain encumbrances.

Our real property at Siemensstraße 2, Neu-Isenburg, Germany, is encumbered with several easements (*Grunddienstbarkeiten*). Furthermore, it is encumbered with several certificated and uncertificated land charges (*Brief- und Buchgrundschulden*) in favor of ING Bank N.V., London Branch (which secure certain obligations under the Existing Senior Facilities Agreement (as defined in *H.XII.4.a.* "Existing *Senior Facilities Agreement*")) in the aggregate amount of approximately €57.8 million, including joint liabilities of our real property in Dornhofstraße 91, Neu-Isenburg, Germany, in the amount of approximately €10.7 million and Biederbacher Straße 24, 26, 28, 30, Wolframs-Eschenbach, Germany, in the amount of approximately €51.6 million.

Our real property at Dornhofstraße 91, Neu-Isenburg, Germany, is encumbered with several certificated and uncertificated land charges (*Brief- und Buchgrundschulden*) in favor of ING Bank N.V., London Branch (which secure certain obligations under the Existing Senior Facilities Agreement) in the aggregate amount of approximately €51.6 million, including joint liabilities of our real property in Siemensstraße 2, Neu-Isenburg, Germany, in the amount of approximately €10.7 million and Biederbacher Straße 24, 26, 28, 30, Wolframs-Eschenbach, Germany, in the amount of approximately €51.6 million.

Our real property at Biederbacher Straße 24, 26, 28, 30, Wolframs-Eschenbach, Germany, is encumbered with several limited personal servitudes (*beschränkt persönliche Dienstbarkeiten*) in favor of water suppliers and restrictions on construction (*Bebauungsbeschränkungen*). Furthermore, it is encumbered with several certificated and uncertificated land charges (*Brief- und Buchgrundschulden*) in favor of ING Bank N.V., London Branch (which secure certain obligations under the Existing Senior Facilities Agreement) in the aggregate amount of approximately €40.9 million with a joint liability with our real property in Siemensstraße 2, Neu-Isenburg, Germany, and Dornhofstraße 91, Neu-Isenburg, Germany.

Our real property at 1770 Hayes Street, Grand Haven, MI 49417, USA, is encumbered with a mortgage in the amount of approximately €430.0 million in favor of ING Bank N.V., London Branch (which secures the obligations under the Existing Senior Facilities Agreement).

The above mentioned securities in favor of ING Bank N.V., London Branch (which secure the obligations under the Existing Senior Facilities Agreement) will be released in connection with the entering into the New Senior Facilities Agreement. (see *H.XII.4.a.* "Existing *Senior Facilities Agreement*").

XIII. Material Contracts

1. Customer Contracts

JOST Group maintains various long-term contracts with OEM customers (the "**Long-Term OEM Contracts**"), the terms of which expire on various dates between the end of 2017, the end of 2018, 2019

and sometime after 2020. The Long-Term OEM Contracts fix prices for different JOST Group products during their term based on relevant forecasts. Under all Long-Term OEM Contracts, the fixed price decreases as the term of the contract increases due to annually granted progressive discounts. For the term of the Long-Term OEM Contracts, the OEMs submit their orders based on these fixed prices. Except in the case of one contract, all Long-Term OEM Contracts provide for an index-based raw material price adaptation mechanism.

Alongside these long-term agreements, JOST operates a significant spot business for short time periods of up to one year.

2. Supply Contracts

The arrangements with our material suppliers are not based on long-term contracts. Instead, we agree on prices with our material suppliers by email and/or phone for a period of up to one year, including non-binding volume forecasts. We primarily supply castings and steel related materials. The exact geographical breakdown by origin of our multi-sourced parts depends on the respective production location. In Europe and North America, we estimate that our plants source approximately 60% of our supplied components in Western Europe and approximately 70% of our supplied components in North America, respectively. In Asia, we estimate that we source approximately 100% in Asia.

3. Joint Venture in Brazil

JOST-Werke International Beteiligungsverwaltung GmbH, a subsidiary of the Company, and Randon S.A. Implementos e Participações, a corporation organized and existing under the laws of Brazil, (together the "**JV Partners**") are parties to a joint venture agreement dated August 31, 1995 (the "**JV-Agreement**"). The JV-Agreement shall continue to be in effect until terminated pursuant to the provisions of the JV-Agreement or by mutual agreement of the JV Partners. The main purpose of the joint undertaking is:

- the manufacturing, service, assembly, marketing, aftermarket service and direct sale of lifting devices (for semi-trailer and third axle), landing gears, king pins, fifth wheels, truck-tractor kits, twistlocks, ball bearings, hubodometers and automatic couplings (together the "**Products**") in Brazil, Argentina, Uruguay, Paraguay and other South American countries agreed among the JV Partners;
- the importation of equipment, material, supplies and other parts used in the manufacturing and assembling of the Products; and
- the representation of the Company in Brazil, Argentina, Uruguay and Paraguay.

To achieve this purpose the JV Partners established the Brazilian JV Company named *JOST Brasil Sistemas Automotivos Ltda.*, a limited liability company organized under the laws of Brazil and registered with the Commercial Registry of the State of Rio Grande do Sul under No. 43.203.127.434. *JOST Brasil Sistemas Automotivos Ltda.* is enrolled with the General Taxpayers' Registry (CGC/MF) under No. 00.843.966/0001-90 and has its headquarters in the City of Caxias do Sul, State of Rio Grande do Sul, at Avenida Abramo Randon, 1200.

Through JOST-Werke International Beteiligungsverwaltung GmbH the Company held an equity interest of 49% in the Brazilian JV Company, as of December 31, 2016. The management of the Brazilian JV Company is nominated by the JV Partners on an equal basis and may not take certain essential decisions without the prior written approval of both JV Partners. The JV-Agreement contains customary deadlock, termination and equity interest transfer restriction provisions.

4. Financing

a. Existing Senior Facilities Agreement

Jasione GmbH (formerly known as Cintinori Acquisition GmbH and JOST-World GmbH) entered into an English law governed senior facilities agreement dated July 31, 2008, as amended and restated by amendment and restatement agreements dated August 27, 2008 and December 23, 2010, amended by supplemental agreements dated January 26, 2011, June 21, 2011 and July 27, 2011, amended and restated by an amendment and restatement agreement dated November 17, 2014 and last amended and restated by an amendment and restatement agreement dated December 18, 2015 and an amendment letter dated May 15, 2017 between, among others, Jasione GmbH and certain companies of the Group as borrowers and guarantors, BNP PARIBAS Fortis S.A./N.V., ING Bank N.V., London Branch and Société Générale Corporate & Investment Banking, London Branch as original mandated lead arrangers, certain financial institutions as original lenders and ING Bank N.V., London Branch as agent and security agent (the "**Existing Senior Facilities Agreement**").

The Existing Senior Facilities Agreement provides for certain euro term facilities and certain U.S. dollar term facilities (collectively, the "**Term Facilities**"). The Term Facilities consist of:

- a euro term loan facility A in the maximum aggregate amount of €50,000,000. Facility A has scheduled amortization during its term and is repayable in full with a final maturity date on December 18, 2021;
- a euro term loan facility B1 in the maximum aggregate amount of €262,965,089.02. Facility B1 is repayable in full with a final maturity date on December 18, 2022;
- a U.S. dollar term loan facility B2 in the maximum aggregate amount of $10,602,250.33. Facility B2 is repayable in full with a final maturity date on December 18, 2022; and
- a multicurrency term loan uncommitted facility which may be raised available subject to certain conditions.

In addition, a revolving facility is made available in the maximum aggregate amount of €50,000,000 (or in its equivalent in optional currencies permitted under the revolving facility) with a final repayment date on December 18, 2021 (the "**Revolving Facility**").

The Existing Senior Facilities Agreement further provides for the option to establish ancillary facilities in a maximum aggregate amount of €20,000,000 by conversion of all or part of any lender's share in its available commitment under the Revolving Facility upon request of a borrower.

Interest is payable by the relevant borrower on the last day of each interest period which can have a period of 1, 2, 3 or 6 months (or any other period agreed between the obligors' agent and the agent acting on the instructions of the relevant majority lenders) upon the relevant borrower's selection at a rate per annum on the outstanding borrowing to which such interest period relates amounting to the aggregate of (i) the applicable margin (as described below) and (ii) EURIBOR, or in relation to a loan in a currency other than euro, LIBOR, each as applicable on the relevant quotation date for the relevant period. For these purposes, if EURIBOR or LIBOR is less than zero, it will be deemed to be zero.

The applicable margin is variable and depends on the ratio of total net debt as of the end of each quarter to the consolidated EBITDA for each such relevant period (the "**Total Net Debt to EBITDA**"):

Ratio	**Facility A Margin (% p.a.)**	**Facility B1 and Facility B2 Margins (% p.a.)**	**Revolving Facility Margin (% p.a.)**
Greater than 3.25:1	4.125	5.00	4.125
Greater than 2.75:1 and equal to or less than 3.25:1	3.875	4.75	3.875
Greater than 2.25:1 and equal to or less than 2.75:1	3.50	4.50	3.50
Equal to or less than 2.25:1	3.125	4.25	3.125

As of the date of this prospectus, the applicable margins were as per the second row in the above table.

The Existing Senior Facilities Agreement is guaranteed by the Company, the Principal Shareholder and certain subsidiaries of the Company, incorporated in Germany, Hungary, the Netherlands, Poland and the United States. The facilities are secured by the assets of the Company and the relevant subsidiaries, including share pledges, receivables pledges, bank account pledges and global security assignments. Each obligor under the Existing Senior Facilities Agreement has made certain representations, in particular regarding the existing group structure and the ownership of assets, some of them as repeating representations, and has entered into various information undertakings.

The Existing Senior Facilities Agreement contains a number of customary affirmative and negative covenants and other restrictions. These covenants include, among others, limitations and restrictions on granting security, on disposals of assets, on incurrence of financial indebtedness, on loans and guarantees, on investments, on acquisitions, on change of business, on dividends, on distributions and share capital. The borrowers and guarantors must also comply with and ensure that the financial condition of the Group complies with a total leverage covenant as is customary for this kind of financing arrangement. Moreover, the Existing Senior Facilities Agreement stipulates a number of events of default, such as non-payment, misrepresentation, breach of other obligations, cross-default, insolvency, winding-up or similar events, change in the ownership of an obligor under the Existing Senior Facilities Agreement, or disposal not permitted under the Existing Senior Facilities Agreement, subject where applicable to customary remedy periods.

The Existing Senior Facilities Agreement will be refinanced by utilizations under the New Senior Facilities Agreement, the Company's net proceeds from the Private Placement and cash on balance sheet.

b. Existing Intercreditor Agreement

To establish the relative rights of the creditors and to determine the ranking of the liabilities under the Existing Senior Facilities Agreement and the shareholder loans, an intercreditor agreement originally dated July 31, 2008 as amended and restated most recently on January 26, 2011 has been entered into (the "**Existing Intercreditor Agreement**").

c. New Senior Facilities Agreement

On July 18, 2017, a new German law governed facilities agreement is expected to be signed between, among others, the Company as borrower, certain of its subsidiaries as borrowers and guarantors, Bayerische Landesbank, BNP PARIBAS Fortis S.A./N.V., COMMERZBANK Aktiengesellschaft, DZ Bank AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, ING Bank, a branch of ING- DiBa AG and UniCredit Bank AG as mandated lead arrangers, certain financial institutions as lenders and Commerzbank Finance & Covered Bond S.A. as agent to refinance the Existing Senior Facilities Agreement and for general corporate purposes (the "**New Senior Facilities Agreement**"). The New Senior Facilities Agreement is expected to be made available in an aggregate nominal amount of up to €260,000,000 which is split into (i) a euro term loan facility in an amount of up to €180,000,000 less any euro equivalent amount utilisted in US$ pursuant to Facility A2 (as defined below) ("**Facility A1**"), (ii) a US$ term loan facility in an amount of up to US$10,000,000 ("**Facility A2**", and together with Facility A1 the term facility in an aggregate amount of up to €180,000,000 ("**Facility A**")) and (iii) a multicurrency revolving credit facility in an amount of up to €80,000,000 ("**Facility B**").

Facility A1 will amortize and be repayable in three annual installments starting on December 31, 2019 with the remaining outstanding amounts to be repaid on the final maturity date, which will occur five years after completion of the Private Placement, which will be two days following the date on which the Company's shares are listed on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). Facility A2 will be repayable in full on the final maturity date, which will occur five years after completion of the Private Placement, which will be two days following the date on which the Company's shares are listed on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

Facility B will be available for utilization by way of loans (including guaranteed subsidiary facilities) and ancillary facilities (including the ability to utilize by way of letters of credit) with a final maturity date falling five years after the date on which the Company's shares are listed on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

Interest will be payable on the last day of each interest period. Interest periods can be one month (for Facility B only), three months or six months or any other period agreed with the agent and the relevant lenders under the relevant loan. Interest will be payable at a rate per annum on the outstanding borrowing amounting to the aggregate of (i) margin per annum as set out in the table below and (ii) EURIBOR or LIBOR (as the case may be) for the relevant period:

Ratio	Margin % p.a.
Greater than 3.00:1	2.75
Greater than 2.50:1 and equal or less than 3.00:1	2.25
Greater than 2.00:1 and equal or less than 2.50:1	1.75
Greater than 1.00:1 and equal or less than 2.00:1	1.50
Equal to or less than 1.00:1	1.25

The New Senior Facilities Agreement contains a total net debt to EBITDA ratio financial covenant. In addition, the New Senior Facilities Agreement includes information undertakings, in particular reporting obligations as well as a number of customary affirmative and negative covenants and other restrictions, in particular, with regard to acquisitions, mergers, disposals, financial indebtedness, and granting of security, however, at the same time providing for a number of important exceptions and baskets.

The Company and certain of its subsidiaries will grant guarantees under the New Senior Facilities Agreement. The New Senior Facilities Agreement contains a guarantor coverage test requiring the aggregate of the unconsolidated gross assets and EBITDA of the guarantors to exceed 80% of the consolidated gross assets and consolidated EBITDA of the Group (but without taking into account any member of the Group incorporated in China, India, Russia and South Africa) calculated by reference to the most recent audited consolidated financial statements of the Group.

In case of a change of control (occurring when a person or a group of persons (other than Cinven Limited, Cinven Partners LLP and any funds managed or advised by either of them and any investors in such funds designated by Cinven Limited as co-investors where Cinven Limited or any fund managed or advised by Cinvent Partners LLP has control over the voting shares held by those co-investors in the applicable fund(s)) acting in concert acquires the power to cast, or control the casting of, more than 30% of the maximum

number of votes that might be cast at a general meeting of the Company or acquire the ownership of more than 30% of the issued share capital in the Company or in case the Company is delisted from the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), each lender will not be obliged to fund a utilization (except for a rollover loan) and each lender will be entitled to demand prepayment of its participation in any facility and cancellation of its commitment.

The New Senior Facilities Agreement includes customary events of default including non-payment, breach of financial covenants, breach of other obligations, misrepresentation, cross-default, insolvency or insolvency proceedings against material companies, resolving to pay dividends in excess of the permitted baskets, material adverse effect or change of ownership of obligors.

XIV. Legal Proceedings

In the ordinary course of our business, we engage in the production and supply of products for the heavy vehicle industry, and it follows that we are party to a certain number of litigations and other legal proceedings against us. Proceedings relating to our operative business have in the past and will likely in the future include, among others, labor disputes as well as disputes relating to intellectual property rights, warranty and civil damages claims including (alleged) product and service liability claims. It is impossible for us to determine or predict the outcome of any such proceedings pending or threatened.

In 2016, an action was brought against us, alleging forgone royalty payments arising out of a patent previously purchased by the Company. These forgone royalty payments were claimed by the seller of this patent who would have had a right to royalty payments if we had profited from the patent ourselves. However, for commercial reasons the Company decided not to pursue the commercialization of products based on this patent. The lawsuit was brought in a Spanish court which dismissed such action for lack of jurisdiction.

We believe that none of the aforementioned governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Company is aware) during the last twelve months may have, or have had in the recent past, significant effects on the Company's and the Group's financial position or profitability.

XV. Insurance

Our Group holds a number of international insurance policies adjusted on an ongoing basis according to current circumstances. We installed local insurance policies in countries where our Group operates in order to mitigate certain risks. For liability insurance, property damage and business interruption, we also have a master policy in place. Deductibles and limits are agreed upon if we deem them to be appropriate. Our insurance coverage includes, *inter alia*, general liability and product liability insurance, product recall insurance, environmental impairment liability insurance, commercial legal aid insurance, property damage insurance covering buildings, facilities and machinery and business interruption insurance covering loss of profits.

We have taken out directors and officers insurance policies for the members of our Management Board and Supervisory Boards, advisory boards, business management and certain other senior officers of our Group companies. The directors and officers insurance policies cover financial losses arising from a breach of duty in the course of the exercise of their relevant functions as a director and/or officer. As required by applicable German law, each member of our Management Board and our Supervisory Board remains personally responsible in the case of any finding of personal liability, as the case may be, for 10% of the total amount of such personal liability, up to an amount equaling one and a half times the member's total annual fixed remuneration from the Group.

We believe, according to our current knowledge, that our insurance coverage, including the maximum coverage amounts and terms and conditions of the insurance policies, are both adequate and standard for our industry. We cannot, however, guarantee that we will not incur any losses or be the subject of claims that exceed the scope of the relevant insurance coverage.

XVI. Employees

1. Employees

We employed an average of 2,691 people in 2016, 2,675 in 2015 and 2,476 in 2014. Since December 31, 2016, there has been no material change in the number of our employees until the date of this prospectus. Most of the recent growth in our labor force has come from low-cost countries with more flexible labor

legislation. As of March 31, 2017, we had 2,939 employees (including the employees of our Brazilian JV Company). Approximately 46% and 54% of our global workforce is employed in low-cost countries[7] and high-cost countries[8], respectively. Since March 31, 2017, there has been no material change in the number of employees until the date of this prospectus.

In most countries where we operate facilities, we are not currently bound by any collective bargaining agreements with trade unions. In some countries, employee representative bodies have been established in accordance with local laws and a European works council is being established. For example, in Germany the employees have elected works councils (*Betriebsräte*) which possess certain informational, consultation and co-determination rights, particularly regarding certain voluntary compensation and benefits and in an instance of restructuring or redundancies. In the recent past, we have not faced any strikes or other industrial actions. We consider our labor relations to be positive and anticipate that future agreements with our employee representatives on terms satisfactory to all parties will be reached. Despite our positive relationship with the workforce, we anticipate that we may face pressure to adopt or negotiate new or additional collective bargaining agreements in the future, even in countries where we are not currently subject to any collective bargaining arrangements. There can be no assurance that collective agreements will be reached without work stoppages or strikes or on terms satisfactory to us. See also *A.II.23. "Work stoppages or other labor issues at our facilities or at the facilities of our customers or those in our supply chain could have a material adverse effect on our business. Any failure to adopt or negotiate collective agreements which are satisfactory to us could result in additional employment costs."*.

2. Pension liabilities

We are obligated to pay our employees certain benefits which vary by our country of operation but can include pension and retirement payments, life insurance and medical insurance following the termination of an employment arrangement. The kind and nature of these benefits vary by country and the respective local legal, tax and economic circumstances as well as by the circumstances of the employment arrangement (e.g., the entry date of the employee, position and remuneration levels).

Some of our Group entities, particularly in Germany, have established pension plans for their employees. As of December 31, 2016, our defined benefit obligations amounted to €69.3 million in total as calculated pursuant to IAS 19 with a discount rate of 1.5%, which are only partly covered by underlying plan assets. The majority of these pension liabilities (€62.4 million as calculated as of December 31, 2016 pursuant to IAS 19) are derived from an unfunded pension plan for the employees of JOST-Werke Deutschland GmbH (formerly known as JOST-Werke GmbH) (*JOST Versorgungsordnung*). Although this pension plan was established in 1977 and was closed for new entries in 1992, it continues to apply to active employees, former employees and pensioners of the company who received a pension promise prior to the scheme closure. This pension scheme provides for a pension upon reaching a certain age of life as well as an individual payment for invalidity and survivor's pension benefits, all of which depend on the employee's duration of service and the monthly gross salary at the end of his/her employment with the Group.

Further, some of our companies make contributions to external pension providers for their employees. For example, our UK entities participate in a pension plan where the company makes certain statutory contributions in addition to the contributions made by the employee. For additional historical information regarding our pension liabilities, see *F.VI.5. "Pension Obligations"*. See also *A.II.21. "Our pension and other postretirement benefits obligations are significant and the related expense and funding requirements of our pension plans could materially increase, thereby reducing our profitability"*.

3. Management and Executive Compensation, Incentive Plans

Compensation for members of our Management Board and for certain members of the management of our Group companies consist of long-term and short-term incentive plans.

a. Long-Term Incentive (LTI) Plans

A LTI plan, the so-called strategic incentive plan, was established in 2006 and applies to selected executives and members of the management of the Group. The SIP provides for a cash bonus depending on the achievement of certain EBITDA targets of the Group as well as on non-financial targets during an assessment period of four years. The long term incentive is currently granted to about 40 beneficiaries worldwide based on individual agreements. The target bonus amount is individually agreed with each

7 Including the following countries: Russia, Poland, Hungary, Portugal, South Africa, China and India.

8 Including the following countries: Germany, France, Spain, Italy, the United Kingdom, The Netherlands, Australia, United States of America and Singapore.

beneficiary. The strategic incentive plan bonus is due for payment in April following the 4-years' assessment period. The current assessment period covers the years 2015 to 2018 with a total budget of €5.0 million, whereby the individual target bonus amount ranges from €50,000 to €150,000 (capped at 150% in case of overachievement).

b. Short-Term Incentive (STI) Plans

Awards under a STI plan are granted to about 200 employees worldwide based on individual agreements. The STI plan provides for an annual cash incentive that is based on the achievement of certain annual company objectives (EBITDA) as well as personal targets. The individual target bonus amount equals a certain percentage of the employee's annual base salary as individually agreed in the employment contract or supplements thereto (i.e., the individual target bonus corresponds to x% of the annual fixed salary). The STI bonus amount increases and decreases accordingly to the extent the business and personal targets are overachieved (capped at 200% in case of overachievement of the personal targets and at 130% in case of overachievement of the financial targets) or not achieved, whereby the STI bonus is only paid if at least 80% of the business targets and 50% of the personal targets are achieved. The STI bonus is payable in April following the respective business year.

In addition to the Group-wide incentive plans, there are also local incentive plans in place. In Germany, for example, according to respective works agreements applicable to employees of JOST-Werke Deutschland GmbH (formerly known as JOST-Werke GmbH) and Rockinger Agriculture GmbH, employees are entitled to an annual variable cash incentive payment which depends on the achievement of certain business targets.

4. Human Resources and Compliance

Within the Company, all personnel service, recruitment, personnel support and development functions are performed by our human resources ("**HR**") department. We also have an established global HR committee, which advises on material HR matters affecting the Group, such as the implementation and structure of our Group-wide incentive plans and the remuneration of key employees.

Our staff's skills and qualifications form the basis of our business success. We attach great importance to recruiting highly competent employees and to providing them with the training necessary to enhance their skills and qualifications, including participation in relevant training programs. We regularly conduct personal development interviews and provide employees with advancement potential irrespective of level with numerous opportunities to further develop their professional skills and competence, including offering targeted and individually tailored career development training programs.

Operating as a multi-national company, we are deeply committed to observing the law, to complying with social and ethical standards and to acting in a sustainable manner.

As evidence of our level of commitment, we are in the process of introducing a new Group-wide compliance system, including a code of ethics applicable to all employees. The compliance system will establish the obligation of all employees to comply with laws, rules and regulations – in particular with regard to the avoidance of conflicts of interest, anti-corruption and anti-bribery infractions – and to require personnel to observe honest and ethical conduct.

I. REGULATORY AND LEGAL ENVIRONMENT

We are subject to environmental and regulatory laws governing our business activities in the countries in which we operate. This includes, *inter alia*, provisions on (i) air emissions, (ii) water protection, (iii) waste treatment, (iv) soil and groundwater contamination, (v) handling, storage and transport of hazardous goods and (vi) chemical substances. Further, we are subject to requirements on product safety, occupational health and safety as well as export control regulations. Application of the various regulations depends on the specific facilities, installations and activities at our various business locations and the type and use of the products, we manufacture. For example, the permits and notifications required for a specific facility depend on many individual factors, including the specific purpose of the facility, its capacity and physical structure, the emission produced by the facility, and the existence of any auxiliary facilities.

Moreover, the products we manufacture must comply with various legal requirements.

The provisions under environmental and regulatory law applicable to us and our products are subject to change. They are continuously being adapted, at the national and international levels (especially by the EU) to a high level of technical sophistication and highlight the increased need for safety and recognition of environmental aspects in political decisions.

Since a large number of our subsidiaries and/or production sites are located in member states of the EU and since we generate a significant portion of our turnover within the EU, the following description of particularly relevant legal provisions focuses on acts adopted by European institutions. These acts may be complemented by implementing additional (stricter) requirements established by specific EU member states. In addition, this section containing summaries of the regulatory framework for our products in the United States, a market outside the EU that is important to us from a sales perspective.

I. REGULATORY FRAMEWORK FOR OUR OPERATIONS IN THE EU

The industrial sites operated by us have to comply with several environmental and regulatory requirements, which can be enforced by competent authorities, by competitors (e.g., via competition laws) or by environmental non-governmental organizations (NGOs) based on their broader access and action rights. In addition, environmental liabilities can arise due to public or civil environmental laws. In the following, the main legal sources in the EU for such obligations or liabilities are summarized. The regulations applicable within specific EU member states may have specific characteristics, e.g., due to leeway with regard to the implementation of EU legislation into EU member state's legal system or within areas of law that have not yet been harmonized fully at the EU level.

1. Permits and compliance

a. General

For the construction, operation and alteration of industrial facilities, such as production plants, we generally need emission control permits or, alternatively, building permits and permits under water laws. In the application process for such permits, the authority assesses whether the specific facility permit applied for will be in compliance with applicable provisions of environmental and regulatory law, in particular, with regard to emissions, building planning and building regulations law, waste disposal, environmental protection and occupational health and safety. In the case of permits under water law, use and disposal of water are examined. As a general rule, the emission control or building permits and permits under water law required for a specific facility cover most additional environmental and regulatory requirements that have to be met by that facility (e.g., with respect to emission and occupational health and safety). Some application procedures include public participation, e.g., the application procedure for an emission control permit may include a public participation not limited to specific stakeholders. As a result of the public participation, objections may be raised and thereby complicate and delay procedures. Moreover, permits may be subject to legal proceedings initiated by third parties, namely neighbors and environmental non-governmental organizations whose participation rights have been expanded by the EU public participation directive (Directive 2003/35/EC of the European Parliament and of the Council, as last amended by Directive (EU) 2016/2284 of the European Parliament and of the Council of December 14, 2016) and its interpretation by the European Court of Justice, which have to be implemented into national law by the EU Member States. Outside the scope of harmonized EU legislation the current legislative provisions in the Member States on the standing of third parties to judicially challenge decisions in environmental matters differ considerably.

Non-compliance with the requirements set out in specific permits and their ancillary conditions may trigger administrative fines, and the individuals responsible may also be subject to criminal prosecution. Furthermore, as a worst case scenario the authority may order a (partial) shutdown of the facility and, under certain circumstances, revoke the permit.

b. Industrial emissions control

Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions (the Industrial Emissions Directive, "**IED**"), successor of Directive 2008/1/EC of the European Parliament and of the Council concerning integrated pollution prevention and control, stipulates that certain industrial installations, including installations for the production and processing of metals, are generally required to have a permit. This permit can only be issued by the competent authority if specified environmental conditions are met, e.g., if the operator takes appropriate preventive measures against pollution and if the installation does not cause significant pollution.

The IED includes, *inter alia*, a regular authority review and update of permits in view of new technical standards and enforcement. In addition, activities subject to a permit requirement under the IED have to reach the standard of the "best available techniques" ("**BAT**"), meaning the most effective and advanced stage in the development of activities and their methods of operation which indicates the practical suitability of particular techniques for providing the basis for emission limit values and other permit conditions designed to prevent and, where that is not practicable, to reduce emissions and the impact on the environment as a whole. The EU Commission will draw up, review and, where necessary, update the BAT standards and issue the binding BAT conclusions for the application of BAT in practice (e.g., specific thresholds, monitoring measures, consumption levels). These binding BAT conclusions are published in best available technique reference documents ("**BREF**"). As an example, the Commission is in the process of preparing a new BREF related to the processing of reviewing the BREF for the Ferrous Metals Processing Industry of December 2001.

The IED requires a periodical review of the ancillary conditions in existing permits and, if necessary, amendments of these conditions to ensure compliance with the IED and especially with the BAT. The requirement of iterative amendments to existing permits may also apply to the installations operated by us as a few of our installations fall within the scope of the IED.

For certain installations subject to IED, there is a new requirement relating to the status of the soil and (ground) water. This new requirement applies not only to new installations but also to existing installations if a permit is updated. For these installations, the operator must prepare and submit a baseline report on soil and groundwater contamination to the authorities in order to establish a reference situation in the instance that installations would be later decommissioned and the operator required to restore the environmental status of the baseline report. Also, there will be public access to these reports, enforcement and other environmental information. This is expected to increase perception and costs of operating industrial plants subject to the IED requirements.

The provisions of the IED were implemented into German law through amendments to the Federal Emission Control Act (*Bundes-Immissionsschutzgesetz*), the Water Management Act (*Wasserhaushaltsgesetz*) and other environmental laws and ordinances.

These requirements are complemented by the European Pollutant Release and Transfer Register Regulation (EC) No 166/2006 of the European Parliament and of the Council of January 18, 2006, which implemented a yearly reporting obligation on release of pollutants and off-site transfer of waste.

2. Waste from production processes

a. General

As of December 12, 2010, Directive 2008/98/EC of the European Parliament and of the Council of November 19, 2008, as last amended by Commission Directive 2015/1127 of July 10, 2015 (the "**Waste Framework Directive**") has redefined the legal framework on waste treatment within the EU. We must comply with the requirements of the Waste Framework Directive as implemented domestically. This relates in particular to the disposal of waste from production processes. The measures provided for in the Waste Framework Directive apply to all substances or objects which the holder discards or intends or is required to discard. They do not apply to gaseous effluents, waste waters and some other types of waste which are subject to specific EU rules.

The Waste Framework Directive introduced a new waste hierarchy, i.e., the EU member states have to take the following measures for the treatment of their waste (listed in order of priority): (i) prevention, (ii) preparing for reuse, (iii) recycling, (iv) other recovery including, notably, energy recovery and (v) disposal. Yet, as regards specific waste streams, EU member states may depart from the hierarchy where this is justified as a consequence of life-cycle when considering the overall impacts of the generation and management of such waste.

EU member states must prohibit the abandonment, dumping or uncontrolled disposal of waste. EU member states must ensure that any holder of waste handles disposal itself (according to the requirements

of the Waste Directive on waste handling) or by a (i) private or public waste collector, (ii) broker or (iii) disposal undertaking or establishment. Undertakings or establishments treating, storing or tipping waste on behalf of third parties must obtain a permit from the competent authority relating, in particular, to the types and quantities of waste to be treated, the general technical requirements and the precautions to be taken. The competent authorities may periodically check that the conditions of the permit are complied with. They also monitor undertakings which transport, collect, store, tip or treat their own waste or third-party waste. Waste treatment facilities and undertakings disposing of their own waste also require a permit. In accordance with the "polluter pays" principle, the cost of waste disposal must be borne by the holder who has waste handled by a waste collector or an undertaking and/or by previous holders or the producer of the product giving rise to the waste.

Further, the Waste Framework Directive strengthens waste prevention through the instruments of producer responsibility and waste prevention programs. It also supports the recovery of waste by stating obligations to separate waste and recycling targets for certain types of waste. The Waste Framework Directive establishes a procedure to define criteria for by-products and the end of waste status for specific production processes and waste streams, which will ensure legal certainty and improve the acceptance of quality recycling products. It also clarifies the distinction between energy recovery and disposal of waste by introducing energy efficiency criteria. On July 2, 2014 the European Commission initiated a legislative process with its proposal to review recycling and other waste targets in the Waste Framework Directive (COM/2014/0397 final). The main elements of the proposal aimed to improve recycling and the re-use of municipal and packaging waste. Moreover, the disposal of waste by means of landfilling was intended to be reduced. However, on March 7, 2015 the European Commission withdrew its proposal as part of a package of 73 pending legislative proposals that were withdrawn due to the new Commission's "commitment to a better regulation approach which cuts red tape and removes regulatory burdens, contributing to an environment conducive to investment".

On December 2, 2015 the European Commission initiated a legislative process with a proposal to amend the Waste Framework Directive (COM(2015) 595 final). The main elements of the proposal, which forms part of the Commission's "Circular Economy Action Plan", aim at improving recycling and the re-use of municipal and packaging waste. Moreover, the disposal of waste by means of landfilling is intended to be reduced. In its first reading, the plenary of the European Parliament adopted 232 amendments to the proposal and referred the proposal back to the Parliament's Committee on the Environment, Public Health and Food Safety with a view to entering into inter-institutional negotiations (see Interinstitutional File 2015/0275 (COD)).

b. Soil and groundwater contamination

We are liable for soil and groundwater contamination on all currently used sites. We may further be liable for soil and groundwater contamination on former sites as well as adjacent sites. We cannot exclude that remediation measures related to these sites may be required in the future. In addition, we cannot exclude that soil and groundwater contamination may be identified on further currently used sites.

At the European level, liability for contamination of soil has not, to date, been subject to specific regulations or a protection policy, though at least specific measures in order to prevent and control groundwater pollution have been established by Directive 2006/118/EC of the European Parliament and of the Council on the protection of groundwater against pollution and deterioration of December 12, 2006, last amended by Commission Directive 2014/80/EU of June 20, 2014. Since soil protection regulations can be found scattered in various legal documents, different EU policies can contribute to protect soil. This is the case with many provisions in the existing environmental EU legislation in areas such as water, waste, chemicals, industrial emissions, nature protection and pesticides. However, these provisions do not establish a comprehensive soil protection regime including liability for soil and groundwater contamination.

On February 13, 2012, the European Commission published a report on ongoing activities in the field of soil protection, the so-called "Soil Thematic Strategy" (COM (2012) 46 final), according to which no progress has been made on the implementation of the proposed European directive on soil protection. The Committee of the Regions has published an opinion on November 29 – 30, 2012 (OJ C 17, January 19, 2013, p. 37), which recommends implementing a soil framework directive without limit thresholds. Thus, it is rather unlikely that this framework directive, if it comes into force, would include stricter requirements than the current national provisions. However, as sustainable land management and the remediation of contaminated sites is part of the priority objectives of the General Union Environment Action Programme for 2020 of November 20, 2013 (Decision No 1386/2013/EU of the European Parliament and of the Council), further measures at EU level can be expected.

In Germany, for example, liability for soil and groundwater contamination is primarily found in the Federal Soil Protection Act (*Bundes-Bodenschutzgesetz*) in conjunction with the Federal Soil Protection and

Contamination Regulation (*Bundes-Bodenschutz- und Altlastenverordnung*) and Soil Protection Acts at state level. These provisions require specific measures if certain thresholds of hazardous substances are exceeded. These measures include that contamination of soil and groundwater must be explored, removed, reduced or at least prevented from spreading onto adjacent sites or that its spreading should be mitigated in the long term. If there is reasonable suspicion that contamination of soil and groundwater may be present on a site, the authority may order investigation measures to explore the contamination. If the suspicion is confirmed, the authority may order remediation or containment measures.

Under the German Federal Soil Protection Regime, both the present owner and the party currently in possession of the premises may be held liable by the authorities to undertake such measures that often imply significant costs. The same applies to the party who caused the contamination as well as to the former owner if it transferred ownership after March 1, 1999 and was or should have been aware of the harmful changes to the soil or groundwater contamination. Further, if a legal entity is liable for soil and groundwater contamination under the aforementioned provisions, it cannot be ruled out that the shareholders in this entity may be held liable (piercing the corporate veil) in evident cases of circumvention of liability for soil and groundwater contamination. In all cases of liability for soil and groundwater contamination, it may be subject to controversy about what actually caused an existing contamination. Although the competent authorities are allowed to address remediation orders against all parties mentioned before, they usually aim for the most efficient remediation by addressing such order to the party with the largest financial resources. The "polluter pays" principle is taken into consideration but will be disregarded if approaching the polluter may endanger an efficient and quick execution of the ordered measures. If a party is held liable by the authorities for soil and groundwater contamination, it may be indemnified by other liable parties under the Federal Soil Protection Act. Yet, contractual agreements under civil law (e.g., guarantees and indemnities) do not protect against authority action as such agreements may only provide reimbursement. Further, contractual agreements may protect from compensation claims from other liable persons under the Federal Soil Protection Act.

3. Water use and protection and waste water treatment

We are subject to the regulations on water use and protection and wastewater treatment (implemented by the applicable national laws) as we extract (e.g., from groundwater wells), use and dispose of water in the course of our production processes.

Directive 2000/60/EC of the European Parliament and of the Council of October 23, 2000, as last amended by Commission Directive 2014/101/EU of October 30, 2014 (the "**Water Framework Directive**"), includes a comprehensive approach to water protection. By means of this Water Framework Directive, the EU provides for the management of inland surface waters, groundwater, transitional waters and coastal waters in order to prevent and reduce pollution, promote sustainable water use, protect the aquatic environment, improve the status of aquatic ecosystems and mitigate the effects of floods and droughts. EU member states must ensure that water-pricing policies provide adequate incentives for users to use water resources efficiently and that the various economic sectors contribute to the recovery of the costs of water services, including those relating to the environment and resources. Moreover, EU member states must introduce arrangements to ensure that effective, proportionate and dissuasive penalties are imposed in the event of breaches of the provisions of this Water Framework Directive. A list of priority substances selected from among those that present a significant risk to or via the aquatic environment has been drawn up using a combined monitoring-based and modeling-based procedure.

The list of 45 priority substances in the field of water policy is laid down in Annex X of the Water Framework Directive. Twenty-one of the identified priority substances were classified as priority hazardous substances and the EU member states are, as a rule, obliged to implement measures with the aim of cessation or phasing out of emissions, discharges and losses of the relevant substances. Further, EU member states must apply environmental quality standards to all priority substances. This is set out in Directive 2008/105/EC of the European Parliament and the Council of December 16, 2008, last amended by Directive 2013/39/EU of the European Parliament and the Council of August 12, 2013, which is a daughter directive to the Water Framework Directive.

Groundwater is protected by both the Water Framework Directive and Directive 2006/118/EC of the European Parliament and of the Council of December 12, 2006, last amended by Commission Directive 2014/80/EU of June 20, 2014 (the "**Groundwater Daughter Directive**"), which is another daughter directive to the Water Framework Directive. In particular, the Groundwater Daughter Directive lays down detailed quality criteria for the assessment of the groundwater's chemical status including standards set at EU level and requirements for threshold values to be set at the EU member state level.

The Groundwater Daughter Directive contains criteria for the identification and reversal of pollution trends and requires EU member states to establish measures to prevent the input of hazardous substances into the groundwater and limit the introduction of other pollutants.

Discharge of wastewater and its treatment is regulated by Council Directive 91/271/EEC of May 21, 1991, last amended by Council Directive 2013/64/EU of December 17, 2013. This directive governs the collection, treatment and discharge of urban wastewater and the treatment and discharge of wastewater from certain industrial sectors. In particular, this directive provides that the discharge of industrial waste water into collective sewage water systems is subject to specific requirements (e.g., with regard to stipulations on limit values or approval prerequisites).

4. *Control of major-accident hazards involving dangerous substances*

Directive 2012/18/EU of the European Parliament and the Council of July 4, 2012, successor of Council Directive 96/82/EC lays down rules for the prevention of major accidents that involve dangerous substances and for the limitation of their consequences for human health and the environment, with a view to ensuring a high level of protection.

According to this directive, the operator is obliged to take all necessary measures to prevent major accidents and to limit their consequences for human health and the environment. The operator has to send a notification to the competent authority, including information such as the immediate environment of the establishment and factors likely to cause a major accident or to aggravate the consequences thereof including, where available, details of neighboring establishments, sites that fall outside the scope of this directive, and areas and developments that could be the source of or increase the risk or consequences of a major accident and of domino effects.

The operator is required to draw up a document in writing setting out the major-accident prevention policy ("**MAPP**") and to ensure that it is properly implemented. The operator shall periodically review and where necessary update the MAPP, at least every five years. The operator of an upper-tier establishment, *i.e.*, a facility where dangerous substances in particularly high quantities are present, has to produce a safety report for demonstrating that a MAPP and a safety management system for implementing it have been put into effect. The operator also has to draw up an internal emergency plan for the measures to be taken inside the establishment and to supply the necessary information to the competent authority, to enable the latter to draw up external emergency plans.

For upper-tier establishments it has to be ensured that all persons likely to be affected by a major accident receive, regularly and in the most appropriate form, without having to request it, clear and intelligible information on safety measures and requisite behavior in the event of a major accident.

Under Directive 2012/18/EU the EU member states shall, *inter alia*, maintain appropriate safety distances between establishments covered by this directive and residential areas, buildings and areas of public use, recreational areas, and, as far as possible, major transport routes. This may lead to restrictions, in particular, where a plant shall be amended and/or extended.

The provisions of this directive were implemented into German law through the Hazardous Incident Ordinance (*Störfall-Verordnung*).

Directive 2004/35/EC of the European Parliament and of the Council of April 21, 2004 on environmental liability with regard to the prevention and remedying of environmental damage, as last amended by Directive 2013/30/EU of the European Parliament and of the Council of June 12, 2013, establishes a framework of environmental liability based on the "polluter pays" principle. Directive 2004/35/EC provides, in particular, that operators carrying out dangerous activities or specific activities listed in the directive's annexes are liable for fault-based damage (restricted to damages to protected species and natural habitats, damage to water and damage to soil). This responsibility extends to individuals active within such company (such as managers with decision-making power). Directive 2004/35/EC has been transposed into German law, *inter alia*, by the Environmental Damage Act (*Umweltschadensgesetz*).

5. *Chemicals and hazardous substances*

a. REACH

"**REACH**" is the Regulation for Registration, Evaluation, Authorization and Restriction of Chemicals (Regulation (EC) No 1907/2006 of the European Parliament and of the Council of December 18, 2006, as last amended by Commission Regulation (EU) No. 2017/706 of April 19, 2017). As we use several chemical substances and mixtures in the course of our production processes, we are subject to REACH as importer or downstream user. REACH entered into force in stages, firstly on June 1, 2007, to streamline and improve the former legislative framework of the EU on chemicals. Its main objectives include improving the protection of human health and the environment from the risks that can be posed by chemicals and ensuring the free circulation of substances on the internal market of the EU.

REACH places greater responsibility on the industry to manage the risks that chemicals may pose to health and the environment. Other legislation regulating chemicals (for example, on cosmetics, detergents) or related legislation (e.g., on the health and safety of workers handling chemicals, product safety, construction products) not replaced by REACH continue to apply.

REACH applies to all chemical substances, however, under certain conditions substances are exempted from all or a part of the obligations under REACH. In principle, all manufacturers and importers of chemicals must identify and manage risks linked to the substances they manufacture and market. For substances produced or imported in quantities of 1 metric ton or more per year per company, manufacturers and importers need to demonstrate that they have appropriately done so by means of a registration dossier, which shall be submitted to the European Chemicals Agency ("**ECHA**"). ECHA may then check that the dossier is compliant with the REACH and will evaluate testing proposals to ensure that the assessment of the chemical substances will not result in unnecessary testing, especially on animals. Where appropriate, authorities may also select substances for a broader substance evaluation to further investigate substances of concern.

REACH also provides for an authorization system aiming to ensure that substances of very high concern are adequately controlled and progressively substituted by safer substances or technologies or only used where society benefits overall from using the substance. These substances are prioritized and gradually included in Annex XIV to REACH. Once they are included, the industry has to submit applications to ECHA on authorization for continued use of these substances which are otherwise prohibited. In addition, EU authorities can impose restrictions on the manufacture, use or placing on the market of substances causing an unacceptable risk to human health or the environment.

Manufacturers and importers must provide their downstream users with the risk information they need to be able to use the substance safely. This is done via the classification and labeling system and safety data sheets, where necessary.

b. Handling and transport of hazardous goods

We are involved in the carriage of hazardous goods, e.g., as loader and unloader of such goods and are therefore subject to specific requirements related to such carriage. For example, at the international level the European Agreement concerning the International Carriage of Dangerous Goods by Road of September 30, 1957 (*Accord européen relatif au transport international des marchandises Dangereuses par Route*, "**ADR**"), as applicable from January 1, 2017 (ECE/TRANS/257 Vol. I and Vol. II), includes provisions applicable to the carriage of dangerous goods on roads. Pursuant to ADR, dangerous goods, as a general rule, may be carried internationally in road vehicles subject to compliance with a number of conditions, such as packaging and labeling requirements. Specific dangerous goods (e.g., goods which are poisonous and explosive at the same time) are excluded from carriage on the road. The ADR has been implemented and supplemented by many EU member states (such as Germany). With regard to the carriage by rail, Appendix C to the Convention concerning International Carriage by Rail of May 9, 1980, as amended by the Protocol of Modification of 3 June 1999 (*Convention relative aux transports internationaux ferroviaires*) comprises regulations concerning the international carriage of dangerous goods by rail ("**RID**"). For example, it stipulates, that, in general, such goods may only be carried in freight trains. With regard to inland waterways, the European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterways of May 26, 2000 (*Accord européen relatif au transport international des marchandises dangereuses par voie de navigation intérieure*, ("**ADN**") contains provisions concerning dangerous substances and articles, their carriage in packages and in bulk on board inland navigation vessels or tank vessels (even concerning the construction and operation of such vessels). By these documents, the "UN Recommendations on the Transport of Dangerous Goods – Model Regulations", 14th revised edition, are put into effect. At the level of EU law, Directive 2008/68/EC of the European Parliament and of the Council of September 24, 2008 on the inland transport of dangerous goods, as last amended by Commission Directive (EU) 2016/2309 of December 16, 2016, establishes a common regime for all aspects of the inland transport of dangerous goods, by road, rail and inland waterways within the EU and incorporates, in particular, the ADR, the RID and the ADN into European law.

6. Employee health and safety

According to national and international provisions, we are obliged in most jurisdictions to take measures related to health and safety at work. In general, compliance with employment safety regulations is subject to regulatory supervision. General obligations on employers, protective and preventive services, emergency measures and necessary information as well as the consultation, participation and training of workers are laid down in the Council Directive 89/391/EEC on the introduction of measures to encourage improvements in the safety and health of workers at work, as last amended by Regulation (EC) No 1137/2008 of the European Parliament and of the Council of October 22, 2008. EU member states are at liberty to maintain or establish more stringent measures of protection than those provided by Directive 89/39/EEC.

7. *Laws on state aid*

Within the EU, state aid may be granted by the EU, EU member states or state authorities in various forms, including subsidies, loans or guarantees at favorable conditions, or infrastructure measures realized specifically for one company. Pursuant to Article 107 of the Treaty on the Functioning of the EU ("**TFEU**"), state aid or aid granted through state resources, in any form whatsoever, that distorts or threatens to distort competition by favoring certain businesses or manufacturing sectors, is incompatible with the internal market of the EU insofar as it affects trade between EU member states.

The European Commission verifies on an ongoing basis whether EU member states are in compliance with the existing rules on state aid (e.g., on the basis of notifications required by Article 108 TFEU prior to grant state aid). If the European Commission classifies a state aid scheme or single subsidies as prohibited aid, it may order that various measures be taken by the relevant EU member state. In particular, the European Commission could require the aid to be clawed back. In this case, the aid beneficiary will be obliged to return or refund any payments received to the institution that granted the aid. If the prohibited aid was granted under ongoing contracts, the beneficiary will have to repay the subsidy equivalent (i.e., the difference between the fair market price of the performance and the aid granted) or, in certain circumstances, the respective contracts will have to be rescinded. Rescission could entail the premature termination of important contracts. Depending on the law of the relevant EU member state (e.g., Germany) contracts that entail state aid but have not been notified to the Commission in advance may be considered, in a worst case scenario, null and void.

A part of our investment requirements for developing and expanding our production capacity is covered by state aid, such as subsidies, loans at favorable conditions or tax reductions or exemptions. The respective decisions on granting public aid received by us contain various conditions, e.g., regarding the creation of jobs or specific research, development and innovation ("**RD&I**") activities. Under Article 25 of Commission Regulation (EU) No. 651/2014 of June 17, 2014 ("**Block Exemption Regulation**"), RD&I activities are partially exempted from the above restrictions on state aid. In addition to the formal Block Exemption Regulation,, the Commission has published a Communication in 2017 generally facilitating public support of RD&I activities. In case of a breach of the conditions set out, the aid may be clawed back by the institution that granted the aid.

