20240620082226

Årsredovisning

för

Ålö Holding AB

Org nr 556842-9723

Fastställelseintyg

Undertecknad verkställande direktör i Ålö Holding AB intygar, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultaträkningen och balansräkningen fastställts på årstämman den 22/5-2024. Årsstämman beslöt att godkänna styrelsens föreslag beträffande den uppkomna vinsten.

Undertecknad intygar också att innehållet i revisionsberättelsen stämmer överens med originalet.

Umeå, 2024-05-27

Yenny Fredriksson

20240620082227

Årsredovisning

för

Ålö Holding AB

Org nr 556842-9723

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20240620008228

Styrelsen och verkställande direktören avger härmed årsredovisning för räkenskapsåret 2023-01-01 - 2023-12-31

Årsredovisningen är upprättad i svenska kronor, SEK. Alla belopp redovisas, om inte annat anges, i tusentals kronor (Kkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Verksamheten

Allmänt om verksamheten

Verksamheten i Ålö Holding AB syftar till att direkt eller indirekt, äga och förvalta fast och lös egendom samt därmed förenlig verksamhet. Bolaget har sitt säte i Stockholm.

Ägarförhållanden

Ålö Holding AB är ett helägt dotterbolag till Jost-Werke International Beteiligungsverwaltung GmbH (Reg. No HRB 44898).

Bolaget ingår i en koncern där JOST Werke SE (Reg. No HRB 50149) upprättar koncernredovisning för den största koncernen.

Flerårsöversikt*	**2023**	**2022**	**2021**	**2020**	**2019**
Nettoomsättning, Kkr	0	0	2 154	0	0
Res. efter finansiella poster	-41 652	-22 178	-21 302	-2 432	-2 039
Balansomslutning, Kkr	2 746 524	2 942 816	2 848 476	1 481 133	1 446 652
Soliditet, %	57,5	50,9	49,0	86,2	90,6

*Definitioner av nyckeltal, se not 1

Förändringar i eget kapital

	Aktie-kapital	**Överkurs-fond**	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	142 080	1 352 869	-98 538	102 216	**1 498 628**
Resultatdisposition enligt årsstämman					
Balanseras i ny räkning			102 216	-102 216	
Årets resultat				80 929	**80 929**
Belopp vid årets utgång	**142 080**	**1 352 869**	**3 679**	**80 929**	**1 579 557**

20240620082229

Förslag till vinstdisposition

Styrelsen och verkställande direktören föreslår att till förfogande stående vinstmedel (Kkr):

Överkursfond	1 352 869
Balanserat resultat	3 679
Årets resultat	80 929
	1 437 476
Disponeras så att	
i ny räkning överföres	1 437 476
	1 437 476

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

20240620008230

Resultaträkning

	Not	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Nettoomsättning		0	0
Bruttoresultat		**0**	**0**
Administrationskostnader		-997	-783
Övriga rörelseintäkter		0	10
Övriga rörelsekostnader		-3	0
Rörelseresultat		**-1 000**	**-772**
Resultat från finansiella poster			
Ränteintäkter och liknande resultatposter	2	8	0
Räntekostnader och liknande resultatposter	3	-40 660	-21 405
Summa finansiella poster		**-40 652**	**-21 405**
Resultat efter finansiella poster		**-41 652**	**-22 178**
Bokslutsdispositioner			
Erhållna koncernbidrag		150 000	80 000
Summa bokslutsdispoisitioner		**150 000**	**80 000**
Resultat före skatt		**108 348**	**57 822**
Skatt på årets resultat		-27 420	44 394
Årets resultat		**80 929**	**102 217**

20240620082231

Balansräkning

	Not	2023-12-31	2022-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Förbättringsutgifter på annans fastighet	4	143	265
Summa materiella anläggningstillgångar		**143**	**265**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	5	2 724 266	2 724 266
Uppskjuten skattefordran	6	16 975	44 394
Andra långfristiga värdepappersinnehav	7	2 521	0
Summa finansiella anläggningstillgångar		**2 743 761**	**2 768 660**
Summa anläggningstillgångar		**2 743 904**	**2 768 925**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		0	172 134
Övriga fordringar		2 598	1 594
Förutbetalda kostnader och upplupna intäkter		0	158
Summa kortfristiga fordringar		**2 598**	**173 885**
Kassa och bank			
Kassa och bank		23	6
Summa kassa och bank		**23**	**6**
Summa omsättningstillgångar		**2 620**	**173 891**
SUMMA TILLGÅNGAR		**2 746 524**	**2 942 816**

20240620008232

Balansräkning

	Not	2023-12-31	2022-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		142 080	142 080
Summa bundet eget kapital		**142 080**	**142 080**
Fritt eget kapital			
Överkursfond		1 352 869	1 352 869
Balanserat resultat		3 679	-98 538
Årets resultat		80 929	102 217
Summa fritt eget kapital		**1 437 476**	**1 356 548**
Summa eget kapital		**1 579 556**	**1 498 628**
Avsättningar			
Avsättningar för pensioner och liknande förpliktelser		2 521	0
Summa avsättningar		**2 521**	**0**
Långfristiga skulder			
Skulder till koncernföretag		581 926	783 447
Summa långfristiga skulder		**581 926**	**783 447**
Kortfristiga skulder			
Skulder till koncernföretag		578 185	638 209
Skatteskulder		340	848
Övriga skulder		1 083	249
Upplupna kostnader och förutbetalda intäkter		2 914	21 434
Summa kortfristiga skulder		**582 521**	**660 740**
SUMMA EGET KAPITAL OCH SKULDER		**2 746 524**	**2 942 816**

20240620008233

Noter

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen har upprättats enligt årsredovisningslagen (1995:1554) och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Koncernredovisning
Företaget är ett moderföretag men upprättar ej koncernredovisning med hänvisning till undantagsregeln i ÅRL 7 kap 2 §.

Intäktsredovisning
Som intäkt redovisar bolaget det verkliga värdet av vad som erhållits eller kommer att erhållas med avdrag för lämnade rabatter. Ränteintäkt redovisas med tillämpning av den räntesats som ger en jämn avkastning för tillgången i fråga. Utdelningsintäkt redovisas när aktieägarens rätt att få utdelning bedöms som säker. Intäkter har tagits upp i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodoföras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Anläggningstillgångar
Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Avskrivning sker linjärt över den förväntade nyttjandeperioden med hänsyn till väsentligt restvärde. Följande avskrivningstider tillämpas:

Materiella anläggningstillgångar	
Förbättringsutgifter på annans fastighet	7 år

Finansiella instrument
Aktier och andelar i dotterföretag
Aktier och andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs som till anskaffningsvärdet när de lämnas.

Kundfordringar och övriga kortfristiga fordringar
Kundfordringar och kortfristiga fordringar redovisas till det lägsta av anskaffningsvärdet och det belopp varmed de beräknas bli inbetalda med avdrag för befarande förluster. Långfristiga fordringar och långfristiga skulder värderas efter första redovisningen till upplupet anskaffningsvärde.

Låneskulder och leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Redovisning av leasingavtal
Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.

20240620008234

Ersättning till anställda efter avslutad anställning

Pensionsförpliktelser vars värde är beroende av värdet på en kapitalförsäkring, redovisas till kapitalförsäkringens redovisade värde.

Omräkning av poster i utländsk valuta

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Inkomstskatter

Aktuell skatt

Aktuell skatt avser inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Aktuella skatter värderas utifrån de skattesatser och skatteregler som gäller på balansdagen.

Uppskjuten skatt

Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser. Uppskjutna skatter värderas utifrån de skattesatser och skatteregler som är beslutade före balansdagen.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den utsträckning det är sannolikt att avdraget kan avräknas mot överskott vid framtida beskattning.

Avsättningar

Företaget gör en avsättning när det finns en legal eller informell förpliktelse och en tillförlitlig uppskattning av beloppet kan göras.

Bokslutsdispositioner

Förändringar av obeskattade reserver redovisas som bokslutsdispositioner i resultaträkningen. Koncernbidrag redovisas som bokslutsdispositioner.

Nyckeltalsdefinitioner

Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorringar

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter

Balansomslutning
Företagets samlade tillgångar

Soliditet, %
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutningen

20240620008235

Not 2 Övriga ränteintäkter och liknande resultatposter

	2023	2022
Summa	**8**	**0**
Varav avseende koncernföretag	0	0

Not 3 Räntekostnader och liknande resultatposter

	2023	2022
Summa	**-40 660**	**-21 405**
Varav avseende koncernföretag	-40 651	-21 380

Not 4 Förbättringsutgifter på annans fastighet

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	856	856
Utgående ackumulerade anskaffningsvärden	**856**	**856**
Ingående avskrivningar	-591	-468
Årets avskrivningar	-122	-122
Utgående ackumulerade avksrivningar	**-713**	**-591**
Utgående redovisat värde	**143**	**265**

Not 5 Andelar i koncernföretag

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	2 724 266	2 724 266
Utgående redovisat värde	**2 724 266**	**2 724 266**

Innehav av andelar i koncernföretag utgörs av följande:

Företag (org. nr)	Säte	Kapital-andel	Antal andelar	Bokfört värde
Ålö AB (556081-0482)	Umeå	100%	12 255	2 724 266

Not 6 Uppskjuten skattefordran

	2023-12-31	2022-12-31
Ingående anskaffningsvärde	44 394	0
Tillkommande fordringar	0	44 394
Ianspråktagna fordringar	-27 420	0
Utgående ackumulerade anskaffningsvärden	**16 975**	**44 394**
Utgående redovisat värde	**16 975**	**44 394**

20240620008236

Not 7 Andra långfristiga värdepappersinnehav

	2023-12-31	2022-12-31
Ingående anskaffningsvärde	0	0
Inköp	2 521	0
Utgående ackumulerade anskaffningsvärden	**2 521**	**0**
Utgående redovisat värde	**2 521**	**0**

Not 8 Uppgifter om moderföretag

Ålö Holding AB är ett helägt dotterbolag till Jost-Werke International Beteiligungsverwaltung GmbH (Reg. No HRB 44898). Ålö Holding AB ingår i en koncern där JOST Werke SE (Reg. No HRB 50149) upprättar koncernredovisning för den största koncernen.

20240620008237

Stockholm 2024-05-22

Joachim Dürr
Ordförande

Dirk Hanenberg
Styrelseledamot

Yenny Fredriksson
Verkställande direktör

Vår revisionsberättelse har lämnats 2024-

Öhrlings PricewaterhouseCoopers AB

Lars Ekman
Auktoriserad revisor

20240620008238

Stockholm 2024-05-22

Joachim Dürr
Ordförande

Dirk Hanenberg
Styrelseledamot

Yenny Fredriksson
Verkställande direktör

Vår revisionsberättelse har lämnats 2024-05-22

Öhrlings PricewaterhouseCoopers AB

Lars Ekman
Auktoriserad revisor

20240620082239

Revisionsberättelse

Till bolagsstämman i Ålö Holding AB, org.nr 556842-9723

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Ålö Holding AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Ålö Holding ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Ålö Holding AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Ålö Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Ålö Holding AB för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

20240620008240

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Ålö Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

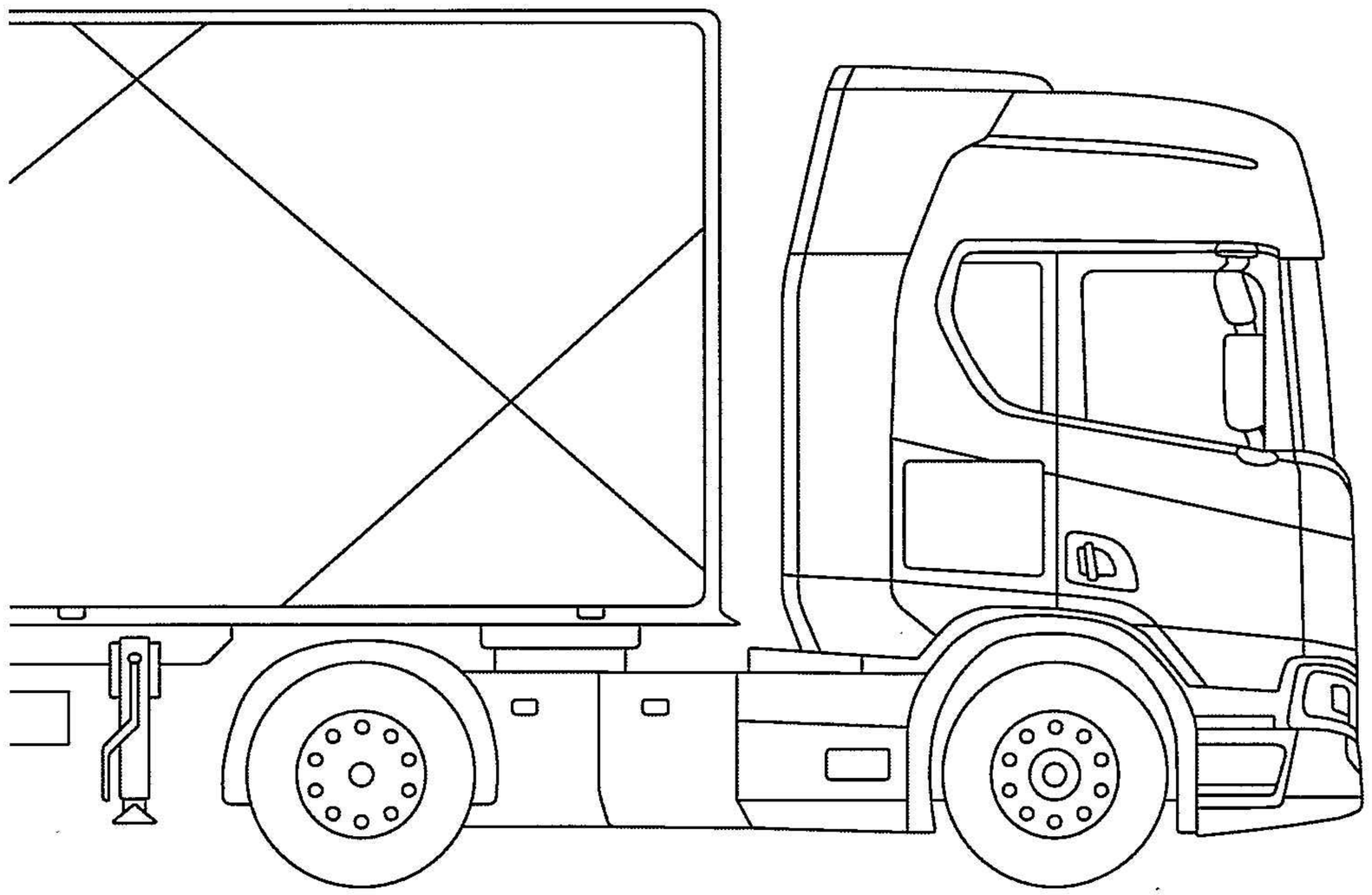
Umeå den 22 maj 2024

Öhrlings PricewaterhouseCoopers AB

Lars Ekman
Auktoriserad revisor

ANNUAL GROUP REPORT 2023

JOST



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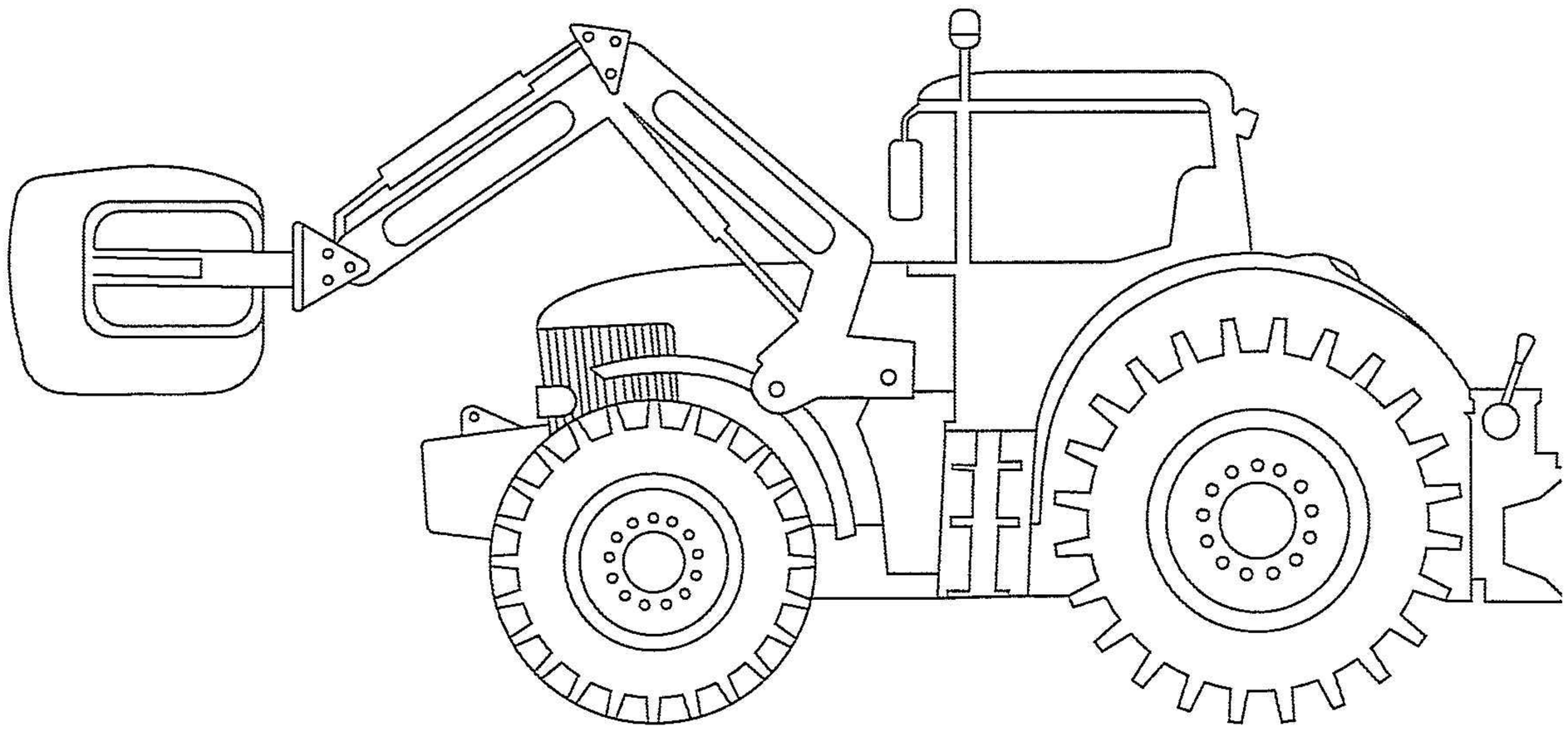

#creatingconnections

THE JOST WAY

JOST ROCKINGER TRIDEC Bucher

20240620082241

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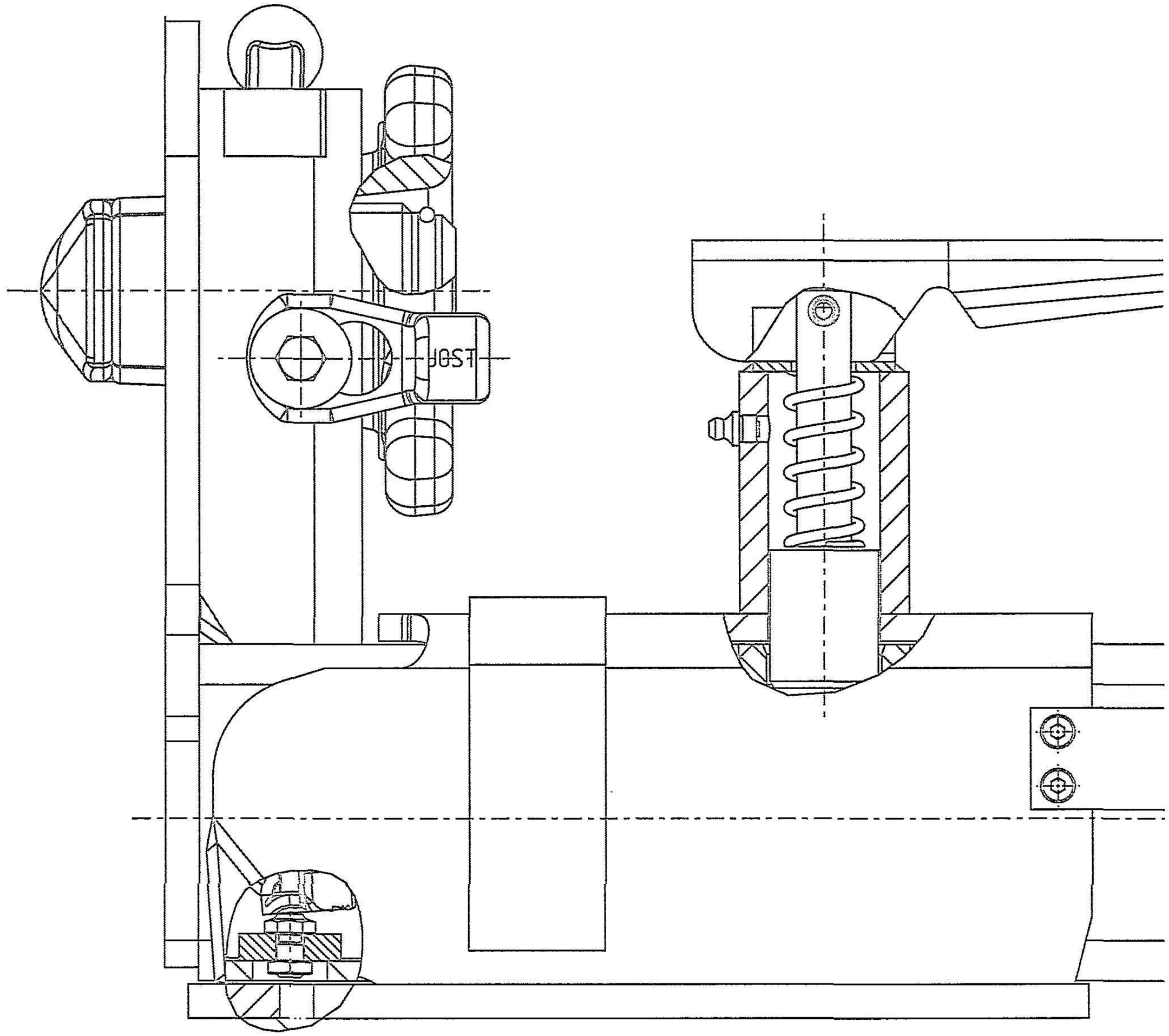


JOST FACTS & FIGURES 2023

1,250 million €
sales

141 million €
adjusted EBIT

– 19 %
CO_2 emission reduction per production hour

2
Strategic takeovers

24
production sites

6.24 €
adjusted EBIT per share

0.998 x
leverage ratio

11.3 %
adjusted EBIT margin

37 %
Share of renewable energies in electricity mix

4,500
employees

63
patent applications

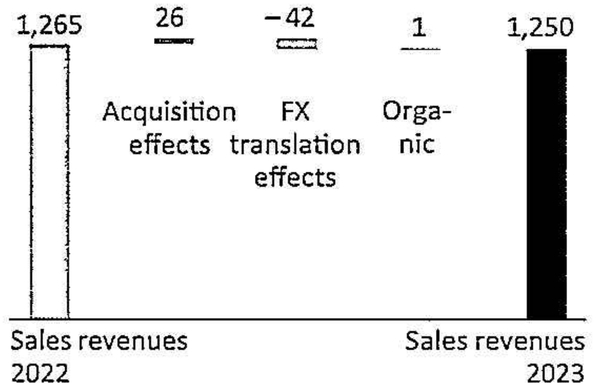
JOST AT A GLANCE

Selected key figures

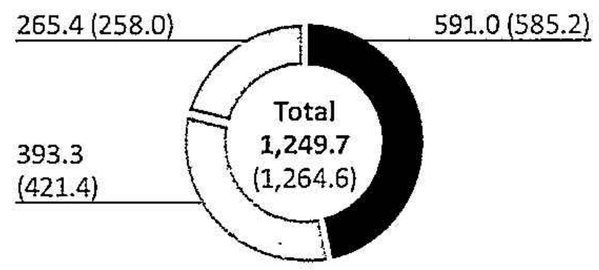
in € million	2023	2022	Change
Consolidated sales	**1,249.7**	**1.264.6**	**– 1.2%**
thereof: Sales, Europe	687.8	695.5	–1.1%
thereof: Sales, North America	354.2	396.3	–10.6%
thereof: Sales, Asia-Pacific-Africa (APA)	207.6	172.8	20.2%
Adjusted EBITDA[1]	173.1	154.5	12.0%
Adj. EBITDA margin (%)	13.9%	12.2%	160.0%
Adjusted EBIT[1]	140.8	123.8	13.7%
Adj. EBIT margin (%)	11.3%	9.8%	1.5%-points
Equity ratio (%)	38.0%	35.9%	2.1%-points
Net debt[2]	180.7	197.4	–8.5%
Leverage[3]	0.998x	1.278x	–18.3%
Liquid assets	87.7	80.7	8.7%
Capex[4]	30.8	32.3	–4.6%
ROCE (%)[5]	21.0%	18.2%	2.8%-points
Net working capital (in %)[6]	18.0%	19.0%	–1.0%-points
Free cash flow[7]	112.3	23.7	373.8%
Cash conversion rate[8]	1.2	0.3	337.5%
Profit after taxes	52.3	59.8	–12.6%
Earnings per share (in €)	3.51	4.02	–12.7%
Proposed dividend (€ per share)	1.50	1.40	7.1%
Adjusted profit after taxes[9]	93.0	85.9	8.3%
Adjusted earnings per share (in €)[10]	6.24	5.76	8.3%

1 Adjustments for PPA effects and exceptionals
2 Interest bearing loans (excl. accrued financing costs) – liquid assets
3 Net debt/LTM adj. EBITDA (incl. acquisitions)
4 Gross presentation (capex; without taking into account divestments)
5 LTM adj. EBIT (incl. acquisitions)/interest-bearing capital employed; interest-bearing capital: shareholders' equity + financial liabilities (except for refinancing costs) – liquid assets + provisions for pensions
6 Net Working Capital/LTM sales (incl. acquisitions)
7 Cash flow from operating activities – capex
8 Free cash flow/adjusted profit after taxes
9 Profit after taxes adjusted for exceptionals in accordance with ☐ note 8
10 Adjusted profit after taxes/14,900,000 (number of shares as of December 31)

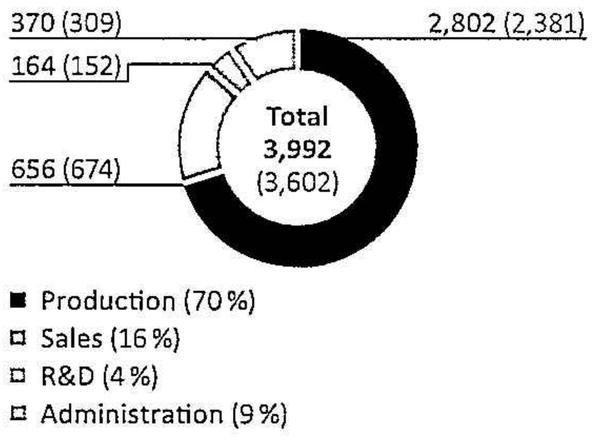
Organic sales development
2023, in € million



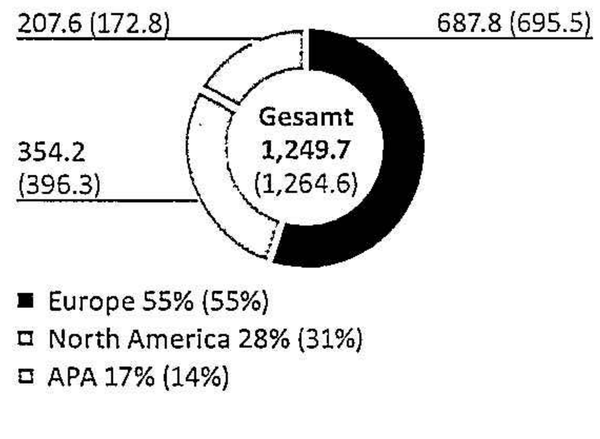
Regional sales by destination
2023 (2022), in € million



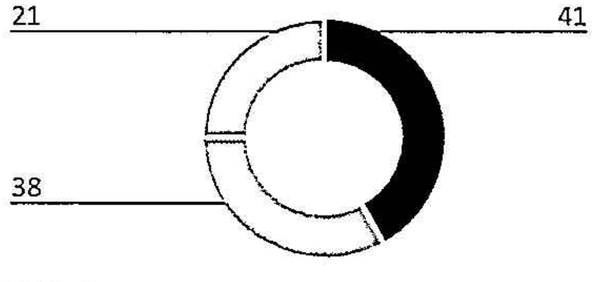
Employess by function
Average 2023 (2022)



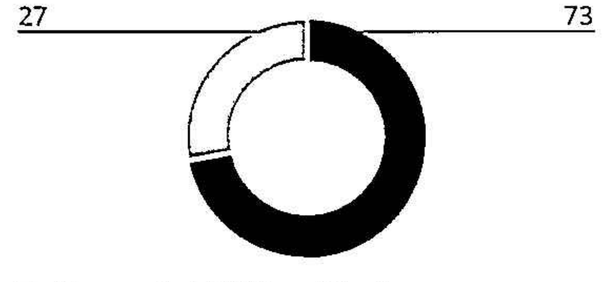
Regional sales by origin
2023 (2022), in € million



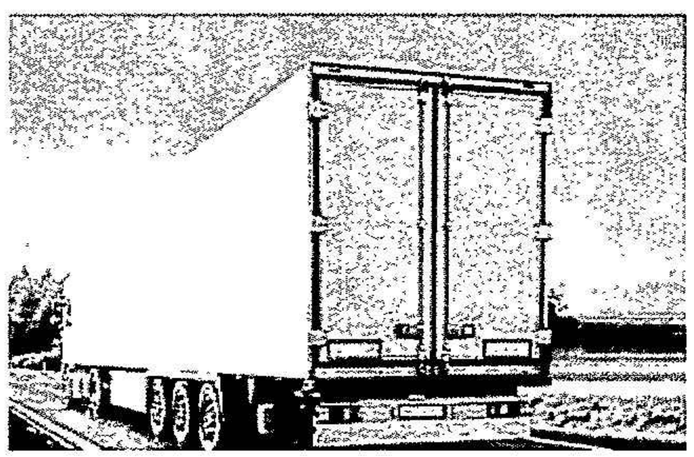
Sales by application
2023, in %

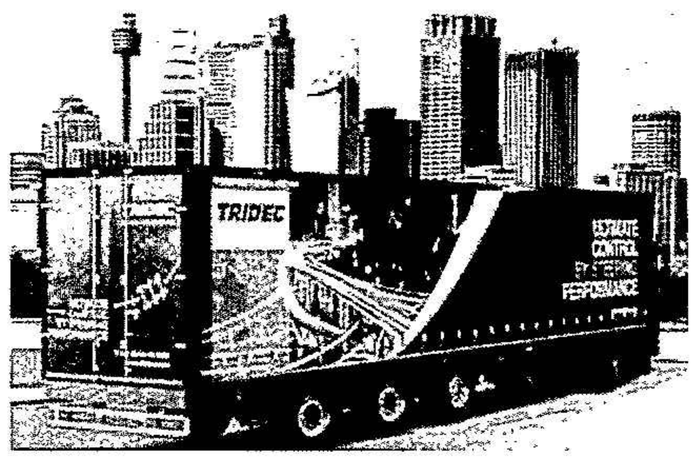


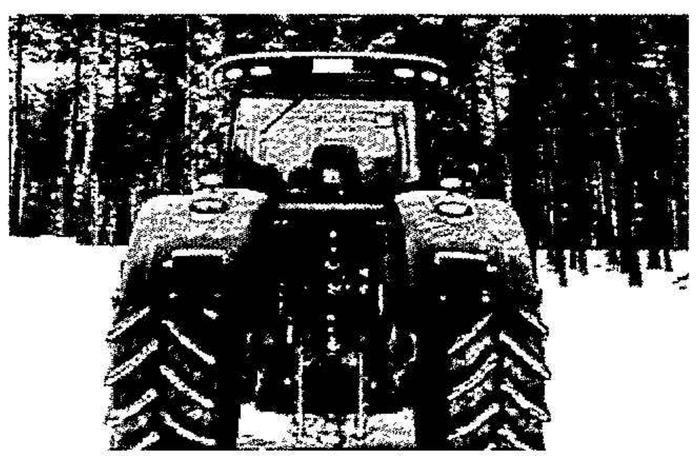
Sales by customer type
2023, in %



STRONG BRANDS FOR TRANSPORT AND AGRICULTURE







Transport — **Agriculture**

JOST

Products for trucks and trailers

The JOST core brand offers traditional products for truck and trailer manufacturers, including fifth wheel couplings and landing gears as well as container equipment and axle systems. Based on these proven core products, we have developed systems that automate, control and monitor activities that previously had to be carried out manually. Sensor-controlled solutions make these operations not only easier and safer but also more efficient.

www.jost-world.com

TRIDEC

Steering systems and axle suspensions

Over the years, TRIDEC systems have been used for a wide range of applications on all kinds of terrain and in all conceivable weather conditions. They are designed and built for reliability and quick and easy maintenance. There are currently over 50,000 TRIDEC systems on the world's roads. TRIDEC has been part of JOST since 2008.

www.tridec.com

ROCKINGER

Products for commercial vehicles, agriculture and forestry

Regularly voted the "best towing hitches brand" by end-customers, the established ROCKINGER brand offers a broad range of reliable, high-quality products including standard towing hitches and sensor- and remote-controlled comfort-couplings. As well as products for road use, the ROCKINGER production portfolio includes towing hitches for agriculture and forestry. ROCKINGER has been part of the JOST World since 2001.

www.rockinger-agriculture.de

Quicke

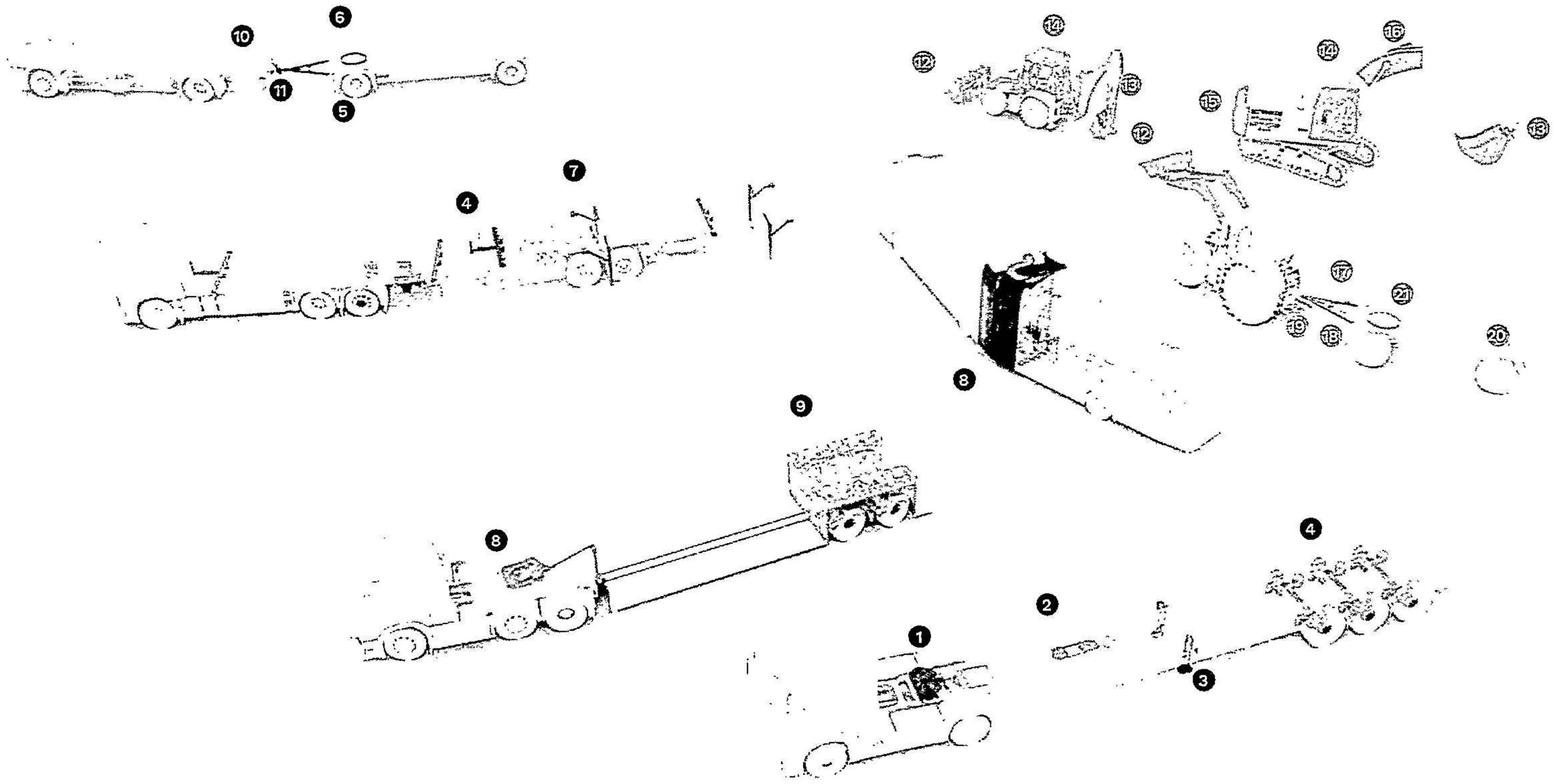
Front loaders and implements

Ålö has been developing and manufacturing high-quality front loaders and implements under the Quicke brand since 1949. Quicke has earned a reputation as an innovator and is recognized as one of the driving forces behind the modernization and digita-lization of the agricultural industry. With a motto that urges customers to "work smarter, not harder", and products designed to make applications easier and more efficient for users, Quicke is well on its way to becoming a one-stop manufacturer of front loaders and associated implements. Quicke has been part of the JOST World since 2020.

www.quicke.uk.com

STRONG **SOLUTIONS**

Our portfolio of strong brands comprises an extensive range of systems and components for the transport and agriculture industry



TRANSPORT

JOST

1. Fifth wheel couplings
2. King pins
3. Landing gears
4. Truck and trailer axles
5. Hubodometers
6. Ball bearing turntables
7. Container technology

TRIDEC

8. Steering systems
9. Axle suspensions

ROCKINGER

10. Towing hitches
11. Drawbars and towing eyes

AGRICULTURE

Quicke

12. Front loader
13. Implements
14. Cabins
15. Counterweight
16. Centerboom

ROCKINGER

17. Towing systems
18. Drawbars and towing eyes
19. Three-point linkage

TRIDEC

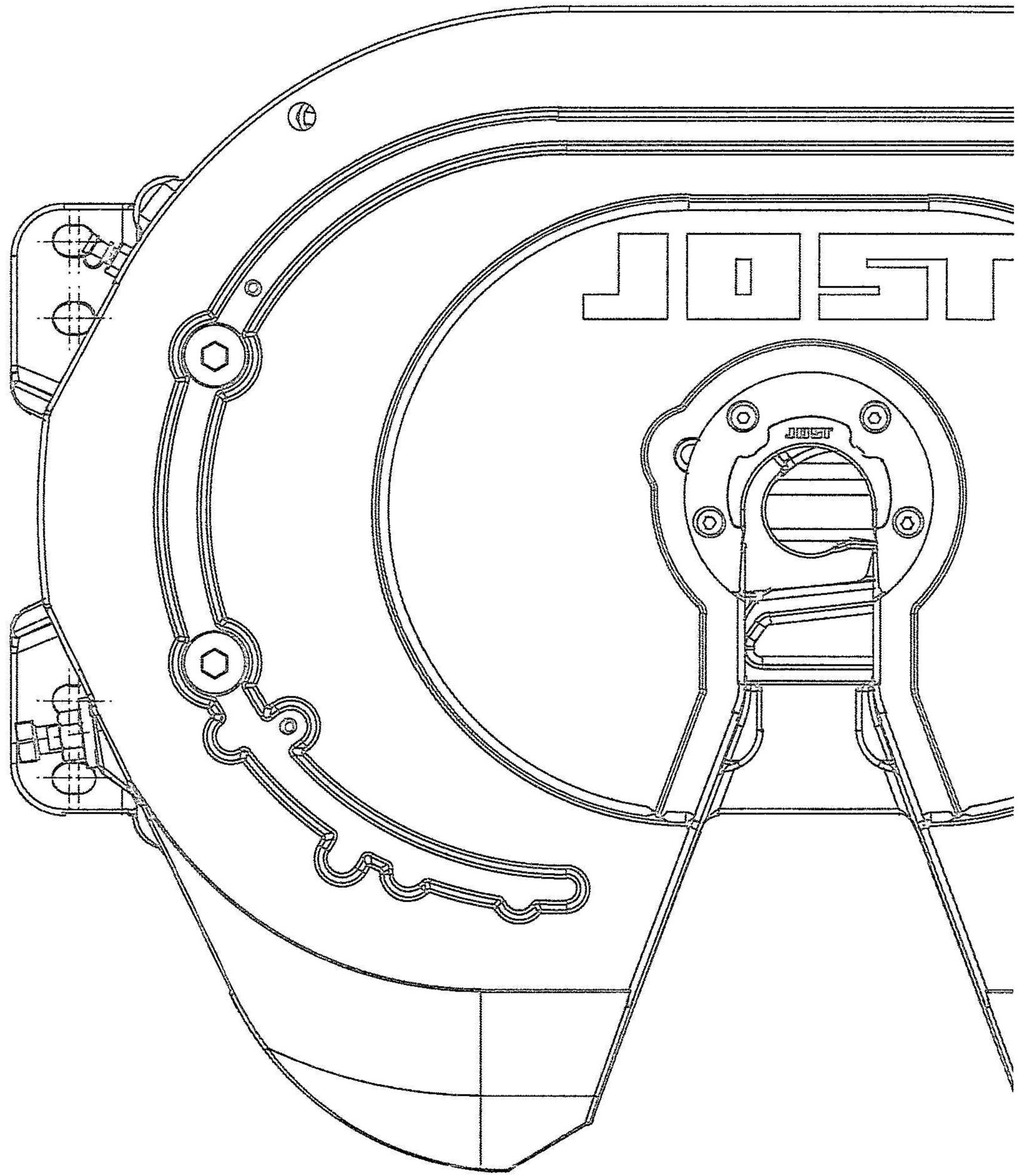
20. Axle suspensions

JOST

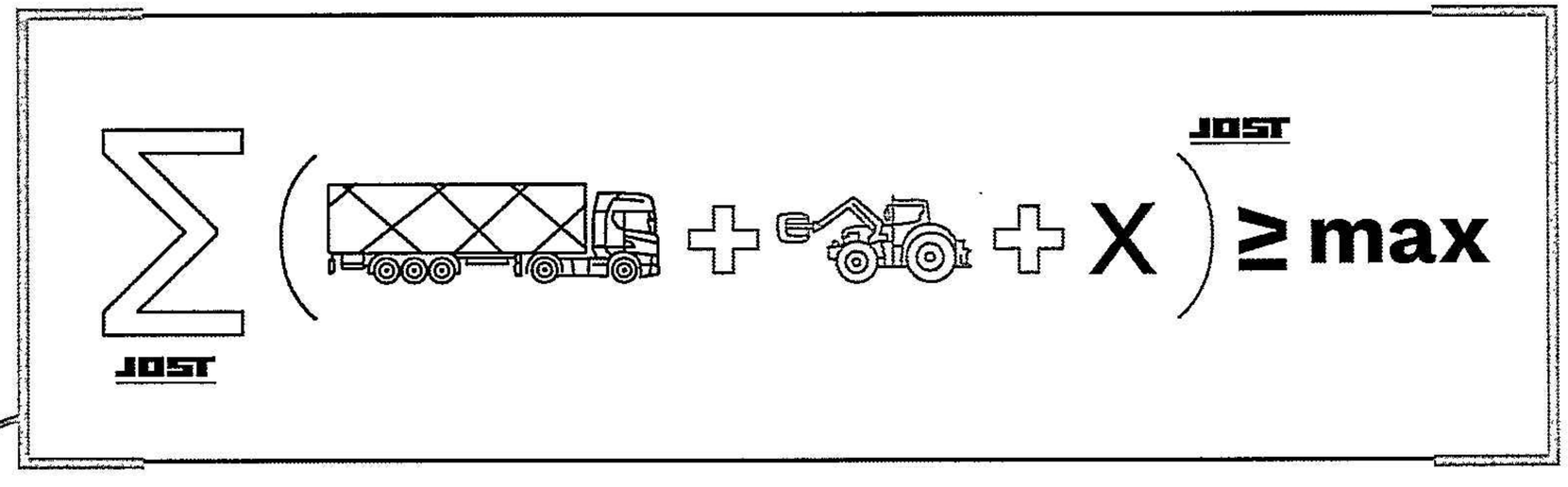
21. Ball bearing turntables

THE **JOST WAY**

8 The JOST Way
9 Quality, safety & reliability
10 Global customer proximity
11 Committed and skilled people
12 Strong flexibility and resilience
13 The JOST Way for profitable growth



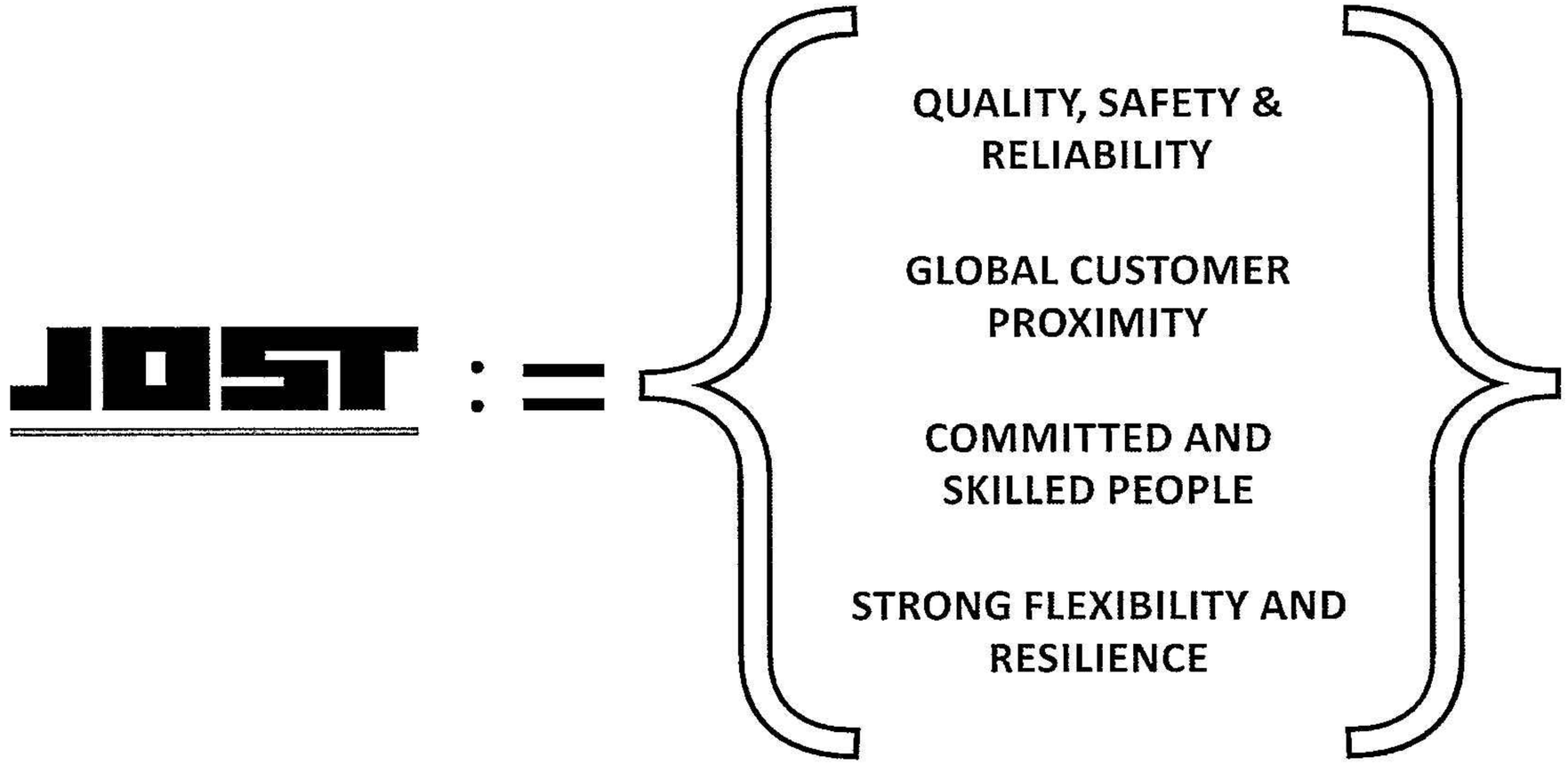
THE JOST **WAY**



#creatingconnections

Over 70 years JOST has grown by improving and diversifying its products portfolio, developing new markets, and making strategic acquisitions to bolster its core strengths.

The success of JOST is grounded in the quality of our products, our global customer proximity, the commitment of our people and the strong flexibility of our business model.



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#creatingconnections

QUALITY, SAFETY & RELIABILITY

As a brand, JOST is a promise of top-notch products, quality and safety for its customers.

The stability and reliability of our products make the difference. In a changing world with sharply rising uncertainty, challenging supply chains, labor shortage and environmental challenges our customers and partners know they can trust and rely on JOST.

We have proven it:

- High customer loyalty: over 40 years of average customer relationships.
- High customer satisfaction leading to high global market shares in all core products.

#1 SUPPLIER FOR FIFTH WHEELS, LANDING GEARS AND FRONT LOADERS WORLDWIDE

#creatingconnections

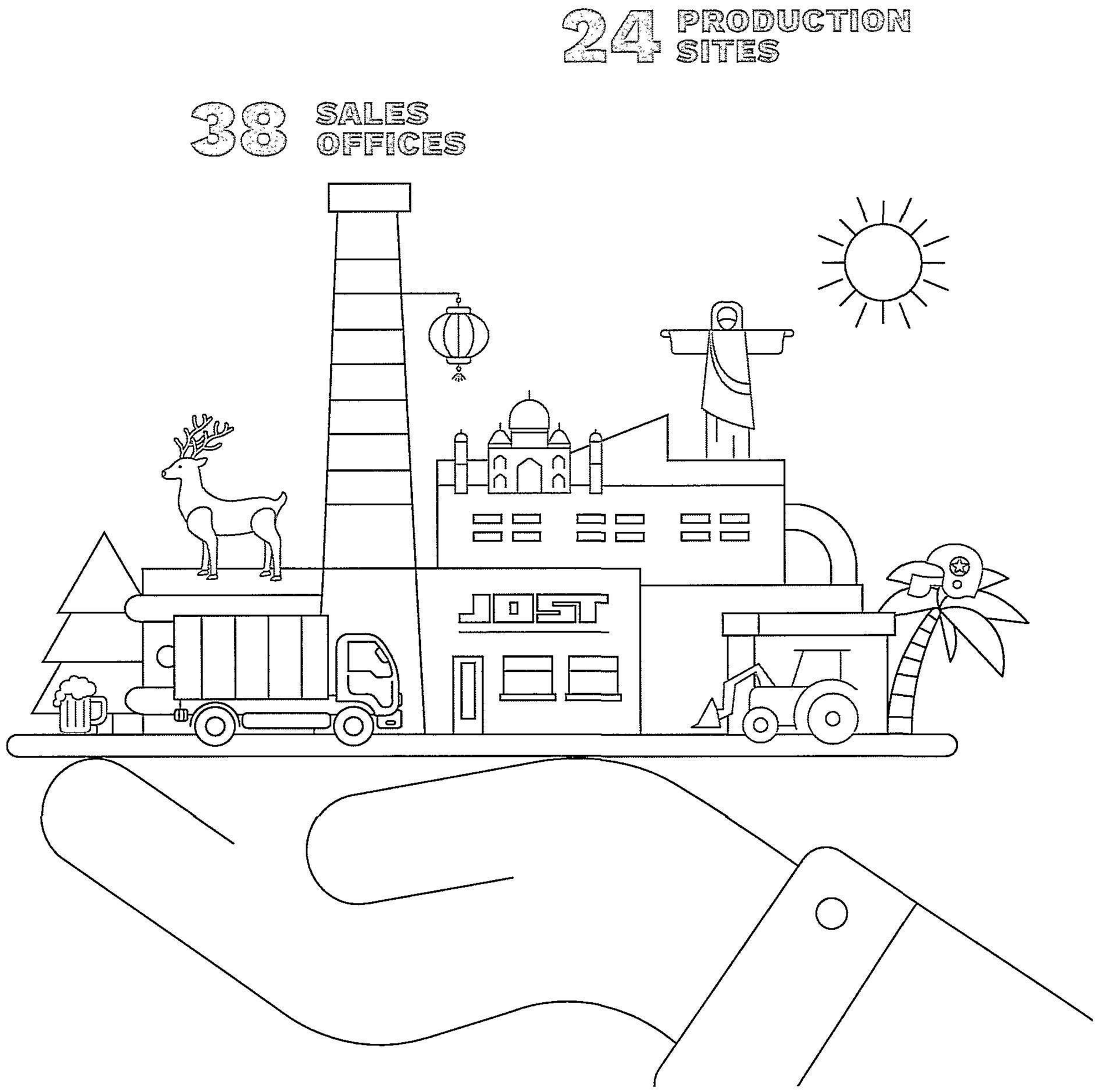
GLOBAL CUSTOMER PROXIMITY

Active in 27 countries across 6 continents, JOST breathes customer proximity. We are there where our customers need us.

JOST understands the country specific requirements of its customers. Our local for local approach combined with a highly responsive and reliable customer service makes us a trusted supplier for OEMs, dealers, and end users.

We have proven it:

- 24 production sites across the globe build the foundation of our local-for-local approach.
- 38 sales offices provide JOST customers with systems and solutions for their local needs.



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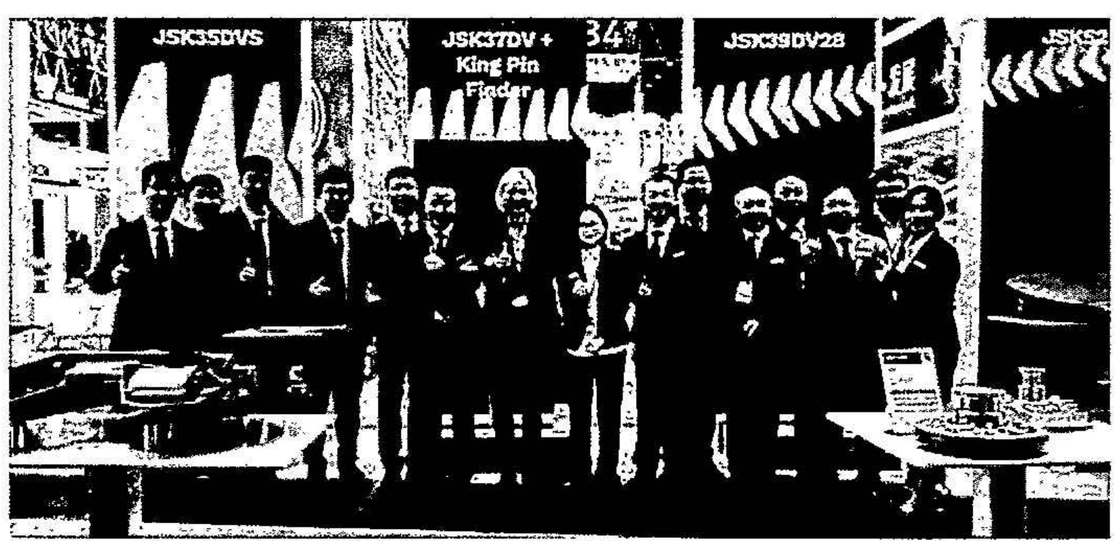
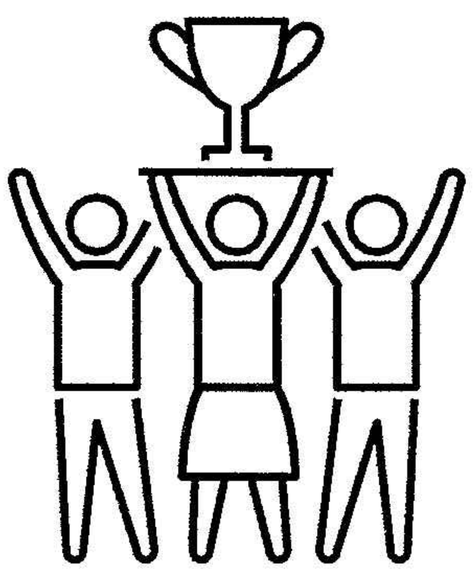
#creatingconnections

COMMITTED AND SKILLED PEOPLE

Our employee basis comprises 64 nationalities, representing around 33% of all global nations. The diversity and high engagement of our people drives the mindset of JOST.

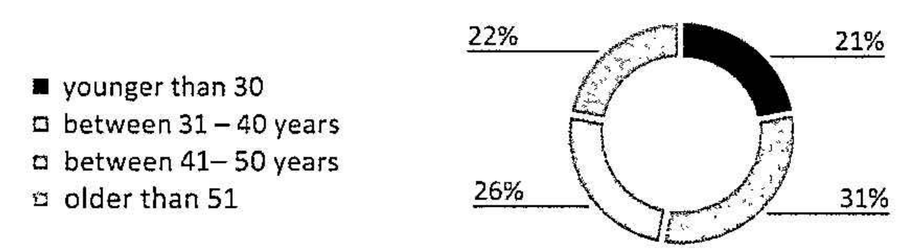
Integrating and working successfully with a wide variety of cultures towards a common goal – the satisfaction of our customers – is engrained in JOST's company culture. We are one connected team across the globe, providing product specific skills and knowledge to our customers.





We have proven it:

- Our global development programs bring together people from different business lines and regions to foster exchange, growth and innovation.
- A well balanced age diversity brings together different life experiences and points of views into JOST.



#creatingconnections

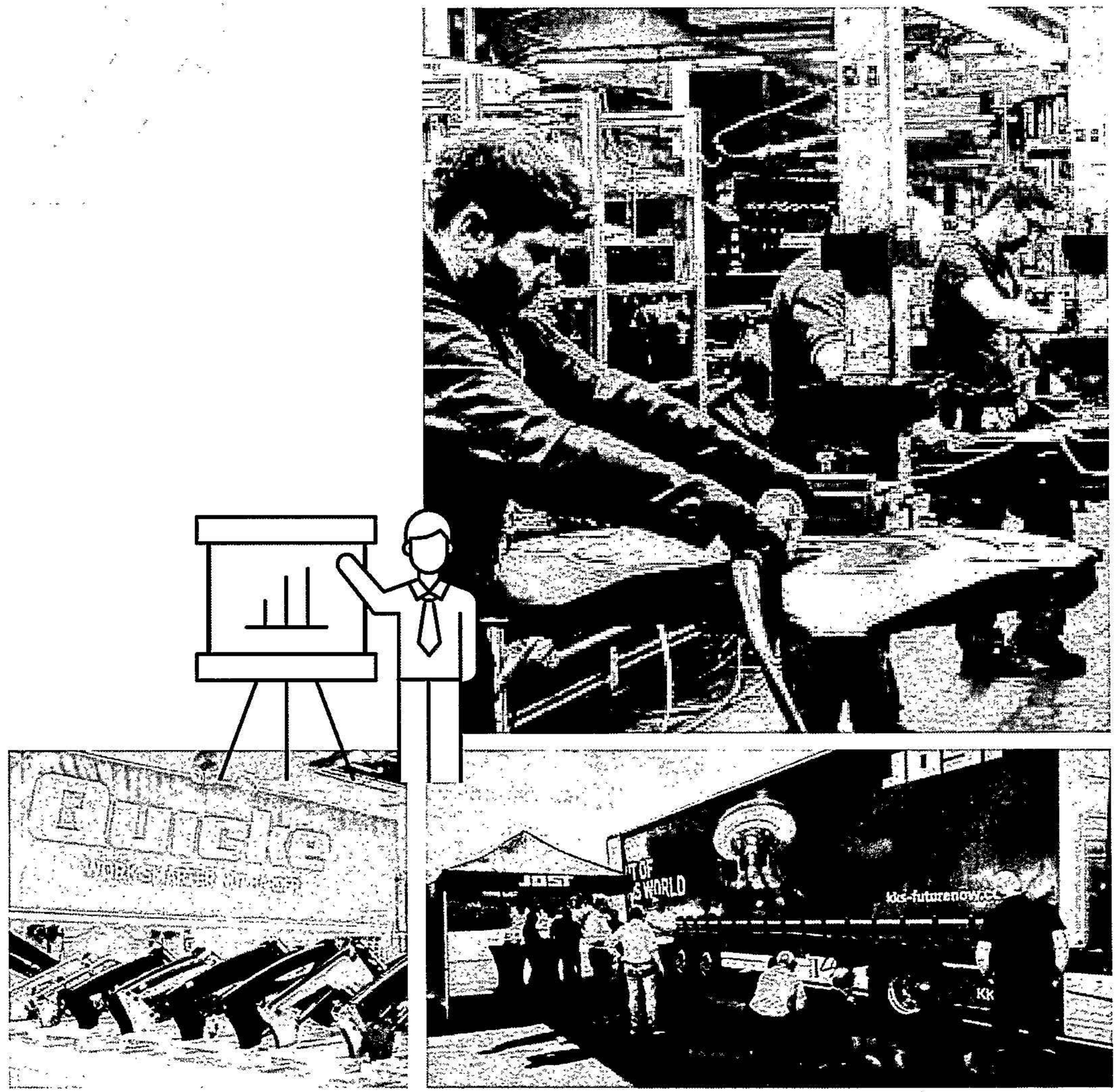
STRONG FLEXIBILITY AND RESILIENCE

Our ability to quickly adapt to and thrive under changing market conditions is essential for continued success in a cyclical industry.

Flexibility and adaptability are the driving force behind JOST success. Over the past 70 years, this core strength has become an intrinsic part of the JOST's entrepreneurship worldwide, allowing us to weather countless market fluctuations and seize new growth opportunities, proving the strong resilience of our business model again and again.

We have proven it:

- With our flexible, entrepreneurial mindset we have transformed JOST from a small German family business into a successful international company.
- The expansion into the Agricultural business has shown our ability to replicate JOST's success in Transport with a wide range of commercial vehicles beyond truck and trailer.



#creatingconnections

THE JOST WAY FOR PROFITABLE GROWTH

QUALITY, SAFETY & RELIABILITY

+

GLOBAL CUSTOMER PROXIMITY

+

COMMITTED AND SKILLED PEOPLE

+

STRONG FLEXIBILITY AND RESILIENCE

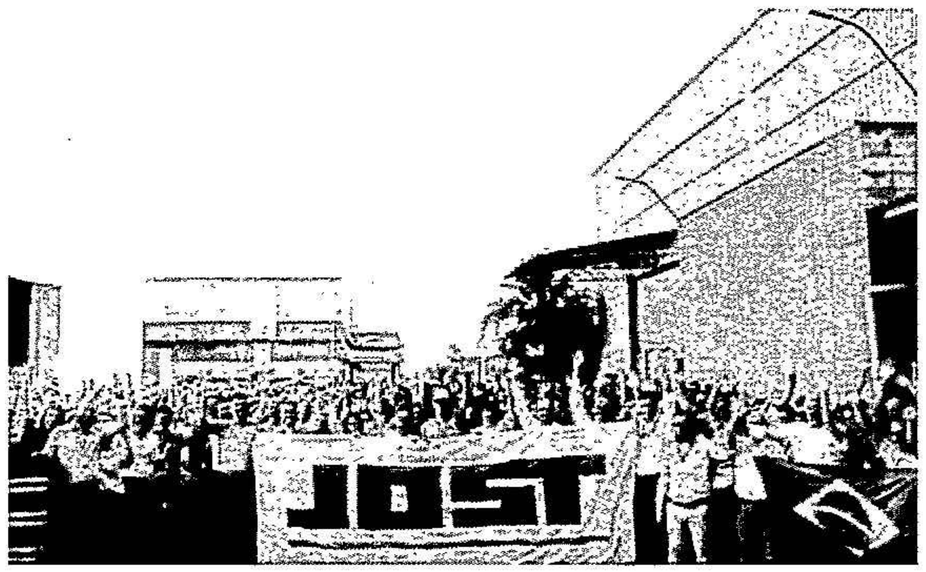
"Offering the right products and being close to our customers worldwide, we are able to move forward boldly and actively shape our path – that is the JOST Way."

JOACHIM DÜRR
Chief Executive Officer of JOST Werke SE

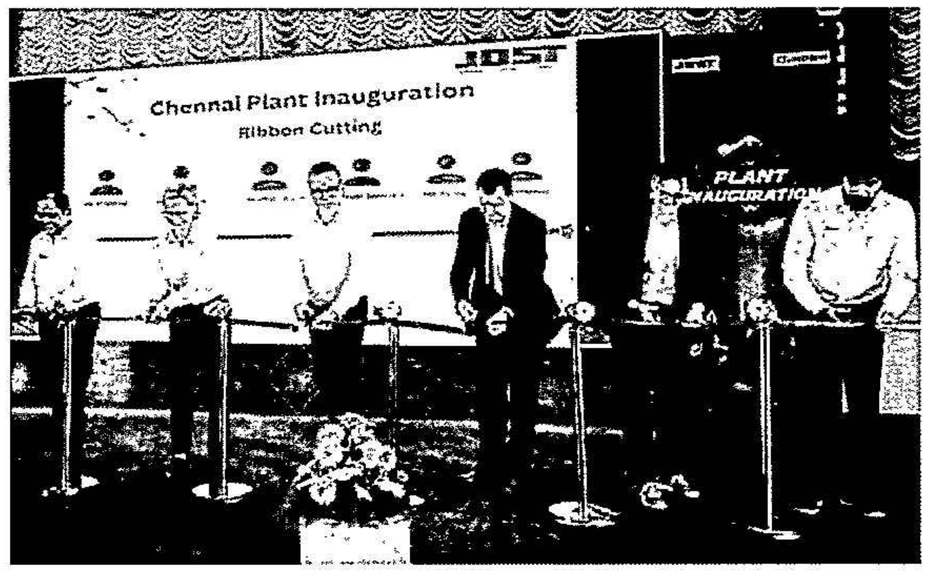
It takes four key elements to successfully grow a business: The seed of an idea or product, a fertile soil to grow it, skilled and committed people to plant and harvest the final product, and the ability to quickly adapt to changes in the environment to maximize returns.

At JOST, we leverage our core strengths with new and existing business opportunities to make success possible.

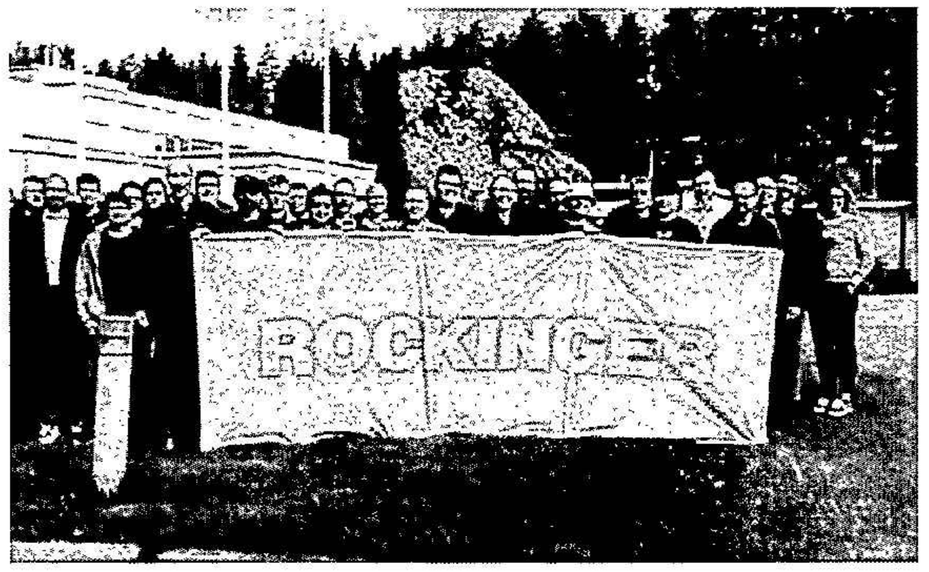
GROWING JOST AGRICULTURE



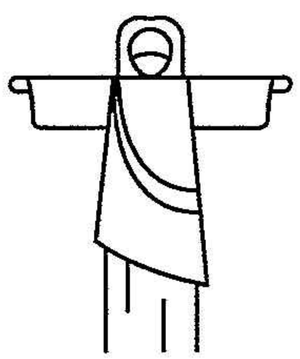
In Brazil, we were seeking a fertile soil as well as skilled and committed people to open up the South American market for our products. The acquisition of Crenlo do Brasil brings into JOST the missing ingredients needed to kick-start our agricultural business in the Southern hemisphere.



In India, we leveraged our strong sales force in transport with their local understanding of the Indian market to bring our agricultural engineering and product expertise into India through a greenfield investment.



In Finland, the acquisition of LH Lift brings new products and know-how to our business, which we can spread across our global platform to our existing customer base under our ROCKINGER brand, leveraging the core strengths of JOST to generate further growth.



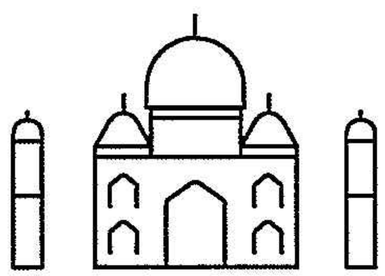
1 NEW PRODUCTION PLANT IN MINAS GERAIS, BRAZIL

800+ EMPLOYEES

20+ BLUE CHIP OEMS IN AGRICULTURE AND CONSTRUCTION

1 PRODUCTION PLANT IN CHENNAI, INDIA BUILT IN 9 MONTHS

100+ EMPLOYEES



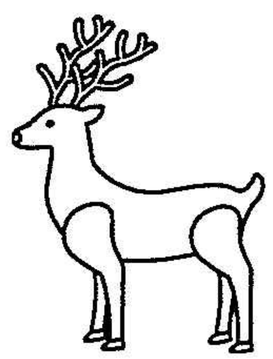
3+ NEW OEM CUSTOMERS IN AGRICULTURE ORGANICALLY ACQUIRED THROUGH JOST'S SALES TEAM

25+ NEW HIGH QUALITATIVE AND RELIABLE PRODUCTS AND DESIGNS

1 PRODUCTION PLANT IN FINLAND

1 PRODUCTION PLANT IN CHINA

6+ NEW OEM CUSTOMERS IN AGRICULTURE



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JOST INNOVATIONS IN TRANSPORT BUSINESS

As development partners for our customers, we are constantly analyzing market needs to find new ways in which to support our customers with solutions that address their challenges.

BUSLINK – The innovative articulation pusher bus system – a new era of flexibility

Connecting our engineering and product expertise across brands with our regional market know-how, we are capable to develop new solutions for arising customer needs.

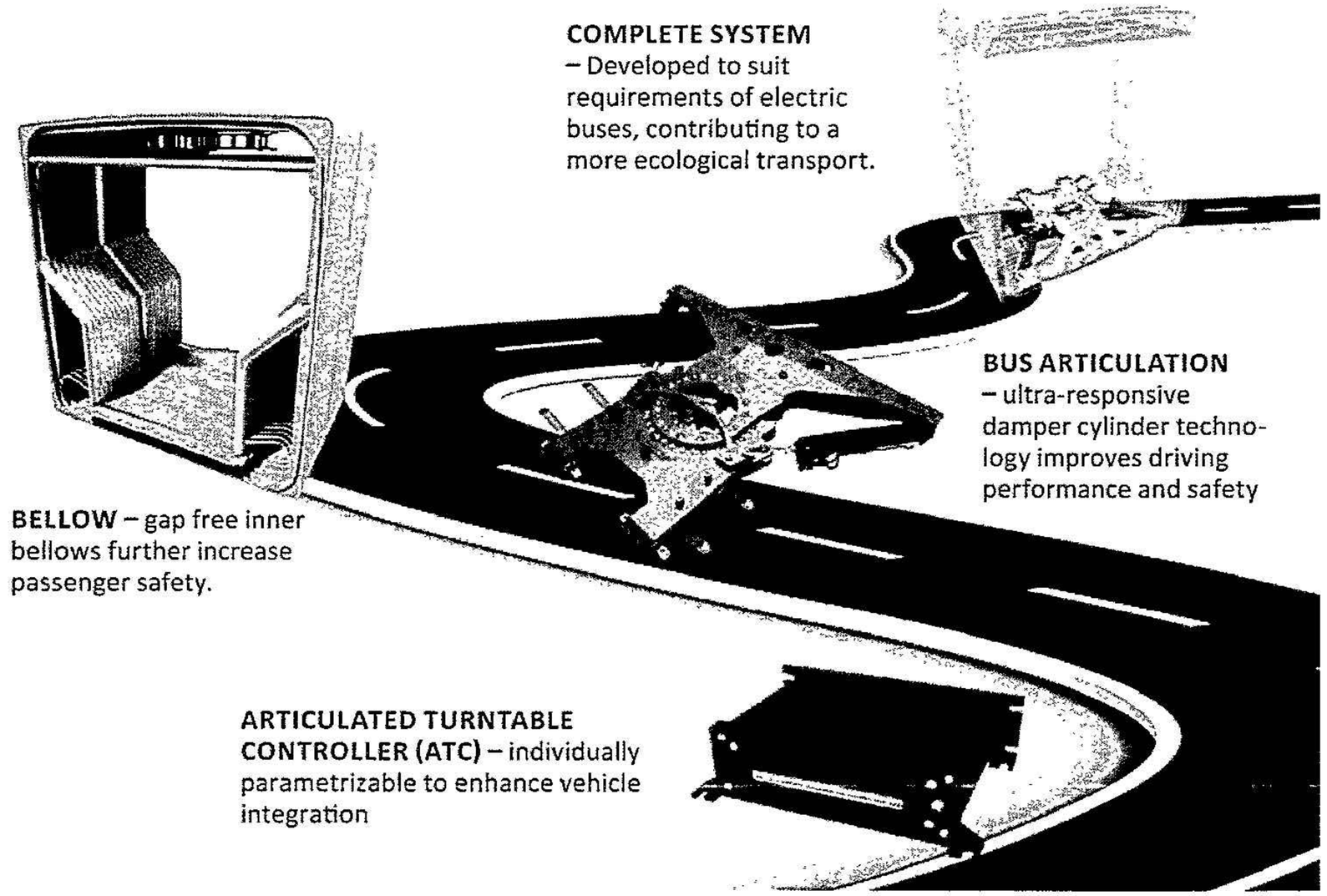
Customer Need
A reliable and trusted local partner to produce a safe, a high-quality BusLink product in the Brazilian market.

Opportunity
Connecting the product and R&D expertise of JOST turntables and Tridec steering systems, JOST developed a new product range able to fulfill strict safety requirements and satisfy local customer needs for buses.

Future Opportunities
Using the know-how gained in Brazil, JOST was able to develop a new BusLink system for the European market, focusing on the specific needs of electric buses in addition to combustion engine ones. This has opened for us a complete new product range within the commercial vehicle industry, aiming to serve public transportation.

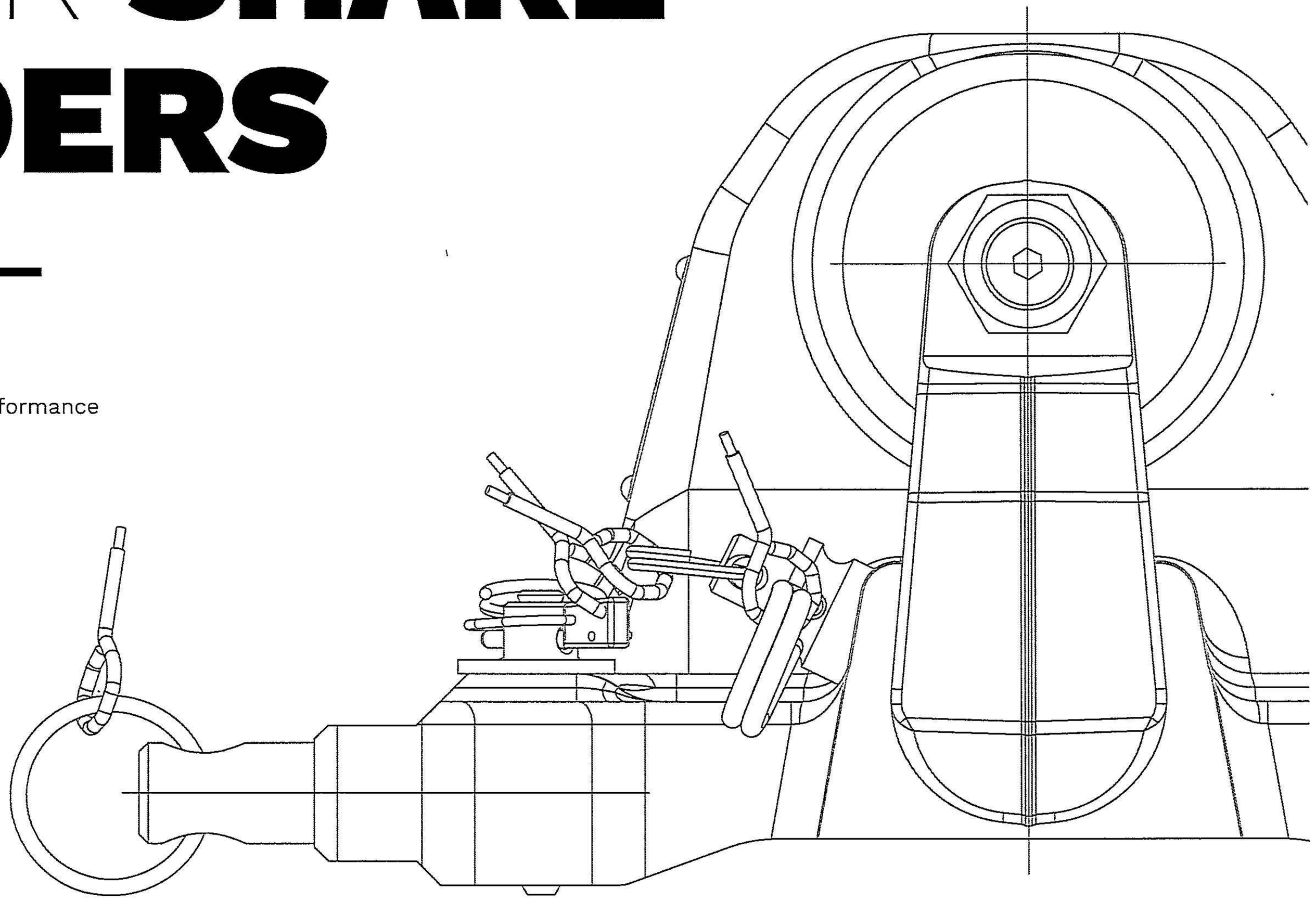
We have proven it:

- In 2023 the new BusLink production in Brazil was already able to produce 500+ BusLinks.