8. *Road safety and technical standards*

Our products for the commercial vehicle sector have to comply with a number of road safety and technical standards and requirements, illustrative examples of which are set out below.

For the purpose of (passenger) safety and to ensure the proper functioning of the internal market of the EU, vehicle components and technical units have to comply with various requirements stipulated in a large number of European legal acts. For instance, Directive 2007/46/EC of the European Parliament and of the Council of September 5, 2007 (last amended by Commission Regulation (EU) 2015/758 of April 29, 2015) establishes a framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles. In Annex IV, this directive lists about 70 separate regulatory requirements for the purpose of EU type-approval of various models of vehicles, including in relation to, amongst others, towing hooks, steering and couplings.

In addition, our products are subject to roadworthiness tests under Directive 2009/40/EC of the European Parliament and of the Council of May 6, 2009, which sets out which component parts of, *inter alia*, motor vehicles used for the carriage of goods and having a maximum permissible mass exceeding 3.5 metric tons and trailers and semi-trailers with a maximum permissible mass exceeding 3.5 metric tons must be compulsorily tested on a regular basis. In May 2018, this directive will be repealed and replaced by Directive 2014/45/EU of the European Parliament and of the Council of April 3, 2014, which aims to improve the quality of vehicle tests. This new directive will also apply to motor vehicles designed and constructed primarily for the carriage of goods, having a maximum mass exceeding 3.5 metric tons and to trailers designed and constructed for the carriage of goods or persons, as well as for the accommodation of persons, having a maximum mass exceeding 3.5 metric tons. These heavy-duty vehicles ("**HDVs**") and heavy trailers will have to be tested on an annual basis. Moreover, Directive 2014/47/EU of the European Parliament and of the Council of April 3, 2014 on the technical roadside inspection of the roadworthiness of commercial vehicles circulating in the Union seeks to improve road safety and to reduce the negative environmental impacts of commercial vehicles. It relates to buses and coaches, HDVs and trailers of over 3.5 metric tons, as well as tractors used for commercial road haulage and capable of over 40 km/h. This directive sets out minimum requirements and harmonized rules for the technical roadside inspection of these vehicles within the EU. In particular, these comprise initial and, if needed, more detailed inspections that will focus on brakes, tires, wheels and chassis, as well as nuisances (noise, exhaust emissions, etc.).

The requirements of Directive 2014/47/EU had to be transposed into national laws by May 20, 2017. To date Germany, among several other member states, has not yet notified a successful transposition to the Commission.

A further example is Regulation (EC) No 661/2009 of the European Parliament and of the Council of July 13, 2009 (last amended by Regulation (EU) 2016/1004 of June 22, 2016), which establishes requirements for the type-approval of (heavy goods) motor vehicles and their trailers including systems, components and separate technical units intended with regard to their safety. It includes, *inter alia*, requirements related to steering, braking, towing and coupling.

Directive 2003/37/EC of the European Parliament and of the Council of May 26, 2003, as last amended by Commission Directive 2014/44/EU of March 18, 2014, on type-approval of agricultural or forestry tractors, their trailers and interchangeable towed machinery — together with their systems, components and separate technical units — covers any tractor, trailer and interchangeable towed machinery, whether incomplete or completed, which is intended to be used in agriculture or forestry. This directive aims at modernizing the EU's EC type-approval procedure for agricultural or forestry tractors introduced by Directive 74/150/EEC (which is repealed) and is compulsory for agricultural or forestry tractors with a maximum design speed of not more than 40 km/h. The type-approval procedure requires permanent monitoring to ensure that vehicles conform with EU technical requirements.

As part of "CARS 2020", an action plan of the European Commission for a competitive and sustainable automotive industry in Europe of November 8, 2012 (COM (2012) 636 final), the Commission will carry out an extensive in-depth-evaluation of the vehicle type-approval framework. This may, in particular, lead to stricter provisions on market surveillance of commercial vehicle products. The Commission issued its final report on the evaluation of the type-approval framework in October 2014.

9. Disposal, reuse, recycling and recovery of motor vehicles

Regulatory requirements related to disposal, reuse, recycling and recovery of motor vehicles, illustrative examples of which are set out below, apply to our customers in the commercial vehicle industry. Further, we are legally obliged to support our customers in fulfilling such requirements. We therefore assist our customers by continuously developing our products according to the needs of our customers.

Directive 2000/53/EC of the European Parliament and of the Council of September 18, 2000, last amended by Commission Directive (EU) 2016/774 of May 18, 2016, stipulates measures to prevent waste arising from end-of-life vehicles and to promote the collection, re-use and recycling of vehicle components. Waste prevention is the priority objective of the directive. To this end, it stipulates that vehicle manufacturers supported by material and equipment manufacturers like us must (i) endeavor to reduce the use of hazardous substances when designing vehicles, (ii) design and produce vehicles which facilitate the dismantling, re-use, recovery and recycling of end-of-life vehicles, (iii) increase the use of recycled materials in vehicle manufacture, and (iv) ensure that components of vehicles placed on the market after July 1, 2003, do not contain mercury, hexavalent chromium, cadmium or lead, except in a limited number of applications.

10. Product safety and liability

a. Product safety

We must comply with requirements on product safety unless specific provisions apply (e.g., as regards automotive products). Illustrative examples of such requirements are set out below.

Directive 2001/95/EC of the European Parliament and the Council of December 3, 2001, as last amended by Regulation (EC) No 596/2009 of the European Parliament and of the Council of June 18, 2009, on general product safety applies in the absence of specific provisions among the EU regulations governing the safety of products concerned, or if sectoral legislation is insufficient. Under this Directive, manufacturers must put on the market only products which comply with the general safety requirement. A product can be considered safe if it presents no risk or only a reduced risk in accordance with the nature of its use and which is acceptable in view of maintaining a high level of protection for the health and safety of persons. In addition to compliance with the safety requirement, manufacturers must provide consumers with the necessary information in order to assess a product's inherent risks, particularly when this is not directly obvious, and take the necessary measures to avoid such threats (for example, withdraw products from the market, inform consumers, recall products which have already been supplied to consumers, etc.). Distributors are also obliged to supply products that comply with the general safety requirement, to monitor the safety of products on the market and to provide the necessary documents ensuring that the products can be traced. If the manufacturers or the distributors discover that a product is dangerous, they must notify the competent authorities and, if necessary, cooperate with them. Unsafe products may be listed in an EU-wide publicly-accessible database.

As part of the Product Safety and Market Surveillance Package of the Commission, a draft regulation intended to replace Directive 2001/95/EC and imposing more obligations on manufacturers (e.g., as regards documentation) is currently in the legislative process (cf. proposal of the European Commission COM (2013) 78 final of February 13, 2013). Further, a regulation on market surveillance of products amending, *inter alia*, Directive 2001/95/EC and closing gaps in market surveillance is in the process of being adopted (cf. proposal of the European Commission COM (2013) 75 final of February 13, 2013). The European Parliament approved the two proposals with amendments on April 15, 2014. The European Commission expressed partial agreement on July 9, 2014 and the European Council has held two discussions on the topic on May 28, 2015 and May 19, 2016 but has not approved the draft regulation yet.

b. Product liability

We are subject to provisions on product liability, illustrative examples of which are set out below, and may therefore be held liable in cases concerning damage caused by a defective product manufactured by us.

Council Directive 85/374/EEC of July 25, 1985, as amended by Directive 1999/34/EC of the European Parliament and of the Council of May 10, 1999 (the "**Product Liability Directive**"), applies to movables which have been industrially produced, whether or not incorporated into another movable or into an immovable. It establishes the principle of strict liability, i.e., liability without fault of the producer, in cases of damage caused by a defective product. "Producer" means any participant in the production process, the importer of the defective product, any person putting the name, trade mark or other distinguishing feature on the product, and any person supplying a product the actual producer of which cannot be identified. "Defectiveness" means lack of the safety which the general public is entitled to expect given, *inter alia*, the presentation of the product and the use to which it could reasonably be put. The Product Liability Directive applies to damage caused by death or by personal injuries and damage to an item of property intended for private use or consumption other than the defective product, with a lower threshold of a €500 damage caused by defective products. The Product Liability Directive does not in any way restrict compensation for non-material damage under national legislation.

II. REGULATORY FRAMEWORK FOR OUR OPERATIONS IN THE UNITED STATES

There are numerous regulations that govern our facilities and operations in the United States. In addition, many of our products must conform to the standards and regulations applicable to the automotive, aviation, and railway sectors in the United States. Specifically, vehicles and their components must comply with numerous standards that were enacted for safety and environmental reasons. Changes in, or violations of, regulations and standards could result in increased costs for our business.

1. Permits and compliance

a. General

As is the case in Europe, many industrial facilities such as manufacturing plants in the United States are subject to a wide variety of environmental laws and regulations, as well as any permits issued under those federal, state, and local laws. Environmental permits issued by the U.S. Environmental Protection Agency ("**EPA**") and/or state environmental agencies can, among other things, limit the amounts and types of pollutants emitted by facilities into environmental media (ambient air, surface and groundwater, land) and/or the facilities' management of waste generated in manufacturing. Generally, where states regulate in areas covered by federal laws, those state regimes must be no less protective, and may be more stringent, than federal regimes. Building permits, on the other hand, may incorporate local preferences, such as green building or energy efficiency requirements, and are typically the province of local officials. In general, the Administrative Procedure Act governs federal agency regulatory actions (5 U.S.C. § 500, *et seq.*). Accordingly, each federal permitting statute of relevance here (the Clean Air Act, the Clean Water Act, and the Resource Conservation and Recovery Act (setting forth waste management requirements)) and/or agency regulations implementing these laws are generally subject to specific procedures for provision of notice and an opportunity for public comment prior to a permit's issuance, and/or can be evaluated by the courts with regard to whether the agency has acted within its statutory power and/or the limits of Constitutional protections. The Administrative Procedure Act and/or each federal environmental statute generally allow for judicial review of final agency actions, such as the issuance of permits, so long as the challenging party (including citizens and non-governmental organizations) meets the procedural requirements set forth in each Act, and jurisdictional requirements such as "standing" to bring suit. Non-compliance with applicable laws, regulations, or permits may trigger administrative or judicial enforcement and subject a regulated entity to penalties, actions for injunctive relief (generally involving mitigation of the underlying violation and the establishment of processes to ensure that the violation does not recur), and/or criminal prosecution.

b. Industrial emissions control

The U.S. federal Clean Air Act ("**CAA**") regulates air emissions from stationary and mobile sources. Among other things, the CAA authorizes the EPA to establish National Ambient Air Quality Standards ("**NAAQS")** for six criteria air pollutants, to establish more stringent standards applicable to certain industrial operations, to mandate control technology for new or modified "major" sources of air emissions and/or facilities, and to require operating and/or emissions permits for stationary sources.

The six criteria air pollutants with NAAQS are carbon monoxide, lead, nitrogen dioxide, ozone, particulate matter, and sulfur dioxide. States identify how they will achieve and maintain NAAQS through State Implementation Plans ("**SIPs**"). Permit limits ensure compliance with the SIPs. If a facility that is classified as a new major source or as an existing source making a major modification is located in an air quality region that has achieved "attainment" with the NAAQS, then the facility may be subject to emission limits through a Prevention of Significant Deterioration (PSD) permit; if the facility is in an air quality region in "non-attainment" with the NAAQS, then the more stringent Nonattainment New Source Review (NSR) requirements may apply. Air quality regions' attainment status can change depending upon whether the EPA has issued amended rules imposing more stringent NAAQS limits, and/or other factors, such as an increase in pollution in upwind states. In October, 2015, EPA promulgated a new, more stringent standard for ozone (one of the six above-referenced NAAQS). Challenges to the rule have been pending in the courts since 2015. If the rule is upheld, paint coating operations, if the paints are volatile organic compound ("**VOC**")-based, could be subject to the new more stringent standards, as VOCs evaporate into the air and contribute to the formation of smog, or ozone. Thus, states may take steps through their SIPs and permits issued to facilities to significantly curtail VOC emissions, so as to comply with the new, tighter, ozone standards. In addition, certain "major" and "area" sources may need to meet stricter standards for hazardous air pollutants as provided in Section 112 of the CAA and its implementing regulations, including metal fabrication and finishing operations, which may need to meet National Emission Standards for Hazardous Air Pollutants ("**NESHAPs**") under 40 CFR Part 63, Subpart XXXXXX and paint stripping and surface coating operations, which may need to meet NESHAPs under 40 CFR Part 63, Subpart HHHHHH. Additionally, powder coating operations may also subject a facility to the U.S. Occupational Safety and Health Administration ("**OSHA**") requirements (such as requirements to provide sprinkler systems, ventilation, and personal protective equipment), as well as local regulation by fire marshals. Powdered paints are considered non-flammable, but when atomized (as happens when applied with a spray gun), they can support a fire (e.g., if a spark occurs in an area with the right powder-to-air mixture). Accordingly, varying fire codes may regulate air flow and voltage and require flame-detection equipment in powder coating booths, as well as dust collection on the manufacturing floor.

2. Waste from production processes

Generally, neither the Resource Conservation and Recovery Act ("**RCRA**") nor similar state regimes "mandate" specific recycling, recovery, or other "end-of-life" processes as does the EU, although in limited and specified instances, RCRA may exempt a waste from the more stringent hazardous waste management and disposal requirements, for example, if it is reclaimed and processed to recover a useable product and certain management conditions are complied with (*e.g.,* 40 CFR 261.1(b)(4)). However, hazardous waste destined for recycling that is accumulated beyond a specified time period is generally subject to full hazardous waste requirements. Further, RCRA regulates recycling operations to the extent that hazardous waste sent for recycling may have been intended to be disposed of by the generator. RCRA also establishes general criteria for the management of non-hazardous solid waste; facilities not meeting these general criteria are considered unlawful open dumps.

RCRA is primarily a comprehensive "cradle-to-grave" hazardous waste management scheme that was enacted to address the management of municipal and industrial waste, and to prevent the creation of future Superfund (as defined below) sites. Generally, if a facility produces a hazardous waste (which is either acutely hazardous, included on a list, or has a hazardous characteristic (it is flammable, toxic (meaning that it can leach), corrosive, or reactive), then the facility must ensure proper generation, transportation, treatment, storage, and disposal of the waste. Certain facilities, including facilities that store hazardous wastes on-site for longer than a specified period of days, or treat or dispose of wastes on site (e.g., in landfills), generally are required to obtain RCRA permits and to comply with management, monitoring, closure, and post-closure care requirements. Accordingly, if wastes generated in metals fabrication or powder coatings operations contain listed or characteristic hazardous wastes (40 CFR Part 261), such waste generation activities may trigger the more stringent hazardous waste permitting or generator requirements. The applicability of that management scheme depends, in part, upon the amount and type of hazardous waste involved (40 CFR Part 262). Less stringent rules apply to lower-volume generators of hazardous waste. Above-ground storage tanks (ASTs) are regulated by local authorities such as fire marshals.

As manufacturing operations began in Grand Haven, MI, in 1990 and in Greeneville, TN in 2000, the facilities could be subject to remediation obligations under a variety of federal statutes, should actionable releases of hazardous wastes or hazardous substances such as metals and/or VOCs (here, potentially arising from solvent use) have occurred thereon.

The federal Comprehensive Environmental Response, Compensation, and Liability Act (commonly known as "**CERCLA**" or "**Superfund**") was enacted to impose liability broadly for clean-up of contaminated sites and to give EPA authority to respond to releases of hazardous substances that may endanger the environment or public health. Potentially responsible parties include current and former owners and operators of the contaminated sites (including tenants), persons who arranged for the treatment or disposal of hazardous substances to or on the contaminated sites, as well as transporters of hazardous substances that contaminated a site. CERCLA has also been used to compel clean-up of water-body sediment contaminated from years of pollutant discharges. Liability under CERCLA is retroactive, as well as strict, and joint and several. CERCLA also imposes responsibility for the abatement of releases (including accidents, spills, and other emergency releases) of hazardous substances, pollutants, or contaminants into the environment. A wide variety of hazardous substances, including asbestos (if in friable form), polychlorinated biphenyls in hydraulic fluids, paints, solvents, and lead chromate, are potentially subject to CERCLA. However, CERCLA contains an exclusion for petroleum products, such as uncontaminated gasoline and other fuels. These materials are regulated by other federal statutes or by state law.

Additionally, pursuant to the Emergency Planning and Community Right-to-Know Act, facilities must immediately report accidental releases of "extremely hazardous substances", as well as hazardous substances in quantities greater than specified "reportable quantities" (Section 304); must maintain "material safety data sheets" on hazardous chemicals manufactured, processed, or stored at manufacturing facilities, and make these available to state and local emergency response officials as well as the public (Sections 311, 312); and must submit "toxic release inventory" ("**TRI"**) forms for each of the more than 600 TRI chemicals manufactured or used above applicable threshold quantities (Section 313).

One purpose of RCRA's waste management regime is to prevent the placement of hazardous wastes on land which could become CERCLA/Superfund sites if the wastes were released. However, RCRA also has a CERCLA-like, purely remedial component. In order for certain facilities to obtain permits to treat, store, or dispose of hazardous wastes, their permits must also specify their obligations with regard to performing "corrective action" for continuing releases of hazardous wastes or constituents from any solid waste management unit located on the premises of the site seeking the permit, as well as closure and post-closure care actions. RCRA can impose clean-up liability beyond the facility boundary.

The State of Michigan has its own remediation authority it may exercise under its Natural Resources and Environmental Protection Act (Part 201, 1994 PA 451), and/or with which to implement the federal Superfund law pursuant to a memorandum of understanding with the EPA. Both federal and state laws also include provisions that seek to encourage clean-up of blighted properties by providing certain liability protection to parties who knowingly purchase contaminated properties and agree to perform clean-up thereon (referred to as "brownfields sites"). The same is true in Tennessee, whose brownfields law is located at Law TCA 68-212-224. The EPA has delegated authority to implement the RCRA hazardous waste program to most states in whole or in part, including Michigan and Tennessee.

3. *Water use and protection and waste water treatment*

The Clean Water Act ("**CWA**") regulates discharges of pollutants into "waters of the United States" and, in some cases, in stormwater from industrial facilities. The CWA is generally not applied to the regulation of groundwater, but CERCLA clean-up and RCRA corrective action obligations as well as state law may apply to contaminated groundwater. Pursuant to the CWA, the EPA has also promulgated specific Effluent Guidelines for Metal Finishing (40 CFR Part 433), which limit concentrations of suspended solids and other pollutants in wastewater discharges from point sources. Powder coatings and other hazardous materials can enter the wastewater stream when cleaning containers or equipment leak occurs, or as the result of a spill, or an intentional act of disposal. Actual limits for effluent constituent discharges may depend on the size of the operation and the amount of wastewater or stormwater generated from the facility, and will be set forth in one or more permits issued by the EPA or, in some states, by a state or local authority**.** All facilities (direct and indirect dischargers) must pre-treat their discharges if their waste streams contain regulated pollutants at levels that exceed their CWA permit limits.

4. *Chemicals*

The Toxic Substances Control Act ("**TSCA**") gives the EPA the authority to establish testing, reporting and record-keeping requirements for certain chemical substances, and to impose restrictions regarding the manufacture, use, distribution in commerce or disposal on those chemical substances that the EPA

determines present an unreasonable risk of injury to health or the environment. As amended in 2016, TSCA mandates that the EPA evaluate the health and environmental risks of existing chemicals, beginning with identifying which substances are high priority for such risk evaluations, and to make affirmative determinations about the safety of such chemical substances. The new law establishes deadlines for review and action on identified risks and directs EPA to regulate chemical substances that EPA finds present an unreasonable risk of injury to health or the environment under the conditions of use. The new law also includes new risk-based safety standards, and provides for more disclosure about chemical information to the public by requiring stricter substantiation for claims of confidential business information. TSCA continues to require pre-manufacture notification for certain "new chemical substances". or new uses of existing chemicals, before manufacture or import of that substance may begin and to require chemical importers or exporters comply with evaluation certification, reporting, and/or other requirements.

5. Employee health and safety

In the United States, worker health and safety is primarily regulated under the U.S. Occupational Safety and Health Act by the Occupational Safety and Health Administration ("**OSHA**") or under state laws pursuant to an OSHA-approved state plan. Enforcement is through OSHA or the state under one of 28 authorized state plans. Federal occupational safety and health regulations (for manufacturing, 29 CFR §1910 et seq.) require employers, among other things, to provide employees with a place of employment free from recognized hazards that are causing or are likely to cause death or serious physical harm. These obligations are enforced through inspections that may result in the issuance of citations and penalties for non-compliant conditions and practices.

6. Product Safety and Liability

In 1986, California enacted the Safe Drinking Water and Toxic Enforcement Act (typically known as "**Prop 65**") which requires businesses to provide clear and reasonable warnings about exposures to chemicals known to cause cancer and/or reproductive toxicity, and to prevent them from discharging significant amounts of such chemicals into drinking water. Businesses need not provide warnings if their products contain chemicals at levels less than "safe harbor levels". The California Attorney General's Office can impose penalties for violations of Prop 65, but as a practical matter, the Act is enforced by litigation brought by district or city attorneys or private parties such as consumer advocacy groups. Indeed, Prop 65 is structured to encourage private parties to file enforcement lawsuits, which may result in the business agreeing to or being required to post additional warnings or to reformulate products, and to pay the plaintiff's attorneys fees and 25 percent of imposed penalties.

In the U.S., there is no federal product liability law. Claims typically are brought under state laws under theories of nuisance, breach of warranty, or strict liability.

III. EXPORT CONTROL & SANCTIONS REGULATIONS

1. EU

We may manufacture products which can be used for both civil and military purposes. Some products are defined as dual use goods under EU regulations, which set forth an EU wide regime for the control of exports, transfer, brokering and transit of dual-use items. The export of such goods to destinations outside the European Union requires a permit. The competent national authority may exercise a certain degree of discretion as regards the granting of such permit. Export controls regulations may also limit or prohibit the export of our products if specific countries, entities or individuals are the destination of such exports. On the EU level, such restrictions are set out in specific regulations on sanctioned countries or individuals.

In addition, specific domestic export controls and sanctions regulations may have an impact on our customer or supply relationships even if these relationships do not relate directly to the relevant countries.

2. United States

The U.S. Departments of Justice, Commerce, State and Treasury and other federal agencies and authorities have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for violations of economic sanctions laws, export controls laws and other federal statutes and regulations, including those established by the Office of Foreign Assets Control. Under these laws and regulations, as well as other anti-corruption laws, anti-money-laundering laws, export controls laws, customs laws, sanctions laws and other laws governing our operations, various government agencies may require export licenses, may seek to impose modifications to business practices, including cessation of business activities in sanctioned countries or with sanctioned persons or entities and modifications to compliance programs, which may increase compliance costs, and may subject us to fines, penalties and

other sanctions. A violation of these laws or regulations could adversely impact our business, results of operations and financial condition. With respect to certain dual-use products, and exports to certain restricted users or countries, exporters from the United States are required to obtain a license from the U.S. Department of Commerce, unless an exception from the licensing requirements applies.

IV. Overview of Regulatory Environment in Other Jurisdictions

In the jurisdictions in which we operate outside of the EU and the United States, we face a wide range of laws and regulations, the majority of which deal with the same general themes discussed above under *I.I. "Regulatory Framework for our Operations in the EU"* and *I.II. "Regulatory Framework for our Operations in the United States"*. Although these regulations vary from jurisdiction to jurisdiction, the regulatory environment in most jurisdictions outside of the EU and the United States generally involves more uncertainty regarding, and the risk of less consistent enforcement of, laws and regulations. For more information regarding these risks and uncertainties, see *A.III.1. "Governmental regulations or taxes could increase our costs and could adversely affect our business and results of operations"*.

J. SHAREHOLDER INFORMATION

The following explanations set forth, among others, the shareholders which directly or indirectly hold an interest of 3% or more (calculated pursuant to Sections 21 et seq. of the German Securities Trading Act (*Wertpapierhandelsgesetz*)) in the Company's capital and voting rights as of the date of this prospectus.

I. SHAREHOLDER STRUCTURE

1. Direct Shareholder

As of the date of this prospectus, the Company's sole shareholder is the Principal Shareholder.

2. Indirect Shareholders

The sole direct shareholder of the Company, the Principal Shareholder, is itself directly controlled by Jantinori 1 S.à r.l., which itself is directly controlled by Cintinori S.à r.l., which itself is directly controlled by Jost-Global & Co S.C.A. ("**Jost-Global**"), in each case based on the ownership of all voting rights and shares in the relevant subsidiary. The sole general partner of Jost-Global is Jost-Global GP S.à r.l. ("**Jost-Global GP**"). The common shares in Jost-Global and Jost-Global GP are directly held as follows:

Direct shareholder of Jost-Global and Jost-Global GP	Split of common shares as of the date of this prospectus[1]
Cinven funds[2]	**63.86%**
GSC funds[3]	**4.25%**
Sankaty funds[4]	**4.25%**
NIBC MBF Mezzanine IB B.V.	**4.25%**
Current and former members of Management and Supervisory Board, partially through certain vehicles	
Diskus & Langholm S.à r.l.[5]	18.76%
Yellow Sky S.à r.l.[6]	3.84%
Dr. Klaus-Peter Bleyer	0.80%
Sub-Total	**23.40%**
Total	**100%**

1 Numbers might not add up to the total numbers due to rounding.

2 "Cinven funds" comprises Fourth Cinven Fund (No.1) Limited Partnership, Fourth Cinven Fund (No.2) Limited Partnership, Fourth Cinven Fund (No.3 - VCOC) Limited Partnership, Fourth Cinven Fund (No.4) Limited Partnership, Fourth Cinven Fund (UBTI) Limited Partnership, Fourth Cinven Fund FCPR, Fourth Cinven Fund Co-Investment Partnership, and Fourth Cinven (MACIF) Limited Partnership, each of them being a direct shareholder in Jost-Global and Jost-Global GP.

3 "GSC funds" comprises GSC European Mezzanine Luxembourg IV, S.à r.l, GSC European Mezzanine Luxembourg V, S.à r.l., GSC European Mezzanine Luxembourg VI, S.à r.l., GSC European Mezzanine Luxembourg VII, S.à r.l., and GSC European Mezzanine Luxembourg VIII, S.à r.l., each of them being a direct shareholder in Jost-Global and Jost-Global GP.

4 "Sankaty funds" comprises Sankaty Credit Opportunities III, L.P., Sankaty Credit Opportunities IV, L.P., Sankaty Credit Opportunities (Offshore Master) IV, L.P., each of them being a direct shareholder in Jost-Global and Jost-Global GP.

5 Lars Brorsen indirectly holds 13.40% and Dirk Schmidt indirectly holds 5.36% of the common shares in Jost-Global and Jost-Global GP. Lars Brorsen holds his indirect participation in Jost-Global and Jost-Global GP through his direct shareholding of 70.00% of the shares in Langholm GmbH (the remaining 30.00% of the shares in Langholm GmbH are held by three shareholders each holding 10.00% of the shares in Langholm GmbH); Langholm GmbH in turn holds 71.43% of the shares in Diskus & Langholm S.à r.l., whereby the remaining 28.57% of the shares in Diskus & Langholm S.à r.l. are being held by Dirk Schmidt through his direct shareholding of 100% of the shares in DISKUS Einhundertsechsundachtzigste Beteiligungs- und Verwaltungs-GmbH.

6 Alexander Kleinke indirectly holds 2.00% and Dr. Ralf Eichler indirectly holds 1.84% of the common shares in Jost-Global and Jost-Global GP. Alexander Kleinke holds his indirect participation in Jost-Global and Jost-Global GP through his direct shareholding of 100% of the shares in AKGK GmbH, which in turn holds 10.00% of the shares in Yellow Sky S.à r.l.; Dr. Ralf Eichler holds his indirect participation in Jost-Global and Jost-Global GP through his direct shareholding of 100% of the shares in EICOM GmbH, which in turn holds 10.00% of the shares in Yellow Sky S.à r.l.. The remaining 80% of the shares in Yellow Sky S.à r.l. are held by Inventa (Luxembourg) S.A. as a trustee. Each of Meranti Investments S.à r.l. (sole shareholder: Mr. Frank Bergman) and Centower Investments S.à r.l. (sole shareholder: Mr. John Dercksen) hold 50% of the shares in Inventa (Luxembourg) S.A.

As of the date of this prospectus, Jost-Global and its general partner Jost-Global GP are each ultimately controlled by Cinven Limited.

Fourth Cinven Fund (No. 1) Limited Partnership, Fourth Cinven Fund (No. 2) Limited Partnership, Fourth Cinven Fund (No. 3 - VCOC) Limited Partnership, Fourth Cinven Fund (No. 4) Limited Partnership, Fourth Cinven Fund (UBTI) Limited Partnership, Fourth Cinven (MACIF) Limited Partnership, Fourth Cinven Fund Co-Investment Partnership and Fourth Cinven Fund FCPR (together the "**Cinven Funds**") collectively hold

63.86% of the common share capital of Jost-Global and Jost-Global GP. Each of the Cinven Funds except for the Fourth Cinven Fund Co-Investment Partnership and the Fourth Cinven Fund FCPR (together the "**Cinven Limited Partnerships**") are managed and controlled by Cinven Limited, which exercises the voting rights in Jost-Global and Jost-Global GP on behalf of the Cinven Limited Partnerships based on the terms of the investment management agreements between Cinven Limited and Cinven Capital Management (IV) Limited Partnership, the general partner of the Cinven Limited Partnerships, which itself is represented by its general partner, Cinven Capital Management (G4) Limited. Under these investment management agreements, management and control of the Cinven Limited Partnerships has been delegated to Cinven Limited.

The Cinven Limited Partnerships, Fourth Cinven Fund Co-Investment Partnership and Fourth Cinven Fund FCPR are parties to an agreement whereby Fourth Cinven Fund Co-Investment Partnership and Fourth Cinven Fund FCPR act in accordance with the actions of the Cinven Limited Partnerships, meaning that Cinven Limited also effectively controls the Fourth Cinven Fund Co-Investment Partnership and the Fourth Cinven Fund FCPR.

The board of directors of Cinven Limited has the sole right to make decisions regarding the voting and disposition of the shares in Jost-Global and Jost-Global GP held by the Cinven Funds, and is therefore the controlling entity of Jost-Global and Jost-Global GP. Cinven Limited itself is advised by Cinven Partners LLP.

II. Shareholder Structure assuming Completion of the Private Placement

Any of the Existing Shares from the holding of the Principal Shareholder remaining immediately after completion of the Private Placement (the "**Remaining Shares**") will be held by the Principal Shareholder. It is intended that the Remaining Shares will be distributed in one or several tranches to the holders of securities of Jost-Global (and/or its respective affiliates) as soon as possible following completion of the Private Placement, but not earlier than close of business on the fifth day following the first day of trading of the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), which is currently expected to take place on July 20, 2017. The Cinven Funds intend, after each such distribution, to contribute their portion of the Remaining Shares to CCI (F4) S.à r.l. ("**CCI**"). The distribution to the holders of securities of Jost-Global is required under the shareholders' agreement entered into among, *inter alia*, the Principal Shareholder, Jantinori 1 S.à r.l., Cintinori S.à r.l., Jost-Global and the shareholders of Jost-Global, dated January 24, 2011, and as most recently amended on June 22, 2017 and July 11, 2017 (the "**Shareholders' Agreement**"), taking into account certain expenses, fees and costs and based on a waterfall mechanism to the holders of different types and classes of securities in Jost-Global with different ranking, in each case *pro rata* to the number of type and class of securities held by them and certain contractual waterfall entitlements, with certain types of securities being subject to a maximum amount of distributions, and subject to certain adjustments by potential transfers of securities agreed among certain shareholders.

The distribution of the Remaining Shares to the holders of securities of Jost-Global — and therefore the future shareholder structure of the Company — depends on a number of factors that can only be finally determined (as applicable) upon or after completion of the Private Placement. Such factors include: (i) the total number of Remaining Shares that will be available for distribution, which depends on: (a) the number of New Shares, (b) the number of Existing Shares to be sold, and (c) the exercise of the Greenshoe Option (in whole or in part); (ii) the net proceeds that will be received by the Principal Shareholder and that will be distributed to the indirect holders of securities of the Principal Shareholder; and (iii) the number of Remaining Shares which will be distributed to each holder of securities of Jost-Global pursuant to the distribution mechanism under the Shareholders' Agreement, subject to certain adjustments by potential transfers of securities agreed among certain shareholders. Furthermore, it is influenced by fees, costs and expenses which will be deducted prior to the distribution of such cash proceeds. Some of these fees, costs and expenses will only be finally known after the first five trading days of the listed shares of the Company and/or at the time of the closing of the liquidation of the Principal Shareholder and the entities being the direct and indirect shareholder of the Principal Shareholder as described further below.

On the basis of the above and the assumptions set forth below, the following tables set forth the direct and indirect beneficial ownership of the Company following completion of the Private Placement and distribution of the Remaining Shares to the holders of securities of Jost-Global:

	Beneficial ownership of the Company, in %[1]	
	after distribution to the holders of securities of Jost-Global	
Direct shareholder of the Company	**(no exercise of Greenshoe Option)**	**(full exercise of Greenshoe Option)**
CCI	**1.86%**	**1.54%**
GSC funds[2]	**14.95%**	**12.73%**
Sankaty funds[3]	**13.48%**	**11.47%**
Nash Point CLO LTD	**1.48%**	**1.26%**
NIBC MBF Mezzanine IB B.V.	**14.96%**	**12.73%**
Current and former members of Management and Supervisory Board, partially through certain vehicles		
Diskus & Langholm S.à r.l	2.40%	2.02%
Yellow Sky S.à r.l.	0.82%	0.70%
Dr. Klaus-Peter Bleyer	0.04%	0.03%
Sub-Total	**3.26%**	**2.76%**
Public free float	**50.00%**	**57.50%**
Total	**100%**	**100%**

1 Numbers might not add up to the total numbers due to rounding.

2 "GSC funds" comprises GSC European Mezzanine Luxembourg IV, S.à r.l, GSC European Mezzanine Luxembourg V, S.à r.l., GSC European Mezzanine Luxembourg VI, S.à r.l., GSC European Mezzanine Luxembourg VII, S.à r.l., and GSC European Mezzanine Luxembourg VIII, S.à r.l., each of them will be a direct shareholder in the Company.

3 "Sankaty funds" comprises Sankaty Credit Opportunities III, L.P., Sankaty Credit Opportunities IV, L.P., Sankaty Credit Opportunities (Offshore Master) IV, L.P. as well as Nash Point CLO LTD, each of them will be a direct shareholder in the Company.

	Beneficial ownership of the Company, in %[1]	
	after distribution to the holders of securities of Jost-Global	
Indirect shareholder of the Company holding an interest of 3% or more in the Company	**(no exercise of Greenshoe Option)**	**(full exercise of Greenshoe Option)**
NIBC Bank N.V.[2]	**14.96%**	**12.73%**
Bain Capital Credit Member, LLC[3]	**8.97%**	**7.63%**
Bain Capital Credit Member II, Ltd.[4]	**4.51%**	**3.84%**
GSC Mezzanine II GP, LLC[5]	**14.95%**	**12.73%**
Other Shareholders[6]	**6.60%**	**5.56%**
Public free float	**50.00%**	**57.50%**
Total	**100%**	**100%**

1 Numbers might not add up to the total numbers due to rounding.

2 NIBC Bank N.V. is the ultimate controlling shareholder of the Company's direct shareholder NIBC MBF Mezzanine IB B.V. NIBC MBF Mezzanine IB B.V.'s voting rights are attributed through NIBC MBF Equity IB B.V., NIBC Principal Investments Equity B.V. (holding a majority interest in NIBC MBF Equity IB B.V.) and NIBC Principal Investments B.V.

3 Bain Capital Credit Member, LLC is the ultimate controlling shareholder of the Company's direct shareholders Sankaty Credit Opportunities IV, L.P. and Sankaty Credit Opportunities III, L.P. Sankaty Credit Opportunities IV, L.P.'s voting rights are attributed through Sankaty Credit Opportunities Investors IV, LLC. Sankaty Credit Opportunities III, L.P.'s voting rights are attributed through Sankaty Credit Opportunities Investors III, LLC.

4 Bain Capital Credit Member II, Ltd. is the ultimate controlling shareholder of the Company's direct shareholder Sankaty Credit Opportunities (Offshore Master) IV, L.P. Sankaty Credit Opportunities (Offshore Master) IV, L.P.'s voting rights are attributed through Sankaty Credit Opportunities Investors (Offshore) IV, L.P.

5 GSC Mezzanine II GP, LLC is the ultimate controlling shareholder of the Company's direct shareholders GSC European Mezzanine Luxembourg IV S.à r.l., GSC European Mezzanine Luxembourg V S.à r.l., GSC European Mezzanine Luxembourg VI S.à r.l., GSC European Mezzanine Luxembourg VII S.à r.l. and by GSC European Mezzanine Luxembourg VIII S.à r.l.
GSC European Mezzanine Luxembourg IV S.à r.l.'s voting rights are attributed through GSC European Mezzanine Offshore Parallel Fund II, L.P., GSC New Offshore II GP, L.P., GSC European Mezzanine Offshore II GP, Ltd. and GSC European Mezzanine Investors II, L.P.

GSC European Mezzanine Luxembourg V S.à r.l.'s voting rights are attributed through GSC European Mezzanine Offshore Fund II, L.P., GSC New Offshore II GP, L.P., GSC European Mezzanine Offshore II GP, Ltd. and GSC European Mezzanine Investors II, L.P.
GSC European Mezzanine Luxembourg VI S.à r.l.'s voting rights are attributed through GSC European Mezzanine Parallel Investors II, L.P. and GSC European Mezzanine Investors II, L.P.
GSC European Mezzanine Luxembourg VII S.à r.l.'s voting rights are attributed through GSC European Mezzanine Fund II, L.P. and GSC European Mezzanine Investors II, L.P.
GSC European Mezzanine Luxembourg VIII S.à r.l.'s voting rights are attributed through GSC European Mezzanine Offshore Unleveraged Parallel Fund II, L.P., GSC New Offshore II GP, L.P., GSC European Mezzanine Offshore II GP, Ltd. and GSC European Mezzanine Investors II, L.P.

6 Including the aggregate shareholdings of CCI, Nash Point CLO LTD and of (former) management and supervisory board of the Company (each individually less than 3%).

The above presentation of beneficial ownerships assumes the following:

- Gross proceeds of at least € 130 million from the sale of the New Shares.
- Public free float following commencement of trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) of 50% (assuming no exercise of the Greenshoe Option).
- Share price during the first five days of trading of the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) is equal to the Offer Price.
- All of the Remaining Shares will be distributed to the holders of the securities of Jost-Global on or immediately after the first day of trading.

No individual shareholder or group of shareholders acting in concert is expected to directly or indirectly hold 25% or more of the shares or voting rights of the Company following the distribution of the cash proceeds from the secondary offering and the Remaining Shares to the holders of securities of Jost-Global in accordance with the Shareholders' Agreement (and as to the portion of the Cinven Funds, contribution to CCI).

The Principal Shareholder will continue to be directly controlled by Jantinori 1 S.à r.l., which itself will be directly controlled by Cintinori S.à r.l., which itself will be directly controlled by Jost-Global, in each case based on the ownership of all voting rights and shares in the relevant subsidiary. Jost-Global and Jost-Global GP will continue to be ultimately controlled by Cinven Limited.

In connection with the distribution of the Remaining Shares which leads to the above listed direct shareholdings in the Company, it is planned to put the Principal Shareholder, Jantinori 1 S.à r.l., Cintinori S.à r.l., and Jost-Global into liquidation.

K. GENERAL INFORMATION ON THE COMPANY AND OUR GROUP

I. Formation of the Company

The Company was formed as a limited liability company (*Gesellschaft mit beschränkter Haftung*) domiciled in Germany under German law under the name "Blitz F08-sechs-null GmbH" by memorandum of association dated February 27, 2008 and registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Frankfurt am Main, Germany under number HRB 82750 on March 31, 2008. On May 30, 2008 the shareholders' meeting resolved on the change of the Company's legal name to "Cintinori Holding GmbH" which was registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Frankfurt am Main on 5 June, 2008. As from November 21, 2008, the Company had its registered office in Neu-Isenburg and was registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Offenbach am Main, Germany under number HRB 43750.

On June 23, 2017, the shareholders' meeting passed a resolution to change the Company's legal form in accordance with the applicable provisions of the German Transformation Act (*Umwandlungsgesetz*) to a stock corporation (*Aktiengesellschaft*) organized under German law and to change its legal name to "**JOST Werke AG**". The change in legal form and name was registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Offenbach am Main on July 7, 2017 under number HRB 50149. The Company is incorporated in Germany and subject to the laws of Germany.

II. Commercial Name and Registered Office

The Company is the Group's holding company; the Group primarily operates under the commercial name "**JOST**".

The Company's registered office is in Neu-Isenburg and its business address is at Siemensstraße 2, 63263 Neu-Isenburg, Germany (tel. +49 (0) 6102 295 0).

III. Fiscal Year and Duration

The Company's fiscal year is the calendar year. The Company was established for an unlimited period of time.

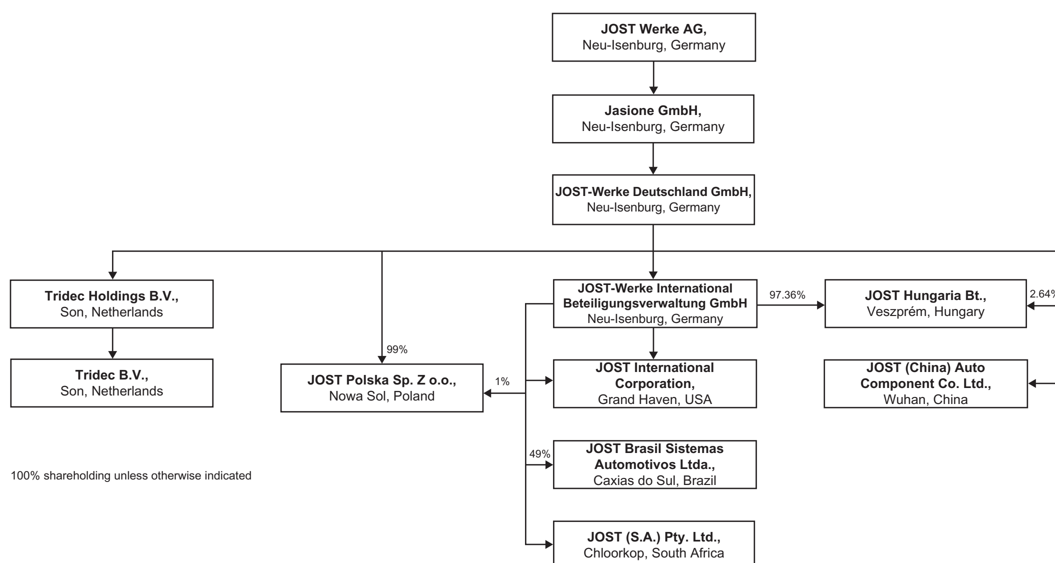
IV. Corporate Purpose

The object of the Company according to Section 2 of the Articles of Association is the acquisition, ownership, disposal and administration of direct and indirect interests in other companies or enterprises, including but not limited to acting as a management holding company or operational holding company by way of direct or indirect corporate governance, management and administration of such companies and enterprises, in particular by way of rendering administrative, financial, commercial and technical services for the respective affiliated companies against consideration, as well as the acquisition, ownership and disposal of debt receivables and other financial assets, in all cases with a focus on, but not limited to, the area of the manufacturing of systems, modules and components for commercial vehicles. The Company is entitled to conduct all kinds of transactions which relate to the Company's object, promote the Company's object or further directly or indirectly the attainment of the Company's object; the Company may especially take a share in enterprises or companies with the same or similar objective, acquire interests in and dispose of other companies, and establish subsidiaries, represent such enterprises or companies, or invest in such enterprises or companies. The Company may establish branch offices.

V. Group Structure

The Company is the parent company of our Group and the sole shareholder of Jasione GmbH, which in turn is the sole shareholder of JOST-Werke Deutschland GmbH (formerly known as JOST-Werke GmbH). JOST-Werke Deutschland GmbH acts as strategic and operational management company of our Group. The Group's business is primarily conducted by the operating subsidiaries of JOST-Werke Deutschland GmbH. The Company's consolidated financial statements include all companies whose financial or business policy the Company can determine directly or indirectly to derive economic benefit from the activities of these companies.

The following diagram provides an overview of the Company's significant subsidiaries, as of the date of this prospectus. All shareholdings are 100% unless otherwise indicated:



VI. Significant Subsidiaries

The following table provides an overview of those subsidiaries that, in our view, comprise our significant operating subsidiaries and material joint ventures. All such shareholdings are directly and/or indirectly held by the Company. As of December 31, 2016, no amount was outstanding under the issued shares for each of the below listed subsidiaries.

Name/registered office	Corporate Purpose	Interest held by the Company December 31, 2016	Equity at December 31, 2016
		(in %)	(in € million)
Jasione GmbH, Neu-Isenburg, Germany	Holding Company	100	(173.1)
JOST-Werke Deutschland GmbH, Neu-Isenburg, Germany	Production Company Sales Company	100	42.6
JOST-Werke International Beteiligungsverwaltung GmbH, Neu-Isenburg, Germany	Holding Company	100	36.3
JOST Polska Sp. z o.o., Nowa Sol, Poland	Production Company	100	12.7
JOST Hungaria BT, Veszprém, Hungary	Production Company	100	14.3
Tridec Holdings B.V., Son, Netherlands	Holding Company	100	13.7
Tridec B.V., Son, Netherlands	Production Company Sales Company	100	4.2
JOST (S.A.) Pty. Ltd., Chloorkop, South Africa	Production Company Sales Company	100	7.2
JOST (China) Auto Component Co. Ltd., Wuhan, Province Hubei, PR China	Production Company Sales Company	100	19.4
JOST International Corp., Grand Haven, Michigan, U.S.A.	Production Company Sales Company	100	20.2
JOST Brasil Sistemas Automotivos Ltda., Caxias do Sul, Brazil	Production Company Sales Company	49	19.1

VII. Auditors of the Financial Statements

We appointed PricewaterhouseCoopers GmbH (formerly PricewaterhouseCoopers AG) Wirtschaftsprüfungsgesellschaft, Friedrich-Ebert-Anlage 35-37, 60327 Frankfurt am Main, Germany ("**PWC**") as (i) the statutory auditor of our unconsolidated financial statements prepared in accordance with

the German Commercial Code (*Handelsgesetzbuch*) as of and for the fiscal year ended December 31, 2016, and (ii) the auditor of our consolidated financial statements prepared in accordance with IFRS as of and for the years ended December 31, 2016, December 31, 2015 and December 31, 2014. PWC has issued an independent auditor's report (*Bestätigungsvermerk*) on the consolidated financial statements as of and for the year ended December 31, 2016, December 31, 2015 and December 31, 2014 and an auditor's report (*Bestätigungsvermerk*) on the unconsolidated financial statements as of and for the fiscal year ended December 31, 2016. In each case, the independent auditor's reports were issued without qualifications.

PWC is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany.

VIII. ANNOUNCEMENTS, PAYING AGENT

In accordance with the Articles of Association, the announcements of the Company are published in the German Federal Gazette (*Bundesanzeiger*), unless otherwise required by law.

The Company is entitled in accordance with Section 30b paragraph 3 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) to provide information to the shareholders by way of remote data transmission.

In accordance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*), announcements in connection with the approval of this prospectus or any supplements thereto will be published in the form of publication provided for in this prospectus, in particular through publication on our website (www.jost-world.com). Printed copies of this prospectus and any supplements thereto are available at the Company's office at JOST Werke AG, Siemensstraße 2, 63263 Neu-Isenburg, Germany (tel. +49 (0) 6102 295 0).

The paying agent is Deutsche Bank. The mailing address of the paying agent is: Taunusanlage 12, 60325 Frankfurt am Main, Germany.

L. DESCRIPTION OF THE COMPANY'S SHARE CAPITAL AND APPLICABLE REGULATIONS

I. Provisions Relating to the Share Capital of the Company

1. Current and Future Share Capital; Shares

As of the date of this prospectus, the share capital of the Company amounts to €10,025,000 and is divided into 10,025,000 ordinary bearer shares with no-par value (*Stückaktien*). The share capital has been fully paid up. The Company's shares were created pursuant to German law and are denominated in euro.

Upon registration of the Capital Increase, the Company's outstanding share capital is expected to amount to up to €15,225,000 and is expected to be divided into a total number of up to 15,225,000 ordinary bearer shares with no-par value (*Stückaktien*).

2. Development of the Share Capital

The Company was founded on February 27, 2008, and was entered in the Commercial Register on November 21, 2008 as a limited liability company (*Gesellschaft mit beschränkter Haftung*) with a share capital of €25,000.

By resolution of the extraordinary shareholders' meeting of the Company held on June 23, 2017, the Company's registered share capital was increased by €10,000,000 from €25,000 to €10,025,000 by way of a contribution in kind (*Sachkapitalerhöhung*). This contribution was made by assigning a receivable of the Principal Shareholder against Jasione GmbH, registered with the local court (*Amtsgericht*) of Offenbach am Main, under the number HRB 43769, in the nominal amount of €40,000,000 to the Company. To the extent the contribution value of the receivable exceeded the amount of €10,000,000, the excess amount was contributed to the Company's capital reserves (Section 272 paragraph 2 No. 4 of the German Commercial Code (*Handelsgesetzbuch*)). The receivable relates to a claim for repayment of a €40,000,000 loan plus interest pursuant to a loan agreement dated July 31, 2008 as amended on June 22, 2017, between the Principal Shareholder and Jasione GmbH.

On June 23, 2017, the Company changed its legal form to a German stock corporation (*Aktiengesellschaft*) which was registered with the Commercial Register on July 7, 2017. The registered share capital of the Company remained unchanged in the course of the change of the Company's legal form.

The share capital of the Company is expected to be increased by an extraordinary shareholders' meeting of the Company on July 18, 2017 against contribution in cash from €10,025,000 by up to €5,200,000 to up to €15,225,000 for the purposes of creating the New Shares that are the subject of the Private Placement (see *B.III.* "Background *to the Private Placement*"). It is anticipated that the implementation of this capital increase will be registered with the Commercial Register on July 19, 2017.

3. Authorized Capital

As of the date of this prospectus, the Company has an authorized capital pursuant to Section 5 of the Articles of Association in conjunction with Section 202 of the German Stock Corporation Act (*Aktiengesetz*).

Pursuant to Section 5 paragraph 1 of the Articles of Association, the Management Board is authorized to increase the registered capital of the Company until June 1, 2022, with the consent of the Supervisory Board once or repeatedly, by up to a total of €5,000,000 by the issuance of up to 5,000,000 new Company's shares with no-par value against contributions in cash or in kind (the "**Authorized Capital**"). Pursuant to Section 5 paragraph 2 of the Articles of Association, the shareholders, in principle, are to be offered subscription rights. The new Company's shares may be subscribed by one or more banks with the obligation to offer them to the shareholders. The subscription rights of the shareholders are excluded for one or more capital increases in the context of the Authorized Capital, (i) if the utilization of the Authorized Capital occurs in order to offer the new shares by a public offer in the Federal Republic of Germany and/or in the Grand Duchy of Luxemburg and/or to offer the new shares by a public offer in the Federal Republic of Germany and/or in the Grand Duchy of Luxembourg and/or to place the Company's new shares by way of a private placement in any jurisdiction at a sale price to be determined by the Management Board which requires the consent of the Supervisory Board or of a committee formed by the Supervisory Board, in each case, associated with the implementation of the trade of the Company's shares at a German stock exchange (including the inclusion in the open market or admission to trading on a regulated market), and/or (ii) if the utilization of the Authorized Capital occurs in order to fulfill an option for the acquisition of additional shares (Greenshoe Option) agreed on with the issuing banks in the context of an initial public offering of the Company, provided that the issuing banks borrow shares from existing shareholders in the context of stabilization measures to place additional shares in the Company but no shares of shareholders are provided in order to return these securities lendings; the issue price is required to correspond with the placement price of the Company's shares during the initial public offering. Further, the Management Board is authorized to exclude the subscription right of the shareholders with the consent of the Supervisory Board for one or more capital increases in the context of the Authorized Capital (i) in order to exclude fractional

amounts from the subscription right, (ii) in the event of a capital increase against cash contributions, provided that the issue price of the new Company's shares is not significantly below the prevailing stock exchange price of the Company's listed shares at the time of the final determination of the issue price. However, this authorization shall be subject to the proviso that the aggregate value of Company's shares sold to the exclusion of shareholders' subscription rights, in accordance with Section 186 paragraph 3 sentence 4 of the German Stock Corporation Act (*Aktiengesetz*), shall not exceed 10% of the registered share capital at the time such authorization comes to effect or – in case such amount is lower – is exercised. Any Company's shares that are issued or sold during the term and prior to the exercising of such authorization in direct or analogous application of Section 186 paragraph 3 sentence 4 of the German Stock Corporation Act (*Aktiengesetz*), shall count towards the above thresholds of 10% of the registered share capital, and (iii) in the event of capital increases against contributions in kind. Pursuant to Section 5 paragraph 3 of the Articles of Association, the Management Board is authorized to determine any further details of any capital increase and its implementation, subject to the Supervisory Board's approval. Pursuant to Section 5 paragraph 4 of the Articles of Association, the Supervisory Board is authorized to adjust the wording of the Articles of Association accordingly after the utilization of the Authorized Capital or after the period for the utilization of the Authorized Capital has expired.

II. General Provisions Governing a Liquidation of the Company

Apart from liquidation as a result of insolvency proceedings, the Company may be liquidated by a resolution of the shareholders' meeting that is passed by a majority of the votes cast, provided that those votes also represent 75% or more of the share capital represented at the shareholders' meeting at which such vote is taken. Pursuant to the German Stock Corporation Act (*Aktiengesetz*), in the event of the Company's liquidation, any assets remaining after all of the Company's liabilities have been settled will be distributed among the shareholders in proportion to their shareholdings. The German Stock Corporation Act (*Aktiengesetz*) provides certain protections for creditors that must be observed in the event of liquidation.

III. General Provisions Governing a Change in the Share Capital

Under the German Stock Corporation Act (*Aktiengesetz*), a stock corporation (*Aktiengesellschaft*) requires a resolution of the shareholders' meeting to be passed by a majority of the votes cast, as well as a majority of at least 75% of the share capital represented at the time the resolution is passed, to increase its share capital. Shareholders can also create authorized capital. This requires a resolution passed by a majority of the votes cast as well as a majority of at least 75% of the share capital represented when the resolution is passed, authorizing the Management Board to issue a specific quantity of shares within a period not exceeding five years. The nominal amount of the authorized capital may not exceed 50% of the share capital existing at the time the authorization is granted.

In addition, shareholders can create conditional capital by a resolution passed with a majority of the votes cast as well as a majority of at least 75% of the share capital represented at the time the resolution is passed, for the purposes of (i) issuing shares to holders of convertible bonds or other securities granting a right to subscribe for shares, (ii) issuing shares as consideration in a merger with another company, or (iii) issuing shares offered to managers and employees. The nominal amount of conditional capital may not exceed 10% of the share capital at the time the resolution is passed in cases where it is created to issue shares to managers and employees, and may not exceed 50% in all other cases. Resolutions to reduce share capital require a simple majority of the votes cast as well as a majority of at least 75% of the share capital represented at time the resolution is passed.

IV. General Provisions Governing Subscription Rights

In principle, Section 186 of the German Stock Corporation Act (*Aktiengesetz*) grants to all shareholders the right to subscribe for new shares issued in a capital increase. The same applies to convertible bonds, bonds with warrants, profit participation rights and participating bonds. Subscription rights are freely transferable and may be traded on German stock exchanges for a prescribed period before the deadline for subscription expires. However, shareholders do not have a right to request admission to trading for subscription rights. The shareholders' meeting may, subject to a majority of at least 75% of the share capital represented at the vote, resolve to exclude subscription rights. Exclusion of shareholders' subscription rights also requires a report from the management board that justifies and demonstrates that the company's interest in excluding subscription rights outweighs the interest of the shareholders being granted subscription rights. Excluding shareholders' subscription rights when new shares are issued is specifically permissible where:

- the company is increasing share capital against cash contributions;
- the amount of the capital increase does not exceed 10% of the share capital at issue; and
- the price at which the new shares are being issued is not materially lower than the stock exchange price.

V. Exclusion of Minority Shareholders

Under Sections 327a et seq. of the German Stock Corporation Act (*Aktiengesetz*), which governs the so-called "squeeze-out under stock corporation law", upon the request of a shareholder holding 95% of the share capital ("**Majority Shareholder**"), the shareholders' meeting of a stock corporation may resolve to transfer the shares of minority shareholders to the Majority Shareholder against the payment of adequate compensation in cash. The amount of the cash payment that must be offered to minority shareholders has to reflect "the circumstances of the company" at the time the shareholders' meeting passes the resolution. The amount of the cash payment is based on the full value of the company, which is generally determined using the capitalized earnings method. The minority shareholders are entitled to file for a valuation proceeding (*Spruchverfahren*), in the course of which the fairness (*Angemessenheit*) of the cash payment is reviewed.

Under Sections 39a and 39b of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), in the case of a so-called "squeeze-out under takeover law", an offeror holding at least 95% of the voting share capital of a target company (as defined in the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*)) after a takeover bid or mandatory offer, may, within three months of the expiry of the deadline for acceptance of the offer, petition the Regional Court (*Landgericht*) of Frankfurt am Main for a court order transferring the remaining voting shares to itself against the payment of adequate compensation. A resolution passed by the shareholders' meeting is not required. The consideration paid in connection with the takeover or mandatory bid is considered adequate if the offeror has obtained at least 90% of the share capital subject to the offer. The nature of the compensation must be the same as the consideration paid under the takeover bid or mandatory offer; a cash alternative must be offered in any event. In addition, after a takeover bid or mandatory offer, shareholders in a target company who have not accepted the offer may do so up to three months after the deadline for acceptances of the offer has expired pursuant to Section 39c of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) (so called "sell-out"), provided the offeror is entitled to petition for the transfer of the outstanding voting shares in accordance with Section 39a of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*). The provisions for a squeeze-out under stock corporation law cease to apply once an offeror has petitioned for a squeeze-out under takeover law, and only apply again when these proceedings have been definitively completed.

In addition, under Section 62 paragraph 5 of the German Transformation Act (*Umwandlungsgesetz*), a majority shareholder holding at least 90% of a stock corporation's share capital can require the shareholders' meeting to resolve that the minority shareholders must transfer their stock to the majority shareholder against the payment of adequate compensation in cash, provided that (i) the majority shareholder is a stock corporation, a partnership limited by shares (*Kommanditgesellschaft auf Aktien – KGaA*), or a European company (*SE*) having its seat in Germany, and (ii) the squeeze-out is performed to facilitate a merger under the German Transformation Act (*Umwandlungsgesetz*) between the majority shareholder and the stock corporation. The shareholders' meeting approving the squeeze-out must take place within three months of the conclusion of the merger agreement. The procedure for the squeeze-out is essentially identical to the "squeeze-out under stock corporation law" described above, including the minority shareholders' right to have the appropriateness of the cash compensation reviewed.

Under Section 319 et seq. of the German Stock Corporation Act (*Aktiengesetz*), the shareholders' meeting of a stock corporation may vote for integration (*Eingliederung*) with another stock corporation that has its registered office in Germany, provided the prospective parent company holds at least 95% of the shares of the company to be integrated. The former shareholders of the integrated company are entitled to adequate compensation, which, generally, must be provided in the form of shares in the parent company. Where the compensation takes the form of shares in the parent company, it is considered appropriate if the shares are issued in the same proportion as the shares the parent company would have been issued per share in the integrated company if a merger had taken place. Fractional amounts may be paid out in cash.

VI. Shareholder Notification Requirements

After the Company's shares have been admitted to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Company, as a listed company, will be subject to the provisions of the German Securities Trading Act (*Wertpapierhandelsgesetz*) governing disclosure requirements for significant shareholdings.

Pursuant to Section 21 paragraph 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*), anyone who acquires, sells or whose shareholding in any other way reaches, exceeds or falls below 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the total number of voting rights in the Company, as an issuer whose country of origin (*Herkunftsstaat*) is Germany, is required to notify the Company and the

BaFin at the same time. Notifications must be submitted without undue delay, and no later than within four trading days. The four-day notification period starts at the time the person or entity subject to the notification requirement has knowledge of or, in consideration of the circumstances, should have had knowledge of his proportion of voting rights reaching, exceeding or falling below the aforementioned thresholds. The German Securities Trading Act (*Wertpapierhandelsgesetz*) contains a conclusive presumption that the person or entity subject to the notification requirement has knowledge two trading days after such an event occurs. Moreover, a person or entity is deemed to already hold shares as of the point in time such person or entity has an unconditional and due claim of transfer related to such shares pursuant to Section 21 paragraph 1 b) of the German Securities Trading Act (*Wertpapierhandelsgesetz*). In the case that a threshold has been reached or crossed due to a change in the total number of voting rights, the notification period starts at the time the person or entity subject to the notification requirement has knowledge about such change, or upon the publication of the revised total number of voting rights by the Company, at the latest.

In connection with these requirements, Section 22 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) contains various attribution rules. For example, voting rights attached to shares held by a subsidiary are attributed to its parent company. Similarly, voting rights attached to shares held by a third party for the account of a person or entity are attributed to such person or entity. Voting rights which a person or entity is able to exercise as a proxy according to such person's or entity's discretion are also attributed to such person or entity. Further, any coordination by a person or entity with a third party on the basis of an agreement or in any other way generally results in an attribution of the full amount of voting rights held by, or attributed to, the third party as well as to such person or entity. Such acting in concert generally requires a consultation on the exercise of voting rights or other efforts designed to effect a permanent and material change in the business strategy of the Company. Accordingly, the exercise of voting rights does not necessarily have to be the subject of acting in concert. Coordination in individual cases, however, is not considered as acting in concert.

Similar obligations to notify the Company and the BaFin apply pursuant to Section 25 paragraph 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) to anyone who reaches, exceeds or falls below the aforementioned thresholds, except for the 3% threshold, by directly or indirectly holding instruments either (i) giving their holder the unconditional right or discretion to acquire already issued shares of the Company to which voting rights are attached, or (ii) relating to such shares and having a similar economic effect, whether or not conferring a right to a physical settlement. Pursuant to Section 25 paragraph 2 of the German Securities Trading Act (*Wertpapierhandelsgesetz*), such instruments include, in particular, transferable securities, options, futures, swaps, forward rate agreements and contracts for difference.

In addition, anyone whose aggregate number of voting rights and instruments pursuant to Sections 21 paragraph 1 and 25 paragraph 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) reaches, exceeds or falls below the aforementioned thresholds, except for the 3% threshold, has to notify the Company and the BaFin pursuant to Section 25a paragraph 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*).

If any of the aforementioned reporting obligations are triggered, the notifying person or entity is required to fully complete the notification form set forth as an annex to the German Securities Trading and Insider List Regulation (*Wertpapierhandelsanzeige- und Insiderverzeichnisverordnung*). The notice can be submitted either in German or English, in writing or via fax. The notice must include, irrespective of the event triggering the notification, (i) the number and proportion of voting rights, (ii) the number and proportion of instruments and (iii) the aggregate number and proportion of voting rights and instruments held by or attributed to the notifying person or entity. In addition, the notice must include certain attribution details, among other things, the first name and surname of the notifying individual or the legal name, seat and state of a notifying entity, the event triggering the notification, the date on which the threshold was reached or crossed and, if voting rights or instruments are attributed.

As a domestic issuer, the Company must publish such notices without undue delay, but no later than three trading days following receipt, via media outlets or outlets where it can be assumed that the notice will be disseminated in the entire EU and in the non-EU member states that are parties to the agreement in the EEA. The Company must also transmit the publication to the BaFin, specifying the time of publication and the media used and to the German Company Register (*Unternehmensregister*) for storage.

There are certain exceptions to the notice requirements. For example, a company is exempt from its notification obligation if its parent company, or if its parent company is itself a subsidiary, the parent's parent company, has filed a group notification pursuant to Section 24 paragraph 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*). Moreover, shares or instruments held by a credit institution or a credit securities services company with a registered seat in the EU or in a non-EU member state that is a party to the Agreement in the EEA are not taken into account for determining the notification obligation or proportion of voting rights held, *provided* (i) they are held in such credit institution's or credit securities

services company's trading book, (ii) they amount to no more than 5% of the voting shares, do not grant the right to acquire more than 5% of the voting shares, or do not have a similar economic effect and (iii) it is ensured that the voting rights held by them are not exercised or otherwise made use of.

If a shareholder fails to file a notice or provides false information with regard to shareholdings pursuant to Sections 21 and 22 of the German Securities Trading Act (*Wertpapierhandelsgesetz*), the rights attached to shares held by or attributed to such shareholder, particularly voting and dividend rights, do not exist for the duration of the failure. This does not apply to entitlements to dividend and liquidation gains if the notifications were not omitted willfully and have since been made. If the shareholder fails to disclose the correct proportion of voting rights held and the shareholder acted willfully or was grossly negligent, the rights attached to shares held by or attributed to such shareholder do not exist for a period of six months after such shareholder has correctly filed the necessary notification, except if the variation in the proportion of the voting rights notified in the preceding incorrect notification was less than 10% of the actual voting right proportion and no notification with respect to reaching, exceeding or falling below the aforementioned thresholds pursuant to Section 21 paragraph 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) was omitted. The same rules apply to shares held by a shareholder, if such shareholder fails to file a notice or provides false information with regard to holdings in instruments or aggregate holdings in shares and instruments pursuant to Sections 25 paragraph 1, 25a paragraph 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*). In addition, a fine may be imposed for failure to comply with notification obligations.

A shareholder who reaches or exceeds the threshold of 10% of the voting rights, or a higher threshold, is obligated to notify the Company within 20 trading days regarding the objective being pursued through the acquisition of voting rights, as well as regarding the source of the funds used for the purchase. Changes in those objectives must also be reported within 20 trading days. The Articles of Association have not made use of the option to release shareholders from this disclosure obligation. In calculating whether the 10% threshold has been reached or exceeded, the attribution rules mentioned above apply.

VII. MANDATORY TAKEOVER BIDS

Pursuant to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), every person whose share of voting rights reaches or exceeds 30% of the voting shares of the Company is obligated to publish this fact on the internet and by means of an electronically operated system for disseminating financial information, unless an exemption from this obligation has been granted by the BaFin. If no exemption has been granted, this publication has to be made within seven calendar days and include the total amount of voting rights held by and attributed to such person and, subsequently, such person is further required to submit a mandatory public tender offer to all holders of shares in the Company. The German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) contains a series of provisions intended to ensure the attribution of shareholdings to the person who actually controls the voting rights attached to the shares, comparable to the attribution rules described above for shareholdings pursuant to Section 22 of the German Securities Trading Act (*Wertpapierhandelsgesetz*). If a bidder fails to give notice of reaching or exceeding the 30% threshold or fails to submit the mandatory tender offer, the bidder is barred from exercising the rights associated with these shares, including voting rights, for the duration of the delinquency. In case of willful failure to publish the notice of acquisition of control over another company or submission of a mandatory tender offer or willful failure to subsequently send those notices in a timely fashion, the bidder is also not entitled to dividends. A fine may also be imposed in case of non-compliance with the notification obligations described above.

VIII. DISCLOSURE OF TRANSACTIONS OF PERSONS DISCHARGING MANAGEMENT RESPONSIBILITIES

Pursuant to Article 19 of the Market Abuse Regulation (EU) No. 596/2014 of April 16, 2014 ("**MAR**"), persons discharging managerial responsibilities ("**Executives**") shall notify the Company and the BaFin of every transaction conducted on their own account relating to the shares or debt instruments of the Company or to derivatives or other financial instruments linked thereto (so-called managers' transactions). The same applies to persons closely associated with Executives. Transactions that must be notified shall also include, among others, the pledging or lending of financial instruments, transactions undertaken by any person professionally arranging or executing transactions on behalf of an Executive or a closely associated person, including where discretion is exercised, as well as transactions made under a life insurance policy. The notification requirement shall apply to any subsequent transaction once a total amount of €5,000 has been reached within a calendar year. BaFin may decide to increase the threshold to €20,000. Notification shall be made promptly and no later than three business days after the date of the transaction.

For the purposes of MAR, Executive means a person within the Company who is a member of the administrative, management or supervisory body of the Company or a senior executive who is not such

member but who has regular access to inside information relating directly or indirectly to the Company and who has power to take managerial decisions affecting the future developments and business prospects of the Company. A person closely associated with an Executive means a spouse, a registered civil partner (*eingetragener Lebenspartner*), a dependent child as well as a relative who has shared the same household for at least one year on the date of the transaction concerned. A person closely associated also includes a legal person, trust or partnership, the managerial responsibilities of which are discharged by an Executive of the Company or by another person closely associated with him. Finally, the term includes a legal person, trust or partnership, which is directly or indirectly controlled by an Executive of the Company or by another person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

The Company shall ensure that the information of which it is notified is promptly made public. In any case, it shall be made public no later than three business days after the transaction in a manner which enables fast access to this information on a non-discriminatory basis in accordance with European Securities and Markets Authority's implementing technical standards. Furthermore, according to the German Securities Trading Act (*Wertpapierhandelsgesetz*), the Company shall without undue delay transmit the information to the German Company Register (*Unternehmensregister*) and notify BaFin. Non-compliance with the notification requirements may result in a fine.

IX. Post-Admission Disclosure Requirements

As a result of the intended admission of the Company's shares to trading on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Company will for the first time be subject to the legal disclosure requirements for stock corporations listed in Germany. These disclosure requirements include, among others, periodic financial reporting (disclosure of annual and half-year financial reports), regular calls with securities and industry analysts, and other required disclosures according to the German Securities Trading Act (*Wertpapierhandelsgesetz*) as well as disclosure requirements under the MAR. The Company will also be obliged under the Listing Rules of the Frankfurt Stock Exchange (*Börsenordnung für die Frankfurter Wertpapierbörse*), as amended from time to time, to publish quarterly statements (unless the Company prepares quarterly financial reports), as the Company's shares are to be listed on the Prime Standard sub-segment of the regulated market of the Frankfurt Stock Exchange.

Pursuant to Article 17 MAR, the Company shall inform the public as soon as possible of inside information (as defined below) which directly concerns the Company. In such case the Company shall also, prior to informing the public, inform the BaFin and the management of the trading venues and facilities (*Geschäftsführungen der Handelsplätze*) where financial instruments of the Company have been admitted to trading or been included in such trading, and, after publication, without undue delay transmit the information to the German Company Register (*Unternehmensregister*).

Inside information comprises, among others, any information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments.

The Company may, on its own responsibility, delay disclosure if (i) immediate disclosure is likely to prejudice the legitimate interests of the Company, (ii) delay of disclosure is not likely to mislead the public and (iii) the Company is able to ensure that the inside information will remain confidential. In such case, the Company shall also inform BaFin that disclosure of the information was delayed and shall provide a written explanation of how the conditions set out in the preceding sentence were met, immediately after the information is disclosed to the public. Where disclosure of inside information has been delayed and the confidentiality of that inside information is no longer ensured, the Company shall disclose such inside information to the public as soon as possible.

M. MANAGEMENT

I. Overview

The Company's corporate bodies are the Management Board (*Vorstand*), the Supervisory Board (*Aufsichtsrat*) and the shareholders' meeting (*Hauptversammlung*). The Company has a two-tier management and control system, consisting of the Management Board and the Supervisory Board. The powers and responsibilities of these governing bodies are determined by the German Stock Corporation Act (*Aktiengesetz*), the Articles of Association (*Satzung*) and the rules of procedure for the Supervisory Board (*Geschäftsordnung für den Aufsichtsrat*) and the Management Board (*Geschäftsordnung für den Vorstand*).

The Management Board is responsible for managing the Company in accordance with applicable law, the Articles of Association and the rules of procedure for the Management Board, including the schedule of responsibilities (*Geschäftsverteilungsplan*), taking into account the resolutions of the shareholders' meeting. The members of the Management Board represent the Company in dealings with third parties.

Simultaneous management and supervisory board membership in a German stock corporation is not permitted under German law. However, in exceptional cases and for an interim period, a member of the supervisory board may take a vacant seat on the management board of the same German stock corporation. During this period, such individual may not perform any duties for the supervisory board. Such stand-in arrangement is limited in time for a maximum period of one year.

The German Stock Corporation Act (*Aktiengesetz*) and the Company's Articles of Association allow the Management Board to consist of one or more members, with the Supervisory Board determining their exact number. The Supervisory Board also appoints the members of the Management Board and is entitled to dismiss each of them under certain circumstances. As set out in the German Stock Corporation Act (*Aktiengesetz*), the Supervisory Board advises and oversees the Management Board's administration of the Company but is not itself authorized to manage the Company. The Articles of Association of the Company or the Supervisory Board must, however, designate the types of transactions that may only be made with the approval of the Supervisory Board. Matters subject to the prior consent of the Supervisory Board or of a committee of the Supervisory Board currently include, in particular:

- setting the goals of the business and the annual and multi-year planning;
- changes of the Company's or the group's organization;
- acquisition and sale of enterprises or participations in enterprises, if the value of the measure exceeds €5,000,000, in the individual case;
- acquisition and sale of fixed assets, if the value of the measure exceeds €1,000,000, in the individual case;
- acquisition, sale, encumbrance and development of real estate and similar rights or rights in real estate in excess of €1,000,000, in the individual case;
- taking on new business fields or ceasing the engagement in current business fields;
- issuance of notes;
- entering into loan agreements which are not reflected in the annual budget, if the loan amount exceeds €1,000,000, and in any event entering into loan agreements with a loan amount exceeding €5,000,000;
- assumption of sureties, guaranties or any similar liability and providing of collateral for third-party outside the normal course of business, or if the value of such measure exceeds €1,000,000, in the individual case;
- transactions foreign to the business which are not reflected in the annual budget, if the value of the relevant measure exceeds €1,000,000;
- transactions with members of the Management Board or the Supervisory Board and/or any of their affiliated companies or related persons (*nahestehende Personen*); and
- engagement, termination or other cancellation of employment agreements with employees who are entitled to a gross salary of more than €200,000 or a variable remuneration of more than €50,000 per annum.

The Management Board also requires to obtain the prior approval of the Supervisory Board if the Management Board makes decisions with regard to the above mentioned types of transactions in enterprises which are controlled by the Company or with regard to capital increases or enterprise agreements of affiliated companies.

In addition to the aforementioned transactions and measures, the Supervisory Board may make other types of transactions and measures subject to a requirement of its consent within the rules of procedure of the Management Board or of the Supervisory Board or by a resolution of its members. The Supervisory Board may also give revocable consent in advance to a certain group of transactions in general or to individual transactions that meet certain requirements.

Each member of the Management Board and Supervisory Board owes a duty of loyalty, duty of legality and duty of care to the Company. Members of these bodies must consider in their decision-making a broad spectrum of interests, particularly those of the Company and its shareholders, employees and creditors. In addition, the Management Board must take into consideration the shareholders' rights to equal treatment and equal access to information. If members of the Management Board or Supervisory Board breach their duties, they may be individually or jointly and severally liable with the other members of the Management Board or the Supervisory Board to the Company for compensatory damages, as the case may be.

Under German law, a shareholder generally has no right to proceed directly against members of the Management Board or Supervisory Board to assert a breach of their duties to the Company. In general, only the Company has the right to enforce claims for damages against the members of the Management Board or Supervisory Board. With respect to claims against Supervisory Board members, the Company is represented by the Management Board, and the Supervisory Board represents the Company with respect to claims against members of the Management Board. Under a decision of the German Federal Supreme Court (*Bundesgerichtshof*), the Supervisory Board is required to assert damages claims against the Management Board if they are likely to succeed unless significant interests of the Company conflict with the pursuit of such claims and outweigh the reasons for bringing such claim. Even if they decide not to pursue a claim, the Management Board and the Supervisory Board must nevertheless assert the Company's claims for damages if a resolution to this effect is passed by the shareholders' meeting with a simple majority vote. The shareholders' meeting may also appoint a special representative (*besonderer Vertreter*) to assert the claims. Such a special representative may also be appointed by the court upon a petition by shareholders whose shares cumulatively make up 10% of the share capital or a *pro rata* share of €1,000,000. In addition, the shareholders' meeting may appoint a special auditor (*Sonderprüfer*) to audit transactions, particularly management transactions, by simple majority vote. If the shareholders' meeting rejects a motion to appoint a special auditor, the court must appoint a special auditor upon the petition of shareholders whose shares cumulatively constitute 1% of the share capital at the time the petition is filed or constitute a *pro rata* share of €100,000 if facts exist that justify the suspicion that the behavior in question constituted dishonesty or gross violations of the law or the articles of association. If the shareholders' meeting appoints a special auditor, the court must appoint another special auditor upon the petition of shareholders whose shares cumulatively constitute 1% of the share capital at the time the petition is filed or constitute a *pro rata* share of €100,000 if this appears necessary, in particular because the appointed special auditor is unsuited.

Shareholders and shareholder associations can solicit other shareholders to file a petition, jointly or by proxy, for a special audit, for the appointment of a special representative, or to convene a shareholders' meeting or exercise voting rights in a shareholders' meeting in the shareholders' forum of the German Federal Gazette (*Bundesanzeiger*), which is also accessible via the website of the German Company Register (*Unternehmensregister*). If there are facts that justify the suspicion that the Company was harmed by dishonesty or a gross violation of law or the articles of association, shareholders who collectively hold 1% of the share capital or a *pro rata* share of €100,000 may also, under certain further conditions, seek damages from members of the Company's governing bodies in their own names through court proceedings seeking leave to file a claim for damages. Such claims, however, become inadmissible if the Company itself files a claim for damages.

The Company may only waive or settle claims for damages against members of the Management Board or Supervisory Board three years after such claims arose and if the shareholders grant their consent at the shareholders' meeting by simple majority vote and if no objection is raised and documented in the minutes of the shareholders' meeting by shareholders whose shares cumulatively constitute 10% of the share capital.

Under German law, individual shareholders and all other persons are prohibited from using their influence on the Company to cause a member of the Management Board or the Supervisory Board to take an action detrimental to the Company. A shareholder with a controlling influence may not use that influence to cause the Company to act contrary to its own interests unless there is a domination agreement (*Beherrschungsvertrag*) between the shareholder and the Company and unless the influence remains within the boundaries of certain mandatory provisions of law or compensation is paid for the disadvantages that arise. Any person who intentionally uses his influence on the Company to cause a member of the Management Board or the Supervisory Board, an authorized representative (*Prokurist*) or an authorized agent (*Handlungsbevollmächtigter*) to act to the detriment of the Company or its shareholders is liable to

compensate the Company and the affected shareholders for the resulting additional losses. Alongside a person who uses his influence to the detriment of the Company, the members of the Management Board and Supervisory Board can be jointly and severally liable, if they acted in violation of their duties.

II. MANAGEMENT BOARD

1. Overview

The Management Board consists of one or more members with the Supervisory Board determining their number. The Supervisory Board appoints members of the Management Board for a maximum term of five years. The Supervisory Board may appoint members of the Management Board to act as chairman and deputy chairman of the Management Board.

Reappointment or extension of the term of members of the Management Board, each for a maximum period of up to five years, is permissible. The Supervisory Board may revoke the appointment of a member of the Management Board prior to the expiration of the member's term for good cause, such as a gross breach of fiduciary duty, or if the shareholders' meeting passes a vote of no-confidence with respect to such member, unless the no-confidence vote was clearly unreasonable. The Supervisory Board is also responsible for entering into, amending and terminating service agreements with members of the Management Board and, in general, for representing the Company in and out of court *vis-à-vis* the Management Board.

If the Management Board has only two members, it has a quorum if all its members take part in the voting, and if it has three or more members, if at least half of its members take part in the voting. Generally, resolutions of the Management Board must be approved in a meeting. At the order of the chairman of the Management Board, resolutions may also be passed in a telephone of video conference or outside of meetings by casting votes in writing, by text form, or orally. The Management Board adopts resolutions by a majority of its members unless the Management Board consists of two members, in which case resolutions have to be passed by two unanimous votes. Further details, particularly regarding composition, duties, overall responsibility, allocation of responsibility for particular functions and internal organization are governed by the rules of procedure of the Management Board which were resolved upon by the Supervisory Board on June 23, 2017 and entered into force on the same day.

The Company is legally represented by two members of the Management Board or by one member of the Management Board together with an authorized representative (*Prokurist*); if only one member of the Management board is appointed, such member solely represents the Company.

The internal rules of procedure of the Management Board provide for a delegation of responsibilities to individual members of the Management Board on the basis of the business responsibility plan (*Geschäftsverteilungsplan*). The business responsibility plan is an annex to the rules of procedure of the Management Board and it falls within the Supervisory Board's power to pass, change or repeal the business responsibility plan for the Management Board.

2. Members of the Management Board

The following table lists the current members of the Management Board and their respective responsibilities:

Name/Position	Age	First appointed on	Appointed until	Responsibilities
Lars Brorsen Chief Executive Officer	65	June 23, 2017	December 31, 2019	• Marketing/Sales • Quality/Environment • Human Resources • Research & Development
Christoph Hobo Chief Financial Officer	40	June 23, 2017	December 31, 2019	• Finance and Treasury • Accounting and Reporting • Controlling • IT • Legal and Compliance • Investor Relations
Dr. Ralf Eichler Chief Operations Officer	53	June 23, 2017	December 31, 2019	• Purchasing • Production • Logistics

The following description provides summaries of the *curricula vitae* of the current members of the Management Board and indicates their principal activities outside the Group to the extent those activities are significant with respect to the Group.

Lars Brorsen was born on January 14, 1952 in Kerteminde, Denmark. Mr. Brorsen holds a degree in business management from the University of Odense, Denmark and a degree of economics from the University of Aarhus, Denmark. In 1978, Mr. Brorsen started his career as a trainee at TRW Carr Worldwide in Boston, United States. Mr. Brorsen continued to work for TRW Inc. and its affiliated entities in a variety of positions, rising to the position of vice-president of TRW Inc. and managing director of TRW Occupant Restraint Systems Europe and Fastener Worldwide. In 1997, he was appointed president of MCC-Smart, within the DaimlerChrysler AG group. In 1998, Mr. Brorsen was appointed as a member of the board of directors of Bang & Olufsen, A/S, and from 2007 until 2010, he served as the vice chairman of its board of directors. In 2000, he joined the JOST Group as CEO and continues to serve in that role.

Christoph Hobo was born on January 11, 1977 in Ulm, Germany. Mr. Hobo holds a master's degree in business administration (*Diplom-Kaufmann*) from the European Business School, Oestrich-Winkel. In 2002, he joined the Investment Banking division of UBS in London. From September 2004, he worked for Cinven where he was promoted to Principal in 2007, having worked on several pan-European transactions. In 2010, he moved to Japan to open Rocket Internet Japan in Tokyo, acting as Managing Director, and to co-found the e-commerce company locondo.jp. At the end of 2011, he re-joined Cinven's investment team in Frankfurt before being appointed Executive Member of the Board (*Vorstand*) of Aktivoptik Service AG in September 2013, where he was responsible for sales and marketing, purchasing, strategy and expansion. In 2016, he joined the JOST Group as our CFO.

Dr. Ralf Eichler was born on February 6, 1964 in Öhringen, Germany. Dr. Eichler holds a master's degree in mechanical engineering (*Diplom-Ingenieur für Maschinenbau*) from the University of Karlsruhe. In 1996, he obtained a doctoral degree in engineering (*Dr.-Ingenieurwissenschaft*). Dr. Eichler began his professional career as a research and project engineer at the Institute for Machine Tools of the University Stuttgart. In 1995, he joined Nagel GmbH & Co. KG as a sales and project manager. From 1998 until 2000, Dr. Eichler worked as an operation manager at LUK Fahrzeug-Hydraulik GmbH & Co. KG. In 2000, he joined JOST-Werke Deutschland GmbH (formerly known as "JOST-Werke GmbH") to serve as a plant manager until his appointment in 2010 as managing director of JOST-Werke Deutschland GmbH. In 2004, Dr. Ralf Eichler was appointed as a managing director of Regensburger Zuggabel GmbH. Since 2006 Dr. Ralf Eichler has served as a managing director at JOST Hungaria Bt, since 2008 he has served as a managing director of JOST Polska Sp. z o.o, and since 2011 as managing director of Eicom GmbH, Dreieich, Germany. In 2010, Dr. Ralf Eichler was appointed as managing director of the JOST-Werke Deutschland GmbH, and since then serves as our COO.

All members of the Management Board may be reached at the Company's offices at Siemensstraße 2, 63263 Neu-Isenburg, Germany (tel. +49 (0) 6102 295 0).

The following overview lists all of the companies and enterprises in which the members of the Management Board currently hold seats or have held seats on administrative, management or supervisory boards, or comparable German or foreign supervisory bodies, or of which they were partners during the last five years, with the exception of the Company and the subsidiaries of the Group:

Lars Brorsen

Current seats:
- Chairman of the supervisory board of Dinex
- Member of the supervisory board of JOST Brasil SAL, Caxias do Sul, Brazil
- Managing director of Langholm GmbH, Heubach, Germany

Past seats:
- Member and vice chairman of the board of directors of Bang & Olufsen A/S, Struer, Denmark

Christoph Hobo

Current seats:
- Chairman of the Advisory Board of Mycs GmbH, Berlin, Germany
- Managing director of Kadric UG (haftungsbeschränkt), Frankfurt am Main, Germany

Past seats:
- Member of the Supervisory Board of Aktivoptik Service AG, Bad Kreuznach, Germany

Dr. Ralf Eichler

Current seats:
- Managing director of Eicom GmbH, Dreieich, Germany

Past seats:
- None

3. Remuneration and Other Benefits of the Members of the Management Board

Under the current service agreements, the compensation of the members of the Management Board consists of a fixed annual salary that is payable in 12 equal installments at the end of each calendar month and that amounts to €1,440,000 gross in the aggregate for all three members of the Management Board as

well as of a performance-related variable cash payment in the form of a short-term and a long-term incentive. In addition, the Management Board members are entitled to certain special payments and benefits in kind.

In addition to the fixed annual salary, the members of the Management Board are entitled to an annual performance-related variable remuneration the total amount of which is (i) depending on the achievement of a certain consolidated Group EBITDA target as determined by the Supervisory Board for each relevant business year, and (ii) converted into a short-term incentive ("**STI**") and a long-term incentive ("**LTI**") component. For each member of the Management Board, the variable remuneration component is capped at an amount that equals twice the individual annual fixed salary ("**Total Bonus**"). There is no entitlement to a variable remuneration for a given fiscal year if the targeted consolidated Group EBITDA is not achieved to at least 80%. The Total Bonus for a given fiscal year is converted into a STI component equaling 45% of the achieved Total Bonus and a LTI component that can amount to up to 55% of the achieved Total Bonus in the event that the Group's consolidated EBITDA in the fiscal year following the relevant fiscal year equals at least the Group's consolidated EBITDA of the Group that was achieved in the previous fiscal year. In the event a service agreement ceases to be effective in the course of a given calendar year, the fixed and the variable remuneration for that year shall be granted on a *pro rata temporis* basis.

Further, Lars Brorsen is entitled to a one-time payment in the amount of €750,000 gross to be paid by JOST-Werke Deutschland GmbH provided that the Company is listed on a stock exchange not later than July 31, 2017. This payment will become due on August 31, 2017.

In addition to the STI and the LTI granted under the service agreement, Christoph Hobo and JOST-Werke Deutschland GmbH have entered into a virtual stock option agreement ("**VSOP**") under which Mr. Hobo shall be granted a virtual participation initially corresponding to an economic participation of the common shares in Jost-Global. Payments by JOST-Werke Deutschland GmbH to Mr. Hobo under the VSOP shall be conditional upon certain "measurement events" which demonstrate the value generation of JOST-Werke Deutschland GmbH. The "measurement event" means any direct or indirect sale of the shares in JOST-Werke GmbH, including by way of IPO, (or any other comparable form of disposal, including but not limited to a sale of all or substantial all of the assets of Jost Group) until 100% of these shares have been sold directly or indirectly. In such case, he is entitled to payment of a certain bonus amount ("**Bonus Amount**") by JOST-Werke Deutschland GmbH whereby the Bonus Amount is, amongst other conditions, dependent on the listing price and the weighted average price of the shares in the Company. All amounts payable under the VSOP are gross amounts, *i.e.* applicable taxes and duties may be withheld.

In addition to the fixed and the variable remuneration, the members of the Management Board are entitled to further benefits such as continued payment of the fixed and the variable remuneration for a certain period in time in the event of an incapacity to perform services due to illness, participation in the group accident insurance, usage of a company car for business and private use and reimbursements of all out-of-pocket expenses, including travel expenses, properly and reasonably incurred by the member of the Management Board in the course of his services in accordance with the applicable policies of the Company. Christoph Hobo and Dr. Ralf Eichler are further entitled to a fixed annual contribution payment that they may convert into an occupational pension component and Lars Brorsen is entitled to an occupational pension paid by JOST-Werke Deutschland GmbH.

The members of the Management Board are covered by directors and officers ("**D&O**") insurance policies with reasonable coverage and a deductible in line with the respective provisions of the German Stock Corporation Act (*Aktiengesetz*) of 10% of the damage but not exceeding 150% of the fixed annual remuneration of the respective board member. The D&O insurance policies cover financial losses arising from certain breaches of duty on part of a member of the Management Board in the course of service.

During the term of the service agreement, the member of the Management Board is prohibited from working for a company that is a direct or indirect competitor of the Company or that is affiliated with such a competitor without the prior written approval of the Supervisory Board. Likewise, the member of the Management Board is prohibited from establishing, acquiring or directly or indirectly investing in such a competing company. However, the member of the Management Board is allowed to invest in any listed company to the extent that his interest in such company does not exceed 5% of the voting rights.

The respective terms of the service agreements between the members of the Management Board and the Company began with effect as of the date on which the appointment as member of the Management Board became effective and run in each case with a fixed term until the end of the appointment as member of the Management Board on the expiry of December 31, 2019. In the event of a re-appointment as member of the Management Board, the term of the service agreements of Dr. Ralf Eichler and Lars Brorsen extend accordingly. In case Christoph Hobo is not offered an extension of the term of his service agreement twelve months before the end of the regular term, he may terminate the service agreement prematurely with a notice period of six months to the end of the month. During the term, the service

agreement may only be terminated for good cause. In case the office as member of the Management Board ends prematurely and in the event of a suspension, the Company is entitled to release the member of the Management Board from the duty of service, regarding Lars Brorsen (i) under continued payment of the fixed and variable remuneration if and for the period in which Mr. Brorsen is released from the duty to perform services during the first year of the term of his service agreement and (ii) under continued payment of the fixed remuneration until the end of his service agreement thereafter, regarding Dr. Ralf Eichler and Christoph Hobo under continued payment of the fixed and half of the variable remuneration for the remaining term of the service agreement. No entitlement to continued payment of (parts of) the remuneration exists in the event of a termination of the service agreement for good cause.

Further, the service agreements automatically expire at the end of the month in which the relevant member of the Management Board reaches the applicable statutory retirement age, or the age of 70 in the case of Lars Brorsen. In case, a permanent invalidity preventing the member of the Management Board from performing his duties has been determined, the service agreements would automatically expire at the end of the calendar quarter in which such a determination was made.

In the event of a premature termination of the service agreement other than for good cause, the agreements provide that any payments to the member of the Management Board shall be capped at the lower of (i) two years' total remuneration, or (ii) the total remuneration for the remainder of the term of the service agreement.

During the year ended December 31, 2016, based on the service agreements previously in force, we recorded a total remuneration of €3.6 million for the members of the Management Board, including former members employed during the year ended December 31, 2016.

4. Shareholdings of the Members of the Management Board in the Company

The members of the Management Board directly or indirectly hold the following shareholdings in the Company:

As of the date of this prospectus, Lars Brorsen, Christoph Hobo and Dr. Ralf Eichler indirectly hold 13.4%, 0.0% and 1.8%, respectively, of the share capital in the Company. For more information on the Company's shareholders, see *J. "Shareholder Information"*).

III. SUPERVISORY BOARD

1. Overview

In accordance with the Articles of Association and Sections 95 and 96 of the German Stock Corporation Act (*Aktiengesetz*), the Supervisory Board consists of six members. All of the members are elected by the Company's shareholders' meeting. The shareholders' meeting may, at the time of election of Supervisory Board members, appoint substitute members who shall replace members of the Supervisory Board leaving office before the end of their term or whose election has been successfully contested. The term of office of such substitute members shall terminate at the end of the Company's shareholders' meeting in which a successor is elected and at the latest at the end of the term of office of the leaving member. If the substitute member whose term of office has terminated due to the election of a successor was appointed as substitute member for several members of the Supervisory Board, its position as substitute member shall revive. Re-election of members of the Supervisory Board is possible.

Unless otherwise specified at the time of their election, the term of office of each Supervisory Board member, as well as the term of each substitute member, ends at the conclusion of the shareholders' meeting that resolves on the formal approval of the members' acts for the fourth fiscal year following the commencement of their term of office, not including for this calculation the fiscal year in which the term of office began. For members of the Supervisory Board who leave office before the end of their term, a successor shall be elected for the remaining term of the member who has left office unless the Company's shareholders' meeting specifies another term for such successor. The same applies if a successor has to be elected due to a challenge of the election.

Supervisory Board members elected by the shareholders' meeting may be removed by a resolution of the shareholders' meeting if such resolution is approved by a majority of 75% of the votes cast. In addition, each member of the Supervisory Board and each substitute member may resign from office even without good cause with one month written notice issued to the chairman of the Supervisory Board or, in case of a resignation by the chairman, to his/her deputy. The chairman of the Supervisory Board or, in case of a resignation by the chairman, his/her deputy, can consent to a shortening or to a waiver of this period. Following the shareholders' meeting, in the course of which the members of the Supervisory Board have been elected for a new term, the Supervisory Board will elect a chairman and a deputy chairman from among its members to serve for the duration of those members' terms of office as members of the

Supervisory Board, unless a shorter period is determined at the time of their respective election. If the chairman or his/her deputy leaves such office before the end of his/her term, the Supervisory Board shall conduct a new election without undue delay.

The Supervisory Board shall adopt internal rules of procedure in accordance with mandatory statutory provisions and the Articles of Association. It is further authorized to establish committees in accordance with the law and the Articles of Association. To the extent permitted by law or by the Articles of Association, the Supervisory Board may delegate any of its duties, decision-making powers and rights to its chairman, to one of its members or to committees established from among its members. The Supervisory Board shall determine the composition, competences and procedures of the committees. The current version of the Supervisory Board's internal rules of procedure was passed by resolution of the Supervisory Board on June 23, 2017. The Supervisory Board is entitled to resolve amendments to the Articles of Association if such amendments only relate to the wording. The Supervisory Board must hold at least two meetings in each calendar half-year. Meetings of the Supervisory Board must be called at least 14 days in advance by the chairman of the Supervisory Board, not including the day on which the invitation is sent and the day of the meeting itself. Notice of meetings may be given in writing, by telefax, by email or any other customary means of communication. In urgent cases the chairman may shorten this period and may call the meeting orally or by telephone.

The Articles of Association and the internal rules of procedure for the Supervisory Board provide that resolutions of the Supervisory Board shall generally be passed in meetings. At the order of the chairman or with the consent of all Supervisory Board members, meetings of the Supervisory Board may also be held in the form of a telephone conference or by other electronic means of communication (especially by video conference). If agreed, individual members of the Supervisory Board may be connected to the meetings via telephone or by other electronic means of communication (especially by video link), and in such cases, resolutions may also be passed by way of telephone conference or by other electronic means of communication (especially by video conference). Absent members of the Supervisory Board or members who do not participate in, or are not connected to, the telephone or video conference can also participate in the passing of resolutions by submitting their votes in writing through another Supervisory Board member. In addition, they may also cast their vote prior to or during the meeting or following the meeting within a reasonable period as determined by the chairman of the Supervisory Board in oral form, by telephone, by telefax, by email or any other customary means of communication. Objections to the form of voting determined by the chairman are not permitted. Resolutions may also be passed outside of meetings in writing, by telefax or by email or any other comparable means of communication, whereas the aforementioned forms may also be combined, at the order of the chairman of the Supervisory Board if preceded by reasonable notice or if all members of the Supervisory Board participate in the adoption of the resolution. Members who abstain from voting are considered to take part in the resolution.

The Articles of Association and the rules of procedure for the Supervisory Board provide that the Supervisory Board has a quorum if at least half of the members of which it has to consist of in total take part in the voting. Absent members of the Supervisory Board or members who do not participate or are connected via telephone or via other electronic means of communication (especially via video conference), and who cast their vote in the aforementioned ways as well as members who abstain from voting, are considered to take part in the voting for purposes of the required quorum. Resolutions of the Supervisory Board are passed, unless otherwise provided by mandatory law, by a simple majority of the votes cast. For purposes of passing a resolution, abstentions do not count as votes cast. If a vote in the Supervisory Board results in a tie, the chairman has the deciding vote. In the absence of the chairman of the Supervisory Board, the deputy chairman's vote shall not be decisive.