TO OUR **SHARE-HOLDERS**

17 Interview with the Executive Board
20 Report of the Supervisory Board
27 Members of the Supervisory Board
29 Equity markets and share price performance



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INTERVIEW WITH **THE EXECUTIVE BOARD**

JOACHIM DÜRR, CHIEF EXECUTIVE OFFICER
BORN IN 1964, SINCE 2019
MEMBER OF THE EXECUTIVE BOARD OF JOST WERKE SE AND CHAIRMAN, RESPONSIBLE FOR SALES, STRATEGY AND BUSINESS DEVELOPMENT, RESEARCH AND DEVELOPMENT, HUMAN RESOURCES, MARKETING AND COMMUNICATION

Mr. Dürr, what are your reflections on 2023?

Joachim Dürr: 2023 was a very successful year for JOST. We were able to continue strengthening our global market position in the transport business, recording growth across all regions. We also introduced several product innovations to the market, winning new customers for JOST in the process. In the agricultural business, we significantly reinforced our strategic positioning in the agricultural machinery market and opened up new growth opportunities for JOST by acquiring Crenlo do Brasil and LH Lift as well as by commissioning our new production plant in India.

With our flexibility, we could achieve outstanding business performance in a challenging market environment. We were able to offset the weakness in the agricultural market with strong growth in the transport business, keeping consolidated sales at the previous year's level of €1.2bn. In doing so, we managed to significantly improve our profitability compared to 2022. Our adjusted EBIT margin rose sharply to 11.3% and adjusted EBIT reached a new record high of €141m.

As we want our shareholders to participate in this success, we are proposing to the Annual General Meeting that the dividend be increased to €1.50 per share.

Executive Board of JOST Werke SE

Mr. Gantzert, you were appointed as CFO in 2023. What are your first impressions of JOST, and how satisfied are you with the Group's financial performance in 2023?

Oliver Gantzert: I've been impressed by the deeply-rooted spirit of entrepreneurship and commitment across all areas of JOST. During my career, I've become familiar with plenty of industrial companies, and I've never seen a company where employees deal with changes so quickly and proactively at every level of the business. At JOST, nobody waits for the Executive Board to tell them to start making efficiency improvements. Thanks to their closeness to the customers and their strong market knowhow, the people responsible for each business unit quickly recognize when the market is changing and immediately take the steps needed for the business to adapt. I experienced this first-hand when the agricultural market slumped in the third quarter of 2023. This entrepreneurial spirit is a key factor in JOST's success and one we need to keep fostering.

In terms of our finances, the 2023 results speak for themselves. I would particularly like to highlight the sharp reduction in leverage to below 1.0x, in a year when JOST financed two

OLIVER GANTZERT, CHIEF FINANCIAL OFFICER

BORN IN 1979, SINCE SEPTEMBER 2023 MEMBER OF THE EXECUTIVE BOARD OF JOST WERKE SE, RESPONSIBLE FOR FINANCE, IT, INTERNAL AUDIT, INVESTOR RELATIONS, ESG AND LEGAL & COMPLIANCE

DIRK HANENBERG, CHIEF OPERATING OFFICER

BORN IN 1966, SINCE SEPTEMBER 2022 MEMBER OF THE EXECUTIVE BOARD OF JOST WERKE SE, RESPONSIBLE FOR PROCUREMENT, PRODUCTION, LOGISTICS, QUALITY AND INDUSTRIAL ENGINEERING

acquisitions with a total enterprise value of €56m from operating cash flow alone, only making temporary use of its revolving credit facility.

We also managed to significantly increase free cash flow above the €+100m mark for the first time to €+112.3m and generate free cash flow per share of €+7.54.

Mr. Hanenberg, what were the key focus areas for Operations in 2023?

Dirk Hanenberg: Finalizing and commissioning our new plant in India was particularly important for Operations. It was a pleasure to see the motivation with which everyone worked towards this goal. By the third quarter of 2023, just one year after breaking ground, we were able to deliver the first loaders to our customers on schedule.

Another priority was to integrate the acquired companies into the Group. JOST Agriculture and Construction South America (previously Crenlo do Brasil) is now our company's largest production plant, with more than 800 employees and 17.5 hectares of space. Since September 2023, we have been working as part of the post-merger integration project to boost identified synergies and increase productivity in Brazil even further.

We have also achieved a great deal in terms of sustainability. One area that is particularly close to my heart is occupational safety. In 2023, we launched several initiatives to keep improving safety at our production facilities and harmonize how we record workplace accidents worldwide. We also managed to reduce our absolute Scope 1 and Scope 2 carbon emissions by 15% compared to 2022 and lower our emissions per production hour by 19%. That is an incredible achievement that means we are already close to our target of halving carbon emissions per production hour compared to 2020.

What are your expectations for 2024, and what will you be focusing on?

Joachim Dürr: We made a successful start to 2024. After the strong post-pandemic growth, market research institutes expect the transport and agricultural markets to normalize and record a decline compared to the previous year. We are already seeing this happen in some areas. In the agricultural business, however, I expect we will see a modest recovery in products relevant to JOST over the course of the year.

Right now, we're anticipating a single-digit percentage fall in consolidated sales in 2024 compared to 2023.

We will use the current market environment to identify additional growth opportunities. In 2023, we opened up new doors for JOST in the South American and Asian markets. Our task now is to gain new customers and continue strengthening our market position in these regions.

Dirk Hanenberg: One important job for Operations in 2024 will be to continue using our flexibility to defend our profitability in a slightly shrinking market.

At the same time, we need to prepare for further growth. We will localize production of our Quicke loader designs in Brazil, and integrate LH Lift's plant in China into our existing production plant in Ningbo. In North America, we want to invest in expanding the production plants in our transport business to ensure we are well equipped for the future. Taking these plans into account, our capital expenditure is likely to represent around 2.5% to 2.9% of sales.

We also want to keep working on improving our carbon footprint and examining our supply chain to ensure that we can record our Scope 3 carbon emissions for the first time.

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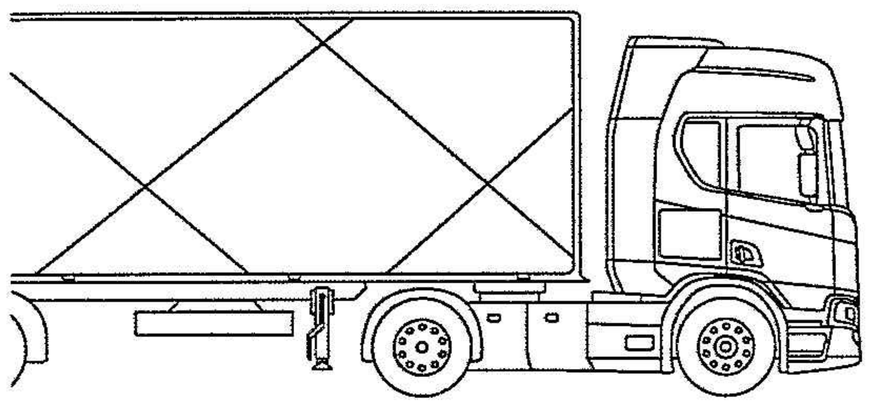
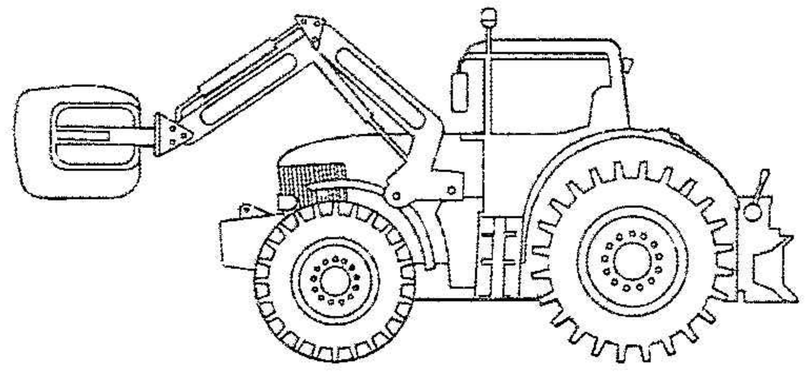


“We at JOST have always taken advantage of cycles to strengthen our market positioning. Our flexibility and local footprint allow us to be bold and seize any opportunities that may arise in such moments.”

JOACHIM DÜRR
Chief Executive Officer of JOST Werke SE



Oliver Gantzert: On the financial side, we also want to equip ourselves for future growth. JOST has expanded at a compound annual average growth rate of 14% over the last five years. With our positioning and given the markets we serve, we see additional organic and inorganic potential for further growth in the medium term. We need to prepare our IT and finance organizations to be able to harness and integrate such opportunities even more quickly in the future. With this in mind, there are several initiatives relating to our process and system landscape that are particularly close to my heart. We also need to take a thorough look at potential uses of artificial intelligence, especially in light of demographic change and the resulting shortage of skilled workers.

For 2024, we expect adjusted EBIT to develop in line with sales declining at a single-digit percentage rate compared to the previous year. This means that although the adjusted EBIT margin is likely to be below the previous year’s level, it will remain well within our strategic margin corridor of 10.0% to 11.5%. We will continue to focus on working capital and free cash flow, and I will pay particular attention to our financing structure to further optimize it.

Final question, Mr. Dürr: How do you assess 2024 so far?

Joachim Dürr: I see 2024 as a year full of opportunities. Yes, developments in the market can and will pose new challenges depending on the region, and the geopolitical situation remains uncertain in many respects. However, we at JOST have always taken advantage of cycles to strengthen our market positioning. Our flexibility and local footprint allow us to be bold and seize any opportunities that may arise in such moments.

That is the JOST way: offering the right products and being close to our customers worldwide, we are able to move forward boldly and actively shape our path. The experience and professionalism of our employees and managers, the deep understanding of our business and customers, and our solution-focused approach make us flexible and adaptable. These strengths are part of JOST and we can leverage them to successfully open up new markets and realize new business opportunities.

I’m looking forward to 2024 and to an exciting future!

Report of the Supervisory Board

Dear Shareholders,

2023 was an eventful and successful year for JOST. Despite a challenging market environment dominated by persistently high inflation, emerging economic headwinds and a combination of new and ongoing geopolitical uncertainty, the group performed very well and laid important strategic and operational foundations for its future growth. In the second half of 2023, JOST continued to bolster its product and customer portfolio as well as its international market positioning and industrial expertise by acquiring Crenlo do Brasil Engenharia de Cabines LTDA ("Crenlo do Brasil") and LH Lift Oy ("LH Lift").

Strong demand in the transport sector almost completely offset a slump in demand in the agricultural business, prompting global consolidated sales to fall slightly by 1.2% year-over-year to €1,249.7m in fiscal year 2023. Adjusted EBIT increased markedly by 13.7% to €140.8m, with the adjusted EBIT margin showing a significant improvement of 1.5 percentage points to 11.3%. This is the best operating profit in the group's history to date.

This outstanding performance underlines JOST's impressive flexibility. The efficiency improvement measures introduced during the previous year continued to take effect and had a positive impact on the group's profitability in 2023.

JOST's activities to reduce greenhouse gas emissions were also a success during fiscal year 2023, with the company managing to lower its Scope 1 and Scope 2 carbon emissions per production hour by 19.0% year-over-year and by 46.0% compared to the 2020 base year.

On behalf of the entire Supervisory Board, I would like to express my thanks and appreciation to all of our employees and the members of the JOST Executive Board for their exceptional commitment and service in 2023 that helped make fiscal year 2023 such a successful one.

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Composition of the Supervisory Board and its committees

In fiscal year 2023, the Supervisory Board of Jost Werke SE reconstituted itself immediately following the election of its six members by the General Meeting on May 11, 2023. It continues to consist of six members: Natalie Hayday, Diana Rauhut, Rolf Lutz, Jürgen Schaubel, Karsten Kühl and myself, Dr. Stefan Sommer. The term of office of the Supervisory Board members ends at the conclusion of the ordinary Annual General Meeting in 2028.

Prof. Dr. Bernd Gottschalk, the former Deputy Chairman of the Supervisory Board, and Mr. Klaus Sulzbach, member of the Supervisory Board, were not available for re-election. The General Meeting approved the Supervisory Board's proposal and elected Diana Rauhut and Karsten Kühl to the Supervisory Board of JOST Werke SE.

Previous Supervisory Board members Natalie Hayday, Rolf Lutz, Jürgen Schaubel and I were re-elected by the General Meeting. On behalf of the entire Supervisory Board, I would like to take this opportunity to thank the shareholders of JOST Werke SE for the trust they have placed in us.

At its constituent meeting on May 11, 2023, the Supervisory Board elected Jürgen Schaubel as Deputy Chairman of the Supervisory Board and me as Chairman of the Supervisory Board.

As in the past, the Supervisory Board also established two committees in 2023: the Executive and Nomination Committee and the Audit Committee.

Prof. Dr. Gottschalk (until his retirement from the Supervisory Board on May 11, 2023), Diana Rauhut (from the date of her election to the Supervisory Board), Rolf Lutz and I are members of the Executive and Nomination Committee, where I also hold the office of Chairman in my capacity as Chairman of the overall Supervisory Board and in accordance with the Rules of Procedure.

Natalie Hayday, Jürgen Schaubel, Klaus Sulzbach (until his retirement from the Supervisory Board on May 11, 2023) and Mr Karsten Kühl (from the date of his election to the Supervisory Board) are members of the Audit Committee. Jürgen Schaubel was elected Chairman of the Audit Committee.

All three members of the Audit Committee have specialist knowledge in the areas of accounting and auditing and have the necessary expertise to carry out their role as financial experts on the Supervisory Board within the meaning of Section 100 (5) of the Aktiengesetz (German Stock Corporation Act – AktG). All three members are independent. As Chairman of the Audit Committee Jürgen Schaubel is independent as required by the German Corporate Governance Code.

Supervisory Board activities in the 2023 fiscal year

In the past fiscal year, the Supervisory Board supported the Executive Board in its management of the company in a process of intensive dialogue and by providing advice. 2023 continued to be dominated by inflation-fueled cost rises and high purchase prices for materials as well as uncertainty along the entire value chain, all of which made planning difficult on both the sales and purchasing side. The decline in demand and challenging market environment in the agricultural business called for greater action on the part of the Executive Board with the involvement of the Supervisory Board. As a result, one focus area for the Supervisory Board's work throughout the year was to provide the Executive Board with support and advice for its cost control and efficiency improvement initiatives. The acquisitions in Brazil and Finland completed during fiscal year 2023 were also a major topic of discussion between the Supervisory Board and Executive Board. In addition to monitoring activities and advising the Executive Board, the Supervisory Board continued to provide the Executive Board with intensive support to drive forward the long-term strategic orientation of JOST Werke SE.

In doing so, the Supervisory Board was consistently satisfied with the legality, correctness, appropriateness and economic efficiency of the company's management activities. The Executive Board involved the Supervisory Board in all fundamentally important decisions and provided it with all the information required to fulfill its tasks properly and in a timely manner. The Supervisory Board was informed regularly and comprehensively of the committees' work by the respective committee Chairmen. The Executive Board also kept the Chairman of the Supervisory Board and the Chairman of the Audit Committee informed of important developments between the plenary and committee meetings. In addition, the Chairman of the Supervisory Board met monthly with the Executive Board to discuss the current business situation.

Risk exposure, corporate strategy, business development, planning, human resources policies, the implementation of the sustainability strategy, compliance and other key corporate development and management issues, were the subjects of the regular, timely and comprehensive reports provided by the Executive Board to the Supervisory Board.

The Supervisory Board held a total of 12 meetings – some of them without the Executive Board – during the 2023 fiscal year, including seven face-to-face meetings and five meeting that were held as video conferences. The Supervisory Board also adopted two resolutions by way of written circulation. All of the Supervisory Board members attended all meetings and resolutions (two members each attended one face-to-face meeting virtually). As a result, the attendance rate overall and in face-to-face meetings was 100%. Every member of the Supervisory Board attended more than

half of the face-to-face meetings and video conferences held by the Supervisory Board and the committees of which they are members.

During fiscal year 2023, the Supervisory Board's advice regularly focused on succession planning in the Executive Board and Supervisory Board, the group's response to continuing uncertainty surrounding the supply of materials, energy and sales, the construction of a new agricultural products plant in Chennai, India, the acquisitions completed in Brazil and Finland, and JOST's further strategic development. In addition, the advice provided at the individual meetings focused on the following issues:

The two meetings held via video conference on February 16 and 28, 2023 discussed the departure of Chief Financial Officer Dr. Christian Terlinde effective June 30, 2023 and the appointment of Mr Oliver Gantzert as his successor effective September 1, 2023.

At its meeting on March 23, 2023, the Supervisory Board focused on the consolidated and single-entity financial statements for the 2022 fiscal year, including the auditor's report and the Sustainability Report, which it subsequently approved and adopted, as well as the proposed dividend for that year. Other meeting topics included the agenda for the General Meeting and the remuneration of the Supervisory Board.

The video conferences on April 2 and 3, 2023 and the circular resolution dated April 6, 2023 dealt with the Supervisory Board's vote on the candidates for the Supervisory Board elections to be proposed to the General Meeting.

Among the subjects discussed at the Supervisory Board's last meeting in its previous composition on the morning of the General Meeting on May 11, 2023 were HR issues such as the continuing development of the group's recruitment strategy, inventory management initiatives and the planned acquisitions.

At its meeting held immediately after the General Meeting on May 11, 2023, the Supervisory Board began by reconstituting itself after the re-election of all of its members and elected Dr. Stefan Sommer as its new Chairman and Jürgen Schaubel as its new Deputy Chairman.

The meeting on July 12, 2023 was devoted to discussing JOST's medium and long-term business strategy.

On August 3, 2023, the Supervisory Board approved the acquisition of Crenlo do Brasil Sistemas Automotivos Ltda. (now JOST Agriculture & Construction South America Ltda.), Brazil.

On September 12, 2023, the Supervisory Board's meeting in Neu-Isenburg focused on the development of costs and material prices in Europe in particular. In addition, sales expectations for 2024 were addressed with the Executive Board in preparation for the budget discussion in November 2023, while the Executive Board and Supervisory Board also continued to discuss the group's business strategy.

On October 4, 2023, the Supervisory Board approved the conclusion of a consulting agreement with former Executive Board member Dr. Christian Terlinde relating to consulting services provided to determine the earn-out payment for the Alö Group acquisition.

The Supervisory Board meeting on November 16, 2023 was held in Hanover because of Agritechnica 2023 and focused on a detailed discussion of the Executive Board's budget proposal for the 2024 fiscal year. The Supervisory Board also extended Joachim Dürr's appointment as Chairman of the Executive Board by five years until September 30, 2029.

On December 7, 2023, the Supervisory Board then finally discussed the Executive Board's budget proposal for the 2024 fiscal year. This was approved and the updated declaration of compliance with the German Corporate Governance Code was adopted. In addition, the Executive Board and Supervisory Board agreed upon measures to implement the group's long-term corporate strategy. The Supervisory Board also defined the financial and non-financial key performance indicators that will influence the Executive Board's performance-related remuneration for fiscal year 2024.

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Work of the Executive and Nomination Committee in 2023

In accordance with their duties, the members of the Executive and Nomination Committee dealt with personnel planning for the Executive Board and Supervisory Board and agreed these matters in one face-to-face meetings and two virtual meetings during fiscal year 2023. The overall attendance rate was 100% for the virtual meetings and 100% at the face-to-face meeting.

In particular, the Committee's work focused on revising the skills matrix and carrying out personnel planning for the Supervisory Board in preparation for the Supervisory Board elections held in 2023. As part of this process, the Committee dealt with the search for successors to Deputy Chairman of the Supervisory Board Prof. Dr. Gottschalk and Supervisory Board member Klaus Sulzbach, who were not available for re-election after their term of office ended in May 2023.

Based on the Executive Committee's preparations, the Executive Board and Supervisory Board proposed Ms. Diana Rauhut and Mr. Karsten Kühl as new members to the General Meeting in addition to the four previous Supervisory Board members who were available for re-election. On May 11, 2023, the General Meeting elected the six proposed candidates to the Supervisory Board.

The Executive and Nomination Committee also searched for a successor to Chief Financial Officer Dr. Christian Terlinde, who resigned from the Executive Board at his own request effective June 30, 2023. Based on the recommendations of the Nomination Committee, the Supervisory Board appointed Mr. Oliver Gantzert as Chief Financial Officer effective September 1, 2023.

The Committee also reviewed and prepared the topic of extending the appointment of Joachim Dürr as Chairman of the Executive Board. Based on a corresponding recommendation, the Supervisory Board resolved to extend the appointment on November 16, 2023.

Work of the Audit Committee in 2023

The Audit Committee held a total of ten meetings, including four face-to-face meetings and six conference calls. All but one of the Committee's members participated in every meeting (with Supervisory Board member Karsten Kühl being excused for one conference call). The overall attendance rate was 97% for the telephone meetings and 100% at the face-to-face meetings.

In keeping with its role, the Committee regularly dealt with the audit of the financial statements and the monitoring of the financial reporting process, the effectiveness of the internal control system, risk management and the internal auditing system, and with issues relating to the preparation and audit of the financial statements and compliance and sustainability activities. The Audit Committee discussed the assessment of audit risk, the audit strategy and audit planning, and the audit results with the auditor. The Chairman of the Audit Committee regularly discussed the progress of the audit with the auditor and reported on this to the Audit Committee. There were regular consultations with the auditor without the Executive Board being present.

In its conference calls held on January 12, 2023 and February 15, 2023, the Audit Committee discussed the status of the ongoing audit of the consolidated and single-entity financial statements for the fiscal year ended on December 31, 2022, with the relevant auditors at PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main (PwC).

The meeting on March 16, 2023, primarily dealt with providing support for the audit of the annual financial statements by PwC. Furthermore, the recommendations of the Supervisory Board on the approval and adoption of the annual and consolidated financial statements of JOST Werke SE for fiscal year 2022 were prepared. The audit of the sustainability report by SPALL & KÖLSCH GmbH, Wirtschaftsprüfungsgesellschaft, was discussed and the recommendation on approval prepared. The Audit Committee also dealt with the spot check of BaFin in relation to the consolidated financial statements for the fiscal year ended December 31, 2021, topics related to risk management, compliance and internal audit, and with projects related to IT, treasury, investor relations, sustainability (ESG), working capital management and management reporting.

The conference call on May 10, 2023, was held to discuss the results for the first quarter of 2023.

At its meeting on July 12, 2023, the Audit Committee addressed the ongoing spot check by BaFin, the current status of determining the earn-out payment for the Alö Group acquisition, and compliance-related issues.

On August 10, 2023, the half-year results for 2023 intended for publication were explained to the Audit Committee by phone.

The meeting held on September 12, 2023, focused on risk management, accounting, internal audit, the ongoing spot check by BaFin, the status of the management reporting project, projects in the IT department, the impact of the Crenlo do Brasil and LH Lift acquisitions on the group's net assets and results of operations, and the group's ESG activities.

In its conference call on October 5, 2023, the Audit Committee primarily discussed the upcoming audit of the consolidated and single-entity financial statements for the fiscal year ending on December 31, 2023, with the relevant auditors at PwC. In accordance with the recommendations of the German Corporate Governance Code, the Audit Committee ensured that the auditor informs it without delay of all findings and events of importance for its tasks which come to its attention during the performance of the audit. The Audit Committee also satisfied itself that the auditor informs it and makes a note in the audit report if, during the performance of the audit, the auditor identifies facts that reveal a misstatement in the declaration on the German Corporate Governance Code issued by the Executive Board and Supervisory Board.

The conference call held on November 9, 2023, focused on the results for the third quarter of 2023.

The Audit Committee meeting on December 7, 2023, was dedicated to the now-completed spot check by BaFin for the fiscal year ended December 31, 2021, and activities in the areas of accounting, risk management, treasury, internal audit and IT.

In addition, the Chairman of the Audit Committee and the Chief Financial Officer at least once a month discussed the current business situation and the progress made with important projects.

Individual members' attendance at meetings

Attendance at Meetings in 2023

	Supervisory Board Meetings			Committee Meetings		
Members	in person	virtual	attendance	in person	virtual	attendance
Dr. Stefan Sommer, Chairman	7/7	5/5	100 %	1/1	2/2	100 %
Jürgen Schaubel, Deputy Chairman	7/7[1]	5/5	100 %	4/4	6/6	100 %
Natalie Hayday	7/7	5/5	100 %	4/4	6/6	100 %
Rolf Lutz	7/7[1]	5/5	100 %	1/1	2/2	100 %
Diana Rauhut (since May 11, 2023)	5/5	1/1	100 %	0/0	1/1	100 %
Karsten Kühl (since May 11, 2023)	5/5	1/1	100 %	3/3	2/3	83 %
Prof. Dr. Bernd Gottschalk Deputy Chairman (until May 11, 2023)	2/2	4/4	100 %	1/1	1/1	100 %
Klaus Sulzbach (until May 11, 2023)	2/2	4/4	100 %	1/1	3/3	100 %

1) Virtual participation in a face-to-face meeting

Self-assessment of the Supervisory Board

In fiscal year 2022, the Supervisory Board conducted its regular self-assessment of its effectiveness in carrying out its tasks. The resulting recommendations for action were further implemented during the course of fiscal year 2023.

The Supervisory Board's next regular self-assessment in 2024 is due to be expanded and conducted with support from external service providers. With this in mind, the Supervisory Board defined the scope of the forthcoming self-assessment and appointed a suitable service provider during fiscal year 2023.

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Independence and Conflicts of Interest

All six Supervisory Board members are independent as defined by the German Corporate Governance Code. No member of the Supervisory Board has any personal or business relations with the company, the Executive Board or a controlling shareholder.

None of the Supervisory Board members performs governing or advisory functions for significant competitors of the company.

The Supervisory Board has not been informed of any conflicts of interest over the past fiscal year.

Corporate Governance

The Supervisory Board and Executive Board firmly believe that good corporate governance is an important foundation for the company's success and act accordingly. Together with the Executive Board, the Supervisory Board examined the application of the recommendations of the German Corporate Governance Code to JOST Werke SE and the JOST Werke Group in fiscal year 2023. On December 7, 2023, together with the Executive Board it issued a declaration on this in accordance with Section 161 AktG and published it on the company's website. The Executive Board and Supervisory Board declared that the company – with certain exceptions – has been in compliance with the recommendations of the GCGC as amended on June 27, 2022, and will be in compliance in the future.

The full text of the Declaration of Compliance can be read in the section entitled *Corporate governance statement*.

Further information about corporate governance for the Executive Board and the Supervisory Board can be found in the corporate governance statement on the company's website at *http://ir.jost-world.com/corporate-governance*.

Information on Executive Board and Supervisory Board remuneration can be found in the group management report in the *Remuneration Report* section.

Composition of the Executive Board

Chief Financial Officer Dr. Christian Terlinde asked the Supervisory Board of JOST Werke SE to rescind his contract by mutual agreement with effect from June 30, 2023.

The Supervisory Board appointed Oliver Gantzert to the Executive Board as his successor as of September 1, 2023. As Chief Financial Officer (CFO), he is responsible for Finance, IT, Internal Audit, Investor Relations, Sustainability (ESG), Legal & Compliance.

Review of the non-financial report

The Supervisory Board unanimously appointed SPALL & KÖLSCH GmbH Wirtschaftsprüfungsgesellschaft, Kronberg im Taunus, to provide a limited assurance opinion on the non-financial report for the fiscal year ending on December 31, 2023.

The non-financial report was prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 and the requirements of the Handelsgesetzbuch (German Commercial Code – HGB). The report was made available to all members of the Supervisory Board in good time. All documents were discussed in detail with the Executive Board and SPALL & KÖLSCH GmbH at the Audit Committee meeting on March 13, 2024, and the Supervisory Board meeting on March 22, 2024. SPALL & KÖLSCH GmbH reported in detail about the subject matter, process and key findings of the audit and was available for additional questions and information.

The Supervisory Board approved the non-financial report after discussing and reviewing it in detail.

Audit of the Annual and Consolidated Financial Statements

Based on a resolution adopted by the General Meeting on May 11, 2023, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main (PwC) was appointed as the auditor of the financial statements of JOST Werke SE for the fiscal year ending on December 31, 2023. This appointment also includes the appointment as auditor of the consolidated financial statements for the fiscal year ending on December 31, 2023. The auditor responsible for the audit is Thomas Heck. This is the third year he has held this position.

The annual financial statements and management report combined with the group management report were prepared in compliance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The consolidated financial statements were prepared by applying Section 315e HGB and in accordance with the principles of the International Financial Reporting Standards (IFRSs) as adopted by the European Union. PwC audited the annual financial statements of JOST Werke SE, the consolidated financial statements and the combined management report. The auditor outlined the auditing principles in its audit reports. The auditor issued the annual and consolidated financial statements as well as the combined management report for the fiscal year ended December 31, 2023 with unqualified audit reports.

The annual financial statements, the consolidated financial statements, the combined management report and the remuneration report in accordance with Section 162 AktG as well as the auditor's reports issued by the auditor were made available to all members of the Supervisory Board. All documents were discussed in detail at the Audit Committee meeting on March 13, 2024, and the Supervisory Board meeting on March 22, 2024. The auditor, PwC, reported on the main findings of its audit and was available for any additional questions and information. At the meeting of the full Supervisory Board, the Chairman of the Audit Committee also provided a report on the audit of the annual and consolidated financial statements and the combined management report.

The Supervisory Board discussed and reviewed in detail the annual financial statements and the proposal for the appropriation of net retained profit as well as the consolidated financial statements and the combined management report. There were no objections to the documents provided. Based on its own review, the Supervisory Board concurred with the recommendation of the Audit Committee and agreed with the findings of the audit conducted by the auditor.

In a resolution dated March 22, 2024, the Supervisory Board subsequently approved the annual financial statements prepared by the Executive Board and the consolidated financial statements of JOST Werke SE for the 2023 fiscal year. The annual financial statements of JOST Werke SE have therefore been adopted. The Supervisory Board agrees with the combined management report and the assessment of the expected development of the company. It concurs with the proposal of the Executive Board regarding the appropriation of net retained profit and the distribution of €1.50 per share.

We would like to thank the members of the Executive Board and all employees of JOST for their hard work and commitment during the past fiscal year. This performance enabled us to make 2023 a successful fiscal year. I wish the company and the members of the Executive Board continued success in the current 2024 fiscal year.

Neu-Isenburg, March 22, 2024

For the Supervisory Board

Dr. Stefan Sommer

Chairman

Members of the Supervisory Board

Dr. Stefan Sommer

Chairman of the Supervisory Board

Chairman of the Executive and Nomination Committee

Occupation:	Consultant
Appointed on:	May 5, 2022
Appointed until:	Annual General Meeting 2028
Year of birth:	1963
Nationality:	German
Independent:	Yes

Further posts currently held on supervisory or control bodies outside JOST Werke SE:

- Member of the supervisory board, Knorr-Bremse AG, Munich, Germany (listed)
- Member of the presidential council, DEKRA e.V., Germany (not listed)
- Member of Board of Directors, Aeva Technologies Inc., Mountain View, CA, USA (listed)

Jürgen Schaubel

Deputy Chairman of the Supervisory Board

Chairman of the Audit Committee

Occupation:	Consultant, Oaktree Capital Management
Appointed on:	June 23, 2017
Appointed until:	Annual General Meeting 2028
Year of birth:	1963
Nationality:	German
Independent:	Yes

Further posts currently held on supervisory or control bodies outside JOST Werke SE:

Member of the advisory board, chairman of the audit committee at:
- OSM THOME Ltd., Limassol, Cyprus (not listed) [1]
- Baiersbronn Frischfaser Karton Holding GmbH, Baiersbronn, Germany (not listed) [1]
- NextClinis International GmbH, Augsburg, Germany (not listed) [1]
- LifeFit Group, Frankfurt, Germany, (not listed) [1]

Member of the administrative board at MFD Rail Holding AG, Rotkreuz, Switzerland (not listed) [1]

1) The related mandates are directly linked to Mr. Schaubel's main professional activity as a consultant at Oaktree Capital Management.

Natalie Hayday

Member of the Supervisory Board

Member of the Audit Committee

Occupation:	Director of 7Square GmbH
Appointed on:	June 23, 2017
Appointed until:	Annual General Meeting 2028
Year of birth:	1976
Nationality:	British
Independent:	Yes

Further posts currently held on supervisory or control bodies outside JOST Werke SE:

- Member of the supervisory board, Novem Group S.A., Contern, Luxembourg (listed)
- Member of the advisory board, SALUX Real Estate GmbH, Frankfurt am Main, Germany (not listed)

Rolf Lutz

Member of the Supervisory Board

Member of the Executive and Nomination Committee

Occupation:	Graduate Engineer, retired
Appointed on:	June 23, 2017
Appointed until:	Annual General Meeting 2028
Year of birth:	1952
Nationality:	German
Independent:	Yes

Further posts currently held on supervisory or control bodies outside JOST Werke SE:

- None

Diana Rauhut

Member of the Supervisory Board

Member of the Executive and Nomination Committee

Occupation:	Head of Sales, Energy Services, Digitalisation and IT at Mainova AG
Appointed on:	May 11, 2023
Appointed until:	Annual General Meeting 2028
Year of birth:	1976
Nationality:	German
Independent:	Yes

Further posts currently held on supervisory or control bodies outside JOST Werke SE:

- Chairwoman of the supervisory board, Energieversorgung Main-Spessart GmbH (not listed) [1]
- Chairwoman of the supervisory board, Oberhessische Gasversorgung GmbH (not listed) [1]
- Vice chairwoman of the supervisory board, Stadtwerke Dreieich GmbH (not listed) [1]
- Member of the supervisory board, Gasversorgung Offenbach GmbH (not listed) [1]
- Member of the supervisory board, Werraenergie GmbH (not listed) [1]

1) The related mandates are directly linked to Ms. Rauhut's main professional activity as a member of the Management Board at Mainova AG.

Karsten Kühl

Member of the Supervisory Board

Member of the Audit Committee

Occupation:	Managing Director and CFO at Peter Möhrle Holding
Appointed on:	May 11, 2023
Appointed until:	Annual General Meeting 2028
Year of birth:	1973
Nationality:	German
Independent:	Yes

Further posts currently held on supervisory or control bodies outside JOST Werke SE:

- None

Equity markets and share price performance

The equity market recovery that began in late 2022 continued at the start of 2023, boosted by the positive economic outlook and an anticipated reduction in interest rate changes by the US Federal Reserve. However, the outbreak of conflict in the Middle East, weak economic data in Europe and growing fears of a recession in Germany weighed on the equity markets over the course of 2023. The global capital markets experienced another upturn at the end of 2023 triggered by hopes that central banks would call a halt to interest rate hikes.

Germany's DAX index, for instance, rose by 20.3% during fiscal year 2023 and closed the final trading day of the year at 16,752 points. The SDAX, on which the shares of JOST Werke SE are listed, gained 17.1% during the year, finishing 2023 at 13,960 points. The S&P 600 Auto Parts & Equipment industrial index also rose by 6.6% in 2023, while the industrial index for agricultural components reflected market uncertainty in the agricultural sector, with the S&P 600 Agricultural & Farm Machinery index dropping by 5.4% in the course of 2023.

Despite JOST's robust operating performance in 2023 and the significant improvement in the group's profitability, reduced sales in the agricultural business and growing fears of a cyclical decline in transport markets in 2024 placed JOST Werke shares under pressure. In fiscal year 2023 JOST Werke shares declined by 17.2% to €44.20. The shares reached their low for the year of €40.05 in December 2023 and topped out at €57.30 in January 2023.

The average daily trading volume of JOST Werke shares on XETRA fell by 42.7% in 2023 to 11,536 shares (2022: 20,129). At 65%, off-market exchanges (OTC and dark pools) still made up the bulk of the total trading volume (2022: 62%), while around 35% of the traded shares were traded on XETRA and other stock exchanges (2022: 38%).

Capital structure

The share capital of JOST Werke SE did not change in the course of fiscal year 2023. At the reporting date, it amounted to €14,900,000.00, divided into 14,900,000 no-par-value bearer shares (December 31, 2022: €14,900,000.00). The nominal value per share is €1.00.

Basic data for the JOST Werke share

Issuer	JOST Werke SE
IPO	July 20, 2017
Index	SDAX, CDAX, PRIME ALL
Share symbol	JST
Bloomberg ticker symbol	JST GY
ISIN	DE000JST4000
WKN	JST400
Number of shares outstanding as of December 31, 2023	14,900,000
Stock exchanges	Frankfurt Stock Exchange, XETRA
Trading segment	Regulated market (Prime Standard)
Sector	Industrial
Industry	Automotive supplier, industry

2023 dividend

The Executive Board and Supervisory Board will propose to the General Meeting a dividend of €1.50 per share for the 2023 fiscal year (2022: €1.40). This represents an increase in the total dividend payout of 7.1% to €22.4m (2022: €20.9m). The payout ratio for the fiscal year now ended is therefore 43% (2022: 35%). Based on the proposal for 2023 and calculated using the year-end closing price, the dividend yield rose to 3.4% (2022: 2.7%). As the JOST Werke SE dividend will be paid entirely from the contribution account for tax purposes as set out in Section 27 of the Körperschaftsteuergesetz (German Corporate Income Tax Act – KStG), the payment is made without deducting withholding tax or the solidarity surcharge.

Key figures for the JOST Werke shares

		2023	2022	Change vs. previous year
Equity per share	€	25.65	24.18	6.1 %
Adjusted consolidated earnings per share[1]	€	6.24	5.76	8.3 %
Consolidated earnings per share	€	3.51	4.02	-12.6 %
Dividend per share	€	1.50	1.40	7.1 %
Number of shares entitled to participate in dividends (Dec. 31)	million	14.90	14.90	—
Amount distributed[2]	€ million	22.35	20.86	7.1 %
Dividend yield[2,3]	in %	3.39	2.66	27.5 %
Share price at year-end[3]	€	44.20	52.60	-16.0 %
High[3]	€	57.30	54.60	4.9 %
Low[3]	€	40.05	34.40	16.4 %
Market capitalization (Dec. 31)[3]	€ million	658.6	783.7	-16.0 %
Average daily trading volume	shares	11,536	20,129	-42.7 %

1) For a detailed presentation of the adjustments made, see *note 8 "Exceptionals"* in the consolidated financial statements.
2) Subject to approval by the General Meeting
3) XETRA closing price; source: Bloomberg

Shareholder structure

Our shares are primarily held by institutional investors such as funds, asset management companies, private asset managers and banks. According to the definition of German Stock Exchange, 85% of the JOST Werke SE shares were held in free float as of December 31, 2023 (2022: 90%).

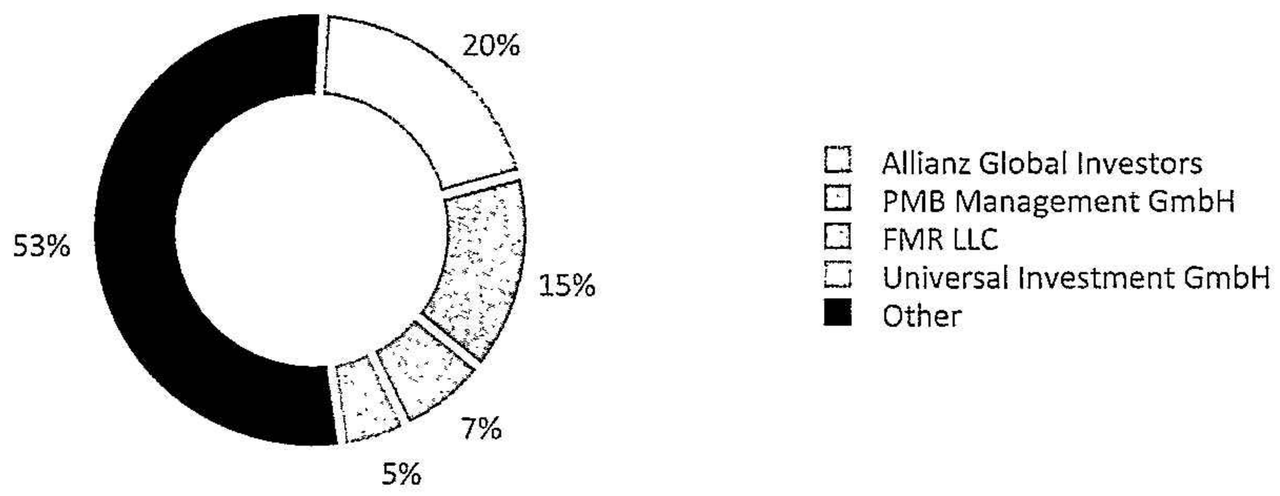
Based on the notifications received, 20.11% of the voting rights in JOST Werke SE were attributed to Allianz Global Investors GmbH (Frankfurt, Germany) as of the December 31, 2023 reporting date. A further 15.03% of the voting rights in JOST Werke SE as of the December 31, 2023 reporting date were attributed to Kai Möhrle and the company he controls, Vierunddreißigste PMB Management GmbH (Hamburg, Germany). All voting rights notifications pursuant to the Wertpapierhandelsgesetz (German Securities Trading Act – WpHG) are available at *https://ir.jost-world.com/voting-rights-notification*.

All transactions with JOST Werke SE shares or related financial instruments reported by the Executive Board and Supervisory Board in fiscal year 2023 can be found at *http://ir.johttp://ir.jost-world.com/directors-dealings*.

The company's Executive Board is not aware of agreements affecting the transfer of voting rights or shares of JOST Werke SE.

Shareholder structure of JOST Werke SE

as of December 31, 2023



Annual General Meeting 2023

The Annual General Meeting of JOST Werke SE was held in Neu-Isenburg on May 11, 2023. Around 83% of the company's share capital was represented at the General Meeting.

A resolution to pay a dividend of €1.40 per share for fiscal year 2022 was adopted. Furthermore, the actions of the Executive Board and Supervisory Board for the 2022 fiscal year were formally approved with a very large majority.

With a 97% majority, the General Meeting authorized the Executive Board to buy back the company's own shares in a volume up to a total of 10% of the existing share capital and to increase the share capital of JOST Werke SE by up to €7,450,000.00 through the issue of up to 7,450,000 shares (Authorized Capital 2023).

In addition, the shareholders passed a resolution with a 91% majority authorizing the Executive Board to issue warrants, convertible bonds or income bonds as well as profit participation rights or combinations of these instruments (Conditional Capital 2023). The three authorizations expire on May 10, 2026.

The option to disapply preemptive rights is collectively limited to a total of 10% of the share capital for Authorized Capital 2023 and Conditional Capital 2023. Taking preemptive rights into account, the capital authorizations are together limited to 50% of the company's share capital.

The shareholders approved the Supervisory Board's proposal and elected Ms. Diana Rauhut and Mr. Karsten Kühl to the control body of JOST Werke SE. Previous Supervisory Board members Ms. Natalie Hayday, Mr. Rolf Lutz, Mr. Jürgen Schaubel and Dr. Stefan Sommer were re-elected by the General Meeting. Prof. Dr. Bernd Gottschalk and Mr. Klaus Sulzbach were not available for re-election.

At the constituent meeting of the Supervisory Board of JOST Werke SE on May 11, 2023, the members of the Supervisory Board elected Dr. Stefan Sommer as the Chairman of the Supervisory Board of JOST Werke SE and Jürgen Schaubel as the Deputy Chairman.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, was appointed as the auditor of the annual and consolidated financial statements for the 2023 fiscal year.

All documents and information on the General Meeting as well as the results of the voting are available on the Internet at *https://ir.jost-world.com/agm*.

Investor relations

During the 2023 fiscal year, we provided the capital markets with timely and transparent information about the many changes in the market by maintaining an intensive dialog with investors, shareholders, analysts and other interested parties. JOST visited a total of eight investor conferences in fiscal year 2023 and held four road shows (one of them virtually).

We also continued our regular dialog with the capital markets by holding numerous individual meetings with institutional investors, analysts and private shareholders. At 11 production facility visits we also gave investors the opportunity to see our business for themselves.

The talks focused on the two strategic acquisitions JOST made in 2023, the expected market outlook for transport and agriculture, the development of raw material, energy and logistics costs and JOST's operational and financial business performance.

Six analysts again covered our stock during the 2023 fiscal year. As of the end of 2023, three analysts recommended buying JOST shares, while the remaining three recommended holding them.

The Investor Relations pages on our website keep investors and the public abreast of developments at JOST at all times. There you will find all of our financial publications, our financial calendar, information on scheduled and past investor events and our financial analysts' latest expectations and recommendations for the performance of JOST and the shares of JOST Werke SE *http://ir.jost-world.com*.

SUSTAINABILITY

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Sustainability at JOST

In 2023, we pushed ahead with our environmental, social and governance (ESG) activities and reached several key milestones on our path to more sustainability. In fiscal year 2020, JOST set itself the target of lowering its combined Scope 1 and Scope 2 CO_{2eq} emissions per production hour by 50% by 2030 compared to fiscal year 2020. We almost reached this self-imposed target in fiscal year 2023, much faster than originally anticipated, having reduced our Scope 1 and Scope 2 CO_{2eq} emissions per production hour by 46.0% to 3.4kg of CO_{2eq} emissions per production hour in 2023 (2020: 6.3kg of CO_{2eq} emissions per production hour). Our capital expenditure on lowering carbon emissions and increasing energy efficiency rose to €4.8m in 2023 (2022: €1.0m) and made up 15.4% (2022: 3.1%) of JOST's total capital expenditure of €30.8m (2022: €32.3m).

We firmly believe that corporate social responsibility is a prerequisite for achieving sustained commercial success in the international market. Maintaining a link between economic value creation and ecological and social responsibility is therefore vital.

We continue to embed sustainability in every level of our group. Our aim remains to strike a balance between JOST's commercial success and our social and environmental responsibility as an international company.

Our Sustainability Report for the 2023 fiscal year was prepared in accordance with the 2021 Global Reporting Initiative (GRI) standards for the period from January 1 to December 31, 2023, and includes the legally required non-financial report of JOST Werke SE in accordance with Sections 315b and 315c of the German Commercial Code (HGB).

The 2023 Sustainability Report was reviewed by SPALL & Kölsch GmbH Wirtschaftsprüfungsgesellschaft.

The comprehensive 2023 Sustainability Report, including the independent auditor's limited assurance report, is available at *https://ir.jost-world.com/responsibility*.

Climate and environment

Resource efficiency is an important objective of our corporate strategy. We are striving to use our resources efficiently and effectively at all times in order to not only generate above-average margins but also continue improving the ecological footprint of our production activities. We are keen to keep our environmental impact as low as possible and avoid it where possible in the course of our business activities. The general goal of our climate and environmental responsibilities is to continually improve our environmental performance indicators. At present, 67% of our production plants are currently ISO 14001-certified (2022: 65%), which equates to 16 of our 24 sites (2022: 13 of 20).

In 2023 we also carried out a dedicated risk analysis to identify potential risks arising from the locations and business activities of our direct suppliers. We can use this analysis to limit the number of suppliers exposed to a high risk of committing human rights or environmental violations and carry out targeted supplier visits and audits to minimize this risk going forward.

We are also trying to use the highest possible proportion of recycled materials in our production. To manufacture our products, we primarily use cast parts that are 80% made from recycled scrap metal or reused materials from our suppliers' own production cycles.

In fiscal year 2023, JOST lowered its group-wide energy consumption by 2.7% year-over-year in absolute terms to 105.3 million kWh (2022: 108.2 million kWh), even though an additional energy consumption of 5.7 million kWh in absolute terms was consolidated due to the acquisition of Crenlo do Brasil and LH Lift effective September 1, 2023.

We would particularly like to highlight our success in reducing carbon emissions in 2023, with carbon emissions (Scope 1 and Scope 2) per production hour falling by 19.0% compared to 2022. This meant we were able to lower our absolute Scope 1 emissions by 5.3% year-over-year and our absolute Scope 2 emissions by 22.6% compared to 2022. These figures include 1,738 tonnes of CO_{2eq} from recently acquired companies Crenlo do Brasil and LH Lift. When adjusted for takeover effects, our Scope 1 and Scope 2 carbon emissions fell by 20.5% year-over-year in absolute terms.

JOST increased the proportion of renewable energy sources within its total electricity consumption by 6.7 percentage points to 36.6% in 2023 (2022: 29.9%). In 2023, we continued to install additional solar panels on the rooftops of our production facilities, increasing the amount of self-generated solar power to 506.8 thousand kWh (2022: 16.2 thousand kWh).

Indicator	Unit	2020 base year	2022 [1]	2023 [2]	Change vs. base year	Change vs. previous year
Electricity consumption	million kWh	50.5	52.0	**50.6**	0 %	-2.7%
Electricity consumption intensity	kWh/ prod. hr.	8.8	6.9	**6.3**	-28.4 %	-8.7%
Natural gas, oil and district heating	million kWh	47.9	56.1	**54.2**	+13.2 %	-3.4%
Natural gas, oil and district heating intensity	kWh/ prod. hr.	8.4	7.4	**6.7**	-20.2 %	-9.5%
Total energy consumption	million kWh	98.4	108.2	**105.3**	+7.0 %	-2.7%
Energy consumption intensity	kWh/ prod. hr.	17.2	14.3	**13.0**	-24.4 %	-9.1%
CO_{2eq} emissions (Scope 1)	t CO_{2eq}	12,746	13,986	**13,242**	+3.9 %	-5.3%
CO_{2eq} emissions (Scope 2)	t CO_{2eq}	23,207	18,191	**14,087**	-39.3 %	-22.6%
CO_{2eq} emissions (Scope 1+2)	t CO_{2eq}	35,952	32,177	**27,328**	-24.0 %	-15.1%
CO_{2eq} emissions (Scope 1+2) per revenue sales	kg CO_{2eq}/ TEUR	45.3	25.4	**21.9**	-51.7 %	-13.8%
CO_{2eq} emissions intensity (Scope 1+2)	kg CO_{2eq}/ prod. hr.	6.3	4.2	**3.4**	-46.0 %	-19.0%

1) The 2022 data was subsequently adjusted based on the final invoices from the energy suppliers, because the 2022 Sustainability Report used extrapolated data based on consumption in the first 11 months. The fiscal year 2023 figures of the acquired companies Crenlo do Brasil and LH Lift are only taken into account from September 1, 2023 (date of consolidation into the group).

2) In some cases, data was extrapolated using the first 11 months of 2023, as the final invoices for some sites were not yet available at the time the report was prepared.

People and corporate culture

We want to create a working environment where our employees feel comfortable, engaged and able to deliver their best work. Our employees and corporate culture play a vital role in ensuring JOST is and remains an attractive employer. We want to make JOST a company where people feel comfortable and happy in their work, as the commitment of our employees determines our performance, our ability to innovate and, ultimately, our long-term business success.

The increase in the average length of service to 6.9 years (2022: 6.6 years) shows that we are on the right track. Reducing our staff turnover rate by 3.8 percentage points to 11.6% underlines this success and demonstrates our employees' strong connection to JOST (2022: 15.4%).

As of the December 31, 2023 reporting date, we employed around 4,500 people worldwide, a year-over-year increase of 24% (December 31, 2022: 3,603). This increase is primarily attributable to the acquisition of Crenlo do Brasil and LH Lift effective September 1, 2023.

We employed an average of 3,992 employees (2022: 3,516), with an additional 550 temporary staff (2022: 606).

Average number of employees by function

	2023	2022	Change vs. previous year
Production	2,802	2,381	+17.7 %
Sales	656	674	-2.7 %
Research and development	164	152	+7.9 %
Administration	370	309	+19.7 %
Total	**3,992**	**3,516**	**+13.5 %**

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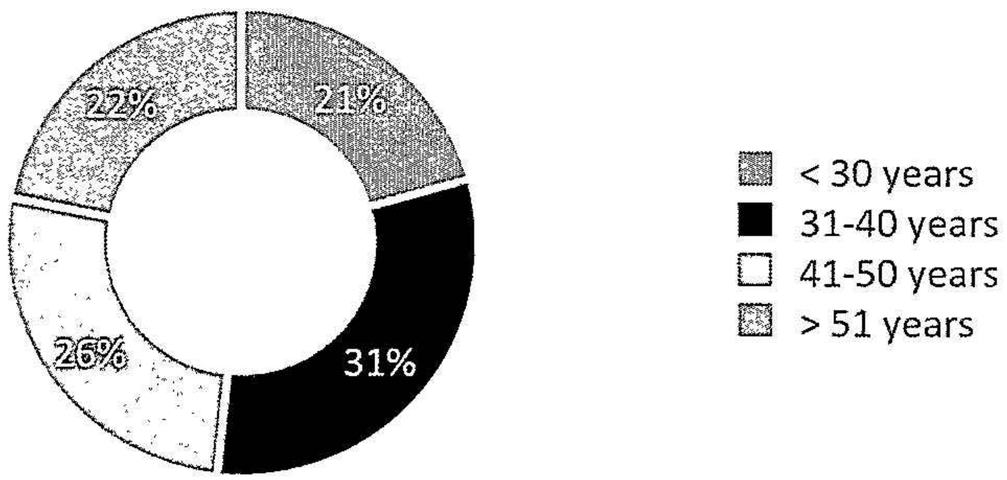
Employees by region

As of December 31, 2023

Employees by age

As of December 31, 2023



Occupational health and safety

The prevention of workplace accidents remained an important issue with regard to the occupational health and safety of our employees. We are responsible for creating and maintaining a safe working environment for our workforce. Preventing workplace accidents is a top priority for JOST as a manufacturing company. With this in mind, JOST sets high global safety standards for handling hazardous substances and other potential risks. Regular information, instructions, training and continuing professional development (CPD) courses, whether legally required or voluntary, increase safety awareness among our employees and empower them to deal with potential risks safely. This enables us to achieve high safety standards across all areas of the group, both in a commercial and non-commercial sense.

When recording workplace accidents, we record not only the incidents but also the severity of injury. We divided accidents into four different levels according to the severity of injury. This allows us to raise awareness among employees and senior managers even more effectively. We also adjusted our methodology for comparing the accident rate between sites to reflect the OHSAS definition; this means we now record workplace accidents in relation to hours at work. This allows us to take varying working hours into account more effectively. All employees, including temporary staff, are considered when recording accidents. We have also harmonized our definition of the severity of injury worldwide and further expanded our internal reporting.

In fiscal year 2023, we included acquired companies Crenlo do Brasil, Brazil, and LH Lift, Finland as well as the newly established logistics center in Erfurt, Germany, in our accident statistics for the first time. As a result, the number of accidents recorded rose year-over-year. In fiscal year 2023, the number of accidents per 200,000 production hours increased to 2.16 (2022: 1.80). Our aim is to reduce this number once again.

Diversity, equality and integration

For 70 years, JOST has been successfully bringing together people with different talents and cultural backgrounds to solve complex problems and drive innovation for our customers. We want to be an attractive employer to people with an array of different backgrounds and lifestyles and provide an environment where everyone feels safe and welcome. With its wide range of perspectives, our diverse leadership team enables us to offer customers across the world solutions tailored to their culture, language and needs.

Our corporate culture is based on respect for the individuality of each person and promotes equal opportunities regardless of age, gender, disability, ethno-cultural background, religion, ideology or sexual identity. Cases of discrimination can be recorded via the JOST reporting system. In 2023, no cases of discrimination were reported according to the definition provided by the International Labour Organisation (ILO) (2022: 0).

Our business and sector pose a challenge to our commitment to achieve gender equality at every level of our business. Our company's expertise is strongly focused on technical roles in which women are still severely underrepresented in training and thus in the application process.

In 2023, the proportion of women across the group fell slightly to 14.9% (2022: 15.4%). This is primarily due to the fact that the consolidation of new subsidiaries Crenlo do Brasil and LH Lift reduced the share of women in the group. Despite this, JOST managed to increase the share of women in management positions in the two levels of management below the Executive Board to 18.6% year-over-year in 2023 (2022: 17.4%). The proportion of women on the Supervisory Board of JOST Werke SE rose to 33% in 2023 (2022: 17%).

Compliance

The JOST compliance management is aimed at ensuring that all of the group's activities comply with the law. Both lawful and responsible conduct and respect for human rights are firmly rooted within our company. By living out our corporate values, we create trust among our employees, customers, business partners, shareholders and the general public. This is vital for the long-term success of our company.

JOST works in line with the recommendations of the Universal Declaration of Human Rights of the United Nations, the core labor standards of the International Labour Organization (ILO), and the OECD Guidelines for Multinational Enterprises as well as the UN Convention on the Rights of the Child. The company's internal Code of Conduct and the requirements defined there as well as the ethical principles JOST has subscribed to of its own accord and our human rights policy are key elements that form the basis of our compliance management system.

JOST's share of consolidated sales generated in countries with a corruption index of <60 rose to 17.6% in the fiscal year 2023 (2022: 12.8%). One reason for this increase was the acquisition of Crenlo do Brasil. This figure is based on the Corruption Perceptions Index (CPI) compiled by Transparency International, which ranks countries by their perceived levels of public sector corruption. The lower the value, the greater the risk of corruption in that particular country. Initiatives for the early detection and prevention of corruption are therefore particularly important. No case of corruption was confirmed in 2023 (2022: 0).

In order to proactively identify and uncover possible violations of statutory regulations and internal policies at an early stage, both our employees and business partners are encouraged to contact the persons directly or to make use of a whistleblower system, anonymously where necessary.

In fiscal year 2023, a total of 7 (2022: 5) potential compliance violations were reported to the Compliance Committee via the SpeakUp reporting system or in other ways, including six violations by JOST employees and one by a third party. The vast majority of these cases related to the conduct of colleagues or line managers and were investigated by the Compliance department and local (HR) departments within a reasonable period of time and either clarified or resolved. The investigation into one case of alleged breach of regulations when awarding a contract had not yet been completed at the time this report was prepared.

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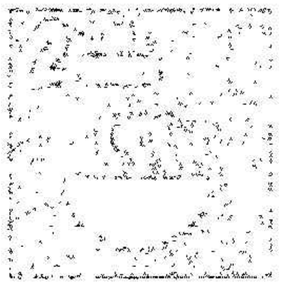
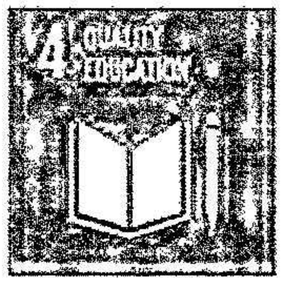
JOST's contribution to sustainability

JOST wants to continue improving its impact on people, the environment and society and is committed to the United Nations' 2030 Agenda. JOST will focus its sustainability efforts on the following action areas going forward:

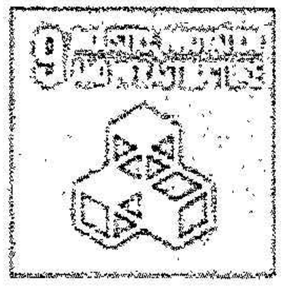


Goal 2 – Zero Hunger: JOST wants to market its products for agricultural tractors in developing countries. By doing so, we can make an important contribution to increasing agricultural productivity in these countries, contributing to alleviate the risks of hunger.

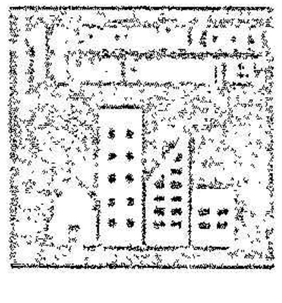


Goal 4 – Quality Education: Through measures in the area of training and further vocational education, JOST provides its employees worldwide with opportunities for professional advancement. Our apprenticeship and talent management programs are aimed primarily at giving young employees new development prospects within JOST.

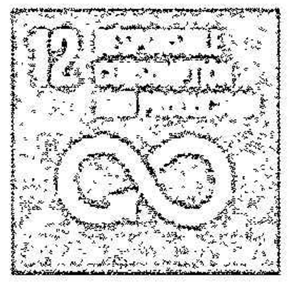
Goal 8 – Decent Work and Economic Growth: JOST pursues ambitious growth targets worldwide. In so doing, we pay attention to the health and safety of all our employees and ensure that human rights and social standards are respected. This also includes preventing all forms of discrimination.



Goal 9 – Industry, Innovation and Infrastructure: As a market leader, JOST sees innovation as the driver of its future growth. The development of eco-friendly products and processes that also meet the complex requirements of our customers is the key to our commercial success.



Goal 11 – Sustainable Cities and Communities: With our systems, we can help make the delivery of goods to cities and rural areas more sustainable and more efficient. Part of our research and development work is focused on developing efficient transport solutions for the logistics sector.



Goal 12 – Responsible Consumption and Production: JOST strives to minimize the consumption of resources during its production activities. We are constantly working to make our production processes more efficient and to reduce waste.

Goal 13 – Climate Action: As a manufacturer catering to the commercial vehicle industry, we want to reduce our own greenhouse gas emissions substantially and help our customers in their quest for carbon neutrality. This important goal of our sustainability activities is reflected in our product innovations.

We engage in dialogue with our stakeholders to discover which aspects of sustainability are of particular interest to them. Every year, we increase and improve the transparency of our non-financial reporting. In doing so, we wish to give our customers, employees, investors, suppliers and affected communities, as well as the inquiring public, an opportunity to see for themselves how JOST is continuously improving its environmental, social and corporate governance.

The quality of our environmental, social and governance work, and the transparency of our reporting on non-financial topics is reflected in the positive sustainability rankings of various rating firms such as MSCI ESG (Rating 2023: AA), Sustainalytics (Rating 2023: Low Risk), and ISS ESG (Rating 2023: C-).

JOST's success story is based on our ability to adapt quickly and to collaborate with our stakeholders to develop solutions that are ahead of the curve.

We have a lot more planned! You can find out more in our *2023 Sustainability Report*

COMBINED MANAGEMENT REPORT

as of December 31, 2023
Neu-Isenburg, Germany

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Fundamental information about the group

Business model and organizational structure

JOST Werke SE is a listed corporation headquartered in Neu-Isenburg, Germany. It is the parent company of the JOST Werke Group ("JOST"), a leading global producer and supplier of safety-critical systems to the commercial vehicle industry. The group's extensive product portfolio of systems for road, agriculture and the construction industry is divided into its four brands JOST, ROCKINGER, TRIDEC and Quicke.

The group's leading global position in the markets for fifth wheel couplings, landing gears and agricultural front loaders is further supported by close, long-standing customer relationships and a capital-efficient business model. JOST has an international distribution network at its disposal, which the group uses to supply original equipment manufacturers (OEMs) of trucks, trailers and agricultural tractors. JOST also sells components to major spare part companies serving these OEMs, and to wholesalers that in turn act as suppliers to smaller OEMs, vehicle fleets, repair shops, farmers and other end users ("aftermarket").

JOST's core operations are structured by region, and accordingly split into the three geographical segments of Europe, North America, and Asia-Pacific-Africa (APA). These segments are also used to structure the group's internal organization, control and reporting.

The group's basis of consolidation changed in fiscal year 2023 as a result of the acquisition of Taxi Brazil Holdings B.V., Amsterdam, the Netherlands, and its subsidiary Crenlo do Brasil Engenharia de Cabines LTDA, Guaranésia, Brazil, as well as the acquistion of LH Lift Oy, Kuusa, Finland, and its subsidiary LH Lift Ningbo Co. Ltd, Ningbo, PR China. As a result, on the reporting date of December 31, 2023, the JOST Werke Group comprised 46 companies (December 31, 2022: 42). JOST also continues to hold a 49% stake in a joint venture in Brazil, which is accounted for using the equity method. *Note 4 of the notes to the consolidated financial statements*

In fiscal year 2023, JOST generated sales of €1,249.7m (2022: €1,264.6m). The group employed an average of 3,992 (2022: 3,516) people worldwide in 2023. As at the reporting date of December 31, 2023, JOST employed approximately 4,500 people. This increase was primarily due to the acquisition of Crenlo do Brasil and LH Lift. With 24 production facilities (including the joint venture in Brazil) in 27 countries on six continents and a large number of sales subsidiaries, JOST is an international company with excellent access to the relevant manufacturers of trucks, trailers, agricultural tractors and construction machines worldwide as well as to end customers.

JOST's strong global presence is reflected in sales by product destination. In the 2023 fiscal year, JOST generated 47.3% of its sales in Europe (2022: 46.3%). The second largest region was the Americas with a 31.5% (2022: 33.3%) share of sales, followed by Asia-Pacific-Africa (APA) with 21.2% (2022: 20.4%). The Latin American market for the transport sector is also served by a joint venture in Brazil. These sales are not consolidated and are therefore not included in reported sales. In 2023, the total sales revenues generated by the Brazilian joint venture declined by 6.7% to €107.4m due to overall declining market demand in Brazil (2022: €115.0m).

Products and services

JOST products are primarily used in two business lines:

Transport: This includes products and systems for trucks and trailers that provide the interface connecting the truck to the trailer. We sell fifth wheel couplings, landing gears and king pins as well as ball bearing turntables and bus articulations under the JOST brand. In addition, we offer axle systems with or without modular suspension systems for trailers as well as leading and trailing axles for trucks. Container locks and components for intermodal transport are also marketed under the JOST brand. The core products from the ROCKINGER brand are towing hitches, towing eyes and drawbars for trucks and trailers. Steering systems and axle suspensions for trailers are offered under the TRIDEC brand.

Agriculture: This includes products such as agricultural front loaders for tractors, various implements for front loaders, and subframes sold under the long-established Quicke brand. Drawbars, towing eyes, towing hitches and ladders from the ROCKINGER brand are also used in agriculture and forestry. In 2023, three-point linkages marketed under the ROCKINGER brand were added to the portfolio. The products of the subsidiaries Crenlo do Brasil and LH Lift, which were acquired in 2023, belong to the Agriculture business line.

Other products and services: Complementing our product portfolio, we offer our OEM customers services that include just-in-sequence production and integrated logistics. Since 2023, we have been producing and selling driver cabs and attachments for the mining, construction and forestry machinery industries under the Quicke brand in Brazil.

We also supply wholesale companies worldwide with components and JOST, ROCKINGER, TRIDEC and Quicke original replacement parts. JOST also offers extensive technical customer service that is able to provide end users (such as fleet operators and farmers) with immediate assistance at short notice or providing guidance on using our products, and can supply them with replacement parts.

Group strategy

The objectives of JOST's group strategy are to ensure sustainable, long-term operating success and the continuous increase in enterprise value this entails. For this purpose, we strive to grow our business and to achieve above-market revenue growth accompanied by strong profitability and cash flows. To achieve these goals, we concentrate on the following strategic action areas:

Product innovations: We want to further consolidate and expand our position as our customers' preferred partner. As one of the world's leading producers of safety-critical systems for the commercial vehicle industry, we have introduced a large number of high-quality, robust and durable branded products to the market over the last few decades. With qualified employees, comprehensive expertise and a high level of product and service quality, we offer our customers the right solutions for their commercial vehicle applications in transport and agriculture with innovations and enhancements. We position ourselves as a development partner to our customers, using our products and services to assist the technological transition to more complex, more sustainable and more intelligent commercial vehicles. Autonomous driving, digitalization and sustainability remain key growth drivers in both the transport industry and the agricultural sector – a trend that is reflected in JOST's product innovations.

Initiatives for growth: We want to consistently strengthen our international market position through organic and inorganic growth. Our long-term customer relationships, existing sales channels and infrastructure and our global presence, combined with the prominence of our brands, provides a foundation for successful expansion. We are promoting the further growth of JOST based on our strong traditional core business in the transport and agriculture sectors. We are actively expanding our product portfolio in a targeted way to include neighboring areas of application within the commercial vehicle industry in order to tap into new revenue streams. We want to further consolidate existing markets and open up new ones with our products and services.

Resource efficiency and cash flow: We want to expand the competitive advantages of our products and services further and successfully differentiate ourselves from our competitors with profitable growth. We are striving to use our resources efficiently and effectively at all times in order to not only generate above-average margins but also continue improving the ecological footprint of our production activities. Our local-for-local approach ensures that we have the flexibility needed to successfully compete in cyclical end markets. At the same time, we benefit from the strong operating cash flow generation available to us for investments in further business growth due to our low plant investment requirements, efficient use of resources and modular product design.

Corporate management and control

Key performance indicators (KPIs) are the primary tool used for the corporate management of the JOST Werke Group. Here, the greatest weighting is given to adjusted EBIT, adjusted EBITDA and sales revenue development. The monthly, quarterly and annual trends for these indicators are compared continuously with prior-year values and planning data. Changes in trends are analyzed and managed at site, segment and group level. The annual trend for the KPIs of adjusted EBITDA and adjusted EBIT margin is incorporated into the calculation of variable remuneration for the Executive Board and executives.

At group level, the above KPIs are supported by a monthly analysis of net working capital (NWC) in relation to sales, net debt (leverage) and net debt in relation to equity (gearing). Any deviations from target values are analyzed and managed as required.

Calculation of financial key performance indicators

± Operating profit (EBIT)
+ D&A from PPA
± Other exceptionals
= Adjusted EBIT
+ Depreciation
+ Amortization
= Adjusted EBITDA

+ Inventories
+ Trade receivables
– Trade payables
= Net working capital
: Sales revenues x 100
= Net Working Capital (NWC) as a percentage of sales

Interest bearing loans + excluding accrued financing costs
– Cash and cash equivalents
= Net debt
: Adjusted EBITDA
= Leverage

Adjusted EBIT
: Sales revenues x 100
= Adjusted EBIT margin

Net debt
: Equity x 100
Gearing

The development of KPIs in the 2023 fiscal year and any potential deviations are explained in the report on economic position. *Course of business in 2023*

Takeover-related disclosures

The disclosures as of December 31, 2023, required by Sections 289a and 315a of the Handelsgesetzbuch (German Commercial Code – HGB) and the explanatory report are presented in the paragraphs below, which in addition to those statutory disclosures also include the related narrative explanations in accordance with Section 176 (1) of the Aktiengesetz (German Stock Corporation Act – AktG):

Subscribed capital: As of December 31, 2023, the share capital of JOST Werke SE amounted to €14,900,000, composed of 14,900,000 no-par value bearer shares, each with an imputed notional value of €1.00. Each share carries one vote at the General Meeting, determines the shareholders' share of the profit generated by the company and has the same statutory rights and obligations attaching to it. Shareholders' rights and obligations are governed by the provisions of the AktG, in particular Sections 12, 53a et seq., 118 et seq. and 186 AktG.

Restrictions on voting rights and the transfer of shares: The exercise of voting rights and the transfer of shares are governed by the general statutory provisions and the Articles of Association, which restrict neither. Article 18 of the Articles of Association sets out the requirements that must be met in order to attend the General Meeting and exercise voting rights. In the cases referred to in Section 136 AktG, voting rights attaching to the shares concerned are disapplied by law. If the company holds treasury shares – which was not the case as of December 31, 2023, – no rights may be exercised in respect of those shares pursuant to Section 71b AktG.

At the time this group management report was prepared, the company's Executive Board is not aware of any agreements affecting the voting rights or the transfer of company shares.

Interests in the share capital exceeding 10%: By the December 31, 2023, reporting date, the company had been informed of the following interests exceeding 10%:

- 20.11% of the voting rights in JOST Werke SE were attributed to Allianz Global Investors GmbH (Frankfurt, Germany) via its managed funds in accordance with Section 34 of the Wertpapierhandelsgesetz (German Securities Trading Act – WpHG). Of this amount, Allianz SE (Munich, Germany) was attributed 13.76% of the voting rights of JOST Werke SE based on the notification dated October 24, 2023. Allianz Global Investors GmbH makes all decisions relating to the exercise of the voting rights in JOST Werke SE attributed to Allianz SE independently of Allianz SE. As a result, Allianz SE's voting rights are included in the voting rights attributed to Allianz Global Investors GmbH.
- Kai Möhrle and the company he controls, Vierunddreißigste PMB Management GmbH (Hamburg, Germany), informed the company on March 23, 2022 that 15.03% of the voting rights in JOST Werke SE are attributed to him in accordance with Section 34 WpHG.

According to the notifications received by us in accordance with Sections 33 et seq. of the Wertpapierhandelsgesetz (German Securities Trading Act – WpHG), there were no other direct or indirect interests in the company's share capital that reached or exceeded 10% of the voting rights as of December 31, 2023.

On January 17, 2024, Kai Möhrle and the company he controls, Vierunddreißigste PMB Management GmbH informed JOST Werke SE that 20.13% of the voting rights in JOST Werke SE are attributed to him.

At the time this Group management report was prepared, the Executive Board was not aware of any other shareholdings of more than 10%.

Appointment and dismissal of Executive Board members: The appointment and dismissal of Executive Board members are governed by Sections 84 and 85 AktG in conjunction with Article 9 of the Articles of Association. This is generally the responsibility of the Supervisory Board; in urgent cases where the Executive Board is lacking a necessary member, the court is required to appoint the member at the request of a person concerned. In accordance with Article 9 of the Articles of Association, the Executive Board consists of one or more members. The number of Executive Board members is decided by the Supervisory Board, which may also appoint a Chair and a Deputy Chair of the Executive Board.

Amendments to the Articles of Association: In accordance with Sections 119 (1) 6. and 179 (1) sentence 1 AktG, the Articles of Association may be amended by resolution of the General Meeting. In accordance with Section 179 (2) AktG in conjunction with Article 21 (2) of the Articles of Association, a simple majority of the share capital represented when the resolution is passed is generally sufficient for this, in addition to a simple majority of the votes cast, unless statutory provisions or the Articles of Association require a larger majority. Article 13 (5) of the Articles of Association authorizes the Supervisory Board to pass resolutions on amendments to the Articles of Association that only affect their wording.

Under Article 5 (3) of the Articles of Association, the Supervisory Board is authorized to amend the wording of the Articles of Association accordingly following the use of Authorized Capital 2023 or expiration of the period during which Authorized Capital 2023 may be used on May 10, 2026. Amendments to the Articles of Association become effective upon their entry in the commercial register (Section 181 (3) AktG).

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Powers of the Executive Board to issue and repurchase shares: Based on a resolution adopted by the General Meeting on May 11, 2023, the Executive Board is authorized, with the consent of the Supervisory Board, to increase the company's share capital by a total of up to €7,450,000.00 once or in several installments until May 10, 2026 by issuing new no-par value bearer shares against cash contributions (Authorized Capital 2023; Article 5 of the Articles of Association). If new shares are issued from Authorized Capital 2023, shareholders generally have preemptive rights, which may be disapplied only in certain cases described in greater detail in Article 5 (2) of the Articles of Association and subject to the conditions stated there. The Executive Board has not yet exercised this authorization.

According to a further resolution adopted by the General Meeting on May 11, 2023, the Executive Board is authorized, with the approval of the Supervisory Board, to issue warrants, convertible bonds and/or income bonds as well as profit participation rights or combinations of these instruments (collectively referred to as "bonds") with a total nominal value of up to €650m with or without a limited maturity period against cash contributions until May 10, 2026 and to issue the bearers and/or creditors of the bonds with option and/or conversion rights for up to 7,450,000 new no-par-value bearer shares in the company representing up to €7,450,000.00 of share capital in accordance with the more detailed bond conditions. While shareholders generally have preemptive rights, the Executive Board is authorized to disapply shareholders' preemptive rights to the bonds subject to the conditions outlined in the aforementioned authorizing resolution with the approval of the Supervisory Board. Further details can be found in the proposed resolution adopted by the General Meeting under agenda item 10 of the General Meeting on May 11, 2023. The Executive Board has not yet exercised this authorization. In order to service the bonds, the General Meeting conditionally increased the share capital of the company by up to €7,450,000.00 by issuing up to 7,450,000 new no-par-value bearer shares (Conditional Capital 2023; Article 6 of the Articles of Association).

The issue of new shares from Authorized and Conditional Capital 2023 is only permitted as long as the number of new shares issued from the combined Authorized and Conditional Capital 2023 does not exceed a total of 7,450,000 (corresponding to €7,450,000.00 of the share capital), even taking into account any new shares issued previously during the term of the authorizing resolutions adopted on May 11, 2023.

The General Meeting of May 11, 2023 also authorized the company until May 10, 2026 to buy back its own shares in a volume up to a total of 10% of the existing share capital at the time the resolution was passed or, in the event that this figure is lower, the existing share capital at the time the authorization is exercised. The own shares acquired can be used for any legally permitted purpose. Further details can be found in the authorization resolution adopted by the General Meeting on May 11, 2023 (agenda item 8). The company has not acquired any of its own shares as of the preparation date of this report.

Material agreements in the event of a change of control: Financing agreements existed as December 31, 2023 between JOST Werke SE and various lenders for promissory note loans totaling €149.5m that give creditors the right to terminate or call the financing in the event of a change of control if the parties concerned cannot agree a continuation. The company also has agreements with a consortium of banks for a revolving cash facility totaling up to €150.0m that give creditors similar termination rights in the event of a change of control. In addition, a new credit facility of €120m was agreed in December 2019 to finance the acquisition of the Ålö Group, which also gives creditors a right of termination in the event of a change of control.

Other takeover-related disclosures: There are no shares conveying special control rights. A long-term incentive plan (LTIP) for executives (excluding the Executive Board) is in place at JOST, which is linked to the performance of phantom stocks in JOST Werke SE. The Executive Board contracts of Oliver Gantzert and Dirk Hanenberg likewise include a long-term variable component (LTI) that is linked to the performance of phantom stocks in JOST Werke SE. Neither the remuneration system for the Executive Board nor the long-term incentive plan for executives grants shares or stock options. No compensation arrangements have been agreed between the company, the members of the Executive Board or employees in the event of a takeover.

Report on economic position for 2023

Executive Board's overall assessment of the economic situation in 2023

JOST's broad international presence, diverse product portfolio and balanced distribution of sales revenue between trucks, trailers and tractors enabled the group to record a highly successful business performance in 2023. JOST could generate the highest adjusted EBIT in its history so far, despite a mixed and at times challenging market environment.

Consolidated sales fell slightly by 1.2% year-over-year to €1,249.7m in fiscal year 2023 (2022: €1,264.6m), impacted by high negative currency effects of €-41.7m (2022: € +40.0m) and a weak demand for agricultural components. Sales of €26.0m from the companies Crenlo do Brasil and LH Lift, consolidated with effect from September 1, 2023, had a positive effect on sales. Adjusted for currency translation and acquisition effects, organic sales in fiscal year 2023 rose slightly by 0.1% compared to 2022.

JOST benefited from robust demand in the transport sector, thus offsetting the weakness in its agricultural business. The group's sales in the transport sector increased by 6.0% in fiscal year 2023 to €993.4m (2022: €936.9m). In contrast, sales of agricultural components declined by 21.8% to €256.3m in 2023 (2022: €327.7m). JOST grew most strongly in the Asia-Pacific-Africa region, with sales in 2023 going up by 20.2% to €207.6m (2022: €172.8m). In Europe, sales declined slightly by 1.1% to €687.8m (2022: €695.5m) and in North America they went down by 10.6% to €354.2m (2022: €396.3m).

By increasing efficiency and quickly implementing cost-cutting measures, JOST was able to significantly increase adjusted EBIT by 13.7% year-over-year to €140.8m despite the decline in sales in fiscal year 2023 (2022: €123.8m). Thus, the group markedly improved its adjusted EBIT margin by 1.5 percentage points to 11.3% (2022: 9.8%). This represents a considerably greater improvement in profitability than forecast at the start of 2023 and underscores the group's ability to adapt to volatile market conditions.

JOST also laid an important strategic foundation for its future growth in 2023. The new production plant in Chennai, India, came into operation on schedule in the third quarter of 2023, joining Ningbo, China, as the second production hub for agricultural components in Asia.

JOST also acquired two companies in the agriculture sector in 2023. Taxi Brazil Holdings B.V., Netherlands, the sole shareholder of Crenlo do Brasil Engenharia de Cabines LTDA ("Crenlo do Brasil") and LH Lift Oy ("LH Lift"), Finland, were included in the group's basis of consolidation with effect from September 1, 2023. These acquisitions add highly complementary products to JOST's product portfolio while at the same time expanding the group's regional reach and industrial expertise. For more information about this, see the section entitled *Significant business events*.

The development of free cash flow was also highly positive in 2023, with JOST more than quadrupling free cash flow to €+112.3m compared to the previous year (2022: € +23.7m). This improvement is primarily attributable to the positive performance of adjusted EBITDA and the working capital improvements achieved. Free cash flow per share surged to €+7.54 (2022: €1.59).

Working capital decreased by 1.9% year-over-year to €236.1m (2022: €240.7m), although Crenlo do Brasil and LH Lift contributed additional working capital of €21.0m as part of their initial consolidation. The ratio of working capital to sales also improved year-over-year to 18.0%, thus coming in below its target level of 19% (2022: 19.0%). To avoid any distortion of the group's key figures, the sales of Crenlo do Brasil and LH Lift for the last 12 months were included in this calculation (€61.8m higher compared to the consolidated financial statements). As a result, JOST achieved its target for fiscal year 2023.

Although the net purchase price for the acquisition of Crenlo do Brasil and LH Lift (purchase price less cash acquired) of €52.8m was fully financed by using existing credit lines and its own liquid assets, JOST was able to significantly reduce its net debt by €-16.7m to €180.7m as of December 31, 2023 (December 31, 2022: €197.4m) due to strong cash generation in 2023. This reduction in net debt, combined with the increase in adjusted EBITDA for 2023 over the last 12 months (€8.0m higher compared to the consolidated financial statements including Crenlo do Brasil and LH Lift) led to a significant improvement in the leverage ratio, which fell by 18.3% to 0.998x, placing it below the 1.0x mark (December 31, 2022: 1.278x).

Further details of JOST's performance during the 2023 fiscal year are reported in the section entitled *Course of Business for 2023*.

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Significant business events in 2023

Conversion into a Societas Europaea (SE) completed: On May 5, 2022, the company's General Meeting had adopted a resolution to convert JOST Werke SE into a European stock corporation (Societas Europaea, SE) with a majority of 99.99%. On November 22, 2022, employee and employer representatives then signed a participation agreement that governs co-determination in the workplace at JOST Werke SE. The conversion of JOST Werke AG into JOST Werke SE was completed and became effective upon its entry in the commercial register on March 20, 2023. The change in legal form will not give rise to any changes for shareholders, customers or employees. Neu-Isenburg, Germany, will continue to be the registered office of JOST Werke SE. The listing on the Frankfurt Stock Exchange and the company's ticker symbol also remained unchanged.

New Authorized and Conditional Capital: The Annual General Meeting of JOST Werke SE was held in Neu-Isenburg on May 11, 2023. The General Meeting authorized the Executive Board to buy back the company's own shares in a volume up to a total of 10% of the existing share capital and to increase the share capital of JOST Werke SE by up to €7,450,000.00 through the issue of up to 7,450,000 shares (Authorized Capital 2023). In addition, the shareholders passed a resolution authorizing the Executive Board to issue warrants, convertible bonds or income bonds as well as profit participation rights or combinations of these instruments (Conditional Capital 2023). The option to disapply preemptive rights is collectively limited to a total of 10% of the share capital for Authorized Capital 2023 and Conditional Capital 2023. Taking preemptive rights into account, the capital authorizations are together limited to 50% of the company's share capital. The three authorizations expire on May 10, 2026.

New Supervisory Board elections: The shareholders approved the Supervisory Board's proposal and elected Ms. Diana Rauhut and Mr. Karsten Kühl to the Supervisory Board of JOST Werke SE. Previous Supervisory Board members Ms. Natalie Hayday, Mr. Rolf Lutz, Mr. Jürgen Schaubel and Dr. Stefan Sommer were re-elected by the General Meeting. Prof. Dr. Bernd Gottschalk and Mr. Klaus Sulzbach were not available for re-election.

Changes in the Executive Board: The former Chief Financial Officer Dr. Christian Terlinde asked the Supervisory Board of JOST Werke SE to rescind his contract by mutual agreement with effect from June 30, 2023 so that he could take on a new executive role outside the group. The Supervisory Board appointed Mr. Oliver Gantzert as the new CFO with effect from September 1, 2023.

Acquisition and consolidation of Crenlo do Brasil: On August 30, 2023, JOST signed the purchase agreement for the acquisition of 100% of the share capital of Taxi Brazil Holdings B.V., Netherlands, the sole shareholder of Crenlo do Brasil Engenharia de Cabines LTDA ("Crenlo do Brasil").

Crenlo do Brasil has been manufacturing products for the agricultural, mining, construction and forestry machinery industry in Brazil for more than 23 years. This acquisition gives JOST direct access to the Brazilian off-highway and agricultural machinery sector. Crenlo do Brasil owns and operates a production facility in Guaranésia, Minas Gerais, Brazil, that will serve as the production hub for JOST's agricultural business in the southern hemisphere. The company's customers include major global OEMs that operate in Brazil. Its management team will remain part of the company after the acquisition. This acquisition supports JOST's strategy of expanding in Brazil's significant off-highway and agricultural machinery market in order to accelerate the group's growth in the region.

The fixed purchase price was €51.0m. In fiscal year 2023, Crenlo do Brasil generated total sales of €74.0m. The entity was included in the JOST Werke Group's basis of consolidation with effect from September 1, 2023. Crenlo do Brasil's sales contribution to the JOST Werke Group in fiscal year 2023 amounted to €22.4m. Since January 4, 2024, Crenlo do Brasil has been trading as JOST Agriculture & Construction South America LTDA.

Acquisition and consolidation of LH Lift Oy: Also on August 30, 2023, JOST acquired 100% of the share capital of LH Lift Oy ("LH Lift"), Finland.

Founded in 1975, LH Lift is a family business headquartered in Kuusa, Finland. It operates production facilities in Finland and China. The company supplies products to agricultural OEMs in Europe, Asia and South America. LH Lift's three-point linkages and hitches expand JOST's existing product portfolio for the agricultural machinery industry. Using JOST's sales channels to market LH Lift's products will create new sales synergies that will drive the group's growth.

The purchase price for LH Lift was €8.7m. It consists of a fixed payment of €6.9m and a variable component amounting to €1.8m, with the latter being linked to the achievement of certain financial targets. Should the gross margin of LH Lift Oy and its wholly-owned subsidiary LH Lift Ningbo Co. Ltd, Ningbo, PR China, exceed a certain absolute figure in fiscal years 2023 to 2025, JOST is obliged to pay the former owners of LH Lift Oy up to €2.0m from 2024 to 2026.

In fiscal year 2023, LH Lift generated total sales of €13.8m. The entity was included in the JOST Werke Group's basis of consolidation with effect from September 1, 2023, as a result of which the sales contribution to JOST made by LH Lift in fiscal year 2023 came to €3.7m.

Earn-out payment for the takeover of the Ålö Group finalized: A possible earn-out payment of up to €25m was agreed in connection with the acquisition of Ålö Holding AB in the 2020 fiscal year, with the final amount to be determined depending on the adjusted gross profit achieved by Ålö Holding AB in 2020. Based on the assessment made at the acquisition date, JOST had already recognized €10.2m as contingent consideration during purchase price allocation. In December 2023, the final earn-out amount for the acquisition of the Ålö Group was set at €20.2m by way of arbitration. The previously unrecognized obligation amount of €10.0m plus €3.8m in interest was also reported under other current financial liabilities as at the balance sheet date. The entire remaining amount was paid on January 3, 2024.

New production plant in India goes into operation: In September 2023, the new production plant in Chennai, India, came into operation on schedule, joining Ningbo, China, as the second production hub for agricultural components in Asia. This new facility will further strengthen JOST's geographical presence in Asia and open up new opportunities for growth in the agricultural sector. JOST signed two new supply agreements with agricultural OEMs in India in 2023, which in the short to medium term will contribute to the growth of the agricultural business in the region.

Macroeconomic and sector-specific environment in 2023

Macroeconomic environment

The global economy is performing more robustly than expected. According to statements made by the International Monetary Fund (IMF) in a study published in January 2024, the global economy proved particularly resilient in 2023 by recovering from the effects of the pandemic and the war in Ukraine as well as the inflation crisis. According to IMF figures, inflation fell more rapidly than anticipated from its 2022 peak. The rigorous monetary policy measures introduced had a less severe impact on the labor markets and economy than originally feared, although higher interest rates and stricter lending conditions adversely affected the construction industry and housing market. The stabilization of global supply chains in the second half of 2023 had a positive impact on global trade and economic activity.

The IMF anticipates 3.1% year-over-year growth in global gross domestic product (GDP) for the past fiscal year 2023 (2022: 3.5%). Global trade rose by just 0.4% year-over-year in 2023, primarily as a result of supply chain bottlenecks seen in the first half of 2023 (2022: 5.2%). In Europe, the IMF expects the gross domestic product to grow by 0.5% in 2023 (2022: 3.4%), partially burdened by a decline of 0.3% in German economic output compared to 2022 (2022: 1.8%). For the USA, the IMF forecasts further GDP growth in 2023 of 2.5% compared with 2022 (2022: 1.9%). According to the IMF, the economy in Asia's emerging and developing countries is likely to have expanded by 5.4% in 2023 (2022: 4.5%), with India in particular contributing GDP growth of 6.7% to this positive trend (2022: 7.2%). The IMF expects the economy in China to have grown by 5.2% (2022: 3.0%). According to the IMF, Latin America also grew by 2.5% year-over-year in 2023 (2022: 4.2%).

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Sector-specific environment

Truck market remains robust supported by catch-up effects: According to a study published by LMC Automotive in January 2024, heavy truck production continued to rise in 2023 compared with the previous year. Ongoing supply bottlenecks during the past fiscal year meant that some production orders from the previous year were postponed until 2023. In Europe in particular, the war in Ukraine and resulting supply chain bottlenecks adversely impacted the production capabilities of truck manufacturers (OEMs) in 2022, which meant truck demand could not be fully satisfied in some cases.

In a study published in January 2024, LMC Automotive expects global heavy truck production to have increased by 17.9% year-over-year in 2023. However, the typical regional differences in demand cycles were clearly noticeable again in 2023. According to LMC Automotive figures, truck production in Europe – a region particularly affected by shifts in demand in 2022 – grew by 13.8% year-over-year in 2023.

According to a January 2024 study published by FTR Transportation Intelligence, a research firm specializing in North America, truck production in the region increased by 3.6% year-over-year in 2023. The institute noted a slowdown in the North American truck market in the fourth quarter of 2023 after a strong start to the year.

In its January 2024 study, LMC Automotive estimated that heavy truck production in Asia-Pacific-Africa (APA) surged by 30.7% in 2023. After a sharp decline in the Chinese market in fiscal year 2022, demand for trucks in this market recovered in 2023, partly supported by a strong export business. According to LMC Automotive, Chinese truck production could have grown by 43.9% during the year under review after weak production figures in 2022. Other markets in the region, especially India and the Pacific nations, also recorded strong year-over-year growth.

According to LMC Automotive, truck production in South America declined sharply by 37.0% year-over-year in 2023.

Global trailer market contracts in 2023: According to estimates of forecasting firm Clear Consulting published in a study in the second half of 2023, worldwide trailer production fell by 3.1% year-over-year in 2023. This negative trend is primarily due to the declining trailer market in Europe.

In Europe, Clear Consulting's market experts expect trailer production to have declined by 10.9% year-over-year in 2023. According to forecasting firm FTR Transportation Intelligence, the North American trailer market grew by 4.4% in 2023 compared to 2022. The market for trailers in Asia-Pacific-Africa (APA) saw a particularly strong performance. Clear Consulting estimates that trailer production in APA increased by 11.4% year-over-year in 2023. Clear Consulting expects the trailer market in Latin America to be 11.0% down on the previous year in 2023.

Market for agricultural tractors contracts: According to data from agricultural OEMs in February 2024, global demand for tractors declined in 2023 compared to the previous year. Sales figures for low and medium power tractors, which is the segment relevant for JOST, saw a particularly sharp drop, while sales of high power tractors rose, compensating to some extent for the overall market decline. The compact tractor market in North America in particular collapsed sharply compared with the previous year. Sales of agricultural tractors in Europe also declined in 2023 in comparison with the previous year. According to agricultural OEM data from February 2024, tractor sales in Europe and North America fell by up to 5% year-over-year in 2023.

Course of business in 2023

Variance analysis

There were considerable differences in the development of demand in the transport and agricultural businesses during fiscal year 2023. Thanks to strong growth in the transport sector triggered in particular by robust demand for truck components, JOST was able to offset the decline in agricultural demand in the first six months of the year. However, the market environment for agricultural front loaders deteriorated further in the second half of 2023, with the North American market for compact tractors recording a particularly severe slump in the second half that forced JOST to adjust the sales growth target it previously announced at the start of 2023.

Overall, consolidated sales were down slightly by 1.2% year-over-year at €1,249.7m (2022: €1,264.6m) in fiscal year 2023.

Despite the decline in sales, the productivity gains achieved in the transport sector and cost reduction measures successfully introduced in the agricultural business enabled JOST to record a double-digit percentage increase in adjusted EBIT, which rose by 13.7% year-over-year to €140.8m in fiscal year 2023 (2022: €123.8m). Likewise, adjusted EBITDA increased by a double-digit percentage amount, climbing by 12.0% year-over-year to €173.1m (2022: €154.5m).

The significant improvement in profitability lifted the adjusted EBIT margin for 2023 by an impressive 1.5 percentage points to 11.3% compared to 2022 (2022: 9.8%).

This enabled JOST to significantly exceed the targets for the expected development of adjusted EBIT, adjusted EBITDA and the adjusted EBIT margin that it set in early 2023 and later raised.

Like sales, investments in property, plant and equipment and intangible assets fell slightly to €30.8m (2022: €32.3m), which meant that capital expenditure (excluding acquisitions) amounted to 2.5% of sales in fiscal year 2023 (2022: 2.6%). JOST thus met its forecast for 2023 of investing around 2.5% of its sales volume.

JOST managed to achieve a further improvement in its ratio of net working capital to sales year-over-year. With a ratio of 18.0%, JOST achieved its target for fiscal year 2023 of improving its net working capital ratio compared to the previous year (2022: 19.0%) and dropped this figure below the 19.0% mark.

We also hit our target of reducing the leverage ratio further year-over-year and moved below the important threshold of 1.0x EBITDA with a leverage ratio of 0.998x in 2023 (2022: 1.278x).

The following table shows the forecasts when the 2022 annual report was published, the updated guidance announced during the year and the results achieved in fiscal year 2023.

Variance analysis of the financial key performance indicators for 2023

Indicator	2022 results	2023 guidance	Updated on November 8, 2023	2023 results
Sales	€1,264.6m	low single-digit growth vs. 2022	stable year-over-year	-1.2% to €1,249.7m
Adjusted EBIT	€123.8m	low single-digit growth vs. 2022	high single-digit growth vs. 2022	+13.7% to €140.8m
Adjusted EBIT margin	9.8%	slight increase vs. 2022	significant increase vs. 2022	11.3%
Adjusted EBITDA	€154.5m	low single-digit growth vs. 2022	high single-digit growth vs. 2022	12.0% to € 173.1m
Capital expenditures	€32.3m	approx. 2.5%	no update	€30.8m
as a percentage of sales	2.6%			2.5%
Net working capital	€240.7m	lower than 2022;	higher than 2022;	€236.1m
as a percentage of sales	19.0%	less than 19% of sales	less than 20% of sales	18.0% [1]
Leverage	1.278x	lower than 1.28x	no update	0.998x [2]

1) The sales of Crenlo do Brasil and LH Lift for the last twelve months (€61.8m higher compared to the consolidated financial statements) are included in the calculation.
2) The adjusted EBITDA of Crenlo do Brasil and LH Lift for the last twelve months (€8.0m higher than in the consolidated financial statements) is included in the calculation.

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Sales

Sales revenues by origin			
in € thousands	**2023**	2022	% yoy
Europe[1]	687,811	695,516	-1.1%
North America	354,247	396,339	-10.6%
Asia-Pacific-Africa (APA)[2]	207,646	172,751	20.2%
Total	**1,249,704**	**1,264,606**	**-1.2%**
Of which transport	**993,369**	**936,926**	**6.0%**
Of which agriculture[3]	**256,335**	**327,680**	**-21.8%**

1) Sales in the Europe segment include €24.5m resulting from the takeover of Crenlo do Brasil and LH Lift.
2) Sales in the APA segment include €1.5m resulting from the takeover of LH Lift.
3) Sales in the agriculture sector include €26.0m resulting from the takeover of Crenlo do Brasil and LH Lift.

JOST's consolidated sales were down slightly by -1.2% at €1,249.7m (2022: €1,264.6m) in fiscal year 2023, with strong negative currency effects of €-41.7m playing a role in this decline (2022: €+40.0m). Sales revenues amounting to €26.0m from the acquired Crenlo do Brasil and LH Lift, which were consolidated with effect from September 1, 2023, had a positive impact on group sales. Adjusted for currency translation and acquisition effects, sales rose slightly by 0.1% year-over-year in fiscal year 2023.

The 2023 market environment presented a mixed picture that was reflected in JOST's sales performance. According to LMC Automotive, demand for trucks continued to rise compared to 2022, and was further strengthened by pent-up demand from the previous year. By contrast, demand for agricultural front loaders slumped, particularly in the compact segment. As a result, sales in the agricultural business fell by 21.8% to €256.3m in 2023 (2022: €327.7m). This figure includes sales from Crenlo do Brasil and LH Lift as well as negative currency translation effects amounting to €-14.3m. Organic sales in the agricultural business fell by 25.4% year-over-year in 2023 when adjusted for currency and takeover effects.

JOST's sales in the transport sector increased by a 6.0% in fiscal year 2023 to €993.4m (2022: €936.9m). The reported sales figure for this business was reduced by negative currency translation effects in particular; when adjusted for currency effects, transport sales rose by 9.0% year-over-year.

In Europe, sales fell slightly by 1.1% year-over-year to €687.8m (2022: €695.5m). Adjusted for negative currency translation effects, sales in this region rose by 0.9% year-over-year. Sales of €24.5m from the consolidation of Crenlo do Brasil and LH Lift, which were reported in the Europe segment, had a positive impact. Demand for truck components in Europe rose sharply year-over-year in 2023, after OEMs were forced to postpone orders from 2022 to 2023 due to supply chain interruptions caused by the war in Ukraine. As a result, JOST was almost able to fully offset weak demand for trailers and agricultural front loaders.

In North America, sales decreased by 10.6% to €354.2m in fiscal year 2023 (2022: €396.3m). This trend was exacerbated by negative currency translation effects caused by the depreciation of the US dollar against the euro. After adjusting for this effect, sales in North America were down 8.1% in 2023 compared with 2022. In North America, weak demand for low and medium power agricultural tractors in particular, especially in the compact segment, significantly reduced sales of front loaders versus the previous year. After a strong start to 2023, demand in the transport sector slowed towards the end of the year, which also adversely affected the region's sales performance.

In Asia-Pacific-Africa (APA), JOST increased its sales significantly by 20.2% year-over-year to €207.6m (2022: €172.8m). This positive performance was primarily driven by persistently high demand for JOST products in India, Australia and South Africa as well as the gradual recovery of the truck market in China. APA sales rose even more sharply by 30.6% in 2023 compared to 2022 when adjusted for currency effects. Sales of €1.5m from the consolidation of LH Lift effective September 1, 2023 also had a positive effect.

Earnings performance

Results of operations in 2023			
in € thousands	2023	2022	% yoy
Sales revenues	**1,249,704**	**1,264,606**	**-1.2 %**
Cost of sales	-924,764	-927,586	-0.3 %
Gross profit	**324,940**	**337,020**	**-3.6 %**
Gross margin	**26.0 %**	**26.7 %**	**-0.7 %-points**
Operating expenses / income	-232,158	-248,278	-6.5 %
Operating profit (EBIT)	**92,782**	**88,742**	**4.6 %**
Net finance result	**-21,338**	**-8,649**	**146.7 %**
Profit/loss before tax	**71,444**	**80,093**	**-10.8 %**
Income taxes	-19,153	-20,247	-5.4 %
Profit/loss after taxes	**52,291**	**59,846**	**-12.6 %**
Earnings per share (in €)	**3.51**	**4.02**	**-12.7 %**

In fiscal year 2023, the group's gross margin declined year-over-year to 26.0% (2022: 26.7%). The main reason for this was particularly the high cost of raw materials, transport, energy and alloying in the first half of 2023, which had a negative impact on the gross margin. The Europe region was particularly affected by this as a result of high energy prices. Due to the efficiency improvements achieved, and bolstered by the stabilization of the commodity and energy markets, JOST reduced the cost of sales disproportionately compared to sales and stabilized the gross margin during the second half of 2023. A negative mix effect caused by the year-over-year decline in sales in the agricultural business also contributed to the slight drop in gross margin.

Operating expenses fell more sharply than sales in 2023, decreasing by 6.5% to €232.2m (2022: €248.3m) and were the main driver behind the improvement in EBIT during the period under review. This development is due in part to lower outbound freight costs, especially for ocean freight. As a result, selling expenses dropped considerably by 18.2% to €132.6m in 2023 compared with the previous year (2022: €162.1m).

Research and development expenses rose year-over-year in 2023 and amounted to €20.2m (2022: €19.7m).

Administrative expenses increased by 15.1% to €75.0m compared to the previous year (2022: €65.1m). This rise was primarily due to non-recurring exceptionals resulting from legal and consulting fees related to the earn-out payment for the acquisition of the Ålö Group amounting to €2.1m as well as expenses for human resources measures and site relocation costs.

Other expenses decreased to €-25.5m in 2023, in particular due to the sharp decline in currency losses (2022: €-33.4m). In contrast, the earn-out payment increased other expenses by €10.0m. Other income also decreased to €14.6m, mainly due to declining currency gains (2022: €23.1m). These effects balanced each other out, and as a result the net position of other income and expenses remained almost unchanged year-over-year at €-10.9m in fiscal year 2023 (2022: €-10.3m).

Overall, JOST increased earnings before interest and taxes (EBIT) by 4.6% year-over-year to €92.8m in fiscal year 2023 despite the decline in sales and aforementioned non-recurring exceptionals (2022: €88.7m).

EBIT adjusted for exceptionals rose sharply by 13.7% to €140.8m in fiscal year 2023 compared with 2022 (2022: €123.8m). The adjusted EBIT margin improved considerably by 1.5 percentage points to 11.3% during the period under review (2022: 9.8%).

Earnings before interest, taxes, depreciation and amortization (EBITDA) adjusted for exceptionals grew by 12.0% to €173.1m in fiscal year 2023 (2022: €154.5m). The adjusted EBITDA margin improved to 13.9% (2022: 12.2%).

The following table shows a summary of adjustments made:

Reconciliation of adjusted earnings in 2023

in € thousands	2023	2022
EBIT	**92,782**	**88,742**
D&A from PPA	25,660	27,278
Earn-out effects	12,017	0
Other effects	10,299	7,821
Adjusted EBIT	**140,758**	**123,841**
Adjusted EBIT margin	**11.3 %**	**9.8 %**
Depreciation	-29,075	-27,463
Amortization	-3,261	-3,188
Adjusted EBITDA	**173,094**	**154,492**
Adjusted EBITDA margin	**13.9 %**	**12.2 %**

The adjustments made in fiscal year 2023 partly related to non-operating or non-cash exceptionals arising from depreciation and amortization in connection with purchase price allocation (D&A from PPA) amounting to €25.7m (2022: €27.3m). Another exceptional in fiscal year 2023 was the determination of a final earn-out payment of €20.2m for the acquisition of the Ålö Group in arbitration proceedings. Excluding the provisions recognized for the earn-out payment as part of the purchase price allocation, non-recurring exceptional expenses of €12.0m were incurred in 2023 as a result of the final specified amount (2022: €0). Of this total, €10.0m relates to the purchase price payment, while a further €2.0m is attributable to legal and consultancy fees. Other effects amounted to €10.3m in 2023 and were primarily attributable to expenses for human resources measures, costs for relocating sites, and costs associated with the acquisition of Crenlo do Brasil and LH Lift (2022: €7.8m).

The net finance result fell by €12.7m to €-21.3m in 2023 (2022: €-8.6m). This decline is mostly due to the increase in interest expense for the interest-bearing bank loans, which rose to €16.9m in 2023 (2022: €5.6m). Interest expense totaling €3.8m relating to the earn-out payment for the acquisition of the Ålö Group also had a negative impact on the net finance result. In addition, unrealized currency losses arising from the measurement of derivatives and foreign currency loans also reduced the net finance result compared to the previous year.

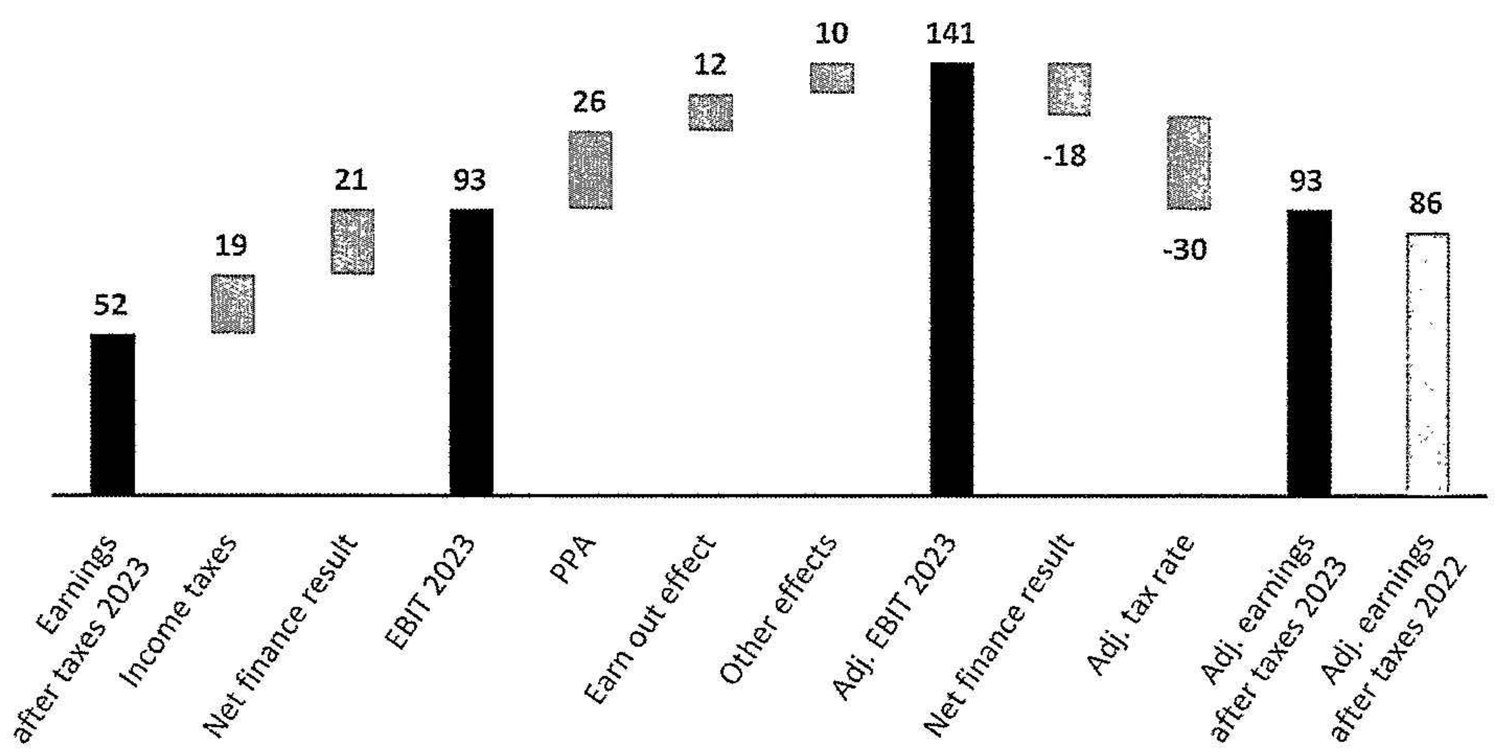
Overall, the group's earnings before taxes amounted to €71.4m in 2023 (2022: €80.1m). Income tax expenses totaled €-19.2m during the period under review (2022: €-20.2m).

As a result, earnings after taxes in fiscal year 2023 decreased to €52.3m (2022: €59.8m), while earnings per share fell to €3.51 (2022: €4.02).

Adjusted for the exceptionals mentioned above, adjusted earnings after taxes improved by 8.3% to €93.0m (2022: €85.9m), with adjusted earnings per share increasing to €6.24 (2022: €5.76). In the previous year, the calculation of notional income taxes in adjusted earnings after taxes was based on the tax rate applicable to JOST Werke SE. In the year under review, income taxes were calculated more precisely using country-specific expected tax rates. For the purpose of comparison, this new method of calculation has also been applied for the comparative period.

Reconciliation of adjusted earnings in 2023

€ million



Segments

Segment reporting in 2023

in € thousands	Europe [4]	North America	Asia-Pacific-Africa	Reconciliation	Consolidated financial statements
Sales revenues[1]	1,084,448	361,562	294,196	-490,502	1,249,704[2]
thereof: external sales revenues[1]	**687,811**	**354,247**	**207,646**	**0**	**1,249,704**
thereof: internal sales revenues[1]	396,637	7,315	86,550	-490,502	0
Adjusted EBIT3	**46,219**	**44,800**	**43,211**	**6,528**	**140,758**
thereof Depreciation and amortization	19,760	5,949	6,627	0	32,336
Adjusted EBIT margin	6.7 %	12.6 %	20.8 %		11.3 %
Adjusted EBITDA[3]	**65,979**	**50,749**	**49,838**	**6,528**	**173,094**
Adjusted EBITDA margin	9.6 %	14.3 %	24.0 %		13.9 %

1) Sales by destination in the reporting period:
- Europe: €590,951 thousand
- Americas: €393,320 thousand
- Asia-Pacific-Africa: €265,433 thousand

2) Sales revenues in the segments show the sales revenues by origin.
3) The share of profit or loss of investments accounted for using the equity method is not allocated to a segment and is therefore included in the "reconciliation" column in the amount of €6,528 thousand.
4) Crenlo do Brasil is assigned to the Europe segment.

Segment reporting in 2022

in € thousands	Europe	North America	Asia-Pacific-Africa	Reconciliation	Consolidated financial statements
Sales revenues[1]	1,148,053	398,900	315,932	-598,279	1,264,606[2]
thereof: external sales revenues[1]	**695,516**	**396,339**	**172,751**	**0**	**1,264,606**
thereof: internal sales revenues[1]	452,537	2,561	143,181	-598,279	0
Adjusted EBIT[3]	**41,815**	**35,720**	**37,424**	**8,882**	**123,841**
thereof Depreciation and amortization	18,315	6,126	6,210	0	30,651
Adjusted EBIT margin	6.0 %	9.0 %	21.7 %		9.8 %
Adjusted EBITDA[3]	**60,130**	**41,846**	**43,634**	**8,882**	**154,492**
Adjusted EBITDA margin	8.6 %	10.6 %	25.3 %		12.2 %

1) Sales by destination in 2022:
- Europe: €585,168 thousand
- Americas: €421,385 thousand
- Asia-Pacific-Africa: €258,053 thousand

2) Sales revenues in the segments show the sales revenues by origin.
3) The share of profit or loss of investments accounted for using the equity method is not allocated to a segment and is therefore included in the "reconciliation" column in the amount of €8,882 thousand.

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Europe

Demand for trucks rose sharply in Europe in 2023 compared to the previous year. This strong performance in call-off orders of truck components was also underpinned by shifts in demand from the previous year caused by supply bottlenecks in 2022. By contrast, demand for products for trailers and agricultural tractors slumped during fiscal year 2023. These different market developments virtually balanced each other out, causing sales in Europe to fall slightly by 1.1% year-over-year to €687.8m in 2023 (2022: €695.5m).

Thanks to the rapid introduction of cost reduction measures, JOST successfully offset the negative earnings impact of the decline in demand for trailers and agricultural front loaders. At the same time, the stabilization of supply chains and lower freight costs had a positive effect on operating profit, particularly compared with the previous year. In 2022, the war in Ukraine had exacerbated supply bottlenecks in Europe and caused a sharp increase in the cost of raw materials as well as energy, transport and alloying costs. Overall, JOST increased adjusted EBIT in Europe by 10.5% to €46.2m in 2023 (2022: €41.8m) and improved profitability compared to the previous year. The adjusted EBIT margin rose by 0.7 percentage points to 6.7% (2022: 6.0%).

Investments in Europe totaled €19.7m in 2023 (2022: €20.0m), with investments in property, plant and equipment accounting for €14.9m (2022: €16.0m). This figure mainly comprised replacement investments for machinery and production plants. Investments in intangible assets amounted to €4.8m and mainly comprised investments for development activities (2022: €4.0m).

North America

In North America, sales in fiscal year 2023 fell by 10.6% to €354.2m year-over-year, driven by a sharp decline in the agricultural compact segment (2022: €396.3m). Robust demand in the transport sector could not compensate for the decline in sales in agriculture.

JOST successfully adjusted its costs to reflect low activity levels in the agricultural business while at the same time significantly increasing year-over-year profitability in the transport business. The drop in ocean freight rates and lower material costs also had a positive impact on profitability in the region. In addition, the growing aftermarket business and product portfolio management activities also supported this positive margin trend. JOST significantly increased adjusted EBIT by 25.4% to €44.8m (2022: €35.7m) and the adjusted EBIT margin by 3.6 percentage points to 12.6% in 2023 compared to the previous year (2022: 9.0%).

The group invested €4.8m in North America in the 2023 fiscal year (2022: €6.4m), primarily in property, plant and equipment. This figure mainly comprised replacement investments for machinery and production plants.

Asia-Pacific-Africa (APA)

In fiscal year 2023, in the Asia-Pacific-Africa (APA) region JOST continued to benefit from highly dynamic growth in India, Australia, South Africa and Southeast Asia. This positive trend was reinforced by the slow recovery of the Chinese transport market. As a result, JOST increased APA sales significantly by 20.2% year-over-year to €207.6m in 2023 (2022: €172.8m).

Adjusted EBIT also rose sharply by 15.5% to €43.2m compared to the previous year (2022: €37.4m). The adjusted EBIT margin was 20.8% (2022: 21.7%). This slight year-over-year reduction is mainly attributable to a change in the regional product mix as off-road applications tend to be less common in China. Reflecting the recovery of business in China, the relative share of high-margin off-road applications in APA declined slightly compared to the previous year. Startup costs resulting from the commissioning of the new production plant in India also had an adverse impact on operating profit in the region.

We invested €6.3m in APA in 2023 (2022: €5.9m), primarily in property, plant and equipment. Capital expenditure continued to focus on the completion of the new production plant in India, which came into operation on schedule in the third quarter of 2023. A further €0.2m was also invested in intangible assets (2022: €0m).

Net assets

Condensed balance sheet

Assets

in € thousands	Dec 31, 2023	Dec 31, 2022
Noncurrent assets	545,724	516,254
Current assets	459,441	488,326
	1,005,165	1,004,580

Equity and liabilities

in € thousands	Dec 31, 2023	Dec 31, 2022
Equity	382,239	360,209
Noncurrent liabilities	275,705	341,643
Current liabilities	347,221	302,728
	1,005,165	1,004,580

In fiscal year 2023, JOST's total assets increased slightly by €0.6m to €1,005.2m (December 31, 2022: €1,004.6m).

Noncurrent assets rose by €29.5m to €545.7m in fiscal year 2023 (December 31, 2022: €516.3m). The main reason for this increase was the €13.5m rise in goodwill to €101.0m (December 31, 2022: €87.5m), which is primarily attributable to the initial consolidation of Crenlo do Brasil and LH Lift. Based on the assets identified as part of the purchase price allocation, goodwill of €12.4m was calculated for Crenlo do Brasil and €2.0m for LH Lift. A detailed overview of the identified assets can be found in *Note 5*.

Conversely, other intangible assets decreased by €15.8m to €217.7m due to the amortization of intangible assets from historic purchase price allocation (PPA) (December 31, 2022: €233.5m).

The €25.9m increase in property, plant and equipment to €180.3m was primarily attributable to the initial consolidation of the two newly acquired companies (December 31, 2022: €154.4m). The carrying amount of the investment in JOST Brasil accounted for using the equity method rose slightly by €0.9m to €20.6m in fiscal year 2023 (December 31, 2022: €19.8m).

Current assets fell by €28.9m to €459.4m (December 31, 2022: €488.3m). This reduction was primarily driven by the decrease in inventories and trade receivables as part of working capital improvement measures.

Inventories fell sharply by €18.4m to €195.9m as of December 31, 2023 (December 31, 2022: €214.3m), even though new inventories totaling €14.6m were recognized in the balance sheet as a result of the initial consolidation. Trade receivables also declined by €17.6m to €149.1m (December 31, 2022: €166.7m). This figure includes trade receivables of €14.9m that are attributable to the initial consolidation of the two acquired companies. The acquired companies Crenlo do Brasil and LH Lift also utilized factoring agreements worth €6.8m that reduced trade receivables.

Liquid assets rose by €7.0m to €87.7m as of December 31, 2023 (December 31, 2022: €80.7m). Of this figure, €4.0m related to the initial consolidation of Crenlo do Brasil and LH Lift.

In fiscal year 2023, the equity of JOST Werke SE grew by €22.0m to €382.2m (December 31, 2022: €360.2m). This increase was primarily due to growth in earnings after taxes in 2023. By contrast, a dividend distribution of €20.9m and non-cash differences arising from the currency translation of foreign operations totaling €8.6m reduced equity. The remeasurement of pension provisions also caused equity to decrease by €3.9m, while deferred taxes let to a reduction in equity of €1.1m. Overall, the equity ratio improved by 2.1 percentage points to 38.0% as of December 31, 2023 (December 31, 2022: 35.9%).

As of the December 31, 2023 reporting date, noncurrent assets decreased by €65.9m to €275.7m (December 31, 2022: €341.6m). They mainly comprise interest-bearing bank loans, pension obligations, deferred tax liabilities and other noncurrent financial liabilities.

This decline is primarily due to the €70.3m reduction in long-term interest-bearing bank loans to €149.4m (December 31, 2022: €219.7m). In addition to the repayment of long-term interest-bearing loans totaling €15.0m in 2023, the reclassification of €78.0m from noncurrent financial liabilities to current financial liabilities also contributed to this reduction. Conversely, inflows of €22.0m from the promissory note loan taken out in December 2022 increased long-term interest-bearing loans in January 2023. As of December 31, 2023, long-term interest-bearing bank loans consisted entirely of promissory note loans. The future interest rate volatility of the floating-rate tranches is partly hedged with interest swaps.

Primarily due to the change in the discount rate, pension obligations increased in 2023 by €4.0m to €49.1m (December 31, 2022: €45.2m). Other noncurrent financial liabilities decreased by €3.7m to €41.3m (December 31, 2022: €45.0m).

As of December 31, 2023, current assets increased by €44.5m to €347.2m (December 31, 2022: €302.7m). This upward trend is primarily due to the €60.8m increase in short-term interest-bearing loans and borrowings to €118.6m (December 31, 2022: €57.9m). The main reason for this development is the aforementioned reclassification of €78.0m from noncurrent financial liabilities to current financial liabilities. These financial liabilities stem from a financing arrangement with a consortium of banks for the acquisition of the Ålö Group from 2019 and are due in December 2024. On the other hand, repayments totaling €16.9m reduced short-term interest-bearing loans and borrowings as of December 31, 2023.

The €31.3m decrease in trade payables to €109.0m reduced current liabilities in fiscal year 2023 (December 31, 2022: €140.3m).

Another reason for the increase in current liabilities is the €16.0m rise in other current financial liabilities to €35.7m (December 31, 2022: €19.7m). This rise largely correlates with the finalized earn-out payment for the acquisition of Ålö Group determined at the end of 2023, which is due for repayment including interest in January 2024.

Net debt fell significantly overall by €16.7m to €180.7m as of December 31, 2023 (December 31, 2022: €197.4m), although JOST fully financed the €52.8m net purchase price for the acquisition of Crenlo do Brasil and LH Lift (purchase price less cash acquired) by using existing credit lines and its own liquid assets. This development reflects the group's strong cash generation in 2023. Combined with the sharp increase in adjusted EBITDA, this reduction in net debt led to a significant improvement in the leverage ratio (ratio of net debt to adjusted EBITDA), which fell by 18.3% to 0.998x (December 31, 2022: 1.278x). JOST thus achieved its goal of reducing its leverage ratio relative to 2022. To avoid any distortion of the group's key figures, the adjusted EBITDA of Crenlo do Brasil and LH Lift for the past twelve months were included in this calculation. Accordingly, adjusted EBITDA is €8.0m higher than in the consolidated financial statements.

Working capital

in € thousands	Dec 31, 2023	Dec 31, 2022 [1]
+ Inventories	195,938	214,290
+ Trade receivables	149,078	166,718
- Trade payables	-108,951	-140,262
= Working capital	**236,065**	**240,746**
Working capital as a percentage of sales	18.0 %	19.0 %

1) The previous year's figure for trade payables has been adjusted. Further information can be found in *Note 25*.

In fiscal year 2023, JOST successfully lowered its working capital by 1.9% year-over-year to €236.1m (2022: €240.7m), although Crenlo do Brasil and LH Lift contributed additional working capital of €21.0m as part of their initial consolidation.

This improvement is primarily attributable to the aforementioned decrease in inventories and trade receivables compared to the previous year as part of the working capital measures introduced. Trade payables also declined as supply shortages eased in the course of 2023, making orders of safety stock no longer necessary.

Working capital as a percentage of sales over the last twelve months improved significantly to 18.0% year-over-year to sit below the target level of 19% (2022: 19.0%). As a result, JOST achieved its target for fiscal year 2023. To avoid any distortion of the group's key figures, the sales of Crenlo do Brasil and LH Lift for the last twelve months were also included in this calculation. Thus, sales in the calculation were €61.8m higher than consolidated sales revenues.

Liquidity and financial position

Cash flow		
in € thousands	**2023**	2022
Cash flow from operating activities	**143,101**	**56,017**
thereof change in net working capital	20,931	-53,697
Cash flow from investing activities	**-69,920**	**-25,509**
thereof payments to acquire intangible assets	-4,974	-4,034
thereof payments to acquire property, plant, and equipment	-25,861	-28,290
thereof payments to acquire subsidiaries, net of cash acquired	-52,792	0
Cash flow from financing activities	**-61,971**	**-36,530**
Net change in cash and cash equivalents	**11,210**	**-6,022**
Change in cash and cash equivalents due to exchange rate movements	-4,164	-779
Cash and cash equivalents at January 1	80,681	87,482
Cash and cash equivalents at December 31	**87,727**	**80,681**

JOST significantly increased cash flow from operating activities by €+87.1m to € +143.1m in 2023 (2022: €+56.0m). This good performance is primarily attributable to strong operating performance and strict working capital management. The positive cash contribution from the change in working capital rose by €+74.6m year-over-year to €+20.9m in 2023 (2022: €-53.7m) and is mainly due to the reduction in inventories and trade receivables.

Cash flow from investing activities amounted to €-69.9m in 2023 (2022: €-25.5m) and were impacted by the acquisition of Crenlo do Brasil and LH Lift, with payments for acquiring these subsidiaries (less cash acquired) totaling €-52.8m (2022: €0m). Investments in property, plant and equipment fell to €-25.9m compared to the previous year (2022: €-28.3m) while investments in intangible assets rose slightly to €-5.0m (2022: €-4.0m). Overall, capital expenditure (excluding acquisitions) fell slightly to €-30.8m in fiscal year 2023 (2022: €-32.3m). The main reason for this reduction is that, in addition to the start of construction of the new production plant in Chennai, India, that came into operation in the third quarter of 2023, a new logistics center in Germany was also built in the previous year. Capital expenditure (excluding acquisitions) in fiscal year 2023 amounted to 2.5% of sales and is thus in line with our target of around 2.5% for 2023 (2022: 2.6%). There were no investment obligations as of December 31, 2023.

Free cash flow (cash flow from operating activities less payment made for the acquisition of property, plant and equipment and intangible assets) rose sharply by € +88.6m to €+112.3m in 2023 (2022: €+23.7m). This improvement is attributable to the strong increase in cash flow from operating activities.

Cash flow from financing activities was partly impacted by the acquisition of Crenlo do Brasil and LH Lift in 2023. Overall, cash flow from financing activities amounted to €-62.0m (2022: €-36.5m). The key driver of this trend was the repayment of short-term interest-bearing loans totaling €-132.3m (2022: €-72.3m). This was offset by inflows from short-term interest-bearing loans totaling €100.0m (2022: €85.0m), which resulted from utilization of the revolving credit facility during the year under review and were repaid again at the end of fiscal year 2023. As of the December 31, 2023 reporting date, the utilized portion of the revolving credit facility remained unchanged at €40.0m (2022: €40.0m). Beyond this, the dividend payout of €-20.9m also reduced cash flow from financing activities (2022: €-15.6m).

As of the December 31, 2023 reporting date, liquid assets increased to €87.7m (2022: €80.7m). JOST's financial position is thus highly robust, enabling us to continue to implement our corporate strategy.

Principles and objectives of financial management and the dividend policy

Our financial management is guided by our corporate strategy and by the requirements of our operating business. The objective of our financing policy is to hold ample liquidity reserves at all times to give the group the necessary financial flexibility for further growth, to limit financial risks – if necessary by using derivative financial instruments – and to optimize the cost of capital through an adequate capital structure. It will also allow the group to take advantage of any acquisition opportunities that arise. For this, in addition to the possibility of raising additional finance on the capital markets, the group has a revolving facility of €150.0m in place as of December 31, 2023, of which an amount of €110.0m remained available to us at the reporting date.

We pursue a consistent dividend policy based on the group's results of operations and financial position. When our business performs positively, we want our shareholders to participate in JOST Werke SE's success through continuous dividend income. The planned payout ratio is 35% to 50% of consolidated net profit after tax, depending on the company's capital requirements, among other things. However, our ability to

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distribute dividends may be limited by the terms of existing or future debt or preferential instruments.

The Executive Board and the Supervisory Board intend to propose to the General Meeting a dividend of €1.50 per share for the 2023 fiscal year (2022: €1.40). This represents an increase in the total dividend payout of 7% to €22.4m (2022: €20.9m). The payout ratio rose to 43% (2022: 35%).

Research and development

Product innovations are an important pillar of our corporate strategy. We want our products and services to support the technological shift to more sustainable and intelligent commercial vehicles in both the transport and agricultural sectors. At the same time, we want to design our products and manufacturing processes to be more sustainable in order to minimize the resources and energy used in production and thus improve our resource efficiency.

We want to apply our know-how in the transport and agriculture sectors to offer our customers innovative solutions and products that make commercial vehicles safer and easier to handle while enabling them to improve efficiency and expand the flexibility and versatility of their equipment.

Our product development capacities for both advance and application development of our transport business line are essentially concentrated in our facility at Neu-Isenburg in Germany. Product development for the agricultural segment is mainly located in Umeå, Sweden. Our longstanding international suppliers mostly receive technical support from Neu-Isenburg and Umeå and are closely involved in the development process. In 2023, we employed an average of 164 people worldwide in this area (2022: 152).

Research and development expenses were up 2.7% in 2023 to €20.2m (2022: €19.7m). Our research intensity (research and development expenses as a percentage of sales) was 1.6% (2022: 1.6%).

Development costs totaling €4.4m were capitalized during the year under review (2022: €3.9m), Resulting in a capitalization rate of 21.8% (2022: 19.7%). Amortization of capitalized development expenses amounted to €2.6m during the 2023 fiscal year (2022: €1.4m).

It is important for us to continue pressing ahead with the further development of our product portfolio in order to enhance the future viability of JOST. By doing this, we want to help our customers to shape the transformation of our industry towards modern, more intelligent mobility and logistics models. We are therefore researching and developing new technologies and products to optimize our current connection solutions and enable their integration into digital or electric commercial vehicles.

In 2023, our research and development activities in the transport sector focused on further improving the safety and efficiency of the coupling process between trucks and trailers. For example, in 2023 we developed a new pneumatic control and actuator function for releasing the fifth wheel that allows the driver to control the release process remotely, even with lightweight coupling applications.

In the agricultural business, we launched new implements such as the Multigrab M+ and Powergrab L+ in fiscal year 2023, which are particularly suitable for farmers requiring a high-performance solution for silage extraction or handling all kinds of green waste.

Our research and development activities also looked closely at CO_2 and weight reduction in both the transport and agriculture sectors. In 2023, we launched new products whose reduced weight enables more efficient vehicle use with a maximum load and thus brings down the vehicle's fuel consumption and carbon emissions.

Detailed information about this can be found in the "Innovation and product management" section of the *Sustainability Report 2023*.

Report on opportunities and risks

Risk management system and internal control system

As a result of its business activities as an international group, JOST is exposed to a number of risks that are inseparably linked with its commercial endeavors and cannot be completely eliminated despite taking all due precautions. The JOST Werke Group's risk management system is designed to identify, assess and counteract risks at an early stage. In addition to meeting legal and regulatory requirements, a functioning risk management system ensures the JOST Werke Group's long-term ability to perform in its competitive environment and achieve its corporate goals.

The Executive Board of JOST Werke SE is responsible for an effective risk management system and determines the risk policy that forms the basis for the activities of all parties involved in the risk management process. The overriding principle is to ensure the group's achievement of corporate goals, continued existence, competitiveness and business success, and, in doing so, consciously take on the risks associated with the business while ensuring that such actions create value for the company and do not compromise its corporate objectives.

The JOST risk management system is based on the ISO 31000 standard entitled "Risk Management - Principles and Guidelines" and is an integral component of the management process. The system is aligned with the risks the group is exposed to and comprises the following core elements: risk identification, risk assessment, risk management and risk monitoring. At JOST, opportunities and risks are defined as potentially positive or negative deviations from targets and projected figures for earnings before taxes (EBT) or liquidity. As a result, it is important to ensure that the group's risk management system efforts are geared towards future value and possible events and thus make a contribution to the future viability of the group.

The risks were recorded in an internally defined process by means of checklists, control procedures, workshops and interviews. Newly identified risks can be included in the risk management system at any time. After the risks for each risk field are identified in a structured manner (risk inventory), the assessment is carried out based on the relevance scale predetermined by the Executive Board. These risk fields are based on the JOST process landscape and internal procedures of the JOST Werke Group and serve to structure the identification of risks. Direct responsibility for identifying and managing business opportunities and risks at an early stage lies with the risk owners in each of our departments. In addition to identifying and assessing these risks, the risk managers' role is to develop, introduce and monitor suitable measures. The purpose of these measures is to avoid, mitigate or transfer risks.

The relevance scale for risk assessment is an expression of the overall importance of each risk for JOST and is designed to combine communicability with risk quantification and prioritize risk management efforts. The assessment of all risks is based on a certain probability of occurrence (according to the levels: highly unlikely, unlikely, possible, likely, highly likely) and on the financial impact of the risk (extent of loss according to the levels: very low, low, medium, high, very high), as shown in the matrix chart below. The probability of occurrence and the extent of loss are assessed both before and after factoring in implemented measures (gross and net approach). Assessing the probability of occurrence and the extent of loss of future events and developments is naturally subject to uncertainties. We cannot always precisely foresee and counteract these events and developments.

Relevance scale for the potential deviation from EBT or liquidity target

Probability of occurrence

Up to 3%	> 3% and up to 10%	> 10% and up to 40%	> 40% and up to 80%	> 80%
Highly unlikely	Unlikely	Possible	Likely	Highly likely

Extent of loss

Up to €1m	> €1m to €3m	> €3m to €10m	> €10m to €30m	> €30m
Very low	Low	Medium	High	Very high

Risk monitoring is done decentrally as each risk owner is responsible for analyzing, assessing and monitoring the risks assigned to him and for taking countermeasures if required. The risk owner's information about their risks is consolidated by central risk management and presented to the Executive Board twice a year in the form of an internal risk report. This report provides a detailed overview of the current risk situation. The Executive Board will be informed promptly and directly of any acute opportunities and risks (ad-hoc reports).

JOST uses an integrated software solution for risk management. This allows risk owners to monitor, manage and assess their risks independently in the system. This was successfully carried out by the relevant responsible persons for the half-yearly and annual report. Interviews and workshops with the responsible persons are still organized once a year to further improve their awareness and handling of risks and opportunities. The system also enables the current risk status to be checked regularly. As a rule, risk owners must periodically update and assess their risks and, if necessary, initiate, confirm and approve suitable measures.

Since 2021, the risk management system has considered multiple future periods to gain a better overview of potential developments and meet the requirements of an early warning system. Three periods were considered and assessed in line with auditing standard IDW AuS 340 new version. In addition to the usual 12 months, those responsible also assessed the two subsequent years. Risks are also considered on a gross and net basis to show the effectiveness of risk reduction measures.

Tools such as the group-wide environmental and quality management system as well as various hedging instruments, insurance policies and standards also flank the internal control system, where all operational processes are recorded. In addition, instruments for managing compliance issues such as a whistleblower system and a code of conduct have been introduced across the group and are being constantly refined. Regulatory monitoring of laws and guidelines, for instance, is carried out by the compliance officer and Internal Audit, who are advised by external lawyers, if required.

With the risk management system and the entire internal control system (ICS), the Executive Board has created, introduced and implemented processes designed to manage and control the group appropriately and effectively. Independent monitoring and audits, particularly audits conducted by Internal Audit, are carried out at regular intervals. By doing this, Internal Audit is supporting the continuous improvement of these systems. The team reports its audit findings and resulting recommendations for action to the Executive Board and the Audit Committee of the Supervisory Board.

The Executive Board is not aware of any matters arising from the inspection of the internal control and risk management systems or the reports submitted by Internal Audit that call the appropriateness and effectiveness of these systems into question.[1]

[1] These disclosures are not included in the audit of the annual financial statements.

Internal control and risk management system relevant for the consolidated financial reporting process

The goal of the internal control and risk management system related to the group's financial reporting process (ICS) is to ensure the completeness, correctness and effectiveness of the accounting and financial reporting of JOST Werke SE and the group. The ICS is designed to ensure that the accounts comply with statutory regulations, principles of proper accounting and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and internal group policies. The ICS is intended to support the group in avoiding accounting errors or identifying them early on so that users of the consolidated financial statements receive valid and reliable information.

In particular, the fundamental principles of the internal control and risk management system (ICS) in relation to financial reporting implemented by the JOST Werke Group include structured process workflows, clear roles and responsibilities that take into account the separation of functions and the dual control principle, systematic coordination and approval processes, compliance with internal guidelines, and other defined preventative and supervisory control mechanisms.

Technical and organizational IT measures such as an authorization concept and the introduction of automatic data backup ensure consistent data processing. A variety of IT security features provide the installed financial systems with the best possible protection against unauthorized access. The global IT controls were also the subject to review by Internal Audit in 2023.

Group Controlling monitors the operational and financial processes by checking plan-actual variances and actual-actual variances on a monthly basis, thus ensuring that significant and implausible changes are discovered at an early stage.

The scheduled preparation of the consolidated financial statements and group management report is subject to a binding schedule stipulated for all group companies. The companies included in the basis of consolidation prepare their financial statements locally and send them to the central Group Accounting department in a consistent format. The financial reporting for group companies is carried out via the COGNOS reporting system. Standardized accounting is ensured, in particular, by the accounting manual applicable throughout the group, which is regularly updated and maintained by Group Accounting. Changes to existing accounting principles with an impact on the financial statements of JOST Werke SE and its subsidiaries as well as on the consolidated financial statements are promptly analyzed and the companies informed as appropriate. Group Accounting serves as a central point of contact for special technical questions and complex accounting issues. External experts such as auditors or qualified appraisers are consulted where necessary. Although the companies are responsible for compliance with the accounting manual and the proper operation of their financial reporting-related processes and systems, Group Accounting supports them in this regard.

Group Accounting carries out comprehensive quality assurance of the financial statements of group companies included in the consolidated financial statements and is responsible for preparing the consolidated financial statements.

Opportunities and risks

In the following paragraphs, we outline the opportunities and risks that from today's perspective may significantly impact the results of operations, financial position and net assets of our business. In addition to the opportunities and risks outlined here, there may be other influencing factors that we do not currently consider significant or are not yet known to us that could have a positive or negative effect on the net assets, financial position and results of operations of the group.

Unless specified otherwise, the opportunities and risks outlined here affect all of the group's operating segments. If opportunities and risks affect the various operating segments differently, these differing assessments are explicitly stated.

The opportunities and risks identified as significant are outlined below by business area.

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Risks

Macroeconomic and sector-specific risks

The macroeconomic and sector-specific environments have a significant impact on our business. Due to the economic dependency of the sector in which we operate, cyclical economic downturns, particularly in the commercial vehicle industry or in agriculture, may adversely affect our business.

The political, social or economic environment and negative changes in countries in which we and our customers operate could have an adverse impact on our business and on our results of operations, financial position and net assets. Shifts in market share among vehicle segments or a decrease in market share of vehicles for which we supply significant parts could have an adverse effect on our business. Similarly, an unexpectedly strong upturn in the demand for commercial vehicles may mean that our production capacity is not sufficient to cover actual demand for our products, causing us to lose market share.

According to a January 2024 study from the International Monetary Fund (IMF), numerous aggravating factors and uncertainties in the macroeconomic environment are likely to persist in 2024. While the future course of the war in Ukraine and the current geopolitical conflicts remains uncertain, we do not currently expect it to have any material impact on our business. Any possible effects arising from logistics disruptions and supply bottlenecks are taken into account under production and procurement risks. In both respects, however, expectations are that the situation will ease considerably in 2024.

At the time of preparing this report leading indicators point to a stable global economy and an increase in international trade. The IMF expects further economic growth in all economies relevant to JOST in 2024 despite the continued uncertainty.

The international scope of our business model enables us to reduce our dependency on individual countries and regions, thus allowing us to spread risk more effectively. Nevertheless, an unexpected deterioration in the global economy could have a negative impact on willingness to invest in the commercial vehicle industry and in the agriculture sector and thus adversely affect our business.

In its January 2024 study, forecasting institute LMC Automotive currently expects global truck production to grow by 1.3% year-over-year in the 2024 fiscal year. In a study carried out in August 2023, forecasting institute Clear Consulting expects global trailer production to contract by around 4.9% versus 2023 in 2024 even if slight growth in demand is expected for Europe.

According to data from February 2024, agricultural OEMs expect demand for tractors to decline by up to 10.0% year-over-year in 2024. In addition to overall economic developments, the weather, animal diseases and declining prices for agricultural products could all have a negative effect on the sales and earnings performance of our agricultural components business. Climate change and the associated rise in extreme weather events such as heatwaves, floods or drought could also have a direct negative effect on agriculture and could impact our sales of components for agriculture.

We believe that current macroeconomic and sector-specific risks are moderate. We assess the probability of occurrence as possible. This risk is unchanged compared to the previous year.

Competition risks

The industry in which we operate is characterized by intense competition. We primarily compete on the basis of quality, safety, price, service, speed and accuracy of delivery and the ability to quickly and reliably offer replacement parts for our products internationally. Consolidation of our competitors or an oversupply in the market may adversely affect our business, financial position and results of operations.

To address this risk, we seek to expand our product portfolio, open up new market regions with new and existing products and further increase the international market penetration of our products as part of our strategy. At the same time, we strive to steadily extend the technological leadership of our core and niche products through our research and development work. We also seek to further reinforce the international positioning of our brands in the transport and agriculture industries in order to differentiate ourselves from our competitors more effectively. We maintain a close and longstanding relationship with our customers and try to anticipate their needs and offer them suitable solutions with our products.

We believe the significance of these competition risks for our business is moderate and rate their probability of occurrence as possible. This risk is unchanged compared to the previous year.

Risks arising from business activities

We generated more than one third (about 42%) of our 2023 sales from OEM truck and OEM tractor customers. These are a highly concentrated markets with only a limited number of global manufacturers. By contrast, the trailer market, where we generate more than one fourth of our sales (about 31%), is significantly more fragmented and is served by several hundred manufacturers, most of whom operate regionally. The remaining share of sales (about 28%) comes from our aftermarket activities, where the number of customers is also high. Thanks to this relatively well-balanced sales distribution, none of our customers is responsible for more than 10% of our sales despite high concentration within the OEM truck market. We also aim to constantly win new customers while ensuring that our customer structure remains balanced by entering new regions and expanding our product portfolio. Nevertheless, the bargaining power of major customers may still have a negative impact on our sales and results of operations.

Due to the safety-critical nature of our products, defects or production errors may adversely affect our sales and results of operations. This may damage the reputation of our company and diminish the value of our brands. We have concluded global liability and recall insurance policies to address risks arising from production errors. Naturally, however, we primarily focus on constantly monitoring our internal organization and training our workforce on an ongoing basis in order to minimize the aforementioned risks as much as possible. This includes conducting comprehensive tests and trials before a new or modified product is approved for production. Similarly, the quality of production is continually monitored and ensured using appropriate process management.

As a result of the more diverse product portfolio due to the acquisitions and the development of new business areas and regions, the warranty and liability risk for products increases compared to the previous year. We therefore believe the significance of these risks arising from our business activities to be medium (2022: low), and we rate their probability of occurrence as possible (2022: unlikely).

Production risks

Our production processes are professionally managed. They are continually reviewed and improved as part of various certifications according to DIN ISO 9001 and IATF 16949 (quality) and, at selected sites, DIN ISO 14001 (environment) or ISO 45001 (occupational safety). However, our production activities could give rise among other things to risks that we minimize by having our management systems certified.

Nevertheless, despite taking extensive action we cannot completely rule out the possibility of unplanned business interruptions such as those caused by natural disasters or major events. Furthermore, the failure of important key systems cannot be fully excluded despite all preventative measures. These risks are covered as far as possible by our insurance policies and are assessed and mitigated as part of our emergency planning. We also work to continually improve the efficiency and effectiveness of our production processes and management systems. The outbreak of epidemics in countries where JOST has production plants may also lead to downtime over which JOST will have no control.

Despite a strong focus on quality, risks leading to service/field activities cannot be completely ruled out.

As a result, we believe the aggregated potential impact of these risks is moderate. We still rate the probability of future production downtime as possible on the whole. The assessment has not changed compared with the previous year.

Corporate strategy risks

JOST's corporate strategy aims to continuously increase the value of the enterprise. Strategic decisions regarding investments, technology and product development, locations, acquisitions and joint ventures as well as structural changes within the organization are associated with complex risks that cannot be completely excluded. We may be unable to anticipate changing technologies in order to be able to adapt to them quickly or take advantage of them. We may be unable to successfully integrate current or future acquisitions and joint ventures as well as newly opened, acquired or relocated plants, and achieve the expected benefits. These risks may reduce acceptance of our products, damage our brands' image, reduce our market share and adversely affect the results of operations and financial position of the group.

As a result, we carefully review these strategic decisions in several stages. A best practice exchange exists between individual group locations. We constantly monitor the development of conditions in the different regions in order to identify market trends or regulatory changes at an early stage. We work continuously to create efficient structures and optimize processes in all business units in order to enhance our flexibility.

Due to the acquisition of Crenlo do Brasil and LH Lift in fiscal year 2023, JOST's strategic risks have increased slightly compared to the previous year. Despite careful due diligence in the run-up to the acquisitions, there is a risk that the integration of the new entities into the JOST Werke Group (and the synergies connected with this) will be delayed or that JOST will achieve its anticipated earnings targets later than expected.

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We currently believe that the potential impact associated with these strategic risks remains low and that the probability of occurrence for this risk remains unlikely. The assessment has not changed compared with the previous year.

Procurement risks

JOST is affected by fluctuations in the prices of the materials used. Unfavorable market trends such as the increase in energy and commodity prices constitute a significant procurement risk to the JOST Werke Group. We are also dependent upon a limited number of suppliers for certain products and subcomponents. Supply interruptions, price increases, and supply and capacity bottlenecks caused by the loss of suppliers may have an increased impact on our production and sales. Similarly, the outbreak of epidemics, wars or natural disasters in regions in which our suppliers or their upstream suppliers produce their goods may lead to supply interruptions as well as supply and capacity bottlenecks.

To enhance the competitiveness of the group and safeguard our supply chain, we are continually on the lookout for new supply sources that are competitive in terms of both quality and price. We also negotiated longer-term contracts with major suppliers worldwide. In some cases, we were able to select new suppliers for certain products, which we qualified to maintain our high quality requirements beforehand. This is an ongoing and time-consuming process involving special requirements in terms of quality, compliance, sustainability and logistics. The aim is to further stabilize input material prices on the supply side and reduce them in relation to market indicators.

We believe that the aggregate procurement risks to our business are medium and rate their probability of occurrence as possible. This risk is unchanged compared to the previous year.

Human resources risks

To meet the market's increasing requirements and tackle the risks associated with this, we focus not only on flexibility, technical expertise and maintaining an entrepreneurial mindset, but also on our employees' relationship with our company in particular. Our employees make a crucial contribution to JOST's success with their unwavering commitment and specialized knowledge.

To address the volatile needs of the market, we already use working time organization tools that enable us to react to variations in staffing requirements on a case-by-case basis. We are dealing with a worldwide intensification of the competition for talent and qualified young professionals, and tackling potential staffing challenges with due vision and foresight.

Staff shortages can impact production and the entire supply chain and result in negative consequences for the entire company. That is why positioning ourselves as an attractive company for existing and new employees and recruiting suitably qualified workers is our top priority. We are focusing specifically on employer branding and targeted recruitment initiatives.

Another of our priorities is safeguarding and promoting the existing expertise within the company, as well as skills management and fostering long-term employee loyalty to the company. We are making targeted investments in training and developing our employees, while our global talent and succession initiatives not only boast an attractive remuneration structure but also help us to retain and continue developing our employees in a targeted way.

Nevertheless, here at JOST we also have to adapt to digitalization and changes in the world of work. As a result, it is of great importance for us to continue developing and fostering our corporate culture and approach to collaboration in response to changing requirements. Our aim is to ensure that our employees continue to identify with our established values and goals in the long term.

We currently believe the possible impact for human resources risks to be moderate and their probability of occurrence to be possible. The overall risk remained stable compared to the previous year.

IT risks

The security and reliability of information technology is of great importance to JOST. Faults in the operation of information systems and networks may threaten the availability of IT services at our locations and adversely affect business operations. Due to various quasi-monopolies in the IT market and a lack of competition, there is a dependence on individual software suppliers and service providers. Cybercrime is also on the rise and poses an increased threat to the IT security of affected companies. Unauthorized data access, data loss and business interruptions and breakdowns caused by cyberattacks on IT and business processes pose a threat to the group. The increasing organizational and technical networking of our global locations increases the complexity of and demands upon the availability and security of our IT systems.

We address this risk by pursuing a central IT strategy to consistently ensure that the group has a robust IT competence profile and implementation managers at each of its sites. We work with established standards and have various control procedures relating to system availability, integrity and confidentiality, and to data security, data protection and IT management. As the exchange of up-to-date, complete and correct information is very important to JOST, the need to protect this information is addressed accordingly using secure IT systems and infrastructure. We also defined and

implemented technical and organizational measures as well as additional preventative measures (e.g. redundant infrastructure, special access protection for data centers) and reactive measures (e.g. emergency planning, 24x7 system monitoring) designed to further limit IT risks. We actively counteract this risk with the help of our IT security policy and by continuously refining how our IT security is organized, issuing group-wide security standards and carrying out regular simulated hacker attacks and penetration tests. We also constantly update our IT security systems and take care of the lifecycle management of our IT landscape. Our employees are consistently made aware of the issues of data protection and data security and given training in this area.

We currently believe that the potential impact of these IT risks on our net assets, financial position and results of operations is low and that the probability of occurrence is possible. The overall expected value of risks is therefore at the level of the previous year.

Financial risks

Due to our activities as a global group, we are inevitably exposed to financial risks primarily arising from fluctuations in currency prices, interest rates and prices. Credit losses also represent a special financial risk.

Significant exchange rate fluctuations in the euro against other currencies, particularly the Swedish krona, US dollar and Chinese renminbi, may have an impact on our income statement. JOST's traditional transport products are manufactured in its key sales markets, which provides sufficient "natural hedging" against currency-related transaction risks. Where economically feasible to do so, we optimize our goods flows so that we do not have to withdraw from any currency regions. By contrast, a significant proportion of agricultural products are manufactured centrally before being sold to various sales markets around the world. The resulting risk of the impact of exchange rate fluctuations is partially offset by currency hedging.

There is also a translation risk as a result of the currency translation of the balance sheets and income statements of our foreign subsidiaries into euros. Currency fluctuations can also influence payment streams from the dividends received from our subsidiaries and have an impact on profitability. Some of the currency risks are hedged.

Liquidity management within the group protects us against liquidity shortages. Available liquidity reserves are constantly monitored and deviations between development targets and actual figures reviewed at regular intervals. The level of liquid assets and the strong cash generation of our business model are a reflection of the group's robust financing structure. We also have a revolving cash facility in place, most of which had not been utilized as of the December 31, 2023 reporting date. There is an interest rate risk for the floating-rate loans, a portion of which is hedged by interest rate swaps.

JOST is also exposed to credit risks arising from its customer portfolio and from credit balances at banking partners. Where possible, we take out credit insurance to counter this risk.

Overall, we believe the potential impact arising from financial risks is low and the probability of occurrence is unlikely, as in the previous year. Further information on financial risks and their management can be found in note *47. Financial risk management* of the notes to the consolidated financial statements.

Legal risks

We strive to avoid or control legal risks. Nevertheless, the JOST Werke Group is exposed to numerous provisions under tax, competition, patent, antitrust, trademark and environmental law in the course of its international business activities that, if violated, may incur costs and damage the image of the company. We are subject to export controls that could subject us to liability or impair our ability to compete in international markets. 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 are subject to risks from legal, administrative and arbitration proceedings. There is also the risk that costs will arise from warranty obligations, disputes connected with damages claims and payment demands. We have established appropriate provisions for such eventualities, when necessary.

We use a wide range of internal control mechanisms including a code of conduct, whistleblower system and different internal policies to prevent and quickly identify potential violations in order to minimize these risks. We also offer regular workshops and employee information on export control and permanently check our business partners against sanctions lists.

We therefore believe that the potential impact of legal risks on our net assets, financial position and results of operations is low and unlikely. They are unchanged compared to the previous year.

Opportunities

Macroeconomic and sector-specific opportunities

Our global business activities and positioning as an innovative and service-oriented provider of branded products for trucks, trailers and agricultural tractors constantly opens up new opportunities for the group.

Increasing economic globalization is boosting demand for international freight transport and the growth of international transport infrastructure, particularly in emerging and developing countries. Megatrends such as urbanization, e-commerce and digitalization offer fundamental opportunities for freight transport, as trucks are one of the primary means of transport for supplying towns and cities. Growth markets in Asia, South America, Africa and Eastern Europe represent major opportunities for JOST, as a significant amount is being invested in developing transport infrastructure in these markets.

Demand for food to support the world's growing population is also steadily increasing. Increasing agricultural productivity and rural development are therefore vital for global food security. Part of JOST's future growth strategy is to sell systems and components for agricultural tractors not only in Europe and North America but also in developing and emerging countries where demand for the industrialization of agriculture is steadily increasing. By acquiring Crenlo do Brasil and commissioning a new production plant for agricultural products in India in 2023, JOST has significantly enhanced its market presence in these regions, enabling it to tap into new growth opportunities and win new customers. We see major opportunities for our company in this area.

We expect these opportunities to have a positive impact on sales and results of operations in all of our operating segments in the short to medium term. Due to our strong global presence, we are well positioned to benefit from dynamic growth in emerging and developing countries. The APA segment and business in South America in particular could grow faster as a result.

For this reason, we believe the opportunities provided by this development to be moderate and their probability of occurrence to be very high in the 2024 forecast period. These opportunities have increased compared to the previous year.

Sustainability opportunities

Growing awareness of the need for a more sustainable economy also opens up new prospects for JOST. Sustainable value chains are becoming increasingly important in both the transport and agriculture sectors.

As a company that thinks and acts sustainably, we can not only use our products and developments to help our direct customers and the end users of our products to become more sustainable, but can also exert an influence on our own operating activities and find opportunities to run our business in a more efficient and environmentally friendly way. We want to significantly reduce the energy consumption and carbon emissions involved in manufacturing our products. As early as the development phase, our products are evaluated and developed in line with the United Nations' sustainability goals.

JOST aims to reduce Scope 1 and Scope 2 carbon emissions per production hour by 50% by 2030 compared to the 2020 base year. We made significant progress toward this goal in fiscal year 2023. *Sustainability Report 2023*

We also see opportunities to develop new systems and products in both the transport and agricultural businesses that offer our end users an improvement in occupational health and safety and more comfort. By introducing more automation, sensor technology and mechatronics, our newly developed systems can minimize human error, prevent industrial accidents and reduce user fatigue during long operating times. This is crucial for professional use and adds value for fleets and agricultural service providers. *Sustainability Report 2023 / Innovation and product management*.

We believe the opportunities provided by this development to be moderate and their probability of occurrence to be possible in the forecast periods spanning the next years.

Opportunities from research and development

Autonomous driving is an important industry trend that is opening up major growth opportunities for our group. We consider ourselves to be a market leader in manufacturing products and systems that connect trucks with trailers. For this reason, we are making it a point of emphasis to invest in research and development with the aim of developing an autonomous coupling system between trucks and trailers that enables a future autonomy of the coupling process that to today is still largely carried out manually by the driver. We see this as an important step on the path to the fully autonomous driving of commercial vehicles. We are also seeing a trend toward autonomous driving tractors in agriculture and identify synergies for JOST's research and development activities in transport and agriculture in this context.

By doing this, it is important that we generate efficiency gains to create added value for the users of our products, i.e. fleet operators and farmers. We also expect the electrification of powertrains in the transport sector to provide an additional boost to the market, from which we can benefit.

We believe the medium to long-term opportunities posed by the successful development and marketing of such systems are significant for our net assets, financial position and results of operations. The Europe and North America segments in particular are expected to profit from these opportunities, as end customers in industrialized nations are the most interested in improving the degree of automation in their commercial vehicles. Together with our OEM customers, we are currently developing solutions for autonomous commercial vehicles. However, we believe the opportunities provided by this development to be low and their probability of occurrence to be possible in the short-term 2024 forecast period.

Opportunities arising from regulatory changes

New regulatory requirements for commercial vehicles represent important opportunities for our group, as they are often associated with accelerated orders of commercial vehicles that can still be registered pursuant to the old standards, or subsequent orders that meet the new requirements.

In the medium term, new standards in the transport or agricultural markets will compel or at least incentivize fleet operators and farmers to become more efficient and sustainable. This will boost interest in more technologically advanced and sustainable products. We believe this presents us with good opportunities for expanding our product portfolio in Asia in particular. We are also noticing a trend in which more and more developing countries are tightening their safety regulations for commercial vehicles and developing more stringent requirements for maintaining environmental standards. Developments such as these will increase the demand for new products in the Asia-Pacific-Africa region.

Overall, we believe that these opportunities have a low significance and an unlikely probability of occurrence in the 2024 forecast period.

Procurement opportunities

We have identified good opportunities for JOST's global procurement activities by identifying new suppliers who meet our high product demands and thus expanding our international supplier landscape. This means we can avoid dependencies, enhance our flexibility and bargaining power and increase our competitiveness by balancing out cost and currency differences between countries and regions more effectively. When checking the credentials of new suppliers, we also pay attention to compliance with sustainability standards and ensure that our supply chain becomes increasingly sustainable with the help of our Supplier Code of Conduct.

We expect bottlenecks in the supply chain to ease further during the 2024 forecast period, thus enabling us to further optimize our international goods flows. By acquiring Crenlo do Brasil and opening our new plant in India, we have integrated two important countries, India and Brazil, even more closely into the group for expanding our supplier pool. This will create further procurement opportunities for JOST. We believe these opportunities will have a medium positive impact on the results of operations of all our operating segments and rate their probability of occurrence as possible.

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Corporate strategy opportunities

Growth through acquisitions and investments is another part of our business strategy aimed at both expanding and further deepening our product and process portfolio.

We have a proven expertise in implementing and integrating acquisitions. The successful acquisition and integration of the Ålö Group in fiscal year 2020, despite the negative impact of the coronavirus pandemic on business and travel, is a testament to this expertise.

We expect the acquisition and integration of Crenlo do Brasil and LH Lift in 2023 to deliver further corporate strategic opportunities as we pool our shared expertise, expand our product and customer portfolio and tap into new markets.

Acquisitions will continue making an important contribution to JOST's growth in the future. The group's strong liquidity position and the opportunity to obtain additional financing from the capital markets as required gives us the necessary strength to be able to make further acquisitions in the short to medium term. We are constantly monitoring the market and actively searching for potential acquisition candidates that could promote the implementation of our growth strategy.

We believe the short- to medium-term opportunities in terms of corporate strategy are moderate to high and their probability of occurrence is possible.