2. Members of the Supervisory Board

The table below lists the current members of the Supervisory Board.

Name	Age	Member since	Appointed until[1]	Responsibilities	Principal occupation
Manfred Wennemer	69	June 23, 2017	2022	Chairman of the Supervisory Board; chairman of the Presiding- and Nomination Committee	Member of management boards and supervisory boards (see below)
Jürgen Schaubel	54	June 23, 2017	2022	Member of the Supervisory Board; chairman of the Audit Committee	Senior advisor to Oaktree Capital Management

Name	Age	Member since	Appointed until[1]	Responsibilities	Principal occupation
Klaus Sulzbach	58	June 23, 2017	2022	Member of the Supervisory Board; member of the Audit Committee	Freelance Certified Public Accountant
Prof. Dr. Bernd Gottschalk	74	June 23, 2017	2022	Member and deputy chairman of the Supervisory Board; member of the Presiding- and Nomination Committee	Managing partner of AutoValue GmbH
Natalie Hayday	41	June 23, 2017	2022	Member of the Supervisory Board; member of the Audit Committee	Investment Professional
Rolf Lutz	64	June 23, 2017	2022	Member of the Supervisory Board; member of the Presiding- and Nomination Committee	Mechanical Engineer

1 The Supervisory Board members are appointed until the end of the shareholders' meeting which resolves upon the discharge (*Entlassung*) of the members of the Supervisory Board for the fourth financial year after the beginning of the term (i.e., for the financial year ending December 31, 2021).

The following overview lists all of the companies and enterprises in which the members of the Supervisory Board currently hold seats or have held seats on administrative, management or supervisory boards, or comparable German or foreign supervisory bodies, or of which they were partners during the last five years, with the exception of the Company and the subsidiaries of the Group:

Manfred Wennemer

Current seats:
- Member of the supervisory board of Allianz Deutschland AG, Munich, Germany
- Member of the advisory council of Brückner Technology Holding GmbH, Siegsdorf, Germany
- Chairman of the shareholders committee of Hella KGaA Hueck & Co, Lippstadt, Germany
- Chairman of the supervisory board of Apleona GmbH, Neu-Isenburg, Germany
- Member of the board of TI Fluid Systems plc, UK
- Member of the board of PIAB International AB, Täbi, Sweden
- Member of the board of directors of Eurochem AG, Zug, Switzerland

Past seats:
- Chairman of the supervisory board of SAG Group GmbH, Langen, Germany
- Member of the board of directors of NV Bekaert S.A., Kortrijk, Belgium
- Deputy Chairman of the supervisory board of Knorr Bremse AG, Munich, Germany
- Deputy Chairman of the supervisory board of Knorr Bremse Systeme für Nutzfahrzeuge GmbH, Munich, Germany
- Chairman of the supervisory board of Kion Group GmbH, Wiesbaden, Germany
- Chairman of the supervisory board of Kion Holding1 GmbH, Wiesbaden, Germany
- Chairman of the supervisory board of Hochtief AG, Essen, Germany
- Member of the board of directors of Charter International PLC, Dublin, Ireland
- Member of the supervisory board of Peguform GmbH, Bötzingen, Germany
- Chairman of the board of directors (Verwaltungsrat) of Sulzer AG, Winterthur, Switzerland
- Chairman of the board of directors of Springer Science+Business Media S.A., Luxembourg

Jürgen Schaubel

Current seats:
- Member of the management board of JOST – Global GP S.à r.l., Luxembourg
- Member of the management board of Cintinori S.à r.l., Luxembourg
- Member of the management board of Jantinori 1 S.à r.l., Luxembourg
- Member of the board of directors of Veridis Environment Israel Ltd., Herzliya, Israel

- Chairman of the board of directors of InMEDiG Holding AG, Baar, Switzerland
- Managing director of JS Consultants GmbH, Baar, Switzerland

Past seats:
- Member of the board of directors of Grupo Panrico SAU, Barcelona, Spain
- Member of the board of directors of Bavaria Yachtbau GmbH, Gieblestadt, Deutschland
- Chairman of the board of directors of Marty SA, France
- Member of the board of directors of Kahrs AB, Nybro, Sweden
- Member of the Management board of Treofan Holdings, Frankfurt, Germany
- Member of the board of directors of Treofan Australia Ltd., Australia
- Chairman of the board of directors of Treofan Mexico, Mexico
- Chairman of the board of directors of GesundhietScout24, Duisburg, Germany
- Member of the board of directors of Scout24 Schweiz AG, Flamatt, Switzerland
- Member of the management board of Scout24 AG, Baar, Switzerland
- Member of the board of Aesculap Meditec AG, Jena, Germany
- Member of the board of Aesculap Malaysia Ltd., Penang, Malaysia

Klaus Sulzbach

Current seats:
- None

Past seats:
- Member of the advisory council of Gourmondo GmbH, Schwalmstadt, Germany

Prof. Dr. Bernd Gottschalk

Current seats:
- Member of the supervisory board of Schaeffler AG, Herzogenaurach, Germany
- Member of the supervisory board of Plastic Omnium S.A., Paris, France
- Member of the advisory council of Plastic Omnium Auto Components GmbH, Hörselberg-Hainich, Germany
- Member of the advisory council of Cintinori S.à r.l., Luxembourg
- Chairman of the advisory council of WOCO Franz Josef Wolf Holding GmbH, Bad Soden-Salmünster, Germany
- Chairman of Schlemmer Holding GmbH, Poing, Germany
- Chairman of the advisory council of Facton GmbH, Potsdam, Germany
- Member of the advisory council of Serafin Unternehmensgruppe GmbH, Munich, Germany
- Member of the advisory council of BLG Logistics Group AG & Co. KG, Bremen, Germany
- Member of the Economic Advisory Council Bankhaus Lampe, Düsseldorf, Germany
- Managing director of Autovalue GmbH, Frankfurt, Germany

Past seats:
- Chairman of the advisory council of Hay Holding GmbH, Bad Sobernheim, Germany
- Vice chairman of the supervisory board of Voith GmbH, Heidenheim, Germany
- Member of the supervisory board of Fuchs Petrolub AG, Mannheim, Germany
- Member of the supervisory board of Roche Diagnostics GmbH, Mannheim, Germany
- Member of the supervisory board of Roche Holding GmbH, Grenzach, Switzerland
- Chairman of the advisory council of Schaidt Innovations GmbH & Co. KG, Wörth am Rhein, Germany

Natalie Hayday

Current seats:
- Member of the supervisory board and audit committee of LEG Immobilien AG, Düsseldorf, Germany

Past seats:
- None

Rolf Lutz

Current seats:
- None

Past seats:
- Member of the management board of ZF Friedrichshafen AG, Friedrichshafen, Germany

The following description provides summaries of the curricula vitae of the current members of the Supervisory Board and indicates their principal activities outside the Group to the extent those activities are significant with respect to the Group.

Manfred Wennemer was born on September 19, 1947 in Ottmarsbocholt, Germany. Mr. Wennemer holds a degree in mathematics (*Diplom-Mathematiker*) from the University of Münster, Germany and an MBA from INSEAD in Fontainebleau, France. In 1974, he started his career as a project manager in the IT department at Procter & Gamble in Germany. From 1978 until 1980, Mr. Wennemer worked at Arthur D. Little where he again served as a project manager. In 1980, he joined Freudenberg & Co. KG where he served in various position until 1994, including, among others, as the head of planning and controlling in the nonwoven fabrics division in Germany, president and CEO of Freudenberg Nonwovens North America, head of Freudenberg's special nonwoven fabrics business unit for Europe, and head of spunbonded fabrics operations worldwide. From 1994 until 1998, Mr. Wennemer worked at Benecke-Kaliko AG where he served as the chairman of the management board before joining Continental AG as a member of the executive board responsible for the ContiTech division in May 1998. From 2001 until 2008, Mr. Wennemer served as the chairman of the management board of Continental AG.

Jürgen Schaubel was born on May 29, 1963, in Bönnigheim-Ludwigsburg, Germany. Mr. Schaubel holds a degree in business studies (*Diplom-Kaufmann*) from the University of Stuttgart. After his studies, he served as a trainee at Robert Bosch GmbH, Stuttgart, Germany. In 1993, Mr. Schaubel started his career at the Carl Zeiss Group where he served as the head of M&A and head of group controlling of subsidiaries. In 1995, Mr. Schaubel joined Aesculap AG, where he served as the head of controlling until 1997, at which point he was appointed as the CFO of Aesculap AG. From 2000 until 2004, Mr. Schaubel served as the chief financial officer (CFO) and the chief operations officer (COO) at Scout24 AG. In 2004, Mr. Schaubel joined Treofan Group where he served as the chief financial officer (CFO) and the chief restructuring officer (CRO). From 2007 until 2010, he served as the chief financial officer (CFO) and the chief restructuring officer (CRO) at Nybron Holding AB. In 2012, he joined Oaktree Capital Management where he currently serves as a senior member of the operational improvement team and is representative of Oaktree as a member of the Board at Veridis Israel.

Klaus Sulzbach was born on February 6, 1959, in Saarbrücken, Germany. Mr. Sulzbach holds a degree in business administration (*Diplom-Betriebswirt*) from the University for Applied Technology of Saarbrücken and a degree in business studies (*Diplom-Kaufmann*) from the University of Saarbrücken. In 1983, Mr. Sulzbach began his career at Arthur Andersen GmbH in Frankfurt, Germany where he was appointed as a certified tax consultant as well as a certified public accountant. Mr. Sulzbach remained at Arthur Andersen GmbH until 2002, becoming a corporate finance partner, serving in various roles including as a certified auditor and as head of transaction services. In 2002, Mr. Sulzbach joined EY GmbH in Frankfurt, Germany as a partner in transaction advisory services where he served as the head of transaction services in Frankfurt and Eschborn, Germany and as the sector leader of private equity. In 2015, he became a freelance senior advisor and certified auditor.

Prof. Dr. Bernd Gottschalk was born on June 10, 1943, in Lübeck, Germany. Prof. Dr. Gottschalk holds a degree in economics (*Diplom-Volkswirtschaftslehre*) from the University of Hamburg. In 1971, he received his doctorate in political science and economics (*Dr. rer. pol.*) from the University of Hamburg. From 1972 until 1996, Prof. Dr. Gottschalk served in various functions at Daimler Benz AG, including being appointed in 1982 as global head of public relations, commercial and transportation policy. Additionally, in 1988, he was appointed as the commercial director of the Mannheim production facility, and in 1991, he was appointed as the president of Mercedes-Benz do Brazil, the largest foreign-based commercial vehicle producer of the Mercedes-Benz AG. In 1992, Prof. Dr. Gottschalk was appointed ordinary member of the board of Mercedes-Benz AG, responsible for the commercial vehicle division worldwide. In 1997, he left Daimler AG to serve as the president of the *Verband der Automobilindustrie* (VDA), a position that he held for ten years. In 1999, Prof. Dr. Gottschalk was appointed honorary professor of the University of Applied Sciences in Zwickau, Germany where he holds lectures on "mobility, transportation and traffic". In 2008, Prof. Dr. Gottschalk founded AutoValue GmbH where he currently serves as managing partner.

Natalie Hayday was born on January 9, 1976, in Guildford, England. Ms. Hayday holds a bachelor of arts in political science from Wellesley College. In 1997, she joined UBS Warburg where she served as an analyst in the corporate advisory group of the investment banking division. From 1999 until 2009, Ms. Hayday worked at Goldman, Sachs & Co. in various roles, including, among others, as a vice president of and as an associate in the global investment research department in New York, New York and later as an executive director of the investment banking department in Frankfurt, Germany. From 2009 until 2012, Ms. Hayday worked at the Banawi Industrial Group where she served as advisor to H.E. Sheikh H. A Al Banawi and as head of business development. From 2012 until 2016, she independently advised German corporate clients

on matters pertaining to capital markets and investor communication strategies. In 2016, Ms. Hayday joined Obermark GmbH where she focuses on long-term investing in mid-sized companies in Germany, Switzerland and Austria.

Rolf Lutz was born on August 9, 1952, in Tübingen, Germany. Mr. Lutz trained as a precision mechanic (*Feinmechaniker*) and holds a degree in mechanical engineering (*Maschinenbauingenieur)* from the University of Applied Sciences of Konstanz. In 1980, Mr. Lutz started his career at ZF Friedrichshafen AG, where he served in various roles including as a group vice president for ZF North America responsible for commercial vehicle gear boxes, head of truck driveline technologies and the testing services for the company's commercial vehicle division, as well as a director of the commercial vehicle division. In 2008, Mr. Lutz became a director of ZF Friedrichshafen AG and from 2011 to 2016 he served as a member of its management board with responsibilities for group quality, commercial vehicle technology and the South America region.

All members of the Supervisory Board may be reached at the Company's offices at Siemensstraße 2, 63263 Neu-Isenburg, Germany (tel. +49 (0) 6102 295 0).

3. Supervisory Board Committees

Under the Articles of Association, the Supervisory Board can set up committees in accordance with the law. According to the Supervisory Board's internal rules of procedure, the Supervisory Board shall form an audit committee and a presiding and nomination committee from among its members. The Supervisory Board may set up further committees. The Supervisory Board's decision-making authority may be delegated to these committees to the extent permitted by law. The following committees have been established by the Supervisory Board:

The audit committee (*Prüfungsausschuss*) ("**Audit Committee**") shall be composed of three members. It shall be, above all, responsible for monitoring the accounting process, the effectiveness of the internal control system, the risk management, the internal audit functions, the annual audit and compliance, and to this end, in particular, the necessary independence of the auditor, commissioning the auditors to conduct the audit, agreeing on additional services to be provided by the auditor under the auditor's commission or establishing the main points of the audit and reaching agreement on the auditor's remuneration. It shall prepare the Supervisory Board's resolution on the consolidated and unconsolidated financial statements. The Audit Committee consists of three members. At least one of the members shall be independent and shall have expertise in the fields of accounting or auditing and internal control procedures. The chairman of the Audit Committee shall be elected by the Supervisory Board, but must not be the chairman of the Supervisory Board. The chairman of the Audit Committee shall have special knowledge and experience of the application of accounting principles and internal control procedures, and shall not be a former member of the Management Board of the Company whose appointment ended less than two years prior to his appointment as chairman of the Audit Committee.

The current members of the Audit Committee are:

Name	Responsibilities
Jürgen Schaubel	Chairman
Klaus Sulzbach	Member
Natalie Hayday	Member

Section 107 paragraph 4 of the German Stock Corporation Act (*Aktiengesetz*) requires the Company to have at least one independent member of the audit committee with expertise in the fields of accounting or auditing within the meaning of Section 100 paragraph 5 of the German Stock Corporation Act (*Aktiengesetz*). Members of the Supervisory Board and the Audit Committee are considered to be independent if such members have no business or personal relations with the Company, its Management Board, controlling shareholders or related parties which could cause a substantial and not merely temporary conflict of interest. As concerns the Supervisory Board and its Audit Committee, Klaus Sulzbach and Natalie Hayday are considered to possess both the respective expertise and independence.

The presiding and nomination committee (*Präsidial- und Nominierungsausschuss*) ("**Presiding and Nomination Committee**") shall be composed of the chairman and two other members of the Supervisory Board. The chairman of the Supervisory Board shall chair the Presiding and Nomination Committee. The Presiding Nomination Committee shall prepare the staffing decisions of the Supervisory Board and the meetings of the Supervisory Board. Its assignments include the preparation of the resolutions of the Supervisory Board regarding the conclusion, alteration and termination of employment contracts of members of the Management Board within the framework of the compensation system adopted by the Supervisory Board, (i) the preparation of the resolutions of the Supervisory Board to reduce the remuneration of the management board through the judiciary under Section 87 paragraph 2 German Stock

Corporation Act,(ii) the preparation of the resolutions of the Supervisory Board on the framework of the compensation scheme of the Management Board, including its essential contractual elements and providing the Supervisory Board with information necessary for it to review this compensation scheme on a regular basis, (iii) the representation of the company *vis-à-vis* former members of the Management Board under Section 112 German Stock Corporation Act, (iv) the granting of consent for secondary occupations (including the acceptance of seats on supervisory boards outside the JOST Group) and for other activities of a Management Board member under Section 88 German Stock Corporation Act, (v) granting loans to the persons named in Section 89 and 115 German Stock Corporation Act, (vi) approval of agreements with Supervisory Board members under Section 114 German Stock Corporation Act, and (vii) designating suitable candidates to the Supervisory Board for purposes of the Supervisory Board's proposal of candidates to the shareholders' meeting for elections of Supervisory Board members.

The current members of the Presiding and Nomination Committee are:

Name	Responsibilities
Manfred Wennemer	Chairman
Prof. Dr. Bernd Gottschalk	Member
Rolf Lutz	Member

As of the date of this prospectus, the Supervisory Board has not established a separate remuneration committee (*Vergütungsausschuss*).

4. Remuneration of the Members of the Supervisory Board

The remuneration of the Supervisory Board members is regulated by Section 15 of the Articles of Association. The members of the Supervisory Board receive a fixed compensation payable after the end of the fiscal year in the amount of €50,000 plus €10,000 for the membership in a committee or €20,000 for the position of a chairman of a committee. The chairman of the Supervisory Board receives three times and his deputy one and a half times this amount. Members of the Supervisory Board who hold their office in the Supervisory Board or who hold the office as chairman only during a part of the fiscal year shall receive a corresponding portion of the compensation. In addition to the aforementioned compensation, the Company shall reimburse the members of the Supervisory Board for their reasonable out-of-pocket expenses incurred in the performance of their duties as Supervisory Board members as well as the value-added tax on their compensation and out-of-pocket expenses.

Supervisory Board members are covered by D&O insurance as described under *H.XV. "Insurance"*.

5. Shareholdings of the Supervisory Board Members in the Company

Current and/or former members of the Supervisory Board directly and/or indirectly hold the following shareholdings in the Company:

As of the date of this prospectus, Dr. Klaus Peter Bleyer indirectly holds 0.8% in the share capital of the Company. For more information on the Company's shareholders, see *J. "Shareholder Information"*.

IV. CERTAIN INFORMATION REGARDING THE MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

In the last five years, no member of the Management Board or Supervisory Board was convicted of fraudulent offences.

In the last five years, no member of the Management Board or Supervisory Board was associated with any bankruptcy, receivership or liquidation acting in its capacity as a member of any administrative, management or supervisory body or as a senior manager.

In the last five years, no official public incriminations and/or sanctions have been made by statutory or legal authorities (including designated professional bodies) against the members of the Management Board or Supervisory Board, nor have sanctions been imposed by the aforementioned authorities.

No court has ever disqualified any of the members of either board from acting as a member of the administrative, management, or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

Other than as discussed in *N.II. "Relationships with Members of the Management Board and Supervisory Board"* and other than the shareholdings of certain members of the Management Board and the Supervisory Board discussed above, there are no conflicts of interest or potential conflicts of interest between the members of the Management Board and Supervisory Board as regards the Company on the one side and their private interests, membership in governing bodies of companies, or other obligations on the other side.

Neither the members of the Management Board nor the Supervisory Board have entered into a service agreement with a Group company that provides for benefits upon termination of employment or office.

There are no family relationships between the members of the Management Board and the Supervisory Board, either among themselves or in relation to the members of the other body.

V. SHAREHOLDERS' MEETING

Pursuant to Section 16 paragraph 1 of the Articles of Association, the annual shareholders' meeting takes place within the first eight months of each fiscal year and pursuant to Section 16 paragraph 2 of the Articles of Association, it must be held, at the option of the body convening the Company's shareholders' meeting, either at the registered seat of the Company, at the place of a German stock exchange or in a German city with more than 100,000 inhabitants. Except where other persons are authorized to do so by law and by the Articles of Association, the shareholders' meeting shall be convened by the Management Board. Notice must be issued in the German Federal Gazette (*Bundesanzeiger*) at least 30 days prior to the day of the shareholders' meeting, the day of the receipt of the notice not being included when calculating this period.

A shareholders' meeting may be convened by the Management Board, the Supervisory Board, or may be requested by shareholders whose shares collectively make up 5% of the share capital. Shareholders or shareholder associations may solicit other shareholders to make such a request, jointly or by proxy, in the shareholders' forum of the German Federal Gazette (*Bundesanzeiger*), which is also accessible via the website of the German Company Register (*Unternehmensregister*). If, following a request made by shareholders whose Company's shares collectively make up 5% of the share capital, a shareholders' meeting of the Company is not held in due time, the competent local court (*Amtsgericht*) may authorize the shareholders who have requested it or their representatives to convene a shareholders' meeting of the Company.

Pursuant to the Articles of Association, all shareholders who have duly submitted notification of attendance and of evidence of shareholding are entitled to participate in the shareholders' meeting and to exercise their voting rights. The registration for participation must be received by the Company by the end of the sixth day prior to the date of the shareholders' meeting, unless a shorter period of time was set forth in the convening notice of the shareholders' meeting. When calculating this period, the day of the shareholders' meeting and the day of the receipt of the notice shall not be included. The shareholder's registration must be in text form or by way of other electronic means as specified by the Company in greater detail and in German or English. The evidence of the shareholding is to be submitted in the form of proof prepared by a depository institution in German or English in text form. It must refer to the start of the 21st day prior to the shareholders' meeting and be received by the Company at least six days prior to the shareholders' meeting, unless a shorter period of time was set forth in the convening notice of the shareholders' meeting. When calculating such period, the day of the receipt of the notice shall not be included. Voting rights may be exercised by proxy. The granting of a proxy, its revocation and the evidence of authority to be provided to the Company must be in text form unless the convening notice provides for a less strict form. The Management Board is authorized to provide that shareholders may cast their votes in writing or by electronic communication without attending the shareholders' meeting (absentee vote). The Management Board is further authorized to provide that shareholders may participate in the shareholders' meeting without being present in person at the place of the shareholders' meeting or being represented and may exercise all or specific shareholders' rights in total or in part by electronic communication (online participation).

The shareholders' meeting is chaired by the chairman of the Supervisory Board or by another member of the Supervisory Board appointed by its chairman. In the event that neither are present, the chairman of the general meeting is to be elected by the members of the Supervisory Board present. The chairman of the shareholders' meeting may decide that topics on the agenda be dealt with in a sequence that differs from the notified sequence. He may determine type, form and sequence of voting. He is entitled to impose a suitable limit on the time allowed for shareholders to speak and ask questions.

According to the German Stock Corporation Act (*Aktiengesetz*), resolutions of fundamental importance (*grundlegende Bedeutung*) require both a majority of votes cast and a majority of at least 75% of the registered share capital represented at the vote on the resolution. Resolutions of fundamental importance include, among others:

- amendments to the business object of the Company;
- approval of contracts within the meaning of Section 179a of the German Stock Corporation Act (*Aktiengesetz*) (transfer of the entire assets of the company) and management actions of special significance that require the approval of the shareholders' meeting in compliance with legal precedents;
- capital increases, including the creation of conditional or authorized capital;

- issuance of, or authorization to issue, convertible and profit-sharing certificates and other profit-sharing rights;
- exclusion of subscription rights as part of an authorization on the use of treasury stock;
- capital reductions;
- liquidation of the Company;
- continuation of the liquidated company after the resolution on liquidation or expiry of the time period;
- approval to conclude, amend or terminate affiliation agreements (*Unternehmensverträge*);
- integration of a stock corporation into another stock corporation and squeeze-out of the minority shareholders; and
- action within the meaning of the German Transformation Act (*Umwandlungsgesetz*).

Pursuant to Section 20 paragraph 2 of the Articles of Association, resolutions of the shareholders' meeting are passed with a simple majority of the votes cast, and, in so far as a majority of the share capital is necessary, with a simple majority of the registered share capital represented at the voting, unless mandatory law or these Articles of Association stipulate otherwise. Amendments of the Articles of Association require a resolution of the shareholders' meeting of not less than three-fourths of the share capital represented at the passing of the resolution.

Neither German law nor the Articles of Association limit the right of foreign shareholders or shareholders not domiciled in Germany to hold shares or exercise the voting rights associated therewith.

VI. Corporate Governance

The German Corporate Governance Code as amended on February 7, 2017 (the "**Code**") makes proposals concerning the management and supervision of German-listed companies. It is based on internationally and nationally recognized standards of good, responsible governance. The Code contains recommendations ("shall provisions") and suggestions ("should provisions") for corporate governance in relation to shareholders and the shareholders' meeting, the management board and the supervisory board, transparency and accounting and auditing of financial statements. Compliance with the Code's recommendations or suggestions is not obligatory. German stock corporation law only requires the management board and the supervisory board of a listed company to provide an annual statement regarding whether or not the recommendations in the Code were complied with. Alternatively the management board and the supervisory board of a listed company must explain which recommendations have not been complied with and are not being applied as well as the reasons underlying this non-compliance. The declaration of compliance must be publicly available on the Company's website at all times. The current version of the Code was adopted on February 7, 2017 and published in the German Federal Gazette (*Bundesanzeiger*) on April 24, 2017.

Prior to the listing of the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Company is not subject to the obligation to render a declaration as to compliance with the Code. As of the date of the Prospectus, the Company complies, and following the listing of the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) intends to comply, with the recommendations of the Code except for the following:

- No. 3.8 paragraph 3: According to the Code's recommendations, a specified deductible shall be agreed upon for the members of the supervisory board when taking out a D&O policy. The Company takes the view that such a specified deductible is not in itself suitable to increase the performance and sense of responsibility of the members of the Supervisory Board. Furthermore, it may reduce the attractiveness of positions within the Supervisory Board and, therefore, the Company's opportunities in its competition for qualified candidates;
- No. 4.1.5 paragraph 1: According to the Code's recommendations, when filling management positions in the company, the management board shall pay attention to diversity and aims in particular at giving adequate consideration to female applicants. The Company is committed to diversity and pays consideration to female applicants. However, for clarification purposes, it should be noted that there are neither any targets to reach a defined women's quota nor any positive actions for the privilege of women and that the absence of any such specific measures may be considered as a deviation from the Code's recommendations;
- No. 4.2.3 paragraph 2: According to the Code's recommendations, the service agreements with the members of the management board shall provide for a cap according to a specific amount with respect to the fixed and variable remuneration. The Company complies with this recommendation. However, the service agreements also provide for fringe benefits which are not subject to a cap expressed as a specific amount;

- Nos. 4.24 and 4.2.5: According to the Code's recommendations, the total compensation (including fringe benefits) of the members of the Management Board shall be disclosed by name, divided into fixed and variable components. These recommendations are not complied with because the Code did not apply to the Company and the Company was not legally obliged to include such disclosure in its previous consolidated financial statements prior to its conversion into a German Stock Corporation (*Aktiengesellschaft*), which became effective as of July 7, 2017. However, the Company intends to comply with this requirement with respect to the current financial year;
- No. 5.1.2 paragraph 1: According to the Code's recommendations, when appointing members of the management board of the company, the supervisory board shall pay attention to diversity. The Company is committed to diversity and pays consideration to female candidates. However, the first members of the Management Board of the company in the legal form of a stock corporation are all male. It is intended to increase attention to female candidates with a view to the future appointment of potential successors of the current members of the Management Board. However, the Supervisory Board takes the view that the decisive factor shall always be the personal and professional qualification of a candidate; and
- No. 7.1.2 sentence 3: According to the Code's recommendations, the consolidated financial statements and the management report shall be made publicly accessible within 90 days of the end of the fiscal year and mandatory interim reports shall be made publicly accessible within 45 days of the end of each reporting period. For organizational reasons, the Company is unable to comply with this time limit for the ongoing and, most likely, the following fiscal year. The Company will make the financial statements and interim reports publicly accessible in accordance with applicable law and intends to comply with the Code recommendation as soon as practically and organizationally possible.

N. CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

In accordance with IAS 24, transactions with persons or companies which are, inter alia, members of the same group as the Company or which are in control of or controlled by the Company must be disclosed, unless they are already included as consolidated companies in our audited consolidated financial statements. Control exists if a shareholder owns more than one half of the voting rights in the Company or, by virtue of an agreement, has the power to control the financial and operating policies of our management. The disclosure requirements under IAS 24 also extend to transactions with associated companies (including joint ventures) as well as transactions with persons who have significant influence on our financial and operating policies, including close family members and intermediate entities. This includes the members of the Management Board and Supervisory Board (or the members of the corresponding governing bodies of Cintinori Holding GmbH) and close members of their families, as well as those entities over which the members of the Management Board and Supervisory Board or their close family members are able to exercise a significant influence or in which they hold a significant share of voting rights.

Set forth below is a summary of such transactions with related parties for the years ended December 31, 2016, December 31, 2015 and December 31, 2014 as well as for the current year up to and including the date of this prospectus. Further information, including quantitative amounts, of related party transactions are contained in the notes to our audited consolidated financial statements for the years ended December 31, 2016, December 31, 2015 and December 31, 2014, which are included in the section V. "Financial Information" of this prospectus beginning on page F-54. Business relationships between companies of the Group are not included. The companies which are directly or indirectly controlled by the Company are listed in Note 3.1 under "JOST Group" of the notes to our audited consolidated financial statements for the years ended December 31, 2016, December 31, 2015 and December 31, 2014.

I. TERMS AND CONDITIONS OF TRANSACTIONS WITH RELATED PARTIES

We had business transactions with related parties in the fiscal years ended December 31, 2016, December 31, 2015 and December 31, 2014, in the ordinary course of business, in particular relating to goods and services. All such transactions with related parties were in our view conducted on an arm's length basis.

Sales to and purchases by related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the fiscal years ended December 31, 2016, December 31, 2015 and December 31, 2014, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken for each year by examining the financial position of each related party and the market in which the related party operates.

We are party to a the joint venture JOST Brasil Sistemas Automotivos Ltda., Caxias do Sul, Brazil. Pursuant to the joint venture arrangement, we have recognized the following related party transactions:

	As of December 31,		
(in € million)	**2016**	**2015**	**2014**
		(audited)	
Proceeds from sales to related parties	1.1	1.4	3.4
Purchases from related parties	0.2	0.2	0.6
Amounts owed by related parties	0.4	0.3	0.6
Amounts owed to related parties	0.0	0.0	–

II. RELATIONSHIPS WITH MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

Lars Brorsen, Christoph Hobo, Dr. Ralf Eichler and Alexander Kleinke, all current members or former members of our Management Board (the "**Managing Directors**"), have been identified as related parties to the Group according to IAS 24.

The remuneration for the Managing Directors in the relevant periods ending on December 31 of each period is set forth in the following table:

(in € million)	As of December 31,		
	2016	**2015**	**2014**
	(audited)		
Short-term employee benefits	3.4	3.2	2.7
Long-term employee benefits	0.2	–	–
Post-employment benefits	0.0	0.0	0.2
Total	**3.6**	**3.2**	**2.9**

Additionally, pension provisions for the Managing Directors amounted to €7.7 million for the year ended December 31, 2016 (2015: €6.9 million; 2014: €7.4 million).

Lars Brorsen, Dr. Ralf Eichler, Alexander Kleinke (former CFO of the Company), Dr. Klaus-Peter Bleyer (former management consultant to the Company and now retired) and Dirk Schmidt (former managing director of the Company and now a management consultant to the Company) participate in the management profit-sharing plan (see *M.II.3. "Remuneration and Other Benefits of the Members of the Management Board"* and *H.XVI.3. "Management and Executive Compensation, Incentive Plans"*). As the investment by the managing directors participating in the management profit-sharing plan was based on fair value, no expense was incurred for the fiscal years ended December 31, 2016, December 31, 2015 and December 31, 2014.

Dr. Klaus-Peter Bleyer and Dirk Schmidt provided consulting services to the management for which they received certain compensation. Dr. Klaus-Peter Bleyer charged the JOST Group €0.1 million for consulting services for the year ended December 31, 2016 (2015: €0.1 million; 2014: €0.1 million). For his consulting services, Dirk Schmidt invoiced the Group €0.2 million for the year ended December 31, 2016 (2015: €0.2 million; 2014: €0.2 million).

Until the change of the Company's corporate form into a German stock corporation (*Aktiengesellschaft*) on July 7, 2017, the Company did not have a supervisory board. For the time from taking effect of the change of the corporate form into a stock corporation to the end of the year ending on December 31, 2017, the members of the first supervisory board will receive a fixed annual payment in the aggregate amount of approximately €425,000 pro-rated for the time in office.

For an overview regarding the compensation, shareholding and long term incentives of the members of the Management Board and the Supervisory Board refer to the sections *M.II. "Management Board"*, *M.III"Supervisory Board"* and *H.XVI.3. "Management and Executive Compensation, Incentive Plans"* as well as to the notes to our audited consolidated financial statements for the years ended December 31, 2016, December 31, 2015 and December 31, 2014, which are included in the section *P. "Financial Information"* of this prospectus.

Apart from the relationships stated above, the Company did not have any other significant business relationships with related parties.

III. RELATIONSHIPS WITH CERTAIN SHAREHOLDERS

Apart from the relationships stated below, the Company does not have any other significant business relationships with its shareholders.

1. Dealings with Shareholders

In compliance with applicable laws, the Company's business dealings with its shareholders are strictly conducted on an arms' length basis.

The following four entities are direct or indirect shareholders of the Company and control the Group:

- Jantinori 2 S.à r.l., Luxembourg;
- Jantinori 1 S.à r.l., Luxembourg;
- Cintinori S.à r.l., Luxembourg; and
- JOST-Global & Co S.C.A., Luxembourg.

The four shareholder listed above have a *Conseil de Gérance* (Board) with decision-making powers that comprises the following members:

- Danièle Arendt-Michels, Luxembourg;
- David Konings, Luxembourg;
- Bruno Schick, Frankfurt am Main, Germany;
- Manfred Wennemer, Bensheim, Germany;
- Robert Jan Schol, Luxembourg;
- John Dercksen, Luxembourg;
- Dr. Peter Grunow, Leonberg, Germany;
- Prof. Dr. Bernd Gottschalk, Esslingen, Germany; and
- Jürgen Schaubel, Baar/Zug, Switzerland.

Prof. Dr. Gottschalk and Jürgen Schaubel charged the JOST Group in each case €43 thousand for consulting services in 2016 (2015: €43 thousand; 2014: €43 thousand). Manfred Wennemer charged the JOST Group €40 thousand for consulting services in 2016 (2015: €0 thousand; 2014: €0 thousand). As of December 31, 2016 €11 thousand (December 31, 2015: €43 thousand; December 31, 2014: €11 thousand) is still outstanding.

On July 12, 2017, the Principal Shareholder, the Company and JOST-Werke Deutschland GmbH entered into an agreement pursuant to which the Principal Shareholder will reimburse the Company for certain costs and expenses that are incurred by, among others, the Company in connection with the preparation and the execution of the Private Placement on a *pro rata* basis calculated according to the ratio of the aggregate number of Existing Shares and Over-Allotment Shares sold by the Principal Shareholder in connection with the Private Placement to the sum of the Offered Shares. The fees, costs and expense to be reimbursed on such basis include, in particular, legal, auditor and other advisor fees and expenses of the Private Placement. As required by law, the Principal Shareholder further agreed to indemnify the Company from all liability risks in connection with the Private Placement on a *pro rata* basis, including the *pro rata* share of all reasonable legal costs.

2. Shareholder Loans

The Group has received certain loans from its shareholders. Any interest on shareholder loans is accrued until maturity. The following table shows the actual conditions of the shareholder loans as presented in the consolidated financial statements as of December 31, 2016:

	Initial nominal amount (in € million)	Interest rate (in %)	Maturity date
Shareholder loan B	80.0	14.375	28 August 2023
Shareholder loan C	93.4	7.50	27 August 2038

The lender of the shareholder loans has agreed that any payment may be made only from freely available funds in a certain order of priority. In order to avoid over indebtedness of the company within the meaning of Section 19 (2) Sentence 1 of the German Insolvency Code (*Insolvenzordnung*), the parties agreed that the claims of the lender against the Company for repayment of the loans and for payment of interest thereon shall, in the event that insolvency proceedings are commenced, be subordinated and rank behind other claims and receivables.

On June 23, 2017, the Principal Shareholder and the Company entered into a contribution and assignment agreement, by way of which the Principal Shareholder contributed a receivable of the shareholder loan B and a receivable of the shareholder loan C in the aggregate amount of €287,340,225.85 (principal and accrued interest) to the Company's free reserves (Sec. 272 para 2 no. 4 of the German Commercial Code (*Handelsgesetzbuch*)). The other portion of the outstanding receivable of the shareholder loan B in the amount of €40,000,000 (principal and accrued interest) has already been converted into equity on June 23, 2017 for the purpose of the share capital increase and contribution to the Company's free reserves (see *L.I.2. "Development of the Share Capital"*). Under the aforementioned contribution and assignment agreement dated June 23, 2017, the Principal Shareholder contributed all receivables of the shareholder loan C in the amount of €87,312,133.25 (principal and accrued interest) to the Company's free reserves (Sec. 272 para 2 no. 4 of the German Commercial Code (*Handelsgesetzbuch*)), except for a receivable in the amount of €25,000,000 which was only contributed to the Company's free reserves (Sec. 272 para 2 no. 4 of the German Commercial Code (*Handelsgesetzbuch*)) subject to the condition precedent that the listing of

the Company's shares occurs. These contributions were made by assigning the respective receivables of the Principal Shareholder against Jasione GmbH. All of these receivables relate to claims for repayment resulting from the shareholder loans B, and C plus the respective accrued interest.

On July 31, 2014, the Group granted certain loans to Jantinori 1 S.à r.l., Luxembourg, the shareholder of the Principal Shareholder, comprised of (i) a term loan of €300 thousand with an interest rate of 4% per annum, and (ii) a credit line of up to €5.0 million to the Principal Shareholder, which bears an interest rate of 7.50%. For the year ended December 31, 2016, the Group incurred a nominal interest expense on shareholder loans in the amount of €36,201 thousand (2015: €40,125 thousand; 2014: €36,165 thousand). The Group's financial result only contains interest expenses in the amount of €18,918 thousand for the year ended December 31, 2016 (2015: €26,740 thousand; 2014: €21,172 thousand) due to the valuation of the shareholder loans at amortized cost using the effective interest expenses. For more details see note 5.13. "*Interest-bearing loans and borrowings and liabilities to shareholders*" on page F-29.

O. TAXATION IN GERMANY

The following sections describe a number of key German taxation principles that may be relevant to purchasing, holding or transferring the Offered Shares. The information provided does not constitute a comprehensive or exhaustive explanation of all possible aspects of taxation in this area. This summary is based on applicable German tax law as of the date hereof, including the double taxation treaties that are currently in force between Germany and other countries. It should be noted that the legal situation may change, including, in certain cases, with retroactive effect.

Persons interested in purchasing Offered Shares should seek advice from their own tax counsel regarding the tax implications of purchasing, holding, disposing, donating and bequeathing Offered Shares, and the regulations on reclaiming previously withheld withholding tax (*Kapitalertragsteuer*). Due consideration to a shareholder's specific tax-related circumstances can only be given within the scope of an individual tax consultation.

I. TAXATION OF THE COMPANY

The Company's taxable income, whether distributed or retained, is generally subject to German corporate income tax at a uniform rate of 15% plus the solidarity surcharge of 5.5% thereon, resulting in a total tax rate of 15.825%.

Dividends and other shares in profits which the Company receives from domestic and foreign corporations are generally not subject to corporate income tax; however, 5% of this type of income are deemed to be a non-deductible business expense and are thus taxable. The same applies generally to profits earned by the Company from the sale of shares in another domestic or foreign corporation. Losses incurred from the sale of such shares are not deductible for tax purposes, regardless of the percentage of shares held. Different rules apply to free-floating dividends, i.e., dividends earned on direct shareholdings in a distributing corporation equal to less than 10% of its share capital at the start of the respective calendar year ("**Portfolio Dividends**"). Portfolio Dividends are fully taxed at the corporate income tax rate (plus solidarity surcharge thereon). The acquisition of a shareholding of at least 10% is deemed to have occurred at the beginning of the calendar year. Capital gains arising from the disposal of shares held by the Company are effectively 95% tax exempt.

Participations in the share capital of other corporations which the Company holds through partnerships, including co-entrepreneurships (*Mitunternehmerschaften*), are attributable to the Company only on a *pro rata* basis at the ratio of the interest share of the Company in the assets of the relevant partnership.

In addition, the Company is subject to trade tax with respect to its taxable trade profits from its permanent establishments in Germany. The local trade tax rate is set forth by the municipalities in which the Company maintains its domestic permanent establishments. The average trade tax rate in Germany amounts to approximately 15% (with a statutory minimum rate of 7%) but the (blended) trade tax rate applying to the Company might be lower or higher.

For trade tax purposes, dividends received from domestic and foreign corporations and capital gains from the sale of shares in other corporations are treated in principle in the same manner as for corporate income tax purposes. However, shares in profits received from domestic and foreign corporations are effectively 95% exempt from trade tax only if, among other things, the company that is receiving the dividends has held or holds a stake of at least 15% in the share capital of the company making the distribution at the beginning or – in the case of foreign corporations – since the beginning of the assessment period. In the case of distributing companies domiciled in another member state of the EU, a stake of 10% at the beginning of the assessment period is sufficient. Additional limitations apply with respect to shares in profits received from foreign non-EU corporations.

The provisions of the interest barrier (*Zinsschranke*) restrict the extent to which interest expenses are tax deductible. Under these rules, net interest expense (the interest expense minus the interest income in a fiscal year) is generally only deductible up to 30% of the taxable EBITDA (taxable earnings particularly adjusted for interest costs, interest income, and certain depreciation and amortization), although there are certain exceptions to this rule. The interest barrier rules do not apply in a given year (i) if the annual net interest expense is less than €3 million, (ii) if the respective entity is not or only partially part of a consolidated group, or (iii) if the respective entity is part of a consolidated group but its equity ratio is not more than 2%-points below the equity ratio of the consolidated group. For the eligibility of exemption (ii), the entity must prove that it did not pay more than 10% of the net interest expense to shareholders with a (direct or indirect) shareholding in the entity of more than 25% or to an associated person. For the eligibility of exemption (iii), the entity must prove that the entity itself and any other company of the consolidated group did not pay more than 10% of the net interest expense to shareholders with a (direct or indirect) shareholding in a group company of more than 25% or to an associated person. Interest expense that is not

deductible in a given year may be carried forward to subsequent fiscal years of the Company (interest carryforward) and will increase the interest expense in those subsequent years. Under certain conditions, non-offsettable EBITDA can also be carried forward to subsequent years (EBITDA carryforward). For the purpose of trade tax, however, the deductibility of interest expenses is further restricted to the extent that the sum of certain trade taxable add back items exceeds €100,000, since in such cases 25% of the interest expenses, to the extent they were deducted for corporate income tax purposes, are added back for purposes of the trade tax base; consequently, in these cases the deductibility is limited to 75% of the interest expenses.

Losses of the Company can be carried forward in subsequent years and used to fully offset taxable income for corporate income tax and trade tax purposes only up to an amount of €1 million. If the taxable income for the year or taxable profit subject to trade taxation exceeds this threshold, only up to 60% of the amount exceeding the threshold may be offset by tax loss carryforwards. The remaining 40% are subject to tax (minimum taxation). The rules also provide for a tax loss carryback of an amount up to €1 million to the previous year with regards to corporate income tax. Unused tax loss carryforwards can generally continue to be carried forward without time limitation.

If more than 50% of the subscribed capital or voting rights of the Company are transferred to an acquirer (including parties related to the acquirer) within five years directly or indirectly or a comparable acquisition occurs, all tax loss carryforwards and interest carryforwards are forfeited. A group of acquirers with aligned interests is also considered to be an acquirer for these purposes. In addition, any current year losses incurred prior to the acquisition will not be deductible. If more than 25% up to and including 50% of the subscribed capital or voting rights of the Company are transferred to an acquirer (including parties related to the acquirer) or a comparable acquisition occurs, a proportional amount of tax loss carryforwards, the unused current losses and interest carryforwards is forfeited. This does not apply to share transfers if (i) the purchaser directly or indirectly holds a participation of 100% in the transferring entity, (ii) the seller indirectly or directly holds a participation of 100% in the receiving entity, or (iii) the same natural or legal person or commercial partnership directly or indirectly holds a participation of 100% in the transferring and the receiving entity (*Konzernklausel*, "**Intra-Group Clause**"). Furthermore, tax loss carryforwards, unused current losses and interest carryforwards taxable in Germany will not expire to the extent that they are covered by built in gains taxable in Germany at the time of such acquisition (*Stille-Reserven-Klausel*, "**Hidden-Reserves Clause**"). With effect as of 1 January 2016 a new rule was introduced into the German Corporate Income Tax Act pursuant to which any share transfer that would otherwise be subject to the rules above does not result upon application in forfeiture of tax loss carryforwards and interest carryforwards resulting from current business operations (*Geschäftsbetrieb*) of the Company, if the current business operations of the Company remained the same (i) from the time of its establishment; or (ii) during the last three business years prior to the share transfer and such business operations are maintained after the transfer (*fortführungsgebundener Verlustvortrag*, "**Going Concern Tax Loss Carry Forward**"). The determination of whether the business operations have been maintained is assessed on the basis of qualitative factors, such as the produced goods and services, target markets, client and supplier bases, etc. However, the tax loss carryforwards and interest carryforwards will be forfeited in any circumstance if, after the share transfer, the business operations of the Company become dormant, are amended, the Company becomes a partner in an operating partnership (*Mitunternehmerschaft*), the Company becomes a fiscal unity parent, or assets are transferred from the Company and recognized at a value lower than the fair market value. This requirement is monitored until the retained tax loss carryforwards and interest carryforwards have been fully utilized.

On 29 March 2017 the German Federal Constitutional Court (*Bundesverfassungsgericht*) held that the above loss expiry rules in their versions applicable from 2008 until 2015 are inconsistent with the principle of equality (*Gleichheitsgrundsatz*) under the German Constitution (*Grundgesetz*) to the extent they relate to a transfer of more than 25% up to and including 50% of the subscribed capital or voting rights of a company. This applies irrespective of the introduction of the Intra-Group Clause and the Hidden-Reserves Clause. The Federal Constitutional Court obliged the German legislator to revise by 31 December 2018 at the latest the law in line with the German Constitution (*Grundgesetz*) with retroactive effect as from 1 January 2008.

The ruling of the Federal Constitutional Court remains silent on whether or not the loss expiry rules are compliant with the German Constitution to the extent more than 50% of the subscribed capital or voting rights are transferred. However, this question is dealt with in cases still pending with the Federal Fiscal Court (*Bundesfinanzhof*). Further, the Federal Constitutional Court did not decide whether the loss expiry rules as applicable since 2016 comply with the constitutional principle of equality in light of the enactment of the Going Concern Tax Loss Carry Forward. Therefore, it is currently unclear if and to what extent the pertinent loss expiry rules will be further amended by the German legislator.

II. Taxation of Shareholders

Shareholders are taxed in particular in connection with the holding of shares (taxation of dividend income), upon the sale of shares (taxation of capital gains) and the gratuitous transfer of shares (inheritance and gift tax).

1. Taxation of Dividend Income

In the future, the Company may pay dividends out of a tax-recognized contribution account (*steuerliches Einlagenkonto*). To the extent that the Company pays dividends from the tax-recognized contribution account (*steuerliches Einlagenkonto*), the dividends are not subject to withholding tax, personal income tax (including the solidarity surcharge and church tax, if any) or corporate income tax, as the case may be. However, dividends paid out of a tax-recognized contribution account lower the acquisition costs of the shares, which may result in a higher amount of taxable capital gain upon the shareholder's sale of the shares. Special rules apply to the extent that dividends from the tax-recognized contribution account exceed the then lowered acquisition costs of the shares (the details are outlined below).

2. German Withholding Tax

Dividends distributed by the Company that are not paid out of the tax-recognized contribution account (*steuerliches Einlagenkonto*) are subject to a deduction at source (withholding tax) at a 25% rate plus a solidarity surcharge of 5.5% on the amount of withholding tax (amounting in total to a rate of 26.375%) and church tax (*Kirchensteuer*), if applicable. The basis for determining the dividend withholding tax is the dividend approved for distribution by the Company's general meeting.

In general, dividend withholding tax is withheld regardless of whether and, if so, to what extent the shareholder must report the dividend for tax purposes and regardless of whether the shareholder is a resident of Germany or of a foreign country.