Overall assessment of the Executive Board on opportunities and risks

The JOST Werke Group's risk management system enables the company to identify, assess and, if necessary, counteract going-concern risks and other material risks at an early stage. The aforementioned risks represent a consolidated consideration of all risks derived from the group-wide early warning system that, if they occur, may lead to a negative deviation from the company's forecasted results. Overall, due to the measures taken to mitigate them, the risks identified do not have any impact on our net assets, financial position and results of operations that could endanger our continued existence as a going concern and are assessed as manageable. Due to changes in the assessment of individual risks, the overall risk assessment has increased slightly compared to the previous year. However, at present the Executive Board has not identified any risks that may individually or collectively threaten the continued existence of the company and group as a going concern.

The Executive Board has introduced measures aimed at enabling the company to seize the opportunities that present themselves without having to take unreasonably high risks. The profitability of the JOST Werke Group offers a solid foundation for the sustainable, positive development of the company and the realization of its business plans. The Executive Board is confident that the group is well positioned to take advantage of the numerous opportunities on offer. From today's perspective, the Executive Board does not expect the aforementioned risks and opportunities to change fundamentally overall.

The report on opportunities and risks contains forward-looking statements about expected developments. These statements are based on current estimates and are naturally subject to risks and uncertainties. Actual results may differ from the estimates set out here.

Report on expected developments

Expected macroeconomic and sector-specific environment

Expected macroeconomic environment

Global economy proving resilient but with sluggish growth in 2024: According to a January 2024 study from the International Monetary Fund (IMF), numerous aggravating factors and uncertainties in the macroeconomic environment are likely to persist in 2024. Nevertheless, the IMF believes the global economy will remain resilient and continue to grow during 2024. However, high interest rates and the withdrawal of fiscal support could adversely affect growth in 2024, with global economic growth likely to remain below the historic annual average (2000-2019) of 3.8%.

The IMF predicts that global economic output will grow by 3.1% year-over-year in 2024 (2023: 3.1%). International trade is also likely to continue to grow by 3.3% in 2024 compared to 2023 (2023: 0.4%). In Europe, the IMF anticipates slight gross domestic product (GDP) growth of 0.9% in 2024 (2023: 0.5%). The US economy is likely to be somewhat more robust and grow by 2.1% compared to 2023 (2023: 2.5%). According to the IMF, the economy in Asia's emerging and developing countries is likely to expand by 5.2% in 2024 (2023: 5.4%), with India in particular expected to contribute growth of 6.5% to the economic recovery (2023: 6.7%). In China, gross domestic product is expected to increase by 4.6% in 2024, which represents a slowdown compared to 2023 (2023: 5.2%). According to IMF estimates, the economy in Latin America will expand by just 1.9% year-over-year in 2024 (2023: 2.5%).

Expected sector-specific environment

Demand for heavy trucks likely to remain stable at a high level in 2024: Underpinned by solid economic development, the global truck market is expected to reach 2023's high level again in 2024. However, strong fluctuations in demand is expected between the different regions due to the fact that investment cycles vary considerably from one country to the next, thus affecting regional demand. In its study published in January 2024, market research firm LMC Automotive forecasts global heavy truck production growth of 1.3% year-over-year in 2024.

According to LMC Automotive, heavy truck production in Europe will decrease by 5.6% year-over-year in 2024. FTR, a research firm specializing in North America, expects truck production in North America to decline much more sharply by 25.9% in 2024 compared to 2023. LMC Automotive predicts that heavy truck production in Asia-Pacific-Africa will increase by a further 6.4% year-over-year in 2024. In this region, the institute anticipates a further recovery in the Chinese truck market, which is expected to grow by 11.0% compared to 2023 in 2024. In South America, LMC Automotive predicts strong year-over-year growth of 45.9% in the truck market in 2024.

The global trailer market is contracting: According to market experts, the global trailer market will shrink by 4.9% in 2024 compared to the previous year, primarily as a result of the expected decline in demand in North America. In a February 2024 study, market research institute Clear Consulting expects trailer production in Europe to stabilize over the course of 2024 and grow by 5.0% compared to a weak 2023. According to forecasting firm FTR Transportation Intelligence, the North American trailer market is likely to contract sharply by 25.5% compared to 2023. In Asia-Pacific-Africa, Clear Consulting's market experts expect trailer production to gain momentum amid the Chinese economy's continued recovery and India's strong growth. Clear Consulting estimates that trailer production in APA will increase by 8.8% year-over-year in 2024. Clear Consulting expects the trailer market in Latin America to remain stable year-over-year in 2024.

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Agricultural tractor market expected to shrink further in 2024: Falling prices for agricultural products and persistently high interest rates are likely to continue having a negative impact on conditions in the agricultural market in 2024. Major agricultural OEMs currently expect the market for agricultural tractors in Europe and North America to decline by 5.0% to 10.0% compared to 2023 in 2024. OEMs also predict that demand for agricultural tractors in South America will drop by up to 10.0% in 2024. In Asia and the Pacific region, the market for these products is only likely to contract slightly compared to the previous year.

Group outlook

According to the expectations of market research institutes, demand in transport markets will dwindle year-over-year in 2024, particularly in Europe and North America. With the expected rise in demand in Asia-Pacific-Africa not enough to offset this decline. At present, market experts are also predicting a fall in demand in the agricultural sector in 2024. By contrast, JOST expects sales in its agricultural business to increase compared to 2023, partly supported by the consolidation of the Crenlo do Brasil (now JOST Agriculture & Construction South America Ltda.) and LH Lift Oy subsidiaries it acquired in 2023.

Based on market expectations for 2024 and taking into account the group's operating performance in the first few months of the current year, JOST expects 2024 consolidated sales to record a single-digit percentage decrease compared to 2023 (2023: €1,249.7m). Adjusted EBIT is also expected to decline in the single-digit percentage range compared to the previous year (2023: €140.8m), but at a slightly faster pace than sales. As a result, the adjusted EBIT margin for 2024 should decline compared to previous year, while still remaining within the strategic margin corridor of 10.0% to 11.5% (2023: 11.3%).

Adjusted EBITDA is expected to decrease in line with adjusted EBIT at a single-digit percentage rate compared to 2023 (2023: €173.1m).

This forecast is based on the assumption that the economic situation in our most important markets will not deteriorate unexpectedly and that ongoing geopolitical conflicts will not spread from one region to another. It is also based on the condition that there will be no unexpected extended plant closures at key JOST customers or suppliers.

Investments (excluding acquisitions) in 2024 will focus on strengthening JOST's regional presence in Brazil and Asia-Pacific-Africa, particularly for the production of agricultural components. We will also further increase automation in our production activities and harmonize our global IT systems more effectively. In addition, we are working hard to continue improving energy efficiency at our plants and reduce our carbon emissions compared to the previous year. Overall, capital expenditure (excluding acquisitions) is expected to amount to around 2.5% to 2.9% of sales (2023: 2.5%).

Net working capital as a percentage of sales is expected to come in below 19% in fiscal year 2024 (2023: 18.0%).

Excluding any acquisitions, leverage (ratio of net debt to adjusted EBITDA) should continue to improve compared to 2023 and come in at below 1.0x adjusted EBITDA (2023: 0.998x).

From today's perspective and taking into account the operating performance of the JOST Werke Group during the first few months of 2024, the Executive Board is confident that the group's economic position is very sound. Although declining demand in several markets will pose several challenges, JOST believes that its considerable flexibility, broad product portfolio, robust aftermarket business and strong international presence mean it is well positioned to compete very successfully in these volatile markets. The group's robust financial and economic position provides it with numerous opportunities to use this environment to tap into new strategic growth opportunities for JOST.

JOST Werke SE (HGB – German Commercial Code)

Headquartered in Neu-Isenburg, Germany, JOST Werke SE is the parent company of the JOST Werke Group. *Fundamental information about the group*

The company is a stock corporation (Societas Europaea (SE)) under European law. As of July 20, 2017, its shares have been listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange. They were also admitted to the SDAX in March 2018.

JOST Werke SE's economic situation is dependent on the results generated by its subsidiaries. The business performance of JOST Werke SE is therefore subject to the same opportunities and risks as that of the group and is influenced by the same economic and sector-specific environment.

JOST Werke SE's single-entity financial statements are prepared according to the provisions of the HGB and the AktG.

Results of operations (HGB)

The gross revenue of JOST Werke SE increased by €5.6m to €11.9m in 2023 (2022: €6.3m). Since JOST Werke SE is purely a holding company without its own operations, only sales revenues from service contracts to affiliated companies and cost transfers to them in the amount of €4.3m (2022: €5.3m) and other operating income of €7.6m (2022: €1.0m) are generated. This increase in gross revenue is primarily attributable to the reversal of a provision for an LTI (long-term incentive) plan, which is recognized in other operating income. The reduction in sales revenue was caused by a lower level of internal costs passed on in 2023. As a result, the development was below our expectations (forecast for 2023 for the single entity JOST Werke SE: slight year-over-year increase in sales).

Earnings after taxes of the single entity rose year-over-year by €0.3m to €-8.0m (2022: €-8.3m), and were thus in line with our expectations (forecast for 2023 for the single entity JOST Werke SE: slight year-over-year increase in earnings after taxes). This increase is primarily attributable to the €6.6m rise in other operating income as well as €3.1m growth in other interest and similar income. The €11.3m increase in interest and similar expenses to €16.7m had an offsetting effect (2022: €5.5m). This development was mainly influenced by the increase in variable interest rates (EURIBOR).

In fiscal year 2023, €30.2m were withdrawn from retained earnings (2022: €28.4m). Thus, net retained profit in the reporting period rose to €22.4m (2022: €20.9m).

Net assets and financial position (HGB)

Total assets rose by €4.5m to €837.9m in fiscal year 2023 (December 31, 2022: €833.4m).

Reflecting the net loss for the year of €7.9m and the dividend of €20.9m paid to shareholders in May 2023, equity declined by €28.8m to €428.1m (December 31, 2022: €456.9m). The equity ratio fell to 51.1% (December 31, 2022: 54.8%), mainly in connection with the decline in equity. To finance its acquisition of the Ålö Group, JOST Werke SE in 2019 entered into a financing arrangement with a consortium of banks for an amount of €120.0m and a term of five years. €12.0m of this total was repaid in 2023 (2022: €12.0m).

In addition, a further €3.5m from the 2018 promissory note worth €150m was repaid in 2023 (2022: €94m). The funds used for this repayment come from a new promissory note from December 2022 with a total volume of €130m, of which €22m was only paid out in January 2023. The company also has a revolving credit facility of €150m in place, of which €110m remained available to us as of the reporting date.

Provisions decreased by €6.8m to €4.6m compared to the previous year (December 31, 2022: €11.3m). This is primarily due to the drop in other provisions, which decreased by €6.9m to €4.3m (December 31, 2022: €11.2m). The main reason for this decrease was the reduction of the provision for the LTI plans, which amounted to €0.4m as of the reporting date (December 31, 2022: €7.5m).

Liabilities to affiliated companies rose by €48.7m to €136.1m compared with the previous year. These mainly concern the settlement account with JOST Werke Deutschland GmbH. In particular, the repayments of the loans and credit line and the dividend distributions (€20.9m) to the company's shareholders were offset via this settlement account. Trade payables stood at €0.2m in the year under review (December 31, 2022: €0.3m) and other liabilities amounted to €0.8m (December 31, 2022: €0.8m).

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Report on expected developments (HGB)

For 2024, the company anticipates a slight decrease in sales compared with the previous year. We likewise expect the single entity JOST Werke SE (HGB) to post slightly lower earnings after taxes by comparison with fiscal year 2023.

Net retained profit and proposal for the appropriation of net profit

A proposal will be made to the General Meeting to distribute €1.50 per share from the net retained profit of €22.4m shown by the parent company, JOST Werke SE, for the period ended December 31, 2023.

Corporate governance statement in accordance with Section 289f (1) HGB

The required corporate governance statement in accordance with Section 289f (1) HGB is available in the section of this annual report entitled "Corporate governance statement" and on our website at *https://www.jost-world.com/en/corporate-goverance.html*.

Non-financial report

For the non-financial report required to be provided under Section 315b et seq. HGB, please refer to the separate *Sustainability Report 2023*.

Remuneration report

The report on the remuneration of the Executive Board and Supervisory Board of JOST Werke SE is presented in the corporate governance report, which is part of the combined management report. *Remuneration report*

Takeover-related disclosures in accordance with Section 289a HGB

The disclosures required by Section 289a HGB are part of the combined management report. *Takeover-related disclosures*

Corporate Governance

Corporate governance statement

In the corporate governance statement in accordance with Sections 289f (1) and 315d (1) HGB, JOST Werke SE explains how the key elements of corporate governance are structured within the group and the company.

It contains the declaration of compliance in accordance with Section 161 AktG, relevant disclosures on corporate governance practices, which go beyond statutory requirements, the working practices of the Executive Board and Supervisory Board, the composition and working practices of their committees, and the percentage of women in management positions, along with the group's targets and diversity policy. The declaration of compliance issued by the Executive Board and Supervisory Board on December 7, 2023, reads as follows:

The Executive Board and the Supervisory Board of JOST Werke SE declare that the recommendations of the "German Corporate Governance Code" (GCGC) in the version dated June 27, 2022, have been complied with since the declaration of conformity issued on December 1, 2022, with the following exceptions, and will be complied with in the future:

- Recommendation A.3: A deviation is declared from the recommendation that the internal control system should also cover sustainability-related targets, unless already required by law. To ensure the quality of the non-financial data, the company has the sustainability report audited by an external auditor.
- Recommendation B.1: As a precautionary measure, a deviation from the recommendation regarding the composition of the board of directors is declared. The Supervisory Board pays attention to diversity when selecting members of the Board of Executive and has passed a quota of 25% female members for the Executive Board. At the same time, the Supervisory Board is of the opinion that the decisive factor for an appointment to the Executive Board should always be the personal and professional qualifications of the candidates.
- Recommendation G.3: The Supervisory Board shall assess whether the renumeration of Executive Board members is appropriate based on an external comparison with the remuneration of members of executive boards of comparable companies. The Supervisory Board made a deliberate decision not to define a fixed and static peer group, as the Supervisory Board is of the opinion that making such a link with a specifically defined peer group may lead to inappropriate outcomes.
- Recommendation G.4: When assessing whether the remuneration is appropriate, the Supervisory Board shall take account of the circumstances within the company itself. The Supervisory Board made a deliberate decision not to define a fixed group of senior managers, as the Supervisory Board is of the opinion that such a definition would not be appropriate in view of the heterogeneity of the remuneration structure within the company as a whole and internal remuneration practices within the company.
- Recommendation G.8: The Supervisory Board may make a positive or negative adjustment to all variable remuneration components if it is of the opinion that the respective variable remuneration components calculated do not appropriately reflect the company's business performance, the achievement of its strategic objectives and/or the Executive Board member's contribution thereto, owing to extraordinary developments. The Supervisory Board has decided not to exclude the possibility of making retroactive adjustments to target values or comparison parameters, as such an exclusion may lead to inappropriate outcomes. The cap on the total bonus for each Executive Board member in terms of both the amount granted and the amount paid each year ("caps"), as stipulated in the remuneration system, is complied with in all cases.
- Recommendation G.11 sentence 2: According to the remuneration system, the Supervisory Board can stipulate in the Executive Board members' employment contracts that variable remuneration components may be retained or reclaimed in narrowly defined cases (compliance clawback; performance clawback). The existing employment contracts of Executive Board members Joachim Dürr, Oliver Gantzert and Dirk Hanenberg currently do not include such a possibility.

You can find the entire corporate governance statement on our website at https://www.jost-world.com/en/corporate-goverance.html. The current declaration of compliance issued by JOST Werke SE in accordance with Section 161 AktG can also be viewed on the company's website by clicking on this link https://www.jost-world.com/en/declaration-of-compliance.html.

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Remuneration report 2023

The Executive and Supervisory Boards of JOST Werke SE hereby report pursuant to Section 162 AktG on the remuneration granted and owed to the current and former members of the Executive and Supervisory Boards in the 2023 fiscal year.

Remuneration System for the Executive Board

Resolution on the approval of the remuneration report

On May 11, 2023, the General Meeting of JOST Werke SE approved the remuneration report for current and former members of the Executive Board and Supervisory Board of JOST Werke SE in the 2022 fiscal year prepared in accordance with Section 162 of the German Stock Corporation Act (AktG) with a majority of 95.5% of the share capital represented, in accordance with Section 120a (4) AktG. Based on this positive result, the Executive Board and Supervisory Board decided to retain the presentation format for the remuneration report for the 2023 fiscal year as well.

Application of the remuneration system in the 2023 fiscal year

Following its preparation by the Executive and Nomination Committee, pursuant to Sections 87 (1), 87a (1) AktG the Supervisory Board resolved a new remuneration system for the Executive Board in the 2021 fiscal year ("2021 remuneration system"). This was approved by the General Meeting on May 6, 2021. *https://ir.jost-world.com/remuneration*

The 2021 remuneration system approved by the General Meeting complies with the requirements of the German Act Transposing the Second Shareholder Rights Directive (ARUG II). It is likewise based on the recommendations of the German Corporate Governance Code, as amended on April 28, 2022, and complies with these recommendations except for certain exceptions which are explained in the company's declaration of compliance. *Declaration of compliance*

The 2021 remuneration system was applied when concluding the new Executive Board employment contract of Oliver Gantzert (CFO) in 2023 and the new Executive Board employment contract of Dirk Hanenberg (COO) in 2022. The Executive Board employment contract of former CFO Dr. Christian Terlinde was also concluded using the 2021 remuneration system. The Executive Board employment contract of Joachim Dürr (CEO) was concluded in accordance with the remuneration system applicable in 2019 ("2019 remuneration system") and is grandfathered. As a result, the remuneration granted to him in the 2023 fiscal year was based on the 2019 remuneration system and thus deviates from the 2021 remuneration system.

The former Executive Board members Dr. Ralf Eichler and Dr. Christian Terlinde were also granted remuneration and/or remuneration components that were promised to them in previous fiscal years under the 2019 remuneration system applicable at the time.

Any contract extensions or new Executive Board employment contracts are being adjusted to reflect the 2021 remuneration system. Details of the 2019 remuneration system are explained in the 2020 Annual Report. *Main features of the Executive Board remuneration system; 2020 Annual Report, p. 54 et seq*.

Changes to the Executive Board in the 2023 fiscal year

Oliver Gantzert was appointed as a member of the Executive Board of JOST Werke SE effective September 1, 2023. As CFO, he has assumed responsibility for Finance, IT, Internal Audit, Investor Relations, Sustainability (ESG), Legal & Compliance.

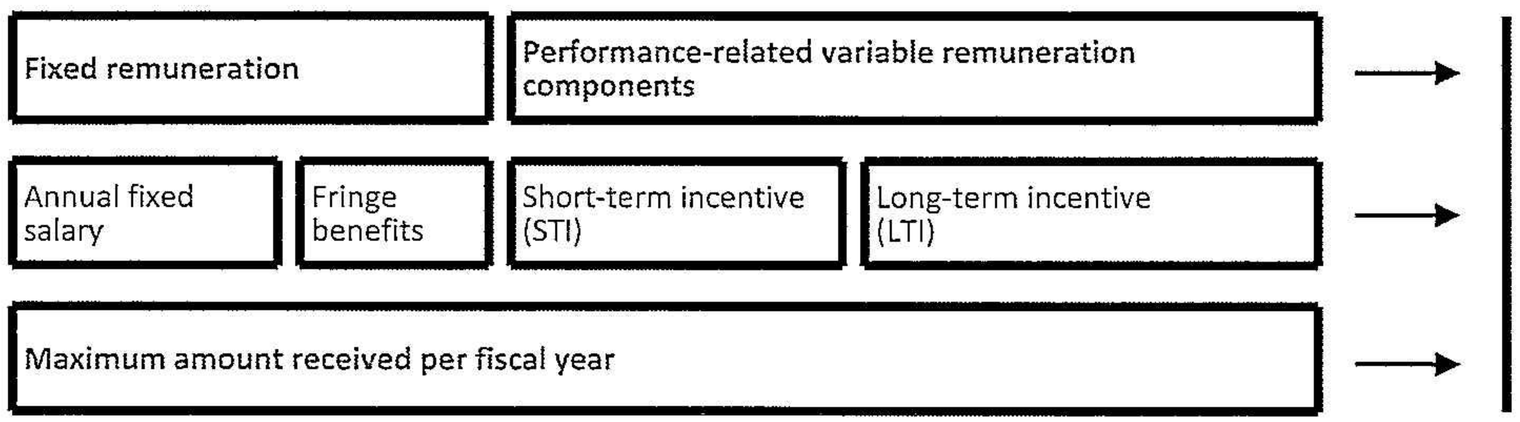
During the 2023 fiscal year, Dr. Christian Terlinde (former CFO) asked the company's Supervisory Board to rescind his Executive Board employment contract effective June 30, 2023 by mutual agreement. Following the termination of his Executive Board activities, Dr. Terlinde is entitled to long-term bonuses already granted as a result of his Executive Board activities in the 2019 and 2020 fiscal years that will be paid out in 2023 and 2024 in accordance with the 2019 remuneration system. He is also entitled to short and long-term bonuses already granted as a result of his Executive Board activities in the 2021 to 2023 fiscal years that will be paid out in 2023 and 2027 in accordance with the 2021 remuneration system. Dr. Terlinde is only entitled to his short-term bonus for 2023 on a pro rata basis due to his resignation from the Executive Board. He is not entitled to a long-term bonus for 2023. There are no further entitlements.

Summary of the structure of the 2021 remuneration system

The 2021 remuneration system is intended to support the implementation of JOST's corporate strategy. Both in overall terms and in terms of their individual aspects, they provide a significant contribution to the promotion and implementation of the company's corporate strategy, by establishing incentives for sustainable and value-driven corporate development while reflecting the needs of JOST's shareholders, customers, employees, business partners, the environment and society at large (stakeholders).

Each Executive Board member's overall remuneration consists of fixed, non-performance-related and variable, performance-related components. The fixed remuneration comprises the Executive Board member's fixed annual salary as well as fringe benefits (fixed remuneration). The variable, performance-related remuneration consists of a one-year component (short-term incentive – STI) and a multi-year component (long-term incentive – LTI). In order to strengthen the performance incentive aspect of the remuneration system, the target remuneration mainly consists of performance-related components. The long-term incentive component of the performance-related LTI component exceeds the short-term performance-related STI component. This more strongly rewards the achievement of the group's long-term strategic goals.

Remuneration components



The Supervisory Board reviews the appropriateness of the remuneration components every year. For the purpose of an external comparison, the remuneration received by Executive Board members of similar companies is considered in order to assess the appropriateness of the remuneration provided and whether this is consistent with normal remuneration levels. In addition to the company's size and geographical position, this comparative context is influenced, in particular, by the industry in question. The Supervisory Board made a deliberate decision not to define a fixed and static peer group, as the Supervisory Board is of the opinion that making such a link with a specifically defined peer group may lead to inappropriate outcomes.

When assessing whether the remuneration is appropriate, the Supervisory Board also takes account of the circumstances within the company itself. In view of the significant differences within the group in terms of the remuneration structure, it has not undertaken a formal internal comparison of remuneration with a management group firmly defined for this purpose, but it has given consideration to the general remuneration practices within the company. The Supervisory Board's assessment of the appropriateness of the remuneration provided also considers the trend for the remuneration received by the workforce, defined as the average remuneration received by the group's employees in Germany.

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Non-performance-related fixed remuneration

In accordance with the 2019 remuneration system and the 2021 remuneration system, each Executive Board member receives a fixed annual salary which is paid out in twelve equal installments at the end of each calendar month.

Fringe benefits are additional components of this fixed remuneration. They include, for instance, a company car, enrollment in an accident insurance policy and a contribution to the Executive Board member's health and nursing insurance. Moreover, in addition to their fixed annual salary Executive Board members have the option for each full fiscal year of utilizing 20% of their fixed annual salary for a private pension scheme, by converting salary entitlements into pension entitlements. No other person entitlements exist.

The company also takes out an appropriate D&O insurance policy for the Executive Board members, to provide cover for a Executive Board member against risks arising from his work on behalf of the company. In accordance with Section 93 (2) AktG, the deductible agreed in this context is 10% of the loss up to at least the amount of one and a half times the fixed annual remuneration of the Executive Board member in question.

This fixed remuneration is intended to be competitive in the market environment in which JOST operates to enable it to recruit suitable and competent Executive Board candidates who will develop and successfully implement the group's strategy. It corresponds to 100% of the target remuneration for the non-performance-related components.

Individualized fixed remuneration of current Executive Board members

	Joachim Dürr (CEO) Executive Board member since: Jan 1, 2019		Dirk Hanenberg (COO) Executive Board member since: Sept 1, 2022		Oliver Gantzert (CFO) Executive Board member since: Sept 1, 2023	
In € thousands	2022	2023	2022	2023	2022	2023
Fixed remuneration	724	724	150	450	—	150
Deferred compensation for pension scheme	145	145	30	90	—	30
Fringe benefits	5	6	7	6	—	3
Non-performance related component	**874**	**875**	**187**	**546**	**—**	**183**

Individualized fixed remuneration of former Executive Board members

	Dr. Christian Terlinde Executive Board member until: June 30, 2023		Dr. Ralf Eichler Executive Board member until: Oct 31, 2022	
In € thousands	2022	2023 [1]	2022 [2]	2023
Fixed remuneration	475	238	358	—
Deferred compensation for pension scheme	95	48	72	—
Fringe benefits	5	3	7	—
Non-performance related component	**575**	**289**	**437**	**—**

1) Proportionate amount until June 30, 2023.
2) Proportionate amount until October 31, 2022. During the 2022 fiscal year, Dr. Ralf Eichler also continued to receive salary payments totaling €86 thousand and fringe benefits worth €1 thousand after the termination of his Executive Board activities.

Performance-related variable remuneration

The variable, performance-related remuneration components consist of a short-term incentive (STI) and a long-term incentive (LTI).

In the 2019 remuneration system, the performance-related component is based on the group's adjusted EBITDA. The adjusted EBITDA target to be achieved is set annually by the Supervisory Board. According to the 2019 remuneration system, the financial component can be 0.25% to 0.65% of the EBITDA actually achieved. The sum total of all performance-related components for CEO Joachim Dürr was set at 0.64% (2021: 0.60%), while all other Executive Board members receive as an overall bonus 0.40% of the adjusted EBITDA actually achieved. If adjusted EBITDA in any given fiscal year does not amount to at least 80% of the target set by the Supervisory Board, Executive Board members are not entitled to variable remuneration. Even if the agreed targets are met, the overall bonus is not disbursed in full in a single payment.

In the 2021 remuneration system, the performance-related component is based on adjusted EBITDA and non-financial ESG targets specified by the Supervisory Board. The financial element of the performance-related component can be 0.25% to 0.65% of the adjusted EBITDA actually achieved, provided that the adjusted EBITDA is at least 80% of the targets set by the Supervisory Board. The non-financial element can be 0.03% to 0.28% of the adjusted EBITDA actually achieved, provided that a target level of at least 80% is achieved for the non-financial ESG targets set by the Supervisory Board. Even if

the agreed targets are met, the overall bonus is not disbursed in full in a single payment. For Executive Board members Dirk Hanenberg, Oliver Gantzert and Dr. Christian Terlinde, the financial element was set at 0.36% of adjusted EBITDA, while the non-financial element was set at 0.04% of adjusted EBITDA.

In both the 2019 and 2021 remuneration systems, 45% of the overall bonus is paid as a short-term (STI) component with a term of one year. The STI is intended to provide an incentive for the successful fulfillment of the group's annual operational goals which underpin its long-term success. It will be paid out two weeks after the adoption of the audited consolidated financial statements for the past fiscal year.

In the 2019 remuneration system, the remaining 55% of the performance-related overall bonus will be converted into a long-term (LTI) component and paid out in full if the adjusted EBITDA in the following fiscal year at least matches the adjusted EBITDA in the assessment period. The 2019 remuneration system was not linked to the share price trend.

In the 2021 remuneration system, the remaining 55% of the performance-related overall bonus will be converted into a long-term (LTI) component and fully invested in phantom shares in JOST Werke SE. These stock awards are sold virtually four fiscal years after the base year, with the LTI component only paid out and owed after this point.

Target achievement and calculation of performance-related remuneration in 2023

The Executive Board remuneration "granted" and "owed" in the 2023 fiscal year pursuant to Section 162 (1) sentence 2 no. 1 AktG comprises the STI component payments for the 2022 fiscal year – which were made two weeks after the adoption of the audited consolidated financial statements for 2022, in April 2023 – as well as the LTI component payments for the 2021 fiscal year which were likewise paid out in April 2023 under the 2019 remuneration system. On the basis of the definition applied here, these amounts are "owed" to the members of the Executive Board following the adoption of the audited consolidated financial statements in March 2023 and were actually received through the payment made in April 2023 and thus "granted" in the 2023 fiscal year.

According to the definition provided in Section 162 (1) sentence 2 no. 1 AktG, remuneration is

- **granted** once it has actually been received (i.e. paid out);
- **owed** once it has fallen due but has not yet been received (i.e. paid out).

At its meeting on November 16, 2021, the Supervisory Board defined the performance criteria relevant to the performance-related remuneration components for each individual Executive Board member in the 2022 fiscal year.

The targets for the financial performance criteria are the same in both the 2019 and 2021 remuneration systems.

Target achievement for financial key performance indicators (according to the 2019 and 2021 remuneration systems)

	2021	2022
Performance criterion	Adjusted EBITDA	Adjusted EBITDA
Threshold for granting (80% target achievement)	€91m	€105m
Target (100% target achievement)	€113m	€131m
Threshold for max. granting (200% target achievement)	€227m	€262m
Result	€133m	€154m
Target achievement	118 %	118 %

At its meeting on November 16, 2021, the Supervisory Board also defined non-financial performance criteria that influence the performance-related Executive Board remuneration for the 2022 fiscal year in accordance with the 2021 remuneration system.

Target achievement for non-financial key performance indicators (according to the 2021 remuneration system)

	2022
ESG target	Implementing a group-wide reporting system for recording monthly carbon emissions data within JOST
	Developing, introducing and implementing a system for recording monthly carbon emissions as well as electricity, gas, oil, district heating and water consumption across the group.
Result achieved	Incorporating non-financial performance indicators for carbon emissions, energy and water into the monthly management report to the Supervisory Board.
Target achievement	100 %

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Calculation of performance-related components in accordance with the 2019 remuneration system

In the 2022 fiscal year, the Executive Board employment contracts of Joachim Dürr and Dr. Ralf Eichler (former COO) were grandfathered as they were concluded before the 2021 remuneration system was introduced and are therefore still aligned with the 2019 remuneration system.

The CEO Joachim Dürr received as an overall bonus in fiscal year 2022 (sum total of all performance-related components) 0.64% of the adjusted EBITDA actually achieved (2021: 0.60%), while Dr. Ralf Eichler received as an overall bonus 0.40% of the adjusted EBITDA actually achieved (2021: 0.40%). According to the 2019 remuneration system, performance-related remuneration solely depends on the achievement of financial performance criteria.

Calculation of the STI component from fiscal year 2022 under the 2019 remuneration system

	Joachim Dürr (CEO)	Dr. Ralf Eichler (Departed: Oct 31, 2022)
Target amount 100% STI 2022	€377 thousand	€236 thousand
Target achievement	118 %	118 %
Amount paid out in 2023 (STI)	€445 thousand	€278 thousand

Calculation of the LTI component from fiscal year 2021 under the 2019 remuneration system

	Joachim Dürr (CEO)	Dr. Ralf Eichler (Departed: Oct 31, 2022)
Target amount 100% LTI 2021	€374 thousand	€249 thousand
Target achievement	118 %	118 %
Amount paid out in 2023 (LTI)	€440 thousand	€293 thousand

An LTI component from the 2019 fiscal year was also paid out to former CFO Dr. Christian Terlinde in the 2023 fiscal year (2019: 0.40%) that was only owed to him in 2023 in accordance with the Executive Board employment contract valid at that time (2019 remuneration system). The adjusted EBITDA target set by the Supervisory Board in 2019 was €104m. JOST recorded adjusted EBITDA of €101m in 2019, resulting in a target achievement figure of 97%.

Calculation of the LTI component from fiscal year 2019 under the 2019 remuneration system

	Dr. Christian Terlinde (Departed: June 30, 2023)
Target amount 100% LTI 2019	€229 thousand
Target achievement	97 %
Amount paid out in 2023 (LTI)	€222 thousand

Calculation of performance-related components in accordance with the 2021 remuneration system

The employment contracts of Executive Board members Dirk Hanenberg and Dr. Christian Terlinde (former CFO) applicable in fiscal year 2022 were concluded under the 2021 remuneration system. Performance-related remuneration therefore depends on the achievement of financial and non-financial performance criteria.

Calculation of the STI component from fiscal year 2022 under the 2021 remuneration system

	Dirk Hanenberg (COO)[1]	Dr. Christian Terlinde (former CFO)
Target amount 100% STI 2022	€79 thousand	€236 thousand
Target achievement for financial key performance indicators	118 %	118 %
Target achievement for non-financial key performance indicators	100 %	100 %
Amount paid out in 2023 (STI)	€93 thousand	€278 thousand

1) Dirk Hanenberg was appointed to the Executive Board with effect from September 1, 2022, which is why he is entitled only to a proportionate amount of the STI component for fiscal year 2022.

In accordance with the 2021 remuneration system, the LTI will be invested in phantom shares of the company. The volume-weighted average price of the shares of the company in Xetra trading on the Frankfurt Stock Exchange in the final 60 trading days of the base year serves as the purchase price for the investment. The LTI component from fiscal year 2022 will be paid out in fiscal year 2027 and be owed at that time.

Oliver Gantzert was appointed to the Executive Board with effect from September 1, 2023. He is not entitled to any performance-related STI or LTI payouts from previous years.

Remuneration of the Executive Board members granted and owed in fiscal year 2023

The following tables provide a breakdown of the remuneration components "granted" and "owed" in the 2023 fiscal year and in each case their relative proportion under Section 162 (1) no. 1 AktG for current and former members of the Executive Board. This table thus includes

- all of the amounts which the individual Executive Board members have actually received (i.e. which have been paid out to them) in the year under review (the **"remuneration granted"**), and
- all of the remuneration which is already due but has not yet been received (i.e. has not yet been paid out) (**"remuneration owed"**).

Specifically this comprises, on the one hand, the fixed annual remuneration paid out in the fiscal year, the fringe benefits accruing in the fiscal year and the pension allowance paid out in the fiscal year as elements of the non-performance-related component and, on the other, the STI based on the 2022 fiscal year and the LTI based on the 2019 or 2021 fiscal year, which were paid out in the 2023 fiscal year.

Remuneration granted and owed to current members of the Executive Board

	Joachim Dürr (CEO)				Dirk Hanenberg (COO) [1]				Oliver Gantzert (CFO) [2]			
	Executive Board member since: Jan 1, 2019				Executive Board member since: Sept 1, 2022				Executive Board member since: Sept 1, 2023			
In € thousands	2022	in %	2023	in %	2022	in %	2023	in %	2022	in %	2023	in %
Fixed remuneration	724	46	724	41	150	80	450	70	—	—	150	82
Deferred compensation for pension scheme	145	9	145	8	30	16	90	14	—	—	30	16
Fringe benefits	5	0	6	0	7	4	6	1	—	—	3	2
Non-performance related component	**874**	**56**	**875**	**50**	**187**	**100**	**546**	**85**	—	—	**183**	**100**
One-year variable remuneration (STI)	360	23	445	25	—	—	93	15	—	—	—	—
Multi-year variable remuneration (LTI)	339	22	440	25	—	—	—	0	—	—	—	—
Performance related component	**699**	**44**	**885**	**50**	—	—	**93**	**15**	—	—	—	—
Total remuneration	**1,573**	**100**	**1,760**	**100**	**187**	**100**	**639**	**100**	—	—	**183**	**100**

1) Dirk Hanenberg was appointed to the Executive Board with effect from September 1, 2022, which is why he is entitled only to a proportionate amount of the STI component for fiscal year 2022.
2) Oliver Gantzert was appointed to the Executive Board with effect from September 1, 2023. He is not entitled to any performance-related STI or LTI payouts from previous years.

Remuneration granted and owed to former members of the Executive Board

	Dr. Christian Terlinde Executive Board member until: June 30, 2023				Dr. Ralf Eichler Executive Board member until: Oct 31, 2022			
In € thousands	2022	in %	2023 [1]	in %	2022 [2]	in %	2023	in %
Fixed remuneration	475	58	238	30	358	40	—	0
Deferred compensation for pension scheme	95	12	48	6	72	8	—	0
Fringe benefits	5	1	3	0	7	1	—	0
Non-performance related component	**575**	**71**	**289**	**37**	**437**	**49**	—	**0**
One-year variable remuneration (STI	240	29	278	35	240	26	278	49
Multi-year variable remuneration (LTI)	—	—	222	28	226	25	293	51
Performance related component	**240**	**29**	**500**	**63**	**466**	**51**	**571**	**100**
Total remuneration	**815**	**100**	**789**	**100**	**903**	**100**	**571**	**100**

1) Proportionate amount until June 30, 2023.
2) Proportionate amount until October 31, 2022. During the 2022 fiscal year, Dr. Ralf Eichler also continued to receive salary payments totaling €86 thousand and fringe benefits worth €1 thousand after the termination of his Executive Board activities.

The above table does not include the STI based on the 2023 fiscal year – which will only be owed in 2024 following the adoption of the 2023 consolidated financial statements and will be granted two weeks later – and the LTI for 2023, which will not be granted until 2025 or 2028. For further information, please see the voluntary disclosures made in the following section "STI/LTI for the 2024 (STI) or 2025/2028 (LTI) fiscal years, payable on the basis of the 2023 fiscal year" and the section "Compliance with maximum remuneration."

STI/LTI for the 2024 (STI) or 2025/2028 (LTI) fiscal years, payable on the basis of the 2023 fiscal year

According to the interpretation of Section 162 (1) sentence 2 no. 1 AktG applied here, neither the STI nor the LTI which result from the achievement of the targets defined in the financial performance criteria in the 2023 fiscal year has been "granted," and nor is it "owed."

The STI and LTI resulting from the achievement of the targets defined in the performance criteria in the 2023 fiscal year have exclusively been presented in this remuneration report in order to voluntarily provide the greatest possible level of transparency. The remuneration components presented here are only granted and owed during the 2024 fiscal year (STI) and the 2025 (LTI) and 2028 (LTI) fiscal years.

At its meeting on December 1, 2022, the Supervisory Board defined the performance criteria relevant to the performance-related remuneration components for each individual Executive Board member in the 2023 fiscal year. The targets for the financial performance criteria are the same in both the 2019 and 2021 remuneration systems.

Target achievement for financial key performance indicators (according to the 2019 and 2021 remuneration systems)

	2023
Performance criterion	Adjusted EBITDA
Threshold for granting (80% target achievement)	€117m
Target (100% target achievement)	€146m
Threshold for max. granting (200% target achievement)	€292m
Result achieved	€173m
Target achievement	119 %

At its meeting on December 1, 2022, the Supervisory Board also defined non-financial performance criteria that influence the performance-related Executive Board remuneration for the 2023 fiscal year in accordance with the 2021 remuneration system.

Target achievement for non-financial key performance indicators (according to the 2021 remuneration system)

	2023
ESG target	Reduction of carbon emissions per production hour (Scope 1 and Scope 2) by 40% compared to the 2020 base year (2020: 6.3 kg CO_2/prod. hr.) Reduction of -2.52 kg CO_2/prod. hr. in 2023
Result achieved	3.4 kg CO_2/prod. hr. in 2023. This represents a reduction of -2.9 kg CO_2/prod. hr. vs. 2020 base year
Target achievement	115 %

Calculation of performance-related components in accordance with the 2019 remuneration system

In the 2023 fiscal year, the Executive Board employment contract of Joachim Dürr (CEO) was grandfathered as it was concluded before the 2021 remuneration system was introduced and is therefore still aligned with the 2019 remuneration system.

The CEO Joachim Dürr receives as an overall bonus in fiscal year 2023 (sum total of all performance-related components) 0.64% of the adjusted EBITDA actually achieved. According to the 2019 remuneration system, performance-related remuneration solely depends on the achievement of financial performance criteria.

Calculation of the STI component from fiscal year 2023 under the 2019 remuneration system

	Joachim Dürr (CEO)
Target amount 100% STI 2023	€421 thousand
Target achievement	119 %
Amount paid out in 2024 (STI)	€499 thousand

Calculation of the LTI component from fiscal year 2023 under the 2019 remuneration system

	Joachim Dürr (CEO)
Target amount 100% LTI 2023	€514 thousand
Target achievement	119 %
Amount paid out in 2025 (LTI)	€609 thousand

Calculation of performance-related components in accordance with the 2021 remuneration system

The employment contracts of Executive Board members Dirk Hanenberg (COO), Oliver Gantzert (CFO) and Dr. Christian Terlinde (former CFO) applicable in fiscal year 2023 were concluded under the 2021 remuneration system. Performance-related remuneration therefore depends on the achievement of financial and non-financial performance criteria.

The performance-related components of the remuneration of Dirk Hanenberg, Oliver Gantzert and Dr. Christian Terlinde in fiscal year 2023 are as follows: (i) 0.36% of the adjusted EBITDA actually achieved, provided that the adjusted EBITDA is at least 80% of the target set by the Supervisory Board for 2023; (ii) 0.04% of the adjusted EBITDA actually achieved, provided that a target level of at least 80% is achieved for the ESG targets (non-financial targets) set by the Supervisory Board.

Calculation of the STI component from fiscal year 2023 under the 2021 remuneration system

	Dirk Hanenberg (COO)	Oliver Gantzert (CFO) [1]	Dr. Christian Terlinde [2]
Target amount 100% STI 2023	€263 thousand	€88 thousand	€131 thousand
Target achievement for financial key performance indicators	119 %	119 %	119 %
Target achievement for non-financial key performance	115 %	115 %	115 %
Amount paid out in 2024 (STI)	€312 thousand	€104 thousand	€156 thousand

1) Oliver Gantzert was appointed to the Executive Board with effect from September 1, 2023, which is why he is entitled only to a proportionate amount of the STI component
2) Dr. Christian Terlinde left the Executive Board with effect from June 30, 2023. He is entitled to a proportionate amount until June 30, 2023.

In accordance with the 2021 remuneration system, the LTI will be invested in phantom shares of the company. The volume-weighted average price of the shares of the company in Xetra trading on the Frankfurt Stock Exchange in the final 60 trading days of the base year serves as the purchase price for the investment. The LTI component from fiscal year 2023 will be paid out in fiscal year 2028.

Calculation of the LTI component from fiscal year 2023 under the 2021 remuneration system

	Dirk Hanenberg (COO)	Oliver Gantzert (CFO) [1]	Dr. Christian Terlinde [2]
Target amount 100% LTI 2023	€321 thousand	€107 thousand	—
Target achievement for financial key performance indicators	119 %	119 %	—
Target achievement for non-financial key performance	115 %	115 %	—
Number of phantom stocks allocated	8,846	2,949	—
Allocation price	€43.05	€43.05	—
Fair value at grant date	€381 thousand	€127 thousand	—

1) Oliver Gantzert was appointed to the Executive Board with effect from September 1, 2023, which is why he is entitled only to a proportionate amount of the LTI component.
2) Dr. Christian Terlinde left the Executive Board with effect from June 30, 2023. He is therefore not entitled to the LTI component from the 2023 fiscal year.

Compliance with maximum remuneration in fiscal year 2023

In the 2019 and 2021 remuneration systems, the overall bonus granted (sum total of the performance-related remuneration components) in the fiscal year in question may not exceed twice the fixed annual remuneration (cap). The timing of the related expense is relevant for this purpose, i.e. the fixed annual remuneration in 2023 and the STI/LTI based on the 2023 fiscal year which the Executive Board will not receive until the 2024 (STI) or 2025/2028 (LTI) fiscal years.

For the 2021 remuneration system, the Supervisory Board has also stipulated according to Section 87a (1) sentence 2 no. 1 AktG that the total remuneration components provided in any one fiscal year, for a given fiscal year, may not exceed €2.5m for the CEO and €1.7m for the other members of the Executive Board and – in view of the extended term of the LTI in the 2021 remuneration system and its link to the share price trend – has introduced a cap in terms of the benefits received.

For the calculation of the STI and LTI components relevant in this context, please see the above section entitled "STI/LTI for the 2024 (STI) or 2025/2028 (LTI) fiscal years, payable on the basis of the 2023 fiscal year".

The following table shows the maximum possible remuneration for current and former members of the Executive Board and compliance with it.

Compliance with maximum Executive Board remuneration in fiscal year 2023

	Joachim Dürr (CEO) Appointed: Jan 1, 2019		**Dirk Hanenberg (COO)** Appointed: Sept 1, 2022		**Oliver Gantzert (CFO)** Appointed: Sept 1, 2023		**Dr. Christian Terlinde** Appointed: Jan 1, 2019 Departed: June 30, 2023	
In € thousands	**2023**	**Max.**	**2023**	**Max.**	**2023**	**Max.**	**2023**	**Max.**
Fixed remuneration	724	724	450	450	150	150	238	238
Deferred compensation for pension scheme	145	145	90	90	30	30	48	48
Fringe benefits	6	6	6	6	3	3	3	3
Non-performance related component	**875**	**875**	**546**	**546**	**183**	**183**	**289**	**289**
One-year variable remuneration (STI)	499	652	312	405	104	135	156	214
Multi-year variable remuneration (LTI)	609	796	381	495	127	165	—	262
Performance related component	**1,108**	**1,448**	**693**	**900**	**231**	**300**	**156**	**476**
Total remuneration	**1,983**	**2,323**	**1,239**	**1,446**	**414**	**483**	**445**	**765**

Further information

In the past fiscal year, no member of the Executive Board was promised or granted benefits from third parties in relation to their service as an Executive Board member.

Executive Board members do not receive any remuneration for seats which they hold on supervisory boards within the JOST Werke Group.

The 2021 remuneration system includes provisions that grant the Supervisory Board the right to compliance and performance clawbacks. The Supervisory Board did not make use of this option.

Supervisory Board remuneration

The Supervisory Board remuneration system governed by Article 16 of the Articles of Association of JOST Werke SE was amended by the General Meeting on May 11, 2023. The remuneration payable to individual members for their activities on the Audit Committee was increased from €10 thousand to €15 thousand, while the remuneration amount for the Audit Committee Chair rose from €20 thousand to €30 thousand.

However, as Supervisory Board remuneration is only owed after the end of a fiscal year, this change has not yet come into effect for remuneration granted and owed in the 2023 fiscal year.

The Supervisory Board remuneration system approved by the General Meeting on May 5, 2022 applies to remuneration granted and owed in the 2023 fiscal year, which stipulates that each Supervisory Board member receives fixed annual remuneration of €50 thousand, payable after the end of the fiscal year. The company thus follows the suggestion contained in G.18 GCGC 2022. Pursuant to recommendation G.17 GCGC 2022, the remuneration system also takes into account a member's status as Chair or Deputy Chair of the Supervisory Board as well as membership of a committee: The Chair of the Supervisory Board receives three times the fixed remuneration and therefore €150 thousand, and his or her Deputy receives one and a half times and therefore €75 thousand.

For service on a committee, the Chair of the committee in question receives an additional €20 thousand and every other member of the committee an additional €10 thousand. Members are not entitled to a separate attendance allowance.

Supervisory Board members who only have a seat on the Supervisory Board or serve as Chair for part of a fiscal year receive appropriate pro-rated compensation.

Furthermore, JOST Werke SE reimburses Supervisory Board members the expenses incurred in performing their duties as required by Section 670 BGB.

The following table provides a breakdown of the remuneration "granted" and "owed" in the 2023 fiscal year and in each case its relative proportions under Section 162 (1) no. 1 AktG for current members of the Supervisory Board. The same definition of remuneration "granted" and "owed" is applied here as in the section "Remuneration of the Executive Board members granted and owed in fiscal year 2023."

Remuneration granted and owed to current members of the Supervisory Board

In € thousands	2022						2023					
Members of the Supervisory Board [1]	**Fixed remuneration**	**in %**	**Committees**	**in %**	**Total**	**in %**	**Fixed remuneration**	**in %**	**Committees**	**in %**	**Total**	**in %**
Dr. Stefan Sommer (Chair of the Supervisory Board since May 5, 2022) (Chair of the Executive and Nomination Committee since May 5, 2022)	—	—	—	—	—	—	99	88	13	12	112	100
Manfred Wennemer (Chair of the Supervisory Board until May 5, 2022) (Chair of the Executive and Nomination Committee until May 5, 2022)	150	88	20	12	170	100	51	88	7	12	58	100
Prof. Dr. Bernd Gottschalk (Deputy Chair) (Member of the Executive and Nomination Committee)	75	88	10	12	85	100	75	88	10	12	85	100
Jürgen Schaubel (Audit Committee Chair)	50	71	20	29	70	100	50	71	20	29	70	100
Natalie Hayday (Member of the Audit Committee)	50	83	10	17	60	100	50	83	10	17	60	100
Rolf Lutz (Member of the Executive and Nomination Committee)	50	83	10	17	60	100	50	83	10	17	60	100
Klaus Sulzbach (Member of the Audit Committee)	50	83	10	17	60	100	50	83	10	17	60	100
Total remuneration	**425**		**80**		**505**		**425**		**80**		**505**	

1) Ms. Diana Rauhut and Mr. Karsten Kühl were appointed to the Supervisory Board of JOST Werke SE by the Annual General Meeting with effect from May 11, 2023. However, as Supervisory Board remuneration is only due after the end of a fiscal year, no remuneration was granted or owed to them in fiscal year 2023.

Comparison of the respective remuneration and earnings trends

The following table compares the annual rate of change in the remuneration granted and owed to the current and former Executive and Supervisory Board members, within the meaning of Section 162 AktG, with the company's annual earnings trend and the annual trend for its employees' remuneration. A transitional arrangement provided for in ARUG II has been applied. The table below therefore presents the trend by comparison with the previous year; over the next few fiscal years, the period will thus gradually be extended until a five-year comparison period is reached.

The company's earnings trend has been calculated on the basis of the group's adjusted EBITDA, since the Supervisory Board has specified adjusted EBITDA as a key performance indicator for the Executive Board and this therefore has a significant impact on the amount of remuneration received by the Executive Board. In addition, as required by law the trend in earnings after tax for the parent company JOST Werke SE as a single entity is also presented. However, it should be noted here that JOST Werke SE is purely a holding company without its own operations. For this reason, the single entity's earnings trend is not a suitable indicator by which to measure the group's results of operations.

The average remuneration received by employees has been calculated on the basis of the employees of the German company. Employees' remuneration comprises personnel expenses for wages and salaries, fringe benefits, the employer's share of insurance contributions and any variable remuneration components which were paid in the respective fiscal year. For technical reasons, the table only includes employees and trainees who were employed by JOST in the period from January 1 to December 31 in a given fiscal year, i.e. for the entire calendar year.

Comparison of the annual change in the respective remuneration and earnings trends

Change in %	2021 vs. 2020	2022 vs. 2021	2023 vs. 2022
Current Executive Board members			
Joachim Dürr (appointed Jan 1, 2019)	40%	23%	12 %
Dirk Hanenberg (appointed Sept 1, 2022)	—	100%	242 %
Oliver Gantzert (appointed Sept 1, 2023)	—	—	100 %
Former Executive Board members			
Dr. Christian Terlinde (appointed Jan 1, 2019 – departed June 30, 2023)	5%	18%	-3 %
Dr. Ralf Eichler (appointed 2000 – departed Oct 31, 2022)	6%	-1%	-37 %
Lars Brorsen (departed Sept 30, 2019)	-45%	-100%	—
Christoph Hobo (departed Dec 31, 2018)	-100%	—	—
Current Supervisory Board members			
Dr. Stefan Sommer (Chair; appointed May 5, 2022)	—	—	100 %
Prof. Dr. Bernd Gottschalk (Deputy Chair)	-2%	2%	0 %
Jürgen Schaubel	-3%	3%	0 %
Natalie Hayday	-2%	2%	0 %
Rolf Lutz	-2%	2%	0 %
Klaus Sulzbach	-2%	2%	0 %
Former Supervisory Board members			
Manfred Wennemer (Chair; departed May 5, 2022)	-3%	3%	-66 %
Earnings trend			
Adjusted EBITDA of the JOST Werke Group	30%	16%	12 %
Earnings after taxes of JOST Werke SE (single entity)	34%	-29%	4 %
Ø employee remuneration in Germany (full-time equivalents)	4%	3%	5 %

The Executive Board and the Supervisory Board of JOST Werke SE

Neu-Isenburg, March 20, 2024

CONSOLIDATED **FINANCIAL STATEMENTS**

as of December 31, 2023
Neu-Isenburg, Germany

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Consolidated income statement – by function of expenses

JOST Werke SE

in € thousands	Notes	2023	2022
Sales revenues	(30)	**1,249,704**	**1,264,606**
Cost of Sales	(31)	**-924,764**	**-927,586**
Gross Profit		**324,940**	**337,020**
Selling expenses	(32)	-132,607	-162,067
thereof: depreciation and amortization of assets		-27,734	-29,016
Research and development expenses	(33)	-20,183	-19,661
Administrative expenses	(34)	-74,993	-65,142
Other income	(35)	14,560	23,079
Other expenses	(35)	-25,463	-33,369
Share of profit or loss of equity method investments	(36)	6,528	8,882
Operating proift (EBIT)		**92,782**	**88,742**
Gain/loss on the net monetary position in accordance with IAS 29	(37)	-537	-375
Financial income	(38)	7,430	10,532
Financial expense	(39)	-28,231	-18,806
Net finance result		**-21,338**	**-8,649**
Profit / loss before tax		**71,444**	**80,093**
Income taxes	(14), (42)	-19,153	-20,247
Profit / loss after taxes		**52,291**	**59,846**
Weighted average number of shares		**14,900,000**	**14,900,000**
Basic and diluted earnings per share (in €)	(43)	**3.51**	**4.02**

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Consolidated statement of comprehensive income

JOST Werke SE

in € thousands	Notes	2023	2022
Profit / loss after taxes		**52,291**	**59,846**
Items that may be reclassified to profit or loss in subsequent periods			
Exchange differences on translating foreign operations		-9,825	-7,300
Exchange differences from investments accounted for using equity method	(12)	1,205	2,576
Gain/loss on the net monetary position in accordance with IAS 29	(37)	516	1,014
Gains and losses from hedge accounting		-512	-971
Amounts reclassified to profit or loss from hedge accounting	(26)	1,694	786
Deferred taxes relating to hedge accounting	(14)	-252	38
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit pension plans	(21)	-3,942	18,620
Deferred taxes relating to other comprehensive result	(14)	1,088	-6,350
Other comprehensive result		**-10,028**	**8,413**
Total comprehensive result		**42,263**	**68,259**

Consolidated balance sheet

as of Dec 31, 2023
JOST Werke SE

ASSETS

in € thousands	Notes	Dec 31, 2023	Dec 31, 2022
Noncurrent assets			
Goodwill		101,030	87,489
Other intangible assets	(10)	217,706	233,510
Property, plant, and equipment	(11)	180,303	154,391
Investments accounted for using the equity method	(12)	20,647	19,797
Deferred tax assets	(14)	21,037	12,522
Other noncurrent financial assets	(14), (16)	4,488	7,753
Other noncurrent assets	(18)	513	792
		545,724	516,254
Current assets			
Inventories	(16)	195,938	214,290
Trade receivables	(17)	149,078	166,718
Receivables from income taxes		6,682	3,813
Other current financial assets	(15), (17)	1,136	1,285
Other current assets	(18)	18,880	21,539
Cash and cash equivalents	(19)	87,727	80,681
		459,441	488,326
Total assets		*1,005,165*	*1,004,580*

EQUITY AND LIABILITIES

in € thousands	Notes	Dec 31, 2023	Dec 31, 2022
Equity			
Subscribed capital		14,900	14,900
Capital reserves		384,651	414,901
Other reserves		-45,385	-35,357
Retained earnings		28,073	-34,235
	(20)	**382,239**	360,209
Noncurrent liabilities			
Pension obligations	(21)	49,127	45,150
Other provisions	(22)	2,610	1,439
Interest-bearing loans and borrowings	(24)	149,434	219,704
Deferred tax liabilities	(14)	31,279	28,425
Other noncurrent financial liabilities	(26)	41,334	45,039
Other noncurrent liabilities	(28)	1,921	1,886
		275,705	341,643
Current liabilities			
Pension obligations	(21)	2,394	2,213
Other provisions[1]	(22)	18,272	23,367
Interest-bearing loans and borrowings	(24)	118,629	57,862
Trade payables[1]	(25)	108,951	140,262
Liabilities from income taxes		6,589	6,880
Contract and refund liabilities[1]	(27)	9,948	11,189
Other current financial liabilities	(15), (26)	35,692	19,714
Other current liabilities	(28)	46,746	41,241
		347,221	302,728
Total equity and liabilities		*1,005,165*	*1,004,580*

1) Previous year's figures changed. See sections 7.16 and 22

Consolidated statement of changes in equity

JOST Werke SE

Consolidated statement of changes in equity for the fiscal year from January 1 to December 31, 2023

			Other reserves					
in € thousands	Subscribed capital	Capital reserves	Exchange differences on translating foreign operations	Remeasurements of defined benefit pension plans	Gain/loss from hyperinflation adjustments according to IAS 29	Gain/loss from hedge reserve	**Retained earnings**	**Total consolidated equity**
Notes	(20)	(20)	(20)	(20)	(20)	(20)	(20)	
Balance at January 1, 2023	**14,900**	**414,901**	**-20,487**	**-14,972**	**1,014**	**-912**	**-34,235**	**360,209**
Profit/loss after taxes	0	0	0	0	0	0	52,291	52,291
Other comprehensive income	0	0	-8,620	-3,942	516	1,182	0	-10,864
Deferred taxes relating to other comprehensive income	0	0	0	1,088	0	-252	0	836
Total comprehensive income	0	0	-8,620	-2,854	516	930	52,291	42,263
Dividends paid	0	0	0	0	0	0	-20,860	-20,860
Withdrawals from capital reserves	0	-30,250	0	0	0	0	30,250	0
Hyperinflation adjustments pursuant to IAS 29	0	0	0	0	0	0	627	627
Balance at December 31, 2023	**14,900**	**384,651**	**-29,107**	**-17,826**	**1,530**	**18**	**28,073**	**382,239**

Consolidated statement of changes in equity

JOST Werke SE

Consolidated statement of changes in equity for the fiscal year from January 1 to December 31, 2022

			Other reserves					
in € thousands	Subscribed capital	Capital reserves	Exchange differences on translating foreign operations	Remeasurements of defined benefit pension plans	Gain/loss from hyperinflation adjustments according to IAS 29	Gain/loss from hedge reserve	**Retained earnings**	**Total consolidated equity**
Notes	(20)	(20)	(20)	(20)	(20)	(20)	(20)	
Balance at January 1, 2022	**14,900**	**443,302**	**-15,763**	**-27,242**	**0**	**-765**	**-107,280**	**307,152**
Profit/loss after taxes	0	0	0	0	0	0	59,846	**59,846**
Other comprehensive income	0	0	-4,724	18,620	1,014	-185	0	**14,725**
Deferred taxes relating to other comprehensive income	0	0	0	-6,350	0	38	0	-6,312
Total comprehensive income	0	0	-4,724	12,270	1,014	-147	59,846	68,259
Dividends paid	0	0	0	0	0	0	-15,645	-15,645
Withdrawals from capital reserves	0	-28,401	0	0	0	0	28,401	0
Hyperinflation adjustments pursuant to IAS 29	0	0	0	0	0	0	443	**443**
Balance at December 31, 2022	**14,900**	**414,901**	**-20,487**	**-14,972**	**1,014**	**-912**	**-34,235**	**360,209**

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Consolidated cash flow statement

in € thousands	Notes	2023	2022
Profit/loss before tax		**71,444**	**80,093**
Depreciation, amortization, impairment losses and reversal of impairment on non current assets	(41)	57,996	57,929
Net finance result	(38), (39)	21,338	8,649
of which hyperinflation adjustments pursuant to IAS 29		537	375
Other noncash income/expenses		-8,077	-1,523
Change in inventories	(17)	28,812	-18,287
Change in trade receivables	(17)	29,524	-14,059
Change in trade payables[1]	(24)	-37,405	-21,351
Change in other assets and liabilities[1]		9,631	-10,819
Income tax payments	(41)	-30,162	-24,615
Cash flow from operating activities		**143,101**	56,017
Proceeds from sales of intangible assets	(10)	81	1
Payments to acquire intangible assets	(10)	-4,974	-4,034
Proceeds from sales of property, plant, and equipment	(11)	1,185	618
Payments to acquire property, plant, and equipment	(11)	-25,861	-28,290
Payments to acquire subsidiaries, net of cash acquired		-52,792	0
Proceeds from (+) / payments (-) for loans to third parties	(24)	211	-700
Dividends received from joint ventures	(12)	6,156	5,346
Interests received	(12)	6,074	1,550
Cash flow from investing activities		**-69,920**	**-25,509**

in € thousands	Notes	2023	2022
Interest payments	(24)	-17,413	-5,076
Payment of interest portion of lease liabilities	(13)	-2,415	-1,562
Proceeds from short-term interest-bearing loans and borrowings	(24)	100,038	85,000
Proceeds from long-term interest-bearing loans and borrowings		22,000	90,000
Refinancing costs	(24)	0	-413
Repayment of short-term interest-bearing loans and borrowings	(24)	-132,322	-72,344
Repayment of long-term interest-bearing loans and borrowings	(24)	0	-106,000
Dividends paid to the shareholders of the company	(20)	-20,860	-15,645
Payment of principal portion of lease liabilities	(13)	-10,999	-10,490
Cash flow from financing activities		**-61,971**	-36,530
Net change in cash and cash equivalents		**11,210**	-6,022
Change in cash and cash equivalents due to exchange rate movements		-4,164	-779
Cash and cash equivalents at January 1	(19)	80,681	87,482
Cash and cash equivalents at December 31	**(19)**	**87,727**	**80,681**

1 Previous year's figures changed. See sections 7.16 and 22

Notes to the consolidated financial statements

for the fiscal year from January 1 to December 31, 2023
JOST Werke SE

1. General information

JOST Werke SE (hereinafter also "JOST", the "group," the "company," or the "JOST Werke Group") has been listed on the Frankfurt Stock Exchange since July 20, 2017. As of 31 December 2023, the majority of JOST shares were held by institutional investors.

Further details are provided in *note 46*.

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

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

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

2. Basis of preparation of the consolidated financial statements

As the ultimate parent company, JOST Werke SE prepares the consolidated financial statements for the smallest and largest group of companies in the JOST Werke Group. The consolidated financial statements of JOST Werke SE, its subsidiaries and the joint venture as of December 31, 2023, were prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), London, that are effective as of the reporting date, and the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRS IC), as adopted by the European Union (EU), applying Section 315e of the Handelsgesetzbuch (German Commercial Code - HGB).

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 analyzed in detail in the notes to the consolidated financial statements. The consolidated financial statements have been prepared in thousands of euros (€ thousands). Due to commercial rounding, minor rounding differences may occur in the totals. The income statement uses the cost of sales format. The consolidated financial statements are prepared in accordance with the principle of historical costs, with the exception of certain balance sheet items, which are reported at their fair value.

The Executive Board approved the consolidated financial statements of JOST Werke SE for issue on March 20, 2024. The Supervisory Board is to approve the 2023 annual financial statements of JOST Werke SE and the 2023 consolidated financial statements together with the associated group management report at the meeting on March 22, 2024.

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1. New and amended standards applied in 2023

The following new and amended International Financial Reporting Standards and Interpretations that are effective for fiscal years beginning on or after January 1, 2023, were applied for the first time:

I. IFRS 17 Insurance Contracts

On May 18, 2017, the IASB completed its long-term project to develop a financial reporting standard for insurance contracts and issued IFRS 17 Insurance Contracts. This standard replaced IFRS 4. Its effective date is January 1, 2023.

These amendments did not have any impact on the current period or any prior period and are not likely to significantly affect future periods.

II. Disclosure: Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2.

The amendments to IAS 1 specify what is meant by "material accounting policy information" and how that information is identified. The amendments in Practice Statement 2 provide guidance on the practical application of the concept of materiality. Its effective date is January 1, 2023.

These amendments did not have any impact on the current period and are not likely to significantly affect future periods.

III. Definition of Accounting Estimates: Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments to IAS 8 clarify how to distinguish between changes in accounting policies and accounting estimates. Its effective date is January 1, 2023.

These amendments did not have any impact on the current period or any prior period and are not likely to significantly affect future periods.

IV. Deferred Tax related to Assets and Liabilities Arising from a Single Transaction: Amendments to IAS 12 Income Taxes.

IAS 12 has been amended such that entities are required to recognize deferred tax for transactions which, on initial recognition, give rise to equal taxable and deductible temporary differences. Its effective date is January 1, 2023.

These amendments did not have any material impact on the current period or any prior period and are not likely to significantly affect future periods.

V. Deferred taxes related to the OECD Pillar Two model rules: Amendments to IAS 12 Income Taxes.

The group applies International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) following its issue on May 23, 2023. The amendments contain a temporary, mandatory and immediately applicable exception to the accounting for deferred taxes arising from the introduction of global minimum taxation; they also require targeted disclosures to be provided about how an entity is affected by minimum taxation (see note 14).

The mandatory exception is required to be applied retrospectively. However, retrospective adjustment does not have any effect on the consolidated financial statements, as new legislation on the introduction of global minimum taxation was not yet in effect or soon to enter into effect in any of the countries in which the group operates on December 31, 2022, and no related deferred taxes were recognized at that date.

2. Standards, interpretations, and amendments to published standards that are not required to be applied in 2023 and were not applied by the group prior to their effective date

I. Classification of Liabilities as Current or Noncurrent – Amendments to IAS 1 Presentation of Financial Statements

As a result of the amendments to IAS 1, liabilities are classified as current or noncurrent based on the rights the entity has at the reporting date. Its effective date is January 1, 2024.

These amendments are not expected to have a material effect on future periods.

II. Noncurrent Liabilities with Covenants – Amendments to IAS 1 Presentation of Financial Statements

The amendments specify that only loan clauses (covenants) that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting period (and therefore must be taken into consideration when determining whether to classify the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed after the reporting period. The effective date of the amendments is January 1, 2024.

These amendments are not expected to have a material effect on future periods.

III. Sale or Contribution of Assets between an Investor and its Associate or Joint Venture: Amendments to IFRS 10 and IAS 28

The amendments in IFRS 10 and IAS 28 ensure that a gain or loss resulting from the loss of control of a subsidiary in a transaction with an associate or a joint venture is accounted for using the equity method. The gain or loss is recognized in the parent's financial statements only to the extent of the unrelated investors' interests in that associate or joint venture. The effective date of the amendments has since been deferred indefinitely by the IASB. Until now, transactions with associates or joint ventures in the group did not involve a business as defined in IFRS 3, but merely individual assets. These amendments are not expected to have a material effect on future periods.

IV. Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

The amendments incorporate guidance on subsequent measurement of a lease liability in a sale and leaseback transaction into the standard. While IFRS 16 did provide an approach for the initial measurement of the liability arising from a sale and leaseback transaction, it did not address how this liability would be subsequently measured, which led to questions of interpretation particularly in the case of later modifications of the leaseback. The amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. These amendments shall be applied for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted, provided that fact is disclosed. These amendments are not expected to have a material effect on future periods.

V. Amendments to IAS 21 Lack of Exchangeability

The amendments require an entity to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide in the notes. Its effective date is January 1, 2025.

These amendments are not expected to have a material effect on future periods.

VI. Reverse factoring arrangements – Amendments to IAS 7 and IFRS 7

The amendments extend the disclosure requirements in IAS 7 and IFRS 7 to include additional disclosures about supplier finance arrangements that enable investors to assess the effects on an entity's liabilities, cash flows and exposure to liquidity risk. As a transition relief, no comparative information is required to be disclosed in the year of initial application. The effective date of the amendments is January 1, 2024.

These amendments are not expected to have a material effect on future periods.

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3. Consolidation methods

The consolidated financial statements were prepared on the basis of the annual financial statements of the consolidated companies as of December 31, 2023, 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 identifiable assets transferred, the liabilities assumed and the equity interests issued by the group. Goodwill results from the amount by which the consideration transferred plus the amount of all non-controlling interests in the affiliated company and the equity interests previously held by the acquirer, measured at fair value at the acquisition date, exceeds the balance of the assets acquired and liabilities assumed. The consideration transferred includes the fair value of any asset or liability. 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 recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the group is recognized 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 recognized in accordance with IFRS 9 at fair value through profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the total 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 recognized as goodwill. If the total of consideration transferred, non-controlling interest recognized 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 recognized directly in the income statement.

All domestic and foreign subsidiaries are included in the consolidated financial statements.

Subsidiaries are all 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 (JOST Werke SE) and all of its subsidiaries, with one exception: In accordance with IFRS 10 B92, audited interim financial statements as of December 31, 2023 (reporting date: March 31) were included for JOST India Auto Component Pte. Ltd., Jamshedpur, India. The statutory reporting date of JOST India Auto Component Pte. Ltd. is March 31, which corresponds to the typical reporting date in the country. The reporting date for the equity-accounted investment is also December 31 of each fiscal year.

The investment in the joint venture JOST Brasil Sistemas Automotivos Ltda., Caxias do Sul, Brazil 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 recognized in other comprehensive income in the "Exchange differences on translating foreign operations" and "Exchange difference from investments accounted for using the equity method" items in other reserves.

Intercompany profits and losses, intercompany revenues, expenses, and income, as well as all receivables and liabilities between consolidated companies were eliminated.

4. Basis of consolidation

JOST Werke Group

The consolidated financial statements include the financial statements of JOST Werke SE, its subsidiaries, and the following joint venture:

Company	Shareholdings JOST Werke SE	Nature of business
Consolidated companies		
JOST-Werke VG1 GmbH		Shelf company
Neu-Isenburg		
Jasione GmbH		Holding company
Neu-Isenburg		
JOST-Werke Deutschland GmbH [1]		Production company
Neu-Isenburg		Sales company
JOST-Werke Logistics GmbH [1]		Sales company
Neu-Isenburg		
Jost-Werke International Beteiligungsverwaltung GmbH [1]		Holding company
Neu-Isenburg		
Rockinger Agriculture GmbH [1]		Production company
Waltershausen / Germany		Sales company
JOST France S.à r.l. [1]		Sales company
Paris / France		
JOST Iberica S.A. [1]		Production company
Zaragoza / Spain		Sales company
Jost Italia S.r.l. [1]		Sales company
Milan / Italy		
Jost GB Ltd. [1]		Sales company
Bolton / United Kingdom		
ooo JOST RUS [1]		Sales company
Moscow / Russia		
JOST TAT LLC (dormant company) [1]		Sales company
Naberezhyne Chelny / Russia		
JOST Polska Sp. z o.o. [1]		Production company
Nowa Sòl / Poland		Sales company
Jost Hungaria Kft. [1]		Production company
Veszprém / Hungary		
Transport Industry Development Centre B.V. [1]		Entwicklungsgesellschaft
Best / The Netherlands		Sales company
Tridec Ltda. [1]		
Cantanhede / Portugal		Production company
Jost Otomotiv Sanayi Ticaret A.S. [1]		Production company
Izmir / Turkey		
LH Lift Oy		Production company
Kuusa / Finland		Sales company
Taxi Brazil Holdings B.V.		Holding company
Amsterdam / The Netherlands		
Crenlo do Brasil Engenharia de Cabines LTDA		Production company
Guaranésia / Brazil		Sales company
JOST (S.A.) Pty. Ltd. [1]		Production company
Chloorkop / South Africa		Sales company
JOST Transport Equipment Pty. Ltd. [1]		Sales company
Chloorkop / South Africa		
Jost Australia Pty. Ltd. [1]		Production company
Seven Hills / Australia		Sales company
JOST New Zealand Ltd. [1]		Sales company
Hamilton / New Zealand		
JOST International Corp. [1]		Production company
Grand Haven, Michigan / U.S.A.		Sales company

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Jost (China) Auto Component Co. Ltd. [1]		Production company
Wuhan, Hubei Province / PR China		Sales company
JOST (Shanghai) Trading Co. Ltd. [1]		Sales company
Shanghai / PR China		
Jost Far East Pte. Ltd. [1]		Sales company
Singapore		
JOST India Auto Component Pte. Ltd. [1]		Production company
Jamshedpur / India		Sales company
JOST Japan Co. Ltd. [1]		Sales company
Yokohama / Japan		
Jost (Thailand) Co. Ltd. [1]		Production company
Bangsaotong / Thailand		Sales company
JOST Middle East FZCO [1]		Sales company
Dubai / United Arab Emirates		
LH Lift Ningbo		Production company
Ningbo / China		Sales company
Ålö Holding AB [1]		Holding company
Umeå / Sweden		
Ålö AB [1]		Production company
Umeå / Sweden		Sales company
Alö Deutschland Vertriebs-GmbH [1]		Sales company
Dieburg / Germany		
Alo Danmark A/S [1]		Sales company
Skive / Denmark		
Ålö Norge A/S [1]		Sales company
Rakkestad / Norway		
Alo UK Ltd. [1]		Sales company
Droitwich / United Kingdom		
Agroma S.A.S. [1]		Production company
Blanzac-Les-Matha / France		Sales company
JOST Agriculture Canada Inc. [1]		Sales company
Vancouver / Canada		
JOST Agriculture Inc. [1]		Production company
Elgin, IL / U.S.A.		Sales company
Alo Agricult. Machinery (Ningbo) Co. Ltd. [1]		Production company
Ningbo / PR China		
Alo Trading (Ningbo) Co. Ltd. [1]		Sales company
Ningbo / PR China		
Alo Brasil Ltda. (dormant company) [1]		Sales company
Brazil		
Joint Ventures		
JOST Brasil Sistemas Automotivos Ltda. [1]		Production company
Caxias do Sul / Brazil		Sales company

1) Indirectly via Jasione GmbH

As of December 31, 2023, JOST-Werke VG1 GmbH, Neu-Isenburg, Germany, was no longer in the process of being set up.

The basis of consolidation changed as a result of the acquisition of Taxi Brazil Holding B.V., Amsterdam, Netherlands, and LH Lift Oy, Kuusa, Finland, along with their subsidiaries Crenlo do Brasil, Engenharia de Cabines LTDA, Guaranésia, Brazil, and LH Lift Ningbo Co. Ltd, Ningbo, PR China. At the reporting date, an application had already been submitted for a change of company name from Crenlo do Brasil, Engenharia de Cabines LTDA to JOST Agricultural & Construction South America LTDA. The legally effective change of name took place on January 5, 2024.

Alo USA Inc, Elgin, IL, USA was renamed JOST Agriculture Inc. in September 2023.

Alo Canada Inc., Vancouver, Canada, was renamed JOST Agriculture Canada Inc. in November 2023.

Other than that, the structure of the group, including its subsidiaries and the joint venture, as of December 31, 2023, has not changed compared to December 31, 2022.

5. Business combinations

Acquisition of LH Lift Oy

On September 04, 2023, the subsidiary ROCKINGER Agriculture GmbH acquired a 100% interest in LH Lift Oy, Kuusa, Finland, a leading international manufacturer of three-point linkage parts and hitches for tractor manufacturers and workshops, for a purchase price of €8,718 thousand.

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

in € thousands	
Consideration transferred	
Payment made in cash	6,895
Contingent consideration	1,823
Total	**8,718**

The fair values of the agreed purchase price components consists of a fixed payment of €6,895 thousand and a variable component of €1,823 thousand. Should the gross margin of LH Lift Oy and its wholly-owned subsidiary LH Lift Ningbo Co. Ltd, Ningbo, PR China, reach a certain absolute figure in fiscal years 2023 to 2025, the group is obliged to pay the former owners of LH Lift Oy up to €2,000 thousand. The fair value of the contingent consideration was determined using the discounted cash flow method.

The acquired goodwill of €2,041 thousand as of the acquisition date is attributable to LH Lift's high level of profitability, its qualified workforce, its existing customer relationships and its access to JOST's sales channels. The goodwill was not required to be impaired and was not tax deductible as of the reporting date.

The fair values of trademarks and technologies were calculated or measured using the relief-from-royalty method, the fair values of customer lists using the multi-period excess earnings method, the fair values of inventories at net realizable value and the fair values of property, plant and equipment at market value in the course of purchase price allocation.

The items identified and measured in the course of purchase price allocation included mainly intangible assets such as customer lists in the amount of €1,180 thousand, trademarks in the amount of €114 thousand and technologies in the amount of €834 thousand, as well as tangible assets such as inventories in the amount of €3,876 thousand and property, plant and equipment in the amount of €1,624 thousand.

The acquired goodwill, the identifiable assets and the liabilities assumed as of the acquisition date are listed in the following table:

in € thousands	
Intangible assets	2,128
Property, plant, and equipment	1,624
Inventories	3,876
Trade receivables	1,305
Cash and cash equivalents	473
Trade payables	-1,148
Interest-bearing loans and borrowings	-541
Deferred tax liabilities	-476
Other assets and liabilities	-564
Net identifiable assets acquired	6,677
Plus: Goodwill	2,041
Net assets acquired	8,718

The fair value of the trade receivables acquired amounted to €1,305 thousand, which was the gross contractual amounts receivable.

The bank liabilities assumed amounted to €541 thousand.

If LH Lift Oy and LH Lift Ningbo Co. Ltd had already been included in the scope of consolidation as of January 1, 2023, the consolidated income statement would have shown sales revenues of €13,856 thousand. For the period from January 1 to December 31, 2023, LH Lift Oy and LH Lift Ningbo Co. Ltd would have contributed €1,524 thousand to consolidated net income.

Acquisition of Crenlo do Brasil

On August 30, 2023, the subsidiary Jost-Werke International Beteiligungsverwaltung GmbH acquired a 100% interest in Taxi Brazil Holding B.V., Amsterdam, Netherlands, the sole shareholder of Crenlo do Brasil Engenharia de Cabines LTDA, Guaranésia, Brazil, a Brazilian supplier for off-highway commercial vehicles and agricultural machinery, for a fixed purchase price of €51,045 thousand in cash.

The acquired goodwill of €12,407 thousand as of the acquisition date is attributable to the entity's strong market position, the potential for growth in Brazil and the synergies expected as a result of acquiring the locally experienced management team and expertise. This goodwill is not deductible for tax purposes. The fair values of trademarks and technologies were calculated or measured in the course of purchase price allocation using the relief-from-royalty method, the fair values of customer lists using the multi-period excess earnings method, the fair values of inventories at net realizable value and the fair values of property, plant and equipment at market value. As of the reporting date, goodwill included negative effects due to exchange rate differences amounting to €124 thousand. The carrying amount of the goodwill was €12,283 thousand as of the reporting date and was not written down for impairment.

The items identified and measured in the course of purchase price allocation included mainly intangible assets such as customer lists in the amount of €4,107 thousand and technologies in the amount of €1,402 thousand, but also tangible assets such as inventories in the amount of €10,717 thousand and property, plant and equipment in the amount of €21,541 thousand. For the assets acquired, the negative effects arising from exchange rate differences amounted to €138 thousand as of the reporting date, with customer lists accounting for €40 thousand, technologies for €13 thousand and property, plant and equipment for €83 thousand.

The acquired goodwill, the identifiable assets and the liabilities assumed at the acquisition date are shown in the following table:

in € thousands	
Intangible assets	5,542
Property, plant, and equipment	21,541
Inventories	10,717
Trade receivables	13,548
Cash and cash equivalents	3,525
Deferred tax assets	856
Trade payables	-7.335
Other assets and liabilities	-4.841
Deferred tax liabilities	-4.915
Net identifiable assets acquired	**38,638**
Plus: Goodwill	12,407
Net assets acquired	**51,045**

The fair value of the trade receivables acquired amounted to €13,548 thousand, which was the gross contractual amounts receivable.

If Taxi Brazil Holding B.V. and Crenlo do Brasil Engenharia de Cabines LTDA had already been included in the basis of consolidation as of January 1, 2023, the consolidated income statement would have shown sales revenues of €73,600 thousand. For the period from January 1 to December 31, 2023, Taxi Brazil Holding B.V. and Crenlo do Brasil Engenharia de Cabines LTDA would have contributed €4,852 thousand to consolidated net income.

Rationale of the acquisitions

These acquisitions help JOST to pursue its strategic objective of decisively strengthening its international market position in the agriculture sector in order to continue generating profitable growth in future. The acquisitions expand JOST's product and customer portfolio as well as the group's regional reach and industrial expertise. They create new cross-selling opportunities worldwide that JOST is keen to exploit in order to continue consolidating its position as a manufacturer and supplier systems and components for the agricultural sector.

Costs of business combinations

The costs of business combinations of €1,651 thousand (thereof LH Lift Oy €337 thousand and Crenlo do Brasil €1,314 thousand) are presented in administrative expenses within the income statement. For further details on exceptionals, see *note 8*.

6. Currency translation

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 prepared in euros, the functional currency of the parent company and the presentation currency of the group.

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 recognized in profit or loss. They are deferred in equity if they contribute to qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within the net finance result. All other foreign exchange gains and losses are presented in the income statement within other income or other expenses.

Foreign exchange gains and losses in operating profit amount to €10,214 thousand (2022: €16,669 thousand) and €-12,559 thousand (2022: €-26,062 thousand) respectively. The finance result contains net foreign exchange gains and losses of €2,201 thousand (2022: €7,666 thousand) and €-3,155 thousand (2022: €-10,870 thousand) respectively. Overall, this results in a net foreign exchange loss of €-3,299 thousand (2022: net foreign exchange loss of €-12,597 thousand). For further information, please refer to *notes 35, 38* and *39*.

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.

Group companies

The results and financial position of all the group entities 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 income statement and statement of comprehensive income are translated at average exchange rates; and

c. All resulting exchange differences are recognized in other comprehensive income.

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7. Accounting policies in the consolidated financial statements

7.1. Management judgment, estimates, and assumptions

Application of accounting policies under IFRSs as adopted in the EU requires the JOST Werke 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 preparation of financial statements requires the use of accounting estimates. Management also needs to exercise judgment in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgments is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

When preparing the financial statements, JOST also took into account the current macroeconomic environment.

JOST factored the effects of this into the measurement of assets and liabilities, where relevant. Inflation and interest rate changes were also considered. The effects of inflation on future cash flows and the impact of changes in interest rates on the cost of capital were correspondingly included in the determination of recoverable amounts. However, there were no significant effects on the measurement of asset impairment charges that could be directly attributed to this economic uncertainty. The effects of the change in interest rates on the measurement of pension obligations and other liabilities were also considered. Russia's war in Ukraine did not have any direct material impact on the measurement (for example in the form of impairment losses), but it did shape the macroeconomic environment.

When preparing the financial statements, climate-related matters are taken into account in connection with the exercise of significant judgments and the making of estimates. This did not have any effect on these financial statements.

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

For property, plant and equipment and intangible assets, the expected useful life, which may also be indefinite, must be estimated; these estimates are subject to uncertainty. As outlined in notes 7.2 to 7.4, these assets must also be tested for impairment. The performance of impairment tests (especially for goodwill and trademarks with indefinite useful lives), and in particular the determination of fair value, is based on management's assessments of future cash flows and the discount rates used. In particular, the assumptions regarding future cash flows in the planning period and beyond, if applicable, relate mainly to expected market developments and the products' profitability. For more information, see *note 10* and *note 11*.

Business combinations

When accounting for business combinations, judgments need to be made in assessing whether an intangible asset is identifiable and should be recognized separately from goodwill. Moreover, estimating the acquisition-date fair value of identifiable assets acquired and liabilities assumed entails significant judgments. The necessary measurements are based on information available at the acquisition date as well as on expectations and assumptions which management considers to be reasonable. Those judgments, estimates and assumptions may significantly affect the net assets, financial position and results of operations for the following reasons, among others:

The fair values allocated to assets required to be depreciated or amortized affect the amount of the depreciation and amortization charges recognized in operating profit in periods after the acquisition. Subsequent adverse changes in the assets' estimated fair values could result in additional expenses due to impairment. Subsequent changes in the estimated fair values of liabilities and provisions could result in additional expenses (in the event of an increase in estimated fair values) or additional income (in the event of a decrease in estimated fair values).

Goodwill from business combinations is tested for impairment (see *note 7.2*). In this context, various significant estimates and assumptions are required; these are explained in further detail in *note 10*.

Pensions and similar obligations

Provisions and expenses for post-employment defined-benefit pension plans 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 pension plan. Such estimates are subject to significant uncertainties, in line with the long-term orientation of the pension plans. For effects of using different actuarial assumptions on the carrying amount of pension obligations, see *note 21*.

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.

Leases

Under IFRS 16, lease terms are estimated based on the non-cancellable period of the lease and the assessment as to whether existing extension and termination options will be exercised. The determination of the term and the discount rates used affect the amount of the right-of-use assets and lease liabilities.

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 determined 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 assessment by management mainly concerns liquidity risk, credit risk and volatility, and affects the recognized fair value of financial instruments.

Recognition of deferred taxes on interest and loss carryforwards

Regarding the future use of loss carryforwards at Jasione GmbH, it is assumed that there has been no "detrimental acquisition of an interest" (schädlicher Beteiligungserwerb) within the meaning of Section 8c of the Körperschaftsteuergesetz (German Corporate Income Tax Act – KstG) that can result in a (proportional) forfeiture of the existing loss carryforwards. In addition, the positive equity comparison as of December 31, 2018 (equity ratio for the group must be lower than for the Jasione GmbH tax group) is expected to be accepted by the tax authorities so that the interest carried forward can therefore be fully deducted or carried forward as an expense in fiscal year 2019. Moreover, assumptions regarding future business performance and based on that regarding the amount of taxable income and therefore the amount of loss carryforwards to be used in the future are made for the five-year planning period.

7.2. Goodwill and other intangible assets

Purchased intangible assets are recognized at cost and reduced by straight-line amortization over their useful lives. The group has intangible assets with an indefinite useful life. Impairment losses are recognized if required. Goodwill is not amortized.

The useful lives applied to the group's intangible assets can be summarized as follows:

	Order backlog	Software	Patents and technologies	Customer list	Trademarks
Useful lives	1 year	3 years	5 - 15 years	15 - 22 years	20 years

For the acquired Quicke brand, impairment testing is carried out at least once a year on November 30 unless a triggering event arises.

Goodwill

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 as of the acquisition date.

For impairment testing purposes, goodwill acquired in the course of a business combination is allocated from the acquisition date to the cash-generating units that are expected to benefit from the synergies generated by the business combination. JOST Werke SE has designated the geographic markets as its cash-generating units. The identified cash-generating groups are Europe, North America, and Asia, Pacific and Africa (APA).

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Goodwill impairment reviews are undertaken annually as of December 31, or more frequently if events or changes in circumstances indicate a potential impairment. Goodwill is tested for impairment at the level of the lowest cash-generating unit to which it is allocated By comparing the carrying amount of the cash-generating units with their 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 units. 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 income statement item includes third-party services and the cost of technical tests. Expenditure on research shall be recognized 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 recognized at cost less any cumulative straight-line amortization and any cumulative impairment losses. Capitalized development costs are amortized as (self-created) intangible assets on a straight-line basis over the period in which the asset's future economic benefits are expected to be consumed. This period is usually three to fifteen 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.

7.3. Impairment of intangible assets with indefinite useful lives

The subsequent measurement of intangible assets depends on whether the asset has a finite or indefinite useful life. 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 recognized 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.

7.4. Property, plant, and equipment

Items of property, plant, and equipment are recognized at cost less cumulative depreciation and any cumulative impairment losses. Straight-line depreciation is based on the estimated useful lives 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. If an item of property, plant and equipment is part of a cash-generating unit or a group of cash-generating units, impairment is determined on the basis of the recoverable amount of that unit or group.

Costs subsequent to initial recognition, for example because of expansion or replacement investments, are only recognized 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 recognized as expenses in the fiscal year in which they are incurred. An item of property, plant, and equipment is derecognized 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 recognized in profit or loss in the period in which the asset is derecognized. The residual values of assets, useful lives, and depreciation methods are reviewed at the end of each fiscal year and adjusted if necessary.

The useful lives applied to the group's property, plant, and equipment are summarized as follows:

	Other equipment, operating and office equipment	Technical equipment and machinery	Land rights and buildings, including buildings on third-party land
Useful lives	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 (twelve months or more) 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 recognized as expenses in the period in which they are incurred. No borrowing costs were capitalized in fiscal years 2023 and 2022.

7.5. 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 recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. Dividend payments reduce the equity interests' carrying amounts. 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 a 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 recognizes the amount as impairment loss in the income statement.

7.6. Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. 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 produced the acquisition or production of which requires a substantial period of time to get them ready for their intended use or sale. Impairment losses on inventories are recognized if necessary to reflect reduced marketability.

7.7. Financial assets and financial liabilities

Upon initial recognition, financial assets are classified as subsequently measured at amortized cost or at fair value through profit or loss. Financial assets are classified based on the business model used to managed these financial assets and the composition of the contractual cash flows they generate. In contrast, financial liabilities are generally classified as measured at amortized cost with the exception of financial liabilities measured at fair value through profit or loss. The group classifies its financial assets and financial liabilities in the following categories: Financial Assets at Amortized Cost (FAAC), Financial Liabilities at Amortized Cost (FLAC), Financial Assets through Profit or Loss (FAtPL) and Financial Liabilities through Profit or Loss (FLtPL).

With the exception of trade receivables without a significant financing component, financial assets and financial liabilities are initially measured at fair value. The transaction costs directly associated with the acquisition or issue of financial assets or liabilities must be added to or deducted from financial assets and liabilities not measured at fair value through profit or loss. The standard requires trade receivables without a significant financing component to be measured at the transaction price.

As of December 31, 2022, and as of December 31, 2023, there were no financial assets measured at fair value through profit or loss. Financial liabilities measured at fair value through profit or loss are explained in *notes 23* and *26*.

The group had no financial assets and liabilities that fulfill the offsetting criteria in accordance with IAS 32.42 et seq. as of the reporting date.

All regular way purchases and sales of financial assets are accounted for at the settlement date. Derivative financial instruments are recognized as of the trading date.

A financial asset is derecognized 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 derecognized from the balance sheet 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.

Net gains and losses on financial instruments comprise measurement gains and losses, impairment expenses from financial assets, and interest and dividends.

Financial assets measured at amortized cost

This category includes financial assets held as part of a business model that aims to collect contractual cash flows. In addition, the contract terms also result in cash flows exclusively limited to interest and principal payments on the outstanding capital amount.

Financial assets measured at fair value through profit or loss

The following financial assets are classified as measured at fair value through profit or loss:

- financial investments in debt instruments that are neither measured at amortized cost nor at fair value through other comprehensive income,
- financial investments in equity instruments held for trading, and
- financial investments in equity instruments for which the company has decided not to recognize changes in fair value in other comprehensive income.
- Financial assets voluntarily measured at fair value through profit or loss in order to eliminate or minimize mismatches in measurement or disclosure.

Changes in the fair value of financial assets in this category are recognized in profit or loss at the time of the increase or decrease in fair value.

JOST uses factoring programs in the context of working capital management. Under the factoring programs, the underlying receivables are sold to the factor in exchange for payment. The material opportunities and risks are neither fully transferred nor retained, so the receivables are accounted for in the amount of the continuing involvement. JOST allocates receivables that are still on its balance sheet under the factoring programs to the "hold to sell" business model in accordance with IFRS 9, as a result of which they are accounted for at fair value through profit or loss until their derecognition.

Financial liabilities measured at amortized cost

With the exception of financial liabilities measured at fair value, financial liabilities are generally classified as measured at amortized cost.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss are recognized in the balance sheet at fair value. This category includes derivatives with a negative market value, financial guarantees, commitments to provide a loan at below the market interest rate and a contingent consideration within the scope of a business combination within the meaning of IFRS 3.

Subsequent measurement

Financial assets and liabilities are subsequently measured according to their classification.

Financial assets measured at amortized cost are the most significant category of financial assets for the group and mainly comprise trade receivables as well as cash and cash equivalents. They are subsequently measured using the effective interest method and net of any impairment losses. Gains and losses resulting from derecognition, modification or impairment are recognized through profit or loss.

Financial assets measured at fair value through profit or loss are recognized in the balance sheet at fair value, while changes in the fair value are recognized in the income statement.

The financial liabilities classified at amortized cost are measured using the effective interest method and are the most significant category of financial liabilities for the group. They mainly comprise loans and trade payables.

Financial liabilities initially classified as measured at fair value through profit or loss are recognized in the balance sheet at fair value, while changes in the fair value are recognized in the income statement.

Impairment of financial assets

Loss allowances which reflect the expected credit losses (ECL) are recognized for financial assets not recognized at fair value through profit or loss. The expected credit losses correspond to the difference between the contractual cash flows payable according to the agreement and the total cash flows which the group expects to receive while discounting future cash flows. The expected credit losses are recognized in two steps. Step 1 comprises all of the financial assets whose credit risk has not significantly increased since initial recognition. Impairment losses are recognized in the amount of the credit losses expected over the next twelve months. On the other hand, step 2 comprises all of the financial assets whose credit risk has significantly increased. For these financial assets, impairment losses are recognized for the expected credit losses throughout the remaining term. The assessment of whether the credit risk has changed significantly is made on the basis of the change in the probability of default.

Impairment losses/gains are recognized in the "Selling expenses" item in the income statement.

The simplified approach according to IFRS 9 is applied for trade receivables and contract assets. These assets are not allocated to either of the above steps. Impairment losses are generally measured on the basis of the credit losses expected over the respective term.

Indications of a receivable's 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 delinquency in interest or principal payments. Expected credit losses are determined by grouping trade receivables based on how overdue they are. The expected loss rates are calculated using both historical information (such as historical loss allowances) as well as forward-looking information (like country credit ratings by rating firms). The loss rates determined in this way are also used for contract assets. Payments subsequently received on amounts that have been written off are credited against the impairment losses recognized on trade receivables in the "Selling expenses" item in the income statement. A credit-impaired receivable is ultimately derecognized when it is no longer expected that the debtor will make payments, such as when an insolvency or reorganization process is completed.

Phase 2 of the interest rate benchmark reform (IBOR reform) did not have any impact on the current period and is not likely to significantly affect future periods.

7.8. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances, short-term deposits with original maturities of less than three months, and bank bills of exchange that can be converted into cash at any time and are not subject to significant fluctuations in value. They are measured at amortized cost.

7.9. Pensions and similar obligations

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 insurance carrier. The group has no legal or constructive obligations to pay further contributions if the independent unit (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, changes in actuarial interest rates, and inflation, are in general borne by the group companies.

The liability recognized 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.

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.

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 recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

7.10. 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 fulfill 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 on claims for which a provision has been set up, the refund is recognized under other assets.

7.11. 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.

7.12. Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are initially measured at fair value less transactions costs. They are subsequently measured at amortized cost.

Fees paid on the establishment of loan facilities are recognized 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.

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7.13. Derivatives

The group uses derivatives to hedge existing interest rate risks and exchange rate risks arising from loans, and trade receivables and trade payables denominated in foreign currencies. These are initially measured at fair value and subsequently at fair value as well.

The fair values of various derivative instruments used for hedging purposes are disclosed in *notes 15* and *26*. Changes in the fair values of the hedges are recognized in the income statement and shown in *notes 38* and *39*. The full negative fair value of a derivative is classified as a noncurrent liability when the remaining maturity of the derivative is more than twelve months, and as a current liability when the maturity is less than twelve months. If the fair value of a derivative is positive, it is classified as an asset.

The fair values of the derivatives are determined using valuation techniques, as they are not traded in an active market. These valuation techniques maximize 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. To determine the fair value an instrument JOST calculates the present value of the estimated future cash flows based on observable yield curves. The gross amount/market value shown in the measurement of the cross currency swaps reflects the present value of the aggregated cash flows. The present value is the sum of all discounted cash flows. Forward exchange contracts are measured using the present value method, with the future values discounted as of the measurement date.

7.14. Hedge accounting

Since July 1, 2021, the group has designated individual derivatives as hedging instruments in cash flow hedges. Hedges of the exchange rate risk of highly probable future transactions are accounted for as cash flow hedges.

At inception of the hedging relationship, the group documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and its strategy for undertaking hedges. Both when entering into the hedge and on an ongoing basis, it also documents whether the hedging instrument designated into the hedging relationship is effective in offsetting changes in the cash flows of the hedged item. This is the case if the hedging relationship meets all of the following effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the group actually hedges and the quantity of the hedging instrument that the group actually uses to hedge that quantity of the hedged item.

If a hedging relationship ceases to meet the effectiveness requirements relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the group adjusts the hedge ratio of the hedging relationship so that it meets the requirements again.

Information on the fair value of derivatives designated in hedging relationships can be found in *notes 26* and *47*. Gains and losses on cash flow hedges are presented in equity in *note 20*. All other disclosures are provided in *note 47*.

Cash flow hedges

The effective portion of fair value changes in derivatives and other permissible hedging instruments that are suitable for cash flow hedging and have been designated as such is recognized in other reserves under the gain/loss from hedge reserve. The gain or loss attributable to the ineffective portion is immediately recognized in profit or loss and presented in the income statement within “Other income” or “Other expenses”. The amounts recognized in other reserves were presented in the statement of changes in equity in the year under review and as hedge reserves in the previous year.

Amounts that have previously been recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods in which the hedged item affects profit or loss, more specifically to the same line item as the hedged item. If, however, a hedged forecast transaction results in the recognition of a non-financial asset or non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the non-financial asset or non-financial liability. If the group expects that all or a portion of a loss accumulated in the gain/loss from hedge reserve will not be recovered in one or more future periods, that amount is immediately reclassified to profit or loss.

The group discontinues hedge accounting for a designated hedging relationship only if the hedging relationship (or a part of it) ceases to meet the qualifying criteria (subject to any rebalancing). This generally includes instances when the hedging instrument expires or is sold, terminated or exercised. Hedge accounting is discontinued prospectively. All gains or losses recognized in other reserves and accumulated in the

gain/loss from hedge reserve at that date remain in equity and are reclassified to profit or loss when the forecast transaction occurs. If a forecast transaction is no longer probable, the gain or loss accumulated in the gain/loss from hedge reserve is immediately reclassified to profit or loss.

7.15. Leases

A lease is applicable where the fulfillment of a contract is dependent on the use of an identified asset and this contract transfers the right to control use of this asset for a specified period of time in return for consideration. Due to the application of IFRS 16, in principle as of the date on which the leased asset is available for use the JOST Werke Group as a lessee recognizes all leases in the balance sheet in the form of a right-of-use asset as well as a corresponding lease liability. Right-of-use assets and lease liabilities are initially measured at their present values. The lease liabilities comprise the following lease payments:

- Fixed payments, less the leasing incentives payable by the lessor,
- Variable payments that depend on an index or an interest rate,
- Expected residual value payments resulting from residual value guarantees,
- The exercise price of a call option if its exercise is deemed reasonably certain, and
- Penalty payments for any termination of the lease if the exercise of a termination option has been taken into consideration in the term of this lease.

Lease payments will be discounted by the interest rate implicit in the lease, if this is determinable. Otherwise, lease payments will be discounted by the lessee's incremental borrowing rate. Right-of-use assets will be measured at cost, which comprises the following elements:

- Lease liability,
- Lease payments made as of or prior to provision, less any leasing incentives received,
- Initial direct costs and
- Asset retirement obligations.

As a rule, the right-of-use asset will be depreciated on a straight-line basis over the shorter of the useful life and the lease term and the lease liability will be carried forward according to the effective interest method.

The group has made use of the following practical expedients as a lessee. Current and low-value leases that are covered by the practical expedient have not been recognized in the balance sheet. The standard is not applied to leases of intangible assets. The leasing payments resulting from these leases will thus continue to be classified as operating expenses. Moreover, the accounting option of not separating leasing and non-leasing components from one another has been exercised.

Some leases contain extension and termination options. Such contractual terms and conditions are used to give the group some operational flexibility in terms of the contracts it holds. Most of the existing extension and termination options can be exercised only by the JOST and not by the lessor. In determining the lease term, all facts and circumstances that create an economic incentive to exercise extension options or not to exercise termination options are considered. In case of agreements with an indefinite term, estimates have been made on the basis of the economic useful life.

7.16. Revenue recognition

According to IFRS 15, sales revenues must be recognized where the customer has obtained control of the agreed goods and services and can benefit from them. Sales revenues must be measured in the amount of the consideration which the company expects to receive. The model of IFRS 15 prescribes a five-step scheme for revenue recognition, according to which the customer agreement and the performance obligations which it comprises must first be identified. The transaction price must subsequently be determined and allocated to the performance obligations. Revenue must be recognized for each individual performance obligation where the customer obtains control over it. This will result in the balance-sheet recognition of a contract asset or a contract liability.

Revenue within the JOST Werke Group is recognized when control of the goods has been transferred, i.e. when the goods have been delivered to the customer (or a forwarder commissioned by the customer) and no unfulfilled obligation remains that could affect the customer's acceptance of the goods. Delivery has taken place when the goods have been handed over to the customer in accordance with the Incoterms agreed with the customer, the risks of loss and destruction have been transferred to the customer and either the customer has accepted the goods in accordance with the purchase agreement or the terms of acceptance are fulfilled or else the group has objective indications that all of the criteria for acceptance have been fulfilled. Revenue from these sales is recognized at the contract price less estimated customer discounts, i.e. in the amount of the transaction price which the JOST Werke Group is likely to receive. Receivables will be recognized at the time of delivery and upon the claim arising unconditionally.

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Customer commissions and bonuses with retrospective effect are often agreed for the sale of goods. A refund liability (shown under the contract and refund liabilities item) is recognized for discounts payable to customers or prepayments already received for sales made up until the end of the reporting period.

The estimate of the provision for expected customer commissions and bonuses based on experience (expected value method) were recognized under other provisions in prior reporting periods. For reasons of better clarity and consistent presentation, these were recognized under the "Contract and refund liabilities" item as of December 31, 2023 (and retrospectively as of December 31, 2022). For further details see *notes 22*.

The group almost exclusively generates revenue from the sale of goods at a particular point in time. The performance obligation and due date of the payment depend on the respective Incoterms and payment terms agreed with the customer. Sales are overwhelmingly completed with periods for payment of between 30 and 90 days, in line with normal market practice. In case of prepayments received, the period between payment and delivery usually is not more than 12 months. Variable consideration components include bonuses, rebates, discounts, and price reductions. There are no significant financing components. Guarantees exceeding the standard statutory terms are not granted. Refund liabilities at JOST comprise the aforementioned rebates in particular. No expenses have arisen for contract costs.

7.17. Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized 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. In addition, the actual taxes reported in the fiscal year include adjustment amounts for any tax payments or tax refunds for years which have not yet been finally assessed. In the event that the amounts stated in the tax returns probably cannot be realized, tax provisions will be established. The amount will be determined on the basis of the best possible estimate of the expected tax payment. Tax receivables resulting from uncertain tax positions will be recognized in the balance sheet if their realization is very likely and thus sufficiently certain.

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. Tax refunds for previous years cannot be ruled out due to future court rulings or a change of opinion on the part of the revenue authorities.

Deferred tax assets and liabilities are recognized for temporary differences between IFRS values and tax base. Deferred tax assets are also recognized for loss carry forwards in most cases. They are only included if it is probable that a taxable profit will be available against which the deferred tax asset can be utilized during the next five years. Deferred tax assets and liabilities are not recognized 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.

Deferred tax assets and liabilities are offset if the company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to settle on a net basis. An excess of deferred tax assets is only recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax liabilities are recognized for deductible temporary differences associated with investments in subsidiaries, unless the group is able to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

7.18. Share-based payment in accordance with IFRS 2

Share-based payment transactions are treated in accordance with IFRS 2 Share-based Payment by the 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 distinguishes between equity-settled and cash-settled plans. The financial benefit from equity-settled plans determined on the grant date is recognized in equity over the expected vesting period. Expenses from cash-settled plans are also allocated over the expected vesting period, but recognized as a liability. As of the reporting date, there are only cash-settled plans.

7.19. 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. The changes in the balance sheet items shown in the cash flow statement cannot be derived directly from the balance sheet, since noncash effects resulting from currency translation have been taken into consideration. Investing activities are the acquisition and disposal of noncurrent assets and other investments not included in cash equivalents. Cash flow from financing activities is also determined using the direct method. Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

7.20. Hyperinflationary adjustments

In fiscal year 2022, Turkey was classified as a hyperinflationary economy as defined in IAS 29. As the functional currency of the Turkish subsidiary is the Turkish lira, IAS 29 was applied to the single-entity financial statements of Jost Otomotiv Sanayi Ticaret A.S. for the first time in fiscal year 2022. To do so, non-monetary assets, non-monetary liabilities and subscribed capital are first restated in line with purchasing power, i.e., into the measuring unit current at the end of the reporting period, in the opening balance sheet. In accordance with IAS 21.42b and 43, comparative amounts are not restated, as the consolidated financial statements were prepared in a stable currency. Differences between the subsidiary's closing balance sheet for 2021 and its opening balance sheet were recognized in retained earnings. As of the reporting date, the non-monetary assets of Jost Otomotiv Sanayi Ticaret A.S. that are based on the historical cost method, in particular intangible assets and property, plant and equipment, and the entity's equity are restated into the measuring unit current at the end of the reporting period. All items in the statement of comprehensive income are also restated in line with purchasing power at the end of the reporting period. The resulting effects are presented in a separate line item ("Gain/loss on the net monetary position in accordance with IAS 29") in the consolidated income statement within the net finance result. Differences arising on consolidation at the end of the reporting period were recognized in other comprehensive income. The price index used was the consumer price index published by the Türkiye İstatistik Kurumu (Turkish Statistical Institute). The changes in the indicators since the requirement under IAS 29 was met are listed in the following table. More information and the effects on the reporting period can be found in *note 37*.

	Dec 31, 2023	Dec 31, 2022
Consumer price index	1,859	1,128

7.21. Government grants

Government grants are not recognized until there is reasonable assurance that the group will comply with the conditions attaching to the grants and the grants will be received.

Government grants are presented as a deferral in the balance sheet and on a systematic basis in the consolidated income statement at the gross amount, i.e. they are not offset against the corresponding expenses.

8. Exceptionals

The following explanation of adjusted effects serves to clarify the information in the income statement. These effects have been adjusted on the basis of the management approach in the segment reporting.

In fiscal year 2023, expenses amounting to €47,976 thousand (2022: €35,099 thousand) were adjusted within earnings before interest and taxes (EBIT).

The items adjusted within EBIT relate to expenses arising from the purchase price allocations (PPA depreciation and amortization) in the amount of €25,660 thousand (2022: €27,278 thousand) recognized under selling expenses and research and development expenses. There are also effects on earnings from the now completed arbitration proceedings with the former owners of Ålö Holding AG regarding the earn out payment in the amount of €12,017 thousand (2022: €1,031 thousand) within EBIT and €3,811 thousand within the net financial result. Furthermore, cost of sales as well as selling, administrative and other expenses were adjusted for expenses relating to other effects totaling €10,299 thousand (2022: €7,792 thousand). The other effects relate in part to expenses for optimization projects at the Ålö Group in the amount of €576 thousand (2022: €134 thousand), expenses for the relocation of a production site from the Netherlands to Portugal in the amount of €123 thousand (2022: €131 thousand) and expenses for the relocation of a logistics center in Germany in the amount of €14 thousand (2022: €630 thousand). Significant expenses for human resources measures in the amount of €2,808 thousand (2022: €2,538 thousand), for the conversion of JOST Werke SE into a European Company (Societas Europaea (SE)) in the amount of €23 thousand (2022: €381 thousand) and expenses for the optimization of company processes at JOST (in particular consulting expenses) in the amount of €2,372 thousand (2022: €1,958 thousand) were also adjusted. There were also expenses for other projects, including in connection with the acquisition and closure of companies, amounting to €3,121 thousand (2022: €0 thousand) as well as expenses in connection with the construction of the new production plant in India amounting to €1,230 thousand (2022: €520 thousand). No expenses were incurred for the JOST Werke Group's refinancing in the reporting period (2022: €29 thousand).

After taking into account the adjustments of earnings before taxes, this would give a tax expense of €30,241 thousand for 2023 (2022: €29,341 thousand) based on the country-specific tax rates applicable for the group. In previous years, the calculation of notional income taxes was based on the tax rate expected for the JOST Werke Group. For the purpose of comparison, the company has subsequently applied this new method of calculation for the comparative period too.

The table below shows the earnings adjusted for these effects:

in € thousands	Jan 01 - Dec 31, 2023 Unadjusted	D&A from PPA	Ålö earn out	Other effects	Adjustments, total	Jan 01 - Dec 31, 2023 Adjusted
Sales revenues	**1,249,704**		**0**		**0**	**1,249,704**
Cost of sales	**-924,764**		**0**	**1,314**	**1,314**	**-923,450**
Gross profit	**324,940**	**0**	**0**	**1,314**	**1,314**	**326,254**
Selling expenses	-132,607	23,124	0	2,468	25,592	-107,015
Research and development expenses	-20,183	2,536	0	525	3,061	-17,122
Administrative expenses	-74,993		2,050	5,120	7,170	-67,823
Other income	14,560		0		0	14,560
Other expenses	-25,463		9,967	872	10,839	-14,624
Share of profit or loss of equity method investments	6,528		0		0	6,528
Operating profit (EBIT)	**92,782**	**25,660**	**12,017**	**10,299**	**47,976**	**140,758**
Gain/loss on the net monetary position in accordance with IAS 29	-537		0		0	-537
Financial income	7,430		0		0	7,430
Financial expense	-28,231		3,811		3,811	-24,420
Net finance result	**-21,338**	**0**	**3,811**	**0**	**3,811**	**-17,527**
Profit/loss before tax	**71,444**	**25,660**	**15,828**	**10,299**	**51,787**	**123,231**
Income taxes	-19,153	-5,964	-1,741	-3,383	-11,088	-30,241
Earnings after taxes	**52,291**					**92,990**
Weighted average number of shares	**14,900,000**					**14,900,000**
Basic and diluted earnings per share (in €)	**3.51**					**6.24**

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in € thousands	Jan 01 - Dec 31, 2022 Unadjusted	D&A from PPA	Refinancing	Other effects	Adjustments, total	Jan 01 - Dec 31, 2022 adjusted
Sales revenues	**1,264,606**	**0**	**0**	**0**	**0**	**1,264,606**
Cost of sales	**-927,586**	**0**	**0**	**2,509**	**2,509**	**-925,077**
Gross profit	**337,020**	**0**	**0**	**2,509**	**2,509**	**339,529**
Selling expenses	-162,067	24,620	0	1,312	25,932	-136,135
Research and development expenses	-19,661	2,658	0	244	2,902	-16,759
Administrative expenses	-65,142	0	29	4,321	4,350	-60,792
Other income	23,079	0	0	0	0	23,079
Other expenses	-33,369	0	0	-594	-594	-33,963
Share of profit or loss of equity method investments	8,882	0	0	0	0	8,882
Operating profit (EBIT)	**88,742**	**27,278**	**29**	**7,792**	**35,099**	**123,841**
Gain/loss on the net monetary position in accordance with IAS 29	-375	0	0	0	0	-375
Financial income	10,532	0	0	0	0	10,532
Financial expense	-18,806	0	7	0	7	-18,799
Net finance result	**-8,649**	**0**	**7**	**0**	**7**	**-8,642**
Profit/loss before tax	**80,093**	**27,278**	**36**	**7,792**	**35,106**	**115,199**
Income taxes	-20,247	-7,324	0	-1,770	-9,094	-29,341
Earnings after taxes	**59,846**	**0**	**0**	**0**	**0**	**85,858**
Weighted average number of shares	**14,900,000**					**14,900,000**
Basic and diluted earnings per share (in €)	**4.02**					**5.76**

9. 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. At the JOST Werke Group, the Executive Board is 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-Africa

The operating segments include all legal independent companies of the region. The product portfolio (parts for trucks, trailers and agricultural tractors) of the operating segments is broadly similar. However, no material sales revenues are generated with products for agricultural tractors in the Asia-Pacific-Africa region.

The Executive Board monitors the operating segments based on sales revenues and the most important earnings figures and measures operating segment performance primarily on adjusted earnings before interest and taxes (adjusted EBIT). Adjusted EBIT is calculated based on the consolidated financial statements in accordance with IFRS of JOST Werke SE adjusted for exceptional items, depreciation and amortization of property, plant, and equipment and intangible assets from purchase price allocations (PPA) and impairment and reversal of impairment of property, plant, and equipment and intangible assets from purchase price allocations. Exceptionals comprise other non-operating expenses and income and relate in part to expenses for an optimization project at the Ålö Group, expenses for the relocation of a production facility from the Netherlands to Portugal, expenses from purchase price allocation (D&A from PPA), expenses for the relocation of a logistics center within Germany, expenses for human resources measures, expenses for the optimization of company processes at JOST, expenses for the now completed legal dispute with the former owners of Ålö Holding AG, and expenses in connection with the acquisition and closure of companies. The exceptionals in 2023 have been incurred mainly in the operating segment Europe. The share of profit or loss of investments accounted for using the equity method is not allocated to a segment and is therefore included in the "reconciliation" column.

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.

Segment reporting for Segment reporting in 2023

in € thousands	Europe [4]	North America	Asia-Pacific-Africa	Reconciliation	Consolidated financial statements
Sales revenues[1]	1,084,448	361,562	294,196	-490,502	1,249,704 [2]
thereof: external sales revenues[1]	**687,811**	**354,247**	**207,646**	**0**	**1,249,704**
thereof: internal sales revenues[1]	396,637	7,315	86,550	-490,502	0
Adjusted EBIT[3]	**46,219**	**44,800**	**43,211**	**6,528**	**140,758**
thereof Depreciation and amortization	19,760	5,949	6,627	0	32,336
Adjusted EBIT margin	6.7 %	12.6 %	20.8 %		11.3 %
Adjusted EBITDA[3]	**65,979**	**50,749**	**49,838**	**6,528**	**173,094**
Adjusted EBITDA margin	9.6 %	14.3 %	24.0 %		13.9 %

[1] Sales by destination in the reporting period:
- Europe: €590,951 thousand – Americas: €393,320 thousand – Asia-Pacific-Africa: €265,433 thousand

[2] Sales revenues in the segments show the sales revenues by origin.

[3] The share of profit or loss of investments accounted for using the equity method is not allocated to a segment and is therefore included in the "reconciliation" column in the amount of €6,528 thousand.

[4] Crenlo do Brasil is assigned to the Europe segment.

Segment reporting for Segment reporting in 2022

in € thousands	Europe	North America	Asia-Pacific-Africa	Reconciliation	Consolidated financial statements
Sales revenues[1]	1,148,053	398,900	315,932	-598,279	1,264,606 [2]
thereof: external sales revenues[1]	**695,516**	**396,339**	**172,751**	**0**	**1,264,606**
thereof: internal sales revenues[1]	452,537	2,561	143,181	-598,279	0
Adjusted EBIT[3]	**41,815**	**35,720**	**37,424**	**8,882**	**123,841**
thereof Depreciation and amortization	18,315	6,126	6,210	0	30,651
Adjusted EBIT margin	6.0 %	9.0 %	21.7 %		9.8 %
Adjusted EBITDA[3]	**60,130**	**41,846**	**43,634**	**8,882**	**154,492**
Adjusted EBITDA margin	8.6 %	10.6 %	25.3 %		12.2 %

[1] Sales by destination in the reporting period:
- Europe: €585,168 thousand – Americas: €421,385 thousand – Asia-Pacific-Africa: €258,053 thousand
[2] Sales revenues in the segments show the sales revenues by origin.
[3] The share of profit or loss of investments accounted for using the equity method is not allocated to a segment and is therefore included in the "reconciliation" column in the amount of €8,882 thousand.

Sales revenues in the fiscal year are distributed as follows between the two business units Transport and Agriculture:

in € thousands	Transport	Agriculture	Consolidated financial
Sales revenues	993,369	256,335	1,249,704

In the reporting periods the group did not generate more than 10% of total external sales revenue with one customer.

JOST generated external sales revenues in the amount of €360,133 thousand (2022: €337,145 thousand) with its companies registered in Germany. JOST generated external sales revenues in the amount of €341,388 thousand (2022: €379,459 thousand) with its companies registered in the USA and €147,344 thousand (2022: €206,097 thousand) with its companies registered in Sweden.

Reconciliation of earnings to adjusted earnings figures as of December 31, 2023

in € thousands	2023	2022
Profit/loss after taxes	**52,291**	**59,846**
Income taxes	19,153	20,247
Net finance result	21,338	8,649
EBIT	**92,782**	**88,742**
D&A from PPA	25,660	27,278
Earn-out effects	12,017	0
Other effects	10,299	7,821
Adjusted EBIT	**140,758**	**123,841**
Adjusted EBIT margin	11.3 %	9.8 %
Depreciation	29,075	27,463
Amortization	3,261	3,188
Adjusted EBITDA	**173,094**	**154,492**
Adjusted EBITDA margin	13.9 %	12.2 %

The following tables show noncurrent assets by operating segments for December 31, 2023:

in € thousands	Europe [1,3]	North America	Asia-Pacific-Africa	Reconciliation [2]	Consolidated financial statements
Noncurrent assets [2]	391,094	49,368	61,267	20,647	522,376

[1] Of this amount, €53,312 thousand is attributable to noncurrent assets of companies registered in Germany. This does not include intangible assets recognized as part of the purchase price allocation as these figures are not available at the level of individual companies and the cost to determine them would be excessive.
[2] Noncurrent assets include the carrying amount of investments accounted for using the equity method that is not allocated to a segment and therefore included in the reconciliation column.
[3] Crenlo do Brasil is assigned to the Europe segment.

The following table shows the breakdown of noncurrent assets by segments as of December 31, 2023:

in € thousands	Europe [1]	North America	Asia-Pacific-Africa	Reconciliation [2]	**Consolidated financial statements**
Noncurrent assets [2]	365,320	52,631	63,291	19,797	501,039

1 Of this amount, €51,898 thousand is attributable to noncurrent assets of companies registered in Germany. This does not include intangible assets recognized as part of the purchase price allocation as these figures are not available at the level of individual companies and the cost to determine them would be excessive.

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

Noncurrent assets consist of goodwill, intangible assets, property, plant, and equipment, investments accounted for using the equity method and other noncurrent financial assets (excluding financial instruments). Effects from purchase price allocation are allocated to each segment.

The impairment tests did not result in any impairments or reversals of impairments for noncurrent assets in 2023 and 2022.

10. Goodwill and other intangible assets

in € thousands	Goodwill	Internally generated intangible assets	Customer list	Other intangible assets	Advance payments, intangible assets under construction	Total intangible assets
Cost						
Balance at January 1, 2022	166,085	54,752	427,662	163,753	17	812,269
Additions	0	3,877	0	148	9	4,034
Changes – IAS 29	0	0	0	15	0	15
Currency and other changes	-4,315	-3,083	-2,094	-5,733	0	-15,225
Reclassifications	0	0	0	140	0	140
Disposals	0	0	0	-23	0	-23
Balance at December 31, 2022	**161,770**	**55,546**	**425,568**	**158,300**	**26**	**801,210**
Changes in the basis of consolidation	14,448	2,236	5,287	147	0	22,118
Additions	0	4,386	0	586	2	4,974
Changes – IAS 29	0	0	0	7	0	7
Currency and other changes	-935	149	-223	87	0	-922
Reclassifications	0	0	0	643	0	643
Disposals	0	0	-58,028	-125	-28	-58,181
Balance at December 31, 2023	**175,283**	**62,317**	**372,604**	**159,645**	**0**	**769,849**
Amortization and impairment						
Balance at January 1, 2022	**74,274**	**19,430**	**279,266**	**78,633**	**0**	**451,603**
Additions	0	4,280	22,461	3,447	0	30,188
Currency and other changes	7	-559	-630	-376	0	-1,558
Disposals	0	0	0	-22	0	-22
Balance at December 31, 2022	**74,281**	**23,151**	**301,097**	**81,682**	**0**	**480,211**
Changes in the basis of consolidation	0	0	0	0	0	0
Additions	0	4,486	20,849	3,178	0	28,513
Currency and other changes	-28	115	355	47	0	489
Disposals	0	0	-58,028	-72	0	-58,100
Balance at December 31, 2023	**74,253**	**27,752**	**264,273**	**84,835**	**0**	**451,113**
Carrying amount as of December 31, 2022	**87,489**	**32,395**	**124,471**	**76,618**	**26**	**320,999**
Carrying amount as of December 31, 2023	**101,030**	**34,565**	**108,331**	**74,810**	**0**	**318,736**

The goodwill of €161,770 thousand presented as of December 31, 2022 mostly comprises an amount of €74,267 thousand that has been impaired since 2009 and in accordance with IAS 36 may not be written up again, in addition to an amount of €90,157 thousand arising from the acquisition of the Ålö Group in 2020. The addition of €14,448 thousand in the reporting year results from the acquisition of Crenlo do Brasil (€12,407 thousand) and the LH Lift Group (€2,041 thousand). Further information on this can be found in note 5. The remaining changes in fiscal year 2023 are due to currency effects.

The internally generated intangible assets result from various development projects with amortization periods of one to 11 years. The average remaining amortization period is 6 years.

The customer lists result from various business combinations with amortization periods of 1 to 20 years. The average remaining amortization period is 11 years.

Other intangible assets mainly include brand names in the amount of €73,323 thousand (2022: €75,026 thousand). Of which €65,145 thousand (2022: €64,889 thousand) have an indefinite useful life. From a market perspective, the Quicke brand with a carrying amount of €65,031 thousand (2022: €64,889 thousand) resulting from the acquisition of the Ålö Group is assumed to have an indefinite useful life, as it is a long-established brand name for which an end of its usefulness is not foreseeable and which therefore has an indeterminable useful life. This brand is subject to an annual impairment test. The brand's recoverable amount was determined as its fair value (Level 3) less costs to sell using the relief-from-royalty method. The expected cash flows from the corporate planning data with a detailed planning period are used as a basis. Cash flows beyond this three-year period are extrapolated using the estimated growth rates stated below, applying a discount rate of 10.2% p.a. (2022: 9.6% p.a.) and a license rate of 5% (2022: 5%) as well as a 0.3% growth rate (2022: 0.3%). The 2023 impairment test was done on November 30; there were no indications of impairment.

The discount rate is determined based on the risk-free rate of interest (2023: 2.5%; 2022: 1.7%), the market risk premium (2023: 7%; 2022: 7%) and the borrowing rate resulting from specific peer group information (2023: 4.6%; 2022: 3.9%). A company-specific risk premium was also applied. Specific peer group information on beta factors and leverage is also taken into account.

For 2024, management assumed a year-over-year increase in consolidated revenues in the low double-digit range and a share of the Quicke brand of 51.8% (2022: 45.7%).

The assumptions are based on management's expectations about future market trends, which are based on forecasts provided by renowned research institutions.

If changes in key assumptions are considered possible, these changes are taken into account in a sensitivity analysis. The sensitivity analysis was performed for all significant influencing factors in isolation, i.e. a change in the fair value of a cash-generating unit results only from a reduction or an increase in the influencing factor in question.

If the discount rate were to show an isolated increase of 13%, the fair value would fall below the carrying amount. The fair value would remain above the carrying amount if the growth were to experience an isolated reduction to 0%. If the license rate were to show an isolated reduction to no more than 3.9%, the fair value would fall below the carrying amount.

For further details regarding amortization, impairments, and the reversal of impairments see *note 41*.

Goodwill impairment testing

Goodwill is allocated to the cash-generating units (CGUs) identified by the group in accordance with the geographical areas as goodwill is monitored at segment level. Goodwill is allocated as follows:

Goodwill by segment – carrying amounts

in € thousands	Dec 31, 2023	Dec 31, 2022
Cash-generating unit Europe	79,103	66,396
Cash-generating unit North America	12,706	12,819
Cash-generating unit Asia-Pacific-Africa	9,221	8,274
Total	**101,030**	**87,489**

The recoverable amount of a CGU is based on its value in use, which is estimated using discounted cash flows. This calculation uses cash flow projections based on financial budgets/forecasts approved by management for a three-year period. Cash flows beyond this three-year period are extrapolated using the estimated growth rates stated below. In JOST's view, these growth rates do not exceed the long-term average growth rate for the geographical area of the CGU in question.

The discount rates applied are pre-tax rates and reflect the risk specific to the CGU in question.

The discount rate is determined based on the risk-free rate of interest, the market risk premium and the borrowing rate. Specific peer group information on beta factors and leverage is also taken into account.

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The material assumptions are as follows:

Goodwill by segment – material assumptions

2023	CGU Europe	CGU North America	CGU APA
Long-term terminal value growth rate	0.9 %	0.9 %	0.9 %
Discount rate before taxes	12.7 %	11.2 %	13.1 %

Goodwill by segment – material assumptions

2022	CGU Europe	CGU North America	CGU APA
Long-term terminal value growth rate	0.9 %	0.9 %	0.9 %
Discount rate before taxes	11.6 %	10.9 %	12.4 %

Sales, EBIT and EBITDA are expected to decrease in the single-digit percentage range in 2024.

The assumptions are based on management's expectations about future market trends, which are based on forecasts provided by renowned research institutions.

If changes in key assumptions are considered possible, these changes are taken into account in a sensitivity analysis for the individual CGUs. The sensitivity analysis was performed for all significant influencing factors in isolation, i.e. a change in the fair value of a cash-generating unit results only from a reduction or an increase in the influencing factor in question.

11. Property, plant, and equipment

in € thousands	Land, land rights and buildings, including buildings on third-party land	Right-of-use assets for land, land rights and buildings, including buildings on third-party land	Technical equipment and machinery	Right-of-use assets for technical equipment and machinery	Other equipment, operating and office equipment	Right-of-use assets for other equipment, operating and office equipment	Advance payments and assets under construction	Total
Cost								
Balance at January 1, 2022	56,292	53,011	95,198	173	36,743	9,275	10,093	260,785
Additions	1,021	21,926	4,389	0	2,483	2,242	20,469	52,530
Changes – IAS 29	877	0	516	0	4	0	0	1,397
Currency and other changes	-303	-1,050	-2,252	2	295	52	-713	-3,969
Reclassifications	3,047	0	6,663	0	4,720	0	-14,570	-140
Disposals	-37	-4,292	-3,440	-52	-1,376	-2,484	-19	-11,700
Balance at December 31, 2022	**60,897**	**69,595**	**101,074**	**123**	**42,869**	**9,085**	**15,260**	**298,903**
Changes in the basis of consolidation	12,395	0	10,145	131	345	49	100	23,165
Additions	1,300	5,336	4,847	68	2,910	4,520	16,804	35,785
Changes – IAS 29	479	0	273	0	3	0	407	1,162
Currency and other changes	-910	-741	-335	2	-1,321	101	-200	-3,404
Reclassifications	2,592	0	9,056	0	4,343	0	-16,634	-643
Disposals	-248	-2,147	-2,848	0	-2,618	-2,098	-834	-10,793
Balance at December 31, 2023	**76,505**	**72,043**	**122,212**	**324**	**46,531**	**11,657**	**14,903**	**344,175**
Depreciation and impairment								
Balance at January 1, 2022	**31,798**	**18,544**	**48,311**	**105**	**26,849**	**4,701**	**10**	**130,318**
Additions	1,828	8,697	10,263	28	4,266	2,645	0	27,727
Changes – IAS 29	9	0	5	0	0	0	0	14
Currency and other changes	-260	-446	-2,032	0	330	-33	0	-2,441
Disposals	-17	-4,063	-3,168	-49	-1,069	-2,740	0	-11,106
Balance at December 31, 2022	**33,358**	**22,732**	**53,379**	**84**	**30,376**	**4,573**	**10**	**144,512**
Changes in the basis of consolidation	0	0	0	0	0	0	0	0
Additions	2,102	9,142	11,139	88	4,127	2,878	7	29,483
Changes – IAS 29	0	0	0	0	0	0	0	0
Currency and other changes	-337	-84	-319	1	-941	-17	0	-1,697
Disposals	-193	-924	-2,661	0	-2,509	-2,139	0	-8,426
Balance at December 31, 2023	**34,930**	**30,866**	**61,538**	**173**	**31,053**	**5,295**	**17**	**163,872**
Carrying amount as of December 31, 2022	**27,539**	**46,863**	**47,695**	**39**	**12,493**	**4,512**	**15,250**	**154,391**
Carrying amount as of December 31, 2023	**41,575**	**41,177**	**60,674**	**151**	**15,478**	**6,362**	**14,886**	**180,303**

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As of December 31, 2023, assets under construction in the amount of €13,236 thousand have been included in the "Advance payments made and assets under construction" item (2022: €13,744 thousand).

The increase in property, plant and equipment was primarily caused by the increase in land, land rights and buildings, including buildings on third-party land as well as technical equipment and machinery, in connection with the acquisition and purchase price allocation of LH Lift and Crenlo do Brasil (see *note 5*).

For further details regarding depreciation, see *note 41*.

The following overview separately lists the right-of-use assets recognized in connection with leases in noncurrent assets.

in € thousands	Right-of-use assets for land, land rights and buildings, including buildings on third-party land	Right-of-use assets for technical equipment and machinery	Right-of-use assets for other equipment, operating and office equipment	Total
Cost				
Balance at January 1, 2022	**53,011**	**173**	**9,275**	**62,459**
Additions	21,926	0	2,242	24,168
Currency and other changes	-1,050	2	52	-996
Disposals	-4,292	-52	-2,484	-6,828
Balance at December 31, 2022	**69,595**	**123**	**9,085**	**78,803**
Changes in the basis of consolidation	0	131	49	180
Additions	5,336	68	4,520	9,924
Currency and other changes	-741	2	101	-638
Disposals	-2,147	0	-2,098	-4,245
Balance at December 31, 2023	**72,043**	**324**	**11,657**	**84,024**
Depreciation and impairment				
Balance at January 1, 2022	**18,544**	**105**	**4,701**	**23,350**
Additions	8,697	28	2,645	11,370
Currency and other changes	-446	0	-33	-479
Disposals	-4,063	-49	-2,740	-6,852
Balance at December 31, 2022	**22,732**	**84**	**4,573**	**27,389**
Changes in the basis of consolidation	0	0	0	0
Additions	9,142	88	2,878	12,108
Currency and other changes	-84	1	-17	-100
Disposals	-924	0	-2,139	-3,063
Balance at December 31, 2023	**30,866**	**173**	**5,295**	**36,334**
Carrying amount as of December 31, 2022	**46,863**	**39**	**4,512**	**51,414**
Carrying amount as of December 31, 2023	**41,177**	**151**	**6,362**	**47,690**

The corresponding lease liabilities are shown as other financial liabilities (see *notes 23* and *26*).

12. Investments accounted for using the equity method

Investments accounted for using the equity method relate to JOST Brasil Sistemas Automotivos Ltda., Caxias do Sul/Brazil, which produces and markets JOST branded products in South America and is JOST's access into this market. The joint venture is a material equity investment through which the group conducts its operations and its strategy. This equity method investment has successfully operated for more than 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. Joint management is contractually fixed.

The following table shows the summarized financial information of the joint venture:

in € thousands	2023	2022
Noncurrent assets	12,025	12,394
Current assets	40,826	43,521
Noncurrent liabilities	2,276	2,025
Current liabilities	18,551	18,853
Equity	32,025	35,037
Sales revenues	107,394	115,045
Total income	111,101	122,597
Total expenses	97,777	104,471
Profit or loss for the period [1]	13,324	18,126
Equity interest (%)	49	49
Share of profit or loss for the period	6,528	8,882
Carrying amount of investment at Dec 31	**20,647**	**19,797**

[1] In 2023 and 2022, there was no other comprehensive income; the profit for the year is therefore 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:

in € thousands	2023	2022
Net assets at Dec 31	32,026	35,037
Interest in joint venture	15,691	17,168
Goodwill (translated at current fx rate)	2,271	2,159
Fx effects on net assets	2,685	470
Carrying amount	**20,647**	**19,797**

in € thousands	2023	2022
Carrying amount as of Jan 01	**19,797**	**14,029**
Profit for the year	6,528	8,882
Dividend and interest received	-6,883	-5,690
Other comprehensive income	1,205	2,576
Carrying amount as of Dec 31	**20,647**	**19,797**

Additional information:

in € thousands	2023	2022
Cash and cash equivalents	13,064	15,412
Current financial liabilities	11,665	15,570
Noncurrent financial liabilities	1,306	1,366
Depreciation and amortization	1,190	922
Interest income	3,637	3,461
Interest expenses	2,016	2,183
Income tax expenses	5,615	7,153

Dividends of €6,156 thousand and interest received of €727 thousand (2022: dividends of €5,346 thousand; 2022: interest received of €344 thousand) were recognized in fiscal year 2023.

An average of 433 people were employed in the reporting period (222 salaried employees and 211 hourly paid workers). In 2022, the headcount was 454 (217 salaried employees and 237 hourly paid workers).

Currency translation effects of €1,205 thousand (2022: €2,576 thousand) were recognized in other comprehensive income in the reporting year.

As in prior years there were no contingent liabilities as of December 31, 2023.

13. Leases

In connection with real estate, the JOST Werke Group mainly leases production halls, warehouses and office buildings. Leased production machinery is reported under technical equipment and machinery. Other equipment, operating and office equipment mainly comprise the leased vehicle pool. The leases have terms of between one year and 20 years. Lease agreements may include extension and termination options.

The recognition of the right-of-use assets and the corresponding lease liabilities results in the following balance sheet disclosures as of the reporting date:

IFRS 16 – Disclosures in the balance sheet

in € thousands	2023	2022
Assets		
Property, plant, and equipment		
Right-of-use assets – Land, land rights and buildings, including buildings on third-party land	41,177	46,863
Right-of-use assets – Technical equipment and machinery	151	39
Right-of-use assets – Other equipment, operating and office equipment	6,362	4,512
Total	47,690	**51,414**
Equity and liabilities		
Other noncurrent financial liabilities		
Noncurrent lease liabilities	40,531	44,735
Other current financial liabilities		
Current lease liabilities	11,163	10,451
Total	51,694	**55,186**

For further information on the development of the rights of use, see *note 11*. The lease liabilities as the present value of future lease payments are based on the maturities indicated in *note 23*.

The application of IFRS 16 results in the following income statement disclosures:

IFRS 16 – Disclosures in the income statement

in € thousands	2023	2022
Depreciation charge on right-of-use assets	-12,108	-11,370
Depreciation of right-of-use assets – Land, land rights, and buildings, including buildings on third-party land	-9,142	-8,697
Depreciation of right-of-use assets – Technical equipment and machinery	-88	-28
Depreciation of right-of-use assets – Other equipment, operating and office equipment	-2,878	-2,645
Expenses from current leases	-3	-9
Expenses from leases of low-value assets	-45	-59
Income from subleasing right-of-use assets	0	0
Interest expense on lease liabilities	-2,380	-1,631

The following amounts were recognized in the cash flow statement:

IFRS 16 – Disclosures in the cash flow statement

in € thousands	2023	2022
Cash flow from operating activities		
Profit/loss before tax		
Expenses relating to short-term leases and leases of low-value assets	-45	-68
Cash flow from financing activities	-13,414	**-12,052**
Interest payments	-2,415	-1,562
Repayment of lease liabilities	-10,999	-10,490
Total cash outflow for leases	-13,459	**-12,120**

In addition, future cash outflows have resulted from variable lease payments, residual value guarantees, and for current leases with a term of 12 months or less and leases of low-value assets, which are insignificant from the point of view of the JOST Werke Group. There were no sale and leaseback transactions in the year under review and the previous year.

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14. Deferred tax assets and liabilities

The analysis of deferred tax assets and deferred tax liabilities is as follows:

in € thousands	2023	2022
Deferred tax assets		
Deferred tax assets realized after more than 12 months	20,158	11,992
Deferred tax assets realized within 12 months	879	530
Total	**21,037**	**12,522**
Deferred tax liabilities		
Deferred tax liabilities realized after more than 12 months	23,770	20,778
Deferred tax liabilities realized within 12 months	7,508	7,647
Total	**31,279**	**28,425**
Deferred tax liabilities (net)	**10,241**	**15,903**

The movement in deferred income tax assets and liabilities during the fiscal year is as follows:

Deferred tax assets

in € thousands	Pension obligations	Inventories	Loss carryforwards	Tax exemption grant for profits in economic zones [1]	Provisions and other liabilities	Total
Balance at December 31, 2021	**10,993**	**1,821**	**25,658**	**1,439**	**10,386**	**50,297**
Amount recognized in profit or loss	138	-320	-415	-1,439	1,053	-983
Amount recognized directly in other comprehensive result	-6,350	0	0	0	0	-6,350
Balance at December 31, 2022	**4,781**	**1,501**	**25,243**	**0**	**11,439**	**42,964**
Offsetting of deferred tax liabilities						-30,442
Net deferred tax assets as of December 31, 2022						12,522
Additions/disposals due to change in the basis of consolidation	0	225	0	0	798	1,023
Amount recognized in profit or loss	-262	1,715	1,817	0	-1,320	1,950
Amount recognized directly in other comprehensive result	1,088	0	0	0	0	1,088
Balance at December 31, 2023	**5,607**	**3,441**	**27,060**	**0**	**10,918**	**47,026**
Offsetting of deferred tax liabilities						-25,989
Net deferred tax assets as of December 31, 2023						**21,037**

[1] Jost Polska Sp. z o.o. in 2021 for the last time received grants in the form of tax exemptions for investments and the creation of new jobs in the Nowa Sól special economic zone.

Deferred tax liabilities

in € thousands	Intangible assets	Property, plant, and equipment	Investments in associates	Other financial liabilities (hedge accounting)	Total
Balance at December 31, 2021	**63,327**	**918**	**208**	**170**	**64,623**
Amount recognized in profit or loss	-5,775	-241	303	0	-5,713
Amount recognized directly in other comprehensive result	0	0	0	38	38
Currency changes	-81	0	0	0	-81
Balance at December 31, 2022	**57,471**	**677**	**511**	**208**	**58,867**
Offsetting of deferred tax assets					-30,442
Net deferred tax liabilities as of December 31, 2022					28,425
Additions/disposals due to change in the basis of consolidation	2,349	3,216	0	0	5,565
Amount recognized in profit or loss	-6,936	78	-262	0	-7,120
Amount recognized directly in other comprehensive result	0	0	0	-252	-252
Currency changes	208	0	0	0	208
Balance at December 31, 2023	**53,092**	**3,970**	**249**	**-44**	**57,268**
Offsetting of deferred tax assets					-25,989
Net deferred tax liabilities as of December 31, 2023					**31,279**

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 recognized in profit or loss. Changes relating to deferred taxes that were previously recognized 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 and Sweden. For deferred taxes relating to Germany a tax rate of 27.6% (2022: 27.6%) has been used: In addition to corporate income tax of 15% (2022: 15%), the solidarity surcharge amounting to 5.5% (2022: 5.5%) of corporate income tax and the average trade tax rate of 11.8% (2022: 11.8%) were taken into account.

The changes in deferred taxes (net) are as follows:

in € thousands	2023	2022
Balance at January 1 (net liability)	**15,903**	**14,326**
Addition (+) / disposal (-) due to changes in the basis of consolidation	4,541	0
Expense (+) / income (-) in income statement	-9,071	-4,730
Income taxes recognized in OCI (- profit / + loss)	-1,340	6,388
Currency changes	208	-81
Balance at December 31 (net liability)	10,241	**15,903**

Taxes on income in € thousands	2023	2022
Current tax on profit before tax	28,224	24,977
Deferred taxes	-9,071	-4,730
Income taxes	19,153	**20,247**

Current tax on earnings before taxes compromise expenses for other fiscal years with an amount of €1.033 thousand (2022: income of €125 thousand).

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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:

Reconciliation		
in € thousands	**2023**	2022
Profit/loss before tax	71,444	80,093
Expected tax rate in %	27.6 %	27.6 %
Expected income taxes	19,708	22,094
Taxes on distributed dividends	3,559	1,325
Differences due to deviating tax rates from group tax rate	-6,983	-1,696
Tax benefits received	-792	-401
Recognition of deferred taxes on tax exemption grant for profits in economic zones	0	1,439
Recognition of deferred taxes on losses carried forward	-4,691	-2,246
Income tax reduction for results from associates	-1,801	-2,531
Tax effects of income/expenses that are non-deductible	8,148	1,026
Utilization of loss carryforwards for which no deferred taxes were recognized	-997	-650
Losses for which no deferred taxes were recognized	623	1,909
Income / expenses for other fiscal years	1,033	125
Income taxes not based on profit/loss before tax (other taxes)	1,143	-5
Other	203	-141
Effective tax charges	19,153	20,247
Effective tax rate in %	26.8 %	25.3 %

In the reporting year, the tax rate in Germany amounting to 27.6% has been used as the expected tax rate because the largest portion of business activities takes place in Germany and therefore this tax rate is the most relevant. The tax rate of 30% expected in the previous year was set at 27.6% for reasons of comparability.

In respect of temporary differences related to investments in subsidiaries and associates, there are retained earnings at subsidiaries amounting to €234,513 thousand (December 31, 2022: €236,552 thousand), which are to remain permanently invested and therefore do not trigger a deferred tax liability.

Deferred tax assets for tax loss carryforwards are recognized in the amount at which taxable temporary differences exist in respect of the same taxation authority and the same taxable entity and the related tax benefits are likely to be realized from future taxable profits. Deferred tax assets for tax loss carryforwards increased by €1,817 thousand in the reporting period (2022: €-415 thousand) (balance of amounts reversed and recognized).

German tax loss carryforwards, for which no deferred taxes were recognized in the consolidated financial statements, are divided into corporate income tax carryforwards of €211,788 thousand (2022: €226,636 thousand) and trade tax carryforwards of €123,719 thousand (2022: €146,695 thousand). In Germany there is also interest carried forward from previously non-tax-deductible interest expense in the amount of €20,723 thousand (2022: €11,014 thousand). Unused loss carryforwards from outside Germany for which no deferred taxes were carried amount to €2,999 thousand (2022: €0 thousand).

The losses can be carried forward indefinitely and have no expiry date.

Global minimum taxation

The JOST Werke Group operates in countries that have enacted new legislation on the introduction of global minimum taxation. An impact analysis conducted on the basis of the 2022 country-by-country reporting showed that the temporary safe harbor provisions in effect in the period through and including 2026 can likely be applied in all countries. JOST does not therefore expect the group to be subject to minimum tax in respect of its activities in any country and, if it is, it expects to be subject to an only insignificant amount. As the new tax legislation only became effective in Germany from January 1, 2024 onwards, there are no effects on the current tax expense for fiscal year 2023. Insofar as legislation in this regard has already entered into effect in countries abroad, there are also no effects on current tax expense for fiscal year 2023. The company is applying the temporary, mandatory exception to the accounting for deferred taxes arising from the introduction of global minimum taxation and recognizes these as current tax expense/income when they occur (see *note 2*).

15. Financial assets and financial liabilities

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

in € thousands	Measurement category in accordance with IFRS 9	Carrying amount Dec 31, 2023	Fair value Dec 31, 2023	Carrying amount Dec 31, 2022	Fair value Dec 31, 2022	Level
Assets						
Cash and cash equivalents	FAAC	87,727	87,727	80,681	80,681	n/a
Trade receivables	FAAC	149,078	149,078	166,718	166,718	n/a
Derivative financial assets	FAtPL	2,594	2,594	3,785	3,785	2
Other financial assets	FAAC	3,030	3,030	5,253	5,253	n/a
Total		**242,429**	**242,429**	**256,437**	**256,437**	

Cash and cash equivalents, trade receivables, and other financial assets are generally of a current nature. The fair value therefore roughly corresponds to the carrying amount. As of the reporting date, all other financial assets are measured at amortized cost (FAAC); the same applied to December 31, 2022.

The future interest rate volatility from the variable interest tranches of the promissory note loans is hedged via four interest rate swaps. Overall, the interest rate swaps as of December 31, 2023, had a negative fair value of €-122 thousand (mark-to-market valuation) (2022: positive fair value of €1,157 thousand), which is shown in the balance sheet under other noncurrent financial liabilities. The group entered into 23 derivatives in November 2020 to hedge the exchange rate risk between the Swedish krona and the euro. These derivatives have a positive fair value of €2,311 thousand as of December 31, 2023 (mark-to-market valuation) (2022: positive fair value of €2,741 thousand), which is also shown in the balance sheet under other noncurrent financial assets. For details regarding the maturities of loans see *notes 23* and *24*.

in € thousands	Measurement category in accordance with IFRS 9	Carrying amount Dec 31, 2023	Fair value Dec 31, 2023	Carrying amount Dec 31, 2022	Fair value Dec 31, 2022	Level
Liabilities						
Trade payables	FLAC	108,951	108,951	140,262	140,262	n/a
Interest-bearing loans and borrowings [1]	FLAC	268,413	269,818	278,056	282,961	2
Lease liabilities	n/a [2]	51,694	n/a	55,186	n/a	n/a
Contingent purchase price liability	FLtPL	1,823	1,823	7,450	7,450	3
Other financial liabilities	FLAC	23,378	23,378	510	510	n/a
Derivative financial liabilities	FLtPL	131	131	1,607	1,607	2
Total		**454,390**	**404,101**	**483,071**	**432,790**	

[1] excluding accrued financing costs (see *note 24*)
[2] within the scope of IFRS 16

Since trade payables and other liabilities have short maturities, their carrying amounts do not differ from their fair values. With the exception of derivative financial liabilities and the contingent purchase price liability arising from the acquisition of the LH Lift OY (2022: Acquisition of Ålö Group), all liabilities listed in the table are measured at amortized cost (FLAC). Derivative financial liabilities are measured at fair value through profit or loss (FLtPL).

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

in € thousands		Net gains / losses 2023	Carrying amount Dec 31, 2023	Fair value Dec 31, 2023	Net gains / losses 2022	Carrying amount Dec 31, 2022	Fair value Dec 31, 2022
Of which aggregated by measurement categories in accordance with IFRS 9							
"Financial Assets at Amortized Cost"	FAAC	267	239,835	239,835	-913	252,652	252,652
"Financial Liabilities at Amortized Cost"	FLAC	-20,847	400,742	402,147	-5,738	418,828	423,733
"Financial Assets at Fair Value through Profit or Loss"	FAtPL	0	2,594	2,594	986	3,785	3,785
"Financial Liabilities at Fair Value through Profit or Loss"	FLtPL	-131	1,954	1,954	0	9,057	9,057

The net loss on financial assets measured at amortized cost amounts to €267 thousand (2022: €913 thousand) and stems from the loss allowances recognized on trade receivables as of December 31, 2023. The net loss from financial liabilities measured at amortized cost amounts to €20,847 thousand (2022: €5,738 thousand) and stems from interest expense and other financial expenses (see *note 39*). The net gain from financial assets and financial liabilities measured at fair value amounts to €0 thousand (2022: net gain of €986 thousand from the fair value measurement of the contingent purchase price liability, of the interest rate swaps and of the derivatives used to hedge the risk from exchange rate fluctuations of the Swedish krona in relation to the group currency euro). It stems from the fair value measurement of the interest rate swaps and of the derivatives used to hedge the risk from exchange rate fluctuations of the Swedish krona in relation to the group currency euro as of December 31, 2023 (see *note 26*).

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

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

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

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

There were reclassifications between the levels of the fair value hierarchy during 2023 and 2022.

The fair value of the interest-bearing loans and borrowings is determined in 2023 and 2022 considering actual interest curves and classified as level 2 of the fair value hierarchy.

The measurement of derivatives is described in *notes 7.13, 23* and *26*.

16. Inventories

in € thousands	Dec 31, 2023	Dec 31, 2022
Raw materials, consumables, and supplies	77,745	75,571
Work in process	23,593	27,855
Finished goods and merchandise	94,600	110,864
Total	**195,938**	**214,290**

As of December 31, 2023, impairments on inventories amounting to €11,612 thousand (December 31, 2022: €12,372 thousand) were recognized. The change in impairment losses resulted in income recognized in cost of sales in the amount of €760 thousand (2022: income of €2,028 thousand).

17. Trade receivables and other financial assets

Trade receivables

Trade receivables amounted to €149,078 thousand at the closing date (2022: €166,718 thousand). The reduction in trade receivables is due to the fall in sales revenues and, to a small extent, to factoring activities.

In 2023, JOST took on two factoring arrangements for the sale of trade receivables through the acquired companies. The credit risk is transferred in full to the buyer, while JOST retains the late payment risk.

Allowances on receivables changed as follows:

in € thousands	2023	2022
Balance at Jan 01	**3,328**	**2,543**
Additions/disposals due to changes in the basis of consolidation	0	0
Additions	317	1,217
Utilization	-67	-133
Currency and other changes	-623	-299
Balance at Dec 31	**2,955**	**3,328**

The contractual amount outstanding from receivables that were written off during the reporting period and are still subject to enforcement activity is €464 thousand (2022: €84 thousand).

The aging of receivables is as follows:

in € thousands	Carrying amount before loss allowance	Of which not yet past due at the closing date	Of which past due at the closing date				Of which credit-impaired at the closing date
			up to 3 months[1]	3-6 months	6-12 months	more than 12 months	
December 31, 2023	151,538	125,917	23,732	881	938	71	2,955
December 31, 2022	170,046	143,995	25,068	521	379	84	3,328

[1] The figures in the column "up to 3 months" include receivables due immediately.

Valuation allowances on trade receivables changed as follows:

2023

in € thousands	Total	up to 3 months	3-6 months	6-12 months	more than 12 months
Specific valuation allowance	2,890	729	92	121	1,948
Loss allowance, expected credit loss	64	58	5	1	0
Total	2,954	787	97	122	1,948

2022

in € thousands	Total	up to 3 months	3-6 months	6-12 months	more than 12 months
Specific valuation allowance	3,244	1,107	128	100	1,909
Loss allowance, expected credit loss	84	76	6	2	0
Total	3,328	1,183	134	102	1,909

As of the reporting date, all receivables are due within one year. The maximum default risk comprises the net carrying amounts of the financial assets recognized in the balance sheet which are not covered by commercial credit insurance. This risk is taken into consideration by means of loss allowances.

Other financial assets

Other financial assets in the prior-year reporting period mainly comprised security deposits. As of the reporting date, other financial assets primarily comprised a loan receivable, security deposits, noncurrent monetary investments, interest rate swaps and derivatives amounting to €5,612 thousand (2022: €8,094 thousand). There were no credit-impaired financial assets as of the balance sheet date. No other financial assets were at risk of default as of the balance sheet date.

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18. Other assets

At the reporting date, other assets amounted to €19,393 thousand (2022: €22,331 thousand). Other noncurrent assets consist mainly of prepaid expenses for a period of more than one year. Other current assets primarily include VAT receivables (2023: €7,338 thousand; 2022: €10,771 thousand), prepaid expenses (2023: €4,604 thousand; 2022: €4,864 thousand) and recoverable taxes from business operations (2023: €1,783 thousand; 2022: €763 thousand). There were no current claims from liability insurance in the reporting year (2023: €0 thousand; 2022: €24 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.

19. Cash and cash equivalents

in € thousands	Dec 31, 2023	Dec 31, 2022
Cash on hand and bank balances	73,653	73,485
Bank bills of exchange	14,074	7,196
Total	87,727	80,681

The development and application of cash and cash equivalents is stated in the Consolidated Financial Cash Flow Statement. There were no credit-impaired financial assets as of the balance sheet date. The gross carrying amount corresponds to the maximum default risk. No cash and cash equivalents were at risk of default as of the balance sheet date.

20. Equity

As of December 31, 2023, the subscribed capital of the JOST Werke Group amounted to €14,900 thousand, which is fully paid-up and divided into 14,900,000 no-par value shares.

At the Annual General Meeting held on May 11, 2023, a resolution was adopted to cancel the existing Authorized Capital 2018 and create new Authorized Capital 2023. The Executive Board is authorized, with the consent of the Supervisory Board, to increase the company's share capital by a total of up to €7,450,000 once or in several installments until May 10, 2026 by issuing new no-par value bearer shares against cash or non-cash contributions. If new shares are issued from Authorized Capital 2023, shareholders generally have preemptive rights, which may be disapplied only in certain cases described in greater detail in Article 5 (2) of the Articles of Association and subject to the conditions stated there. The Executive Board has not yet exercised this authorization.

According to a further resolution adopted by the General Meeting on May 11, 2023, the Executive Board is authorized, with the approval of the Supervisory Board, to issue warrants, convertible bonds and/or income bonds as well as profit participation rights or combinations of these instruments (collectively referred to as "bonds") with a total nominal value of up to €650m with or without a limited maturity period until May 10, 2026 and to issue the bearers and/or creditors of the bonds with option and/or conversion rights for up to 7,450,000 new no-par-value bearer shares in the company representing up to €7,450,000.00 of share capital in accordance with the more detailed bond conditions. While shareholders generally have preemptive rights, the Executive Board is authorized to disapply shareholders' preemptive rights to the bonds subject to the conditions outlined in the aforementioned authorizing resolution with the approval of the Supervisory Board. Further details can be found in the proposed resolution adopted by the General Meeting under agenda item 10 of the General Meeting on May 11, 2023. The Executive Board has not yet exercised this authorization. In order to service the bonds, the General Meeting conditionally increased the share capital of the company by up to €7,450,000.00 by issuing up to 7,450,000 new no-par-value bearer shares (Conditional Capital 2018; Article 6 of the Articles of Association).

The General Meeting of May 11, 2023 also authorized the company until May 10, 2026 to buy back its own shares in a volume up to a total of 10% of the existing share capital at the time the resolution was passed or, in the event that this figure is lower, the existing share capital at the time the authorization is exercised. The own shares acquired can be used for any legally permitted purpose. Further details can be found in the authorization resolution adopted by the General Meeting on May 11, 2023. The

company has not acquired any of its own shares as of the preparation date of this report.

When determining the permissible number of shares to be issued under Authorized Capital 2023, Conditional Capital 2023 and from acquired own shares, the shares already issued thereunder must be counted towards the respective maximum number permitted.

After the General Meeting held in May 2022, a dividend of €15.65m (€1.05 per share) was distributed to the shareholders of the company, which reduced retained earnings accordingly. The retained earnings include the net profit for fiscal year 2022 of €59,846 thousand.

After the General Meeting held in May 2023, a dividend of €20.86m (€1.40 per share) was distributed to the shareholders of the company, which reduced the retained earnings of JOST Werke SE accordingly. The retained earnings include the net profit for fiscal year 2023 of €52,291 thousand.

An amount of €-30,250 thousand was taken from capital reserves and transferred to retained earnings in fiscal year 2023 (2022: €28,401 thousand).

As of December 31, 2023, retained earnings amounted to €28,073 thousand (2022: €-34,235 thousand). The negative amount shown in the previous year is due to losses incurred in the past.

The other comprehensive result after taxes for fiscal year 2023 recognized in other reserves in an amount of €-10,028 thousand (2022: €8,413 thousand) includes exchange differences on translating foreign operations of €-8,620 thousand (2022: €-4,724 thousand), remeasurements from defined benefit plans with an amount of €-3,942 thousand (2022: €18,620 thousand) and deferred taxes resulting from this of €1,088 thousand (2022: €-6,350 thousand), hyperinflation adjustments pursuant to IAS 29 of €516 thousand (2022: €1,014 thousand) and gains from hedge accounting of €1,182 thousand (2022: €-185 thousand) less deferred taxes of €-252 thousand (2022: €38 thousand). Hedge accounting has been applied in the group since July 2021. 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.

21. Pension obligations

Some of the group entities, particularly in Germany, have established pension plans for their employees. As of December 31, 2023, the defined benefit obligations amounted to €51,521 thousand in total as calculated pursuant to IAS 19 with a discount rate of 3.2%. The discount rate decreased as a result of lower market interest rates, which was the main contributor to the increase in pension obligations. 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 JOST Werke Group. Further, some of our companies make contributions to external pension providers for their employees. The higher actuarial loss (experience adjustments) of €972 thousand in 2023 is due mainly to adjustments made to pensions in Germany. The adjustments review is carried out for the individual plan members every three years, in each case as of July 1. This year, the rate of adjustment was around 16% due to the high level of inflation. 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 recognized in full in the period in which they occur. They are presented in other comprehensive income reported in the Statement of Comprehensive Income.

in € thousands	Defined benefit obligation	Plan assets	Total
Balance at January 1, 2022	69,586	-1,568	68,018
Current service cost	242	0	242
Interest cost	618	-15	603
Remeasurements on obligation	-19,467	2	-19,465
thereof: experience adjustments	621	0	621
thereof: changes in financial assumptions	-20,088	0	-20,088
thereof: Return on plan assets	0	2	2
Benefits paid	-1,989	0	-1,989
Employer contributions	0	-46	-46
Balance at December 31, 2022	**48,990**	**-1,627**	**47,363**
Current service cost	158	0	158
Interest cost	1,751	-41	1,710
Remeasurements on obligation	3,544	30	3,574
thereof: experience adjustments	972	0	972
thereof: changes in financial assumptions	2,572	0	2,572
thereof: Return on plan assets	0	30	30
Benefits paid	-2,352	1,081	-1,271
Employer contributions	0	-13	-13
Balance at December 31, 2023	**52,091**	**-570**	**51,521**

in € thousands	2023	2022
Recognized provision (unfunded pension obligation)	51,521	47,363
Funded pension obligation	570	1,627
Total pension obligations	**52,091**	**48,990**
Total pension obligations	52,091	48,990
Net of plan assets	-570	-1,627
Carrying amount (corresponds to underfunding)	**51,521**	**47,363**
Expense reported in the income statement	**1,868**	**845**
consisting of		
Service cost	158	242
Interest cost	1,751	618
Interest income on plan assets	-41	-15
Total	**1,868**	**845**

The defined benefit obligation and the fair value of plan assets developed as follows:

in € thousands	2023	2022
Income and expenses from remeasurements recognized in other comprehensive income	3,574	-19,465
Changes in the defined benefit obligation in the fiscal year		
Balance at January 1	**48,990**	**69,586**
Current service cost	158	242
Interest cost	1,751	618
Remeasurements on obligation	3,544	-19,467
Benefits paid	-2,352	-1,989
Balance at December 31	**52,091**	**48,990**
Fair value of plan assets		
Balance at January 1	**1,627**	**1,568**
Interest income	41	15
Return on plan assets	-30	-2
Employer contributions	13	46
Benefits paid	-1,081	0
Balance at December 31	**570**	**1,627**

The plan assets only relate to Germany and include with 100% (2022: 100%) pension liability insurances with guaranteed return and are not quoted in an active market. The total amount of expenses recognized in the Statement of Comprehensive Income was included in administrative expenses.