As the Company's shares are admitted to be held in collective safe custody (*Sammelverwahrung*) with a central securities depository (*Wertpapiersammelbank*) pursuant to Section 5 German Act on Securities Accounts (*Depotgesetz*) and are entrusted to such central securities depository for collective safe custody in Germany, the Company is generally not responsible for withholding the withholding tax; rather, it is, for the account of the shareholders, the responsibility of one of the following entities in Germany authorized to collect withholding tax to do so and to remit it to the relevant tax authority: (i) a domestic bank or financial service institute, a domestic securities trading company or a domestic securities trading bank (including the domestic branches of foreign banks or financial service institutes) that holds the shares in custody or that manages them and that pays out or credits the shareholders' investment income or that pays the investment income to a foreign entity, or (ii) the central securities depository holding the collective deposit shares in custody if it pays the investment income to a foreign entity. However, if and to the extent shares held in collective safe custody (*girosammelverwahrt*) by the central securities depository (*Wertpapiersammelbank*) are treated as stock being held separately (so-called "*abgesetzte Bestände*"), the Company itself is responsible for withholding tax.

The Company assumes responsibility for the withholding of taxes on distributions at source, in accordance with statutory provisions. This means that the Company is released from liability for the violation of its legal obligation to withhold and transfer the taxes at source if it provides evidence that it has not breached its duties intentionally or grossly negligently.

Where dividends are distributed to a company resident in another member state of the EU within the meaning of Article 2 of the EC Directive 2011/96/EU of November 30, 2011, as amended (the "**Parent-Subsidiary Directive**"), the withholding of the dividend withholding tax may not be required, upon application, provided that additional requirements are met (withholding tax exemption). This also applies to dividends distributed to a permanent establishment located in another EU member state of such a parent company or of a parent company that is tax resident in Germany if the interest in the dividend-paying subsidiary is part of the respective permanent establishment's business assets. An important prerequisite for the exemption from withholding at source under the Parent-Subsidiary Directive is that the shareholder has directly held at least 10% of the Company's registered share capital continuously for one year and that the German Federal Central Office of Taxation (*Bundeszentralamt für Steuern*, with its registered office in Bonn-Beuel, An der Küppe 1, 53225 Bonn, Germany) has certified to the creditor of the dividends, based upon an application filed by such creditor on the officially prescribed form, that the prerequisites for exemption have been met.

The dividend withholding tax rate for dividends paid to other shareholders without a tax residence in Germany will be reduced in accordance with the applicable double taxation treaty, if any, between Germany and the shareholder's country of residence, provided that the shares are neither held as part of the

business assets of a permanent establishment or a fixed base in Germany nor as part of the business assets for which a permanent representative in Germany has been appointed. The reduction in the dividend withholding tax is generally obtained by applying to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*, with its registered office in Bonn-Beuel, An der Küppe 1, 53225 Bonn, Germany) for a refund of the difference between the dividend withholding tax withheld, including the solidarity surcharge, and the amount of withholding tax actually owed under the applicable double taxation treaty, which is usually 5-15%. A reduced withholding tax rate (according to the applicable double taxation treaty) may be applicable, if the shareholder applied for an exemption at the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*). A full exemption from German dividend withholding tax may also be possible under the applicable double taxation treaty, if the shareholder has directly held at least 10% of the Company's registered share capital and if further prerequisites are met. Forms for the refund and exemption procedure may be obtained from the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*, http://www.bzst.bund.de), as well as German embassies and consulates.

Corporations that are not tax residents in Germany will receive upon application a refund of two fifths of the dividend withholding tax that was withheld and remitted to the tax authorities subject to certain requirements. This applies regardless of any further reduction or exemption provided under the Parent Subsidiary Directive or a double taxation treaty.

Foreign corporations will generally have to meet certain stringent substance criteria defined by statute in order to receive an exemption from or (partial) refund of German dividend withholding tax.

Pursuant to a special rule on the restriction of withholding tax credit, the above mentioned relief in accordance with the applicable double taxation treaty as well as the credit of withholding tax described in the section *O.III. "Taxation of Dividends of Shareholders with a Tax Residence in Germany"* for shares held as private and as business assets is subject to the following three cumulative prerequisites: (i) the shareholder must qualify as beneficial owner of the shares in the Company for a minimum holding period of 45 consecutive days occurring within a period of 45 days prior and 45 days after the due date of the dividends, (ii) the shareholder has to bear at least 70% of the change in value risk related to the shares in the Company during the minimum holding period without being directly or indirectly hedged, and (iii) the shareholder must not be required to fully or largely compensate directly or indirectly the dividends to third parties. Should one of the three prerequisites not be fulfilled, the following applies:

(1) As regards the taxation of dividends of shareholders with a tax residence in Germany, three fifths of the withholding tax imposed on the dividends must not be credited against the shareholder's (corporate) income tax liability, but may, upon application, be deducted from the shareholder's tax base for the relevant assessment period. A shareholder that has received gross dividends without any deduction of withholding tax due to a tax exemption without qualifying for a full tax credit has to notify the competent local tax office accordingly and has to make a payment in the amount of the withholding tax deduction which was omitted. The special rule on the restriction of withholding tax credit does not apply to a shareholder whose overall dividend earnings within an assessment period do not exceed €20,000 or that has been the beneficial owner of the shares in the Company for at least one uninterrupted year upon receipt of the dividends.

(2) As regards the taxation of dividends of shareholders without a tax residence in Germany who applied for a full or partial refund of the withholding tax pursuant to a double taxation treaty, no refund is available. This restriction does not apply to a shareholder (i) that holds directly at least 10% of the shares in the Company and that is subject to (corporate) income tax in the country of its tax residence without any exemptions, (ii) or that has been the beneficial owner of the shares in the Company for at least one uninterrupted year upon receipt of the dividends, or (iii) if the applicable tax rate pursuant to the applicable double taxation treaty is at least 15%.

III. Taxation of Dividends of Shareholders with a Tax Residence in Germany

1. Individuals who hold the Shares as Private Assets

For individuals who are tax resident in Germany (generally, individuals whose domicile or usual residence is located in Germany) and who hold shares as private assets, the withholding tax of 25% plus solidarity surcharge of 5.5% thereon, resulting in a total tax rate of 26.375% (plus church tax, if any) will generally serve as a final tax. In other words, once deducted, the shareholder's income tax liability on the dividends will be settled, and he or she will no longer have to declare them on his or her annual tax return (the "**Flat Tax**").

The purpose of the Flat Tax is to provide for separate and final taxation of capital investment income earned; in other words, taxation that is irrespective of the individual's personal income tax rate. Shareholders may apply to have their capital investment income assessed in accordance with the general

rules and with an individual's personal income tax rate if this would result in a lower tax burden. In this case, the base for taxation would be the gross dividend income less the savers' allowance of €801 (€1,602 for jointly filing individuals). Any tax and solidarity surcharge already withheld would be credited against the income tax and solidarity surcharge so determined and any overpayment refunded. Income-related expenses cannot be deducted from capital gains in either case. The only deduction that may be made is the savers' allowance of €801 (€1,602 for jointly filing individuals) on all private capital income. Furthermore, dividend income can only be offset by losses from capital income, except for losses generated by the disposal of shares.

If the individual owns (i) at least 1% of the shares in the Company and is able to exercise, by virtue of professional activity (*berufliche Tätigkeit*) for the Company, a significant entrepreneurial influence on the business activity of the Company or (ii) at least 25% of the shares, the tax authorities may approve upon application that the dividends are taxed under the partial-income method (see below, *O.III.2.b. "Sole Proprietors (Individuals)"*).

Entities required to collect withholding taxes on capital investment income are required to likewise withhold the church tax on payments to shareholders who are subject to church tax, unless the shareholder objects in writing to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*) against the sharing of his or her private information regarding his or her affiliation with a religious denomination (*Sperrvermerk*). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, then the church tax on the dividends is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense; however, 26.375% of the church tax withheld on the dividends is deducted from the withholding tax (including the solidarity surcharge) withheld. If no church taxes are withheld along with the withholding of the withholding tax, the shareholder who owes church tax is required to report his or her dividends in his or her income tax return. The church tax on the dividends will then be imposed during the assessment.

As an exemption, dividend payments that are funded from the Company's tax-recognized contribution account (*steuerliches Einlagekonto*) and are paid to shareholders who are tax resident in Germany whose shares are held as private assets, do – contrary to the above – not form part of the shareholder's taxable income. If the dividend payment funded from the Company's tax-recognized contribution account (*steuerliches Einlagekonto*) exceeds the shareholder's acquisition costs, negative acquisition costs will arise which can result in a higher capital gain in case of the shares' disposal (cf. below). This will not apply if (i) the shareholder or, in the event of a gratuitous transfer, its legal predecessor, or, if the shares have been gratuitously transferred several times in succession, one of his legal predecessors at any point during the five years preceding the (deemed, as the case may be,) disposal directly or indirectly held at least 1% of the share capital of the Company (a "**Qualified Participation**") and (ii) the dividend payment funded from the Company's tax-recognized contribution account (*steuerliches Einlagekonto*) exceeds the acquisition costs of the shares. In such a case of a Qualified Participation, a dividend payment funded from the Company's tax-recognized contribution account (*steuerliches Einlagekonto*) is deemed a sale of the shares and is taxable as a capital gain if and to the extent the dividend payment funded from the Company's tax-recognized contribution account (*steuerliches Einlagekonto*) exceeds the acquisition costs of the shares. In this case the taxation corresponds with the description in the section *O.V. "Taxation of Capital Gains"* made with regard to shareholders maintaining a Qualified Participation.

2. Shares Held as Business Assets

The Flat Tax does not apply to dividends from shares held as business assets of shareholders who are tax resident in Germany. In this case, the taxation is based on whether the shareholder is a corporation, an individual or a partnership. The withholding tax withheld and paid to the tax authorities, including the solidarity surcharge, is credited against the income or corporate income tax and the solidarity surcharge of the shareholder and any overpayment will be refunded, as discussed in the section on withholding tax above (see above *II.2. "German Withholding Tax"*).

Dividend payments that are funded from the Company's tax-recognized contribution account (*steuerliches Einlagekonto*) and are paid to shareholders who are tax resident in Germany whose shares are held as business assets are generally fully tax-exempt in the hands of such shareholder. To the extent the dividend payments funded from the Company's tax-recognized contribution account (*steuerliches Einlagekonto*) exceed the acquisition costs of the shares, a taxable capital gain should occur. The taxation of such gain corresponds with the description in the section *V.1.b. "Shares Held as Business Assets"* made with regard to shareholders whose shares are held as business assets (however, as regards the application of the 95% exemption in case of a corporation this is not undisputed).

a. Corporations

Dividends received by corporations tax resident in Germany are generally exempt from corporate income tax and solidarity surcharge; however 5% of the dividends are treated as a non-deductible business expenses and, as such, are subject to corporate income tax (plus the solidarity surcharge) with a total tax rate of 15.825%.

Portfolio Dividends are fully taxed at the corporate income tax rate (plus solidarity surcharge thereon). The acquisition of a shareholding of at least 10% during a calendar year is deemed to have occurred at the beginning of the respective calendar year. Participations which a shareholder holds through a commercial partnership are attributable to the shareholder only on a *pro rata* basis at the ratio of the interest share of the shareholder in the assets of the relevant partnership.

Business expenses actually incurred and having a direct business relationship to the dividends may be fully deducted.

The amount of any dividends (after deducting business expenses related to the dividends) is fully subject to trade tax, unless the corporation held at least 15% of the Company's registered share capital at the beginning of the relevant tax assessment period, entitling it to an intercorporate privilege for trade tax purposes. In the latter case, the aforementioned exemption of 95% of the dividend income applies analogously for trade tax purposes.

b. Sole Proprietors (Individuals)

If the shares are held as part of the business assets of a sole proprietor (individual) with his or her tax residence in Germany, 40% of any dividend is tax exempt (so called partial income method). Only 60% of the expenses economically related to the dividends are tax deductible. The partial income method will also apply when individuals hold the shares indirectly through a partnership (with the exception of individual investors who hold their shares through partnerships that are neither commercial partnerships nor deemed to be commercial partnerships). However, the partial-income method does not apply with respect to church tax (if applicable). If the shares are held as business assets of a domestic commercial permanent establishment, the full amount of the dividend income (after deducting business expenses that are economically related to the dividends) is also subject to trade tax, unless the taxpayer held at least 15% of the Company's registered share capital at the beginning of the relevant tax assessment period. In the latter case, the net dividends (after deducting directly related expenses) are exempt from trade tax. However, trade tax is generally credited – fully or in part – as a lump sum against the shareholder's personal income tax liability.

c. Partnerships

If the shareholder is a partnership, the personal income tax or corporate income tax, as the case may be, and the solidarity surcharge are levied at the level of each partner rather than at the level of the partnership. The taxation of each partner depends upon whether the partner is a corporation or an individual. If the partner is a corporation, then the dividend is generally 95% tax exempt; however, dividends from an indirect shareholding representing less than 10% of the share capital for the relevant partner are fully subject to taxation (see above, *O.III.2.a.* "*Corporations*"). If the partner is an individual and the shares are held as business assets of the partnership, only 60% of the dividend income is subject to income tax; in this case the partial-income method does not apply as regards church tax (if applicable) (see above, *O.III.2.b.* "*Sole Proprietors (Individuals)*").

Additionally, if the shares are held as business assets of a domestic permanent establishment of a commercial or deemed to be commercial partnership, the full amount of the dividend income is generally also subject to trade tax at the level of the partnership. In the case of partners who are individuals, the trade tax that the partnership pays on his or her proportion of the partnership's income is generally credited as a lump sum – fully or in part – against the individual's personal income tax liability. If the partnership held at least 15% of the Company's registered share capital at the beginning of the relevant tax assessment period, the dividends (after the deduction of business expenses economically related thereto) should generally not be subject to trade tax. However, in this case, trade tax should be levied on 5% of the dividends to the extent they are attributable to the profit share of such corporate partners to whom at least 10% of the shares in the Company are attributable on a look-through basis, since such portion of the dividends should be deemed to be non-deductible business expenses. The remaining portion of the dividend income attributable to other than such specific corporate partners (which includes individual partners and should, according to a literal reading of the law, also include corporate partners to whom, on a look-through basis, only portfolio participations are attributable) should not be subject to trade tax.

3. *Financial and Insurance Sector*

Special rules apply to companies operating in the financial and insurance sector (see below, *O.VI. "Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds"*).

IV. TAXATION OF DIVIDENDS OF SHAREHOLDERS WITHOUT A TAX RESIDENCE IN GERMANY

The dividends paid to shareholders (individuals and corporations) without a tax residence in Germany are taxed in Germany, provided that the shares are held as part of the business assets of a permanent establishment or a fixed base in Germany or as part of the business assets for which a permanent representative in Germany has been appointed. The withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities is credited against the respective shareholder's personal income tax or corporate income tax liability, and any overpayment will be refunded. The same applies to the solidarity surcharge. These shareholders are essentially subject to the same rules applicable to tax resident shareholders, as discussed above.

In all other cases, the withholding of the dividend withholding tax discharges any tax liability of the shareholder in Germany. A refund or exemption is granted only as discussed in the section on dividend withholding tax above (see above *O.II.2. "German Withholding Tax"*).

Dividend payments that are funded from the Company's tax-recognized contribution account (*steuerliches Einlagekonto*) are generally not taxable in Germany.

V. TAXATION OF CAPITAL GAINS

1. *Taxation of Capital Gains of Shareholders with a Tax Residence in Germany*

a. Shares Held as Private Assets

Gains on the sale of shares that are held as private assets by shareholders with a tax residence in Germany, and which were acquired after December 31, 2008, are generally taxable regardless of the length of time held. The tax rate is (generally) a uniform 25% plus the 5.5% solidarity surcharge thereon (resulting in an aggregate tax rate of 26.375%) as well as any church tax, if applicable.

The taxable capital gains are the difference between (a) the proceeds from the disposal of shares after deducting the direct sales costs and (b) the acquisition cost of the shares. Under certain conditions, prior payments from the tax-recognized contribution account (*steuerliches Einlagekonto*) may lead to reduced acquisition costs of the shares held as private assets and, as a consequence, increase the taxable sales gain. Losses on the sale of shares can only be used to offset gains made on the sale of shares during the same year or in subsequent years.

If the shares are held in custody or administered by a domestic bank or financial service institute, a domestic securities trading company or a domestic securities trading bank (including the domestic branches of foreign banks and financial service institutes), or if such entity or branch sells the shares and pays out or credits the capital gains (each a "**Domestic Paying Agent**"), said Domestic Paying Agent withholds a withholding tax of 25% plus 5.5% solidarity surcharge thereon and any church tax (if applicable) and remits this to the tax authority; in such a case, the tax on the capital gain will generally be discharged. If the shares were only held in custody or administered by the respective Domestic Paying Agent continuously after acquisition, the amount of tax withheld is generally based on the difference between the proceeds from the sale, after deducting expenses directly related to the sale, and the amount paid to acquire the shares. However, the withholding tax rate of 25% plus the 5.5% solidarity surcharge thereon and any church tax (if applicable), will be applied to 30% of the gross sales proceeds if the shares were not administered by the same custodian bank since acquisition and the original cost of the shares cannot be verified or such verification is not admissible. In this case, the shareholder is entitled to, and in case the actual gain is higher than 30% of the gross proceeds must, verify the original costs of the shares in his or her annual tax return.

Entities required to collect withholding taxes on capital investment income are required to likewise withhold the church tax for shareholders who pay church taxes, unless the shareholder objects in writing to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*) against the sharing of his or her private information regarding his or her affiliation with a denomination (*Sperrvermerk*). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, then the church tax on the capital gain is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense; however, 26.375% of the church tax withheld on the capital gain is deducted from the withholding tax (including the solidarity surcharge) withheld.

A shareholder may request that all his or her items of capital investment income, along with his or her other taxable income, be subject to the progressive income tax rate instead of the uniform tax rate for private capital investment income if this lowers his or her tax burden. The base for taxation would be the gross

income less the savers' allowance of €801 (€1,602 for jointly filing individuals). The prohibition on deducting income-related costs and the restrictions on offsetting losses also apply to tax assessments based on the progressive income tax rate. Any tax already withheld would be credited against the income tax so determined and any overpayment refunded.

One exception to this rule is that a shareholder's capital gains are subject to the partial-income method and not the Flat Tax. Consequently, 60% of the proceeds from the sale of shares are subject to the individual income tax rate, if the shareholder, or his or her legal predecessor in case of acquisition without consideration, has directly or indirectly held shares equal to at least 1% of the Company's share capital at any time during the previous five years (i.e., held a Qualified Participation). 60% of the expenses economically related to the proceeds of the sale of shares are tax-deductible.

In the case of a Qualified Participation, withholding tax (including the solidarity surcharge) is also withheld by the Domestic Paying Agent. The tax withheld, however, is not treated as a final tax. Hence, the shareholder is obliged to declare the gains from the sale in his or her income tax return. The withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities is credited against the respective shareholder's personal income tax or corporate income tax liability in the tax assessment, and any overpayment will be refunded.

b. Shares Held as Business Assets

The Flat Tax does not apply to proceeds from the sale of shares held as business assets by shareholders tax resident in Germany. If the shares form part of a shareholder's business assets, taxation of the capital gains realized will then depend upon whether the shareholder is a corporation, sole proprietor or partnership. Dividend payments that are funded from the Company's tax-recognized contribution account (*steuerliches Einlagekonto*) reduce the original acquisition costs. In case of a sale of shares, a higher taxable capital gain can arise herefrom. If the dividend payments exceed the shares' book value for tax purposes, a taxable capital gain can arise.

(1) **Corporations:** In general, capital gains earned on the sale of shares by corporations domiciled in Germany are exempt from corporate income tax (including the solidarity surcharge) and trade tax, irrespective of the stake represented by the shares and the length of time the shares are held; however, 5% of the capital gains are treated as a non-deductible business expense and, as such, are subject to corporate income tax (plus the solidarity surcharge thereon) and to trade tax.

(2) **Sole proprietors (individuals):** If the shares were acquired after December 31, 2008 and form part of the business assets of a sole proprietor (individual) who is tax resident in Germany, 60% of the capital gains on their sale are subject to the individual's personal tax rate plus the solidarity surcharge thereon (partial income method). Correspondingly, only 60% of losses from such sales and 60% of expenses economically related to such sales are deductible. For church tax, if applicable, the partial income method does not apply. If the shares are held as business assets of a commercial permanent establishment located in Germany, 60% of the capital gains are also subject to trade tax. The trade tax is fully or partially credited as a lump sum against the shareholder's personal income tax liability.

(3) **Commercial Partnerships:** If the shareholder is a partnership, personal income tax or corporate income tax, as the case may be, is assessed at the level of each partner rather than at the level of the partnership. The taxation of each partner depends upon whether the respective partner is a corporation or an individual. If the partner is a corporation, the tax principles applying to capital gains which are outlined in subsection 1 apply. If the partner is an individual, the tax principles applying to capital gains that are outlined in subsection 2 apply. Upon application and provided that additional prerequisites are met, an individual who is a partner can obtain a reduction of his or her personal income tax rate for profits not withdrawn from the partnership. In addition, capital gains from the sale of shares attributable to a permanent establishment maintained in Germany by a commercial partnership, or deemed to be commercial partnership are subject to trade tax at the level of the partnership. As a general rule, only 60% of the gains in this case are subject to trade tax to the extent the partners in the partnership are individuals, while 5% are subject to trade tax to the extent the partners are corporations and shares are sold. Under the principles discussed above, losses on sales and other reductions in profit related to the shares sold are generally not deductible or only partially deductible, if the partner is a corporation. If the partner is an individual, the trade tax the partnership pays on his or her share of the partnership's income is generally credited as a lump sum – fully or in part – against his or her personal income tax liability, depending on the tax rate imposed by the local municipality and certain individual tax-relevant circumstances of the taxpayer.

Special rules apply to capital gains realized by companies active in the financial and insurance sectors, as well as pension funds (see below, *O.VI. "Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds"*).

If a Domestic Paying Agent is involved, the proceeds from the sale of shares held as business assets are generally subject to the same withholding tax rate as those of shareholders whose shares are held as private assets (see *O.V.1.a. "Shares Held as Private Assets"*). However, the Domestic Paying Agent may refrain from withholding the withholding tax if (i) the shareholder is a corporation, association or estate with its tax residence in Germany, or (ii) the shares form part of the shareholder's domestic business assets, and the shareholder informs the Domestic Paying Agent of this on the officially prescribed form and meets certain additional prerequisites. If the Domestic Paying Agent nevertheless withholds taxes, the withholding tax withheld and remitted (including the solidarity surcharge and church tax, if applicable) will be credited against the shareholder's income tax or corporate income tax liability (including the solidarity surcharge and church tax, if applicable) and any excess amount will be refunded.

2. Taxation of Capital Gains of Shareholders without a Tax Residence in Germany

Capital gains realized by a shareholder with no tax residence in Germany are subject to German income tax only if the selling shareholder holds a Qualified Participation or if the shares form part of the business assets of a permanent establishment in Germany or of business assets for which a permanent representative is appointed.

Most double taxation treaties provide for an exemption from German taxes and assign the right of taxation to the shareholder's country of tax residence in the former case.

VI. Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds

Dividends paid to and capital gains realized by certain companies in the financial and insurance sector are, as an exception to the aforementioned rules, fully taxable.

This applies to dividends from as well as gains from the disposal of shares in the trading portfolio within the meaning of § 340e (3) German Commercial Code of credit institutions and financial services institutions, and shares that are, upon acquisition of the shares, allocable to the current assets of a financial enterprise within the meaning of the German Banking Act that is directly or indirectly held by a credit institution or financial services institution to more than 50%. The same applies to shares held as investments by life insurers, health insurers and pension funds. If the stake held at the beginning of the relevant assessment period is 15% or higher, subject to certain conditions, the dividends can be fully exempted from trade tax.

VII. Inheritance or Gift Tax

The transfer of shares to another person by inheritance or gift is generally subject to German inheritance or gift tax only if:

(1) the decedent, donor, heir, beneficiary or other transferee maintained his or her domicile or habitual abode in Germany, or had its place of management or registered office in Germany at the time of the transfer, or is a German citizen who has spent no more than five consecutive years (this term is extended to ten years for German expatriates with U.S. residence) prior to the transfer outside Germany without maintaining a residence in Germany (special rules apply to certain former German citizens who neither maintain their domicile nor have their habitual abode in Germany);

(2) the shares were held by the decedent or donor as part of business assets for which a permanent establishment was maintained in Germany or for which a permanent representative in Germany had been appointed; or

(3) the decedent or donor, either individually or collectively with related parties, held, directly or indirectly, at least 10% of the Company's registered share capital at the time of the inheritance or gift.

The fair value represents the tax assessment base. In general that is the stock exchange price. Dependent on the degree of relationship between decedent or donor and recipient, different tax-free allowances and tax rates apply.

The few German double taxation treaties relating to inheritance tax and gift tax currently in force usually provide that the German inheritance tax or gift tax can only be levied in the cases of (1) above, and also with certain restrictions in case of (2) above. Special provisions apply to certain German nationals living outside of Germany and former German nationals.

VIII. Other Taxes

1. General

No German transfer tax, value-added tax, stamp duty or similar taxes are assessed on the purchase, sale or other transfer of shares. Provided that certain requirements are met, an entrepreneur may, however, opt for the payment of value-added tax on transactions that are otherwise tax-exempt. Net wealth tax is currently not imposed in Germany.

2. The proposed financial transaction tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate. The Commission's Proposal is currently under review, and a revised proposal is expected to be published in the course of 2017.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the shares (including secondary market transactions) in certain circumstances. The issuance and subscription of shares should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the shares where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders are advised to seek their own professional advice in relation to the FTT.

P. FINANCIAL INFORMATION

Unaudited condensed consolidated interim financial statements of Cintinori Holding GmbH prepared in accordance with IFRS as of and for the three-month period ended March 31, 2017:

Condensed consolidated balance sheet F-3
Condensed consolidated statement of income F-4
Condensed consolidated statement of comprehensive income F-5
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Condensed consolidated cash flow statement F-7
Notes to the condensed consolidated financial statements F-8

Audited Consolidated Financial Statements of Cintinori Holding GmbH prepared in accordance with IFRS as of and for the years ended December 31, 2016, December 31, 2015 and December 31, 2014, and the Independent Auditor's Report thereon:

Consolidated balance sheet F-15
Consolidated statement of income F-16
Consolidated statement of comprehensive income F-17
Consolidated statement of changes in equity F-18
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Independent Auditor's report F-58

Audited Unconsolidated Financial Statements of Cintinori Holding GmbH prepared in accordance with the German Commercial Code (Handelsgesetzbuch) as of and for the fiscal year ended December 31, 2016, and the Auditor's Report thereon:

Balance sheet F-61
Income statement F-62
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The audited unconsolidated financial statements as of and for the fiscal year ended December 31, 2016 and the independent auditor's report thereon (F-83 to F-95) are translations of the respective German language financial statements and the respective auditor's report thereon.

Unaudited condensed consolidated interim financial statements of Cintinori Holding GmbH (prior to change of legal form and name to JOST Werke AG) prepared in accordance with IFRS as of and for the three-month period ended March 31, 2017

Cintinori Holding GmbH

Condensed Consolidated Balance Sheet as of March 31, 2017

Assets

Amounts in € thousands	Notes	03/31/2017	12/31/2016
Noncurrent assets			
Intangible assets		254,892	261,543
Property, plant, and equipment		80,136	80,139
Investments accounted for using the equity method		14,007	13,778
Deferred tax assets		10,428	10,265
Other noncurrent financial assets	(12), (13)	57	52
Other noncurrent assets		80	80
		359,600	**365,857**
Current assets			
Inventories	(11)	88,692	90,415
Trade receivables		117,042	90,050
Receivables from income taxes		3,847	3,460
Other current financial assets	(12)	920	1,085
Other current assets		5,319	6,312
Cash and cash equivalents		57,503	47,189
		273,323	**238,511**
		632,923	**604,368**

Equity and liabilities

Amounts in € thousands	Notes	03/31/2017	12/31/2016
Equity			
Subscribed capital		25	25
Capital reserves		79,728	79,728
Other reserves		-20,513	-22,545
Retained earnings		-191,598	-194,576
Equity attributable to owners of the parent		-132,358	-137,368
		-132,358	**-137,368**
Noncurrent liabilities			
Liabilities to shareholders	(15)	137,755	132,474
Pension obligations	(14)	59,307	60,655
Other provisions		3,012	2,992
Interest-bearing loans and borrowings	(16)	313,882	314,023
Deferred tax liabilities		126,551	126,206
Other noncurrent liabilities		5,026	5,010
		645,533	**641,360**
Current liabilities			
Pension obligations	(14)	1,744	1,744
Other provisions		15,483	14,958
Interest-bearing loans and borrowings	(16)	6,002	6,002
Trade payables		70,958	57,714
Liabilities from income taxes		5,032	3,080
Other current financial liabilities	(12), (17)	100	489
Other current liabilities		20,429	16,389
		119,748	**100,376**
		632,923	**604,368**

Cintinori Holding GmbH

Condensed Consolidated Statement of Income – by function of expenses for the three months ended March 31, 2017

Amounts in € thousands	Notes	January 1 - March 31, 2017	January 1 - March 31, 2016
Sales revenues	(7)	**180,496**	**165,480**
Cost of sales		**-129,832**	**-122,106**
Gross profit		**50,664**	**43,374**
Selling expenses		-21,033	-19,400
thereof: depreciation and amortization of assets		*-6,514*	*-6,435*
Research and development expenses		-2,622	-2,601
Administrative expenses		-11,712	-11,786
Other income	(8)	1,136	1,132
Other expenses	(8)	-1,006	-1,203
Share of profit or loss of equity method investments		492	331
Operating profit (EBIT)		**15,919**	**9,847**
Financial income	(9)	1,036	161
Financial expense	(9)	-9,734	-9,402
Net finance result		**-8,698**	**-9,241**
Profit before tax		**7,221**	**606**
Income taxes	(10)	-4,243	-2,261
Consolidated net income/ loss (-) for the year		**2,978**	**-1,655**
Profit/ Loss (-) attributable to owners of the parent		**2,978**	**-1,655**

Cintinori Holding GmbH

Condensed Consolidated Statement of Comprehensive Income
for the three months ended March 31, 2017

Amounts in € thousands	January 1 - March 31, 2017	January 1 - March 31, 2016
Consolidated net income/ loss (-) for the year	**2,978**	**-1,655**
Items that will be reclassified to profit or loss		
Exchange differences on translating foreign operations	1,144	-3,954
Items that will not be reclassified to profit or loss		
Remeasurements from defined benefit plans	1,268	-7,316
Deferred taxes relating to other comprehensive income	-380	2,195
Other comprehensive income	**2,032**	**-9,075**
Total comprehensive income	**5,010**	**-10,730**
Total comprehensive income attributable to owners of the parent	**5,010**	**-10,730**

Cintinori Holding GmbH

Condensed Consolidated Statement of Changes in Equity for the Fiscal Year for the three months ended March 31, 2016

				Other reserves				
	Subscribed capital	Capital reserves	Retained earnings	Exchange differences on translating foreign operations	Remeasurements from defined benefit plans	Other reserves	Equity attributable to owners of the parent	Total consolidated equity
Amounts in € thousands								
Balance at January 1, 2016	**25**	**79,728**	**-179,402**	**-2,902**	**-17,816**	**-103**	**-120,470**	**-120,470**
Consolidated net income for the year	0	0	-1,655	0	0	0	-1,655	-1,655
Other comprehensive income	0	0	0	-3,954	-7,316	0	-11,270	-11,270
Deferred taxes relating to other comprehensive income	0	0	0	0	2,195	0	2,195	2,195
Total comprehensive income	0	0	-1,655	-3,954	-5,121	0	-10,730	-10,730
Balance at March 31, 2016	**25**	**79,728**	**-181,057**	**-6,856**	**-22,937**	**-103**	**-131,200**	**-131,200**

Condensed Consolidated Statement of Changes in Equity for the Fiscal Year for the three months ended March 31, 2017

				Other reserves				
	Subscribed capital	Capital reserves	Retained earnings	Exchange differences on translating foreign operations	Remeasurements from defined benefit plans	Other reserves	Equity attributable to owners of the parent	Total consolidated equity
Amounts in € thousands								
Balance at January 1, 2017	**25**	**79,728**	**-194,576**	**125**	**-22,567**	**-103**	**-137,368**	**-137,368**
Consolidated net income for the year	0	0	2,978	0	0	0	2,978	2,978
Other comprehensive income	0	0	0	1,144	1,268	0	2,412	2,412
Deferred taxes relating to other comprehensive income	0	0	0	0	-380	0	-380	-380
Total comprehensive income	0	0	2,978	1,144	888	0	5,010	5,010
Balance at March 31, 2017	**25**	**79,728**	**-191,598**	**1,269**	**-21,679**	**-103**	**-132,358**	**-132,358**

Cintinori Holding GmbH

Condensed Consolidated Cash Flow Statement
for the three months ended March 31, 2017

Amounts in € thousands	January 1 - March 31, 2017	January 1 - March 31, 2016
Profit before tax	**7,221**	**606**
Depreciation, amortization, impairment losses and reversal of impairment on non current assets	10,852	10,306
Other noncash expenses	5,099	4,899
Change in other assets and liabilities	-3,262	-16,361
Income tax payments	-2,590	-4,905
Cash flow from operating activities	**17,320**	**-5,455**
Proceeds from sales of intangible assets	2	0
Payments to acquire intangible assets	-417	-980
Proceeds from sales of property, plant and equipment	52	77
Payments to acquire property, plant, and equipment	-3,104	-5,287
Dividends received	461	0
Interests received	118	84
Cash flow from investing activities	**-2,888**	**-6,106**
Interest payments	-4,212	-1,016
Proceeds from short-term borrowings	0	12,500
Refinancing costs	0	-3,754
Repayment of short-term borrowings	0	-2
Cash flow from financing activities	**-4,212**	**7,728**
Net change in cash and cash equivalents	**10,220**	**-3,833**
Change in cash and cash equivalents due to exchange rate movements	94	-737
Cash and cash equivalents at January 1	47,189	40,410
Cash and cash equivalents at March 31	**57,503**	**35,840**

Notes to the Condensed Consolidated Interim Financial Statements
for the period January 1 to March 31, 2017

1. General Information

Cintinori Holding GmbH (hereinafter also the "Group", or "Company", or the "JOST Group") was founded on February 27, 2008. Its registered office is at 2, Siemensstraße in D-63263 Neu-Isenburg. The Company is registered in the Register of Commerce of Offenbach am Main under the section B number 43750. On August 28, 2008 Jasione GmbH a subsidiary of Cintinori Holding GmbH acquired all the shares of the JOST Group.

The Group is a global manufacturer of vehicle couplings and components (mainly fifth wheel coupling units for semitrailers and drawbars) for heavy trucks, semitrailers, and trailers, and distributes its products on all continents.

2. Basis of preparation

The condensed consolidated interim financial statements (hereinafter also "interim financial statements") as at and for the three months ended March 31, 2017 comprise Cintinori Holding GmbH and its subsidiaries. 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 (IFRS IC) issued by the International Financial Reporting Interpretations Committee, 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 financial position and performance since the last annual consolidated financial statements as at and for the year ended December 31, 2016. The interim financial statements should be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2016.

The accounting policies and consolidation methods applied in the interim financial statements comply with the policies applied in the previous year. Amendments to the IFRS did not have any material impact on the consolidated interim financial statements as of March 31, 2017.

During the preparation of the consolidated financial statements of Cintinori Holding GmbH the principle of going concern was assumed.

Immediate parent entity of the company is Jantinori 2 S.à r.l., Luxembourg. The ultimate parent of the JOST Group is JOST-Global & Co S.C.A., Luxembourg, domiciled in Luxembourg.

Managing Directors approved the consolidated financial statements of Cintinori Holding GmbH for issue on June 14, 2017.

3. Estimates

Application of accounting policies under IFRSs as adopted in the EU requires the Group to make assumptions and exercise judgment affecting the reported amounts of assets, liabilities, income, and expenses in the financial statements. In certain cases, the actual amounts may differ from the assumptions and estimates made. Such changes are recognised in the income statement as soon as they become known if not required by IFRS to be recognised in other comprehensive income (e.g. IAS 19). The most important assumptions about the future and other key sources of estimation at the reporting date that entail a major risk that could result in a material adjustment of the carrying amounts of assets and liabilities within the next fiscal year are the same as those that were discussed in the consolidated financial statements as of December 31, 2016.

4. Scope of consolidation

There were no changes in the companies included in consolidation compared to the consolidated financial statements as of December 31, 2016.

5. Segment Information

Management reporting is organised into region-oriented segments. The following three operating segments are specified in the management reporting:

– Europe

– North America

– Asia, Pacific and Africa

The operating segments include all legal independent companies of the region. The product portfolio (truck parts and trailer parts) of the operating segments is broadly similar.

The Managing Directors monitor the operating segments on the basis of key earning figures. The Managing Directors measure operating segment performance primarily on adjusted result of ordinary operations (adjusted EBIT) and adjusted earnings before interest, taxes, depreciation and amortization (EBITDA). The calculation of adjusted EBIT and adjusted EBITDA is unchanged to the consolidated financial statements as of December 31, 2016.

The following table shows the reconciliation from operating profit to adjusted EBITDA:

Amounts in € thousands	January 1 - March 31, 2017	January 1 - March 31, 2016
EBIT	**15,919**	**9,847**
Edbro Acquisition	-34	-18
Axle Acquisition	0	-170
IT / ERP project	0	-143
IPO	-5	-100
Other	-202	-213
Additional depreciation from PPA	-555	-555
Additional amortization from PPA	-5,747	-5,747
Adjusted EBIT	**22,462**	**16,793**
Depreciation of property, plant, and equipment	-3,119	-2,480
Amortization of intangible assets	-1,431	-1,524
Adjusted EBITDA	**27,012**	**20,797**

EBIT of investments accounted for using the equity method are not allocated to a segment and is therefore include in the reconciliation column.

Transactions between the Business Units are charged at market conditions. Profits and losses resulting from intrasegment transactions are eliminated in each segment; income and expenses resulting from internal transactions are eliminated in the reconciliation column.

Segment reporting for the reporting period March 31, 2017:

Amounts in € thousands	Asia, Pacific and Africa	Europe	North America	Reconcilation/ Other***	Consolidated financial statements
Sales revenues*	**41,604**	**191,266**	**30,121**	**-82,495**	**180,496****
*thereof: external sales revenues**	*34,795*	*115,688*	*30,013*	*0*	*180,496*
*thereof: internal sales revenues**	*6,809*	*75,578*	*108*	*-82,495*	*0*
adjusted EBIT	**5,811**	**13,054**	**3,105**	**492**	**22,462**
thereof: depreciation and amortization	*355*	*3,620*	*575*	*0*	*4,550*
adjusted EBITDA	**6,166**	**16,674**	**3,680**	**492**	**27,012**

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

** Sales by destination in the reporting period:

- Americas: € 31,484 thousand
- Asia, Pacific and Africa: € 44,590 thousand
- Europe: € 104,422 thousand

*** Adjusted EBIT/EBITDA includes share of profit or loss of investments accounted for using the equity method.

Segment reporting for the reporting period March 31, 2016:

Amounts in € thousands	Asia, Pacific and Africa	Europe	North America	Reconcilation/ Other***	Consolidated financial statements
Sales revenues*	**32,151**	**180,700**	**30,674**	**-78,045**	**165,480****
*thereof: external sales revenues**	*24,534*	*110,342*	*30,604*	*0*	*165,480*
*thereof: internal sales revenues**	*7,617*	*70,358*	*70*	*-78,045*	*0*
adjusted EBIT	**3,952**	**10,496**	**2,015**	**330**	**16,793**
thereof: depreciation and amortization	*306*	*3,167*	*531*	*0*	*4,004*
adjusted EBITDA	**4,258**	**13,663**	**2,546**	**330**	**20,797**

* Sales revenues in the segments show the sales revenues by origin.
** Sales by destination in the reporting period:
- Americas: € 32,408 thousand
- Asia, Pacific and Africa: € 38,435 thousand
- Europe: € 94,637 thousand

*** Adjusted EBIT/EBITDA includes share of profit or loss of investments accounted for using the equity method.

6. Seasonality of operations

Seasonal effects during the year can result in variations of sales and resulting profit. However, seasonal effects are limited. JOST Group has slightly higher sales and results in the first half-year due to the fact that major customers especially in Europe close their manufacturing plants for summer break at the start of the second half-year. This effect is almost offset by adverse weather conditions during the winter months which can cause problems in logistics.

7. Sales revenues

The increase in sales revenues mainly relates to the increased sales activity in Asia, Pacific and Africa as well as in Europe. The increase in the Asian market mainly results from pre-buy effects in context with the new regulation on weight and size of Truck&Trailer-Combinations. The main reason for the increase in sales revenues in the European market is that there were two more working days in March 2017 compared to March 2016.

8. Other income/ other expenses

As of the reporting period, other income amount to € 1,136 thousand (reporting period 2016: € 1,132 thousand) and other expenses amount to € -1,006 thousand (reporting period 2016: € -1,203 thousand).

In the reporting period 2017 as well in the reporting period 2016 the other income mainly compromise currency gains. The other expenses mainly compromise currency losses.

9. Finance result

Financial income is composed of the following items:

Amounts in € thousands	January 1 - March 31, 2017	January 1 - March 31, 2016
Interest income	126	55
Realized and unrealized currency gains	851	88
Other financial income	59	18
Total	**1,036**	**161**

Financial expense is composed of the following items:

Amounts in € thousands	January 1 - March 31, 2017	January 1 - March 31, 2016
Interest expenses	-9,486	-9,272
Realized and unrealized currency losses	-32	-110
Other financial expenses	-216	-20
Total	**-9,734**	**-9,402**

10. Income Taxes

The following table shows the content of the income taxes:

Taxes on income in € thousands	January 1 - March 31, 2017	January 1 - March 31, 2016
Current tax on profits for the year	-4,404	-2,977
Deferred taxes	161	716
Taxes on income	**-4,243**	**-2,261**

The tax expenses are recognised based on management's best estimate of the weight-average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period.

11. Inventories

At March 31, 2017 inventory valuation allowance amount to € 12,551 thousand (December 31, 2016: € 12,256 thousand) were recognised. Changes to the inventory valuation allowances are recognised in cost of sales.

12. Financial assets and financial liabilities

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

Amounts in € thousands	Category in accordance with IAS 39	Carrying amount 03/31/2017	Fair value 03/31/2017	Carrying amount 12/31/2016	Fair value 12/31/2016	Level
Assets						
Cash and cash equivalents	LaR	57,503	–	47,189	–	n/a
Trade receivables	LaR	117,042	–	90,050	–	n/a
Other financial assets	LaR	952	–	1,117	–	n/a
Derivative financial assets	AFVP&L	25	25	20	20	2
Total		**175,522**	**25**	**138,376**	**20**	

Cash and cash equivalents, trade receivables, receivables from shareholders, loans to shareholder as well as other financial assets have in general short durations. Therefore carrying amount and fair value do not differ.

Amounts in € thousands	Category in accordance with IAS 39	Carrying amount 03/31/2017	Fair value 03/31/2017	Carrying amount 12/31/2016	Fair value 12/31/2016	Level
Liabilities						
Trade payables	OL	70,958	–	57,714	–	n/a
Interest-bearing loans and borrowings	OL	319,884	319,884	320,025	320,025	2
Shareholder loans	OL	137,755	329,248	132,474	327,331	3
Other liabilities	OL	0	–	351	–	n/a
Derivative financial liabilities	AFVP&L	100	100	138	138	2
Total		**528,697**	**649,232**	**510,702**	**647,494**	

The JOST 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 reporting period.

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

The fair value of the shareholder loans at each balance sheet date was calculated by discounting the (changed) expected future cash flows by corresponding market interest rates taking into account the company's credit risk and the subordination of the loan.

The company elected to measure the carrying amount at amortized cost using the effective interest method. As the impact of discounting the expected future cash flows is not material, the carrying amount does not materially differ from its fair value.

Trade payables and other liabilities have executed short duration, therefore carrying amount and fair value do not differ.

13. Other Financial Assets

Future interest rate volatility is hedged via four interest rate swaps (please see also note 17.) and three interest rate caps.

These three caps have a positive fair value of € 25 thousand as of March 31, 2017 (December 31, 2016: € 20 thousand) which is recorded in the Balance Sheet as other noncurrent financial asset.

As of March 31, 2017, approximately 51 % of the liabilities under senior loans were hedged by these derivative financial instruments (Please see also note 17.).

The Group consistently with prior year did not apply hedge accounting in accordance with IAS 39 in the reporting period.

14. Pension Obligations

Pension obligations as of March 31, 2017 were € 61,051 thousand. The following significant actuarial assumptions were made:

Assumptions	**03/31/2017**	**12/31/2016**
Discount rate	1.6%	1.5%
Inflation rate/future pension increases	2.0%	2.0%
Future salary increases	2.0%	2.0%

15. Liabilities to shareholders

The following table shows the conditions of the shareholder loans:

	Initial nominal amount in thousand €	**Interest rate**	**Maturity date**
Shareholder loan B	80,000	14.375%	28.08.2023
Shareholder loan C	93,400	7.50%	27.08.2038

Interests on shareholder loans are accrued until maturity.

In the reporting period 2017 nominal interest expenses were incurred in the reporting period in the amount of € 9,949 thousand (reporting period 2016: € 8,997 thousand). The financial result only contains interest expenses in the reporting period in the amount of € 5,281 thousand (reporting period 2016: € 4,852 thousand) due to the valuation of the shareholder loans at amortized cost using the effective interest expenses.

The lender of the shareholder loans agreed that any payment may be made only from freely available funds in a certain order of priority. In order to avoid an over-indebtedness of the Company within the meaning of Section 19 (2) Sentence 1 of the German Insolvency Code ("Insolvenzordnung") the parties agreed that the claims of the lender against the company for repayment of the loans and for payment of interest thereon shall in the event that insolvency proceedings are commenced be subordinated and rank behind other claims and receivables.

16. Interest-bearing Loans and Borrowings

The following table shows the Group's loan liabilities as of March 31, 2017:

Amounts in € thousands		**03/31/2017**	**12/31/2016**
Senior loans	Facility A	47,000	47,000
	Facility B1	262,965	262,965
	Facility B2	9,917	10,058
Senior loan		**319,882**	**320,023**
Other		**2**	**2**
Total		**319,884**	**320,025**

As of March 31, 2017 the Group has not drawn the available Revolving Facility (reporting period 2016: € 12,500 thousand) and interest payments were made in the amount of € 4,212 thousand (reporting period 2016: € 1,016 thousand).

In the event of a change in control (i.e. IPO or change in shareholders due to sale of shares), all bank borrowings (€ 319,884 thousand) have to be repaid according to the existing agreements. To face this risk the Group is currently in negotiations with a banking consortium in order to arrange a complete refinancing of the Group. The maturity of the new financing structure would be similar to the present structure. According to present negotiations and based on the current economic situation and the future outlook of the company there are no material reasons to believe that the Group would not achieve a similar maturity and interest rate structure. Since the present contracts are not cancelled as of March 2017 and therefore, the creditors do not have a right to cancel within one year, the major part of the present borrowings is presented as non-current.

17. Other Financial Liabilities

Future interest rate volatility is hedged via four interest rate swaps and three interest rate caps (Please see also note 13.). Overall, the interest rate swaps have a negative fair value of € 100 thousand (December 31, 2016: € 138 thousand) as of March 31, 2017 (mark-to-market valuation) which is recorded in the Balance Sheet as other financial liability.

As of March 31, 2017, approximately 51 % of the liabilities under senior loans were hedged by these derivative financial instruments.

The Group consistently with prior year did not apply hedge accounting in accordance with IAS 39 in the reporting period.

18. Related Party Disclosures

IAS 24 defines related parties as those persons and companies that control or can exert a significant influence over the other party. There were no changes to the circle of related parties in the first quarter 2017.

19. Events after the Reporting Date

No material events have occurred since the reporting date.