Fair values of reimbursement rights

in € thousands	2023	2022
Balance at January 1	**0**	**104**
Benefit payments	0	-104
Balance at December 31 (fair value)	0	**0**

The reimbursement rights relate to claims under pension liability insurance policies that did not qualify as plan assets due to a lack of insolvency protection. The reimbursement rights were therefore reported under other noncurrent assets on the asset side of the balance sheet in the previous year.

The following significant actuarial assumptions were made:

Assumptions

	2023	2022
Discount rate	3.2 %	3.7 %
Inflation rate/future pension increases	2.1 %	2.2 %
Future salary increases	2.1 %	2.2 %

The HEUBECK 2018 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:

2023

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5 %	Decrease by 6.1%	Increase by 6.8%
Salary growth rate	0.5 %	Increase by 1.2%	Decrease by 1.1%
Pension growth rate	0.5 %	Increase by 5.5%	Decrease by 5.0%
Life expectancy	1 year	Increase by 4.9%	Decrease by 4.3%

2022

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5 %	Decrease by 5.3%	Increase by 6.7%
Salary growth rate	0.5 %	Increase by 1.3%	Decrease by 1.2%
Pension growth rate	0.5 %	Increase by 5.4%	Decrease by 4.9%
Life expectancy	1 year	Increase by 4.6%	Decrease by 4.1%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is fairly unlikely to occur, and changes in different 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 recognized within the balance sheet. In view of the increases in interest rates in the year 2022, sensitivity analyses were also carried out to account for a change of 1.0 percentage points in the assumptions for the discount rate. Where there is an increase in assumption, this leads to a decrease of 11.6% and where there is a decrease in assumption it leads to an increase of 14.3%.

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Expected maturity analysis of undiscounted pension benefits:

2023

in € thousands	Up to 1 year	1 to 2 years	2 to 5 years	5 to 10 years	Total
	2,386	2,535	8,300	16,225	**29,446**

2022

in € thousands	Up to 1 year	1 to 2 years	2 to 5 years	5 to 10 years	Total
	2,213	2,391	7,907	15,634	**28,145**

Expected undiscounted pension benefits over ten years are not presented in the table.

The weighted average duration of the defined benefit obligation is 13 years (2022: 13 years).

Expected contributions to plan assets and reimbursement rights for the fiscal year ending December 31, 2023, are €13 thousand (2022: €46 thousand).

22. Other provisions

Other provisions changed as follows:

2023

in € thousands	Warranties	Customer commissions and bonuses[1]	Share-based payment	Other personnel-related provisions	Other costs	Total
Balance at January 1, 2023	**9,426**	**996**	**7,472**	**2,133**	**4,778**	**24,805**
of which current	8,874	996	7,320	1,416	4,760	23,366
of which noncurrent	552	0	152	717	18	1,439
Additions due to changes in the basis of consolidation	0	0	0	0	1,056	1,056
Additions	2,500	413	816	1,476	4,075	9,280
Utilization	-576	-659	-7,320	-1,321	-3,343	-13,219
Reversal	-355	-83	0	-169	-36	-643
Currency and other changes	-375	-35	0	3	10	-397
Balance at December 31, 2023	**10,620**	**632**	**968**	**2,122**	**6,540**	**20,882**
of which current	10,399	632	0	1,030	6,211	18,272
of which noncurrent	221	0	968	1,092	329	2,610

2022

in € thousands	Warranties	Customer commissions and bonuses[1]	Share-based payment	Other personnel-related provisions	Other costs	Total
Balance at January 1, 2022	**9,029**	**799**	**4,049**	**3,101**	**5,985**	**22,963**
of which current	8,448	799	0	2,292	5,966	17,505
of which noncurrent	581	0	4,049	809	19	5,458
Additions	1,690	915	3,423	1,726	2,418	10,172
Utilization	-1,077	-642	0	-2,254	-2,690	-6,663
Reversal	-155	0	0	-438	-933	-1,526
Currency and other changes	-61	-76	0	-2	-2	-141
Balance at December 31, 2022	**9,426**	**996**	**7,472**	**2,133**	**4,778**	**24,805**
of which current	8,874	996	7,320	1,416	4,760	23,366
of which noncurrent	552	0	152	717	18	1,439

[1] Previous year's figures changed. See sections 7.16 and 22

Warranties

Warranty provisions are subject to discretionary decisions by management. Based on specific circumstances for which no final agreement has been reached yet and based on past experience (complaint rate and amount of loss, etc.), this provision was recognized for products that were sold in prior periods. The warranties are limited to free repairs and replacements. Warranty provision is due within two years.

Customer commissions and bonuses

Customer commissions and bonuses mainly relate to commissions and bonuses for customers. Customer commissions and bonuses are due within one year.

Provisions for customer bonuses and commissions in the amount of €3,299 thousand (Dec 31, 2022: €3,822 thousand; Jan 01, 2022: €3,441 thousand) have been reported since the 2023 financial year under the section Contract and refund liabilities. Please also see section 7.16.

In addition an amount of €3,974 thousand (Dec 31, 2022: €2,292 thousand; Jan 01, 2022: €1,812 thousand) had to be reclassified to trade payables, as these amounts were incorrectly allocated in the course of debt consolidation.

Share-based payment

In 2019, the company introduced a long-term incentive plan (LTIP) in order to retain selected managers of the JOST Werke Group in the company for the long term and provide them with the opportunity to participate in the success of the JOST Werke Group. The rights under the LTIP in the form of virtual shares establish an entitlement to a cash payment following a four-year reference period (corresponding to the period of service) from April 1, 2019, to March 31, 2023, in line with the JOST share's outperformance of the SDAX index. If the JOST share matches or outperforms the SDAX, a special payment will be made in the amount of 100% of the value of the JOST share. If the JOST share underperforms the SDAX, a special payment will be made in the amount of 20% of the value of the JOST share. The payment resulting from the virtual shares is limited to three times their initial value (average price of the JOST share during the last 30 trading days prior to the start of the reference period).

In 2022, a total of 2,511 virtual shares with an initial value of €75 thousand were granted under the LTIP.

The fair value of the virtual shares was determined using a Monte Carlo simulation with the following input factors as of December 31, 2022:

	Dec 31, 2023
JOST share price	€52.60
SDAX index	11,925.70
Expected volatility, JOST	29.52 %
Expected volatility, SDAX	22.81 %
JOST/SDAX correlation	0.5183
Risk-free interest rate	1.76 %
Fair value	**56.95**

As of December 31, 2022, there were 138,034 virtual shares outstanding and the liability had a carrying amount of €7,320 thousand. The expense recognized in fiscal year 2022 amounted to €3,271 thousand. A total of 12,276 virtual shares expired and no virtual shares vested in fiscal year 2022. In fiscal year 2023, all virtual shares were disbursed upon the termination of the program.

In 2023, the company introduced a long-term incentive plan (LTIP 2023) for managers following the expiry of the old program (LTIP 2019). The aim of the LTIP 2023 is to allow selected specialist and management personnel within the JOST World Group to participate in the company's success (reflected by the price performance of JOST Werke SE ordinary shares) and, by means of this program, to retain them at the JOST World Group over the long term. The rights under the LTIP in the form of virtual shares establish an entitlement to a cash payment depending on the performance of a virtual portfolio of JOST shares. The special payment determined in this context is invested in virtual JOST shares in four installments with a holding period of two years, with the amount of each installment depending on levels of target achievement. The levels of target achievement can range from 20% to 150%. This means that the inpayment for each installment is guaranteed to be 20% and capped at 150%. The global corporate targets are discussed and set by the Executive Board together with the JOST managers at a management meeting at the beginning of each year. The levels of target achievement are determined by comparing the target values against the corporate target applicable to the LTIP and the values actually achieved. This determination uses the same method as is used to calculate the annual bonus.

The inpayment price is the arithmetic average of the volume-weighted prices of the JOST Werke SE shares in Xetra trading on the Frankfurt Stock Exchange over the last 30 stock exchange trading days before the cut-off date. The payout price is the arithmetic average of the volume-weighted prices of the JOST Werke SE shares in Xetra trading on the Frankfurt Stock Exchange over the last 30 stock exchange trading days before the cut-off date. The cut-off date is in each case April 1 of the year of the inpayment or payout. Dividend payments during the holding period of each tranche are in each case reinvested on the distribution's ex-date and increase the number of virtual shares. The amount paid out per tranche is capped, per virtual share, at four times the inpayment price of the virtual share in question.

In 2023, the managers were granted a special payment with four tranches with a target amount of €4,032 thousand.

Tranche	LTIP 2023/1	LTIP 2023/2	LTIP 2023/3	LTIP 2023/4
Base year	2023	2024	2025	2026
Start of holding period	Apr 1, 2024	Apr 1, 2025	Apr 1, 2026	Apr 1, 2027
End of holding period	Apr 1, 2026	Apr 1, 2027	Apr 1, 2028	Apr 1, 2029
Payout	Apr 30, 2026	Apr 30, 2027	Apr 30, 2028	Apr 30, 2029

The fair value of the entitlements was determined using a Monte Carlo simulation with the following input factors as of December 31, 2023:

	LTIP 2023/1	LTIP 2023/2	LTIP 2023/3	LTIP 2023/4
JOST share price	€42.00	€42.00	€42.00	€42.00
Degree of target achievement	100 %	100 %	100 %	100 %
Volatility, JOST	28.60 %	29.20 %	33.70 %	34.30 %
JOST dividend yield	3.60 %	3.90 %	4.20 %	4.30 %
Risk-free interest rate	2.20 %	2.00 %	1.90 %	1.90 %
Fair value	€981 thousand	€962 thousand	€955 thousand	€927 thousand

The TSR performance of the JOST shares during the holding period, the average inpayment and payout, and the cap on the amount paid out were taken into consideration in the Monte Carlo simulation.

As of December 31, 2023, a target amount of €3,957 thousand was outstanding and the liability had a carrying amount of €499 thousand. The expense recognized in the fiscal year amounts to €499 thousand. In the reporting period, €265 thousand of the target amount originally granted expired, further amounts totaling €190 thousand were granted and no grants vested.

Starting in fiscal year 2022 (2021 remuneration system), the company also introduced an LTI for the Executive Board. Under this plan, 55% of the performance-related overall bonus is invested for the Executive Board in the form of a virtual investment in company shares as a long-term LTI component (hereinafter stock awards). The stock awards are sold four fiscal years after the base year and the sale proceeds fall due for payment two weeks after the adoption of the audited consolidated financial statements for the target year. The vesting period and the maximum term of the LTI are 2 and/or 5 years, respectively. Between the date of the virtual investment and the virtual sale, distributed dividends are in each case treated as if they had been reinvested in stock awards at the distribution date.

If an Executive Board member's employment contract is effectively terminated ahead of time, all stock awards granted for the last twelve months prior to termination expire. If an employment contract is terminated during the year, the stock awards allocated for the penultimate base year expire on a pro rata basis to the extent that the employment contract terminates before the end of the current fiscal year.

In fiscal year 2023, a total of €505 thousand was converted into 11,721 virtual shares for the Executive Board (2022: €454 thousand into 8.676 virtual shares), of which €378 thousand was converted into 8,791 virtual shares (2022: €340 thousand into 7,034 virtual shares) for the stock program starting on January 1 and €126 thousand into 2,930 virtual shares (2022: €114 thousand into 2,345 virtual shares) for the stock program starting on September 1.

The stock awards are accounted for as a cash-settled plan in accordance with IFRS 2. The fair value of the virtual shares was determined using a Monte Carlo simulation with the following inputs as of December 31, 2023:

	Dec 31, 2023
JOST share price	€42.00
Expected volatility, JOST	32.90 %
JOST dividend yield	4.40 %
Risk-free interest rate	1.90 %
Fair value	€488 thousand

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The average of the share prices at the beginning and end of the reference period, dividends within the total shareholder return approach and the cap on total remuneration were taken into consideration in the Monte Carlo simulation.

As of December 31, 2023, there were 17,143 virtual shares (2022: 8,676 virtual shares) with a provision accrued up to that date in the amount of €391 thousand outstanding (2022: €152 thousand). The expense recognized in the fiscal year amounts to €239 thousand (2022: €152 thousand). A total of 3,254 virtual shares expired and 3,254 virtual shares vested during the reporting period.

Other personnel-related provisions

Other provisions for personnel expenses mainly comprise costs for 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. With the exception of anniversary bonuses, other personnel-related provisions are due within one year.

Other costs

Above and beyond specific circumstances arising from warranty claims, JOST is involved in other legal disputes in and out of court arising from the group's general business activities. The outcome of these disputes cannot be predicted with certainty (2023: €627 thousand; 2022: €1,128 thousand). In such cases, provisions are recognized to the extent utilization of the provision is probable and the anticipated amount of the necessary provision can be estimated reliably. Because this process is based on assumptions, the recognition and measurement of provisions are associated with a degree of uncertainty. Provisions for legal disputes were reversed in the amount of €9 thousand (2022: €128 thousand), as they are no longer expected to be utilized. There are also provisions for costs relating to suppliers, among other things, which were recognized in the amount of €1,062 thousand as of December 31, 2023 (2022: €1,435 thousand). The provision amounts are reviewed regularly and adjusted as necessary. Utilization of the provisions is expected in the short- to medium term.

23. Financial liabilities

The following overview shows the maturity of financial liabilities and derivative financial instruments as of December 31, 2023. The undiscounted contractual cash outflows are presented:

in € thousands	Up to 1 year	More than 1 and up to 5 years	More than 5 years	Total	Carrying amount
Financial liabilities	279,624	196,211	19,028	494,863	454,259
Derivatives	131	0	0	131	131
Total	**279,755**	**196,211**	**19,028**	**494,994**	**454,390**

The following table shows the fixed and expected cash outflows as of December 31, 2023, broken down by time of occurrence:

2023

in € thousands	Up to 1 year	More than 1 and up to 5 years	More than 5 years	Total	Carrying amount
Liabilities to banks	131,950	166,432	0	298,382	267,500
thereof: fixed-rate	1,417	46,981	0	48,398	44,000
thereof: floating-rate	130,533	119,451	0	249,984	223,500
Other liabilities to banks	620	293	0	913	913
Trade payables	108,951	0	0	108,951	108,951
Lease liabilities	12,902	29,486	19,028	61,416	51,694
Other financial liabilities	25,201	0	0	25,201	25,201
Derivatives	131	0	0	131	131
Total	**279,755**	**196,211**	**19,028**	**494,994**	**454,390**

Other liabilities to banks and other financial liabilities are fixed outflows of cash, whereas trade payables and derivatives represent expected outflows of cash. The interest payments on liabilities to banks in a one-to-five-year period amount to €2,981 thousand for fixed-interest promissory notes and €13,951 thousand for floating-rate promissory notes, as well as an anticipated €959 thousand for the floating-rate loan.

For the year-over-year change in derivatives, please see *note 15*.

Undiscounted cash outflow as of December 31, 2022:

in € thousands	Up to 1 year	More than 1 and up to 5 years	More than 5 years	Total	Carrying amount
Financial liabilities	227,238	259,276	39,644	526,157	481,464
Derivatives	1,607	0	0	1,607	1,607
Total	**228,845**	**259,276**	**39,644**	**527,765**	**483,071**

The following table shows the fixed and expected cash outflows as of December 31, 2022, broken down by time of occurrence:

2022

in € thousands	Up to 1 year	More than 1 and up to 5 years	More than 5 years	Total	Carrying amount
Liabilities to banks	65,247	226,915	16,378	308,539	276,000
thereof: fixed-rate	4,938	48,398	0	53,336	47,500
thereof: floating-rate	60,309	178,517	16,378	255,204	228,500
Other liabilities to banks	2,056	0	0	2,056	2,056
Trade payables[1]	140,262	0	0	140,262	140,262
Lease liabilities	11,713	32,361	23,266	67,340	55,186
Other financial liabilities	7,960	0	0	7,960	7,960
Derivatives	1,607	0	0	1,607	1,607
Total	**228,845**	**259,276**	**39,644**	**527,765**	**483,071**

[1] Previous year's figures changed. See sections 7.16 and 22

Liabilities to banks have been uncollateralized as of December 31, 2023, as in the previous year.

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24. Interest-bearing loans and borrowings

With effect from December 2, 2022, the company issued promissory note loans with a total value of €130,000 thousand that mature in three, five and seven years, respectively, and carry both fixed and variable interest rates. In addition to JOST Werke SE, the guarantors are Jost-Werke International Beteiligungsverwaltung GmbH, Neu-Isenburg, Germany, JOST-Werke Deutschland GmbH, Neu-Isenburg, Germany and Jasione GmbH, Neu-Isenburg, Germany. Some of the promissory note loans were not drawn down until January 2023 or were only paid out then. Of the €130,000 thousand, €15,000 thousand were already repaid in the current fiscal year due to the strong cash flow at the end of 2023.

The group uses an interest rate swap to hedge the variable interest loans (€41,000 thousand) against interest rate risk to counter changes in the six-month EURIBOR rate. The cumulative fair value of the interest rate swap is €-122 thousand (2022: €1,157 thousand).

In order to finance its acquisition of Ålö Holding AB, JOST in December 2019 entered into a new financing arrangement with a consortium of banks for an amount of €120,000 thousand and over a term of 5 years, which was drawn down on January 31, 2020. This bank loan is subject to compliance with various financial covenants derived from the consolidated financial statements of the ultimate parent company.

The acquisition of Crenlo do Brasil and LH Lift in August 2023, with a combined purchase price of €57,900 thousand, was financed with own cash and existing credit facilities.

In June 2018, the company issued promissory note loans with a total value of €150,000 thousand that mature in five and seven years respectively and have both fixed and variable interest rates. Of this, €3,500 thousand (2022: €94,000 thousand) was repaid in the current fiscal year. The remaining €34,500 thousand will be paid off by 2025. In addition to the promissory note loans, there is a revolving credit facility of €150,000 thousand. The obligation to the lenders to comply with financial covenants only applies if the revolving credit facility is utilized.

Details regarding the maturities of the promissory note loans are shown in the table below.

Four of the current promissory note loans are also subject to variable interest rates. The group hedges a portion of the interest rate risk with interest swaps. For further details see *note 26*.

In September 2020, JOST-Werke Deutschland GmbH, Neu-Isenburg, Germany, took out a loan of €6,580 thousand with a term of 4 years, which is also listed under Other. The remaining debt up to December 31, 2023 amounted to €266 thousand.

The following table shows the interest-bearing loans and borrowings as of December 31, 2023:

in € thousands		Dec 31, 2023	Dec 31, 2022
Promissory note loans	3 years, fixed	4,000	4,000
	3 years, variable	21,000	15,500
	5 years, fixed	20,000	23,500
	5 years, variable	70,000	53,500
	7 years, fixed	20,000	20,000
	7 years, variable	14,500	29,500
		149,500	**146,000**
Loan	5 years, variable	78,000	90,000
Revolving credit facility		40,000	40,000
Other		913	2,056
Interest bearing loans		**268,413**	**278,056**
Accrued financing costs		-350	-490
Total		**268,063**	**277,566**

The group drew €40,000 thousand from the available revolving facility as of December 31, 2023 (December 31, 2022: €40,000 thousand). Interest payments were made in the total amount of €17,413 thousand in fiscal year 2023 (2022: €5,076 thousand). Loan repayments of €12,000 thousand (2022: €12,000 thousand) have been made for the loan to finance the acquisition of Ålö Holding AB. The group made principal payments of €153 thousand (2022: €306 thousand) and interest payments of €2 thousand (2022: €14 thousand) for the loan of Jost Otomotiv Sanayi Ticaret A.S., Izmir, Turkey. The group made principal payments of €1,410 thousand (2022: €1,880 thousand) and interest payments of €7.6 thousand (2022: €29.9 thousand) for the loan of JOST Werke Deutschland GmbH, Neu-Isenburg, Germany. The group made no principal payments on the loan of LH Lift Oy, Kuusa, Finland, in the current fiscal year but interest payments in the amount of €45 thousand.

The revolving credit facility has a short-term maturity and is reported under current liabilities. It carries a variable interest rate depending on the EURIBOR and the group-wide leverage of JOST. A loan of €100,000 thousand was taken out in the fiscal year for the revolving credit facility and €100,000 thousand was repaid.

To the extent that they can be accrued, in accordance with the effective interest method the costs incurred under the financing agreement dated June 29, 2018 are spread until mid-2025, those incurred under the additional financing agreement dated December 19, 2019, are spread until the end of 2024, and those incurred under the new financing arrangement dated December 2, 2023 are spread until the end of 2029.

25. Trade payables

Trade payables recognized at the reporting date are non-interest bearing. As of the end of the year, trade payables amount to €108,951 thousand (2022: €140,262 thousand).

The previous year's value was adjusted. Further information is contained in *Note 22*.

26. Other financial liabilities

Other financial liabilities as of the reporting date include lease liabilities in the amount of €51,694 thousand (2022: €55,186 thousand).

In July 2021, the group started applying hedge accounting in accordance with IFRS 9, insofar as the criteria for such designation are met. The entity Ålö AB, Umeå, Sweden, hedges exchange rate risks arising from its operating business. OTC FX instruments are used to hedge the exchange rate risk of the Swedish krona against the Norwegian krone, the Danish krone, the US dollar, the British pound, the Chinese yuan and the Canadian dollar. The nominal amount of the hedges as of December 31, 2023 is SEK 60,000 thousand and CNH 123,273 thousand (2022: SEK 91,250 thousand). Since the contracts expired on January 31, 2023, an amount of SEK 18,794 thousand (2022: SEK 8,355 thousand) was reclassified to profit or loss from the gains or losses from hedge accounting recognized in other comprehensive income in the statement of comprehensive income.

Contingent consideration

Acquisition of Ålö

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

The group's potential payment obligations under this agreement were between €1m and €25m if this company's gross margin exceeds a certain figure.

Based on the assessment at the acquisition date, a value of €10,480 thousand was recognized for the contingent consideration as part of the purchase price allocation. As of December 31, 2020, the contingent consideration was determined on the basis of the provisionally calculated gross margin and adjusted to a fair value of €10,200 thousand. An amount of €2,750 thousand of the contingent purchase price liability arising from the acquisition of the Ålö Group was repaid in fiscal year 2022, as a result of which €7,450 thousand remained as of December 31, 2022. The arbitration proceedings were concluded by way of an arbitration court ruling on December 20, 2023 in Stockholm, Sweden, which can no longer be appealed. The remaining liability amounts to €21,228 thousand (December 31, 2022: €7,450 thousand). This includes interest expense of €3,811 thousand. The remaining liability was extinguished on January 3, 2024.

Acquisition of LH

Depending on the absolute amount of LH Lift Oy's gross margin in fiscal year 2023, the group is obliged to pay the former owners of LH Lift Oy up to €2m.

As of the acquisition date, the contingent consideration was determined to be €1,823 thousand as part of the purchase price allocation based on the preliminary calculation of the gross margin. This amount remained unchanged as of the balance sheet date.

Other current financial liabilities also include overpayment from customers in the amount of €0 thousand (2022: €160 thousand).

27. Contract and refund liabilities

in € thousands	Dec 31, 2023	Dec 31, 2022
Contract assets	0	0
Contract and refund liabilities	9,948	11,189

There were no contract assets in 2023 or 2022. Accordingly, nor was any related impairment recognized for expected losses.

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The group's contract liabilities result from prepayments received in the amount of €871 thousand (2022: €1,881 thousand) and refund liabilities (particularly discounts) in the amount of €9,077 thousand (2022: €9,308 thousand). The contract liabilities recognized in the previous year as of December 31, 2022, resulted in sales revenues in the amount of €1,875 thousand in the 2023 fiscal year (2022: €346 thousand). No material sales revenues were generated during the year under review from performance obligations which were fulfilled (or fulfilled in part) in earlier periods.
For this period end (and retrospectively as of December 31, 2022), obligations for expected customer commissions and bonuses were recognized as contract and refund liabilities. Further details can be found in *note 7.16*.

28. Other liabilities

Other liabilities amount to €48,667 thousand (2022: €43,127 thousand). They primarily include €29,534 thousand in employee benefits (2022: €25,130 thousand) and €1,573 thousand in other liabilities from social insurance contributions (2022: €1,468 thousand). Furthermore, other liabilities include VAT liabilities in the amount of €4,394 thousand (2022: €6,838 thousand) and wage taxes in the amount of €1,472 thousand (2022: €1,352 thousand).

29. Other financial obligations

The group's other financial obligations in the year under review include, in particular, financial obligations as well as warranty commitments and contingent liabilities of €17,224 thousand (2022: €17,786 thousand) associated with obligations under license and maintenance agreements. Contingent liabilities amount to €707 thousand (2022: €820 thousand), particularly for an ongoing legal dispute. The outcome and timing of the proceedings cannot be fully estimated at the present time. Not included in the amount is also a contingent liability for a lawsuit that began in the fourth quarter of 2023 in connection with product liability in the USA, where the outcome and timing of the proceedings cannot yet be estimated, making it impossible to estimate the financial effects. However, it is expected that any damages payable as a result of the lawsuit will be covered almost entirely by insurance. There are also other financial obligations from purchase commitments for property, plant and equipment amounting to €6 thousand (2022: €1,612 thousand).

Due to the non-applicability of IFRS 16 to all of the agreements and the exercise of options, in 2023 the company continued to recognize rental and lease expenses in the amount of €5,131 thousand (2022: €4,646 thousand).

In the coming years, the group expects the following minimum lease payments from non-cancellable rental and lease agreements not recognized in accordance with IFRS 16.

in € thousands	Up to 1 year	More than 1 and up to 5 years	More than 5 years	Total
2023	3,688	734	5	4,427
2022	3,343	1,101	4	4,448

30. Sales revenues

Sales revenue mainly results from the sale of products.

Almost all of the consolidated sales revenues are recognized at a point of time and are as follows, broken down by sales origin:

in € thousands	2023	2022
Europe	687,811	695,516
North America	354,247	396,339
APA	207,646	172,751
Total	**1,249,704**	**1,264,606**

The decline in sales revenues in 2023 was driven largely by weak demand in the agriculture sector and partly by currency effects. The North America and Europe regions were the worst affected. Sales revenues in the APA segment rose year-over-year due to the recovery in the Chinese market. Sales in the Europe and APA segment include €24.5m and €1.5m, respectively, resulting from the takeover of Crenlo do Brasil and LH Lift.

The breakdown of sales revenues by business unit is as follows:

in € thousands	2023	2022
Transport	993,369	936,926
Agriculture	256,335	327,680
Total	**1,249,704**	**1,264,606**

In 2023, half of the sales revenues in the Transport business was generated in Europe, with the remainder distributed between North America at 30% and Asia, Pacific, Australia at 20%. In the Agriculture business, approximately three quarters of sales revenues were generated in Europe (67% in the previous year) and one quarter in North America (32% in the previous year), while still no significant external sales revenues are generated in Asia, Pacific, Australia.

Sales revenues include sales revenues of €1,875 thousand (2022: €346 thousand), which as of December 31, 2023, were shown as contract liabilities.

31. Cost of sales

Cost of sales mainly comprise the following: Cost of materials of €-698,196 thousand (2022: €-678,035 thousand), personnel expenses of €-109,575 thousand (2022: €-100,866 thousand), incidental production costs of €-29,150 thousand (2022: €-28,802 thousand), freight costs of €-39,128 thousand (2022: €-37,984 thousand), depreciation of property, plant and equipment of €-14,763 thousand (2022: €-14,076 thousand), depreciation of right-of-use assets from leases of €-6,868 thousand (2022: €-6,404 thousand), maintenance expenses of €-10,127 thousand (2022: €-7,980 thousand), write-ups/write-downs of inventories of €-126 thousand (2022: €-215 thousand) and rental expenses of €-1,050 thousand (2022: €-911 thousand).

32. Selling expenses

Selling expenses mainly comprise the following: Personnel expenses of €-47,032 thousand (2022: €-47,037 thousand), outbound freight of €-27,157 thousand (2022: €-59,920 thousand), depreciation of property, plant and equipment of €-1,045 thousand (2022: €-797 thousand), amortization of intangible assets of €-22,797 thousand (2022: €-24,393 thousand) and depreciation of right-of-use assets under leases of €-3,892 thousand (2022: €-3,826 thousand) as well as rental expenses of €-1,579 thousand (2022: €-1,416 thousand).

33. Research and development expenses

Research and development expenses mainly comprise personnel expenses in the amount of €-13,305 thousand (2022: €-12,044 thousand) and amortization of intangible assets of €-4,506 thousand (2022: €-4,295 thousand).

34. Administrative expenses

Administrative expenses mainly comprise the following: Personnel expenses of €-36,199 thousand (2022: €-35,535 thousand), purchased services of €-15,419 thousand (2022: €-12,621 thousand), insurance of €-2,935 thousand (2022: €-2,069 thousand), depreciation of property, plant and equipment of €-1,366 thousand (2022: €-1,246 thousand), depreciation of rights of use under leases of €-1,240 thousand (2022: €-1,085 thousand), amortization of intangible assets of €-1,072 thousand (2022: €-1,396 thousand) and rental expenses of €-2,502 thousand (2022: €-2,319 thousand).

35. Other income/other expenses

As of the end of the year, other income amounted to €14,560 thousand (2022: €23,079 thousand) and other expenses to €-25,463 thousand (2022: €-33,369 thousand).

In 2023 and 2022, other income mainly compromised currency gains, reversals of provisions, insurance income and government grants totaling €10,214 thousand (2022: €16,669 thousand). The government grants of €1,159 thousand (2022: €1,239 thousand) are mainly grants to cover expenses that are realized; there are no material repayment risks. Other expenses mainly compromise currency losses in the amount of €-12,559 thousand (2022: €-26,062 thousand) and expenses for the Alö earn-out in the amount of €-9,967 thousand.

36. Share of profit or loss of equity method investments

The share of profit or loss of equity method investments (2023: €6,528 thousand; 2022: €8,882 thousand) relates to JOST Brasil Sistemas Automotivos Ltda.

37. Financial reporting in hyperinflationary economies

As of December 31, 2022, IAS 29 Reporting in Hyperinflationary Economies was applied for the first time to the single-entity financial statements of the Turkish subsidiary.

The effects of restating non-monetary items to reflect purchasing power led to a loss of €-537 thousand (2022: €-375 thousand) and were recognized in the consolidated financial statements under the item gain/loss on the net monetary position in accordance with IAS 29. This reflects the remeasurement of the existing monetary asset in Turkish lira as a result of inflation.

When consolidating the Turkish subsidiary into the group's reporting currency, the euro, the effects of compensating for inflation on items of equity are recognized together with other effects of currency translation in other comprehensive income in the consolidated statement of comprehensive income. The gain in purchasing power recognized in profit or loss at the level of the single-entity financial statements of Jost Otomotiv Sanayi Ticaret A.S. is therefore set against currency translation effects recognized in consolidated equity. Consolidated equity increased by €1,143 thousand overall in 2023 (2022: €1,457 thousand) due mainly to the restatement of the non-monetary assets at the subsidiary.

38. Financial income

Financial income is composed of the following items:

in € thousands	2023	2022
Interest income	1,484	980
Realized currency gains	2,124	1,069
Unrealized currency gains	77	6,597
Result from measurement of derivatives	0	986
Other financial income	3,745	900
Total	**7,430**	**10,532**

39. Financial expense

Financial expense is composed of the following items:

in € thousands	2023	2022
Interest expenses	-24,842	-7,782
Realized currency losses	-860	-419
Unrealized currency losses	-2,295	-10,451
Result from measurement of derivatives	-131	0
Other financial expenses	-103	-154
Total	**-28,231**	**-18,806**

Interest expense from financial liabilities measured using the effective interest method amounted to €0.1m (2022: €0.2m).

The rise in interest expense was due mainly to the increase in interest on promissory note loans attributable to the rise in EURIBOR as well as on interest-bearing loans and borrowings. Interest expense also includes €3.8m from concluded arbitration proceedings in connection with the acquisition of the Ålö Group.

40. Employee benefit expenses

Employee benefit expenses are composed of the following items:

in € thousands	2023	2022
Employee benefit expenses	-184,316	-171,218
Social security contributions [1]	-21,637	-24,022
Pension expenses	-158	-242
Total	**-206,111**	**-195,482**

[1] The company incurred expenses for employer contributions to the statutory pension insurance system in the amount of €3,764 thousand in fiscal year 2023 (2022: €3,641 thousand).

41. Depreciation, amortization, impairment and reversal of impairment

Depreciation, amortization, and impairment losses for fiscal year 2023 are recognized in the following line items in the income statement:

2023 in € thousands	Depreciation/ impairment of property, plant and equipment	Amortization/ impairment of intangible assets
Cost of sales	-21,631	-138
Selling expenses	-4,937	-22,797
thereof: depreciation and amortization from PPA[1]	-408	-22,716
Research and development expenses	-309	-4,506
thereof: depreciation and amortization from PPA[1]	0	-2,536
Administrative expenses	-2,606	-1,072
Total	**-29,483**	**-28,513**

[1] PPA: Purchase price allocation

Depreciation, amortization, and impairment losses for 2022 are recognized in the following line items in the income statement:

2022 in € thousands	Depreciation/ impairment of property, plant and equipment	Amortization/ impairment of intangible assets
Cost of sales	-20,480	-104
Selling expenses	-4,623	-24,393
thereof: depreciation and amortization from PPA[1]	-278	-24,342
Research and development expenses	-307	-4,295
thereof: depreciation and amortization from PPA[1]	0	-2,658
Administrative expenses	-2,331	-1,396
Total	**-27,741**	**-30,188**

[1] PPA: Purchase price allocation

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42. 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 €-19,153 thousand (2022: €-20,247 thousand) includes deferred tax income from the origination and reversal of temporary differences of €7,253 thousand (2022: €3,706 thousand), deferred tax expenses from the recognition of tax exempt grants of €0 thousand (2022: tax expense of €1,439 thousand), deferred tax expense from loss carryforwards of €1,817 thousand (2022: tax expense of €415 thousand) and current tax expenses on profit for the fiscal year at an amount of €28,224 thousand (2022: €24,977 thousand).

In fiscal year 2023, the group made income tax payments of €-30,162 thousand (2022: €-24,615 thousand).

43. Earnings per share

The number of shares remained unchanged at 14,900,000 as of December 31, 2023.

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

Earnings per share

	2023	2022
Profit/loss after taxes (in € thousand)	52,291	59,846
Weighted average number of shares	14,900,000	14,900,000
Basic and diluted earnings per share (in €)	**3.51**	**4.02**

44. Number of employees

The average number of employees broken down by functional area was as follows in the reporting period:

Average number of employees

	2023	2022
Production	2,802	2,381
Sales	656	674
Research and development	164	152
Administration	370	309
Total	**3,992**	**3,516**

For details on personnel expenses see *notes 31* to *34*.

45. Cash flow statement

In 2023, JOST increased cash flow from operating activities by €+87,084 thousand to € +143,101 thousand (2022: €+56,017 thousand). This was due mainly to the €+74,628 thousand improvement in working capital to €+20,931 thousand in 2023 (2022: €-53,697 thousand), which, in turn, was largely attributable to the reduction in inventories and trade receivables. The other noncash income and expenses mainly comprise unrealized currency gains and losses, interest expense and the service cost within the scope of the pension obligations as well as the expense and income resulting from the investment accounted for using the equity method.

Influenced by the acquisition of Crenlo do Brasil and LH Lift, cash flow from investing activities amounted to €-69,920 thousand in 2023 (2022: €-25,509 thousand). Payments to acquire subsidiaries (net of cash acquired) came to €-52,792 thousand (2022: €0 thousand).

The change in cash and cash equivalents included in the cash flow statement in 2023 consists of an amount of €3,711 thousand (2022: €5,539 thousand) that is subject to regulatory restrictions and is therefore not available for general use by other group companies.

Cash flow from financing activities partly reflected the acquisition of Crenlo do Brasil and LH Lift in 2023. In total, cash flow from financing activities amounted to €-61,971 thousand (2022: €-36,530 thousand). This was due mainly to repayments on short-term interest-bearing loans amounting to €-132,322 thousand (2022: €-72,344 thousand). Set against this were proceeds from short-term interest-bearing loans of €100,038 thousand (2022: €85,000 thousand), which resulted from the drawdown on the revolving credit facility in the course of the year and were repaid at the end of fiscal year 2023.

The refinancing in the previous year gave rise to cash inflows of €90,000 thousand and repayments of €94,000 thousand that were presented in the cash flow statement. Repayments of €12,000 thousand were also made to finance the acquisition of Ålö Holding AB (see *note 24)*.

Net debt is as follows:

in € thousands	Dec 31, 2023	Dec 31, 2022
Cash and cash equivalents	87,727	80,681
Interest-bearing loans and borrowings, repayable within one year	-118,629	-57,862
Interest-bearing loans and borrowings, repayable after one year [1]	-149,434	-219,704
Net debt	**-180,336**	**-196,885**
Cash and cash equivalents	87,727	80,681
Gross debt – at fixed interest rates [1]	-44,845	-49,457
Gross debt – at variable interest rates [1]	-223,218	-228,109
Net debt	**-180,336**	**-196,885**

[1] including finance costs

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The change in liabilities from financing activities, whose cash flows are attributable to financing activities is as follows:

in € thousands	Short-term interest-bearing loans and borrowings [1]	Long-term interest-bearing loans and borrowings [1]	Accrued finance cost	Lease liabilities	Total
Balance at January 1, 2022	**26,897**	**254,503**	**-311**	**41,853**	**322,942**
Changes from financing cash flows	7,167	-16,000	0	-12,052	-20,885
Change arising from obtaining or losing control of subsidiaries or other businesses	0	0	0	0	0
Acquisitions - Leases	0	0	0	24,168	24,168
Effect of changes in foreign exchange rates	0	0	0	1,089	1,089
Other changes	23,798	-18,309	-179	128	5,438
Balance at December 31, 2022	**57,862**	**220,194**	**-490**	**55,186**	**332,752**
Changes from financing cash flows	-42,534	14,837	0	-13,414	-41,111
Change arising from obtaining or losing control of subsidiaries or other businesses	357	284	0	180	821
Acquisitions - Leases	0	0	0	9,924	9,924
Effect of changes in foreign exchange rates	0	0	0	-417	-417
Other changes	102,944	-85,531	140	235	17,788
Balance at December 31, 2023	**118,629**	**149,784**	**-350**	**51,694**	**319,757**

[1] Gross presentation without taking into account finance costs

46. Related party disclosures

IAS 24 defines related parties as those persons and companies that have control or a significant influence over the reporting entity or that hold a key position in the management of the reporting entity or a parent company of a reporting entity.

The structure of and changes to the JOST Werke Group as of December 31, 2023, including its subsidiaries and the joint venture, compared to December 31, 2022, are presented in *note 4*.

The ownership structure of JOST Werke SE has changed as follows since December 31, 2023: As of December 31, 2023, Allianz Global Investors GmbH (Frankfurt, Germany) was the largest shareholder of JOST Werke SE, holding 20.11% of the shares carrying voting rights. Of this amount, Allianz SE (Munich, Germany) was attributed 13.76% of the voting rights of JOST Werke SE. Allianz Global Investors GmbH makes all decisions relating to the exercise of the voting rights in JOST Werke SE attributed to Allianz SE independently of Allianz SE. As a result, Allianz SE's voting rights are included in the voting rights attributed to Allianz Global Investors GmbH. According to a notification dated March 23, 2022, Kai Möhrle and the company he controls, 34. PMB Management GmbH, hold 15.03% of the voting rights in JOST Werke SE as of December 31, 2023. There are no other shareholder holding more than 10% of the company's share capital. According to notifications submitted pursuant to the Wertpapierhandelsgesetz (German Securities Trading Act – WpHG), FMR LLC (USA) held 7.80% and Universal-Investment-GmbH (Germany) 5.05% of the share capital.

The **Executive Board** comprises the following members, who are all related parties within the meaning of IAS 24. The following also includes their posts on other supervisory/control bodies:

Joachim Dürr, Diplom-Ingenieur, Dachau
Chairman of the Executive Board
Chief Executive Officer
- No posts on supervisory/control bodies

Oliver Gantzert, Diplom-Ingenieur, Darmstadt
Chief Financial Officer (from September 1, 2023)
- No posts on supervisory/control bodies

Dirk Hanenberg, Diplom-Ingenieur (FH), Ravensburg
Chief Operating Officer
- No posts on supervisory/control bodies

Dr. Christian Terlinde, Diplom-Kaufmann, Dinslaken
Chief Financial Officer (until June 30, 2023)
- No posts on supervisory/control bodies

Dr. Terlinde asked the Supervisory Board of JOST Werke SE to rescind his contract by mutual agreement with effect from June 30, 2023 so that he could take on a new executive role. Dr. Terlinde received remuneration of €40 thousand for consulting services after 30 June 2023 in connection with the completion of a specific project.

The Supervisory Board appointed Mr. Oliver Gantzert as the new CFO with effect from September 1, 2023.

Since September 1, 2022 and September 1, 2023, a new director's contract has applied to two members of the Executive Board, which are based on the remuneration system adopted by the 2021 General Meeting. The fair values of the tranches of the relevant LTI as of December 31, 2023 are €381 thousand (at the grant date €321 thousand) for the program running from September 1, 2022 and €127 thousand (at the grant date €107 thousand) for the program starting on September 1, 2023. See *note 22*.

The total benefits of the Executive Board members in accordance with HGB amounted to €4,345 thousand in the reporting period (2022: €4,116 thousand). In the previous year, these figures included continued salary payments following the expiry of one Executive Board member's board contract with a total value of €86 thousand plus fringe benefits of €1 thousand. The pension obligations for former members of the Executive Board ("defined benefit obligation under IFRSs") amount to €4,209 thousand (2022: €4,188 thousand).

Total remuneration for active members of the Executive Board in accordance with IFRSs amounts to €4,079 thousand in the reporting period (2022: €4,202 thousand). It comprises short-term benefits of €2,962 thousand (2022: €3,081 thousand), post-employment benefits of €0 thousand (2022: €86 thousand), other long-term benefits of €609 thousand (2022: €884 thousand) and share-based payment of €508 thousand (2022: €151 thousand).

The overall remuneration consists of fixed, non-performance-related and variable, performance-related components. The fixed remuneration comprises the fixed annual salary as well as fringe benefits. The former is paid on a monthly basis. Fringe benefits

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include a company car, enrollment in an accident insurance policy and a contribution to the Executive Board member's health and nursing insurance. Executive Board members also have the option for each full fiscal year of utilizing 20% of their annual salary for a private pension scheme, by converting salary entitlements into pension entitlements.

The variable, performance-related remuneration consists of a one-year component and a multi-year component based on the group's adjusted EBITDA. The adjusted EBITDA target to be achieved is set annually by the Supervisory Board. The members of the Executive Board as an overall bonus receive between 0.36% and 0.64% of the adjusted EBITDA actually achieved. In the case of two members of the Executive Board, the performance-related remuneration additionally depends on non-financial objectives. The non-financial element is 0.04% of the adjusted EBITDA actually achieved, provided that a target level of at least 80% is achieved for the non-financial ESG targets set by the Supervisory Board.

If adjusted EBITDA in any given fiscal year does not amount to at least 80% of the target set by the Supervisory Board, Executive Board members are not entitled to variable remuneration. 45% of the performance-related component is paid out within one year, while 55% is converted into the multi-year component. The multi-year component is only paid out if adjusted group EBITDA in the following fiscal year or in one case three years later matches or exceeds adjusted EBITDA in the assessment period. The remuneration for two Executive Board members does not contain a multi-year component of 55%; instead, it is linked to the share price trend, as described in *note 22*.

Provisions and liabilities for remuneration of active members of the Executive Board amounted to €2,303 thousand (2022: €2,693 thousand), while those for remuneration of former Executive Board members amounted to €1,175 thousand (2022: €911 thousand).

The Supervisory Board consists of the following persons, including a list of further posts held on supervisory/control bodies outside JOST Werke SE:

Dr. Stefan Sommer (Chair)

Occupation: Consultant

- Member of the supervisory board, Knorr-Bremse AG Munich, Germany
- Member of the supervisory board of DEKRA e.V., Germany
- Member of the board of directors, Aeva Technologies Inc., Mountain View, CA, USA

Prof. Dr. Bernd Gottschalk (Deputy Chair) (until May 11, 2023)

Occupation: Management consultant, Managing Partner of AutoValue GmbH, Frankfurt am Main, Germany

- Member of the supervisory board, Schaeffler AG, Herzogenaurach, Germany
- Member of the supervisory board, Plastic Omnium S.A., Paris, France
- Member of the supervisory board, AEye Inc., Dublin / California, USA
- Member of the supervisory board, Benteler International AG, Salzburg, Austria

Jürgen Schaubel (Deputy Chair from May 11, 2023)

Occupation: Consultant, Oaktree Capital Management, Frankfurt am Main, Germany

- Member of the supervisory board, chairman of the Audit Committee, OSM THOME Ltd., Limassol, Cyprus
- Member of the board of directors, MFD Rail Holding AG, Rotkreuz, Switzerland
- Member of the advisory board, chairman of the Audit Committee, Baiersbronn Frischfaser Karton Holding GmbH, Baiersbronn, Germany
- Member of the advisory board, chairman of the Audit Committee, NextClinis International GmbH, Augsburg, Germany
- Member of the advisory board, chairman of the Audit Committee, LifeFit Group, Frankfurt, Germany

Natalie Hayday

Occupation: Managing Director of 7Square GmbH, Frankfurt am Main, Germany

- Member of the advisory board, SALUX Real Estate GmbH, Frankfurt am Main, Germany
- Member of the supervisory board, Novem Group S.A., Contern, Luxembourg

Karsten Kühl (from May 11, 2023)

Occupation: Managing Director and CFO of Peter Möhrle Holding GmbH & Co. KG, Hamburg, Germany

- No other posts on supervisory/control bodies

Rolf Lutz

Occupation: Graduate engineer, retired

- No other posts on supervisory/control bodies

Diana Rauhut (from May 11, 2023)

Occupation: Director of Sales, Energy Services, Digitalization and IT at Mainova AG, Frankfurt am Main, Germany

- Chairwoman of the supervisory board, Energieversorgung Main-Spessart GmbH, Aschaffenburg, Germany
- Chairwoman of the supervisory board, Oberhessische Gasversorgung GmbH, Friedberg, Germany
- Deputy Chairwoman of the supervisory board, Stadtwerke Dreieich GmbH, Dreieich, Germany
- Member of the supervisory board, Gasbedarf Offenbach GmbH, Offenbach, Germany
- Member of the supervisory board, Werraenergie GmbH, Bad Salzungen, Germany

Klaus Sulzbach (until May 11, 2023)

Occupation: Auditor /Managing Partner, KSWP Consulting, Kronberg, Germany

- No other posts on supervisory/control bodies

Regular Supervisory Board elections were held at the General Meeting of JOST Werke SE on May 11, 2023. Prof. Dr. Bernd Gottschalk and Mr. Klaus Sulzbach were not available for re-election. Ms. Diana Rauhut and Mr. Karsten Kühl were recruited as new Supervisory Board candidates and were elected to the Supervisory Board by the General Meeting as of the end of the General Meeting alongside the existing members, Ms. Natalie Hayday, Mr. Rolf Lutz, Mr. Jürgen Schaubel and Dr. Stefan Sommer.

The Supervisory Board received remuneration of €531 thousand in the 2023 fiscal year (2022: €505 thousand). The members of the Supervisory Board receive annual fixed remuneration of €50 thousand, payable after the end of the fiscal year. The Chair of the Supervisory Board receives three times the fixed remuneration and their Deputy receives one and a half times that amount. For service on a committee, the Chair of the committee receives an additional €30 thousand (from May 11, 2023) (until May 11, 2023: €20 thousand) and every other member of the committee an additional €15 thousand (from May 11, 2023) (until May 11, 2023: €10 thousand). Supervisory Board members who only have a seat on the Supervisory Board or serve as Chair for part of a fiscal year receive appropriate pro-rated compensation. Furthermore, the company reimburses Supervisory Board members the expenses incurred in performing their duties.

These are exclusively short-term benefits, of which €531 thousand is still outstanding as of December 31, 2023.

No consulting services provided by members of the Supervisory Board were billed for fiscal year 2023 (2022: €0 thousand).

Related party transactions as of December 31, 2023

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	540	220	294	0

The receivables and payables relate to trade of goods and services with JOST Brasil Sistemas Automotivos Ltda. Transactions with the company are conducted at arm's length and are due exclusively short-term.

Related party transactions as of December 31, 2022

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	1,416	852	680	227

For further details regarding dividends from JOST Brasil Sistemas Automotivos Ltda. see *note 12*.

As in the previous year, no services were received from companies that have a significant influence over JOST Werke SE. There are liabilities of €0 thousand (2022: €0 thousand).

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47. Financial risk management

As an internationally operating group, JOST Werke SE 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. The company also continuously reviews the exchange rate exposures in the various currencies.

Further balance sheet items where fx changes could have a significant influence are trade receivables as well as payables. A 5% change in the year-end rate of all fx rates against the euro, with all other parameters remaining constant, will change trade receivables by €5,171 thousand and trade payables by €3,658 thousand. In addition, currency effects apply due to internal group loan receivables and liabilities.

Due to exchange rate fluctuations, in fiscal year 2023 currency losses from internal group loan receivables and liabilities were reported in the total amount of €958 thousand (2022: €3,204 thousand in currency losses) as well as currency losses from trade receivables and trade payables in the total amount of €2,465 thousand (2022: €9,393 thousand in currency losses). 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 on the local market to the extent possible, with the result that exchange rate risk from operating activities in the group is low. A portion of the risk from exchange rate fluctuations of the Swedish krona against the euro has been hedged by way of derivatives since the acquisition of the Ålö Group in 2020. For this purpose, the group entered into 23 derivatives in November 2020 to hedge the risk from exchange rate fluctuations of the Swedish krona against the euro. Of these, 11 derivatives are still valid until 2023.

The following table shows the change in currency derivatives:

Type	Maturity	Nominal amount in foreign currency at Dec 31, 2023	Fair value at Dec 31, 2022 in € thousands	Change in fair value in € thousands	Fair value at Dec 31, 2023 in € thousands
FX Forwards	Dec 30, 2025	160.000 TSEK	1,227	-517	710
Cross Currency SWAPs	Dec 30, 2025	250.000 TSEK	1,514	87	1,601
Total			**2,741**	**-430**	**2,311**

In July 2021, the group started applying hedge accounting in accordance with IFRS 9, insofar as the criteria for such designation are met. The entity Ålö AB, Umeå, Sweden, hedges exchange rate risks arising from its operating business. This serves to minimize fluctuations in income and expenses as well as in the cash flows of the Swedish company arising from exchange rate volatility. Hedging takes place on both the purchasing and the sales side. The aim is to hedge 80-100% of forecast material future cash payments and receipts within the next three months, around 70-90% of cash payments and receipts due in four to six months, and around 60-80% of cash payments and receipts for the seventh to twelfth months. The hedged cash receipts correspond to the company's forecast sales transactions with a high probability of occurrence, as the company is exposed to an exchange rate risk due to invoicing in foreign currencies. Depending on the suppliers, the company is also exposed to exchange rate risks on the purchasing side arising from forecast future transactions with suppliers for which there is a high probability of occurrence. Forward exchange contracts (OTC FX instruments) are used to hedge the exchange rate risk of the Swedish krona against the Norwegian krone, the Danish krone, the Chinese yuan, the US dollar, the British pound and the Canadian dollar. Since the Swedish krona is the functional currency of Ålö AB, the forward transactions are entered into against the Swedish krona. The effectiveness of the hedge is reviewed separately for each currency relationship at least once per year as of the reporting date. As of December 31, 2023, the existing hedges are completely effective. The prospective assessment of the effectiveness of a hedge is based on the matching of currencies, nominal amounts, and the maturity of the financial instrument and the hedged item. A hedge is highly effective if the above-mentioned criteria correspond. If this is not the case, the effectiveness will be reviewed in a retrospective analysis by looking at changes in the value of the hedged item and the hedging instrument over the period.

If the ratio is between 80% and 125%, the hedge is deemed to be completely effective.The following table shows the change in the fair value of the forward exchange contracts reported under miscellaneous other reserves in the statement of comprehensive income.

	Type	Maturity	Nominal amount in foreign currency at Dec 31, 2023	Fair value at Dec 31, 2022 in € thousands	Change in fair value in € thousands	Fair value at Dec 31, 2023 in € thousands
	OTC FX Forwards – GBP	Jan 31-Sept 30, 2024	GBP 4,325 thousand	-37	180	143
	OTC FX Forwards – DKK	Jan 31-Jun 30, 2023	DKK 18,000 thousand	-28	28	0
	OTC FX Forwards – USD	Jan 31-Sept 30, 2024	USD 11,025 thousand	-780	1,047	267
	OTC FX Forwards – NOK	Jan 31-Sept 30, 2024	NOK 58,000 thousand	-40	63	23
	OTC FX Forwards – CNY	Jan 31-Sept 30, 2024	CNY 185,905 thousand	296	-801	-505
	OTC FX Forwards – EUR	Sept 30-Sept 30, 2024	€20,000 thousand	-324	722	398
	OTC FX Forwards – CAD	Jun 30-Apr 28, 2024	CAD 9,205 thousand	-19	18	0
Total				**-933**	**1,258**	**325**

An amount of €1,694 thousand has been reclassified from miscellaneous other reserves as of December 31, 2023.

The following table shows the weighted average exercise rate for outstanding hedging instruments:

Type	Weighted average exercise price
OTC FX Forwards – SEK/GBP	13.173
OTC FX Forwards – SEK/DKK	0
OTC FX Forwards – SEK/USD	10.611
OTC FX Forwards – SEK/NOK	0.999
OTC FX Forwards – SEK/CNY	0.657
OTC FX Forwards – SEK/EUR	11.577
OTC FX Forwards – SEK/CAD	0

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The exchange rates of the major currencies developed as follows:

Exchange rate €1 =	ISO CODE	Closing rate Dec 31, 2023	Closing rate Dec 31, 2022	Average rate for the year 2023	Average rate for the year 2022	Net gain sensitivity € thousands	Equity sensitivity € thousands
Australia	AUD	1.63	1.57	1.63	1.52	-233	-1,040
Brazil	BRL	5.36	5.64	5.40	5.44	-357	-2,169
China	CNY	7.85	7.36	7.66	7.08	-557	-1,801
Great Britain	GBP	0.87	0.89	0.87	0.85	272	-236
India	INR	91.90	88.17	89.30	82.69	-71	-688
Japan	JPY	156.33	140.66	151.99	138.03	-9	-37
Canada	CAD	1.46	1.44	1.46	1.37	-11	-144
New Zealand	NZD	1.75	1.68	1.76	1.66	-26	-71
Norway	NOK	11.24	10.51	11.42	10.10	-26	-49
Poland	PLN	4.34	4.68	4.54	4.69	-347	-912
Russia	RUB	98.26	78.05	92.32	73.87	9	-162
Sweden	SEK	11.10	11.12	11.48	10.63	-1,102	605
Singapore	SGD	1.46	1.43	1.45	1.45	-150	-209
Thailand	THB	37.97	36.84	37.63	36.86	-9	-12
Turkey	TRY	32.65	19.96	25.76	17.41	-40	-166
United States	USD	1.11	1.07	1.08	1.05	-1,372	-3,283
South Africa	ZAR	20.35	18.10	19.96	17.21	-314	-653

The table above shows the influence on net profit and equity caused by an fx rate change of 5% (depreciation against the euro).

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 the loans concerned, 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), with all other variables remaining constant, in fiscal year 2023 would have resulted in an increase in the group's interest expense by €193 thousand (2022: €69 thousand).

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 in the future, the company entered into four interest rate swaps as of December 31, 2023, each with a term running until 2027. In fiscal year 2023, the company generated interest income of €808 thousand (2022: interest expense of €389 thousand) from these hedging transactions. The group did not apply hedge accounting in accordance with IFRS 9 in fiscal year 2023 or the previous year for these transactions.

The following table shows the change in interest rate swaps:

in € thousands	Maturity	Nominal amount at Dec 31, 2023	Fair value at Dec 31, 2022	Change in fair value	Fair value at Dec 31, 2023
Total	**Feb 12, 2027**	**41,000**	**1,157**	**-1,279**	**-122**

Credit risk/default risk

The credit risk or default risk is the risk resulting due to non-compliance with contractual agreements in the form of a contracting party's failure of comply with a payment obligation, which results in corresponding financial losses. To minimize this risk and to protect against defaults, and therefore financial losses, the group pays close attention to the credit quality of its contractual partners, takes out commercial credit insurance, and actively manages accounts receivable (see *notes 7.7* and *17*). The maximum credit risk resulting from trade receivables, other financial assets and cash and cash equivalents is indicated in *notes 17* and *19*.

Liquidity risk

Liquidity risk describes the risk that an entity will not have sufficient cash to discharge its existing or future payment obligations, Central liquidity management monitors and manages the liquidity position of the subsidiaries on a daily basis, using rolling liquidity and cash flow forecasts to limit liquidity risk.

A small number of JOST's suppliers have participated in reverse factoring programs where they sell their receivables from JOST to banks. In both the balance sheet and the cash flow statement, the programs lead to neither a change in the amount nor a change in the classification of JOST's financial liabilities to suppliers.

In fiscal year 2023, the company discharged all of its payment obligations under the bank liabilities. The total amounts in fiscal year 2023 were:

- Interest payments: €17,413 thousand (2022: €5,076 thousand)
- Principal repayments: €132,322 thousand (2022: €178,344 thousand)

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

Furthermore, JOST is able to use a revolving facility amounting to €150,000 thousand to finance its business, of which €40,000 thousand was drawn down as of the reporting date (in the reporting year €100,000 thousand was drawn down and €100,000 thousand was repaid again) (December 31, 2022: €40,000 thousand).

In the previous year, JOST successfully issued a new €130m promissory note loan that has maturities of three, five and seven years and both fixed and variable interest rates.

48. 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 capital management activities cover the entire group. Strategies for controlling and optimizing the existing financing structure, in addition to the adjusted EBIT and adjusted EBITDA earnings figure include monitoring the development of working capital and cash flow.

The financial covenant from the loan agreements is monitored at the level of JOST Werke SE. Therefore the following table shows net debt and net debt to equity ratio based on the consolidated financial statements of JOST Werke SE. Net debt largely comprises long-term loans from banks less refinancing costs and from other lenders.

in € thousands	Dec 31, 2023	Dec 31, 2022
Interest-bearing loans	268,063	277,566
Cash and cash equivalents	87,727	80,681
Net debt	**180,336**	**196,885**
Equity	382,239	360,209
Net debt / equity ratio	47 %	55 %

Under the financing arrangements, the obligation to comply with covenants applies if the promissory note loans, the revolving credit facility or the loan for financing the acquisition of Ålö Holding AB are utilized. JOST Werke SE, Neu-Isenburg, complied with the relevant covenants at all times in both 2023 and 2022. In case of non-compliance with those financial covenants bank loans could be called to be paid back after a cure period has expired and not been utilized.

49. Auditor's fees

Fees recognized for services provided by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, are composed of the following items:

in € thousands	2023	2022
Audit services	672	440
Tax advisory services	0	9
Total	**672**	**449**

The fees for the audit services related primarily to the audits of the consolidated financial statements and the audits of the single-entity financial statements of JOST Werke SE, JOST-Werke Deutschland GmbH and ROCKINGER Agriculture GmbH. The decline in tax advisory services since the prior-year period is the result of applying the Finanzmarktintegritätsstärkungsgesetz (German Act to Strengthen Financial Market Integrity – FISG), under which from January 1, 2022 it was no longer permitted to provide tax advisory services. The €9 thousand in 2022 includes €6 thousand of prior-period expenses and €3 thousand of services for the confirmation issued by the tax advisor for 2021.

The total fee for the services provided by the entire PwC network for the JOST Werke Group amounts to a total of €1,306 thousand (2022: €1,092 thousand). Of this amount, €1,266 thousand relates to auditing services (2022: €1,037 thousand), €35 thousand to tax advisory services (2022: €52 thousand) and €5 thousand to other services (2022: €3 thousand).

50. Appropriation of profits of JOST Werke SE

A proposal will be made to the Annual General Meeting to distribute €1.50 per share from the net retained profit of €22,350 thousand shown by the parent company, JOST Werke SE, for the period ended December 31, 2023. This corresponds to a distribution of the entire net retained profit.

51. German Corporate Governance Code

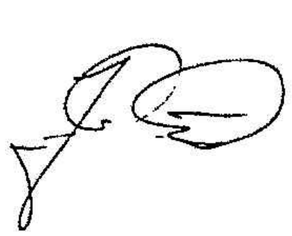
The Executive Board and the Supervisory Board of JOST Werke SE issued a declaration in accordance with Section 161 of the Aktiengesetz (German Stock Corporation Act - AktG) on the German Corporate Governance Code and made it permanently available to shareholders by publishing it on the Internet on the JOST Werke SE website.

http://ir.jost-world.com/declaration-of-compliance

52. Events after the reporting date

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

Neu-Isenburg, March 20, 2024



Joachim Dürr

Oliver Gantzert

Dirk Hanenberg

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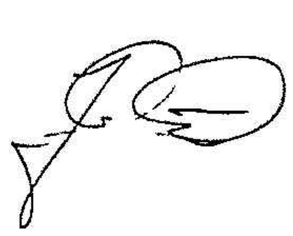
Responsibility statement

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

Neu-Isenburg, March 20, 2024



Joachim Dürr

Oliver Gantzert

Dirk Hanenberg

Independent auditor's report

To JOST Werke SE, Neu-Isenburg

Report on the Audit of the Consolidated Financial Statements and of the Group Management Report

Audit Opinions

We have audited the consolidated financial statements of JOST Werke SE, Neu-Isenburg, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the financial year from 1 January to 31 December 2023, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of JOST Werke SE, which is combined with the Company's management report, including the remuneration report pursuant to § [Article] 162 AktG [Aktiengesetz: German Stock Corporation Act], including the related disclosures, included in section „Remuneration report" for the financial year from 1 January to 31 December 2023. In accordance with the German legal requirements, we have not audited the disclosures marked as unaudited in section "Risk management system and internal control system" of the group management report.

In our opinion, on the basis of the knowledge obtained in the audit

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2023, and of its financial performance for the financial year from 1 January to 31 December 2023, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the disclosures in section "Risk management system and internal control system" referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

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Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

1. Recoverability of goodwill and intangible assets with indefinite useful lives

2. Recoverability of deferred tax assets in respect of loss carryforwards

Our presentation of these key audit matters has been structured in each case as follows:

1. Matter and issue

2. Audit approach and findings

3. Reference to further information

Hereinafter we present the key audit matters:

1. Recoverability of goodwill and intangible assets with indefinite useful lives

1. In the consolidated financial statements of JOST Werke SE goodwill amounting to EUR 101.0 million is reported under the "Goodwill" balance sheet item and a trademark with indefinite useful life amounting to EUR 65.0 million is reported under the "Other intangible assets" balance sheet item (in total 16.5% of total assets and 43.4% of equity). Goodwill and intangible assets with indefinite useful lives are tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. In the context of the impairment test, the carrying amount of the relevant cash-generating unit respectively group of cash-generating units (including goodwill) as well as the carrying amount of the trademark is compared with the corresponding recoverable amount. For goodwill, the recoverable amount is generally determined on the basis of the value in use, and for the trademark on the basis of fair value less costs of disposal. The measurements of goodwill are normally based on the present value of the future cash flows from the cash-generating unit respectively group of cash-generating units to which the respective asset is to be allocated. The basis for measuring the recoverability of the trademark is the present value of the future cash flows allocated to the trademark. Present values are calculated using discounted cash flow models. For this purpose, the adopted medium-term business plan of the Group forms the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the weighted average cost of capital for the respective cash-generating unit or group of cash generating units. The impairment test determined that no write-downs were necessary.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash flows, the discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

2. As part of our audit, among other things we assessed the methodology used for the purposes of performing the impairment tests on goodwill respectively intangible assets with indefinite useful lives. After matching the future cash flows used for the calculation against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way respectively intangible assets with indefinite useful lives, we focused our testing in particular on the parameters used to determine the discount rate and growth rates applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company. Taking into account the information available, we determined that the carrying amounts of the cash-generating units respectively groups of cash-generating units, including the allocated goodwill, and the carrying amount of the trademark were adequately covered by the discounted future cash flows. Overall, the valuation parameters and assumptions used by the executive directors are comprehensible.

3. The Company's disclosures on goodwill and on the trademark with an indefinite useful life are contained in sections 5 “Business combinations”, 7.2 "Goodwill and other intangible assets", 7.3 "Impairment of intangible assets with indefinite useful lives" and 10 "Goodwill and other intangible assets" of the notes to the consolidated financial statements.

2. Recoverability of deferred tax assets in respect of loss carryforwards

1. In the consolidated financial statements of JOST Werke SE deferred tax assets in respect of loss carryforwards amounting to EUR 27.1 million are reported. The deferred tax assets were recognized to the extent that the executive directors consider it probable that taxable profit will be available in the foreseeable future which will enable the unused tax losses to be utilized. For this purpose, insofar as sufficient deferred tax liabilities are not available, future taxable profits are projected on the basis of the adopted medium-term business plan. From our point of view, the accounting treatment of deferred taxes in respect of loss carryforwards was of particular significance in the context of our audit, as it depends to a large extent on the estimates and assumptions made by the executive directors and is therefore subject to uncertainties.

2. As part of our audit, we assessed the methodology used for the determination, accounting treatment and measurement of deferred taxes. Based on this, we assessed in particular the amount of the deferred tax assets recognized in respect of loss carryforwards on the basis of the Company's internal forecasts of the income tax consolidated groups' future earnings situation, and the appropriateness of the underlying estimates and assumptions. Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are substantiated and sufficiently documented.

3. The Company's disclosures on deferred taxes are contained in sections 7.1 under "Recognition of deferred taxes on interest and loss carryforwards", 7.17 "Taxes", 14 "Deferred tax assets and liabilities" and 42 "Income taxes" in the notes to the consolidated financial statements.

Other information

The executive directors are responsible for the other information. The other information comprises the disclosures marked as unaudited in section "Risk management system and internal control system" of the group management report as unaudited parts of the group management report.

The other information comprises further:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- the separate non-financial group report to comply with §§ 315b to 315c HGB
- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

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The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

The executive directors and the supervisory board are further responsible for the preparation of the remuneration report, including the related disclosures, which is included in a separate section of the group management report and complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

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 whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, 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 audit opinions. 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 controls.

• Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

• Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

• Conclude on the appropriateness of the executive directors' 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 the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. 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 be able 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 present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

• Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

• Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used

by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file JOST_Werke_SE_KA_LB_ESEF-2023-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2023 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 11 May 2023. We were engaged by the supervisory board on 16 November 2023. We have been the group auditor of the JOST Werke SE, Neu-Isenburg, without interruption since the financial year 2017.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an other matter- use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Thomas Heck.

Frankfurt am Main, 20. March 2024

PricewaterhouseCoopers GmbH

Wirtschaftsprüfungsgesellschaft

Thomas Heck	ppa. Samuel Artzt
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Financial calendar

May 8, 2024	General Meeting
May 15, 2024	Interim Report Q1 2024
August 14, 2024	Half-year Financial Report H1 2024
November 14, 2024	Interim Report 9M 2024

Legal disclaimer

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

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

Publishing information

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SUSTAINABILITY REPORT 2023

JOST Werke SE

JOST is a leading global manufacturer and supplier of safety-relevant systems for the commercial vehicle industry with the core brands JOST, ROCKINGER, TRIDEC and Quicke.

JOST ROCKINGER TRIDEC Quicke

JOST's international market-leading position is underpinned by its strong brands, long-term customer relationships, served by its global sales network, and its efficient, low-investment business model. With sales and manufacturing facilities in 27 countries on six continents, JOST has direct access to all major manufacturers of trucks, trailers and agricultural tractors worldwide as well as to all relevant end customers in the commercial vehicle industry. JOST currently employs around 4,500 people worldwide and is listed on the Frankfurt Stock Exchange.

Sustainability at a glance

Selected key sustainability indicators

	Unit	2023	2022	Change vs. previous year
Financial indicators				
Sales	€ million	1,249.7	1,264.6	**-1.2 %**
Adjusted EBIT	€ million	140.8	123.8	**13.7 %**
Adjusted EBIT margin	%	11.3	9.8	**+1.5%-points**
Innovations				
Research & development expenses	€ million	20.2	19.7	**+2.7 %**
Research & development intensity	%	1.6	1.6	**0%-points**
Number of patent registrations		63	41	**+53.7 %**
Employees				
Number of permanent employees	yearly average	3,992	3,516	**+13.5 %**
Number of temporary workers	yearly average	550	606	**-9.2 %**
Turnover rate	%	11.6	15.4	**-3.8%-points**
Proportion of female employees	%	14.9	15.4	**-0.5%-points**
Proportion of female employees in management positions	%	18.6	17.4	**+1.2%-points**
Environment				
Proportion of production sites certified according to ISO 14001	%	67	65	**+2%-points**
$CO_{2äq}$-emissions intensity (Scope 1+2)	kg CO_{2eq}/prod. hour	3.4	4.2	**-19.0 %**
$CO_{2äq}$-emissions absolute (Scope 1+2)	thousand t CO_{2eq}	27.33	32.18	**-15.1 %**
Electricity consumption intensity	kWh/prod. hour	6.3	6.9	**-8.7 %**
Electricity consumption	million kWh	50.6	52.0	**-2.7 %**
Natural gas, oil and district heating Intensity	kWh/prod. hour	6.7	7.4	**-9.5 %**
Natural gas, oil and district heating	million kWh	54.2	56.1	**-3.4 %**
Water consumption intensity	m^3/prod. hour	0.020	0.020	**0 %**
Renewable energy in energy mix	%	36.6	29.9	**+6.7%-points**
Responsibility and compliance				
Number of judicially determined discrimination cases		0	0	**0 %**
Number of reported indications		7	5	**+40 %**

Joachim Dürr
CEO

LETTER BY THE MANAGEMENT BOARD

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Dirk Hanenberg
COO

Oliver Gantzert
CFO

Dear Business Partners,

JOST achieved key sustainability milestones in the 2023 fiscal year. We have almost achieved the target we set ourselves of reducing Scope 1 and 2 CO_{2eq} emissions per production hour by 50 % by 2030 compared to 2020 levels, far faster than originally anticipated.

In 2023, we reduced our Scope 1 and 2 CO_{2eq} emissions per production hour by 46.0 % against 2020 levels to 3.4 kg CO_{2eq}. Our absolute Scope 1 emissions decreased by 5.3 % compared to 2022 and our absolute Scope 2 emissions by a considerable 22.6 %.

This successful outcome is the result of numerous measures identified and introduced to reduce our energy consumption. We also steadily increased the share of total electricity consumption attributable to renewable energies by 6.7 percentage points in 2023 to 36.6 % and significantly upped the amount of solar power generated in-house to 506.8 thousand kWh by building and commissioning new solar power systems on the roofs of our production sites.

Following the acquisition of Crenlo do Brasil and LH Lift in 2023, we welcomed more than 800 new employees to our Group. The new companies will help us further grow our agricultural components business in Latin America and Asia. Thanks to this, JOST will play an even greater role in achieving sustainable development goal two of the Agenda 2030, "*Zero Hunger*" in the future.

We were also very active in the area of social sustainability. The 3.8 percentage point decrease in the turnover rate to 11.6 % deserves particular mention here. The number of individual feedback meetings also rose considerably by 33.4 % to 2,655. This open feedback helps foster a company culture where people feel comfortable, like to work and can perform at their best.

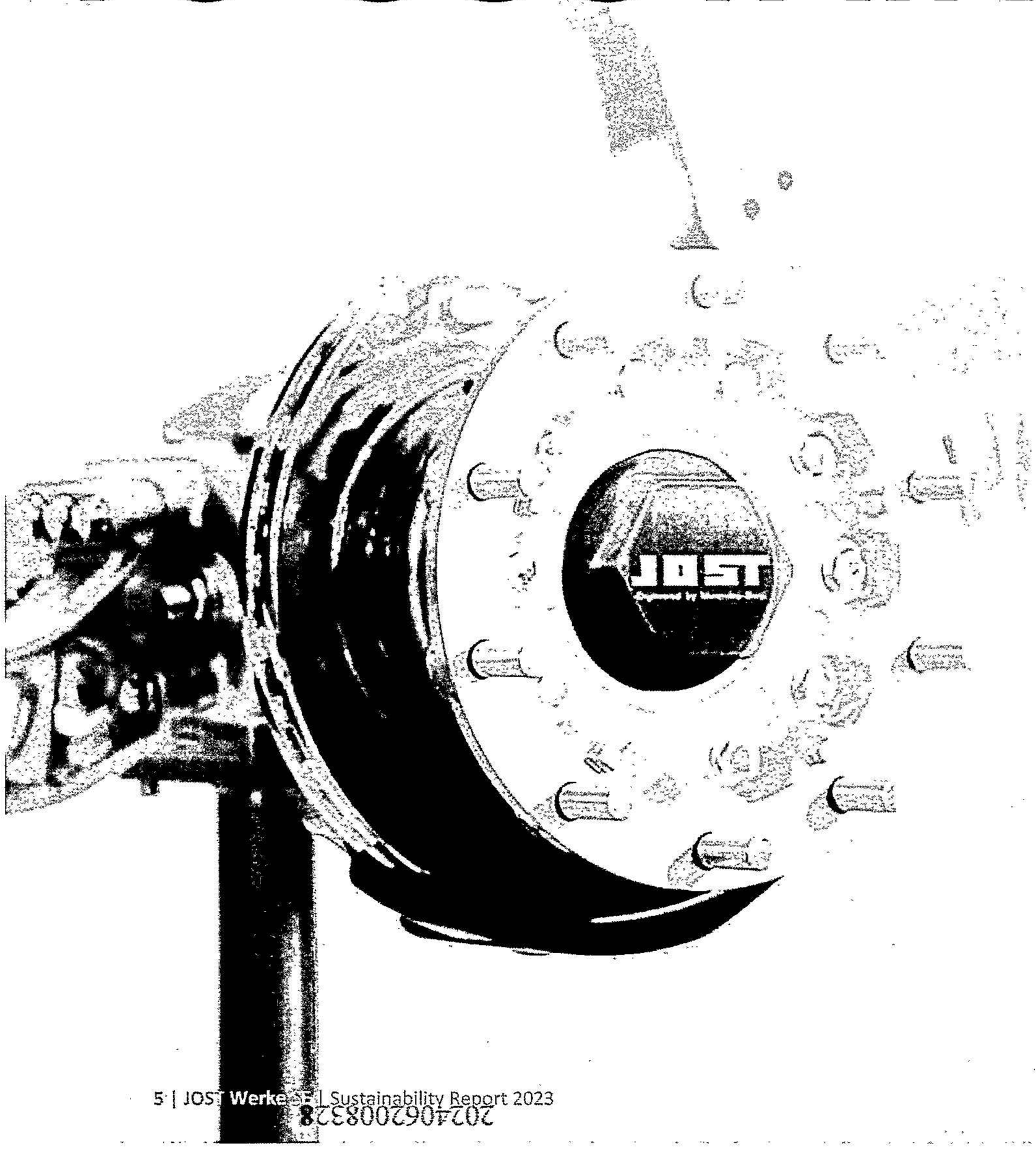
We still have a lot more planned. This report outlines our main sustainability activities in 2023 and our goals for the future.

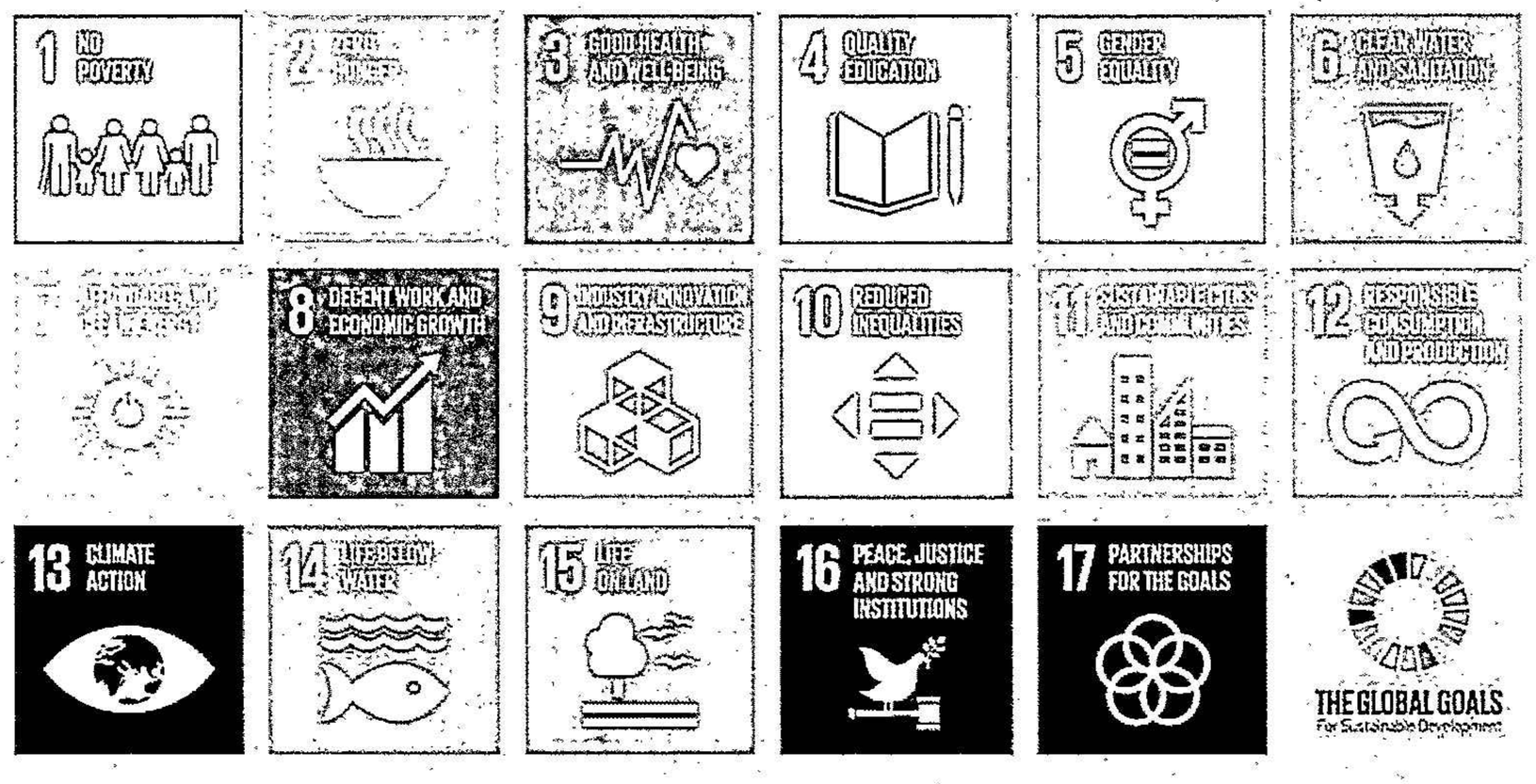
Joachim Dürr (CEO) | Oliver Gantzert (CFO) | Dirk Hanenberg (COO)

The Executive Board of JOST Werke SE

Neu-Isenburg, March 20, 2024

HOW JOST CONTRIBUTES TO SUSTAINABILITY





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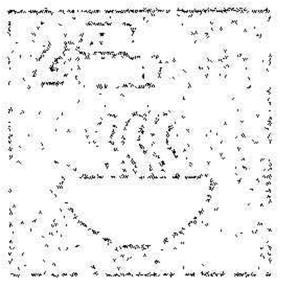
How JOST contributes to sustainability

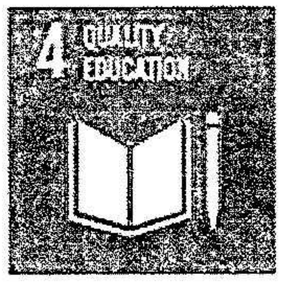
In September 2015, the United Nations adopted 17 global targets for sustainable global development as part of its Agenda 2030. The focus of these targets is on the pursuit of economic development that also takes social and environmental aspects into account. Participation by the private sector has a decisive role to play in implementing these targets by 2030. JOST is strongly committed to this agenda and will contribute to its implementation through its corporate strategy and by engaging with sustainability issues.

During the 2020 fiscal year, JOST conducted an analysis of the 17 overarching development targets and the 169 sub-targets. From this analysis, we derived targets and action areas in which JOST, given its business activities, can achieve the greatest impact on mankind, the environment, and society.

In particular, JOST focuses on the following sustainability goals:

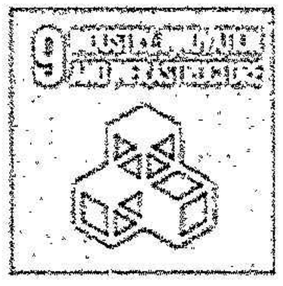


Goal 2 – Zero Hunger: JOST wants to market its products for agricultural tractors in developing countries. By doing so, we can make an important contribution to increasing agricultural productivity in these countries, contributing to alleviate the risks of hunger.

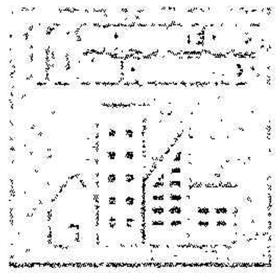


Goal 4 – Quality Education: Through measures in the area of training and further vocational education, JOST provides its employees worldwide with opportunities for professional advancement. Our apprenticeship and talent management programs are aimed primarily at giving young employees new development prospects within JOST.

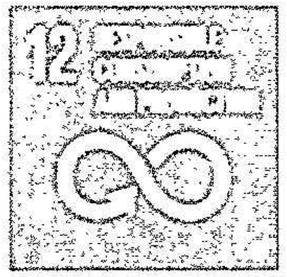
Goal 8 – Decent Work and Economic Growth: JOST pursues ambitious growth targets worldwide. In so doing, we pay attention to the health and safety of all our employees and ensure that human rights and social standards are respected. This also includes preventing all forms of discrimination.



Goal 9 – Industry, Innovation and Infrastructure: As a market leader, JOST sees innovation as the driver of its future growth. The development of eco-friendly products and processes that also meet the complex requirements of our customers is the key to our commercial success.



Goal 11 – Sustainable Cities and Communities: With our systems, we can help make the delivery of goods to cities and rural areas more sustainable and more efficient. Part of our research and development work is focused on developing efficient transport solutions for the logistics sector.



Goal 12 – Responsible Consumption and Production: JOST strives to minimize the consumption of resources during its production activities. We are constantly working to make our production processes more efficient and to reduce waste.

Goal 13 – Climate Action: As a manufacturer catering to the commercial vehicle industry, we want to reduce our own greenhouse gas emissions substantially and help our customers in their quest for carbon neutrality. This important goal of our sustainability activities is reflected in our product innovations.

JOST also supports the implementation of many other goals in addition to this. These include, in particular, Goal 3 “Health and Wellbeing,” Goal 5 “Gender Equality,” and Goal 10 “Fewer Inequalities” in dealings with employees and business partners.

BUSINESS MODEL

GRI 2-1, 2-6

JOST Werke SE is a listed corporation headquartered in Neu-Isenburg, Germany. It is the parent company of JOST Werke Group ("JOST"), a leading global manufacturer and supplier of safety-relevant systems for the commercial vehicle industry. Under the four brands JOST, ROCKINGER, TRIDEC, and Quicke, its comprehensive product portfolio is subdivided into systems for use on the road as well as for agriculture and the construction industry.

The group's leading global position in the markets for fifth wheel couplings, landing gears, and agricultural front loaders is supported by close, long-standing customer relationships and a capital-efficient business model. JOST has an extensive international distribution network through which the Group supplies original equipment manufacturers (OEMs) of trucks, trailers, and agricultural tractors worldwide. JOST also sells components to major spare parts companies of the OEMs as well as to wholesalers, which in turn cater for smaller OEMs, vehicle fleets, repair workshops, farmers, and other end users (aftermarket).

The JOST operational business is structured according to region and divided into the three geographical segments of Europe, North America, and Asia-Pacific-Africa (APA). These segments form the structure for internal organization, control and reporting.

JOST acquired two companies in fiscal year 2023. The JOST Werke Group's consolidated group of companies changed in fiscal year 2023 through the acquisition of Taxi Brazil Holdings B.V., Amsterdam, the Netherlands, with its subsidiary Crenlo do Brasil Engenharia de Cabines LTDA, Guaranésia, Brazil, and the acquisition of LH Lift Oy, Kuusa, Finland, with its subsidiary LH Lift Ningbo Co. Ltd, Ningbo, China. As of the reporting date of December 31, 2023, the Group consisted of 46 companies (December 31, 2022: 42). JOST also holds a 49 % stake in a joint venture in Brazil which is accounted for using the equity method. *JOST Annual Report 2023/Note 4*

As a result of these acquisitions, JOST gained three new production sites in Guaranésia, Brazil; Kuusa, Finland; and Ningbo, China. JOST also completed the construction of a new production plant in Chennai, India, in 2023, which was commissioned in the third quarter of 2023. Overall, JOST had a total of 24 production facilities in operation worldwide in 2023 (2022: 20).

Europe	P	S
Germany	○	○
Spain	○	○
Italy		○
France	○	○
United Kingdom		○
Hungary	○	
Russia	○	○
Poland	○	○
Netherlands		○
United Arab Emirates		○
Portugal	○	
Turkey	○	
Sweden	○	○
Denmark		○
Norway		○
Finland	○	○

North America	P	S
USA	○	○
Canada		○

South America	P	S
Brazil	○	○

Asia-Pacific-Africa (APA)	P	S
China	○	○
India	○	○
Australia	○	○
New Zealand		○
Singapore		○
Thailand		○
Japan		○
South Africa	○	○

P = Production company // S = Sales company

In the 2023 fiscal year, JOST generated sales of EUR 1,249.7 million (2022: EUR 1,264.6 million). The Group employed an average of 3,992 people worldwide in 2023 (2022: 3,516). The increase is mainly attributable to the acquisitions of Crenlo do Brasil and LH Lift. With 24 production facilities (including the joint venture in Brazil) and a number of sales companies spanning 27 countries and six continents, JOST is a global company with excellent access to all manufacturers of trucks, trailers, agricultural tractors, and construction machinery worldwide and all relevant end customers.

As of December 31, 2023, the company's equity had increased by EUR 22.0 million to EUR 382.2 million (December 31, 2022: EUR 360.2 million). Current liabilities decreased by EUR 21.4 million to EUR 622.9 million in 2023 (December 31, 2022: EUR 644.4 million).

JOST primarily distributes products in two business lines:

Transport: This includes products and systems for trucks and trailers that provide the interface connecting the truck to the trailer. We sell fifth wheel couplings, landing gears, and king pins as well as ball bearing turntables and bus articulations under the JOST brand. In addition, we offer axle systems with or without modular suspension systems for trailers as well as leading and trailing axles for trucks. Container locks and components for intermodal transport are also marketed under the JOST brand. The core products from the ROCKINGER brand are towing hitches, towing eyes, and drawbars for trucks and trailers. Steering systems and axle suspensions for trailers are offered under the TRIDEC brand.

Agriculture: This includes products such as agricultural front loaders for tractors, various implements for front loaders, and subframes sold under the long-established Quicke brand. Drawbars, towing eyes, towing hitches and hitch blocks from the ROCKINGER brand are also used in agriculture and forestry. Three-point fixtures, a new addition to the portfolio, have been marketed under the ROCKINGER brand since 2023. The products of the new subsidiaries acquired in 2023, Crenlo do Brasil and LH Lift, fall under the Agriculture business line.

Complementing our product portfolio, we offer our OEM customers essential services that include just-in-sequence production and integrated logistics. Since 2023, we have produced and sold driver's cabs and add-on parts in Brazil for the mining, construction, and forestry machinery industries.

We also supply wholesale companies worldwide with components and JOST, ROCKINGER, TRIDEC, and Quicke original replacement parts. JOST also offers comprehensive technical customer service. This allows the company to provide end users (such as fleet operators and farmers) with immediate assistance and guidance on the use of our products and to supply them with replacement parts on short notice. The strong international presence of JOST is reflected in the sales of products by destination. In 2023, JOST generated 47.3 % of its sales in Europe (2022: 46.3 %). The second-largest region was North and South America with a sales share of 31.5 % (2022: 33.3 %), followed by Asia, Pacific, and Africa (APA) with a sales share of 21.2 % (2022: 20.4 %). The Latin American market for the area of transport is additionally served by a joint venture in Brazil. These sales are not consolidated and are therefore not included in the consolidated sales. In 2023, overall sales revenue from our Brazilian joint venture decreased by 6.7 % to EUR 107.4 million (2022: EUR 115.0 million) due to market pressures.

ORGANIZATIONAL STRUCTURE AND SUSTAINABILITY

GRI 2-9, 2-23, 3-3

In the structure of an European stock corporation (Societas Europaea – SE), the Supervisory Board supervises and advises the Executive Board, which in turn is responsible for the strategic and operational management of the Company. In line with the underlying concept of the German Corporate Governance Code, the JOST Werke SE Executive Board and Supervisory Board are responsible for ensuring the continued existence and sustainable development of the Company in line with the principles of the social market economy. As a result, good corporate governance, integrity, comprehensive compliance and the ethical conduct of every manager and employee are firmly established elements of JOST's corporate management.

In order to act sustainably, the right values, action guidelines and organizational structures must be firmly embedded within the Group. This enables JOST to help its employees and executives to act responsibly in the interests of a values-based and safety-conscious corporate management.

As of the 2021 fiscal year, the Chief Financial Officer bears ultimate responsibility for sustainability issues (Environment, Social, Governance – ESG). The Group's ESG targets are set by the ESG Council and are given final approval by the Executive Board. The ESG Council meets twice a year to monitor the implementation and success of the ESG activities, adopt short- and medium-term measures, measure the status of their implementation, and analyze progress with the achievement of ESG targets. The ESG Council is composed of the entire Executive Board and expert specialists from the areas of Production, Quality and Environmental Management, Procurement, Human Resources, Legal, Research and Development, Sales, Marketing and Investor Relations.

The control and operational implementation of the ESG activities adopted within the Group is the task of the respective specialist functions, which advance, monitor and bear responsibility for the successful implementation of measures.

Quality and environment

Our quality and environmental management system is responsible for compliance with and continual improvement of the environmental, safety and quality standards within JOST. Our strategy is to create an integrated quality and environmental management system worldwide. QHSE (Quality, Health, Safety & Environment) departments have been set up at the local level to support all our production sites and assist them with implementation. The quality and environmental management system is also responsible for the environmental, safety and quality certification of all JOST sites. We rely on internationally accepted standards and certifications to help us develop consistent corporate policies and directives and to maximize the standardization levels of processes and action guidelines at our various sites.

Human resources

Human Resources is responsible for attracting, developing, and retaining the best talent so as to enable us to achieve our business goals. One area of focus is on integrating social sustainability into our HR and cultural strategy. The HR department ensures that the processes at JOST align with the regulations on human and labor rights. The development of senior management, values-based conduct and a high level of employee engagement and performance form the basis for developing a sustainable and social working environment.

Compliance

In addition to the Chief Compliance Officer (CCO), who is appointed by the Executive Board, all subsidiaries have local compliance officers who help the CCO to communicate compliance-related matters at the local level and to implement and execute particular compliance measures in the subsidiaries. Our compliance program allows for the timely development and implementation of measures to counteract potential unlawful or unethical activities within the Group and thereby prevent improper conduct. Details of our compliance organization are provided in the *Compliance* section.

Procurement

The Procurement department ensures the supply of materials for the Group and is responsible for supplier management. It qualifies, evaluates, and negotiates with JOST's suppliers. Through a direct exchange with the suppliers and a careful pre-screening as part of the qualification process, Purchasing ensures that our direct suppliers are aware of the values of our Supplier Code of Conduct and are committed to acting accordingly. The strategic development and global coordination of the department are organized and managed by the central purchasing department. Responsibility for implementation lies at the local level.

Production

As a manufacturing company, our production plants are the biggest lever for achieving our internal ESG goals, particularly with regard to the environment and our employees (social). The local sites are responsible for implementing the measures adopted, such as reducing energy consumption and CO_2 emissions. The regional production managers monitor the implementation status of the measures and report to the Executive Board and the ESG Council on site-specific implementation.

Research and development

The department Research and Development makes a key contribution to our sustainability activities. The department Research and Development works closely with customers and end users to bring new products to market and further develop existing products. New product development is always analyzed with regard to its contribution to the United Nations Sustainability Goals, which JOST has committed to. The impact that the use of our products has on the environment and the user is given special consideration. Our products are aimed at increasing the safety and comfort of users and at the same time, making a positive contribution to the environmental footprint of our customers.

Risk management

Direct responsibility for identifying and managing business risks at an early stage lies with the risk owners in each of our operating areas. Their responsibility also extends to risks in the areas of the environment, human resources, product management, and compliance. Each risk owner is responsible for carrying out risk monitoring on a decentralized basis. The general control and consolidation of information is handled by central risk management. The Executive Board will be informed promptly of any acute risks and opportunities. Details can be found in the *Risks and opportunities* section.

STRATEGY

GRI 2-23

The JOST sustainability strategy is embedded in the Group strategy. Our goal is for all business areas to act in a responsible and sustainable manner, thereby contributing to the long-term success of JOST and the associated continuous growth in the Company's value.

We want to reconcile the priorities of economic growth on the one hand and environmental and social responsibility on the other. Commercial success is a prerequisite for providing JOST with the resources and opportunities to fulfill its obligations towards society and the environment.

The objectives of JOST's group strategy are to ensure sustainable, long-term operating success and the continuous increase in enterprise value this entails. To this end, we are not only targeting sales growth above the trend in each market but also high profitability and strong cash flows. To achieve this, we concentrate on the following strategic action areas:

Product innovations

We want to further consolidate and expand our position as a preferred partner to our customers. As one of the world's leading manufacturers of safety-relevant systems for the commercial vehicle industry, we have brought a large number of high-quality, robust, and long-lasting branded products to the market over the past few decades. With qualified employees, comprehensive expertise and a high level of product and service quality, we offer our customers the right solutions for their commercial vehicle applications in transport and agriculture with innovations and enhancements. We position ourselves as a development partner for our customers, using our products and services to assist the technological transition to more complex, more sustainable and more intelligent commercial vehicles. Autonomous driving, digitalization and sustainability remain key growth drivers in both the transport industry and the agricultural sector – a trend that is reflected in JOST's product innovations.

Growth initiatives

We want to further strengthen our international market position through organic and inorganic growth. Our long-term customer relationships, our existing distribution channels and infrastructures as well as our global presence, supported by our high brand recognition, form the basis for successful expansion. Building on our strong traditional core business in the transport sector, we continue to drive growth at JOST and consolidate our product range both on and off the road. We are actively pursuing the targeted expansion of our product portfolio into related areas of the commercial vehicle industry in order to open up new revenue streams. We want to use our products and systems to further consolidate our existing markets and open up new markets.

Resource efficiency and cash flow

We want to further extend the competitive advantages of our products and services and successfully set ourselves apart from the competition through profitable growth. We constantly strive to make efficient and effective use of our resources not only to generate above-average margins but also to further reduce the carbon footprint of our production activities. We ensure the necessary flexibility to compete successfully in cyclical end-user markets. At the same time, our asset-light business, efficient use of resources and modular product design enable us to profit from a strong operating cash flow that we can invest in ongoing business growth.

GRI 2-2, 2-3, 2-4, 2-5, 3-1, 3-2

PRINCIPLES AND REPORTING STANDARDS

Principles and reporting standards

Our Sustainability Report has been informing our stakeholders about nonfinancial topics since 2017. It describes how JOST influences the environment and society. It also shows the central key figures as well as the goals and actions that we use to manage our sustainability activities.

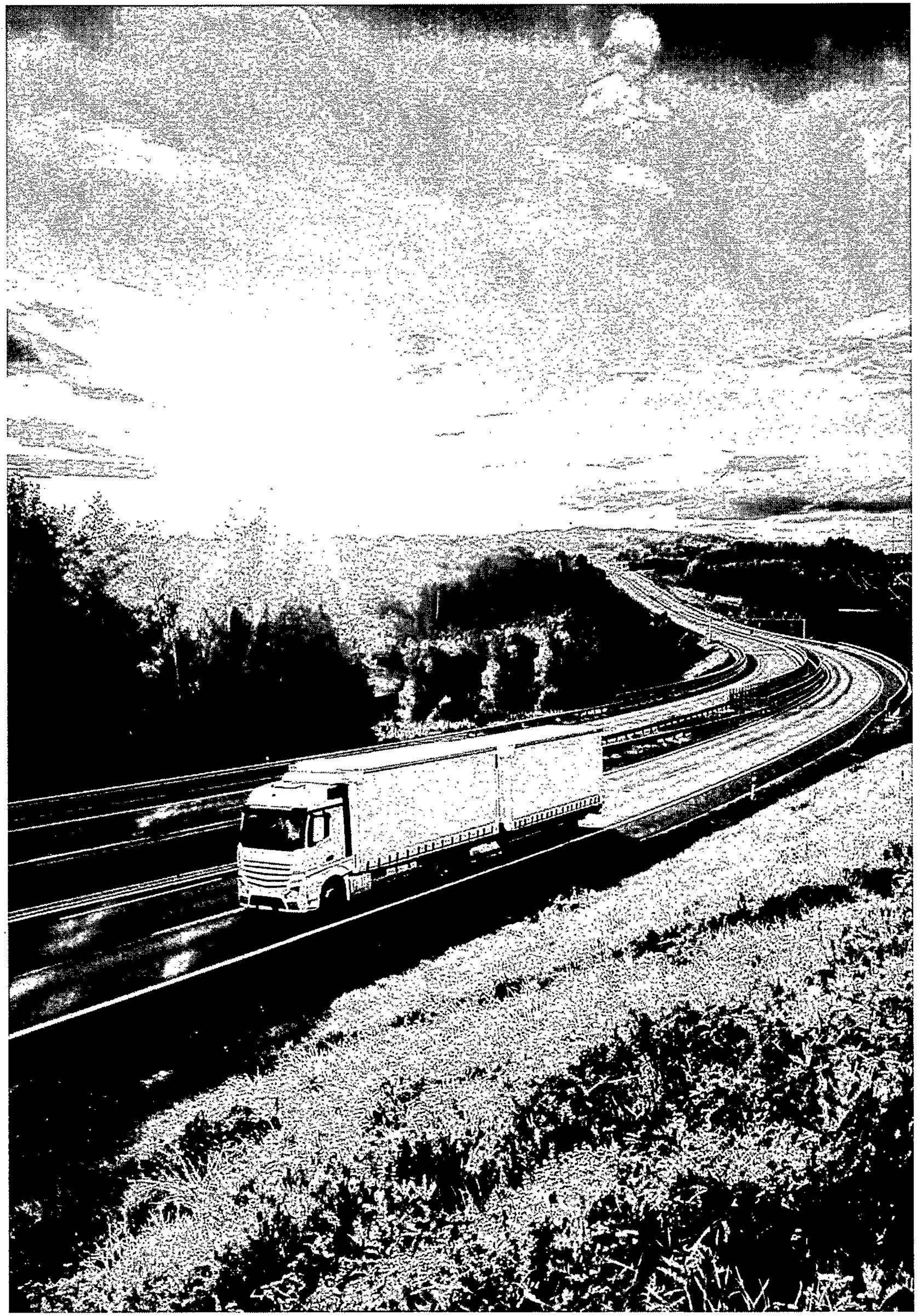
This Sustainability Report contains the legally required non-financial report of JOST Werke SE, in accordance with Sections 315b and 315c of the *Handelsgesetzbuch* (German Commercial Code – HGB). The content to be reported was defined in 2022 by means of a materiality analysis in accordance with the requirements of the German CSR Directive Implementation Act (CSR RUG) and the Global Reporting Initiative (GRI).

As in the previous year, the report was prepared with reference to the Global Reporting Initiative (GRI) Standards 2021. The format and informational content of the previous year have been retained. This report covers the 2023 fiscal year, which is the same as the calendar year. The results of the materiality analysis carried out in the 2022 fiscal year were used for the preparation of this report. The JOST materiality analysis takes place in a two-year cycle. The next analysis will therefore be carried out in the second half of 2024.

The report supplements and enhances our reporting with its coverage of non-financial issues and includes all Group companies over which JOST exercises control – in other words, 100 % of consolidated sales. We therefore collect and report key figures in such a way that they are representative of the JOST Werke Group as a whole. We make mention of special circumstances and exceptions. Upstream and downstream parts of the value chain and outsourced activities can be taken into account only to a limited extent because JOST's influence over these areas is limited. We exercise effective control only when we maintain influence over a company's financial and operating decisions.

The significant non-financial content as defined in Section 315c in conjunction with Section 289c of the *Handelsgesetzbuch* (German Commercial Code – HGB) as part of the separate non-financial report was audited by Spall & Kölsch GmbH Wirtschaftsprüfungsgesellschaft (limited assurance), as commissioned by the Supervisory Board.

The most recent non-financial report was prepared on March 22, 2023, and published along with the 2022 Sustainability Report on March 28, 2023. The report is issued annually. The next Sustainability Report for fiscal year 2024 will therefore be published in March 2025.



STAKEHOLDERS AND MATERIALITY

GRI 2-29, 3-1, 3-2, 3-3

We see it as our corporate responsibility to strengthen the trust of our stakeholders by creating sustainable values and dealing proactively with the impact of our actions. To do this, we need to identify, evaluate and actively manage the positive and negative effects as well as the opportunities and risks of our business activities.

As a general rule, we engage closely and intensively with all of our stakeholders. We do so on a regular basis by various means, such as customer visits, surveys, supplier audits, conversations with employees, industry events, roadshows, as well as investor and analyst meetings. Our most important stakeholders are customers, employees, suppliers, investors and communities.

We carry out a materiality analysis once every two years that lays the groundwork for our sustainability reporting. The most recent analysis took place in the 2022 fiscal year. The next periodic stakeholder survey and the resulting materiality analysis will be carried out in 2024. As such, the results of the last survey from 2022 have been employed as the basis for the non-financial reporting for 2023 as well.

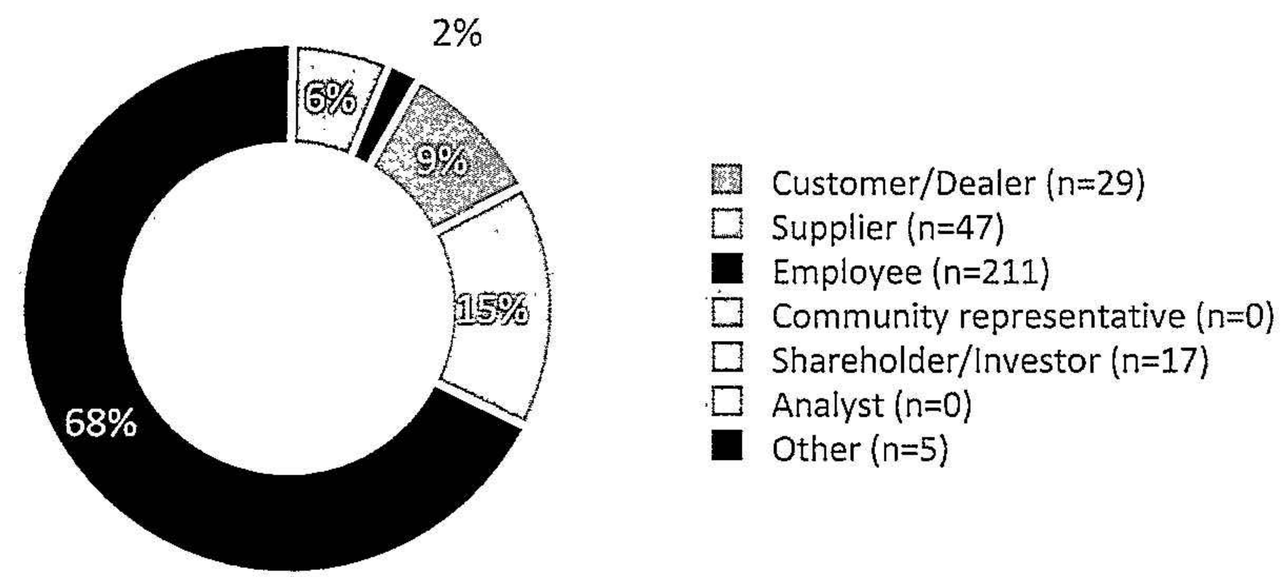
The questions were structured based on the ESG (Environmental, Social, Governance) thematic areas. This gave us the opportunity to survey important topics relating to the environment, social issues and corporate governance in order to derive the key topics for JOST's business activities from this. A total of 20 possible key topics were considered.

The survey was sent by various specialist executives, from areas such as Sales and Purchasing, to the respective business partners. Cities and communities were also included, and investors and analysts also had the opportunity to participate in the survey. We achieved a high response rate from our employees, who were also able to take part in the survey.

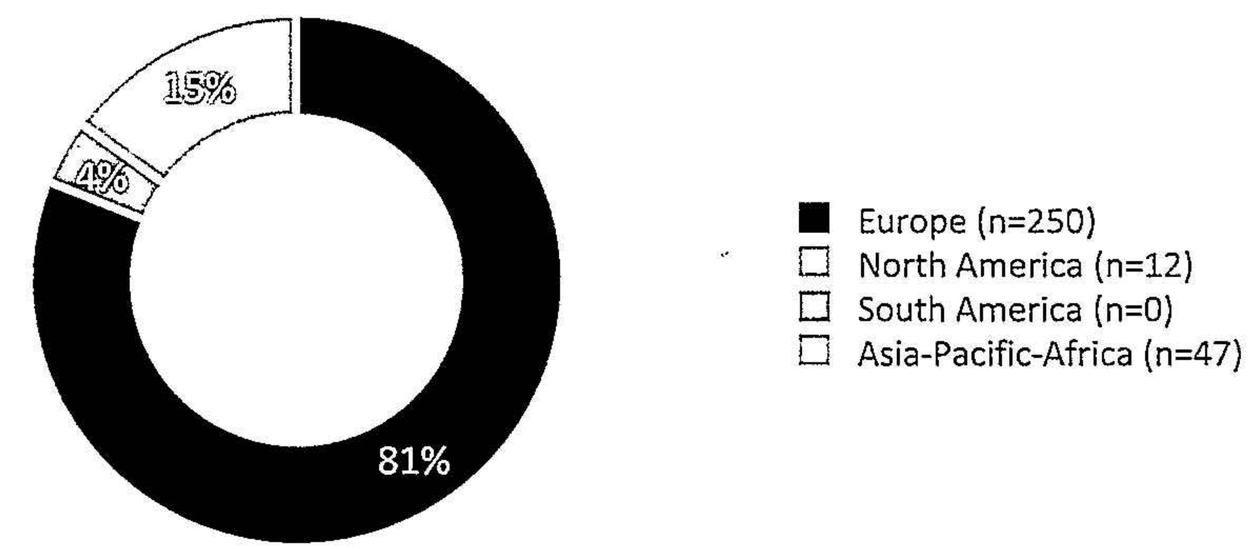
Results of the stakeholder survey

A total of 1,150 stakeholders took part in the survey. Of these, 309 stakeholders completed the questionnaire. Only the completed questionnaires were included in the evaluation.

Participating stakeholders by stakeholder type



Participating stakeholders by region



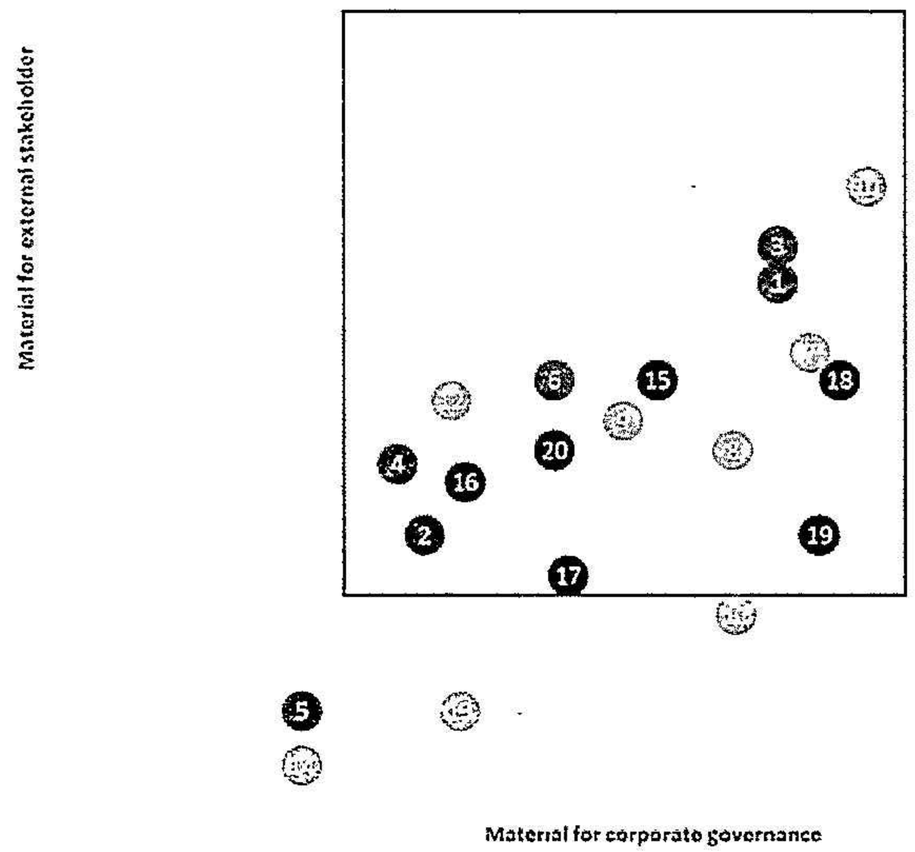
The opening question asked about the most important contribution that JOST makes to sustainability. The following points emerged as the most important aspects for our stakeholders:

1. **Business conduct at JOST** – How we act and take responsibility for the social and environmental impacts of our business activities in order to become more sustainable.
2. **JOST's relationship with its employees** – How does JOST treat its employees?

All other questions referred specifically to the ESG topics. Based on the results, a materiality matrix was compiled to define the priorities for reporting purposes. The results of the stakeholder survey were combined with the evaluation of corporate governance to determine the materiality for JOST. The aspects are considered to be significant if they are important from both perspectives.

The following topics were identified as material and are the focus of non-financial reporting for the 2023 fiscal year. They were confirmed by the Executive Board:

Materiality matrix



Environment

1. To reduce CO_2 emissions
2. To reduce water consumption
3. To improve energy efficiency
4. To improve waste management
5. To improve toxic chemicals management
6. To develop products that promote a sustainable environment through a more efficient usage of natural resources

Social

- Human and labor rights
- Employee engagement
- Employee development
- Employee health, safety and wellbeing
- Workforce diversity, equity and inclusion
- Work-life balance
- Positive impact on local communities
- Charity involvement

Governance

15. Corporate governance
16. Risik management
17. Compliance management
18. Customer satisfaction
19. Financial performance
20. Ethical business practices

Material topics

Environment	To improve energy efficiency
	To reduce CO_2 emissions
	To develop products that promote a sustainable environment through a more efficient usage of natural resources
	To improve waste management
	To reduce water consumption
Social	Employee health, safety and wellbeing
	Human and labor rights
	Employee engagement
	Employee development
	Work-life balance
Governance	Customer satisfaction
	Governance
	Financial performance
	Ethical business practices
	Compliance management
	Risk management

Sustainability rankings

To enable our business partners to assess for themselves how JOST is continuously improving social, environmental and governance aspects, we annually increase the transparency of our non-financial reporting and are open to comments from our stakeholders.

Since JOST introduced sustainability reporting in 2017, we have continually improved the quality of our reporting on non-financial topics. This can be seen in various sustainability rankings from rating institutes such as MSCI ESG (2023 rating: AA), Sustainalytics (2023 rating: Low Risk) and ISS ESG (2023 rating: C-).

EU taxonomy

JOST has assessed the application of the EU taxonomy on its economic activities and in conjunction with this on its sales, capital expenses (capex) and operating expenses (opex) in the 2023 fiscal year. We report only on taxonomy-eligible economic activities related to the environmental goals of "climate change mitigation" and "climate change adaptation."

As a manufacturer and supplier of products and systems for trucks, trailers and tractors, other than engines and other than electronic equipment, JOST's economic activity falls under NACE code 29.32.0 "Manufacture of other parts and accessories for motor vehicles."

JOST products are not included in the economic activities envisaged by the EU taxonomy that represent a significant contribution to climate change mitigation and adaptation.

JOST products may contribute to climate change mitigation as envisaged by the EU taxonomy by being used on "vehicles of categories N2 and N3 not dedicated to transporting fossil fuels with a technically permissible maximum laden mass exceeding 7.5 tons that are 'zero-emission heavy-duty vehicles' as defined in Article 3, point (11) of Regulation (EU) 2019/1242 or 'low-emission heavy-duty vehicles' as defined in Article 3, point (12) of that Regulation."

However, since our products are model-independent and their use is determined by the manufacturers of the trucks and trailers, we do not know which of our products are used in the production of heavy-duty trucks that can be classified as relevant to climate protection according to the above definition under the Taxonomy Act.

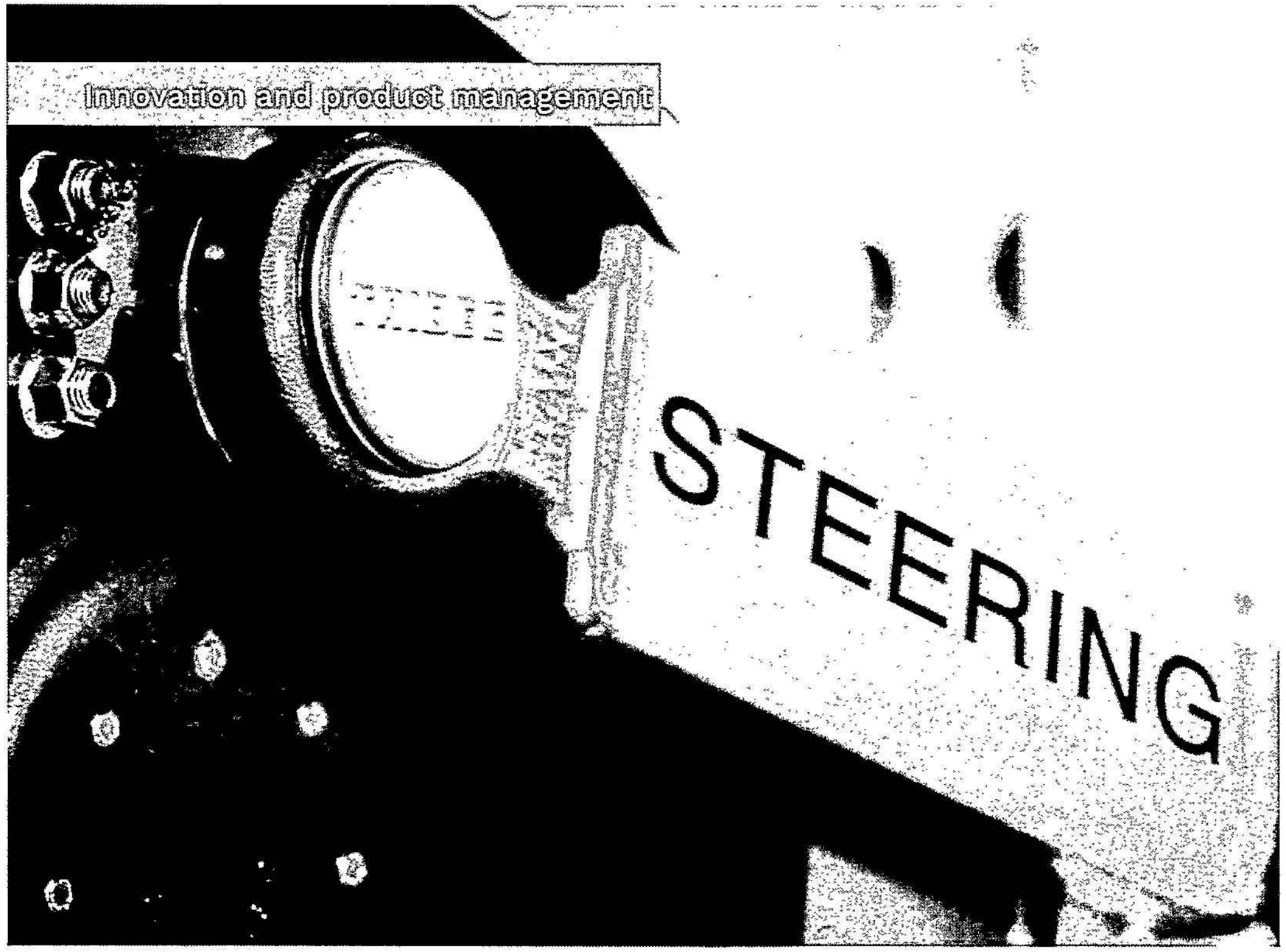
Furthermore, we have no way to rule out that these trucks are not used by end users (fleet operators) to transport fossil fuels.

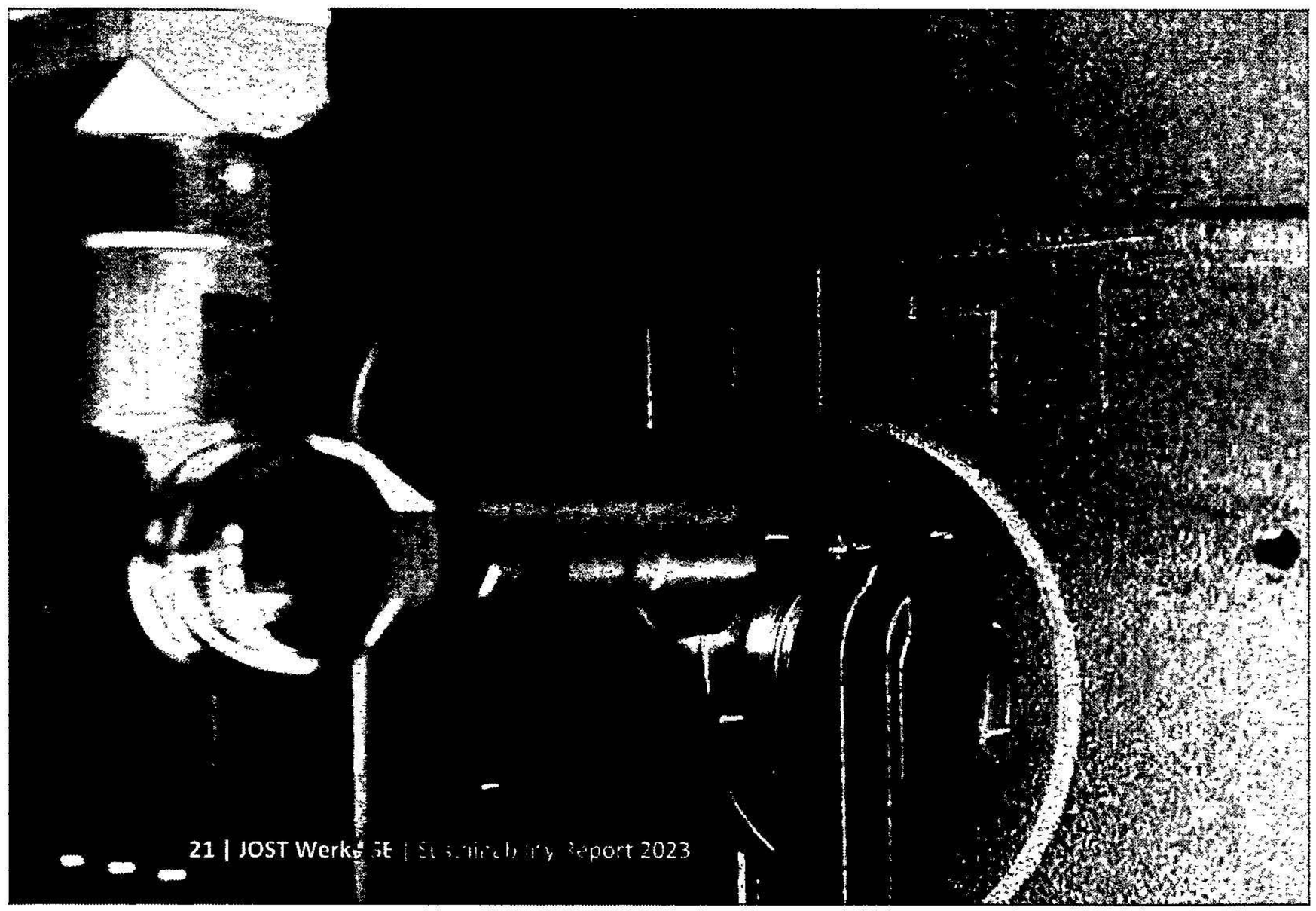
In 2023, JOST recognized revenue measuring EUR 0.5 million from truck manufacturers that exclusively manufacture electric trucks. For these reasons, we consider the proportion of consolidated sales that can be classified as material to climate protection and adaptation within the meaning of the EU taxonomy to be zero.

Our taxonomy-eligible capex rose in the 2023 fiscal year to EUR 4.8 million (2022: EUR 1.0 million) and represents a 15.4 % share (2022: 3.1 %) of JOST's total capex of EUR 30.8 million (2022: EUR 32.3 million). The share of total operating expenditure accounted for by taxonomy-eligible operating expenditure is zero (2022: 0).

GRI 3-3

INNOVATION AND PRODUCT MANAGEMENT





We are experiencing a major transition in the transport and agricultural sectors towards greater sustainability as well as increasing automation and digitalization. Our position as an innovative and service-oriented provider of branded products and system solutions opens up new opportunities that we will seize. The need for sustainable and eco-friendly transport solutions as well as for new, efficient, and environmental ways to feed a growing global population, especially in emerging and developing countries, is a key sustainable development goal that JOST can and will promote with its products and innovations.

Innovations

Product innovations are a key pillar of our corporate strategy. We want our products and systems to help drive the technological transition to more efficient, greener and smart commercial vehicles in the transport and agriculture sectors. At the same time, we want to design our products and production processes to be sustainable so as to minimize the resources and energy they consume during its production as well as during their entire life cycle, thereby increasing resource efficiency.

JOST continually develops new, innovative products to meet our customers' current and, more importantly, future needs. We involve our end users in our innovation processes at an early stage and address their needs when developing our products. When developing new products, we also strive to increase the availability of systems in operation and to fully exploit the longevity and durability of our products. This serves to ensure that our products have long useful lives and that waste is prevented.

We set highest standards of quality, safety and reliability for our products in order to further enhance JOST's competitiveness. In this way, we can help customers make their business safer, more efficient and more sustainable at the same time.

Through close interaction with end users via surveys and conversations, we learn about how our products are used and where there is room for improvement in terms of both safety and environmental impact.

Our ambition in the area of transport is to support increasingly decarbonized and highly automated forms of transportation with our systems and solutions, as well as to further increase the safety and convenience for users. In this way, we want to contribute to the sustainable supply of society while simultaneously reducing the burden on the environment.

In addition to safety, automation and increased comfort, our research and development activities in the 2023 fiscal year remained heavily focused on lightweight construction and weight reduction in both transport and agriculture, as weight-optimized products reduce CO_2 emissions during use and increase the freight efficiency of commercial vehicles.

In the 2023 fiscal year, we launched the following product innovations for the transport sector:

Transport	DCA-X7 brake (JOST)

As the lightest brake in its segment, the new DCA-X7 has achieved a 6 kg increase in payload per axle. This serves to reduce emissions by maximizing payload and performance. The weight advantage has a positive impact on the freight efficiency of the axle.

Impact (environment) **CO_2 reduction / resource conservation**

Weight reduction paired with a reduction of material used, which counts towards the conservation of resources.

Transport	JSK3CNWL (JOST)

The JSK3CNWL fifth wheel coupling features a pneumatic control and operation function for opening the fifth wheel coupling. This lightweight application can be comfortably operated by the driver remotely.

Impact (environment) **CO_2 reduction**

Reduces weight and fuel consumption as one of the lightest fifth wheel couplings available in North America.

Impact (social) **Occupational safety**

Additional safety and improved comfort and ergonomics for drivers.

Transport	JSK35DVS with 2 sensors (JOST)

The new JSK35DVS fifth wheel coupling is equipped with two sensors and was developed specifically for the Asian market.

Impact (social) **Occupational safety**

Popularization of sensors as a safety element and driver assistance function.

Transport	JSK35DVS top liner (JOST)

The JSK35DVS top liner serves as a protective layer to guard the fifth wheel coupling and trailer against premature wear, which simultaneously reduces maintenance expenses. This allows the fifth wheel coupling to be operated without additional lubrication.

Impact (environment) **Less environmental pollution**

Less environmental pollution and lower operating costs.

Transport	Load-detecting landing gears (JOST)

Concepts for detecting landing gear load have been developed in the course of a research project. The goal of this project was to achieve greater accuracy in the context of loading and unloading and to reduce accidents during such processes.

Impact (social) **Occupational safety**

Additional safety for users and improved freight efficiency.

Transport	Fifth wheel coupling for electric trucks (JOST)

JOST has developed a fifth wheel coupling in the form of a robust but lightweight application. The fifth wheel coupling and shifting mechanism have been developed specifically for electric trucks, which are subject to steep requirements for weight optimization.

Impact (environment) **CO_2 reduction**

Electric power trains hold immense potential for reducing CO_2 emissions in the transport sector.

Transport	KingPin Finder (JOST)

Innovative assistance system for the coupling procedure using a camera integrated into the fifth wheel coupling that supports the coupling process with the help of live imaging on the dashboard in the cab.

Impact (social) Occupational health and safety

The secure and controlled coupling of truck and trailer reduces accidents at work and minimizes human error during the coupling procedure.

In agriculture, we want to deploy intelligent systems to further enhance the productivity of commercial vehicles, in addition to safety for users, and improve resource use and crop yields. Safeguarding food supplies for the growing global population is one of our society's greatest challenges. Efficient agriculture plays a decisive role in this. JOST develops solutions that make a contribution here.

We launched the following product innovations for the agriculture sector in the 2023 fiscal year:

Agriculture	Towing hitches with drawbar finders (ROCKINGER)

With the new highly adjustable 40 mm and 50 mm RO845D90 and RO841B40 towing hitches, drivers benefit from additional safety in the context of coupling towing vehicles thanks to the camera assistance function. These are used for tractors and harvesters.

Impact (social) Occupational health and safety

Better handling, safety and health protection for drivers.

Agriculture	Multicoupling C-Series (Quicke)

Multicoupling is a cost-efficient system that allows loader hydraulics to be connected quickly and easily. The product has a highly compact design with a unique and patented alignment function. It serves to increase productivity and safety for the compact vehicle and truck markets.

Impact (environment) Less environmental pollution

The system reduces the risk of oil leakage and the necessity of cleaning with degreasing agents, which serves to protect the environment from pollution and contamination.

Impact (social) Occupational health and safety

The multicoupling offers comfort and ergonomics for users by making loader hydraulics safer and more user-friendly.

Agriculture	Q9S front loader (Quicke)

The new Q9S front loader has been developed for the new loader platform. At the same time, the weight of the loader has been reduced by 10 kg.

Impact (environment) CO_2 reduction

CO_2 reduction thanks to weight reduction

Agriculture	HD-O hydraulic axle (TRIDEC)

The HD-O hydraulic axle has been optimized for weight reduction (23 kg per axle), which serves to increase vehicle load capacity.

Impact (environment) CO_2 reduction

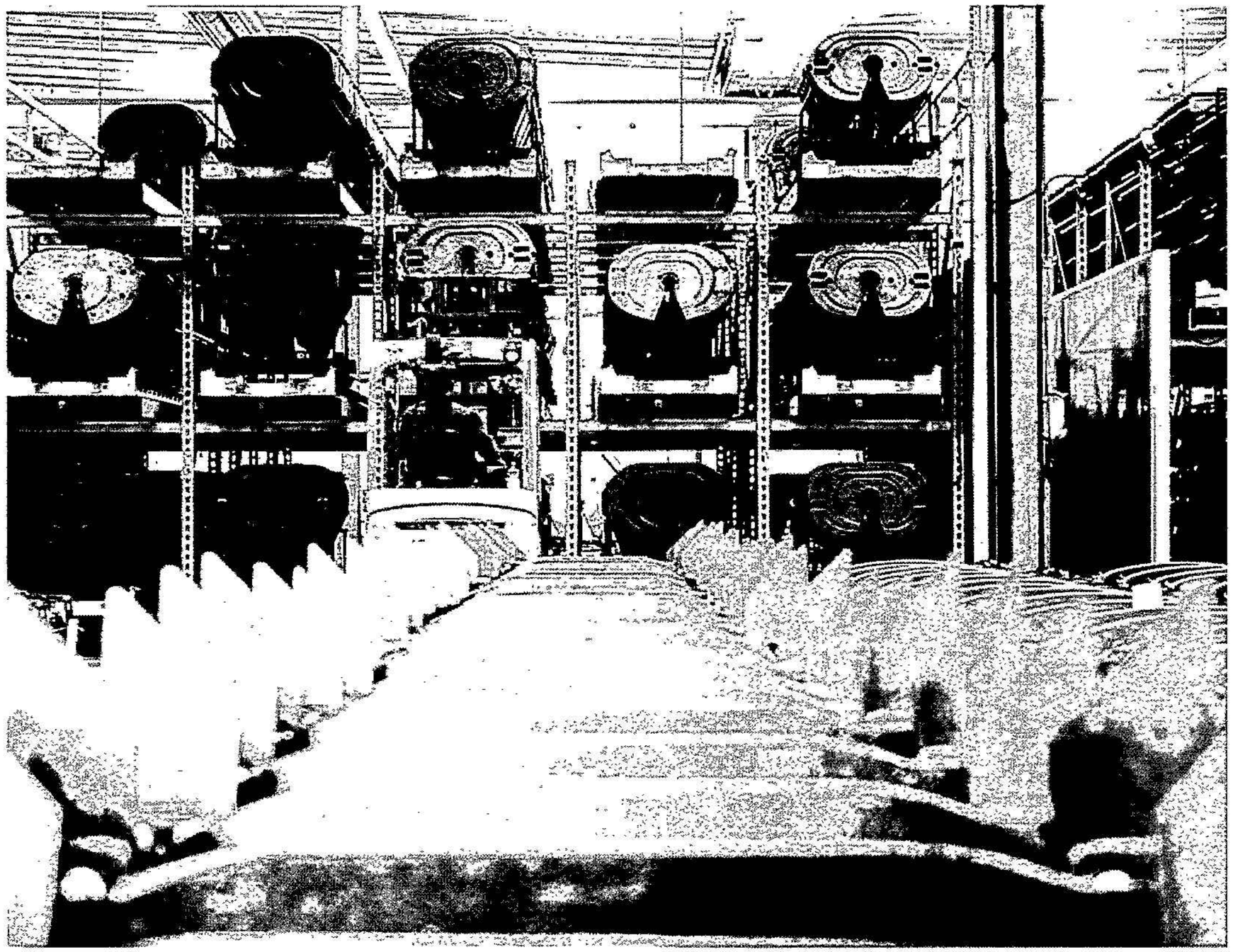
Increasing the cargo load per trip serves to reduce the number of trips required. This serves to reduce the amount of emissions per load.

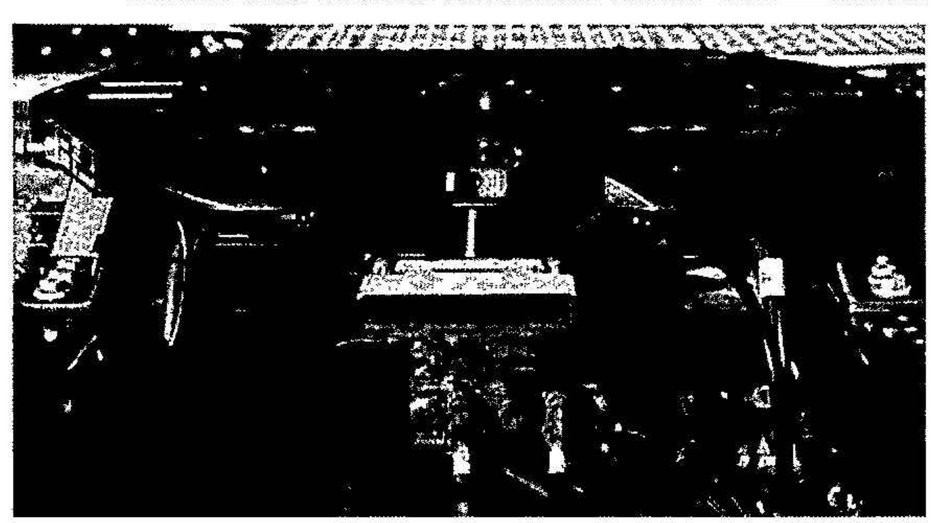
Innovation and product management

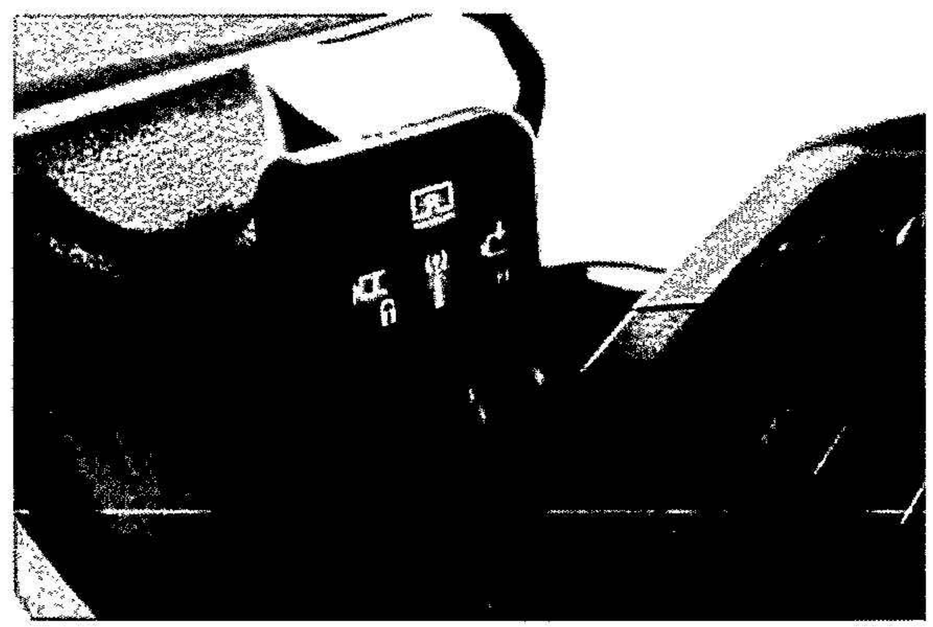
Our technical customer service is highly involved in innovation and the further development of our products. It gathers facts about how products are actually used as well as insights into customer wishes and changing market requirements. These findings flow back into the development process. This allows JOST to respond to new market requirements with new developments and product adjustments in a rapid, flexible and results-oriented manner, which in turn enables us to enhance functional and product safety, ergonomics, user-friendliness and occupational safety for users of our products.

Patents are a crucial instrument for the protection of JOST's product innovations. As such, carrying our innovative strengths over into patents is a major priority for us. A great emphasis is placed on maintaining procedural and methodological competencies related to the patent process as well as ensuring awareness of the importance of patents to the company. The number of new patent registrations rose to 63 in 2023 (2022: 41).

Since 2021, each product development application is preceded by an assessment of the planned innovation's contribution to the United Nations Sustainable Development Goals (SDGs), which have been signed by JOST. This is of key importance to JOST, as any initiation of new product developments must align with its corporate strategy and goals. The applicant must note that new projects can be attributed to at least one SDG goal. We have switched to paperless user manuals and documentation, for example. The customer can access a product's instructions for operation via barcode. This contributes towards goals such as SDG 13, "Climate Action," by reducing consumption of paper and other resources.







Product management

In addition to new developments, we focus on continuously enhancing our existing product portfolio. Ongoing research and development projects follow a defined process with regular reports at operating and management level. This is firmly anchored in JOST's integrated management system and process landscape.

Our research and development expenses increased by 2.7 % to EUR 20.2 million in the 2023 fiscal year (2022: EUR 19.7 million). Our research intensity (research and development expenses as a percentage of sales) amounted to 1.6 % in this period (2022: 1.6 %). During the 2023 fiscal year, we implemented a total of 364 further developments to our existing products (2022: 222).

The following overview represents the contribution to sustainability of selected JOST products that are already in our existing product portfolio:

Transport	EF-S Light (TRIDEC)

The electronic steering system (EF-S) enables steering of one, two or three steering knuckle axles. EF-S Light was launched in 2021.

Impact (environment) CO_2 reduction

Vehicle weight is reduced by 71 kg compared with mechanical steering systems (CO_2 reduction). Additional features offer improved autonomy.

Transport	DCA WEIGHTMASTER *PLUS* axle (JOST)

DCA WEIGHTMASTER *PLUS* is the lightest axle in its class. Structural optimization of the axle as a whole has resulted in weight reduction by 17 kg. The weight, wear and performance-optimized wheel head is a unique feature of the axle.

Impact (environment) CO_2 reduction / resource conservation

Reduction of emissions, conservation of resources and maximization of efficiency.

Transport	DCA-L7-2 (JOST)

DCA-L7-2 disc brake with a weight-optimized brake caliper design with the same performance.

Impact (environment) CO_2 reduction

Reduced weight, payload increased by 3 kg/axle – CO_2 reduction.

Transport	JOST KKS (automatic coupling system) (JOST)

JOST has fully automated the coupling process between semitrailer trucks and trailers.

Impact (environment) CO_2 reduction

CO_2 reduction thanks to automated, efficient transport.

Impact (social) Occupational health and safety

Additional occupational health and safety.

Transport	Drawbar Finder (integrated camera system) (ROCKINGER)

Supports the coupling procedure with the help of a camera system integrated into the trailer hitch. The reversing camera system (Drawbar Finder) helps the truck line up correctly with the drawbar on the trailer. An overlay software system supports the driver in adjusting the height of the truck to match that of the drawbar on the trailer.

Impact (social) Occupational health and safety

Additional occupational health and safety.

Transport	Bio high-performance lubricant (JOST)

Bio high-performance lubricant ensures reliable lubrication of the fifth wheel coupling plate and the locking hook of the fifth wheel coupling. Our LubeTronic system ensures an active reduction in the amount of grease required.

Impact (environment) Resource conservation

Environmentally friendly, as biodegradable and minimal consumption.

Transport	Non-lubricated ball coupling (JOST)

The ball coupling functions completely without lubricants. The traditional lubricant is replaced by a newly developed plastic cap that reduces wear.

Impact (environment) Resource conservation

Avoids the use of lubricants, reduces environmental pollution.

Transport	Aluminum support leg and S foot for landing gears (JOST)

Reduced rolling resistance and fuel consumption, more cargo with the same gross vehicle weight.

Impact (environment) CO_2 reduction / resource conservation

Less environmental pollution due to reduced fuel consumption, lower operating costs.

Transport	TZ3 and TZ5 (JOST)

Conventional bearings require regular maintenance. Future wheel ends will be maintenance-free.

Impact (environment) CO_2 reduction

The wheel ends feature reduced weight (TZ3: 19 kg, TZ5: 10 kg). This results in the reduction of CO_2 emissions.

Transport	LV-O (TRIDEC)

Our independent suspension reduces the assembly space for the wheels, opening up cargo volume, resulting in a 60 % increase in load capacity.

Impact (environment) CO_2 reduction / resource conservation

The LV-O increases transport efficiency for volume transports and significantly reduces the number of runs, cuts costs and protects the environment and infrastructure.

Agriculture	JCB 4000 Series (ROCKINGER)

The JCB 4000 Series towing hitch contributes towards weight reduction.

Impact (environment) CO_2 reduction

A significant weight reduction of 9 kg has been achieved. Saves fuel and optimizes the production process.

Agriculture	Quicke Control System (Quicke)

The control system has been converted to a new software version for Quicke control systems and operator assistance tools. It increases the efficiency of agricultural processes by integrating functions into a smart operating concept for front loaders. The system comprises an ergonomic control element, the QE-Command (joystick), and a digital operation and display device, the Q-Companion.

Impact (social) Occupational health and safety

The system improves the ease of operation and precision of loader movements as well as the comfort of joystick operation. Improved ergonomics, greater work efficiency and increased flexibility.

CLIMATE AND ENVIRONMENT

GRI 2-27, 3-3

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

We are keen to minimize our environmental impact and avoid it where possible in the course of our business activities. As a result, integrated quality and environmental management is part and parcel of the culture of JOST. It is our goal is to make our production sites safe and sustainable. Our quality and environmental management teams are responsible for making sure that this goal is met.

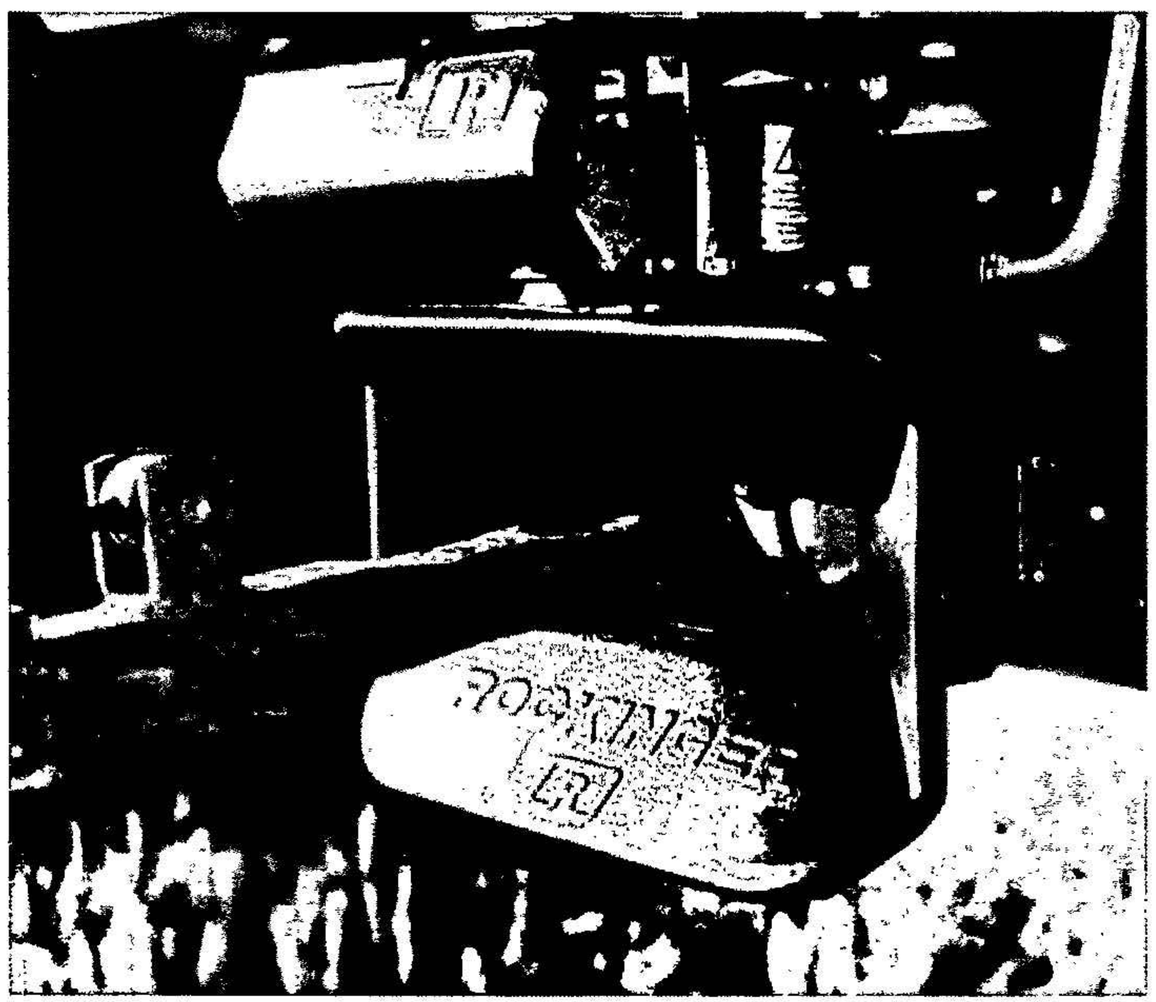
A structured program of employee training, combined with regular appraisals of health, safety, quality and environmental management, supports the implementation of established standards and policies and helps with the early identification of any areas in need of intervention. As part of our risk management system, we continuously and systematically identify risks and potential hazards in order to minimize them. On-site experts check compliance with local standards and the regulations that govern the safe operation of the plant.

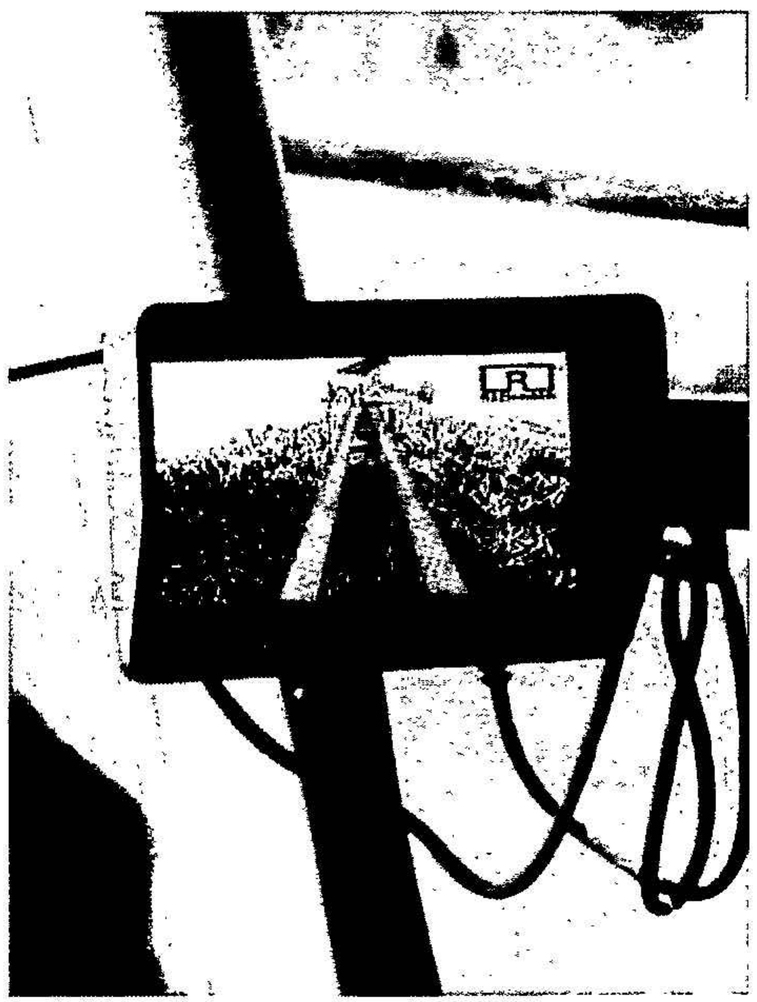
In addition, regular external audits are carried out for the purposes of certification in accordance with the DIN ISO 9001 quality management standard, the DIN ISO 14001 environmental management standard, the DIN ISO 45001 occupational health and safety management standard, the conformity requirement (KBA confirmation) and the IATF 16949 automotive industry standard. If the results of the audits show potential for improvement, we implement the appropriate measures.

It is our mission to expand the certification of our sites on a continuous basis. Certifications enable us to make improvements to the local management systems at our production plants on an ongoing basis. The annual external audits inject new stimuli into the Group, which we can roll out to other sites by exchanging best practices. In 2023, the Global Logistics Center (GLC) in Erfurt was successfully audited in accordance with ISO 9001. The site has been added to our matrix certification for ISO 9001.

At present, 67 % of our production plants are certified to ISO 14001 (2022: 65 %), which equates to 16 of our 24 sites (2022: 13 of 20). The change in this ratio relative to the previous year is attributable to the acquisition of production sites in Brazil, Finland and China as well as the construction of a new production plant in Chennai, India. We have presented the two TRIDEC companies in the Netherlands and Portugal as two separate companies in this year's overview. Accordingly, the number of ISO 14001-certified production sites has increased relative to the previous year.

Once again, we received no complaints during the 2023 fiscal year relating to environmental impacts and breaches of environmental legislation or regulations (2022: 0). Consequently, there were no environmental offenses and no sanctions to report.





	ISO 9001	ISO 14001	IATF 16949	KBA confirmation	ISO 45001
Europe					
JOST-Werke Deutschland GmbH, Neu-Isenburg, Germany	○	○	○	○	
JOST-Werke Deutschland GmbH, Wolframs-Eschenbach, Germany	○	○			
ROCKINGER Agriculture GmbH, Waltershausen, Germany	○	○		○	
JOST Hungária Kft., Hungary	○	○	○		
JOST Ibérica S.A., Spain	○	○	○		
JOST Polska Sp. z o.o, Poland	○	○	○		
JOST TAT OOO, Russia	○	○			
TRIDEC B.V., Netherlands	○	○			
TRIDEC - Sistemas Direccionais para Semi-Reboques Lda., Portugal	○	○			
JOST Otomotiv Sanayi Ticaret A. Ş., Turkey	○				
ÅLÖ AB, Sweden	○	○			
Agroma S.A., France	○				
LH Lift Oy, Finland	○	○			○
North and South America					
JOST Brasil Sistemas Automotivos Ltda., Brazil	○	○	○		○
JOST International Corporation, Grand Haven, USA	○				
JOST International Corporation, Greeneville, USA		○	○		
JOST Agriculture Inc., Simpsonville, USA	○				
Crenlo do Brasil Engenharia de Cabines Ltda	○	○			
Asia-Pacific-Africa					
JOST Australia Pty Ltd., Australia	○				
JOST (China) Auto Component Co. Ltd., China	○	○	○		○
JOST India Auto Component Pvt. Ltd., India		○	○		○
JOST (South Africa) Pty. Ltd., South Africa	○				
Alo Agricultural Machinery (Ningbo) Co. Ltd., China	○				
LH Lift (Ningbo) Oy, China	○				
Percentage of certified plants	92%	67%	33%	8%	17%

Materials used

GRI 301-2

Since the commercial and environmental impacts of resource consumption are closely linked, they often point in the same direction. For instance, efficiency measures often have a positive impact on the environment by minimizing the consumption of resources. The greatest environmental risks in the production of our products are to be found in the upstream value chain, for example, in iron smelting or in forges and foundries that generate high climate-relevant emissions during the production of steel products.

Roughly 74.0 % of the materials we use are pre-processed steel and iron products. A detailed study carried out in 2018 by "Drive Sustainability, the Responsible Minerals Initiative" on the sustainability risks of various raw materials assessed the risks of environmental damage from the introduction of hazardous chemicals or acids into the environment during steel production and processing as low. In contrast, it judged the environmental damage from carbon dioxide emissions (CO_2 emissions) to be high. The risk that iron smelting could pose a danger to nature reserves was also rated as high.

JOST limits such risks through the responsible and accurate assessment of our direct suppliers before selection. However, our Supplier Code of Conduct requires that our direct suppliers uphold sustainability standards and exercise control over their own supply chain. Signing this Supplier Code is a prerequisite for new supplier relationships.

We also carried out a dedicated risk analysis in 2023 to identify potential risks resulting from the sites and business activities of our direct suppliers. This analysis allows us to identify suppliers which are subject to elevated risks of human rights or environmental violations and to minimize such risks in the future by means of targeted supplier visits and audits.

We also seek to use a high proportion of recycled materials in our production. We primarily manufacture our products using cast parts made from 40 % recycled scrap. Another 40 % of cast parts used employ recycled material from our suppliers' own production cycles. As such, the cast parts we use consist of 80 % recycled material and 20 % raw iron.

Ecological indicators

GRI 3-3

Resource efficiency is a key goal of our corporate strategy. We constantly strive to use our resources efficiently and effectively. The general goal of our climate and environmental responsibilities is to continually improve our output-related environmental performance. In so doing, we want to become more efficient and more eco-friendly while at the same time supporting our customers' efforts to create more sustainable supply chains.

Our environmental management system tracks and monitors our performance with regard to energy consumption, waste volume, water consumption and climate-relevant emissions.

Since 2022, we have used a Group-wide system that allows us to calculate CO_2 emissions and electricity, gas, oil, district heating and water consumption on a monthly basis. These data can be analyzed on a monthly basis at the plant, segment and Group levels. This makes it possible to monitor changes in the indicators throughout the year and to analyze and control deviations between target and actual values in a timely manner. These indicators are integrated into monthly reporting to the Executive Board and Supervisory Board.

Climate protection and energy efficiency

GRI 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4, 305-5

In the 2020 fiscal year, JOST set itself the target of reducing Scope 1 and 2 CO_{2eq} emissions per production hour by 50 % by 2030 compared with the 2020 fiscal year. The year 2020 was chosen as the base year because the acquisition and integration of the Ålö Group in 2020 significantly changed JOST's energy and CO_2 footprint compared with previous years. Accordingly, fiscal 2020 provides a better basis for measuring future development.

We are concentrating on emissions generated by our production activities and associated energy consumption (Scope 1 and Scope 2). Since we operate in a cyclical industry in which absolute production volumes are subject to strong fluctuations depending on the position of the cycle, the goal refers to emissions intensity (kg of CO_{2eq} emissions per production hour).

JOST almost reached this self-defined target during the 2023 fiscal year, much earlier than originally anticipated. Relative to 2020, the base year, we were able to reduce our Scope 1 and Scope 2 CO_{2eq} emissions per production hour by 46.0 % to 3.4 kg CO_{2eq} emissions per production hour in 2023 (2020: 6.3 kg CO_{2eq} emissions per production hour).

We achieved most of the reduction in Scope 2 emissions by increasing the share of renewable energies in our electricity mix worldwide to 36.6 %, a considerable increase relative to 2020 (2020: 0). This, in conjunction with measures to reduce our power consumption per production hour, has enabled us to reduce our Scope 2 greenhouse gas emissions by 39.3 % relative to the base year to a level of 14,087 tons CO_{2eq} (2020: 23,207 tons CO_{2eq}).

Indicator	Unit	2020 base year	2022 [1]	2023 [2]	Change vs. base year	Change vs. previous year
Electricity consumption	million kWh	50.5	52.0	**50.6**	0 %	-2.7%
Electricity consumption intensity	kWh/ prod. hr.	8.8	6.9	**6.3**	-28.4 %	-8.7%
Natural gas, oil and district heating	million kWh	47.9	56.1	**54.2**	+13.2 %	-3.4%
Natural gas, oil and district heating intensity	kWh/ prod. hr.	8.4	7.4	**6.7**	-20.2 %	-9.5%
Total energy consumption	million kWh	98.4	108.2	**105.3**	+7.0 %	-2.7%
Energy consumption intensity	kWh/ prod. hr.	17.2	14.3	**13.0**	-24.4 %	-9.1%
$CO_{2äq}$ emissions (Scope 1)	t CO_{2eq}	12,746	13,986	**13,242**	+3.9 %	-5.3%
$CO_{2äq}$ emissions (Scope 2)	t CO_{2eq}	23,207	18,191	**14,087**	-39.3 %	-22.6%
$CO_{2äq}$ emissions (Scope 1+2)	t CO_{2eq}	35,952	32,177	**27,328**	-24.0 %	-15.1%
$CO_{2äq}$ emissions (Scope 1+2) per revenue sales	kg CO_{2eq}/ TEUR	45.3	25.4	**21.9**	-51.7 %	-13.8%
$CO_{2äq}$emissions intensity (Scope 1+2)	kg CO_{2eq}/ prod. hr.	6.3	4.2	**3.4**	-46.0 %	-19.0%

1) The data from 2022 were subsequently adjusted based on final accounts from energy suppliers, as extrapolated data based on consumption in the first eleven months was assumed for some sites in the Sustainability Report 2022. The figures for acquired companies Crenlo do Brasil and LH Lift are only taken into account for the 2023 fiscal year from September 1, 2023, onwards (time of consolidation within the Group).