Neu-Isenburg, June 14, 2017

Lars Brorsen Dr. Ralf Eichler Christoph Hobo

Audited Consolidated Financial Statements of Cintinori Holding GmbH (prior to change of legal form and name to JOST Werke AG) prepared in accordance with IFRS as of and for the years ended December 31, 2016, December 31, 2015 and December 31, 2014

Cintinori Holding GmbH

Consolidated Balance Sheet
as of December 31, 2016

Amounts in € thousands	Notes	12/31/2016	12/31/2015	12/31/2014
Assets				
Noncurrent assets				
Intangible assets	(7)	261,543	281,734	309,685
Property, plant, and equipment	(8)	80,139	85,115	77,629
Investments accounted for using the equity method	(9)	13,778	10,355	14,231
Deferred tax assets	(10)	10,265	12,568	9,632
Other noncurrent financial assets	(11), (14)	52	346	461
Receivables from shareholders	(40)	0	769	0
Other noncurrent assets	(13)	80	76	72
		365,857	**390,963**	**411,710**
Current assets				
Inventories	(12)	90,415	92,595	86,558
Trade receivables	(13)	90,050	88,382	77,607
Receivables from income taxes		3,460	4,104	1,396
Other current financial assets	(11), (14)	1,085	860	2,876
Receivables from shareholders	(40)	0	1,529	0
Other current assets	(13)	6,312	8,191	6,583
Cash and cash equivalents	(15)	47,189	40,410	42,945
		238,511	**236,071**	**217,965**
		604,368	**627,034**	**629,675**
Equity and liabilities				
Equity				
Subscribed capital		25	25	25
Capital reserves		79,728	79,728	79,728
Other reserves		-22,545	-20,821	-18,462
Retained earnings		-194,576	-179,402	-135,044
Equity attributable to owners of the parent		-137,368	-120,470	-73,753
Noncontrolling interests		0	0	0
	(16)	**-137,368**	**-120,470**	**-73,753**
Noncurrent liabilities				
Liabilities to shareholders	(20)	132,474	121,704	186,534
Pension obligations	(17)	60,655	53,736	62,230
Other provisions	(18)	2,992	1,489	1,908
Interest-bearing loans and borrowings	(21)	314,023	319,704	209,621
Deferred tax liabilities	(10)	126,206	128,033	135,739
Other noncurrent financial liabilities	(11), (23)	0	126	2,687
Other noncurrent liabilities	(22)	5,010	4,376	5,211
		641,360	**629,168**	**603,930**
Current liabilities				
Pension obligations	(17)	1,744	1,887	1,630
Other provisions	(18)	14,958	11,096	12,486
Interest-bearing loans and borrowings	(21)	6,002	11,573	447
Trade payables	(22)	57,714	71,839	59,298
Liabilities from income taxes		3,080	3,754	6,837
Other current financial liabilities	(11), (23)	489	2,624	3,204
Other current liabilities	(22)	16,389	15,563	15,596
		100,376	**118,336**	**99,498**
		604,368	**627,034**	**629,675**

Cintinori Holding GmbH

Condensed Consolidated Statement of Income - by function of expenses for the twelve months ended December 31, 2016

Amounts in € thousands	Notes	January 1 - December 31, 2016	January 1 - December 31, 2015	January 1 - December 31, 2014
Sales revenues	(25)	**633,947**	**649,800**	**516,294**
Cost of sales	(26)	**-456,054**	**-485,155**	**-376,217**
Gross profit		**177,893**	**164,645**	**140,077**
Selling expenses	(27)	-82,120	-80,994	-1,189
thereof: depreciation and amortization of assets		*-26,121*	*-28,941*	*-19,737*
thereof: impairment of assets		*0*	*-2,685*	*0*
thereof: reversal of impairment of assets		*0*	*0*	*63,981*
Research and development expenses	(28)	-10,710	-9,406	-7,598
Administrative expenses	(29)	-54,363	-55,514	-35,568
Other income	(30)	7,350	7,140	2,903
Other expenses	(30)	-6,289	-2,720	-3,954
Share of profit or loss of equity method investments		1,371	1,415	2,683
Operating profit (EBIT)		**33,132**	**24,566**	**97,354**
Financial income	(32)	3,890	1,107	4,409
Financial expense	(33)	-39,112	-76,581	-51,531
Net finance result		**-35,222**	**-75,474**	**-47,122**
Loss (-)/ Profit before tax		**-2,090**	**-50,908**	**50,232**
Income taxes	(37)	-13,084	-1,161	-21,940
Consolidated net loss (-)/ income for the year		**-15,174**	**-52,069**	**28,292**
Noncontrolling interests		0	0	-3
Loss (-)/ Profit attributable to owners of the parent		**-15,174**	**-52,069**	**28,295**

Cintinori Holding GmbH

Consolidated Statement of Comprehensive Income for the twelve months ended December 31, 2016

Amounts in € thousands	Notes	January 1 - December 31, 2016	January 1 - December 31, 2015	January 1 - December 31, 2014
Consolidated net loss (-)/ income for the year		**-15,174**	**-52,069**	**28,292**
Items that will be reclassified to profit or loss				
Exchange differences on translating foreign operations		3,027	-1,931	6,873
Items that will not be reclassified to profit or loss				
Remeasurements from defined benefit plans	(17), (18)	-6,787	10,402	-15,631
Deferred taxes relating to other comprehensive income	(10)	2,036	-3,119	4,689
Other comprehensive income		**-1,724**	**5,352**	**-4,069**
Total comprehensive income		**-16,898**	**-46,717**	**24,223**
Noncontrolling interests		0	0	-3
Total comprehensive income attributable to owners of the parent		**-16,898**	**-46,717**	**24,226**

Cintinori Holding GmbH

Consolidated Statement of Changes in Equity
for the Fiscal Year from January 1, 2016 to December 31, 2016

				Other reserves					
	Subscribed capital	Capital reserves	Retained earnings	Exchange differences on translating foreign operations	Remeasurements from defined benefit plans	Other reserves	Equity attributable to owners of the parent	Non-controlling interests	Total consolidated equity
Notes	**(16)**	**(16)**	**(16)**	**(16)**	**(16), (17)**	**(16)**			
Amounts in € thousands									
Balance at January 1, 2014	**25**	**79,728**	**-163,339**	**-7,844**	**-6,446**	**-85**	**-97,961**	**75**	**-97,886**
Consolidated net loss (-)/ income for the year	0	0	28,295	0	0	0	28,295	-3	28,292
Other comprehensive income	0	0	0	6,873	-15,631	0	-8,758	0	-8,758
Deferred taxes relating to other comprehensive income	0	0	0	0	4,689	0	4,689	0	4,689
Total comprehensive income	0	0	28,295	6,873	-10,942	0	24,226	-3	24,223
Acquisition of noncontrolling interest	0	0	0	0	0	-18	-18	-72	-90
Balance at December 31, 2014	**25**	**79,728**	**-135,044**	**-971**	**-17,388**	**-103**	**-73,753**	**0**	**-73,753**
Consolidated net loss (-)/ income for the year	0	0	-52,069	0	0	0	-52,069	0	-52,069
Reclassifications	0	0	7,711	0	-7,711	0	0		0
Other comprehensive income	0	0	0	-1,931	10,402	0	8,471	0	8,471
Deferred taxes relating to other comprehensive income	0	0	0	0	-3,119	0	-3,119	0	-3,119
Total comprehensive income	0	0	-44,358	-1,931	-428	0	-46,717	0	-46,717
Acquisition of noncontrolling interest	0	0	0	0	0	0	0	0	0
Balance at December 31, 2015	**25**	**79,728**	**-179,402**	**-2,902**	**-17,816**	**-103**	**-120,470**	**0**	**-120,470**
Consolidated net loss (-)/ income for the year	0	0	-15,174	0	0	0	-15,174	0	-15,174
Reclassifications	0	0	0	0	0	0	0	0	0
Other comprehensive income	0	0	0	3,027	-6,787	0	-3,760	0	-3,760
Deferred taxes relating to other comprehensive income	0	0	0	0	2,036	0	2,036	0	2,036
Total comprehensive income	0	0	-15,174	3,027	-4,751	0	-16,898	0	-16,898
Acquisition of noncontrolling interest	0	0	0	0	0	0	0	0	0
Balance at December 31, 2016	**25**	**79,728**	**-194,576**	**125**	**-22,567**	**-103**	**-137,368**	**0**	**-137,368**

Cintinori Holding GmbH

Consolidated Cash Flow Statement
for the twelve months ended December 31, 2016

Amounts in € thousands	Notes	January 1 - December 31, 2016	January 1 - December 31, 2015	January 1 - December 31, 2014
Loss (-)/Profit before tax		**-2,090**	**-50,908**	**50,232**
Depreciation, amortization, impairment losses and reversal of impairment on non current assets	(36)	41,251	46,578	-33,689
Other noncash expenses	(39)	20,484	46,765	41,037
Change in other assets and liabilities		6,845	18,983	4,075
Income tax payments	(37)	-9,884	-18,917	-8,549
Cash flow from operating activities		**56,606**	**42,501**	**53,106**
Payments to acquire intangible assets	(7)	-5,088	-5,902	-3,969
Proceeds from sales of property, plant, and equipment	(8)	1,444	5,401	0
Payments to acquire property, plant, and equipment	(8)	-13,282	-24,419	-15,113
Acquisition of subsidiary, net of cash acquired	(3.1)	0	-3,000	-18,300
Loans granted to related parties	(40)	0	-769	-300
Dividends received	(9)	196	1,543	3,238
Interests received	(9)	659	392	358
Cash flow from investing activities		**-16,071**	**-26,754**	**-34,086**
Interest payments	(21)	-16,903	-8,162	-9,364
Proceeds from short-term borrowings	(21)	0	10,500	0
Proceeds from long-term borrowings	(21)	0	108,235	0
Refinancing costs	(21)	-3,823	-5,915	0
Repayment of long-term borrowings	(21)	0	0	-11,715
Repayment of short-term borrowings	(21)	-10,500	-447	0
Repayment of long-term liabilities to shareholders	(20)	0	-107,216	0
Interest payments to shareholders	(20)	-2,956	-15,231	0
Acquisition of interest in a subsidiary		0	0	-90
Cash flow from financing activities		**-34,182**	**-18,236**	**-21,169**
Net change in cash and cash equivalents		**6,353**	**-2,489**	**-2,149**
Change in cash and cash equivalents due to exchange rate movements		426	-46	1,045
Cash and cash equivalents at January 1		40,410	42,945	44,049
Cash and cash equivalents at December 31	(15)	**47,189**	**40,410**	**42,945**

Notes to the Consolidated Financial Statements

1. General Information

Cintinori Holding GmbH (hereinafter also the "Group," or "Company," or the "JOST Group") was founded on February 27, 2008. Its registered office is at 2, Siemensstraße in D-63263 Neu-Isenburg. The Company is registered in the Register of Commerce of Offenbach am Main under the section B number 43750. On August 28, 2008 Jasione GmbH a subsidiary of Cintinori Holding GmbH acquired all the shares of the JOST Group.

The Group is a global manufacturer of vehicle couplings and components (mainly fifth wheel coupling units for semitrailers and drawbars) for heavy trucks, semitrailers, and trailers, and distributes its products on all continents.

Board of Managers approved the consolidated financial statements of Cintinori Holding GmbH for issue on April 11, 2017.

The consolidated annual financial statements of Cintinori Holding GmbH and its subsidiaries as of December 31, 2016, 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 (IFRS IC) issued by the International Financial Reporting Interpretations Committee, as adopted by the European Union (EU).

Certain items in the consolidated balance sheet and the consolidated income statement were combined in order to enhance the clarity of presentation. These items are analysed in detail in the notes to the consolidated financial statements. The consolidated financial statements have been prepared in thousands of euros (€ thousands). The income statement uses the cost of sales format. The consolidated financial statements have been prepared under the historical cost convention.

During the preparation of the consolidated financial statements of Cintinori Holding GmbH going concern was assumed.

Immediate parent entity of the company is Jantinori 2 S.à r.l., Luxembourg. The ultimate parent of the JOST Group is JOST-Global & Co S.C.A., Luxembourg, domiciled in Luxembourg.

1. New and amended standards applied in 2016

The following new and amended International Financial Reporting Standards and Interpretations that are effective for fiscal years beginning on or after January 1, 2016 were applied for the first time:

i. Accounting for acquisitions of interests in joint operations – Amendments to IFRS 11

These amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

ii. Clarification of acceptable methods of depreciation and amortization – Amendments to IAS 16 and IAS 38

These amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

iii. Others

"Annual Improvements to IFRSs 2012-2014 cycle" are not relevant and do not have any effects on the Group's financial statements.

In addition, there were further changes in accounting policies which have no effect on the Group's net assets, financial position and results of operations.

2. Standards, interpretations, and amendments to published standards that are not required to be applied in 2016 and were not applied by the Group prior to their effective date

i. IFRS 9 – Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. The Group is currently assessing the impact of IFRS 9 and plans to adopt the new standard on the required effective date.

ii. IFRS 15 – Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

iii. IFRS 16 – Leases

In January 2016, the IASB issued the new IFRS 16 standard, which requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 "Leases". As a result of the first-time adoption, the majority of the liabilities from operating rental and lease agreements, currently presented under section 24. "Other financial obligations", will be presented as an extension to the balance sheet. Application of IFRS 16 is required for annual periods beginning on or after January 1, 2019. The Group is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date.

3. Effects on the consolidated financial statements

The Group does not anticipate any relevant effects (if at all) on its consolidated financial statements from the initial application of the new standards and interpretations for fiscal year 2016.

2. Consolidation Methods

The consolidated financial statements were prepared on the basis of the annual financial statements of the consolidated companies as of December 31, 2016, which in turn were prepared using uniform accounting policies in accordance with IFRS as adopted by the European Union.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains and losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

All domestic and foreign subsidiaries are included in the consolidated financial statements. The liquidation of the associate (J.I. Component RO S.R.L., Timisoara/Romania), which was not included in the consolidated financial statements for reasons of materiality in the last years, was completed on April 11, 2016. Furthermore, the liquidation of JOST Gigant Auto Components Pte. Ltd., Jharkhand / India was completed on March 2, 2016.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with

the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group reporting date (December 31 of each fiscal year) is the reporting date of the annual financial statements of the parent Cintinori Holding GmbH. Audited interim financial statements as of December 31, 2016 were included for JOST India.

The investment in the JOST Brasil Sistemas Automotivos Ltda. joint venture is accounted for in the consolidated balance sheet using the equity method.

The accounting and valuation principles applied correspond to those of the parent.

Currency translation differences were recognised in other comprehensive income in the "Exchange differences on translating foreign operations" item in other reserves.

Intercompany profits and losses, intercompany revenues, expenses, and income, as well as all receivables and liabilities between consolidated companies were eliminated.

Transactions with non-controlling interests

The Group accounts for transactions with non-controlling interests as transactions with equity owners of the Group. If non-controlling interests are acquired, the difference between the amount paid and the share of the carrying amount of the net assets of the subsidiary acquired is recognised directly in equity. Gains or losses on purchases of non-controlling interests are also recorded in equity.

3. Scope of consolidation

1. JOST Group

The consolidated financial statements include the financial statements of Cintinori Holding GmbH, the subsidiaries, and the following joint ventures:

Cintinori Holding GmbH Consolidated Financial Statements as of December 31, 2016

List of shareholdings

Company		Interest held by Cintinori Holding GmbH	nature of business
Consolidated companies			
Jasione GmbH Neu-Isenburg		100.00%	holding company
JOST-Werke Deutschland GmbH Neu-Isenburg	1)	100.00%	production company sales company
Jost-Werke International Beteiligungsverwaltung GmbH Neu-Isenburg	1)	100.00%	holding company
Rockinger Agriculture GmbH Waltershausen / Germany	1)	100.00%	production company sales company
Regensburger Zuggabel GmbH Neu-Isenburg	1)	100.00%	shelf company
JOST France S.à r.l. Paris / France	1)	100.00%	sales company
JOST Iberica S.A. Zaragoza / Spain	1)	100.00%	production company sales company
JOST Nederland B.V. Breukelen / Netherlands	1)	100.00%	sales company
Jost Italia S.r.l. Milan / Italia	1)	100.00%	sales company
Jost GB Ltd. Bolton / United Kingdom	1)	100.00%	holding company
Jost UK Ltd. Bolton / United Kingdom	1)	100.00%	production company sales company

Company		Interest held by Cintinori Holding GmbH	nature of business
ooo JOST RUS Moscow / Russia	1)	100.00%	production company sales company
JOST Polska Sp. z o.o. Nowa Sòl / Poland	1)	100.00%	production company
Jost Hungaria BT Veszprém / Hungary	1)	100.00%	production company
JOST TAT LLC Naberezhyne Chelny / Russia	1)	100.00%	sales company
Tridec Holdings B.V. Son / Netherlands	1)	100.00%	holding company
Tridec B.V. Son / Netherlands	1)	100.00%	production company sales company
Tridec Ltda. Cantanhede / Portugal	1)	100.00%	production company
JOST Achsen Systeme GmbH Calden / Germany	1)	100.00%	sales company
Jost Axle Systems Southern Europe S.A.S. Lattes / France	1)	100.00%	sales company
JOST (S.A.) Pty. Ltd. Chloorkop / South Africa	1)	100.00%	production company sales company
JOST Transport Equipment Pty. Ltd. Chloorkop / South Africa	1)	100.00%	sales company
Jost Australia Pty. Ltd. Seven Hills / Australia	1)	100.00%	sales company
JOST International Corp. Grand Haven, Michigan / U.S.A.	1)	100.00%	production company sales company
Jost (China) Auto Component Co. Ltd. Wuhan, Province Hubei / PR China	1)	100.00%	production company sales company
Jost (Shanghai) Auto Component Co. Ltd. Shanghai / PR China	1)	100.00%	production company sales company
JOST (Shanghai) Trading Co. Ltd. Shanghai / PR China	1)	100.00%	sales company
Jost Far East Pte. Ltd. Singapore	1)	100.00%	sales company
JOST India Auto Component Pte. Ltd. Jamshedpur / India	1)	100.00%	production company sales company
JOST Japan Co. Ltd. Yokohama / Japan	1)	100.00%	sales company
Joint Ventures			
JOST Brasil Sistemas Automotivos Ltda. Caxias do Sul / Brasil	1)	49.00%	production company sales company

1) Indirectly via Jasione GmbH

In 2014, Edbro Nederland BV, Nieuw Vennep / Netherlands, was merged into Tridec B.V., Son / Netherlands and Edbro S.à r.l., Wasquehal / France, was merged into JOST France S.à r.l., Paris / France. The mergers took place with retrospective effect on January 1, 2014. As at September 18, 2014, JOST-Werke Deutschland GmbH (formerly: JOST-Werke GmbH), Neu-Isenburg, acquired all shares of JOST Achsen Systeme GmbH (formerly: Jost Achsen Systeme GmbH), Kassel, and on December 18, 2014, JOST France S.à r.l., Paris / France, acquired all shares of Jost Axle Systems Southern Europe S.A.S., Lattes / France. For further information see note 3.3.

On December 18, 2014, the JOST Group acquired the business of the Mercedes-Benz TrailerAxleSystems, including acquisition of all shares of Trailer Axle Systems Southern Europe S.A.S. Lattes / France, renamed

to Jost Axle Systems Southern Europe S.A.S., Lattes / France. Through the acquisition, the Group will be able to expand its product portfolio for commercial vehicles to incorporate trailer axles, especially for European axle activities.

The second purchase price payment of € 3,000 thousand relating to the Acquisition of the business of the Mercedes-Benz TrailerAxleSystems were paid in 2015 as agreed.

There were no adjustments to the original purchase price allocation during 2015 necessary.

In 2015 this acquisition had material effects on the consolidated sales and net income. For this reason the prior year's figures are not unreservedly comparable with the figures in the consolidated financial statements as of December 31, 2014.

The liquidation of JOST Gigant Auto Components Pte. Ltd., Jharkhand / India was completed on March 2, 2016. Therefore the company has been removed from the scope of consolidation of JOST Group. This liquidation had no material effect on sales, net income and balance sheet.

2. Transactions with non-controlling interests

On March 31, 2014, the company acquired the remaining 49 % of the issued shares of JOST Gigant Auto Components Pte. Ltd., Jharkhand / India (JOST Gigant), for a purchase consideration of € 90 thousand. The Group then held 100 % of the equity shares capital of JOST Gigant. The carrying amount of the non-controlling interests in JOST Gigant on the date of acquisition was € 72 thousand. The Group derecognised non-controlling interests of € 72 thousand and recorded a decrease in equity attributable to owners of the parent of € 18 thousand. The effect of changes in the ownership interest of JOST Gigant on the equity attributable to owners of the company during the year is summarized as follows:

Amounts in € thousands	
Carrying amount of noncontrolling interests acquired	72
Consideration paid to noncontrolling interests	90
Excess of consideration paid recognized in parent's equity (other reserves)	**18**

As of December 31, 2016, the company is already liquidated as mentioned above (see note 3.1.).

4. Currency Conversion

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in EUR, which is the group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net in-vestment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(b) income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognised in other comprehensive income.

5. Accounting Policies in the Consolidated Financial Statements

1. Management judgment, estimates, and assumptions

Application of accounting policies under IFRSs as adopted in the EU requires the Group to make assumptions and exercise judgment affecting the reported amounts of assets, liabilities, income, and expenses in the financial statements. In certain cases, the actual amounts may differ from the assumptions and estimates made. Such changes are recognised in the income statement as soon as they become known. The most important assumptions about the future and other key sources of estimation uncertainty at the reporting date that entail a major risk that could result in a material adjustment of the carrying amounts of assets and liabilities within the next fiscal year are discussed in the following.

Measurement of shareholder loans

Specific management judgement is also required in connection with the valuation of the shareholder loans. As discussed further in note 5.13. management has to take into account changed expectations of future cash-outflows at each balance sheet date. Those assessments are based on the same assessments about future cash-flows for other purposes, e.g. when performing impairment tests.

Measurement of items of property, plant, and equipment, and intangible assets with finite useful lifes

The measurement of items of property, plant, and equipment, and intangible assets, with finite useful lifes requires the use of estimates to measure fair value at the acquisition date, especially in the case of assets acquired in the course of a business combination. The expected useful life of these assets must also be estimated. Measuring the fair value of such assets, estimating their useful lifes, and performing impairment tests if there are indications of impairment are based on management judgment. For further details, see notes 7. "Goodwill and Other Intangible Assets" and 8. "Property, Plant, and Equipment."

Pensions and similar obligations

Provisions and expenses for defined-benefit plans and other post-employment medical benefits are determined on the basis of actuarial calculations. The actuarial valuation is based on assumptions concerning discount rates, future wage and salary increases, mortality rates, future pension increases, and expected staff turnover. All assumptions are reviewed at the balance sheet date. The discount rate is based on high quality corporate bond yields for the currency in question at the reporting date. The mortality rate is based on publicly available mortality tables for the country in question. Future wage and salary increases, as well as pension increases, are based on expected future inflation rates for the country concerned, as well as on the structure of the defined-benefit plan. Such estimates are subject to significant uncertainties, in line with the long-term orientation of the pension plans. For effects using different actuarial assumptions on carrying amount of pension obligations, see note 17. "Pension Obligations".

Other provisions

Other provisions are recognised and measured based on estimates of the probability of future outflows of payments and reflect past experience and circumstances known at the reporting date. For this reason, outflows of actual payments may differ from the recognised amount of other provisions.

Financial instruments

If the fair value of financial assets and liabilities recognised in the balance sheet cannot be measured using prices in an active market, it is estimated using valuation techniques. The inputs used in the valuation model are based as far as possible on observable market data. If this is not possible, fair value measurement is subject to a degree of management judgment. This management judgment affects inputs such as liquidity risk, credit risk, and volatility. Changes in the assumptions regarding these inputs may affect the recognised fair value of financial instruments.

Others

The Group has not any relevant risk (if at all) on valuation of inventories, realisation of deferred taxes, and reasons for impairment tests as of December 31, 2016. Further details are discussed in the following.

2. Goodwill and other intangible assets

Purchased intangible assets are recognised at cost and reduced by straight-line amortization over their useful lifes. There are no intangible assets with indefinite useful life. Impairment losses are recognised if required. Goodwill is not amortized.

The useful lifes specified in the accounting policies applied to the Group's intangible assets can be summarized as follows:

	Order backlog	Software	Patents	Customer list	Trademarks
Useful lifes	1 year	3 years	6—13 years	15—22 years	20 years

Goodwill resulting from business combinations represents the excess of the consideration transferred over the acquirer's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For impairment testing purposes, goodwill acquired in the course of a business combination is allocated from the acquisition date to the Group's cash-generating units that are expected to benefit from the synergies generated by the business combination. Cintinori Holding GmbH has designated the geographic markets as its cash-generating units. The identified cash-generating units are Europe, South Africa and Australia, North America, and Asia.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. Goodwill is tested for impairment at the level of the cash-generating unit to which it is allocated by comparing the carrying amount of the cash-generating unit with its recoverable amount. If the carrying amount is higher than the recoverable amount, the cash-generating unit is impaired and must be written down to the recoverable amount. The recoverable amount of a cash-generating unit is the higher of its fair value less costs to sell and its value in use. Value in use is defined as the present value of the future cash flows expected to be derived by the entity from the cash-generating unit. Value in use is calculated by discounting the estimated future cash flows to their present value by applying a pre-tax discount rate that reflects current market expectations of the time value of money and the risks specific to the cash-generating unit. An appropriate discounted cash flow model is used to measure fair value less costs to sell. Impairment losses on goodwill may not be reversed in future periods if the reasons for recognizing the impairment loss in previous periods no longer apply. The carrying value of the cash-generating unit containing the goodwill / intangible asset is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal.

Research and development expenses

In addition to the costs of the research departments and process development, this item includes third-party services and the cost of technical tests. Expenditure on research shall be recognised as an expense when it is incurred. Development expenses are expensed in full in the period in which they are incurred unless the recognition criteria in IAS 38 require the expenses to be capitalized. If development expenses are capitalized, the cost model is applied after initial recognition of the development expenses, under which the asset is recognised at cost less any cumulative straight-line amortization and any cumulative impairment losses. Capitalized development expenses are amortized over the period of the expected future revenues associated with the project in question of three to five years. The carrying amount of capitalized development expenses is tested for impairment once a year if the asset is not yet in use, or more frequently if there are indications of impairment during the course of the fiscal year.

3. Impairment of intangible assets with finite useful lifes

In the case of intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Intangible assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date that will be booked if identified appropriately.

4. Property, plant, and equipment

Items of property, plant, and equipment are recognised at cost less cumulative depreciation and any cumulative impairment losses. Straight-line depreciation is based on the estimated useful lifes of the

assets. The carrying amounts of items of property, plant, and equipment are tested for impairment if there are indications that the carrying amount of an asset is higher than its recoverable amount. Costs subsequent to initial recognition, for example because of expansion or replacement investments, are only recognised as part of the cost of the assets or—if applicable—as a separate asset if it is probable that the Group will derive future economic benefits from them and the cost of the asset can be measured reliably. Expenses for repairs and maintenance that do not represent significant replacement investments (day-to-day servicing) are recognised as expenses in the financial year in which they are incurred. An item of property, plant, and equipment is derecognised when it is disposed of or if no future economic benefits are expected from its continued use or sale. The gains or losses on derecognition of the asset are determined as the difference between the net disposal proceeds and its carrying amount and are recognised in profit or loss in the period in which the asset is derecognised. The residual values of assets, useful lifes, and depreciation methods are reviewed at the end of each fiscal year and adjusted if necessary. The useful lifes specified in the accounting policies applied to the Group's property, plant, and equipment are summarized as follows (Land is not depreciated):

	Operating and office equipment	**Technical equipment and machinery**	**Buildings**
Useful lifes	1—8 years	4—20 years	20—50 years

Borrowing costs that are directly attributable to the acquisition, construction, or production of an asset (qualifying asset) in cases where a substantial period of time (12 month) is required to get the asset ready for its intended use or sale are capitalized as part of the cost of the asset in question. All other borrowing costs are recognised as expenses in the period in which they are incurred.

5. Investments accounted for using the equity method

Investments in joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition. Joint Ventures and associates of the group are accounted for using the equity method.

The group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount as impairment loss in the income statement.

6. Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. The cost of raw materials, consumables, and supplies is measured using a weighted average cost formula. The cost of finished goods and work in progress comprises the costs of raw materials, consumables, and supplies, direct labor, other direct costs, and indirect costs that can be directly attributable to the production process (based on normal capacity). The cost of inventories does not contain any borrowing costs because no inventories are purchased or acquired for which a substantial period of time is required to get them ready for their intended use or sale. Inventories are written down if necessary to reflect reduced marketability.

7. Receivables and other financial assets

Receivables and other financial assets are initially recognised at fair value including transaction costs and subsequently measured at amortized cost using the effective interest method, net of any impairment losses. Impairment losses are recognised in the "Selling expenses" item in the statement of income. If there are indications that a receivable is uncollectible, it is written off against the allowance account for doubtful receivables. Other indications of impairment include significant financial difficulty of a debtor, an increased probability that a borrower will enter bankruptcy or other reorganization proceedings, as well as a breach of contract such as default or delinquency in interest or principal payments. Payments subsequently received on amounts that have been written off are credited against the impairment losses recognised on trade receivables in the "Selling expenses" item in the Statement of Income.

8. Financial assets and financial liabilities

The categorization of financial instruments is based on the purpose for which the financial instruments were acquired. The Group categorizes its financial assets and the financial liabilities in the following categories: at fair value through profit or loss, loans and receivables, and other liabilities.

Financial assets and liabilities are not netted.

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. A financial liability is recognised when the entity becomes a party to the obligation specified in the contractual provisions of the liability.

A financial asset is derecognised when, and only when, the contractual rights of the Group to the cash flows from the financial asset expires or when the Group transfers the financial assets and the transfer qualifies for derecognition. A financial liability (or a part of a financial liability) is removed from the statement of financial position of the Group when, and only when, it is extinguished – for example when the obligation specified in the contract is discharged or cancelled or expires.

Regular way purchases and sales of financial assets are accounted for at the trade date.

Net gains and losses on financial instruments comprise measurement gains and losses, currency translation gains and losses, and interest and dividends.

LaR = Loans and receivables

Loans and receivables are nonderivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and receivables (including trade receivables, other financial assets, bank balances, and cash funds) are measured at amortized cost net of any impairment losses using the effective interest method.

Interest income is measured using the effective interest method, with the exception of current receivables.

OL = other liabilities

Other liabilities are measured at amortized cost using the effective interest method.

AFVP&L = at fair value through profit or loss

These comprise financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Changes in the fair value of financial assets in this category are recognised in profit or loss at the time of the increase or decrease in fair value.

9. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances, and short-term deposits with original maturities of less than three months.

10. Pensions

Group companies operate various pension schemes. The schemes are for the most part for employees and managing directors of JOST-Werke Deutschland GmbH, Neu-Isenburg. Some schemes are funded through payments to insurance companies, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The major pension scheme is a final salary pension plan providing life-long payments in case of retirement, disability or death. Besides there are individual pension promises providing fixed amounts of life-long payments or lump sum payments in case of retirement, disability or death. Risks of the pension schemes, such as life expectancy and inflation, are in general borne by the Group companies.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the

currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In currencies where there is no deep market in such bonds, the market rates on government bonds are used.

Remeasurements arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise and shall not be reclassified to profit or loss in a subsequent period.

Past-service costs are recognised as an expense immediately in income.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

11. Other provisions

Provisions are recorded when a past event gives rise to a present legal or constructive obligation to a third party, utilization of the obligation is probable and the anticipated amount of the obligation can be estimated reliably. The measurement of these provisions is at the present best estimate of the expenses necessary to fulfil the obligation. If appropriate, the amount of the provisions corresponds to the present value of the expenditures expected to be necessary to meet the obligations. Refund claims are capitalized separately, if applicable. If the Group expects at least a partial refund for provisions, the refund is recognized under other assets if the return of the refund is expected.

12. Trade payables and other liabilities

Trade payables and other financial liabilities are initially measured at fair value less transaction costs. They are subsequently measured at amortized cost using the effective interest method.

13. Interest-bearing loans and borrowings and liabilities to shareholders

Interest-bearing loans and borrowings are initially measured at fair value. Borrowings are subsequently carried at amortized costs.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

Shareholder loans were initially measured at fair value. Due to the difficult situation of the group at that time (January 28, 2011) together with the declared subordination of the lenders (see Section 20) the fair value of the loans was significantly lower than its nominal amount. After initial recognition, shareholder loans are measured at amortised cost using the effective interest method, i.e. the difference between the initial values (fair value) and the repayable amounts is amortized over the term of the loans using the original effective interest rate. Those expenses are recognized as interest expenses. At each balance sheet date the company additionally analyses to which extent it is able to fulfil the financial obligations according to the shareholder loans taking into account the deferral mechanism of the subordination agreement. To the extent that the expected cash-outflows have changed compared to the previous balance sheet date the company adjusts the carrying values of the shareholder loans to reflect actual and revised estimated cash flows. The expense or income according to this adjustment is recognized as “remeasurement” in the financial income/ expenses.

14. Derivatives

The Group uses derivatives to hedge existing interest rate risks.

The fair values of various derivate instruments used for hedging purposes are disclosed in note 14. and 23. Movements on the hedging provisions are reflected in the consolidated statement of income and shown in 32. and 33. The full fair value of a hedging derivate is classified as non-current liability when the remaining maturity of hedged items is more than 12 months, and as a current liability when the maturity of the hedged item is less than 12 months.

The fair values of the derivatives are determined using valuation techniques, as they are not traded in an active market. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. Since all significant inputs are observable, the instruments are included in level 2 in accordance with IFRS 13. In order to fair value an instrument JOST calculates the present value of the estimated future cash flows based on observable yield curves.

15. Revenue Recognition

Sales revenues are measured at the fair value of the consideration received or receivable for the sale of goods in the ordinary course of business. Sales revenues are reported net of value added tax, returns, rebates, and discounts, and after elimination of intercompany revenues. The Group recognizes sales revenues when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity. The Group makes estimates on the basis of historical data that reflect customer-specific, transaction-specific, and contract-specific factors for the purpose of bonus and guarantee calculations.

16. Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are recognised for temporary differences between IFRS values and tax base. Deferred tax assets are also recognised for loss carry forwards in most cases. They are only recognised if it is probable that taxable profit will be available against which the tax asset can be utilized. Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

17. Leases

Leases are classified as operating leases if substantially all the risks and rewards incidental to ownership remain with the lessor. Payments made in connection with an operating lease are recognised as expenses in the Statement of Comprehensive Income on a straight-line basis over the lease term, net of any incentive payments received from the lessor.

Leases of items of property, plant, and equipment for which the Group bears substantially all the risks and rewards incidental to ownership are classified as finance leases. Assets leased under finance leases are generally recognised at inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. A lease liability is recognised in the same amount in noncurrent liabilities. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability in such a way as to produce a constant periodic rate of interest on the remaining balance of the liability. The net lease liability is reported in noncurrent liabilities. The finance charge is recognised as an expense in the Statement of Comprehensive Income so as to produce a constant periodic rate of interest over the term of the lease.

The property, plant, and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

18. Share-based payment in accordance with IFRS 2

Share-based payment transactions are treated in accordance with IFRS 2, Share-based Payment, in the JOST Group. The standard encompasses all arrangements where an entity purchases goods or services in exchange for the issue of an entity's equity instruments, or cash payments based on the fair value of the entity's equity instruments, unless the transaction is clearly for a purpose other than payment for goods or services supplied to the entity receiving them. In accordance with IFRS 2, JOST Group distinguishes between equity-settled and cash-settled plans. The financial benefit from equity-settled plans granted on grant date is allocated over the expected vesting period against equity. Expenses from cash-settled plans are also allocated over the expected vesting period, but against as a liability. A description of the existing equity-settled management profit-sharing plan for the JOST Group can be found in note 35.

6. Segment Information

According to IFRS 8, the identification of operating segments to be included in the reporting process is based on the so-called management approach. External reporting should therefore be based on the Group`s

internal organization and management structure, as well as internal financial reporting to the Chief Operating Decision Maker. In JOST Group, the Managing Directors are responsible for assessing and controlling the success of the various segments.

Management reporting is organized into region-oriented segments. The following three operating segments are specified in the management reporting:

– Europe

– North America

– Asia, Pacific and Africa

The operating segments include all legal independent companies of the region. The product portfolio (truck parts and trailer parts) of the operating segments is broadly similar.

The Asia, Pacific and Africa segment is in aggregate the sum of segments Asia, Africa and Australia.

The Managing Directors monitor the operating segments on the basis of key earning figures. The Managing Directors measure operating segment performance primarily on adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA). Adjusted EBIT is calculated based on the consolidated financial statements in accordance with IFRS of Cintinori Holding GmbH adjusted for exceptional items, depreciation and amortization of property, plant, and equipment and intangible assets from the purchase price allocation (PPA) and impairment and reversal of impairment of property, plant, and equipment and intangible assets from the purchase price allocation (PPA). The exceptional items include other non-recurring expense and income. Exceptional items occurred mainly in acquisition of TrailerAxles business and IPO. Exceptional items are only allocated to segment Europe. Share of profit or loss of investments accounted for using the equity method are not allocated to a segment and is therefore include in the reconciliation/ other column.

Group financing (including finance expenses and finance income) and income taxes are not managed on operating segment level. Transactions between the business units are charged at market conditions. Profits and losses resulting from intrasegment transactions are eliminated in each segment; income and expenses resulting from internal transactions are eliminated in the reconciliation column.

The following table shows the reconciliation from operating profit to adjusted EBITDA:

Amounts in € thousands	**2016**	**2015**	**2014**
EBIT	**33,132**	**24,566**	**97,354**
Edbro Acquisition	-759	-772	-758
Axle Acquisition	-315	-2,796	-912
IT / ERP project	-185	-719	-2,701
IPO	-1,130	-2,181	0
Other	-1,199	-2,611	-1,610
Additional depreciation from PPA	-2,221	-2,380	-2,036
Additional amortization from PPA	-22,986	-26,159	-17,459
Additional reversal of impairment from PPA	0	0	63,981
Adjusted EBIT	**61,927**	**62,184**	**58,849**
Depreciation of property, plant, and equipment	-10,345	-9,542	-7,907
Amortization of intangible assets	-5,699	-5,812	-2,890
Adjusted EBITDA	**77,971**	**77,538**	**69,646**

Segment reporting for December 31, 2016:

Amounts in € thousands	Asia, Pacific and Africa	Europe	North America	Reconcilation/ other***	Consolidated financial statements
Sales revenues*	**129,792**	**676,991**	**109,946**	**-282,782**	**633,947****
*thereof: external sales revenues**	*103,235*	*420,920*	*109,792*	*0*	*633,947*
*thereof: internal sales revenues**	*26,557*	*256,071*	*154*	*-282,782*	*0*
adjusted EBIT	**15,856**	**34,994**	**9,706**	**1,371**	**61,927**
thereof: depreciation and amortization	*1,383*	*12,617*	*2,044*		*16,044*
adjusted EBITDA	**17,239**	**47,611**	**11,750**	**1,371**	**77,971**

* Sales by destination in 2016:
– Americas: € 114,476 thousand
– Asia, Pacific and Africa: € 147,306 thousand
– Europe: € 372,164 thousand

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

*** Adjusted EBIT/ EBITDA includes share of profit or loss of investments accounted for using the equity method.

Segment reporting for December 31, 2015:

Amounts in € thousands	Asia, Pacific and Africa	Europe	North America	Reconcilation/ other***	Consolidated financial statements
Sales revenues*	**136,575**	**636,474**	**130,149**	**-253,398**	**649,800****
*thereof: external sales revenues**	*98,905*	*420,987*	*129,908*	*0*	*649,800*
*thereof: internal sales revenues**	*37,670*	*215,487*	*241*	*-253,398*	*0*
adjusted EBIT	**14,787**	**38,046**	**7,936**	**1,415**	**62,184**
thereof: depreciation and amortization	*1,563*	*11,765*	*2,026*		*15,354*
adjusted EBITDA	**16,350**	**49,811**	**9,962**	**1,415**	**77,538**

* Sales by destination in 2015:
– Americas: € 135,470 thousand
– Asia, Pacific and Africa: € 147,778 thousand
– Europe: € 366,552 thousand

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

*** Adjusted EBIT/ EBITDA includes share of profit or loss of investments accounted for using the equity method.

Segment reporting for December 31, 2014:

Amounts in € thousands	Asia, Pacific and Africa	Europe	North America	Reconcilation/ other***	Consolidated financial statements
Sales revenues*	**121,477**	**504,465**	**94,511**	**-204,159**	**516,294****
*thereof: external sales revenues**	*85,871*	*336,064*	*94,359*	*0*	*516,294*
*thereof: internal sales revenues**	*35,606*	*168,401*	*152*	*-204,159*	*0*
adjusted EBIT	**13,181**	**40,907**	**2,078**	**2,683**	**58,849**
thereof: depreciation and amortization	*1,393*	*8,115*	*1,289*		*10,797*
adjusted EBITDA	**14,574**	**49,022**	**3,367**	**2,683**	**69,646**

* Sales by destination in 2014:
– Americas: € 101,485 thousand
– Asia, Pacific and Africa: € 134,963 thousand
– Europe: € 279,846 thousand

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

*** Adjusted EBIT/ EBITDA includes share of profit or loss of investments accounted for using the equity method.

In the reporting periods the JOST Group does not generate more than 10 % of total external sales revenue with one customer.

The JOST Group generated external sales revenues in Germany in the amount of € 280,267 thousand (2015: € 287,589 thousand; 2014: € 235,712 thousand). The sales revenues in Germany show the sales revenues by origin. In USA JOST Group generated external sales revenues in the amount of € 109,792 thousand (2015: € 129,908 thousand; 2014: € 94,359 thousand).

The following tables show noncurrent assets by operating segments for December 31, 2016:

Amounts in € thousands	Asia, Pacific and Africa	Europe*	North America	Reconcilation	Consolidated financial statements
non-current assets	29,431	295,847	30,214	0	355,492

* Thereof non-current assets relating to Germany € 52,138 thousand which do not include intangibles recognized in the PPA as they are not available and the cost to develop it would be excessive.

The following tables show noncurrent assets by operating segments for December 31, 2015:

Amounts in € thousands	Asia, Pacific and Africa	Europe*	North America	Reconcilation	Consolidated financial statements
non-current assets	29.585	318.303	30.431	0	378.319

* Thereof non-current assets relating to Germany € 58,543 thousand which do not include intangibles recognized in the PPA as they are not available and the cost to develop it would be excessive.

The following tables show noncurrent assets by operating segments for December 31, 2014:

Amounts in € thousands	Sum of Africa and Australia and Asia	Europe*	North America	Reconcilation	Consolidated financial statements
non-current assets	32,353	342,314	27,339	0	402,006

* Thereof non-current assets relating to Germany € 60,456 thousand which do not include intangibles recognized in the PPA as they are not available and the cost to develop it would be excessive.

Noncurrent assets consist of intangible assets, property, plant, and equipment, investments accounted for using the equity method, receivables from shareholders and other noncurrent financial assets (excluding financial instruments). Effects from purchase price allocation are allocated to each segment.

The results of the impairment tests can be summarized as follows:

2016:

Amounts in € thousands	Asia, Pacific and Africa	Europe	North America	Reconcilation	Consolidated financial statements
impairments and reversals of impairments	0	0	0	0	0

For further details regarding the impairments and reversal of impairment see notes 7 and 8.

2015:

Amounts in € thousands	Asia, Pacific and Africa	Europe	North America	Reconcilation	Consolidated financial statements
impairments and reversals of impairments	0	-2,770	0	0	-2,770

2014:

Amounts in € thousands	Sum of Africa and Australia and Asia	Europe	North America	Reconcilation	Consolidated financial statements
impairments and reversals of impairments	4,530	57,222	2,229	0	63,981

7. Goodwill and Other Intangible Assets

Amounts in € thousands	Goodwill	Internally generated intangible assets	Customer list	Other intangible assets	Total other intangible assets
Cost					
Balance as of January 1, 2014	**74,267**	**4,242**	**370,562**	**74,525**	**449,329**
Changes in the group of consolidated companies	0	0	10,001	1,472	11,473
Additions	0	1,445	0	2,524	3,969
Currency and other changes	0	0	14,311	3,020	17,331
Transfers	0	0	0	0	0
Disposals	0	0	0	-216	-216
Balance as of December 31, 2014	**74,267**	**5,687**	**394,874**	**81,325**	**481,886**
Changes in the group of consolidated companies	0	0	0	0	0
Additions	0	1,988	0	3,913	5,901
Currency and other changes	0	0	-587	-663	-1,250
Transfers	0	0	0	1,731	1,731
Disposals	0	0	0	-371	-371
Balance as of December 31, 2015	**74,267**	**7,675**	**394,287**	**85,935**	**487,897**
Changes in the group of consolidated companies	0	0	0	0	0
Additions	0	1,984	0	3,104	5,088
Currency and other changes	0	0	1,602	143	1,745
Transfers	0	0	0	832	832
Disposals	0	0	0	-14	-14
Balance as of December 31, 2016	**74,267**	**9,659**	**395,889**	**90,000**	**495,548**
Amortization and impairment					
Balance as of January 1, 2014	**74,267**	**2,690**	**154,628**	**44,274**	**201,592**
Additions	0	917	15,185	4,247	20,349
Impairment	0	0	0	0	0
Reversal of Impairment	0	0	-54,353	-9,628	-63,981
Currency and other changes	0	0	12,247	2,033	14,280
Disposals	0	0	0	-39	-39
Balance as of December 31, 2014	**74,267**	**3,607**	**127,707**	**40,887**	**172,201**
Additions	0	1,007	22,848	8,116	31,971
Impairment	0	0	0	2,685	2,685
Reversal of Impairment	0	0	0	0	0
Currency and other changes	0	0	190	-513	-323
Disposals	0	0	0	-371	-371
Balance as of December 31, 2015	**74,267**	**4,614**	**150,745**	**50,804**	**206,163**
Additions	0	1,466	20,655	6,557	28,678
Impairment	0	0	0	0	0
Reversal of Impairment	0	0	0	0	0
Currency and other changes	0	0	-649	-173	-822
Disposals	0	0	0	-14	-14
Balance as of December 31, 2016	**74,267**	**6,080**	**170,751**	**57,174**	**234,005**
Carrying amount as of December 31, 2014	**0**	**2,080**	**267,167**	**40,438**	**309,685**
Carrying amount as of December 31, 2015	**0**	**3,061**	**243,542**	**35,131**	**281,734**
Carrying amount as of December 31, 2016	**0**	**3,579**	**225,138**	**32,826**	**261,543**

The goodwill presented above was impaired in 2009.

If the Company is unable to discharge its obligations under the loan agreements, the lenders are entitled to the proceeds from the liquidation of the assets. For further details see note 19.

In the previous year, a patent which had been acquired in 2013 and related to the cash-generating unit Europe was fully written off with an amount of € 2,685 thousand due to decreased fuel costs the marketing of this product will no longer be pushed. Therefore we do not expect any material cash flows from this asset any more.

For further details regarding the depreciation, amortization, impairment, and reversal of impairment see note 36.

8. Property, Plant, and Equipment

Amounts in € thousands	Land, land and rights, and buildings, including buildings on third-party land	Technical equipment and machinery	Other eqiupment, operating and office equipment	Advance payments and assets under construction	Total
Cost					
Balance as of January 1, 2014	**42,900**	**35,074**	**17,758**	**661**	**96,393**
Changes in the group of consolidated companies	0	0	0	6,655	6,655
Additions	635	3,678	4,030	6,770	15,113
Currency and other changes	1,697	2,917	2,091	-238	6,467
Transfers	4	1,124	54	-1,182	0
Disposals	-67	-2,834	-5,442	-7	-8,350
Balance as of December 31, 2014	**45,169**	**39,959**	**18,491**	**12,659**	**116,278**
Changes in the group of consolidated companies	0	0	0	0	0
Additions	1,305	11,181	4,895	7,038	24,419
Currency and other changes	1,415	2,584	1,840	112	5,951
Transfers	56	3,818	295	-5,900	-1,731
Disposals	-233	-1,817	-2,663	-5,012	-9,725
Balance as of December 31, 2015	**47,712**	**55,725**	**22,858**	**8,897**	**135,192**
Changes in the group of consolidated companies	0	0	0	0	0
Additions	546	6,206	3,947	2,583	13,282
Currency and other changes	-395	-5,754	265	-1,513	-7,397
Transfers	129	8,233	289	-9,483	-832
Disposals	-63	-6,094	-2,125	-162	-8,444
Balance as of December 31, 2016	**47,929**	**58,316**	**25,234**	**322**	**131,801**
Depreciation and impairment					
Balance as of January 1, 2014	**10,205**	**13,662**	**8,731**	**0**	**32,598**
Additions	1,748	4,731	3,464	0	9,943
Impairment	0	0	0	0	0
Currency and other changes	767	2,183	1,465	0	4,415
Transfers	0	0	-13	0	-13
Disposals	-64	-2,834	-5,396	0	-8,294
Balance as of December 31, 2014	**12,656**	**17,742**	**8,251**	**0**	**38,649**
Additions	3,372	5,284	3,181	0	11,837
Impairment	0	85	0	0	85
Currency and other changes	476	2,025	1,329	0	3,830
Transfers	0	-5	5	0	0
Disposals	-8	-1,806	-2,510	0	-4,324
Balance as of December 31, 2015	**16,496**	**23,325**	**10,256**	**0**	**50,077**
Additions	1,936	6,081	4,556	0	12,573
Impairment	0	0	0	0	0
Currency and other changes	-622	-3,681	315	0	-3,988
Transfers	0	0	0	0	0
Disposals	-61	-5,318	-1,621	0	-7,000
Balance as of December 31, 2016	**17,749**	**20,407**	**13,506**	**0**	**51,662**
Carrying amount as of December 31, 2014	**32,513**	**22,217**	**10,240**	**12,659**	**77,629**
Carrying amount as of December 31, 2015	**31,216**	**32,400**	**12,602**	**8,897**	**85,115**
Carrying amount as of December 31, 2016	**30,180**	**37,909**	**11,728**	**322**	**80,139**

If the Company is unable to discharge its obligations under the loan agreements, the lenders are entitled to the proceeds from the liquidation of the assets. For further details see note 19.

For further details regarding the Depreciation and Amortization, see note 36.

9. Investments accounted for using the equity method

Equity method investments relate to JOST Brasil Sistemas Automotivos Ltda., Caxias do Sul/Brazil, which is producing and marketing JOST branded products in South America and is JOST's access into this market. The associate is an integral vehicle through which the group conducts its operations and its strategy. This equity method investment has successfully operated for 20 years and is of strategic significance. This entity is under common control as all material decisions have to be agreed unanimously together between JOST and the other shareholder.

Amounts in € thousands	2016	2015	2014
Non-current assets	8,031	6,416	8,643
Current assets	18,739	13,880	19,639
Non-current liabilities	1,106	727	3,220
Current liabilities	6,539	4,848	5,374
Equity	19,125	14,720	19,688
Sales revenues	29,062	31,298	59,080
Income	31,108	42,378	79,085
Expenses	28,310	39,490	73,610
Profit or loss for the period*	2,798	2,888	5,476
Interest (%)	49	49	49
Share of profit or loss for the period	1,371	1,415	2,683
Carrying amount of investment at 12/31	13,778	10,355	14,231

* For 2016, 2015, and 2014 there is no other comprehensive income; thus the profit of the year is also the total comprehensive income.

Reconciliation of the summarized financial information presented to the carrying amount of interest in the joint venture is as follows:

Amounts in € thousands	2016	2015	2014
Net assets at 31/12	**19,125**	**14,720**	**19,688**
Interest in joint venture	9,371	7,213	9,647
Goodwill (translated with current fx-rate)	3,549	2,824	3,737
FX-effects on net assets	858	318	847
Carrying value	**13,778**	**10,355**	**14,231**

Additional information:

Amounts in € thousands	2016	2015	2014
Cash and Cash equivalents	10,930	8,515	9,489
Current financial liabilities	107	1,440	34
Non-current financial liabilities	535	497	2,558
Depreciation and amortization	827	872	1,031
Interest income	2,007	2,319	2,195
Interest expenses	792	833	713
Income tax expenses	831	768	1,829

Dividend income of € 196 thousand (2015: € 1,543 thousand; 2014: € 3,238 thousand) and received interest of € 393 thousand (2015: € 392 thousand; 2014: € 358 thousand) were recognised in fiscal year 2016.

An average of 222 people were employed in the reporting period (78 salaried employees and 144 hourly paid workers) (2015: 268 people (85 salaried employees and 183 hourly paid workers); 2014: 367 people (103 salaried employees and 264 hourly paid workers)).

As in prior years there were no contingent liabilities as at December 31, 2016.

10. Deferred Tax Assets and Liabilities

The analysis of deferred tax assets and deferred tax liabilities is as follows:

Amounts in € thousands	2016	2015	2014
Deferred tax assets in € thousands:			
Deferred tax assets realized after more than 12 months	8,675	12,568	9,241
Deferred tax assets realized within 12 months	1,590	0	391
Total	**10,265**	**12,568**	**9,632**
Deferred tax liabilities in € thousands:			
Deferred tax liabilities realized after more than 12 months	118,706	119,624	130,956
Deferred tax liabilities realized within 12 months	7,500	7,488	4,783
Total	**126,206**	**128,033**	**135,739**
Deferred tax liabilities (net)	**115,941**	**115,465**	**126,107**

The movement in deferred income tax assets and liabilities during the year, without taking into consideration of offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets in € thousands	Pensions*	Inventories	Tax Exemption Grant for profits in economic zones	Other liabilities	Other	Total
Balance at 01/01/2014	**9,537**	**3,595**	**1,061**	**699**	**3,170**	**18,062**
Addition through change in the group of consolidated companies	0	29	0	0	0	29
Amount recognized in profit or loss	-244	383	550	-50	195	834
Amount recognized in equity	4,689	0	0	0	0	4,689
Currency changes	0	0	0	0	0	0
Balance at 12/31/2014	**13,982**	**4,007**	**1,611**	**649**	**3,365**	**23,614**
Amount recognized in profit or loss	-594	-319	907	-150	2,498	2,342
Amount recognized in equity	-3,119	0	0	0	0	-3,119
Currency changes	0	0	0	0	0	0
Balance at 12/31/2015	**10,269**	**3,688**	**2,518**	**499**	**5,863**	**22,837**
Amount recognized in profit or loss	-792	-603	-1,303	996	-1,393	-3,095
Amount recognized in equity	2,036	0	0	0	0	2,036
Currency changes	0	0	0	0	0	0
Balance at 12/31/2016	**11,513**	**3,085**	**1,215**	**1,495**	**4,470**	**21,778**

* Deferred tax assets have been netted against deferred tax liabilities.

Deferred tax liabilities in € thousands	Intangible Assets	Property, plant, and equipment	Investment in associates	Liabilities to shareholders	Total
Balance at 01/01/2014	**71,297**	**4,359**	**205**	**59,094**	**134,955**
Addition through change in the group of consolidated companies	1,463	0	0	0	1,463
Amount recognized in profit or loss	13,956	-610	-14	-747	12,585
Amount recognized in equity	0	0	0	0	0
Currency changes	718	0	0	0	718
Balance at 12/31/2014	**87,434**	**3,749**	**191**	**58,347**	**149,721**
Amount recognized in profit or loss	-6,989	-610	-8	-4,099	-11,706
Amount recognized in equity	0	0	0	0	0
Currency changes	287	0	0	0	287
Balance at 12/31/2015	**80,732**	**3,139**	**183**	**54,248**	**138,302**
Amount recognized in profit or loss	-6,176	-667	24	6,170	-649
Amount recognized in equity	0	0	0	0	0
Currency changes	66	0	0	0	66
Balance at 12/31/2016	**74,622**	**2,472**	**207**	**60,418**	**137,719**

Deferred taxes are calculated using the tax rates applicable when the temporary differences are expected to reverse. The effects of changes in tax rates or tax laws on deferred tax assets and liabilities are usually recognised in profit or loss. Changes relating to deferred taxes that were previously recognised in other comprehensive income are reported in other comprehensive income. The change is generally recorded in the period during which the material legislative procedure was completed.

Deferred taxes are measured using the income tax rates enacted or substantively enacted at the reporting date in the respective countries. The deferred taxes recognized mainly relate to Germany. For deferred taxes relating to Germany a tax rate of 30 % (2015: 30 %, 2014: 30 %) has been used: In addition to corporate income tax of 15 % (2015: 15 %, 2014: 15 %), the solidarity surcharge amounting to 5.5 % of corporate income tax and the average trade tax rate of 14 % (2015: 14 %, 2014: 14 %) was taken into account.

The changes in deferred taxes (net) are as follows:

Amounts in € thousands	2016	2015	2014
Balance at 01/01 (net liability)	**115,465**	**126,107**	**116,893**
Addition through change in the group of consolidated companies	0	0	1,434
Expense (+) / income (-) in income statement	2,446	-14,048	11,751
Income taxes recognized in OCI (- profit / + loss) (pensions)	-2,036	3,119	-4,689
Currency changes	66	287	718
Balance at 12/31 (net liability)	**115,941**	**115,465**	**126,107**

Taxes on income in € thousands	2016	2015	2014
Current tax on profits for the year	10,638	15,209	10,190
Deferred taxes	2,446	-14,048	11,750
Taxes on income	**13,084**	**1,161**	**21,940**

Current tax on profits for the year compromise expenses for other fiscal years with an amount of € 576 thousand (2015: € 1,618 thousand, 2014: € 0 thousand).

The reasons for the difference between the expected and reported tax expense and the expected and effective tax rate in the Group are as follows:

Reconcilliation in € thousands	2016	2015	2014
Loss (-)/Profit before tax	-2,090	-50,908	50,232
Expected tax rate in %	30.0%	30.0%	30.0%
Expected income taxes	-627	-15,272	15,070
Taxes on distributed dividends	793	660	668
Differences due to deviating tax rates from group tax rate	-2,434	-1,108	-597
Income not taxable due to special tax grant	0	0	-682
Recognition of deferred taxes on special tax grant	1,303	-907	-550
Income tax reduction for results from associates	-49	-386	-810
Tax effects of expenses that are non-deductible	238	272	549
Tax effects of interest expenses that are non-deductible	10,571	10,590	8,495
Losses for which no deferred taxes were capitalized	257	2,509	187
Expenses for other fiscal years	576	1,618	0
Other	2,456	3,185	-389
Effective tax charges	13,084	1,161	21,940
Effective tax rate in %	-626.0%	-2.3%	43.7%

As expected tax rate the tax rate of Germany has been used as the major part of operations takes place in Germany and therefore the German tax rate is the most relevant tax rate.

Taxable temporary differences amounting to € 122,595 thousand at December 31, 2016 (December 31, 2015: € 93,375 thousand; December 31, 2014: € 83,018 thousand) associated with investments in subsidiaries are not recognised as deferred tax liabilities, since the respective parent is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. These unremitted earnings of subsidiaries could become subject to additional tax if they were remitted as dividends or if the Group were to sell its shareholdings in the subsidiaries.

Deferred tax assets for tax loss carryforwards are recognised in the amount at which the related tax benefits are likely to be realised from future taxable profits. There were no corresponding deferred tax assets accounted by the JOST Group in 2016, 2015 and 2014. Deferred tax assets that relate to entities

which experienced a history of losses or realised a loss this year amount to € 1,550 thousand (2015: € 793 thousand; 2014: € 89 thousand). The Group did not recognise deferred tax assets in the amount of € 88,631 thousand (2015: € 75,964 thousand; 2014: € 60,605 thousand) that relate to losses and interests of € 295,438 thousand (2015: € 253,214 thousand; 2014: € 202,018 thousand) and that can be carried forward and offset against future taxable profits and / or interests, but for which the tax assets are not expected to be realized in the foreseeable future.

Tax loss carryforwards in € thousands	2016	2015	2014
German loss carryforwards	2,882	2,177	877
German interest carryforwards	289,186	246,559	197,994
Non-German loss carryforwards	3,370	4,478	3,147
Total	**295,438**	**253,214**	**202,018**

The losses can be carried forward indefinitely and have no expiry date.

11. Financial assets and financial liabilities

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

Amounts in € thousands	Category in accordance with IAS 39	Carrying amount 12/31/2016	Fair Value 12/31/2016	Carrying amount 12/31/2015	Fair Value 12/31/2015	Carrying amount 12/31/2014	Fair Value 12/31/2014	Level
Assets								
Cash and cash equivalents	LaR	47,189	-	40,410	-	42,945	-	n/a
Trade receivables	LaR	90,050	-	88,382	-	77,607	-	n/a
Receivables from shareholders	LaR	0	-	1,529	-	0	-	n/a
Loans to shareholders	LaR	0	0	769	769	0	-	3
Other financial assets	LaR	1,117	-	1,206	-	3,337	-	n/a
Derivative financial assets	AFVP&L	20	20	-	-	-	-	2
Total		**138,376**	**20**	**132,296**	**769**	**123,889**	**-**	

Cash and cash equivalents, trade receivables, receivables from shareholders, loans to shareholder as well as other financial assets have in general short durations. Therefore carrying amount and fair value do not differ.

Amounts in € thousands	Category in accordance with IAS 39	Carrying amount 12/31/2016	Fair Value 12/31/2016	Carrying amount 12/31/2015	Fair Value 12/31/2015	Carrying amount 12/31/2014	Fair Value 12/31/2014	Level
Liabilities								
Trade payables	OL	57,714	-	71,839	-	59,298	-	n/a
Interest-bearing loans and borrowings*	OL	320,025	320,025	331,277	331,277	210,909	186,167	2
Shareholder loans	OL	132,474	327,331	121,704	121,704	186,534	229,804	2
Other liabilities	OL	351	-	2,492	-	5,513	-	n/a
Derivative financial liabilities	AFVP&L	138	138	258	258	378	378	2
Total		**510,702**	**647,494**	**527,570**	**453,239**	**462,632**	**416,349**	

* excluding accrued financing costs (see note 21)

Trade payables and other liabilities have expected short duration, therefore carrying amount and fair value do not differ.

The fair value of the shareholder loans as at December 31, 2016, is approximately in accordance with a business valuation using a multiple approach by an independent Public Audit Company.

Amounts in € thousands		Net gains / losses 2016	Carrying amount 12/31/2016	Fair Value 12/31/2016	Net gains / losses 2015	Carrying amount 12/31/2015	Fair Value 12/31/2015	Net gains / losses 2014	Carrying amount 12/31/2014	Fair Value 12/31/2014
Of which aggregated by measurement categories in accordance with IAS 39										
- Loans and receivables	LaR	-316	138,356	138,356	-19	132,296	132,296	0	123,889	123,889
- Other liabilities	OL	-53,595	510,564	705,421	-75,145	527,312	527,312	-50,181	462,254	480,782
- Financial assets and liabilities at fair value through profit or loss	AFVP & L	35	158	158	39	258	258	-1,350	378	378

The JOST 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 2016, 2015, and 2014.

The fair value of the interest-bearing loans and borrowings is determined in 2016, 2015, and 2014 considering actual interest curves and classified as level 2 of the fair value hierarchy.

The fair value of the shareholder loans at each balance sheet date was calculated by discounting the (changed) expected future cash flows by corresponding market interest rates taking into account the company's credit risk and the subordination of the loan.

The valuation of derivatives is described in note 5.14., 14. and 23.

12. Inventories

Amounts in € thousands	12/31/2016	12/31/2015	12/31/2014
Raw materials, consumables, and supplies	43,665	43,381	39,995
Work in process	11,840	13,274	11,411
Finished goods and merchandise	34,910	35,940	35,152
Total	**90,415**	**92,595**	**86,558**

At December 31, 2016 impairments on inventories amounting to € 12,256 thousand (December 31, 2015: € 14,338 thousand; December 31, 2014: € 13,643 thousand) were recognised. The Group reversed € 2,082 thousand of previous impairments on inventories as the Group sold relevant goods. They are included in cost of sales.

13. Trade Receivables and Other Assets

Trade Receivables:

Trade receivables amounted to € 90,050 thousand at the closing date (2015: € 88,382 thousand; 2014: € 77,607 thousand).

Allowances for doubtful accounts changed as follows:

Amounts in € thousands	2016	2015	2014
Balance at 01/01	**1,900**	**2,529**	**2,006**
Additions	426	131	844
Utilization	-103	-576	-208
Currency and other changes	-111	-184	-112
Balance at 12/31	**2,112**	**1,900**	**2,529**

The ageing of receivables is as follows:

Amounts in € thousands	Carrying amount	Of which neither written down nor overdue at the closing date	Of which not written down but overdue at the closing date				Of which written down and and overdue at the closing date
			up to 3 month*	3-6 month	6-12 month	more than 12 month	
December 31, 2016	90,050	77,215	9,004	2,104	1,249	478	2,112
December 31, 2015	88,382	73,833	13,067	1,482	0	0	1,900
December 31, 2014	77,607	63,910	12,675	1,023	0	0	2,529

* The figures in the column "up to 3 month" include receivables due immediately.

The receivables not written down but overdue since more than 6 months at balance sheet date are nearly completely settled in the meantime.

As of December, 2016, trade receivables of € 2,112 thousand (2015: € 1,900 thousand; 2014: € 2,529 thousand) were impaired. The ageing of these receivables is as follows:

Amounts in € thousands	Total	up to 6 month	over 6 month
December 31, 2016	2,112	515	1,597
December 31, 2015	1,900	314	1,586
December 31, 2014	2,529	294	2,235

As of the reporting date, all receivables are due within one year. Furthermore, there is no indication that the debtors will default on their obligations with regard to trade receivables that are neither past due nor impaired.

Other Assets:

As of the end of the year, other assets amount to € 6,392 thousand (2015: € 8,267 thousand; 2014: € 6,655 thousand). Other noncurrent assets consist pension liability insurance claims (2016: € 80 thousand; 2015: € 76 thousand; 2014: € 72 thousand). Other current assets primarily include VAT receivables (2016: € 2,340 thousand; 2015: € 4,576 thousand; 2014: € 4,090 thousand), prepaid expenses (2016: € 2,289 thousand; 2015: € 1,868 thousand; 2014: € 1,229 thousand) and recoverable taxes from business operations (2016: € 722 thousand; 2015: € 966 thousand; 2014: € 1,113 thousand). The remaining amount is composed of a large number of individually immaterial items at the subsidiaries. The Company did not record any losses on other assets in the year under review. Other assets do not include any overdue items as of the reporting dates. Due to the short-term character, the fair value does not material fluctuates to the book value as of the balance sheet dates.

14. Other financial assets

Other financial assets primarily include overpayments to suppliers in the amount of € 532 thousand (2015: € 383 thousand; 2014: € 576 thousand) and deposits in the amount of € 296 thousand (2015: € 306 thousand; 2014: € 151 thousand).

Future interest rate volatility is hedged via four interest rate swaps and three interest rate caps (Please see also note 23.). Overall, the interest rate caps have a positive fair value of € 20 thousand (2015: € 0 thousand; 2014: € 0 thousand) as of December 31, 2016 (mark-to-market valuation) which is recorded in the Balance Sheet as other noncurrent financial assets. As of December 31, 2016, approximately 51 % (2015: 9 %; 2014: 33 %) of the liabilities under senior loans were hedged by these derivative financial instruments. Concerning maturities of Facilities see note 19.

15. Cash and Cash Equivalents

Amounts in € thousands	12/31/2016	12/31/2015	12/31/2014
Cash on hand and bank balances	37,288	33,564	36,365
Drafts	9,901	6,846	6,580
Total	**47,189**	**40,410**	**42,945**

The development and application of cash and cash equivalents is stated in the Consolidated Financial Cash Flow Statement.

16. Equity

The JOST Group's subscribed capital of € 25 thousand has been fully paid up and is the same as in the previous years. At the incorporation of the Company the subscribed capital was represented by one share with a nominal value of € 25 thousand.

Capital reserves result from additional payments of the shareholder.

The retained earnings include the net loss for the period of € -15,174 thousand (2015: net loss of € -52,069 thousand; 2014: net gain of € 28,295 thousand) and the net accumulated losses from the previous years.

The other comprehensive income for the fiscal year 2016 includes exchange differences on translating foreign operations of € 3,027 thousand, remeasurements from defined benefit plans with an amount of € -6,787 thousand and deferred taxes relating to remeasurements from defined benefit plans of € 2,036 thousand, and recognised in other reserves with an amount of € -1,724 thousand. The unrealized gains/ losses on exchange rate differences on translating foreign operations which are currently recognized in other reserves in equity might be reclassified to profit and loss in case of disposal of a foreign operation according to IAS 21.

In fiscal year 2014 the group recognised directly in equity a loss on purchase of non-controlling interests with an amount of € 18 thousand (see note 3.2.).

17. Pension Obligations

Some of the JOST Group entities, particularly in Germany, have established pension plans for their employees. As of December 31, 2016, the defined benefit obligations amounted to € 69,305 thousand in total as calculated pursuant to IAS 19 with a discount rate of 1.5 %, which were not covered by underlying plan assets. The majority of these pension liabilities are derived from an unfunded pension plan for the employees of JOST-Werke Deutschland GmbH (JOST Versorgungsordnung). Although this pension plan was established in 1977 and was closed for new entries in 1992, it continues to apply to active employees, former employees and pensioners of the company who received a pension promise prior to the scheme closure. This pension scheme provides for a pension upon reaching a certain age of life as well as an individual payment for invalidity and survivor's pension benefits, all of which depend on the employee's duration of service and the monthly gross salary at the end of his/ her employment with the Group. Further, some of our companies make contributions to external pension providers for their employees. For example, our UK entities participate in a pension plan where the company makes certain statutory contributions in addition to the contributions made by the employee. Plan assets are held by pension liability insurers and are endowed annually. Remeasurements that could result from differences between the calculated expected changes and actual changes in the number of employees and the calculation assumptions are recognised in full in the period in which they occur. They are presented in other comprehensive income reported in the Statement of Comprehensive Income.

Amounts in € thousands	Defined benefit obligation	Plan assets	Total
Balance at 01/01/2014	**52,335**	**-6,176**	**46,159**
Current service cost	2,014	0	2,014
Interest cost	1,735	-105	1,630
Remeasurements on obligation	15,978	-347	15,631
thereof: experience adjustments	-961	0	-961
thereof: changes in demographic assumptions	0	0	0
thereof: changes in financial assumptions	16,939	0	16,939
thereof: return on plan assets	0	-347	-347
Benefits paid	-1,380	0	-1,380
Employer contributions	0	-194	-194
Balance at 12/31/2014	**70,682**	**-6,822**	**63,860**
Current service cost	2,045	0	2,045
Interest cost	1,178	-150	1,028
Remeasurements on obligation	-10,408	6	-10,402
thereof: experience adjustments	-1,976	0	-1,976
thereof: changes in demographic assumptions	0	0	0
thereof: changes in financial assumptions	-8,432	0	-8,432
thereof: return on plan assets	0	6	6
Benefits paid	-1,260	519	-741
Employer contributions	0	-167	-167
Balance at 12/31/2015	**62,237**	**-6,614**	**55,623**
Current service cost	474	0	474
Interest cost	1,360	-149	1,211
Remeasurements on obligation	6,908	-121	6,787
thereof: experience adjustments	-412	0	-412
thereof: changes in demographic assumptions	0	0	0
thereof: changes in financial assumptions	7,320	0	7,320
thereof: return on plan assets	0	-121	-121
Benefits paid	-1,674	145	-1,529
Employer contributions	0	-167	-167
Balance at 12/31/2016	**69,305**	**-6,906**	**62,399**

Amounts in € thousands	2016	2015	2014
Recognised provision (unfunded pension obligation)	62,399	55,623	63,860
Funded pension obligation	6,906	6,614	6,822
Total pension obligations	**69,305**	**62,237**	**70,682**
Total pension obligations	69,305	62,237	70,682
Net of plan assets	-6,906	-6,614	-6,822
Carrying amount (corresponds to underfunding)	**62,399**	**55,623**	**63,860**
Reimbursement rights	**80**	**76**	**72**
Expected return			
Expense reported in the income statement	**1,684**	**3,071**	**3,643**
consisting of			
Service cost	474	2,045	2,014
Interest cost	1,360	1,178	1,735
Interest income on plan assets	-149	-150	-105
Interest income on reimbursement rights	-1	-2	-1
Total	**1,684**	**3,071**	**3,643**

In addition, the Company incurred expenses for employer contributions to the statutory pension insurance system in the amount of € 2,724 thousand in fiscal year 2016 (2015: € 2,555 thousand; 2014: € 2,433 thousand).

The defined benefit obligation and the fair value of plan assets developed as follows:

Amounts in € thousands	2016	2015	2014
Income and expenses from remeasurements recognised in OCI	6,787	-10,402	15,631
Changes in the defined benefit obligation in the fiscal year			
Balance at 01/01	**62,237**	**70,682**	**52,335**
Current service cost	474	2,045	2,014
Interest cost	1,360	1,178	1,735
Remeasurements on obligation	6,908	-10,408	15,978
Benefits paid	-1,674	-1,260	-1,380
Balance at 12/31	**69,305**	**62,237**	**70,682**
Fair value of plan assets			
Balance at 01/01	**6,614**	**6,822**	**6,176**
Interest income	149	150	105
Return on plan assets	121	-6	347
Employer contributions	167	167	194
Benefits paid	-145	-519	0
Balance at 12/31	**6,906**	**6,614**	**6,822**

The plan assets only relate to Germany and include with 100 % (2015: 100 %; 2014: 100 %) pension liability insurances with guaranteed return and are not quoted in an active market. The total amount of expenses recognised in the Statement of Comprehensive Income was included in administrative expenses.

Fair values of reimbursement rights			
Amounts in € thousands	**2016**	**2015**	**2014**
Balance at 01/01	**76**	**72**	**65**
Interest income	1	2	1
Employer contributions	3	2	6
Benefit payments	0	0	0
Balance at 12/31 (fair value)	**80**	**76**	**72**

This relates to claims under pension liability insurance policies that did not qualify as plan assets due to a lack of insolvency protection. The reimbursement rights are therefore reported under other noncurrent assets on the asset side of the balance sheet.

The following significant actuarial assumptions were made:

Assumptions	2016	2015	2014
Discount rate	1.5%	2.2%	1.7%
Inflation rate/future pension increases	2.0%	2.0%	2.5%
Future salary increases	2.0%	2.0%	1.5%

The Heubeck 2005 G mortality tables are used as a basis for biometric calculation in Germany. Otherwise, the underlying mortality probabilities are based on statistics and historical data in the respective countries. The staff turnover rate was set to 0 % as many of the beneficiaries are no longer actively employed.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

2016:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	Decrease by 7.9%	Increase by 9.0%
Salary growth rate	0.5%	Increase by 1.3%	Decrease by 1.3%
Pension growth rate	0.5%	Increase by 6.3%	Decrease by 5.7%
Life expectancy	1 year	Increase by 4.1%	Decrease by 3.7%

2015:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	Decrease by 7.5%	Increase by 8.6%
Salary growth rate	0.5%	Increase by 1.3%	Decrease by 1.3%
Pension growth rate	0.5%	Increase by 6.0%	Decrease by 5.4%
Life expectancy	1 year	Increase by 3.8%	Decrease by 3.5%

2014:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	Decrease by 8.3%	Increase by 9.4%
Salary growth rate	0.5%	Increase by 1.5%	Decrease by 1.5%
Pension growth rate	0.5%	Increase by 6.5%	Decrease by 5.8%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

Expected maturity analysis of undiscounted pension benefits:

2016:

Amounts in € thousands	Up to 1 year	1 to 2 years	2 to 5 years	5 to 10 years	Total
	1,744	4,341	6,163	13,099	25,347

2015:

Amounts in € thousands	Up to 1 year	1 to 2 years	2 to 5 years	5 to 10 years	Total
	1,887	1,815	8,512	12,688	24,902

2014:

Amounts in € thousands	Up to 1 year	1 to 2 years	2 to 5 years	5 to 10 years	Total
	1,630	1,777	8,562	12,477	24,446

Expected undiscounted pension benefits over 10 years are not presented in the table.

The weighted average duration of the defined benefit obligation is 17 years (2015: 17 years; 2014: 18 years).

Expected contributions to plan assets and reimbursement rights for the year ending December 31, 2017 are € 46 thousand (2016: € 169 thousand; 2015: € 196 thousand).

18. Other Provisions

Other provisions changed as follows:

Amounts in € thousands	Warranties	Commissions and bonuses	Legal claims	Personnel and other costs	Total
Balance at 01/01/2016	**3,660**	**5,179**	**109**	**3,637**	**12,585**
of which current	2,269	5,170	109	3,548	11,096
of which non current	1,391	9	0	89	1,489
Addition	1,377	5,490	2,235	5,150	14,252
Utilization	-1,290	-5,086	0	-1,800	-8,176
Reversal	-20	-96	0	-299	-415
Unwinding of discount	0	0	0	7	7
Currency and other changes	438	-895	7	147	-303
Balance at 12/31/2016	**4,165**	**4,592**	**2,351**	**6,842**	**17,950**
of which current	3,282	4,592	2,351	4,733	14,958
of which non current	883	0	0	2,109	2,992

Amounts in € thousands	Warranties	Commissions and bonuses	Legal claims	Personnel and other costs	Total
Balance at 01/01/2015	**4,377**	**4,223**	**809**	**4,985**	**14,394**
of which current	3,057	4,223	809	4,397	12,486
of which non current	1,320	0	0	588	1,908
Addition	832	5,048	0	1,896	7,776
Utilization	-1,301	-3,840	-658	-888	-6,687
Reversal	-389	-383	-42	-2,352	-3,166
Unwinding of discount	0	0	0	5	5
Currency and other changes	141	131	0	-9	263
Balance at 12/31/2015	**3,660**	**5,179**	**109**	**3,637**	**12,585**
of which current	2,269	5,170	109	3,548	11,096
of which non current	1,391	9	0	89	1,489

Amounts in € thousands	Warranties	Commissions and bonuses	Legal claims	Personnel and other costs	Total
Balance at 01/01/2014	**2,470**	**3,160**	**467**	**6,103**	**12,200**
of which current	1,991	3,160	467	4,567	10,185
of which non current	479	0	0	1,536	2,015
Addition through change in the group of consolidated companies	640	0	0	27	667
Addition	1,823	3,044	558	975	6,400
Utilization	-522	-1,919	-216	-1,915	-4,572
Reversal	-132	-89	0	-184	-405
Unwinding of discount	0	0	0	141	141
Currency and other changes	97	27	0	-162	-38
Balance at 12/31/2014	**4,377**	**4,223**	**809**	**4,985**	**14,394**
of which current	3,057	4,223	809	4,397	12,486
of which non current	1,320	0	0	588	1,908

Warranties

Based on past experience, this provision was recognised for products that were sold in prior periods. The warranties are limited to free repairs and replacements. Warranty provision is due within two years.

Commissions and bonuses

Provisions for sales transactions mainly include expected bonuses and commissions that were granted to contractual partners in the year under review or earlier, but are only paid out in subsequent years. Bonus payments depend on the final agreement with the customers.

Legal claims

Provisions were recognised for risks resulting from legal claims.

Personnel and other costs

Personnel mainly comprise jubilee benefits as well as salary bonus payments The average duration of the jubilee benefits obligation is 15 years. Salary bonus payments depend on the final approval of the management.

19. Financial Liabilities

The following overview shows the maturity of financial liabilities and derivative financial instruments as of December 31, 2016. The undiscounted contractual cash outflows are presented:

Amounts in € thousands	Up to 1 year	over 1 to 5 years	More than 5 years	Total
Financial liabilities	79,838	100,187	1,706,352	1,886,377
Derivatives	138	0	0	138
Total	**79,976**	**100,187**	**1,706,352**	**1,886,515**

The fixed cash outflows (without shareholder loans) during the next year resulting essentially from downpayments of Senior Loan are € 6,000 thousand, while cash outflows relating to accounts payables are expected in the amount of € 57,714 thousand (note 22.) while variable cash outs are expected in a height of € 15,771 thousand. Expected cash out (without shareholder loans) in the period from 1 to 5 years are € 41,000 thousand fixed which are downpayments of the Senior Loan and € 59,187 thousand variable relating to interest payments. The fixed cash outflows (without shareholder loans) in the period over 5 years resulting essentially from downpayments of Senior Loan in the amount of € 273,023 thousand. The variable cash outs in the period over 5 years resulting from interest payments in the amount of € 13,786 thousand.

With respect to the shareholder loans the tables above show the undiscounted cash-outflows according to the contractual maturity, for periods over 5 years € 1,419,543 thousand. However, based on the estimates as of each balance sheet date, the group is not able to meet this obligation (including accrued interests) at maturity in full and therefore would take advantage of the subordination agreement (see note 20.). According to the estimates as of each balance sheet date the group would have to use all excess cash-flow beginning in the periods after 5 years to partially repay its obligations according to the shareholder loans.

Undiscounted cash outflow as of December 31, 2015:

Amounts in € thousands	Up to 1 year	over 1 to 5 years	More than 5 years	Total
Financial liabilities	101,750	96,745	1,423,080	1,621,575
Derivatives	132	126	0	258
Total	**101,882**	**96,871**	**1,423,080**	**1,621,833**

Undiscounted cash outflow as of December 31, 2014:

Amounts in € thousands	Up to 1 year	over 1 to 5 years	More than 5 years	Total
Financial liabilities	71,072	528,147	1,178,895	1,778,114
Derivatives	170	291	0	461
Total	**71,242**	**528,438**	**1,178,895**	**1,778,575**

Liabilities to banks are collateralised by senior land charges and the pledge of the following assets:

If the Company is unable to discharge its obligations under the loan agreements, the lenders are entitled to the proceeds from the liquidation of the assets.

Amounts in € thousands	2016	2015	2014
Property, plant, and equipment	24,205	24,613	25,517
Intangible assets	25,552	28,587	33,138
Bank balances	3,992	6,509	11,718
Customer receivables	32,257	32,454	29,355
Total	**86,006**	**92,163**	**99,728**

20. Liabilities to shareholder

As of December 21, 2015 Shareholder Loan A (including accrued interest) was fully repaid early. In addition, Shareholder Loan C (including accrued interest) was repaid early in the amount of € 52,796 thousand. In this regard, the term of the Shareholder Loan B agreement was extended for additional 5 years. In 2016 Shareholder Loan C (including accrued interest) was reduced early in the amount of € 4,862 thousand (thereof € 2,956 thousand by cash settlement and € 1,906 thousand by offsetting).

The following table shows the actual conditions of the shareholder loans:

	Initial nominal amount in thousand €	Interest rate	Maturity date
Shareholder loan B	80,000	14.375%	28.08.2023
Shareholder loan C	93,400	7.50%	27.08.2038

Interests on shareholder loans are accrued until maturity.

The lender of the shareholder loans agreed that any payment may be made only from freely available funds in a certain order of priority. In order to avoid an overindebtedness of the company within the meaning of Section 19 (2) Sentence 1 of the German Insolvency Code ("Insolvenzordnung") the parties agreed that the claims of the lender against the company for repayment of the loans and for payment of interest thereon shall in the event that insolvency proceedings are commenced be subordinated and rank behind other claims and receivables.

21. Interest-bearing Loans and Borrowings

As of December 18, 2015, an amendment of the senior facilities agreement was signed with a consortium of banks. In connection with this amendment essential terms of the contract has been changed.

On basis of this amended senior facilities agreement JOST Group is able to use Facility A in the amount of € 50,000 thousand, Facility B1 in the amount of € 262,965 thousand and Facility B2 in the amount of USD 10,602 thousand. Furthermore JOST Group is able to use a Revolving Facility amounting to € 50,000 thousand to finance operating business. In addition to these facilities an uncommitted facility of € 40,000 thousand was granted. Concerning maturities of Facilities see note 19.

All of the loans under the amended senior facilities agreement are borrowed at variable interest rates. The Group hedges a portion of the interest rate risk with interest swaps and interest caps. For further details see note 14. and 23.

The following table shows the loans under the amended senior facilities agreement as of December 31, 2016:

Amounts in € thousands		12/31/2016	12/31/2015	12/31/2014
Senior loans	Facility A	47,000	50,000	28,862
	Facility B1	262,965	262,965	15,985
	Facility B2	10,058	9,738	74,147
	Facility C1	0	0	15,994
	Facility C2	0	0	74,131
Senior loan		**320,023**	**322,703**	**209,119**
Capex		**0**	**0**	**1,343**
Revolver		**0**	**7,500**	**0**
Other		**2**	**1,074**	**447**
Interest bearing loans		**320,025**	**331,277**	**210,909**
Accrued Financing Costs		**0**	**0**	**-841**
Total		**320,025**	**331,277**	**210,068**

As the terms of the amended senior facilities agreement are substantially different, the modification was accounted for as an extinguishment of the original financial liability and a new financial liability was recognised. Therefore, previously accrued financing costs were expensed in 2015. Costs incurred in the course of the refinancing were recognised as part of the gain or loss in the previous year. The refinancing costs amounted to € 7,001 thousand in 2015.

In the fiscal year the Group realised loan repayments with an amount of € 10,500 thousand (2015: € 0 thousand; 2014: € 11,715 thousand) and interest payments of € 16,903 thousand (2015: € 8,162 thousand; 2014: € 9,364 thousand).

22. Trade Payables and other liabilities

Trade payables recognised at the reporting date are non-interest bearing and are settled within one month. The fair value therefore corresponds to the carrying amount. As of the end of the year, Trade payables amount to € 57,714 thousand (2015: € 71,839 thousand; 2014: € 59,298 thousand).

Other liabilities amount to € 21,399 thousand (2015: € 19,939 thousand; 2014: € 20,807 thousand). They primarily include € 12,260 thousand employee benefits (2015: € 12,040 thousand; 2014: € 7,958 thousand) and € 1,768 thousand other payables of social charges (2015: € 1,465 thousand; 2014: € 3,161 thousand). Furthermore other liabilities include VAT liabilities in the amount of € 849 thousand (2015: € 923 thousand; 2014: € 645 thousand) and wage taxes in the amount of € 942 thousand (2015: € 734 thousand; 2014: € 617 thousand).

23. Other Financial Liabilities

Other financial liabilities primarily include overpayment from customers in the amount of € 351 thousand (2015: € 1,922 thousand; 2014: € 0 thousand).

Future interest rate volatility is hedged via four interest rate swaps and three interest rate caps (Please see also note 14.). Overall, the interest rate swaps have a negative fair value of € 138 thousand (2015: € 258 thousand; 2014: € 378 thousand) as of December 31, 2016 (mark-to-market valuation) which is recorded in the Balance Sheet as other financial liability. As of December 31, 2016, approximately 51 % (2015: 9 %; 2014: 33 %;) of the liabilities under senior loans were hedged by these derivative financial instruments. Concerning maturities of Facilities see note 19.

24. Other Financial Obligations

Other financial obligations of the Group amounting to € 39,678 thousand (2015: € 40,386 thousand; 2014: € 34,905 thousand) as well as payment obligations under lease and rental agreements. These include financial obligations of € 29,498 thousand (2015: € 28,513 thousand; 2014: € 25,492 thousand) under lease and rental agreements that relate primarily to the production site in Poland, two robot welding facilities, IT systems, various fork-lifts, and passenger vehicles. These payment obligations are in general minimum lease obligations. As of December 31, 2016 lease agreements have lease terms of up to 10 years. The company does not have the option to purchase the assets at the end of the lease agreement. The lease agreements relieve the Company from capital expenditure payments. The Company recorded € 9,584 thousand (2015: € 7,942 thousand; 2014: € 6,773 thousand) in rental and lease expenses in 2016.

The Group expects the following minimum lease payments from non-cancellable rental and lease agreements in the coming years.

Amounts in € thousands	**1 year**	**1 to 5 years**	**More than 5 years**	**Total**
2016	7,080	15,936	6,482	29,498
2015	6,272	16,191	6,049	28,513
2014	5,389	13,244	6,859	25,492

25. Sales Revenues

The Group sales revenues are as follows, broken down by sales origin:

Amounts in € thousands	**2016**	**2015**	**2014**
Europe	420,920	420,987	336,064
North America	109,792	129,908	94,359
South Africa and Australia	42,159	42,297	43,658
Asia	61,076	56,608	42,213
Total	**633,947**	**649,800**	**516,294**

Sales revenue mainly results from the sale of products.

Mercedes-Benz TrailerAxleSystems has been consolidated in the JOST Group since December 18, 2014. Assuming that this business combination described had been completed on January 1, 2014, Group sales would have been approximately € 74,100 thousand higher and net income € 3,100 thousand higher. This pro forma information is provided only for the purpose of comparability. It does not necessarily represent actual sales which would have been realised if the business combination had been concluded as on January 1, 2014, and it does not serve as an indicator of future sales and net income.

26. Cost of Sales

The cost of sales mainly comprises the cost of materials amounting to € -338,780 thousand (2015: € -362,236 thousand; 2014: € -274,039 thousand), personnel expenses of € -59,868 thousand (2015: € -60,341 thousand; 2014: € -50,778 thousand;), depreciation of property, plant, and equipment of € -8,271 thousand (2015: € -7,102 thousand; 2014: € -6,200 thousand), amortization of intangible assets of € -150 thousand (2015: € -2,453 thousand; 2014: € -579 thousand) and is compensated by impairment (gains) on inventories of € 2,082 thousand (2015: € -695 thousand (losses); 2014: € -913 thousand (losses)).

27. Selling Expenses

Selling expenses mainly comprise personnel expenses of € -25,880 thousand (2015: € -25,664 thousand; 2014: € -22,356 thousand), depreciation of property, plant, and equipment of € -3,131 thousand (2015: € -2,753 thousand; 2014: € -2,129 thousand), amortization of intangible assets of € -22,990 thousand (2015: € -26,188 thousand; 2014: € -17,608 thousand), impairment of intangible assets of € 0 thousand (2015: € 2,685 thousand; 2014: € 0 thousand), and reversal of impairment of intangible assets of € 0 thousand (2015: € 0 thousand; 2014: € 63,981 thousand).

28. Research and Development Expenses

Research and development expenses mainly include personnel expenses of € -7,625 thousand (2015: € -6,745 thousand; 2014: € -5,206 thousand) and amortization of intangible assets of € -1,466 thousand (2015: € -1,007 thousand; 2014: € -917 thousand).

29. Administrative Expenses

Administrative expenses mainly comprise personnel expenses of € -25,020 thousand (2015: € -27,359 thousand; 2014: € -22,465 thousand), purchased services of € -8,294 thousand (2015: € -12,432 thousand; 2014: € -2,793 thousand), rent of € -1,131 thousand (2015: € -1,145 thousand; 2014: € -884 thousand), insurance of € -1,766 thousand (2015: € -1,702 thousand; 2014: € -1,441 thousand), depreciation of property, plant, and equipment of € -1,164 thousand (2015: € -2,067 thousand; 2014: € -1,614 thousand) amortization of intangible assets of € -4,079 thousand (2015: € -2,323 thousand; 2014: € -1,245 thousand) and impairment of property, plant, and equipment of € 0 thousand (2015: € -85 thousand; 2014: € 0 thousand).

The increase in personnel administrative expenses resulted from acquisition of Mercedes-Benz TrailerAxleSystems business in December 2014. The decrease in purchased services resulted from last year's legal and consulting fees in connection with the planned public offering.

30. Other income / other expenses

As of the end of the year, other income amount to € 7,350 thousand (2015: € 7,140 thousand; 2014: € 2,903 thousand) and other expenses amount to € -6,289 thousand (2015: € -2,720 thousand; 2014: € -3,954 thousand).

In 2016 as well as in 2015 and 2014 the other income mainly compromise currency gains. The other expenses mainly compromise currency losses.

31. Share of Profit or Loss of Equity Method Investments

The share of the profit or loss of equity method investments (€ 1,371 thousand; 2015: € 1,415 thousand; 2014: € 2,683 thousand) relates to JOST Brasil Sistemas Automotivos Ltdas.

32. Financial Income

Financial income is composed of the following items:

Amounts in € thousands	2016	2015	2014
Interest income	302	371	1,110
Realized and unrealized currency gains	224	669	1,863
Other financial income	77	67	1,436
Revaluation shareholder loans	3,287	0	0
Total	**3,890**	**1,107**	**4,409**

33. Financial Expense

Financial expense is composed of the following items:

Amounts in € thousands	2016	2015	2014
Interest expenses	-37,322	-33,932	-32,025
Realized and unrealized currency losses	-1,441	-535	-1,544
Other financial expenses	-349	-11,205	-313
losses from derecognition of shareholder loans	0	-30,909	0
Revaluation shareholder loans	0	0	-17,649
Total	**-39,112**	**-76,581**	**-51,531**

Interest expenses mainly arise from liabilities to banks, liabilities to shareholder, and besides from interest expenses for defined benefit obligation and jubilee benefits obligation with an amount of € 1,188 thousand (2015: € 1,033 thousand; 2014: € 1,895 thousand). Other financial expenses of 2015 mainly include costs incurred in the course of the refinancing as of the end of 2015 and the discharge of previously amortized costs of previous financing (see note 21.).

34. Employee Benefit Expenses

Employee benefit expenses are composed of the following items:

Amounts in € thousands	2016	2015	2014
Employee benefit expenses	-102,590	-102,716	-85,948
Social security contributions*	-15,329	-15,348	-12,843
Pension expenses	-474	-2,045	-2,014
Total	**-118,393**	**-120,109**	**-100,805**

* The Company incurred expenses for employer contributions to the statutory pension insurance system in the amount of € 2,724 thousand in fiscal year 2016 (2015: € 2,555 thousand; 2014: € 2,433 thousand).

35. Management Profit-sharing Plan

As a result of the restructuring of JOST Group 2011, the investors have implemented a new Management Profit-sharing Plan, which replaces the Plan from 2008 with Ventinori S.à r.l., Luxembourg. Ventinori S.à r.l. has been converted into Ventinori & Co S.C.A. on January 28, 2011 and further changed name into Jost-Global & Co S.C.A. on October 11, 2011. The transfer from the old to the new Management Profit-sharing Plan did not result in a change of the value ratios of the beneficiaries. Especially, there was no creation of fair value. The goal of the new program is similar to the 2008 program to reward management and selected consultants (together: beneficiaries) for the creation of sustainable corporate development and shareholder value.

The goal of investors is to achieve a successful exit at a currently not identified date, preferably through an IPO. Nevertheless, there are also other exit routes possible (e.g. sale of the company). In all these cases the majority investor has drag along and tag along rights towards beneficiaries, which hold an indirect equity interest in the JOST Group.

The beneficiaries hold several investments through A-shares, C-shares (participation certificates) and Common Shares in former Ventinori S.à r.l., Luxembourg. The share classes are different in terms of distribution profits in an exit event, the guaranteed interest and the associated voting rights. Depending on the profits generated by the investors in an exit event, certain ratchets can increase the profit distribution for the beneficiaries disproportionately. The share of management is 23.4 % of Common Shares and 100 % of C-shares (participation certificates).

Up until the exit event, so called leaver events govern the procedures to be taken for any premature exit of any of the beneficiaries. For all leaver cases former Ventinori S.à r.l., Luxembourg, or a company nominated can exercise a call option on the shares of the existing beneficiary. On the exercise of the call option the settlement amount is based on the time and reason for the leaving event, the fair market value of the share class, the original funding amount and potentially a pre-defined fixed amount. Any payout will only occur in an exit event.

In accordance with IFRS 2 the accounting has to be done analogue to equity-settled share-based payment transactions, since in no scenario, not even exit or leaver cases there is a payment obligation on the reporting entity. Due to the fact that the investments of the beneficiaries were based on fair value, there is no material benefit at grant date. The result of this is, that at no stage there is an expense recognition, not even at exit or in a leaver event of any of the beneficiaries.

36. Depreciation, Amortization, Impairment and Reversal of Impairment

Depreciation, amortization, and impairments charge for the year is recognised in the following line items in the income statement:

Amounts in € thousands	Depreciation/Impairment of property, plant, and equipment	Amortization/Impairment of intangible assets
Cost of sales	-8,271	-150
Selling expenses	-3,131	-22,990
*thereof: depreciation and amortization from PPA**	-2,221	-22,986
Research and development expenses	0	-1,466
Adminstrative expenses	-1,164	-4,079
Total	**-12,566**	**-28,685**

* PPA: Purchase Price Allocation

Depreciation, amortization, and impairments charge for 2015 is recognised in the following line items in the income statement:

Amounts in € thousands	Depreciation/Impairment of property, plant, and equipment	Amortization/Impairment of intangible assets
Cost of sales	-7,102	-2,453
Selling expenses	-2,753	-28,873
*thereof: depreciation and amortization from PPA**	-2,380	-26,159
Research and development expenses	0	-1,007
Adminstrative expenses	-2,067	-2,323
Total	**-11,922**	**-34,656**

* PPA: Purchase Price Allocation

Depreciation, amortization, and impairments charge for 2014 is recognised in the following line items in the income statement:

Amounts in € thousands	Depreciation/Impairment of property, plant, and equipment	Amortization/Impairment of intangible assets
Cost of sales	-6,200	-579
Selling expenses	-2,129	46,373
*thereof: depreciation and amortization from PPA**	*-2,036*	*-17,459*
*thereof: reversal of impairment from PPA**	*0*	*63,981*
Research and development expenses	0	-917
Adminstrative expenses	-1,614	-1,245
Total	**-9,943**	**43,632**

* PPA: Purchase Price Allocation

37. Income Taxes

Taxes on income reported in the consolidated financial statements comprise domestic corporate income and trade income tax as well as the comparable foreign taxes. They are calculated using the tax regulations governing the individual companies. The total amount of € -13,084 thousand (2015: € -1,161 thousand; 2014: € -21,940 thousand) includes deferred tax income or deferred expenses from origination and reversal of temporary differences € -1,143 thousand (2015: € 13,141 thousand; 2014: € -12,300 thousand), deferred tax expenses from recognition of tax exempt grant € -1,303 thousand (2015: € 907 thousand -income-; 2014: € 550 thousand -income-), and current tax expenses on profit for the year at an amount of € -10,638 thousand (2015: € -15,209 thousand; 2014: € -10,190 thousand).

In the fiscal year 2016 the Group realised income tax payments with an amount of € 9,884 thousand (2015: € 18,917 thousand; 2014: € 8,549 thousand).

38. Number of Employees

An average of 2,691 people were employed by the Group in the reporting period (2015: 2,675 people; 2014: 2,476 people). For personnel expenses please see notes 26. to 29. and 34.

39. Cash Flow Statement

The Consolidated Cash Flow Statement was prepared in accordance with IAS 7 and classifies cash flow into operating, investing, and financing activities. Cash flow from operating activities was determined using the indirect method, whereas cash flow from investing activities was calculated on the basis of the direct method. Investing activities relate to the acquisition and disposal of noncurrent assets that are not included in cash equivalents. Cash flow from financing activities is also determined using the direct method. Financing activities are activities that affect the extent and composition of equity items and the Company's borrowings. The other noncash expenses mainly compromises accrued interest expenses (2016: € 18,918 thousand; 2015: € 11,509 thousand; 2014: € 21,172 thousand) and gains from the revaluation of the shareholder loans (2016: € 3,287 thousand; 2015: € 0 thousand; 2014: € 17,649 thousand -losses-). In the prior years the other noncash expenses mainly include losses from derecognition of shareholder loans (2016: € 0 thousand; 2015: € 30,909 thousand; 2014: € 0 thousand) and accrued interest expenses (2016: € 18,918 thousand; 2015: € 11,509 thousand; 2014: € 21,172 thousand).

40. Related Party Disclosures

The subsidiaries and the joint venture of JOST Group are listed in note 3.1.

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

Lars Brorsen, cand. oecon., Heubach
Chairman of the management of Cintinori Holding GmbH, Neu-Isenburg

Dr. Ingenieur Ralf Eichler, Diplom-Ingenieur, Dreieich
Managing Director, Engineering, at Cintinori Holding GmbH, Neu-Isenburg

Christoph Hobo, Diplom-Kaufmann, Frankfurt am Main
Managing Director, Finance, at Cintinori Holding GmbH, Neu-Isenburg (since October 15, 2016)

Alexander Kleinke, Diplom-Volkswirt, Frankfurt am Main
Managing Director, Finance, at Cintinori Holding GmbH, Neu-Isenburg (until October 15, 2016)

Total remuneration for Managing Directors amount to € 3,590 thousand in the reporting period (2015: € 3,243 thousand; 2014: € 2,914 thousand). Remuneration comprise of short-term employee benefits € 3,418 thousand (2015: € 3,216 thousand; 2014: € 2,680 thousand), long-term employee benefits € 150 thousand (2015: € 0 thousand; 2014: € 0 thousand), and post-employment benefits € 22 thousand (2015: € 27 thousand; 2014: € 234 thousand). Pension provisions amounted to € 7,652 thousand (2015: € 6,933 thousand; 2014: € 7,401 thousand).

Lars Brorsen, Alexander Kleinke, Dr. Ralf Eichler, Dr. Klaus-Peter Bleyer, Lindau (management consultant), and Dirk Schmidt, Diplom-Ingenieur (BA), Königstein (former Managing Director of the Company and now a management consultant) participate in the Management Profit-sharing Plan (see note 5.18. and 35. disclosures on IFRS 2). As the investment by the Managing Directors participating in the Management Profit-sharing Plan was based on fair value, no material benefit was granted and thus, no expense was incurred in 2016, 2015, and 2014.

Dr. Bleyer charged the JOST Group € 116 thousand for consulting services in 2016 (2015: € 140 thousand; 2014: € 140 thousand). The consulting services invoiced by Mr. Schmidt amounted to € 200 thousand in 2016 (2015: € 200 thousand; 2014: € 200 thousand).

The following entities are direct or indirect shareholders of the Company and control the Group:

– Jantinori 2 S.à r.l., Luxembourg

– Jantinori 1 S.à r.l., Luxembourg

– Cintinori S.à r.l., Luxembourg

– Jost-Global & Co S.C.A., Luxembourg

Jost-Global GP S.à r.l., Luxembourg, Cintinori S.à r.l., Luxembourg, Jantinori 1 S.à r.l., Luxembourg and Jantinori 2 S.à r.l., Luxembourg also have a Conseil de Gérance (Board) with decision-making powers that comprises the following members:

Danièle Arendt-Michels, Luxembourg

David Konings, Luxembourg

Jan Schönfeld, Frankfurt am Main

Robert Jan Schol, Luxembourg

John Dercksen, Luxembourg

Manfred Wennemer, Bensheim

Prof. Dr. Bernd Gottschalk, Esslingen

Jürgen Schaubel, Baar/Zug/Schweiz

Prof. Dr. Gottschalk and Mr. Schaubel charged the JOST Group in each case € 43 thousand for consulting services in 2016 (2015: € 43 thousand; 2014: € 43 thousand). Manfred Wennemer charged the JOST Group € 40 thousand for consulting services in 2016 (2015: € 0 thousand; 2014: € 0 thousand). As of December 31, 2016 € 11 thousand (December 31, 2015: € 43 thousand; December 31, 2014: € 11 thousand) are still outstanding.

Related party transactions as of December 31, 2016

Amounts in € thousands	**Proceeds from sales to related parties**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
JOST Brasil Sistemas Automotivos Ltda., Caxias do Sul / Brazil	1,110	173	428	11

Related party transactions as of December 31, 2015

Amounts in € thousands	**Proceeds from sales to related parties**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
JOST Brasil Sistemas Automotivos Ltda., Caxias do Sul / Brazil	1,429	227	258	2

Related party transactions as of December 31, 2014

Amounts in € thousands	**Proceeds from sales to related parties**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
JOST Brasil Sistemas Automotivos Ltda., Caxias do Sul / Brazil	3,445	625	591	0

For further details regarding dividends from JOST Brasil Sistemas Automotivos Ltda. see note 9.

The loan to Jantinori 1 S.à r.l., Luxembourg, the shareholder of Jantinori 2 S.à r.l., Luxembourg with an amount of € 300 thousand was repaid in 2016.

Furthermore, it exists a loan against the immediate parent entity. As of December 21, 2015 Shareholder Loan A (including accrued interest) in the amount of € 69,651 thousand was fully repaid early. In addition, Shareholder Loan C (including accrued interest) was repaid early in the amount of € 52,796 thousand. In 2016 nominal interest expenses were charged in the amount of € 36,201 thousand (2015: € 40,125 thousand; 2014: € 36,165 thousand). The financial result only contains interest expenses in the amount of € 18,918 thousand (2015: € 26,740 thousand; 2014: € 21,172 thousand) due to the valuation of the shareholder loans at amortised cost using the effective interest expenses. For more details see note 5.13. and 20.

The loan to Jantinori 2 S.à r.l., Luxembourg, in the amount of € 769 thousand was repaid in 2016; the loan was extended to Jantinori 2 S.à r.l., Luxembourg, the immediate parent entity in December 2015 with an interest rate of 7.5 % p.a.

The legal and consulting fees in connection with the planned public offering were charged to immediate parent entity in the amount of € 1,525 thousand. The company claims costs based on the Cost Allocation and Indemnity Agreement between Jantinori 2 S.à r.l and Cintinori Holding GmbH. The charges are based on a preliminary percentage between shares that were allocated to Jantinori 2 S.à r.l and Cintinori Holding GmbH.

41. Financial Risk Management

As an internationally operating Group, Cintinori Holding GmbH is exposed to a variety of risks. Management is aware of both the risks and the opportunities and deploys suitable measures to manage them so as to be able to react quickly to changes in the competitive environment and the general market environment.

The Group has identified market risk, credit risk, and liquidity risk as material risks.

Financial risk factors

Market risk/ exchange rate risk

Certain of the Group's transactions are denominated in foreign currencies, exposing the Group to the risk of changes in exchange rates. As in previous years the Group does not in general hedge this risk. To mitigate the risk of exchange rate movements, the subsidiaries conduct their operating business largely in their local currency. Further, on an ongoing basis the company reviews the exchange rate exposures in the various currencies.

In 2016 JOST International Corp. has long-term bank liabilities denominated in USD of € 10,058 thousand (2015: € 9,738 thousand; 2014: € 8,732 thousand) corresponding USD 10,602 thousand as part of the B Tranche (2015: USD 10,602 thousand and 2014: USD 10,602 thousand as part of the B and C Tranche). Caused by the dollar fluctuation against the euro compared with December 31, 2015, the long-term bank liabilities increased by approximately € 320 thousand in fiscal year 2016 due to the change of exchange rates. This effect will reverse if the euro recovers against the dollar. A change in the exchange rate by 5 %, while all other variables held constant, in fiscal year 2016 corresponds to a € 26 thousand (2015: € 20 thousand; 2014: € 14 thousand) change in interest expenses on the USD tranche of the senior loans. Such a change in the exchange rate will have an impact of € -479 thousand or € 529 thousand (2015: € -464 thousand or € 513 thousand; 2014: € -416 thousand or € 460 thousand) to the total bank liabilities. Fx-changes do only have an effect on equity, but no effect on income statement. To avoid major risk concentration (fx and interest risk) the company hedges the interest.

Further balance sheet positons where fx-changes could have a significant influence are trade receivables as well as payables. A 5 % change of the year end fx-rate of all fx-rates against the Euro, while all other parameters are constant, will change the trade receivables by € 2,363 thousand and trade payables by € 1,840 thousand.

Exchange rate losses totaling € 1,217 thousand (2015: € 134 thousand -gains-; 2014: € 319 thousand -gains) were recognised in fiscal year 2016 due to exchange rate movements. The Group transacts a significant portion of its sales revenues in euros. Subsidiaries in non-eurozone countries mainly invoice in their local currency and also procure their supplies largely on the local market, with the result that exchange rate risk from operating activities in the Group is low.

The exchange rates of the major currencies developed as follows:

Exchange rate 1 EUR =	ISO CODE	Closing rate 12/31/2016	Closing rate 12/31/2015	Closing rate 12/31/2014	Average Year rate 12/31/2016	Average Year rate 12/31/2015	Average Year rate 12/31/2014	Net income Sensitivity € thousand	Equity Sensivity € thousand
Australia	AUD	1.46	1.49	1.48	1.49	1.48	1.47	89.84	536.09
Brazil	BRL	3.43	4.31	3.22	3.86	3.69	3.12	65.29	446.25
China	CNY	7.32	7.06	7.54	7.35	6.90	8.19	299.23	1,240.78
Great Britain	GBP	0.86	0.73	0.78	0.82	0.73	0.81	160.03	501.73
Hungary	HUF	309.83	315.98	315.54	311.44	309.59	308.71	0.00	0.00
India	INR	71.59	72.02	76.72	74.37	71.09	81.04	11.17	302.75
Japan	JPY	123.40	131.07	145.23	120.20	134.38	140.31	1.97	10.33
Poland	PLN	4.41	4.26	4.27	4.36	4.18	4.18	152.88	604.45
Russia	RUB	64.30	80.67	72.34	74.14	67.85	50.95	31.96	86.02
Singapore	SGD	1.52	1.54	1.61	1.53	1.53	1.68	16.96	130.60
United States	USD	1.05	1.09	1.21	1.11	1.11	1.33	283.68	959.83
South Africa	ZAR	14.46	16.95	14.04	16.26	14.15	14.40	174.49	683.32

Table above shows influence to net income and equity caused by a fx-rate change of 5 %.

Market Risk/ Interest Rate Risk

The Group is exposed to interest rate risk because it has borrowed funds at variable rates of interest. Interest rate risk arises in particular from the variable interest rate portion of its interest rate exposure, which is pegged to current market interest rates and affects cash flow from financing activities. A 10 basis point change in the variable interest rate (EURIBOR/ LIBOR), while all other variables held constant, in fiscal year 2016 results in a € 68 thousand and USD 11 thousand (2015: € 199 thousand and USD 11 thousand; 2014: € 210 thousand/ USD 11 thousand) increase/ decrease in the Group's interest expense.

Cash flow risk arises primarily from changes in market interest rates. Higher market interest rates result in an increase in cash outflow from financing activities, while lower rates result in a decrease. To mitigate the risk of changing cash flows, the Company has hedged per December 31, 2016 about 51 % of its senior bank loans using interest rate swaps and caps. The Company incurred interest income of € 20 thousand (2015: € 0 thousand; 2014: € 0 thousand) and interest expenses of € 182 thousand (2015: € 287 thousand; 2014: € 1,351 thousand) in fiscal year 2016 for these hedging transactions. The Group did not apply hedge accounting in accordance with IAS 39 in fiscal year 2016.

Amounts in € thousands	Type	Maturity	Nominal amount at 12/31/2016	Negative Fair Value at 12/31/2013	Utilization	Additions	Reversal	Negative Fair Value at 12/31/2014	Utilization	Additions	Reversal	Negative Fair Value at 12/31/2015	Utilization	Additions	Reversal	Negative Fair Value at 12/31/2016
Commerzbank AG	SWAP	30.12.2014	0	1,208	1,208	0	0	0	0	0	0	0	0	0	0	0
Commerzbank AG	SWAP	30.12.2015	0	47	0	28	0	75	75	0	0	0	0	0	0	0
Commerzbank AG	SWAP	30.12.2015	0	0	0	32	0	32	32	0	0	0	0	0	0	0
NIBC	SWAP	31.12.2015	0	48	0	24	0	72	72	0	0	0	0	0	0	0
BNP	SWAP	28.08.2017	15,000	0	0	95	0	95	45	79	0	129	62	0	0	67
Societe Generale	SWAP	28.08.2017	15,000	0	0	104	0	104	45	69	0	128	66	0	0	62
IKB	SWAP	30.12.2018	25,000	0	0	0	0	0	0	0	0	0	0	58	54	4
Unicredit Bank	SWAP	30.12.2018	47,000	0	0	0	0	0	0	0	0	0	0	100	95	5
Total SWAP			***102,000***	***1,303***	***1,208***	***283***	***0***	***378***	***269***	***148***	***0***	***257***	***128***	***158***	***149***	***138***

In addition, the three interest rate caps have a positive fair value of € 20 thousand (2015: € 0 thousand; 2014: € 0 thousand).

Credit risk/ Default risk

Credit risk denotes the risk to the Group that a party to a contract will fail to discharge its obligations. To minimize this risk, the Group pays close attention to the credit quality of its contractual partners and, wherever possible, takes out credit insurance to protect against the default of all receivables from third parties. In the event that a customer is unable to discharge its payment obligations, receivables are secured in the amount of 90 % of the net amount receivable € 90 million. The default risk is estimated at a maximum of € 9 million resulting from accounts receivables. There is no major credit risk, due to the wide customer Base. If the Group cannot take out credit insurance, the goods are delivered against advance payment or the receivables are secured by a documentary letter of credit.

Appropriate credit limits have been established for all customers.

Liquidity risk

Liquidity risk describes the risk that an entity will not have sufficient cash to discharge its existing or future payment obligations, due to the fact that each of our subsidiary has its own Cash Management we have no concentrated Liquidity Risk to certain regions.

In addition to daily monitoring of the liquidity position, liquidity is monitored and managed by rolling liquidity and cash flow projections.

In fiscal year 2016, the Company discharged all of its payment obligations under the bank liabilities. The total amounts in fiscal year 2016 were:

Interest payments: € 16,903 thousand (2015: € 8,162 thousand; 2014: € 9,364 thousand)

Principal repayments: € 10,500 thousand (2015: € 0 thousand; 2014: € 11,715 thousand)

The interest payments and principal repayments shown above are undiscounted cash outflows.

42. Capital Management

The primary objective of the Group's capital management activities is to ensure that the Company can discharge all of its financial obligations in the future and secure the Group as a going concern. The Group´s capital management activities cover the whole group. Policies for steering and optimising the existing financing structure are, in addition to the earnings figure EBITDA, monitoring the development of working capital as well as cash flow.

The various financial covenants are monitored on Jantinori 2 S.à r.l., Luxembourg level. Therefore the following table shows net debt and net debt to equity ratio based on the consolidated financial statements of Jantinori 2 S.à r.l., Luxembourg. Net debt largely comprises long-term loans from banks, shareholders, and other lenders.

Amounts in € thousands	**12/31/2016**	**12/31/2015**	**12/31/2014**
Interest-bearing Loans	320,025	331,277	210,909
Cash and cash equivalents	47,367	40,819	42,948
Net debt	**272,658**	**290,458**	**167,961**
Equity	54,574	48,306	172,607
Net debt to equity ratio	20%	17%	103%

As in previous years Jantinori 2 S.à r.l., Luxembourg was required to comply with various financial covenants relating to long-term liabilities. The bank loans are subject to the compliance with various financial covenants derived from the group financial statements of the ultimate parent company. In case of non-compliance with those financial covenants bank loans may be called to be paid back immediately.

Jantinori 2 S.à r.l., Luxembourg did comply in 2016 at every time with the relevant covenants.

43. Auditors' Fees

Fees paid to PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, for services are composed of the following items:

Amounts in € thousands	**2016**	**2015**	**2014**
Audit services	318	344	365
Other assurance services	22	1,757	0
Tax advisory services	354	390	154
Total	**694**	**2,491**	**519**

The fees paid related foreign based PricewaterhouseCoopers individual partnerships and legal entities for services are composed of the following items:

Amounts in € thousands	**2016**	**2015**	**2014**
Audit services	168	212	229
Other assurance services	13	0	0
Tax advisory services	18	1	25
Total	**199**	**213**	**254**

44. Events after the Reporting Date

No material events have occurred since the reporting date.

Neu-Isenburg, April 11, 2017

Lars Brorsen   Dr. Ralf Eichler   Christoph Hobo

INDEPENDENT AUDITOR'S REPORT

To Cintinori Holding GmbH, Neu-Isenburg

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cintinori Holding GmbH, Neu-Isenburg, and its subsidiaries (the 'Group'), which comprise the consolidated balance sheet as at December 31, 2016, December 31, 2015, December 31, 2014, the consolidated income statement, the consolidated statement of comprehensive income the consolidated statement of changes in equity, the consolidated statement of cash flows for the financial years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2016, December 31, 2015, and December 31, 2014, and of its consolidated financial performance and its consolidated cash flows for the financial years then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements of the German professional provisions that are relevant to our audit of the consolidated financial statements in Germany, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

– Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Frankfurt am Main, April 11, 2017

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Thomas Tilgner
Wirtschaftsprüfer
(German Public Auditor)

Stefan Hartwig
Wirtschaftsprüfer
(German Public Auditor)

Audited Unconsolidated Financial Statements of Cintinori Holding GmbH (prior to change of legal form and name to JOST Werke AG) prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*) as of and for the Fiscal Year ended December 31, 2016

Cintinori Holding GmbH, Neu-Isenburg

Balance Sheet as of December 31, 2016

Assets

	12/31/2016	12/31/2015
	EUR	EUR
A. Fixed assets		
I. Financial assets		
1. Shares in affiliated companies	0.00	0.00
2. Loans to affiliated companies	402,204.26	0.00
	402,204.26	**0.00**
B. Current assets		
I. Receivables and other assets		
1. Receivables from affiliated companies	189,498.27	1,288,341.73
2. Other assets	41.83	41.83
II. Cash on hand, bank balances	22,731.60	22,550.62
	212,271.70	**1,310,934.18**
C. Deficit not covered by equity	**3,527,930.21**	**3,721,785.29**
	4,142,406.17	**5,032,719.47**

Shareholders' equity and liabilities

	12/31/2016	12/31/2015
	EUR	EUR
A. Shareholders' equity		
I. Subscribed capital	25,000.00	25,000.00
II. Capital reserve	79,728,308.70	79,728,308.70
III. Cumulative losses brought forward, to the extent covered by equity Total cumulative losses brought forward: € 83,475,093.99 (prior year: EUR 79,821,412.60), of which not covered by equity: EUR 3,721,785.29 (prior year: EUR 68,103.90) (cf. item no. C on the assets side)	-79,753,308.70	-79,753,308.70
IV. Net income for the year, to the extent covered by equity Total net income for the year: EUR 193.855,08 (prior year: net loss for the year: EUR 3,653,681.39), of which not covered by equity: EUR 193,855.08 (prior year: EUR 3,653,681.39) (cf. item no. C on the assets side)	0.00	0.00
	0.00	**0.00**
B. Provisions		
Other provisions	242,633.77	1,649,000.00
	242,633.77	**1,649,000.00**
C. Liabilities		
Payables to affiliated companies	3,899,772.40	3,383,719.47
	3,899,772.40	**3,383,719.47**
	4,142,406.17	**5,032,719.47**

Cintinori Holding GmbH, Neu-Isenburg

Income Statement for the Period from January 1 through December 31, 2016

	2016	2015
	EUR	EUR
1.) Other operating income	583,506.39	1,288,341.73
2.) Other operating expenses	-363,569.75	-4,933,114.75
3.) Income from loans carried as financial assets	12,282.53	0.00
4.) Interest and similar expenses	-38,365.09	-8,908.37
5.) Taxes on income	1.00	0.00
6.) Earnings after taxes	**193,855.08**	**-3,653,681.39**
7.) Net income for the year (prior year: net loss for the year)	**193,855.08**	**-3,653,681.39**

Cintinori Holding GmbH, Neu-Isenburg

Notes to the Financial Statements for Financial Year 2016

I. General Information

The registered office of Cintinori Holding GmbH is in Siemensstraße 2, 63263 NeuIsenburg. The Company is registered in the Register of Commerce of Offenbach am Main under the section B number 43750.

The financial statements of Cintinori Holding GmbH for the financial year were prepared in accordance with the provisions of the German Commercial Code (HGB), in the version of the German Accounting Directive Implementation Act (BilRuG), by taking into account the Law on Limited Liability Companies (GmbHG). Cintinori Holding GmbH is a micro-entity within the meaning of Section 267a HGB.

The relief provisions set forth in Section 288 HGB were applied.

The annual financial statements were prepared in euros (EUR). The income statement was prepared using the type-of-expenditure format.

II. Accounting and Valuation Principles

Financial assets are stated at acquisition cost. They are written down if impairment is anticipated to be permanent. Once the reasons for the write-downs cease to exist, appropriate write-ups are recognized.

Receivables and liquid funds are stated at their nominal values.

Subscribed capital is stated at its nominal value.

Provisions cover all identifiable risks and obligations to an adequate extent and according to reasonable commercial assessment. They are measured at the settlement amount required in accordance with reasonable commercial assessment.

Liabilities are stated at settlement amounts.

In the 2016 financial year, the presentation, accounting and/or valuation methods applied in prior years were changed as follows: The BilRuG changed the statutory classification format of the income statement. The item "profit/loss on ordinary activities" was removed and an interim result "earnings after taxes" was inserted between the items "taxes on income" and "other taxes".

III. Notes to the Balance Sheet

1. Fixed assets / financial assets

As of the balance sheet date, the movement of fixed assets is as follows:

Fixed-Assets Movement Schedule for the Period from January 1 through December 31, 2016

	Acquisition cost			Amortization/ depreciation			
	As of 1/1/2016 TEUR	**Addition TEUR**	**As of 12/31/2016 TEUR**	**As of 1/1/2016 TEUR**	**As of 12/31/2016 TEUR**	**Book values 12/31/2016 TEUR**	**Book values 12/31/2015 TEUR**
Shares in affiliated companies	79,225	0	79,225	79,225	79,225	0	0
Loans to affiliated companies	0	402	402	0	0	402	0
Financial assets	**79,225**	**402**	**79,627**	**79,225**	**79,225**	**402**	**0**
Total	**79,225**	**402**	**79,627**	**79,225**	**79,225**	**402**	**0**

In the reporting year, a new loan was granted to the affiliated company Jasione GmbH, Neu-Isenburg.

The item "financial assets" refers to shares in affiliated companies. Share ownership pursuant to Section 285 No. 11 HGB is structured as follows:

Cintinori Holding GmbH Annual financial statements as of December 31, 2016
List of shareholdings

Company	Interest held by Cintinori Holding GmbH	Equity as of 12/31/2016	Profit / loss 2016
Interests in affiliated companies		TEUR[1]	TEUR[2]
Jasione GmbH Neu-Isenburg	100.00%[5]	-173,147	-13,898
JOST-Werke Deutschland GmbH (formerly: Jost-Werke GmbH) Neu-Isenburg	100.00%[4] [5]	42,611	0
Jost-Werke International Beteiligungsverwaltung GmbH Neu-Isenburg	100.00%[4] [5]	36,326	0
Rockinger Agriculture GmbH Waltershausen / Germany	100.00%[3] [5]	745	-545
Regensburger Zuggabel GmbH Neu-Isenburg	100.00%[4] [5]	-1,121	0
JOST France S.à r.l. Paris / France	100.00%[3] [6]	5,032	490
JOST Iberica S.A. Zaragoza / Spain	100.00%[3] [6]	3,882	1,223
JOST Nederland B.V. Breukelen / Netherlands	100.00%[3] [6]	483	285
Jost Italia S.r.l. Milan / Italy	100.00%[3] [6]	2,027	373
Jost GB Ltd. Bolton / Great Britain	100.00%[3] [6]	3,982	-163
Jost UK Ltd. Bolton / Great Britain	100.00%[3] [6]	6,550	-3,196
ooo JOST RUS Moscow / Russia	100.00%[3] [6]	1,139	433
JOST Polska Sp. z o.o. Nowa Sòl / Poland	100.00%[3] [6]	12,695	3,210
Jost Hungaria BT Veszprém / Hungary	100.00%[3] [6]	14,316	1,498
JOST TAT LLC Naberezhyne Chelny / Russia	100.00%[3] [6]	665	237
Tridec Holdings B.V. Son / Netherlands	100.00%[3] [6]	13,748	1,249
Tridec B.V. Son / Netherlands	100.00%[3] [6]	4,215	3,559
Tridec Ltda. Cantanhede / Portugal	100.00%[3] [6]	3,125	776
JOST Achsen Systeme GmbH (formerly: Jost Achsen Systeme GmbH) Calden / Germany	100.00%[4] [5]	25	0
Jost Axle Systems Southern Europe S.A.S. Lattes / France	100.00%[3] [6]	1,415	-149
JOST (S.A.) Pty. Ltd. Chloorkop / South Africa	100.00%[3] [5]	7,216	2,858
JOST Transport Equipment Pty. Ltd. Chloorkop / South Africa	100.00%[3] [5]	7,247	773
Jost Australia Pty. Ltd. Seven Hills / Australia	100.00%[3] [6]	11,259	1,888
JOST International Corp. Grand Haven, Michigan / U.S.A.	100.00%[3] [6]	20,153	5,958

Company	Interest held by Cintinori Holding GmbH	Equity as of 12/31/2016	Profit / loss 2016
Interests in affiliated companies		TEUR[1]	TEUR[2]
Jost (China) Auto Component Co. Ltd. Wuhan, Province Hubei / PR China	100.00%[3] [6]	19,442	5,031
Jost (Shanghai) Auto Component Co. Ltd. Shanghai / PR China	100.00%[3] [6]	5,448	1,075
JOST (Shanghai) Trading Co. Ltd. Shanghai / PR China	100.00%[3] [6]	1,169	175
Jost Far East Pte. Ltd. Singapore	100.00%[3] [6]	2,743	359
JOST India Auto Component Pte. Ltd. Jamshedpur / India	100.00%[3] [6]	6,357	235
JOST Japan Co. Ltd. Yokohama / Japan	100.00%[3] [6]	215	46
Joint Ventures			
JOST Brasil Sistemas Automotivos Ltda. Caxias do Sul / Brasil	49.00%[3] [6]	19,125	2,798

1) Translated at average middle rates for the year
2) Translated at the middle rates a the balance sheet date
3) Indirectly via Jasione GmbH
4) Profit / loss after profit transfer
5) Data from the companies' preliminary single entity financial statements
6) Data from the companies' Reporting Packages used for the preparation of the consolidated financial statements

2. Receivables and other assets

Receivables from affiliated companies fully refer to receivables from the subsidiary, Jasione GmbH, Neu-Isenburg, and result from other settlements.

As in the prior year, all receivables and other assets have a residual term of up to one year.

3. Deficit not covered by equity

The deficit not covered by equity amounts to EUR 3,527,930.21 as of the balance sheet date; EUR 3,721,785.29 thereof is the result of losses brought forward, while EUR 193,855.08 is due to the profit generated in the past financial year.

4. Shareholders' equity

Subscribed capital amounts to EUR 25,000.00 and was fully paid up. The deficit not covered by equity is stated under item no. C. on the assets side.

5. Provisions

Provisions in the amount of EUR 242,633.77 (prior year EUR 1,649,000.00) refer to provisions for invoices not yet received in connection with legal, consulting and annual financial statement costs.

6. Liabilities

Liabilities in the amount of EUR 3,899,772.40 (prior year EUR 3,383,719.47) refer to cost recharges from JOST-Werke Deutschland GmbH.

As in the prior year, liabilities have a residual term of up to one year.

IV. Notes to the Income Statement

1. Other operating income

Other operating income relates to a credit from the shareholder Jantinori 2 S.à r.l., Luxembourg. In the prior year, the item mainly comprised cost recharges to the shareholder, Jantinori 2 S.à r.l., Luxembourg.

2. Other operating expenses

This item mainly refers to legal and consulting costs as well as expenses for the audit of the financial statements and fees. The item contains individual allowances on receivables amounting to EUR 132,704.98 (2015: EUR 524,700.81).

3. Income from loans carried as financial assets

This item exclusively relates to income from affiliated companies.

4. Interest and similar expenses

This item exclusively relates to expenses to affiliated companies.

5. Taxes on income

The item contains corporation tax refunds for prior years.

V. Other Information

1. Contingencies

Within the framework of refinancing of the JOST Group, the share ownership as well as certain intercompany receivables and bank balances of Cintinori Holding GmbH were assigned to the banking syndicate as collateral. Accordingly, Cintinori Holding GmbH can be held liable for third-party liabilities of companies of the JOST Group in the amount of TEUR 320,025 as of the balance sheet date of December 31, 2016 (2015: TEUR 330,207). Due to the liquidity position of the JOST Group and the maturity dates, a claim on Cintinori Holding GmbH is not expected to be asserted as of the balance sheet date.

2. Management

Lars Brorsen, cand.oecon., Heubach
Chairman of the Management Board

Dr.-Ing. Ralf Eichler, Diplom-Ingenieur, Langen (Hessen)
Technical Director

Christoph Hobo, Diplom-Kaufmann, Frankfurt am Main
Financial Director (since October 15, 2016)

Alexander Kleinke, Diplom-Volkswirt, Frankfurt am Main
Financial Director (until October 15, 2016)

The Managing Directors did not receive any remuneration from the Company.

3. Shareholder

The sole shareholder is Jantinori 2 S.à r.l., Luxembourg, with a paid-up capital stock of EUR 25,000.00.

4. Consolidated financial statements

The Company is a group company of Jantinori 2 S.à r.l., Luxembourg, and is included in this company's consolidated financial statements. Jantinori 2 S.à r.l., Luxembourg, prepares consolidated financial statements for the smallest and the largest group of companies included in JOST Group. These consolidated financial statements have an exempting effect pursuant to Section 291 HGB. The consolidated financial statements of Jantinori 2 S.à r.l. are published in the electronic Federal Gazette in German.

The consolidated financial statements of Jantinori 2 S.à r.l. were prepared in line with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, as mandatory at the balance sheet date, as well as in accordance with the interpretations of the International Reporting Interpretations Committee, as applicable within the EU.

5. Report of Subsequent Events

There were no events or developments after the balance sheet date that would have led to a change in the disclosure or valuation of individual assets and liabilities as of December 31, 2016.

Neu-Isenburg, April 4, 2017

Lars Brorsen	Dr. Ralf Eichler	Christoph Hobo

Auditor's Report

To Cintinori Holding GmbH, Neu-Isenburg:

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, of Cintinori Holding GmbH, Neu-Isenburg, for the business year from January 1 through December 31, 2016. The maintenance of the books and records and the preparation of the annual financial statements in accordance with German commercial law are the responsibility of the Company's Managing Directors. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 HGB (Handelsgesetzbuch – German Commercial Code) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with (German) principles of proper accounting are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records and the annual financial statements are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's Managing Directors, as well as evaluating the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting.

Frankfurt am Main, April 4, 2017

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

(sgd. Thomas Tilgner) Wirtschaftsprüfer (German Public Auditor)	(sgd. Stefan Hartwig) Wirtschaftsprüfer (German Public Auditor)

Q. GLOSSARY

Adjusted EBIT	Adjusted EBIT is not a recognized financial measure under IFRS. We define Adjusted EBIT as EBIT adjusted for exceptional items, depreciation and amortization of property, plant and equipment and intangible assets from the PPA and impairment and reversal of impairment of property, plant and equipment and intangible assets from the PPA. Exceptional items include extraordinary and non-recurring expense and income, and tend to be related to special projects. While EBIT is calculated free from the influence of expenses and income that are outside the normal operating business, these exceptional items are taken from EBIT to calculate Adjusted EBIT. The Company believes that Adjusted EBIT is a useful measure for showing the Company's profit generated by the operating activities, and primarily uses Adjusted EBIT for monitoring the Company's profitability and capital efficiency across regions.
Adjusted EBIT Margin	Adjusted EBIT Margin is not a recognized financial measure under IFRS. We define Adjusted EBIT Margin as Adjusted EBIT divided by sales revenues. The Company believes that Adjusted EBIT Margin is a useful measure for showing the Company's profit generated by the operating activities.
Adjusted EBITDA	Adjusted EBITDA is not a recognized financial measure under IFRS. We define Adjusted EBITDA as Adjusted EBIT before depreciation and amortization (other than depreciation and amortization of property, plant and equipment and intangible assets from the PPA and impairment and reversal of impairment of property, plant and equipment and intangible assets from the PPA). The Company believes that these adjustments are useful to understand and correctly assess the ordinary course of business. The Company believes that Adjusted EBITDA is a useful measure for showing the Company's profit generated by the operating activities, and monitors Adjusted EBITDA as the main profit and loss measure for the Company and proxy for cash relevant operating performance.
Adjusted EBITDA Margin	Adjusted EBITDA Margin is not a recognized financial measure under IFRS. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by sales revenues. The Company believes that Adjusted EBITDA Margin is a useful measure for showing the normal operating profitability of our business excluding any extraordinary items or events.
Adjusted Free Cash Flow	Adjusted Free Cash Flow is not a recognized financial measure under IFRS. We define Adjusted Free Cash Flow as Adjusted EBITDA minus Capital Expenditure. The Company believes that Adjusted Free Cash Flow is a useful measure to demonstrate cash generated from our usual operations.
Adjusted Interest Expense	Adjusted Interest Expense is not a recognized financial measure under IFRS. We define Adjusted Interest Expense as interest expense (excluding net interest expenses in connection with the shareholder loan) plus interest income plus realized and unrealized currency gains less realized and unrealized currency losses. Both interest expense and interest income exclude shareholder loan revaluation. The Company believes that Adjusted Interest Expense is a useful measure to assess our interest expense without taking into account the revaluation of certain shareholder loans.
APA	Refers to our reporting segment "Asia, Pacific and Africa".
BaFin	German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).
BNP PARIBAS	BNP PARIBAS, Paris, France.
Brazilian JV Company	Brazilian joint venture, in which the Company held an equity interest of 49%, as of December 31, 2016. This joint venture was established pursuant to a joint venture agreement with Randon S.A. Implementos e Participações in August 1995.
CAGR	CAGR is not a recognized financial measure under IFRS. CAGR represents the compound annual growth rate, which is the year-over-year growth rate

	over a specified period of time. CAGR is calculated by taking the nth root of the total percentage growth rate, where n is the number of years in the period being considered. The Company believes that CAGR is a useful measure to appropriately assess an over-the-cycle development.
Capital Expenditure	Capital Expenditure is not a recognized financial measure under IFRS. We define Capital Expenditure as payments to acquire intangible assets plus payments to acquire property, plant and equipment, which mainly consist of the purchase of property, buildings, machinery and equipment including office equipment and intangibles. The Company believes that Capital Expenditure is a useful measure to monitor its investments in tangible and intangible assets.
Cash Conversion	Cash Conversion is not a recognized financial measure under IFRS. We define Cash Conversion as Adjusted Free Cash Flow divided by Adjusted EBITDA. The Company believes that Cash Conversion is a useful measure to assess the Company's working capital and capital expenditures management.
Cash flow	Cash flow is an important financial measure that represents the net inflow of liquid funds during a particular period resulting from sales and other current business activities.
Clearstream	Clearstream Banking Aktiengesellschaft, a custodian and clearing bank. Its business activities include safekeeping, settlement services for securities transactions, collateral management and securities lending service.
COMMERZBANK	COMMERZBANK Aktiengesellschaft, Frankfurt am Main, Germany.
Company's shares	The Company's ordinary shares with no-par value (*Stückaktien*) with a notional value of €1.00 and full dividend rights from January 1, 2017, including the Existing Shares and the New Shares (each as defined below).
Container technology	This category includes components for intermodal transports and twist locks. Components for intermodal transports allow interchange and container systems to be parked safely and then connected to the appropriate carrier vehicle (truck, trailer, railway wagon, etc.). Such components being support hooks, support bearings, information plates, supports, second safety devices, spring locking bars, corner castings, outer bearings, struts, telescopic parts and gripping edges. Twist locks connect containers to the carrier vehicle.
DCA	Durable Compact Axle.
Deutsche Bank	Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany.
Drawbars, ball bearing turntables and slewing rings	Solid coupling devices to connect the tractor and the steerable drawbar trailer. They are designed to be mounted on a pivot support. Ball bearing turntables and slewing rings are parts for fitting onto trailers and agricultural vehicles to connect the A-frame to the trailer chassis so it can swivel. The ball bearing turntables and slewing rings allow the bogie to turn relative to the trailer frame. They transfer both the axial force and the thrust and tensile forces that occur during a journey. The lower ring/outer ring is bolted on to the A-frame and the upper ring/inner ring is bolted to the chassis.
EBIT	EBITDA is not a recognized financial measure under IFRS. As financial indicator, we define EBIT as earnings before interest and taxes and is labeled operating profit (EBIT) in our consolidated statement of income. The Company believes that EBIT is a useful measure to show the profit generated by the operating activities.
EBITDA	EBITDA is not a recognized financial measure under IFRS. We define EBITDA as EBIT before depreciation and amortization. The Company believes that EBITDA is a useful measure to show the profit generated by the operating activities and to monitor cash flow from operations.
EEA	European Economic Area.
Europe	Refers to our reporting segment "Europe".

Existing Shares	All of the Company's existing ordinary bearer shares with no-par value (*Stückaktien*) from the holdings of the Principal Shareholder.
GDP	Gross Domestic Product.
IAS	International Accounting Standard; IAS are accounting regulations promulgated by the International Accounting Standards Board (IASB) for the purpose of international harmonization and improved comparability of consolidated financial statements. IAS have been renamed International Financial Reporting Standards (IFRS).
IFRS	International Financial Reporting Standards as adopted by the European Union.
ISIN	International Securities Identification Number.
J.P. Morgan	J.P. Morgan Securities plc, London, United Kingdom.
Joint Bookrunners	Joint Global Coordinators and BNP PARIBAS.
Joint Global Coordinators	Deutsche Bank, J.P. Morgan and COMMERZBANK.
King Pin	The King Pin is a coupling device between the semi-trailer and the tractor unit in the form of a pin. Different designs make it possible to adapt our King Pins onto a trailer quite easily. Our King Pins satisfy the most stringent safety requirements. They are produced from high quality, coated, forged blanks which are tested for the complete absence of cracks.
LTI	Long-term incentive.
Net Financial Debt	Net Financial Debt is not a recognized financial measure under IFRS. We define Net Financial Debt as current and non-current interest bearing loans and borrowings less cash and cash equivalents. The Company believes Net Financial Debt is a useful measure to show the Company's total debt financing.
Net Working Capital	Net Working Capital is not a recognized financial measure under IFRS. We define Net Working Capital as trade receivables plus inventories less trade payables. The Company believes that Net Working Capital is a useful measure of our current assets required to run our business and to pay our liabilities.
New Shares	The newly issued ordinary bearer shares with no-par value (*Stückaktien*) which are the subject matter of the Private Placement described in this prospectus and which are expected to be created from a capital increase against contribution in cash expected to be resolved by an extraordinary shareholder's meeting of the Company on July 18, 2017.
North America	Refers to our reporting segment "North America".
OEMs	Original Equipment Manufacturers.
Offered Shares	The Over-Allotment Shares together with the Placement Shares.
Over-Allotment	Under the possible stabilization measures, investors may, in addition to the Placement Shares, be allocated up to 1,141,000 Over-Allotment Shares as part of the allocation of the Placement Shares.
Over-Allotment Shares	Ordinary bearer shares with no-par value (*Stückaktien*) from the holdings of the Principal Shareholder in connection with a potential Over-Allotment.
Placement Shares	All of the New Shares together with up to 2,915,000 Existing Shares from the holdings of the Principal Shareholder.
PPA	Purchase Price Allocation.
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended.
Regulation S	Regulation S under the Securities Act, as amended.

Rule 144A	Rule 144A under the Securities Act, as amended.
Securities Act	United States Securities Act of 1933, as amended.
Principal Shareholder	Jantinori 2 S.à r.l., Rue Albert Borschette 4, 1246 Luxembourg, Luxembourg.
Stabilization Period	The period in which stabilization measures may be taken. Such measures may be taken from the date the Company's shares are listed on the regulated market on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), and must be terminated no later than the thirtieth calendar day after such date.
STI	Short-term incentive.
Towing hitches	A Towing hitch (or tow bar) is a device mounted on a vehicle for towing of a semi-trailer. We produce all sorts of different Towing hitches (fully automatic, rotatable etc.) for various vehicles.
Underwriters	The Joint Bookrunners.
Underwriting Agreement	The Underwriting Agreement relating to the Private Placement entered into by the Company, the Principal Shareholder and the Underwriters on July 12, 2017.
VAT	Value-Added Tax (*Mehrwertsteuer*).

R. RECENT DEVELOPMENTS AND OUTLOOK

I. Recent Developments

On July 18, 2017, the Company, as borrower, and certain of its subsidiaries, as borrowers and/or guarantors, are expected to enter into the €260,000,000 German law-governed New Senior Facilities Agreement, the purpose of which is to refinance the Existing Senior Facilities Agreement and provide funds for general corporate purposes, with, amongst others, Bayerische Landesbank, BNP PARIBAS Fortis S.A./N.V., COMMERZBANK Aktiengesellschaft, DZ Bank AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, ING Bank, a branch of ING-DiBa AG and UniCredit Bank AG as lead arrangers and Commerzbank Finance & Covered Bond S.A. as agent. The proposed repayment of the Existing Senior Facilities Agreement will be funded partly through the proceeds from the New Senior Facilities Agreement, partly through the proceeds from the Private Placement resulting from the sale of the New Shares and partly through cash on balance sheet. Thus, we expect to be able to reduce our financing costs, which would further improve our net finance result beginning in 2017. Pursuant to this refinancing, our net finance costs are expected to decrease for 2017 and continue to decrease in 2018, and our leverage ratio over the medium term is expected to be 1.0 – 1.5 times our net financial debt as divided by our Adjusted EBITDA (excluding potential acquisitions).

On July 12, 2017, in anticipation of the expected admission to trading of the Company's shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard), the Company and the Principal Shareholder, together with the Joint Bookrunners, initiated the Private Placement of the Placement Shares.

Investors may, in addition to the Placement Shares, be allocated up to 1,141,000 Over-Allotment Shares as part of the Private Placement. For the purpose of a potential Over-Allotment, the Stabilization Manager, for the account of the Underwriters, will be provided with up to 1,141,000 Existing Shares from the holdings of the Principal Shareholder in the form of a securities loan; the number of Over-Allotment Shares will not exceed 15% of the Placement Shares. In addition, the Principal Shareholder has granted the Underwriters the Greenshoe Option. The Greenshoe Option will terminate 30 calendar days after commencement of the stock exchange trading of the Company's shares expected to take place on July 20, 2017.

On July 12, 2017, the Company and the Principal Shareholder, together with the Underwriters, set the Price Range at €25.00 to €31.00 per Offered Share.

The Offer Price and the final number of Company's shares placed in the Private Placement are expected to be determined on the basis of the order book prepared during the bookbuilding process expected to take place in the period from July 12, 2017 to July 19, 2017.

The Company will, at the low end of the Price Range, receive gross proceeds of €130.0 million and estimated net proceeds of approximately €118.1 resulting from the sale of the New Shares and assuming that all New Shares are placed.

Subject to the Offer Price, the number of New Shares to be sold in the Private Placement, and therefore to be issued in connection with the Capital Increase, as well as the number of Existing Shares to be sold in the Private Placement may be adjusted. The Company is targeting gross proceeds of at least €130.0 million from the sale of the New Shares and a free float of around 50% (assuming no exercise of the Greenshoe Option) of the Company's shares upon commencement of trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

The Company intends to use the net proceeds from the Private Placement (resulting from the sale of the New Shares) to fund the repayment of its outstanding indebtedness under its Existing Senior Facilities Agreement as well as for general corporate purposes. The Company anticipates that such use might include, but will not necessarily be limited to, the geographical expansion of its existing business, as well as the expansion into new or related lines of business and selective acquisitions, in each case in furtherance of its corporate strategy.

II. Outlook

For 2017, we expect an overall increase in Group sales revenues as compared to 2016. During the three month period ended March 31, 2017, we recorded a moderate decline in sales revenues in North America despite weaker truck markets, an increase in Europe and strong growth in APA, which was mainly due to strong increase in sales revenues in China. The increase in sales revenues in APA was driven by new overload regulations in China, which came into effect in September 2016 and led to increasing demand from fleets that must comply with the new restrictions on short notice. Furthermore, new emission

regulations which became effective on July 1, 2017 have triggered pre-buy effects for trucks and increased the demand for fifth-wheels on top of the underlying growth. Our Europe region also grew year-over-year and benefitted from more working days in 2017 compared to 2016. Our North America region recorded a moderate decline despite a slowdown of overall truck production in the region. For 2017 we expect sales revenues in APA to grow compared to 2016. We anticipate this growth not only based on the strong performance of the three month period ended March 31, 2017, but also based on favorable economic and technology trends. For Europe and North America we expect to exceed sales revenues of 2016 due to solid overall market demand in these regions and due to the bottoming out of the North American truck market during 2017.

We expect our Adjusted EBIT and Adjusted EBIT Margin on a consolidated basis for 2017 to be above that for 2016 due to the expected increase in sales revenues, improved operating efficiency, a generally improved fixed cost coverage triggered by higher sales and improvements in customer mix, amongst other factors.

For 2018, we expect growth in sales revenues to be slightly higher than in 2017. We expect Europe to benefit from sound truck market development. We expect sales revenues in APA to continue to grow on the back of the legislation changes in China which are expected to be favorable for the Group as well as structural market changes in the APA market. In North America, we expect market share gains as the truck market is expected to rebound and trailer production is forecast to increase as well. Based on the strong growth of our OEM business over the last years, related aftermarket potential is expected to disproportionately contribute to top line growth in this region. We expect a further increase in Adjusted EBIT and Adjusted EBIT Margin on a consolidated basis.

Although the Brazilian economy in general, and the Brazilian commercial vehicle market in particular, has experienced a significant downturn since 2015, we expect the Brazilian economy, and therefore market demand, to improve gradually in 2018. Despite the continued negative news and the low demand trends during recent years, the Brazilian JV Company has consistently achieved a positive net income.

For 2017, we expect our capital expenditure, excluding acquisition-related capital expenditures, to slightly decrease as a percentage of sales compared to 2016, with a further moderate decrease to follow in 2018. In the mid-term, we expect capital expenditure ratios of between 2.0% and 2.5% of sales revenues, excluding acquisition-related capital expenditures. We expect Net Working Capital to remain relatively stable at last year's level going forward. Due to the shareholder loan conversion which took place prior to the Private Placement, we expect significantly lower interest expenses going forward. Going forward, we also expect interest expense to financial institutions be approximately 2% per year on €180 million of the New Senior Facilities Agreement from the date of drawdown.

Our sales revenue growth, profitability and financial objectives are based on our own estimates and assessments and our ability to reach these objectives is subject to the development of the market, the economic, competitive and regulatory environment as well as uncertainties and risks described in this prospectus in the section *A. "Risk Factors."* Therefore, this outlook is based on data and assumptions that may change, and potential investors have no assurance that our expected results and targets will be met in the future.

III. No Significant Change Statement

Except for the developments mentioned above, no significant change in the Group's financial or trading position has occurred since March 31, 2017.

S. SIGNATURE PAGE

Neu-Isenburg, Frankfurt am Main, London and Paris, July 2017

JOST Werke AG

Signed by: Lars Brorsen

Signed by: Christoph Hobo

Signed by: Dr. Ralf Eichler

Deutsche Bank Aktiengesellschaft

Signed by: Heiko Leopold

Signed by: Michael Kintz

J.P. Morgan Securities plc

Signed by: Stefan Weiner

COMMERZBANK Aktiengesellschaft

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BNP PARIBAS

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