2) Some data were extrapolated based on the first eleven months of 2023, as final accounts were not available for some sites at the time the report was prepared.

In the 2023 fiscal year, JOST was able to reduce Group-wide absolute energy consumption by 2.7 % relative to the previous year to 105.3 million kWh (2022: 108.2 million kWh) despite the additional absolute energy consumption of 5.7 million kWh consolidated due to the acquisition of Crenlo do Brasil and LH Lift as of September 1, 2023.

In 2021, as part of our CO_2 reduction activities, JOST began carrying out a detailed analysis in order to identify the most energy-intensive production processes at JOST. Since then, an interdisciplinary group has worked to develop measures to reduce the energy needs of these processes on an ongoing basis. Multiple measures were implemented gradually over the course of 2022 and 2023 and have resulted in a successful reduction of electricity and gas needs.

Significant levers we identified were adjustments to coating and painting processes, automatic doors, improvements to the insulation of selected facilities and the reduction of the heating temperature in winter. The insulation of the coating oven at the production plant in Poland was also improved in 2023.

In this way, JOST was able to decrease its gas, oil and district heating consumption by 3.4 % to 54.2 million kWh in 2023 (2022: 56.1 million kWh). This includes the 2.9 million kWh contributed by the two acquired companies since September 1, 2023. Adjusting for the takeover effect, absolute gas, oil and district heating consumption would have decreased by 8.6 % relative to the previous year.

We were also able to reduce our electricity consumption by 2.7 % to 50.6 million kWh compared with the previous year in 2023 (2022: 52.0 million kWh). Adjusting for the 2.8 million kWh contributed by the acquired companies, electricity consumption would have decreased by 8.1 % relative to the previous year.

The intensity key figures for electricity, natural gas, oil and district heating consumption (per production hour in each case) also improved significantly relative to the previous year. Total energy consumption intensity fell by 9.1 % to 13.0 kWh per production hour (2022: 14.3 kWh per production hour).

JOST's absolute Scope 1 and Scope 2 CO_2 emissions declined relative to both the base year of 2020 and the previous year, decreasing by 15.1 % to 27,328 tons CO_{2eq} (2022: 32,177 tons CO_{2eq}). This includes 1,738 tons CO_{2eq} from the new companies Crenlo do Brasil and LH Lift. Adjusting for the takeover effect, absolute Scope 1 and Scope 2 CO_2 emissions would have decreased by 20.5 % relative to the previous year. This improvement is attributable to the reduction in energy consumption described above as well as the considerably improved electricity mix of purchased electricity and the increased share of solar power generated in-house relative to the previous year.

The share of total electricity consumption attributable to renewable energies rose by 18.6 % relative to the previous year to 18.5 million kWh in 2023 (2022: 15.6 million kWh). This figure refers to the sites that obtain 100 % of their electricity consumption from renewable energy sources and to solar power generated in-house. The share of renewable energies in our total electricity mix thus increased by 6.7 % to 36.6 % in 2023 (2022: 29.9 %). In the 2023 fiscal year, we also identified further electricity supply contracts in which a switch to a less CO_2-intensive electricity mix can be implemented after the existing supply contracts expire.

JOST also made further progress with the construction of solar power systems on the roofs of its own production sites in 2023. In addition to the photovoltaic systems at the Portugal and Turkey sites, which commenced operation in 2022, we successfully commissioned two additional systems in Germany and Poland in 2023.

This allowed us to dramatically increase the solar power generated in-house many times over to 506.8 thousand kWh in 2023 (2022: 16.2 thousand kWh). This figure will increase continuously over the years ahead, as the installation of more solar power systems is planned.

Supported by these measures, we were able to further improve Scope 1 and Scope 2 CO_2 emissions per production hour relative to the previous year. This figure decreased by 19.0 % to 3.4 kg CO_{2eq}/prod. hr. (2022: 4.2 kg CO_{2eq}/prod. hr.).

In the context of the production of fifth wheel couplings, the majority of CO_2 emissions are attributable to the material used (Scope 3). We estimate this proportion to be approximately 83 % of overall CO_2 emissions. In the case of landing gears, the estimated share of total emissions that can be attributed to materials used (Scope 3) of 94 % is even higher. The use of the material (mainly steel or steel products) is necessary to fulfill the stability, safety and durability requirements of both product groups.

Water efficiency

GRI 303-1, 303-5

Water is consumed at JOST mainly for cleaning production equipment and buildings, operating the CDC systems and for hygiene purposes for employees. JOST's water consumption in the 2023 fiscal year increased by 8.0 % to 163.4 thousand m^3 relative to the previous year (2022: 151.3 thousand m^3). This is largely attributable to the additional water consumption by the newly acquired companies and the increase in production volume in China. Capacity utilization in China was much lower in the previous year than in the 2023 fiscal year due to the slump in the local truck market.

Water consumption per production hour, however, remained unchanged relative to the previous year at 0.020 m^3 per production hour (2022: 0.020 m^3/prod. hr.).

In countries such as India, we collect and use rain water to minimize consumption of supply water. In Europe and North America, water is sourced from the public supply network.

During the 2023 fiscal year, the relevant key figures for water consumption developed as follows:

Indicator	Unit	2020	2022 [1]	2023 [2]	Change vs. previous year
Water consumption	thousand m^3	126.6	151.3	**163.4**	+8.0 %
Water consumption intensity	m^3/prod. hr.	0,022	0.020	**0.020**	0 %

1) The data from 2022 were subsequently adjusted based on final accounts from water suppliers, as extrapolated data based on consumption in the first eleven months was assumed for some sites in the Sustainability Report 2022. The figures for acquired companies Crenlo do Brasil and LH Lift are only taken into account for the 2023 fiscal year from September 1, 2023, onwards (time of consolidation within the Group).

2) Some data were extrapolated based on the first eleven months of 2023, as final accounts were not available for some sites at the time the report was prepared.

Waste

GRI 306-3

In the 2023 fiscal year, the Group-wide waste volume increased by 30.8 % to 24,801 tons (2022: 18,961 tons). The primary reason for the strong increase is the first-time consolidation of subsidiaries Crenlo do Brasil and LH Lift as of September 1, 2023. In addition, the waste from the Global Logistics Center in Erfurt, Germany, which was completed and commissioned in the previous year, was taken into account for the first time in 2023.

Waste intensity (waste volume per production hour) also increased relative to the previous year, rising 22.5 % to 3.07 kg per production hour (2022: 2.50 kg/prod. hr.).

The share of scrap metal in our total waste volume rose by 0.8 % to 73.5 % (2022: 72.7 %). This relates exclusively to metals such as steel that are returned to economic circulation and fully recycled.

The share of hazardous waste relative to total waste volume increased slightly to 4.7 % (2022: 4.3 %). JOST's hazardous waste includes grease, paint and oil sludges that are using during production. This waste is generated primarily from the painting of products and from cleaning and maintaining the production equipment. It is disposed of professionally by certified waste disposal companies.

The share of non-hazardous waste decreased slightly to 21.8 % (2022: 23.0 %). This category includes wood, paper, plastic and residual waste. By separating waste, JOST strives to return the reusable share of its non-hazardous waste to the economic cycle. The remaining share is professionally disposed of by certified waste disposal companies.

In the 2023 fiscal year, the relevant waste key figures developed as follows:

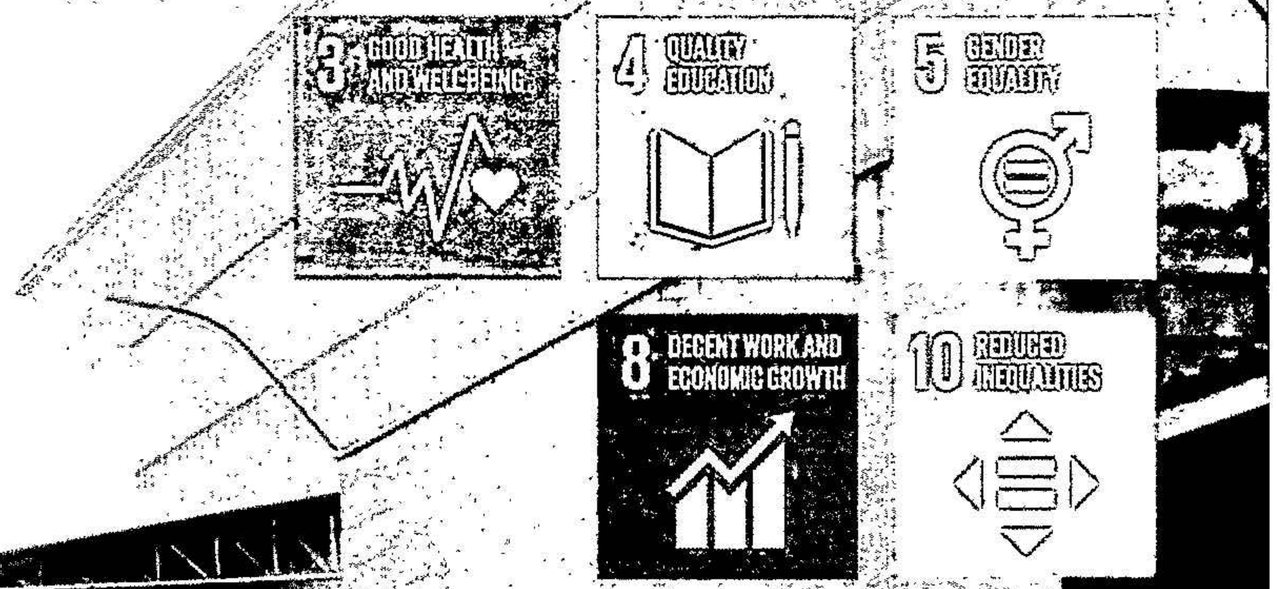
Indicator	Unit	2020	2022 [1]	2023 [2]	Change vs. previous year
Total waste	tons	15,904	18,961	**24,801**	+30.8 %
Waste intensity	kg/prod. hr.	2.77	2.50	**3.07**	+22.5 %

1) The data from 2022 were subsequently adjusted based on final accounts from waste disposal companies, as extrapolated data based on consumption in the first eleven months was assumed for some sites in the Sustainability Report 2022. The figures for acquired companies Crenlo do Brasil and LH Lift are only taken into account for the 2023 fiscal year from September 1, 2023, onwards (time of consolidation within the Group).

2) Some data were extrapolated based on the first eleven months of 2023, as final accounts were not available for some sites at the time the report was prepared.

PEOPLE AND CULTURE

GRI 3-3



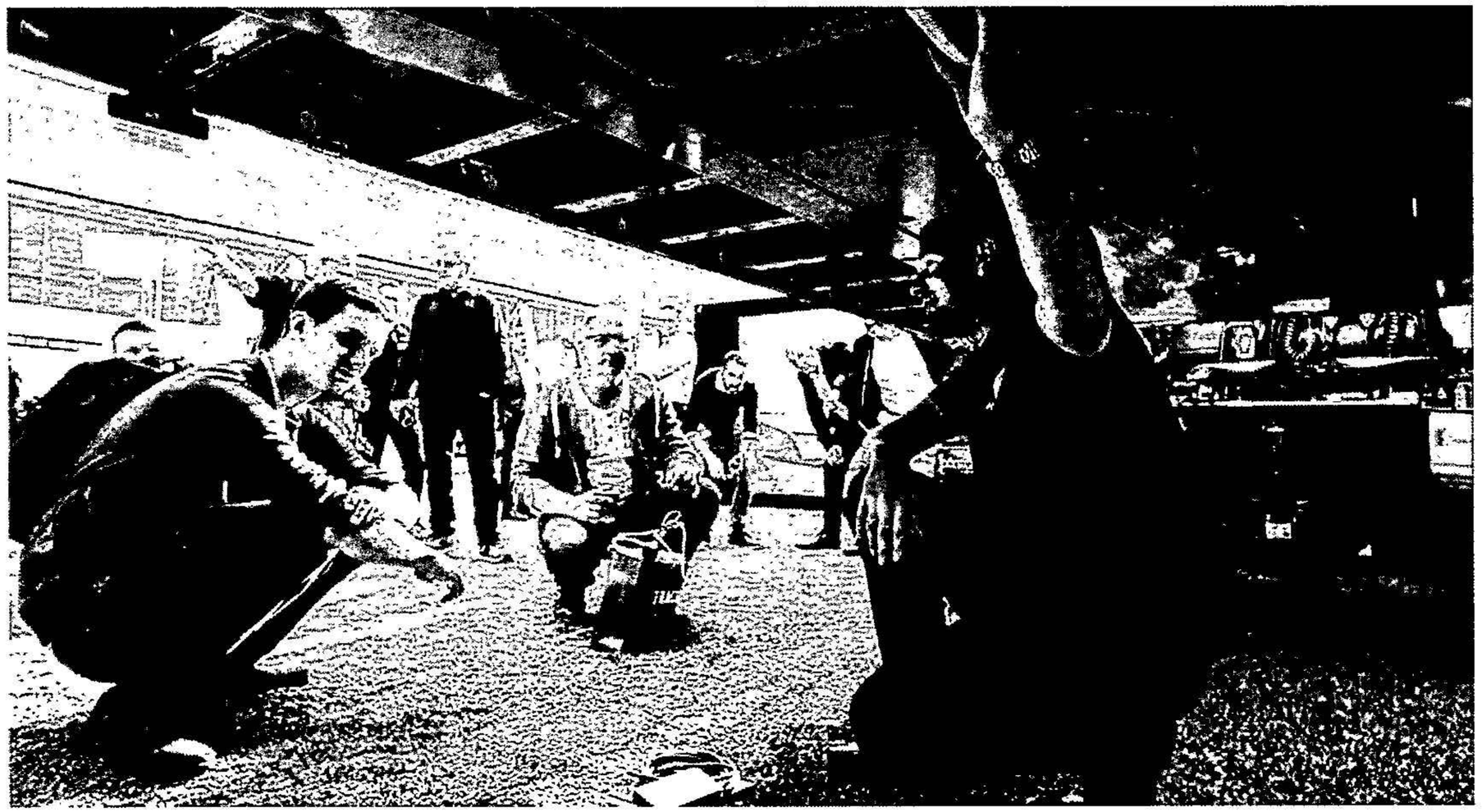
People and culture

Our long-term ambition is to create a working environment where our employees feel comfortable, are highly engaged and can perform at their best. People and culture are key to ensuring JOST is and remains an attractive employer. The commitment of our people drives our performance, innovation, and ultimately our sustainable business success. We therefore want to empower and develop our employees and inspire their enthusiasm for JOST so that we can continue to grow sustainably and profitably.

We have developed our reputation and credibility over 70 years based on rigorously conforming to high standards of business and personal conduct. JOST is committed to meeting the social responsibilities that go along with our status as an international company. For JOST, this starts with human rights and labor rights. During our materiality analysis, 60 % of our stakeholders overall confirmed that human and labor rights are of material significance to our business activities.

For JOST, embedding respect for human rights and labor rights in our company operations and business relationships is the most effective way to prevent harm to people and build trusting relationships with the communities and stakeholders our business relies on. JOST underscores this commitment with a global Human Rights Policy that serves to supplement our own Code of Conduct and Supplier Code of Conduct.

Together with our employees, we want to further enhance JOST's attractiveness as an employer to remain competitive on the labor market. This is the only way to attract the most talented individuals to JOST and foster their commitment. Resilience, flexibility, empathy and transparency play a key role here.



Our global reach

GRI 2-7, 401-1

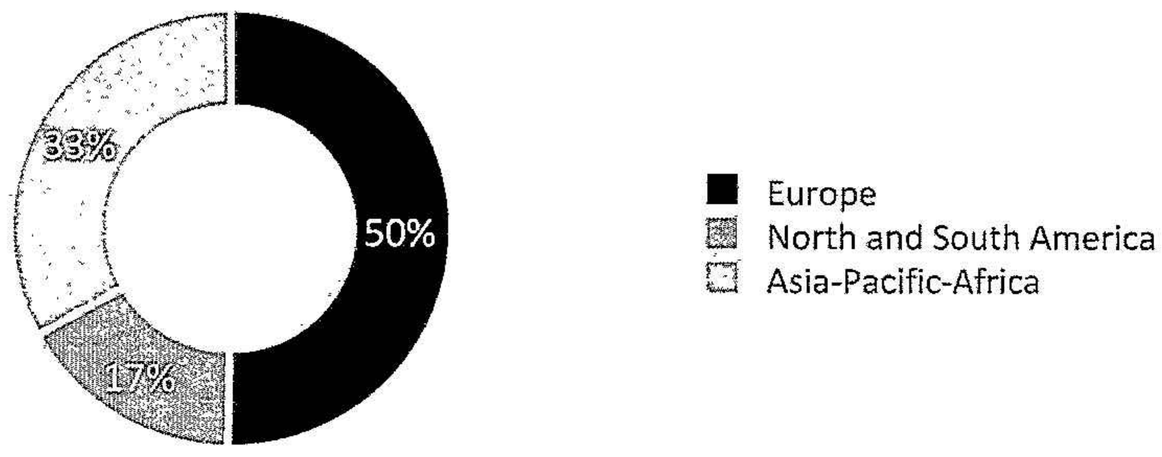
As of the reporting date of December 31, 2023, we had 4,442 employees worldwide. This corresponds to a rise of 23.5 % compared with the previous year (December 31, 2022: 3,603). The increase is mainly attributable to the acquisitions of Crenlo do Brasil and LH Lift as of September 1, 2023. Averaged over the year, we employed 3,992 people (2022: 3,516) and a further 550 temporary staff (2022: 606).

Number of employees by function as of December 31

	Dec. 31, 2023	Dec. 31, 2022	Change vs. previous year
Production	3,182	2,417	+31.7 %
Sales	662	669	-1.0 %
Research and development	183	143	+28.0 %
Administration	415	373	+11.3 %
Total	4,442	3,602	+23.3 %

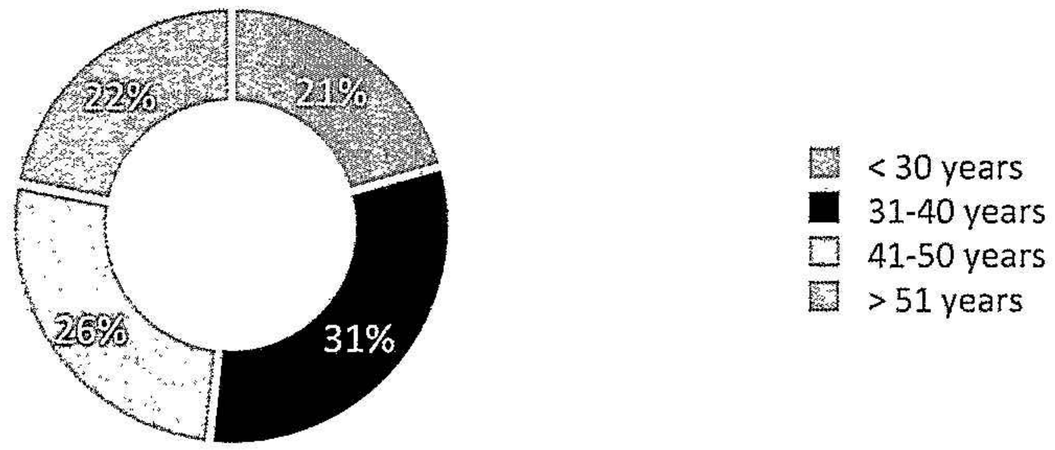
Employees by region

As of December 31, 2023



Employees by age

As of December 31, 2023



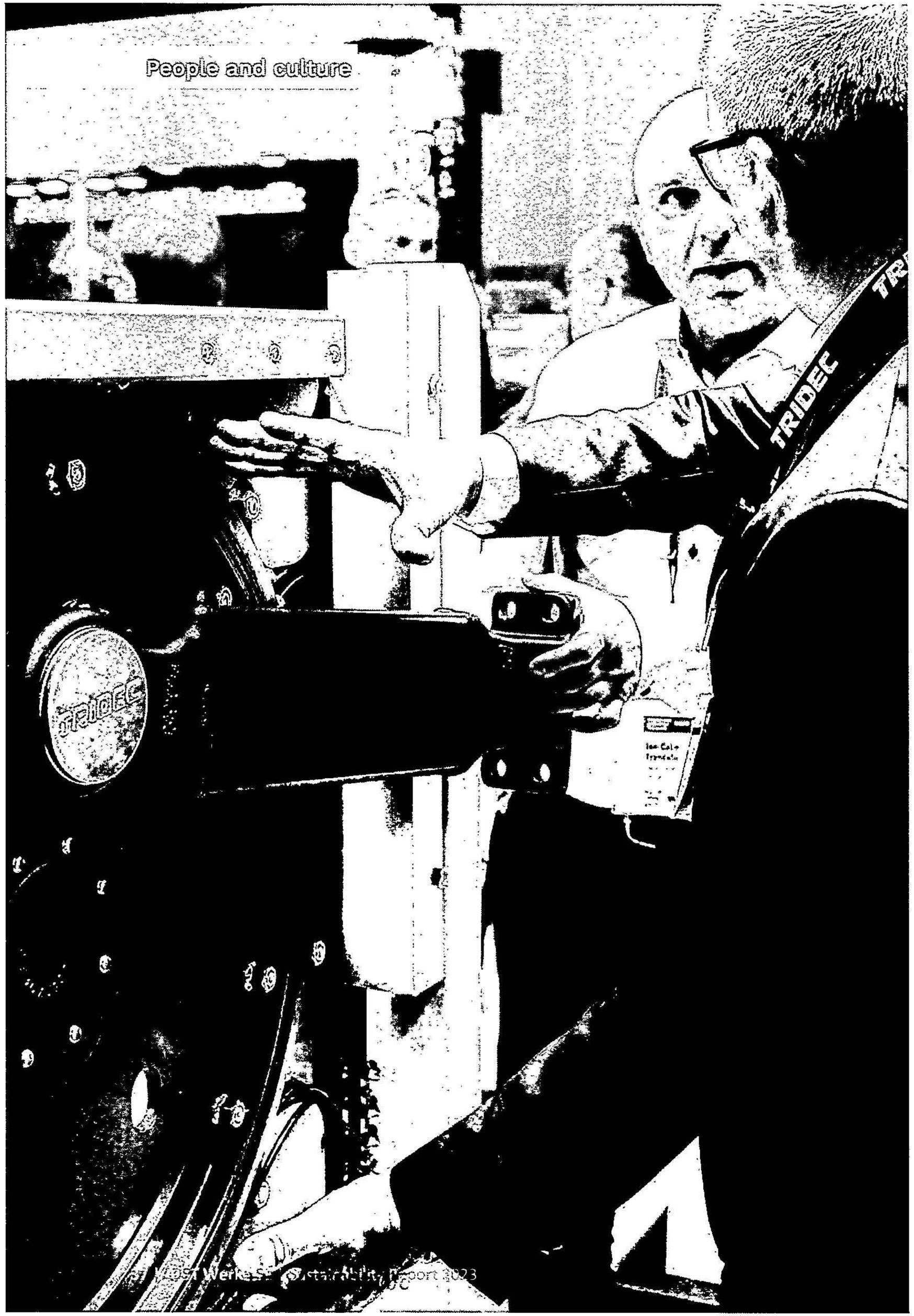
Type of employment by region as of December 31, 2023

	Europe	North America	Asia-Pacific-Africa
With permanent contracts	93.0 %	99.9 %	99.8 %
With fixed-term contracts	7.0 %	0.1 %	0.2 %
Newly hired	55.2 %	4.1 %	40.7 %

Employee engagement

At JOST, we firmly believe that strong employee engagement drives high corporate value and better performance. All our people and culture processes should contribute to increasing our employees' engagement.

We want JOST to be a company where people feel comfortable and enjoy working. This is how to ensure we retain talent over the long term. The increase in the average length of service to 6.9 years (2022: 6.6) shows we are on the right track.



The decrease in the turnover rate by 3.8 relative to the previous year to 11.6 % likewise serves to confirm this success and attests to our employees' high degree of loyalty to JOST (2022: 15.4 %). This turnover rate reflects the number of employees who chose to leave JOST or retire as a proportion of the total workforce.

It is also encouraging to note that there is no significant difference in turnover rates between genders. The turnover rate among our female employees also decreased in the 2023 fiscal year to 12.8 % (2022: 13.9 %), and the rate for male employees decreased to 11.4 % (2022: 15.7 %).

More significant fluctuations were observed only at the regional level. In North America, turnover decreased in 2023 relative to the previous year to a level of 29.0 % (2022: 33.0 %). It remained the highest relative to the other regions, however, since turnover is always higher in North America than in JOST's other regions due to cultural and labor market factors. In Europe, turnover in 2023 decreased to 7.6 % (2022: 8.1 %), and the Asia-Pacific-Africa region saw a decrease relative to the previous year to a level of 5.5 % (2022: 7.8 %). This positive trend for all regions worldwide attests to our positive corporate culture and the success of our employee loyalty programs.

In this context, a feedback culture based on openness and employee empowerment represents a fundamental element of our efforts to remain an attractive and modern employer and to create a positive working environment where employees feel at home.

In 2023, we continued to pursue the goal of implementing our platform for employee engagement at additional sites and gathering valuable insights for the improvement of day-to-day working life by means of continuous, timely and flexible pulse surveys of employees. Roughly 1,200 employees worldwide currently use the platform. In 2023, we used the platform to carry out surveys in Australia, New Zealand, Poland, Hungary, China, Sweden, Norway, Denmark and the US. The tool is already in use in several departments in Germany, and the sites in the Netherlands and Portugal are also planning to introduce it in 2024.

In addition, personal one-on-one discussions with employees to evaluate satisfaction, cooperation and development opportunities within the company were introduced at JOST Polska in 2023.

Health, safety and wellbeing

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-9

Working environment and safety

The health, safety and wellbeing of our employees are critical in all our business activities. Overall, 78 % of our stakeholders identified this issue as the most important contributor to JOST's social sustainability performance.

We have a responsibility to create and maintain a safe working environment for our global workforce. As a manufacturing company, preventing workplace accidents takes highest priority at JOST. To this end, JOST sets high safety standards worldwide for dealing with dangerous substances and other potential hazards. Regular information, instructions, training and further education courses, whether legally required or voluntary, continuously raise our employees' awareness of safety issues and enable them to deal with potential hazards safely. This allows us to achieve high safety standards in all areas of the Group, both industrial and non-industrial.

In order to identify hazards, we carry out regular workplace inspections, which also include risk assessments, at our production sites. Various types of hazards, such as mechanical or physical hazards, are identified and evaluated during the inspection. If a potential hazard is discovered, a risk assessment is carried out, and effective preventative or remedial measures are initiated. The assessment is conducted every two years, and the implementation of measures is monitored on a quarterly basis. If there are any technical, organizational or other changes to jobs, this two-year rule is suspended, and the jobs are reevaluated.

In the event of an accident, we analyze the incident immediately and initiate measures to prevent it from reoccurring in the future. Guidelines are subsequently redrafted and reissued to prevent another similar accident from occurring. This procedure relies on active communication between our employees and managers. Near-accidents must also be reported to the manager in order to enable an immediate response, such as providing additional awareness training for employees.

At JOST, we go further than the minimum standard required by law, providing additional safety training in areas such as firefighting, first aid and health and safety issues. We also focus on having trained employees in reserve in case the main officer is absent in the event of emergencies or accidents.

Our Ningbo plant was recognized for its exemplary efforts in this area in 2023 as an "Outstanding Company" by the Ningbo Jiangbei District Occupational Health Management Institute for its occupational health management in Jiangbei district. A "Safety Month" on the subject of occupational safety was also held to raise awareness through various activities. These included a safety knowledge competition, a fire protection exercise and a forklift competition in which participants were required to find errors, stack hex nuts and drive the forklift around a curve, which provided an opportunity to learn about the safe handling of forklifts.

At sites in Australia, managers and employees on warehouse and production teams received first aid training, and fire protection training sessions were held. In Chennai, various activities were held as part of "Safety Month" to raise employee awareness about safety. On International Earth Day, employees in India participated in activities to raise employee awareness about the environment and planted trees.

Quarterly meetings are also held at many sites to discuss occupational safety at the sites, analyze accidents and introduce further occupational safety measures. External audits are also conducted as part of the certification of our management systems. We are certified in accordance with DIN ISO 9001 (quality), DIN ISO 14001 (environment) and ISO 45001 (occupational safety). We have refrained from obtaining additional ISO 45001 certification in countries that already have stringent statutory occupational health and safety requirements such as those in Europe and North America. We have obtained ISO 45001 certification at our sites in Finland, China, India and Brazil in order to create comparable occupational safety standards across the Group. More detailed information can be found on our website at *https://www.jost-world.com/certificates*.

In the context of workplace accidents, we record not only the incidents, but also the severity of the injury. We divide accidents into four different levels according to the severity of the injuries. This enables us to raise even better awareness among employees and managers. We have also adjusted the methodology for comparing accident rates between sites in line with the OHSAS definition so that we now record workplace accident rates in relation to hours worked. This enables us to take better account of varying working hours. This method of calculation for accidents takes all employees including temporary workers into account. We also harmonized our definitions for injury severity on a worldwide basis and expanded internal reporting further.

We incorporated acquired companies Crenlo do Brasil, Brazil, and LH Lift, Finland, as well as the newly established logistics center in Erfurt, Germany, into our accident statistics for the first time in the 2023 fiscal year. This caused the number of accidents recorded to increase relative to the previous year. In 2023, the number of accidents worldwide per 200,000 production hours rose to 2.16 (2022: 1.80). Our goal is to bring this number back down again.

Health, wellbeing and work-life balance

GRI 403-6

Numerous country and culture-specific offers and initiatives relating to health, wellbeing and work-life balance are organized at site level as part of our occupational health management. These programs are not subject to central control, as this would risk ignoring the different regional and cultural needs of our employees.

A healthy work-life balance is important for both the health and wellbeing of our employees, as well as their ability to deliver top performance at work. Overall, 54 % of our stakeholders identified this as a key factor in our social sustainability performance.

In Germany, Norway, Sweden and Denmark, JOST subsidizes memberships to local fitness studios and sport clubs. In Poland, interested employees have the option to participate in various athletic activities through athletic clubs with a sports card subsidized by the company. Employees can also play volleyball at a gym rented with financing from the company.

The company doctor in Germany continues to offer employees a wide range of support services. For instance, he provides advice on how to wear personal protective equipment correctly, helps organize first aid in the plant, and assists on the layout of workplaces. In 2023, all employees in Germany were also offered flu shots, intraocular pressure screening and thyroid ultrasounds in the context of preventive medical check-ups. At selected locations in Germany, JOST began leasing electric bikes in 2022 at a subsidized rate for employees in cooperation with a market-leading provider. This offer was rolled out Germany-wide in 2023 and has been positively received. 13.5 % of the workforce leased electric bikes in 2023. Similar offers are also in place in Sweden and the Netherlands.

In Australia, an Occupational Health and Safety Officer was appointed and a comprehensive Employee Assistance Program (EAP) was introduced in cooperation with a global health and wellness provider to assist employees with difficult living situations. Various health measures such as medical check-ups for the wellbeing of at-risk employees, appointments with physicians, injury prevention and management, safety advice and training and annual flu shots have also been implemented.

In Sweden, a committed health and wellness group composed of employees promotes an active and healthy lifestyle. The group organizes various wellness and fitness activities all year round. These include a family day in a ski area, participation in the "Walk for Blood" blood donation campaign, the introduction of "Wellness Bingo," in which participants can check off various wellness activities, and the opportunity for employees to nominate themselves for personal training.

In South Africa, all employees who work with machinery or forklifts are required to undergo annual occupational health examinations. Flu shots are also offered, and various health days are held in which medical specialists carry out examinations at the company and make recommendations. Brochures on various health-related subjects like high blood pressure are also distributed to employees. This also has positive secondary effects on the local community, since the information is distributed within family and friend groups.

On "International Yoga Day," awareness was raised among all employees in India about the numerous benefits of yoga and its holistic approach to health and wellbeing. In Jamshedpur, various offers such as eye exams and heart rate measurements were available as part of the "Health Checkup Camp."

In Poland, 91 % of employees make use of the daily offer to enjoy a healthy meal subsidized by the company. In addition, private health insurance is still subsidized in order to expand access to medical services.

The mental health of our employees is also a major priority for us. For this reason, a health day on the subject of "Stress and Resilience" was held for our production and logistics employees in Neu-Isenburg. The offering has also been rounded out with webinars addressing mental resources and mindfulness for all employees. Following the risk analysis on psychological stress in the workplace carried out in 2022, the resulting interviews were evaluated in 2023 and corresponding measures were derived. The implementation of these measures and their introduction to specialist units is planned for 2024.

Leadership, development and performance

GRI 404-2, 404-3

We want to attract, empower and support employees with the right skills for all of our business areas in order to remain competitive. We invest in the induction, development, engagement and performance of our employees to create an optimal working environment in which our employees can flourish.

A seamless onboarding experience is essential to create an optimal working environment right from the start. Excellent onboarding can be a competitive advantage, as it ensures employees immediately feel welcome at JOST and can quickly perform at their best. We also consider exit interviews a valuable source of information that enables us to learn from the experiences of outgoing employees and identify our strengths and potential areas for improvement as part of our open feedback culture.

During the introductory phase, new employees in India, the US and Sweden are familiarized with the company, its history and its visions for the future, for instance with handbooks. Employees in Germany and the US are accompanied by a personal coach throughout the entire induction phase. In Australia, online training on products and processes ensures that employees can flexibly complete their induction whenever and wherever it fits with their schedule. Surveys on subjects such as employment experience, onboarding, the first week, the first 30 and 150 days and exit surveys are also carried out in the context of onboarding and offboarding. Customized onboarding processes ensure that all employees are given the optimal conditions to succeed and can be productive faster.

Talent pools

JOST attaches great importance to working with apprentices, students and interns. Our sites worldwide cooperate with various programs and initiatives to reach a wide group of students and interns and inspire them to join JOST.

In Germany, we employed a total of ten apprentices in 2023: nine industrial managers and one trainee in the area of product design. The vocational training takes place over two to three years, during which the apprentices alternate between working at JOST and attending vocational school classes. Our aim is to offer all apprentices permanent employment on completion of their training. Of the two apprentices who completed their training in 2023, 100 % were employed by JOST (2022: 66 %). Furthermore, five dual students specializing in HR, product development and IT are studying for their degrees while doing dual-track practical trainings on the job at JOST.

JOST-Werke Deutschland GmbH has already been recognized each year since 2012 by the Fair Company Initiative, which is focused on career starters and young professionals and recognizes companies that offer young people fair working conditions and development prospects.

In Poland, we offered students the opportunity to complete internships in 2023. Under the guidance of company instructors, 24 people received insights into the company and our processes. In South Africa, our employees have the opportunity to apply for a scholarship.

In India, JOST has developed a campus recruitment program for engineering and management trainees to attract young talent to JOST in order to cover the Company's existing and future HR requirements. Similarly, in Sweden, we have been working with engineering students from the University of Umeå for over five years. Under the name "Co-op," we offer university students the opportunity to gain work experience at JOST. In 2023, six students specializing in industrial finance, mechanical engineering, electronics and computer technology participated in this three-year program. We also offer internships for foreign graduates and young professionals to accelerate their chances of entering the workforce. This highly active cooperation with schools and universities was one of the reasons our subsidiary in Sweden was awarded the title "Career Company and Newcomer of the Year 2023."

Performance

Our employees' performance impacts the successful development of JOST. For this reason, we value performance appraisals as a key process for fostering internal potential and driving the Company's success together.

The performance appraisal process has a long-term effect on our company culture. It defines our expectations of employees in terms of their conduct, skills and development and increases our attractiveness as an employer and retention at JOST, as it is a means of ensuring our employees receive the recognition they deserve. At JOST, the performance appraisal incorporates a skills assessment, further development, feedback, engagement and career opportunities.

In 2023, the number of employees who received an individual performance assessment from their supervisor saw a dramatic 33.4 % increase to a total of 2,655 employees (2022: 1,991). We are particularly proud of the fact that this increase was achieved across all employee categories and genders.

The following table shows the breakdown of feedback meetings conducted by gender and employee category:

Performance reviews conducted

	2023		2022	
Employees by gender	**Number**	**% of total**	**Number**	**% of total**
Male	2,207	58.4% of male employees	1,676	55.0% of male employees
Female	448	67.6% of female employees	315	56.8% of female employees
Employees by function	**Number**	**% of total**	**Number**	**% of total**
Production	1,578	39.3% of production employees	1,155	35.3% of production employees
Sales	480	61.1% of sales employees	429	59.9% of sales employees
Reseach and development	203	97.6% of R&D employees	136	83.4% of R&D employees
Administration	394	83.8% of administration employees	271	61.7% of administration employees

Leadership

Senior managers are the driving force behind our values and shape our employees' experiences. Therefore, it is essential that managers at all levels model JOST's key leadership behaviors and reward the right behaviors in their teams. We aim to provide a structure that empowers our managers to develop their entrepreneurial thinking and emotional intelligence so as to work successfully and effectively with their teams.

In a top-down process, senior management at JOST aligned our managers' development needs with JOST's plans for growth at Group level. This resulted in a leadership skills model that we use to prepare managers and young talent to adapt quickly and flexibly to new challenges and lead teams successfully in volatile circumstances.

Our production managers bear significant responsibility for maintaining and continuously optimizing JOST's production and quality standards. They have to possess a variety of management skills and serve as role models for our employees in terms of professional integrity.

In China, multi-day management training was carried out for mid-level managers that enabled participants to improve their skills in the areas of understanding roles and leadership, task management, delegation and performance management. In Sweden, management programs were offered for new managers, and training on Excel and effective working methods were offered for employees. In the US, the program for plant managers was continued. Topics such as performance management and communication, change and conflict management, and team development and organizational impact are key components of the program. An advanced management development initiative for middle and upper management was initiated in 2023 as a supplement to the established development processes.

In India, career planning lays the foundation for developing internal leadership talent. The Company prepares leadership talent for a higher level of responsibility by offering a job rotation scheme. With the aid of this scheme, young talents gather cross-functional knowledge and experience in order to develop a broader business perspective.

In addition to our existing recurring international development program for employees with high potential and employees in the initial phase of their careers, which was launched in 2018 and runs on a continuous basis from year to year, we introduced a second format in 2023 which aims to provide support and development for employees in upper and middle management in the interest of advancing the subject of succession planning in a more targeted manner.

To this end, we began by collecting the strengths and areas for development of twelve members of this group through two two-day assessments and developing individual development plans for each participant. Our aim in this context is to provide employees with better support in their day-to-day working lives and to prepare them for larger tasks at the company in the future. We will be continuing this format in 2024 with at least six more employees.

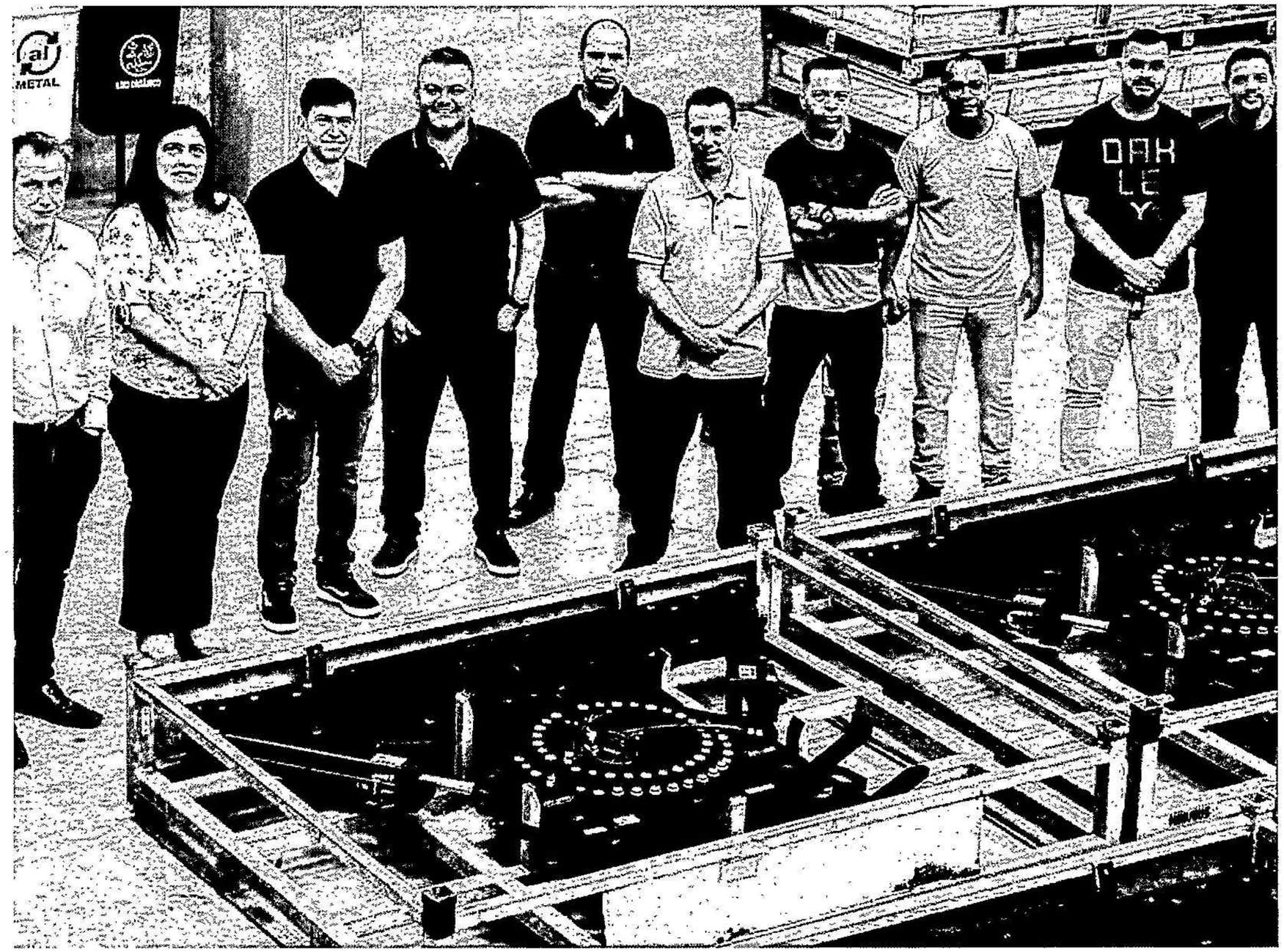
We have also made the selection for the next round of our existing leadership program for employees with high potential, which will begin in March 2024 and run until 2026.

Diversity, equal opportunity and integration

GRI 405-1, 406-1

For 70 years, JOST has been successfully bringing people with different talents and cultural backgrounds together to solve complex problems and drive innovation for our customers. We can achieve that even better by actively promoting an inclusive working environment in which everyone can reach their full potential. We want to be an attractive employer for people from a wide range of backgrounds and lifestyles and one at which everyone feels safe and welcome. Thanks to a diverse leadership team with a broad range of perspectives we can offer our customers all around the world solutions tailored to their culture, language and needs.

Our company culture is based on respecting the individuality of every person and promotes equal opportunities irrespective of age, gender, disability, ethnocultural origin, religion, ideology or sexual identity. Cases of discrimination can be recorded using the JOST reporting system (for additional information, refer to the compliance section). No cases of discrimination as defined by the International Labor Organization (ILO) were reported in 2023 (2022: 0).



The nature of our business and industry presents a challenge in terms of our commitment to achieving a balance between genders at all employee levels. Our business focuses heavily on technical professions, in which women are still significantly underrepresented both in higher and vocational education and thus also in the application process.

In 2023, the Group-wide percentage of women decreased slightly to 14.9 % (2022: 15.4 %). This is mainly attributable to the fact that the consolidation of new subsidiaries Crenlo do Brasil and LH Lift reduced the ratio of women within the Group.

Type and region of employment by gender in 2023

	Male	Female
With permanent contracts	96.7 %	94.6 %
With fixed-term contracts	3.3 %	5.4 %
Full-time	99.0 %	90.6 %
Part-time	1.0 %	9.4 %
Europe	84.8 %	15.2 %
North America	82.0 %	18.0 %
Asia-Pacific-Africa	87.1 %	12.9 %

A total of 460 new employees were hired in 2023. The share of newly hired women decreased slightly relative to the previous year to a level of 16.5 % (2022: 18.4 %).

Distribution of newly hired employees by gender

	Male	Female
Newly hired (number)	384	76
Newly hired (in %)	83.5 %	16.5 %

The share of newly hired employees under age 30 was 35.4 % in 2023, which is higher than the Group-wide share of employees who are under age 30 (20.6 %). This trend demonstrates our commitment to developing a younger workforce and prioritizing succession planning.

Distribution of newly hired employees by age

	< 30 years	31 – 40 years	41 – 50 years	> 51 years
Newly hired (number)	163	180	77	40
Newly hired (in %)	35.4 %	39.1 %	16.7 %	8.7 %

Distribution of newly hired employees by region

	Europe	North America	Asia-Pacific-Africa
Newly hired (number)	254	19	187
Newly hired (in %)	55.2 %	4.1 %	40.7 %

In 2023, the proportion of women in management roles at the two management levels below the Executive Board rose to 18.6 % (2022: 17.4 %). We are working continuously to further increase the number of women in management.

When our first ESG-linked promissory note was issued in the 2022 fiscal year, the Executive Board of JOST set the goal of increasing the Group-wide share of women in management positions at the two management levels below the Executive Board to 19 % by the end of 2025. The interim target for 2023 of 17 % has been achieved.

As of the reporting date of December 31, 2023, the proportion of women in management positions at the single entity JOST Werke SE remained unchanged at 33 % (2022: 33 %). JOST Werke SE thus reached its target of 25 %.

The proportion of women on the Supervisory Board of JOST Werke SE increased to 33 % in 2023 (2022: 17 %). The company's General Meeting elected two women to the Supervisory Board on May 11, 2023. As a result, the goal of ensuring that at least one out of six Supervisory Board members are women has been exceeded.

The Supervisory Board aims to increase the proportion of women in the Executive Board to 25 % by the 2025 fiscal year. The share is currently 0 % (2022: 0 %).

JOST focuses heavily on assembling diverse management teams, but professional and personal skills as well as potential performance constitute the key deciding factors in all new hires and promotions.

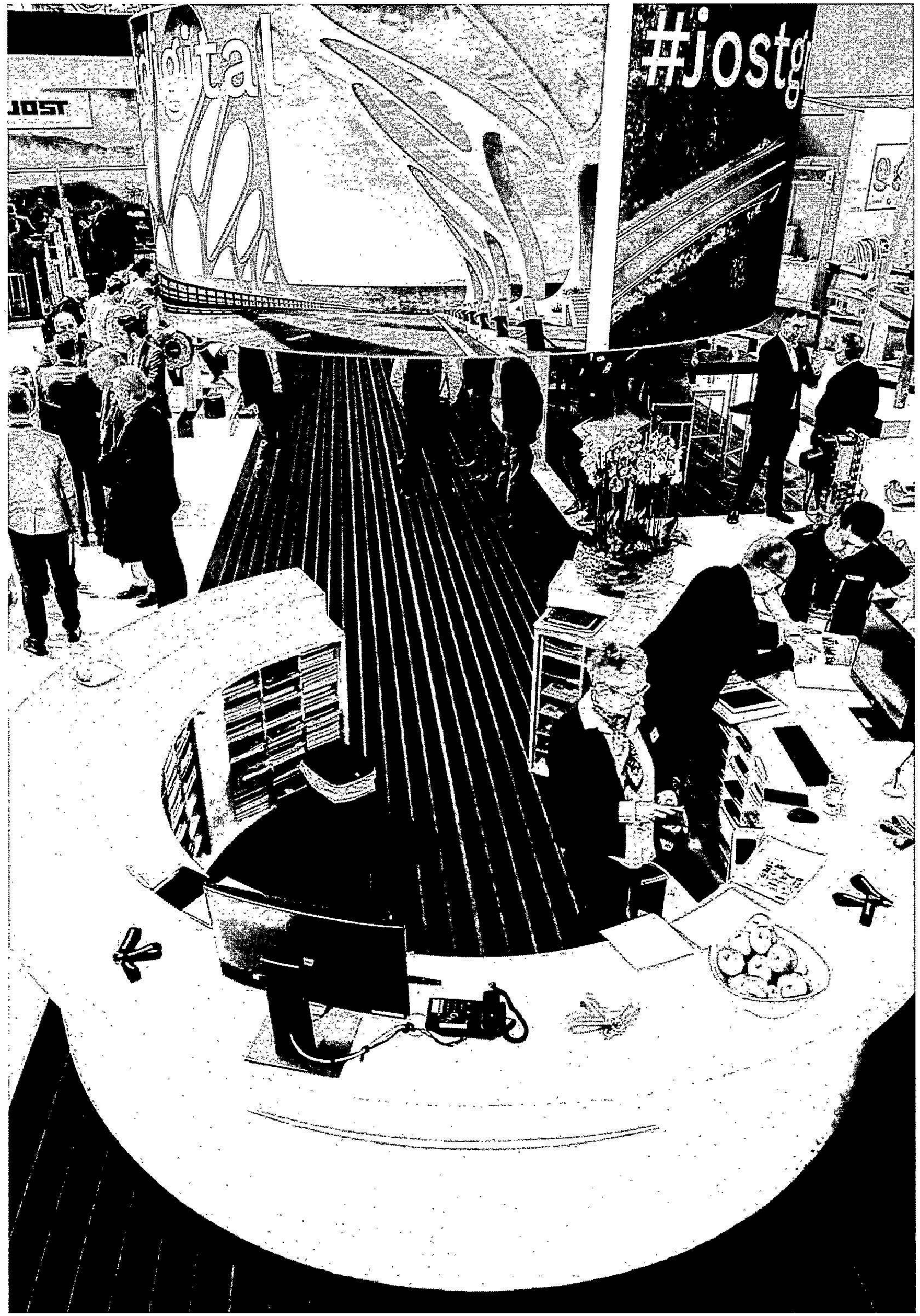
JOST employees people from 64 nations worldwide and our workforce encompasses four generations with an average age of 40 years (2022: 41).

In Shanghai, Wuhan, Ningbo and India, all of our colleagues celebrated International Women's Day, and online activities were offered under the motto of "Miracle in You." Waltraud Matzenberger, President of the Asia region, expressed her best wishes to all of our female colleagues and discussed the origin of Women's Day.

In South Africa, a culture day is held once each year to celebrate different cultures. The aim of the event is to provide employees with an opportunity to learn about different cultures and to build mutual understanding about different views and perceptions. In 2023, a brochure was prepared on the topic of traditional herbal remedies that are used by our employees and are widely distributed in Africa. The information was collected jointly with employees, and the final result was distributed to everyone.

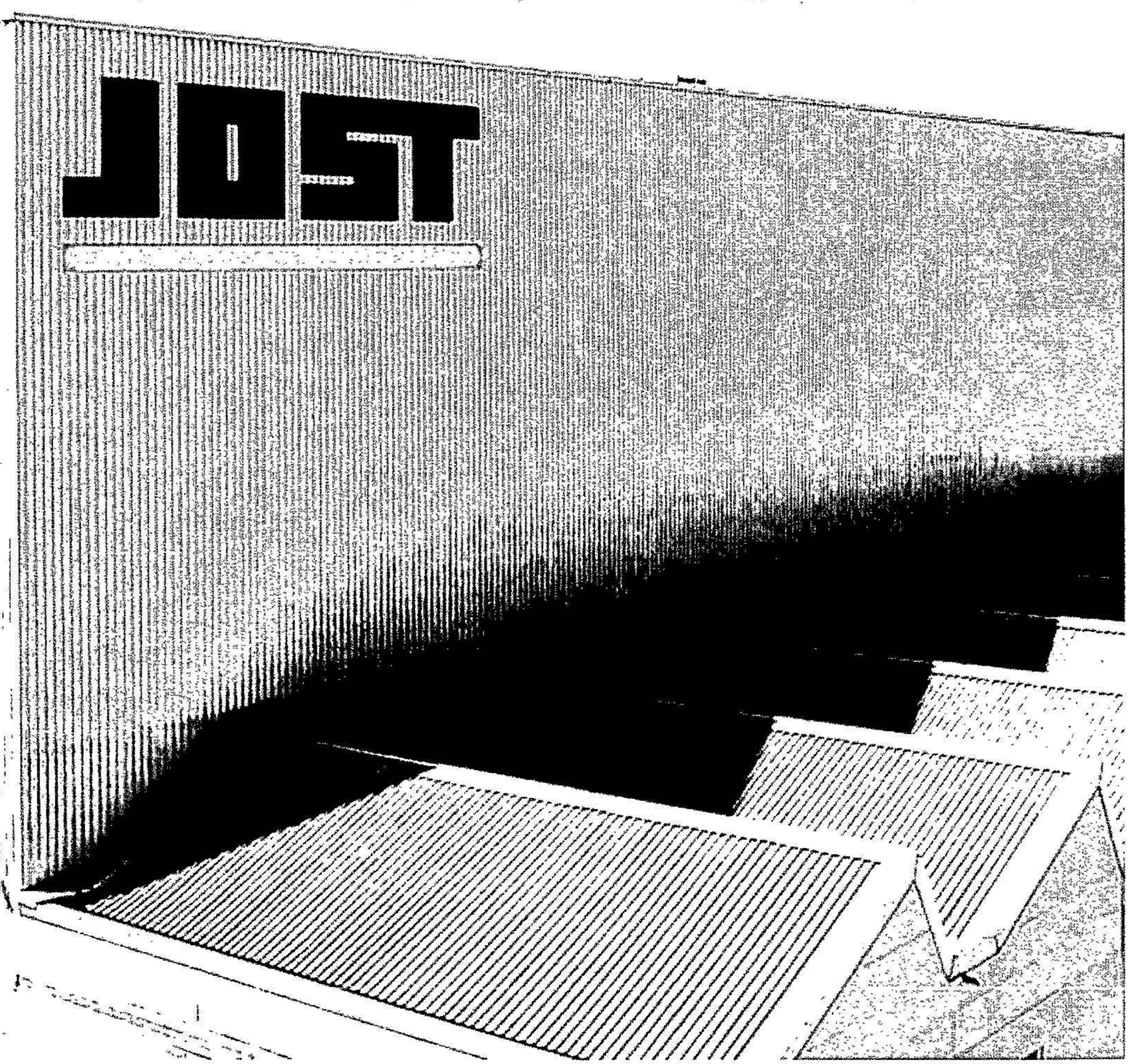
In Sweden, JOST placed a greater emphasis on diversity and integration in 2023, organizing training for all managers on the subject of "Diversity & Inclusion" and raising awareness about relevant subjects in the context of a "Lunch & Learn" with employee representatives from every department. An equal opportunities group was established, and various discussion topics related to diversity and inclusion were proposed and discussed by team leaders within their teams.

In Germany, the subject of diversity was addressed with training on "Managing Diversity – Combating Harassment" with the aim of raising awareness among management as well as the Human Resources department and the Works Council. As a result, further initiatives for awareness and prevention have been planned for 2024.



POLITICS AND COMMUNITY

GRI 415-1



Politics

GRI 415-1

Once again, neither the JOST Werke Group nor its local subsidiaries exercised political influence in fiscal 2023. Therefore, the expenditure for this was EUR 0 (previous year: EUR 0).

Community engagement

We believe that we as a company have a responsibility to participate in initiatives and support organizations that contribute to the development of a sustainable society. We want to build close and personal relationships with the communities and people our business depends on. Our sites decide at a local level how we can best strengthen our support to the local communities, as they understand their needs best.

In India, our Company organizes a series of social projects in Jamshedpur each year. In 2023, the team distributed 45 beds to a retirement home and donated 19 sewing machines to women who live in the company's vicinity. An ambulance was also donated to the community's health center. Family visits to the factory are organized during the Vishwakarma festival in September every year.

In Sweden, we once again contributed support to the "We effect" organization in 2023, which promotes the development of sustainable and environmentally friendly food systems in 24 of the world's poorest countries and is strongly committed to ending poverty worldwide. Employees also had the opportunity to volunteer at the Umeå city mission and to donate Christmas grocery packages for those in need as well as Christmas gifts for Ukrainian refugee children. The company also sponsored the children's cancer foundation for the Northern Sweden region in cooperation with HSB (Hjältarnas HUS) Umeå.

In Poland, we also supported local organizations including a hospice, a children's club and an animal shelter in 2023.

In Australia, employees were encouraged to participate in "R U OK? Day," which deals with suicide prevention and aims to raise people's sensitivity towards the situations of their peers.

In Brazil, social engagement is a major priority. For example, as the largest supporter of the "Centro Educativo e Social de Guaranesia," a charitable organization, we provided support for roughly 100 underprivileged children between the ages of 6 and 15. These children are offered after-school care as well as cultural, athletic and educational experiences. This serves to support these children and adolescents in their personal development.

In the US, employees donated to a Christmas toy drive in support of a local charitable organization that supports victims of domestic violence and their children. In the spirit of giving and supporting the community, we joined forces with the local Harvest Hope Food Bank, which plays a crucial role in the distribution of groceries throughout South Carolina, and initiated a grocery donation campaign for Thanksgiving. Employees donated non-perishable groceries. A donation campaign was also carried out in cooperation with a local elementary school to help buy school materials for children in the Greenville County school system.

The Neu-Isenburg site in Germany organized a forest run for the third year in a row, and employees raised donations for the local food bank through their athletic performance. The Logistics program of the University of Applied Sciences, Mittelhessen, was supported with donations in the form of gift bags for first-year students. We also sponsored Spielvereinigung Neu-Isenburg's annual "King's Cup" on the occasion of the club's 120th anniversary. ROCKINGER Agriculture donated to Helping angels Gotha e.V., an organization that aims to fulfill a last wish for terminally ill people free of charge. Donations were also made to the Gotha food bank, which collects groceries and everyday items that can no longer be sold to support those in need.

COMPLIANCE

GRI 2-9, 2-23, 2-27, 3-3

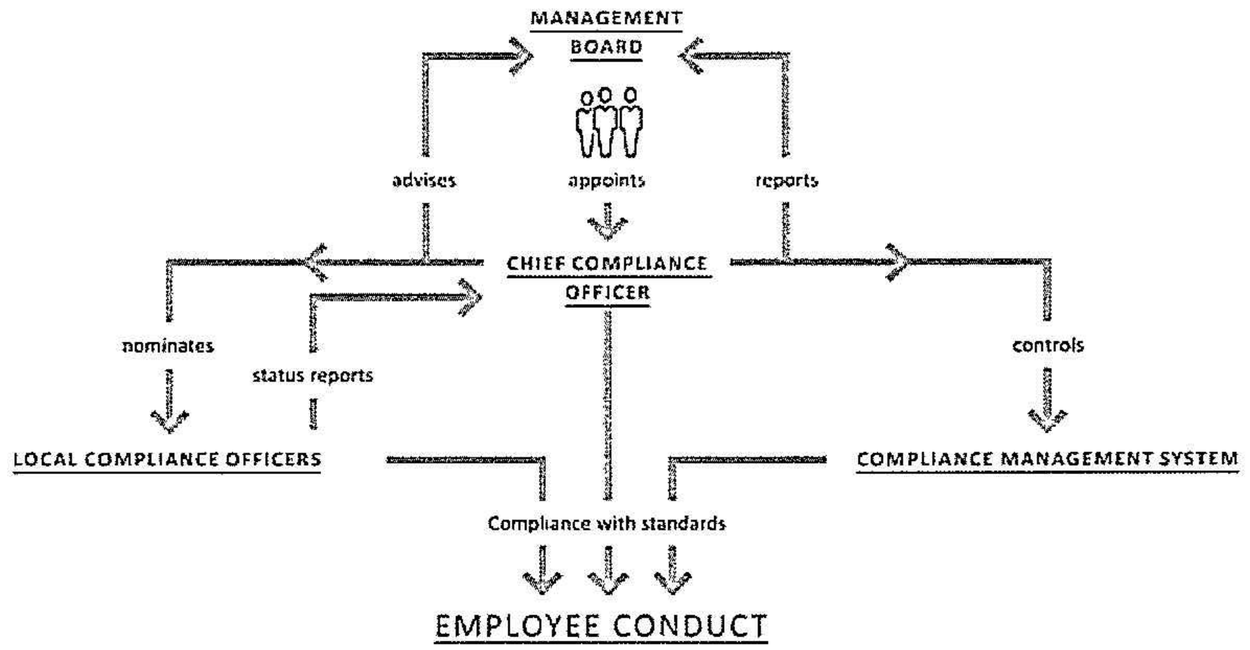
Compliance management at JOST aims to ensure that all of the Group's activities comply with the law. Both lawful and responsible conduct and respect for human rights are firmly rooted within our Company. By living out our corporate values, we create trust among our employees, customers, business partners, shareholders and the general public. This is vital for the long-term success of our Company.

The Executive Board bears overall responsibility for compliance with laws, standards and principles within the Group and reports to the Supervisory Board in this regard. When performing its obligations, the Executive Board is required to delegate the relevant duties to various functions within the JOST Werke Group.

The Chief Compliance Officer (CCO) monitors and checks compliance with laws, standards and internal policies within the Group (compliance), using the compliance management system to support employees to act with integrity and adhere to the rules. In addition, they are responsible for the compliance management system and advises the Executive Board on any compliance issues. The COO is appointed by the Executive Board and reports directly to the Chief Financial Officer.

The CCO nominates the local compliance officers at the subsidiaries, reviews compliance processes at JOST on an ongoing basis and proposes general compliance objectives and individual compliance-related measures to be implemented at JOST to the Executive Board. They also manage the process and possible investigative measures in the event of reports or identification of potential compliance incidents. The CCO is also responsible for the global roll-out of compliance-related e-learning courses, among other things.

The local compliance officers support the CCO with all compliance-related communication at local level as well as the introduction of specific compliance measures at the subsidiaries. The local compliance officers report to the CCO regularly on the status and progress of the compliance measures introduced at the respective subsidiaries as well as on the occurrence of any compliance incidents. A key task of the local compliance officers and the CCO is to serve as a contact for all employees at the respective local unit regarding any compliance-related issues.



Anti-corruption, anti-bribery and respect for human rights

GRI 2-27, 205-2, 205-3, 408-1, 409-1

JOST works in accordance with the recommendations of the Universal Declaration of Human Rights by the United Nations, the core labor standards of the International Labour Organization (ILO) and the OECD Guidelines for Multinational Enterprises as well as the United Nations Convention on the Rights of the Child.

In this context, the JOST Werke Group's internal Code of Conduct with the requirements and voluntary ethical principles it contains together with our Human Rights Policy constitute the central elements that forms the basis of our compliance management system. The Code provides an essential basis for the day-to-day actions of our employees and executives. Every employee is given the Code of Conduct and an explanation of it when they join the Company. All other employees have already received training regarding the Code in previous years. In this way, we can ensure that every employee is aware of its contents.

Furthermore, JOST has adopted a Human Rights Policy with the aim of ensuring compliance with and implementation of, for example, human rights, fundamental employee rights and environmental standards in JOST companies as well as in the supply chain. JOST has entered into multiple obligations to develop relationships with suppliers on issues such as prohibition of forced labor, health, safety and environmental protection, tolerance, and fair business practices.

Risks associated with violations of laws and policies are addressed by our risk management system. We continue to conduct checks twice per year to determine whether the risk assessment (probability of occurrence and possible extent of damage) needs to be adjusted.

In the 2023 fiscal year, the organization did not identify any cases of non-compliance with laws and regulations that would have resulted in a fine or other sanctions.

In the 2023 fiscal year, the share of JOST's consolidated sales generated in countries with a corruption index < 60 increased to 17.6 % (2022: 12.8 %). This increase is attributable to factors including the acquisition of Crenlo do Brasil. The evaluation is based on the Corruption Perceptions Index (CPI), which is compiled by Transparency International and lists countries according to the degree of corruption perceived in politics and administration. The lower this value, the greater the risk of corruption in the respective country. Initiatives for the early detection and prevention of corruption are therefore particularly important. No cases of corruption were confirmed in 2023 (2022: 0).

A new training platform was established in 2023 and used to offer the first new e-learning course on the subject of IT security. Our goal for 2024 is to further expand our existing e-learning offers for both compliance-related subjects and general professional development for our employees.

Disclosures and complaint management

GRI 2-25, 2-26, 2-27, 406-1, 408-1, 409-1

To ensure that possible violations of statutory regulations and internal policies can be detected and uncovered at an early stage, our employees as well as our business partners have the option, in addition to confronting the individuals involved directly, of using a whistleblowing system, if necessary, anonymously.

The five cornerstones of our reporting and complaints procedure are confidentiality, the prohibition of retaliation, due process, documentation and effectiveness. JOST places a particular emphasis on the prohibition of retaliation and protects employees and third parties who submit reports and complaints. We reject all forms of intimidation, threats, defamation and criminalization of defenders of human rights and those who help to combat corruption and bribery.

JOST's reporting system can be accessed both externally via the JOST website and internally via the intranet. Users can use the whistleblowing system in their respective national language by phone or in writing. New employees receive an explanation of how to use the whistleblowing system when they join the Company. Further information is available to all employees on the intranet.

In 2023, a total of 7 (2022: 5) potential compliance violations were reported to the Compliance Committee through the SpeakUp reporting system or other channels, six of which were reported by JOST employees and one by a third party. They largely pertained to the behavior of colleagues or supervisors, and were investigated by the Compliance department and local (HR) departments within a reasonable period of time and either clarified or resolved. In one case, the investigation of an alleged case of an improper award of contract is still ongoing.

CUSTOMERS AND SUPPLIERS

GRI 2-6, 2-23, 3-3, 308-1, 408-1, 409-1, 416-2

Customers

GRI 3-3, 416-2

More and more of our OEM customers and the end users of our products, fleet operators and farmers are insisting on sustainable actions and sustainable products. Customer satisfaction therefore contributes significantly to our business activities by enabling us to operate successfully on the market. We continuously develop our products to meet the requirements of our business partners. To achieve this, we involve our customers in development projects at an early stage. Our products are designed to help customers operate more efficiently and sustainably. *Innovation and product management*

In addition to involving customers in the innovation process, it is also important for us to maintain regular contact. Trade shows are one way of doing this, but so are regular phone calls and visits. Since 2021, we have offered customers training on our products and workshops. A combination of in-person and online learning is available for testing organizations such as TÜV and DEKRA, for example.

In this type of training, a face-to-face seminar is held first, followed by a survey and a knowledge test, which are run via the platform. The training also helps participants prepare themselves for the practical seminar so that everyone is up to speed.

Since the training has been well-received, we were able to nearly double the number of participants in 2023 relative to the previous year. In 2023, a total of 704 external and internal persons (2022: 370) were trained in 37 courses using our platform (2022: 24).

In the 2023 fiscal year, training such as KKS driver training, KKS briefing for sales and field service and KKS OEM training was carried out for the introduction of our KKS automatic coupling system. In addition, e-learning units were offered on service topics such as maintenance and repair.

We continued to feature practical tips, helpful information and diverse insights into the JOST World in our "JOST Truck Stop" format on different social media platforms in the 2023 fiscal year. "JOST Truck Stop" is a video series in which facts and application tips about our products and solutions were shown in short video clips to offer our customers and other interested parties additional digital added value. A total of six episodes were published in 2023 (2022: nine), and more are scheduled to appear in 2024.

Product safety and service quality

As a producer of safety-relevant components, quality and the associated product safety as well as a high quality of service are our top priorities. The highest responsibility for product safety lies with the entire Executive Board. This is also reflected in our corporate policy.

In one case we became aware of in 2023, the user of a front loader claimed that he had been injured by the product. The question of whether defects in JOST components actually contributed to the injury remains unresolved at present.

There were no incidents or regulatory violations concerning negative health or safety effects caused by JOST products or services that resulted in fines, sanctions or warnings during the 2023 fiscal year (2022: 0). There were no violations of voluntary rules for conduct (2022: 0).

For our daily work, we set ourselves targets for preventing errors. These targets and their fulfillment are published internally in the monthly quality report, thus ensuring regular monitoring. Our targets are defined and broken down to plant level.

We conduct safety audits at regular intervals to ensure safety. Thus, in addition to general audits, we also have product audits, conformity of production audits in accordance with homologation specifications, and requalification audits.

When failures occur in field trials, these cases are immediately analyzed. If the analysis suggests that there a serious impact may occur, we carry out a detailed risk assessment using the RAPEX method, for example. This also applies to events that occur in field trials – but usually to original field failures. In 2023, we added three additional cases to our PSC (Product Safety Cases) list since they had the potential to cause greater impacts. None of these were subjected to an assessment of probability of occurrence or impact (RAPEX assessment) (2022: 3).

Reclamations, product safety issues and recalls are three possible cases in the risk assessment. Reclamations refer to all customer claims that lead to an inspection process. Cases related to product safety issues are the only cases that can have safety-related consequences in the field for users or bystanders. A recall may be initiated from a product safety case or from an internal finding related to an identified safety defect. In cases of recalls where we need to inform the public, we use websites as option, for example. The method of recall is based on the accessibility of customers.

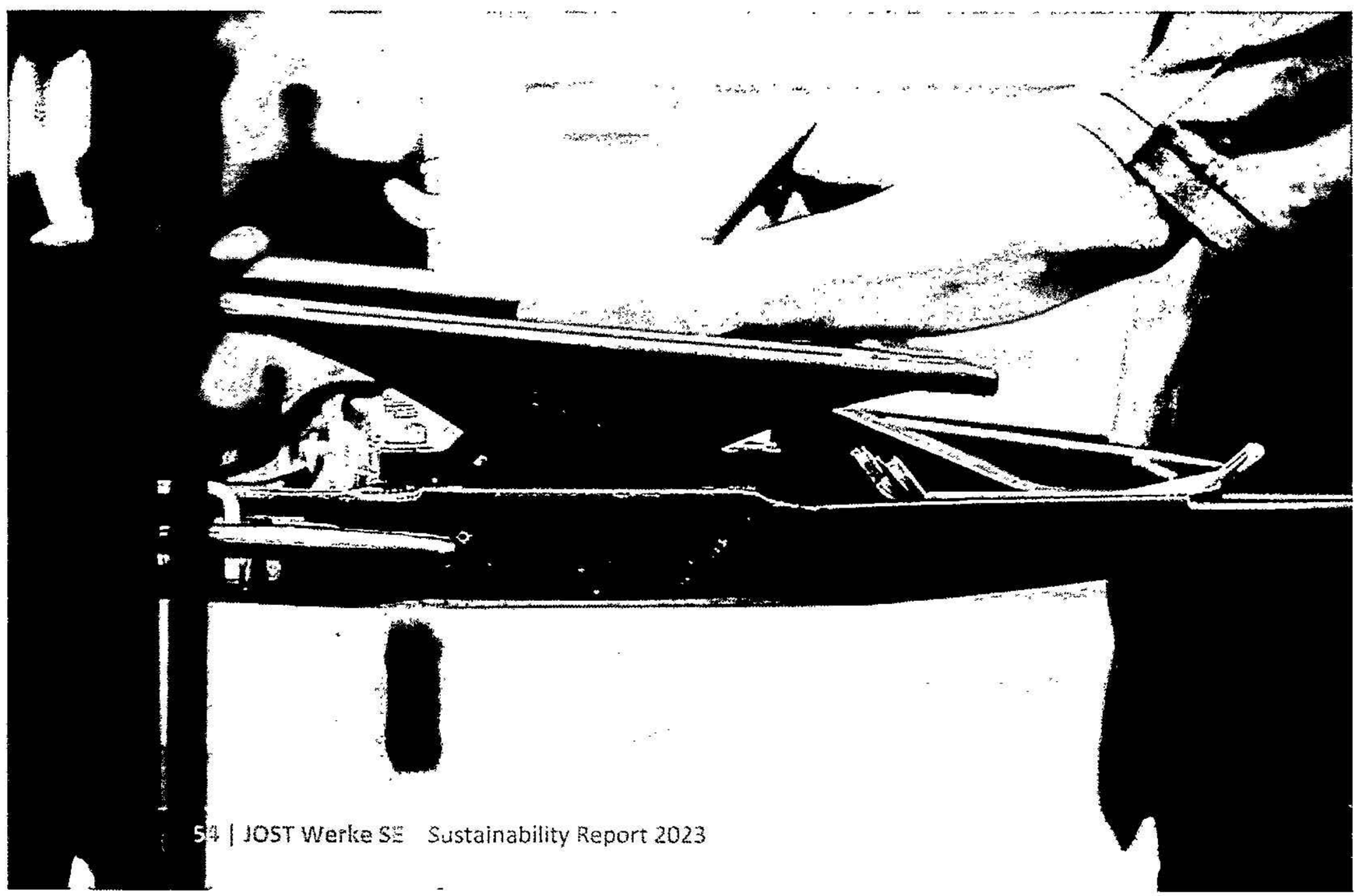
Training for our employees on safety-related topics is available at the Production level as well as in Sales and Customer Service. On the one hand, it is important that employees in Production are properly and thoroughly trained so that they can do their job and thus ensure quality and safety during the production steps. On the other hand, for the downstream steps, the employees in the field are trained so that they can see whether the products are working properly at the customer's location. This is completed with training from customer service for workshops on the correct handling and use of our products.

The functional safety of all future JOST products is also the main focus in our development activities for product innovations, as the growing complexity of our intelligent systems also increases the potential for malfunctions. In particular, our software functions and mechatronic systems for commercial vehicles both for transport and agriculture have to be developed securely in line with the risk and threats associated with their application.

At JOST, we follow the requirements of the ISO 25119 "Tractors and machinery for agriculture and forestry" standard in the development process for agricultural applications. In developments for systems for road vehicles, JOST implements the process of the ISO 26262 "Automotive Functional Safety" standard. This enables us to minimize the risk of malfunctions when developing safety-relevant electronic products and systems, as in the case of automated or autonomous coupling. In 2023, we are further along the path to achieving an ISO 26262-certified process landscape.

In addition, the FMEA process has been improved. FMEA is a key method for assessing and safeguarding against product risks in line with JOST's certification in accordance with IATF 16949 (Quality Management). The method used has been enhanced, the technical possibilities for development expanded and further employees trained in this context. The new methodology and the use of software tools support the development of products with low technical and environmental risks.

We train our employees as well as our customers worldwide on the safety aspects of dealing with our products through a combination of online and in-person events. This enables us to increase the quality of our customer service and areas of application for our products at the same time.



Supplier management and supply chain

GRI 2-6, 2-23, 3-3, 308-1, 408-1, 409-1

For us, it is particularly important that we also include our suppliers in our efforts to promote sustainability at JOST. We expect all of our business partners along the entire value chain to comply with the law and act with integrity and consider this to be a prerequisite for successful, long-lasting business relationships.

With this in mind, our Supplier Code of Conduct is mandatory as standard for all new contractual relationships and is also being introduced to existing relationships. This is particularly important for JOST as a iron processing company because corruption in iron smelting presents a high risk to sustainability according to analysis from "Drive Sustainability – the Responsible Minerals Initiative." This is because many iron-producing countries have weak governmental structures and exhibit shortcomings when it comes to the rule of law and/or suffer from high levels of corruption. Our suppliers are therefore also exposed to this risk.

With our Supplier Code, we can ensure that our suppliers address topics such as respect for human rights and the prevention of child labor. At the same time, the Supplier Code enables us to address environmental and social issues with our suppliers. All new supplier relationships are assessed on this basis to ensure that suppliers are complying with these requirements. In addition to stipulating regulations about environmental protection and conflict commodities, the JOST Supplier Code requires provisions for monitoring and verifying conformity in the suppliers' own supply chains to ensure that our standards are also adhered to there.

All suppliers who supplied JOST in 2023 received JOST's Supplier Code and accepted it as a condition for a supplier relationship with JOST. This means that 100 % of purchasing volume was covered by our Supplier Code in 2023 (2022: 53 %).

RISKS AND OPPORTUNITIES

GRI 2-12

Risks and opportunities

As part of the risk management process, we have checked whether there are any risks associated with our own business activities, relationships, products and services that are highly likely to have serious negative consequences for non-financial aspects stipulated by law, either now or in the future. We have not identified any risks to report as defined by the German CSR Directive Implementation Act (CSR RUG) based on the risk assessment or the general legal regulations relating to the selection of significant report contents.

However, JOST is exposed to non-financial risks that do not result from our business activities. These risks in all areas (including Human Resources, IT, Compliance, Procurement, Quality, Environment, Sales) are already taken into consideration by risk owners throughout the Group. In addition to the consideration of the coming planning year, non-financial risks are also analyzed and assessed for the subsequent second and third years.

The risk owners present information on their risks to the Executive Board twice a year in the form of a risk report. This report gives a detailed overview of the current risk situation. As the highest governance body, the Executive Board bears responsibility for ensuring an effective risk management system is in place.

Along with the risks, however, we can see sustainability opportunities for JOST. Thanks to increasing levels of awareness and the growing importance of a sustainable value chain in both the transport sector and in agriculture, new prospects are opening up for JOST.

As a company that thinks and acts along sustainable lines, we can use our products and developments to help our direct customers and the end users of our products to become more sustainable. We can also influence our own business activities and discover possible ways to operate more efficiently and conserve resources. Energy scarcity and the resulting increase in energy costs are an example of a material risk to sustainability and are an area in which JOST can contribute solutions towards improving the situation.

As this assessment forms part of the Company's risk reporting, a more detailed description of the risks and opportunities can be found in the *JOST Annual Report 2023/Report on opportunities and risks*.

GRI content index

JOST Werke SE has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

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2-5	External assurance	14
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2-6	Activities, value chain and other business relationships	7, 51, 54
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2-9	Governance structure and composition	9, 48
2-12	Role of the highest governance body in overseeing the management of impacts	55
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2-23	Policy commitments	9, 12, 48, 51, 54
2-25	Processes to remediate negative impacts	50
2-26	Mechanisms for seeking advice and raising concerns	50
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2-30	Collective bargaining agreements *38% of the employees worldwide*	–
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3-2	List of material topics	14, 16
3-3	Management of material topics	9, 16, 20, 27, 30, 34, 48, 51, 52, 54
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Procurement Practices 2016		
204-1	Proportion of spending on local suppliers *This information is relevant for competition and is accordingly not published.*	–
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205-2	Communication and training about anti-corruption policies and procedures	49
205-3	Confirmed incidents of corruption and actions taken	49
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Material topics		
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404-2	Programs for upgrading employee skills and transition assistance programs	40
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405-1	Diversity of governance bodies and employees	43
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409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	49, 50, 51, 54
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415-1	Political contributions	46, 47
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- Obtaining an understanding of the structure of the sustainability organisation and of the stakeholder engagement;
- Evaluation of the design and implementation of systems and processes for the collection, processing and monitoring of disclosures on environmental, employee and social matters, respect for human rights, and combating corruption and bribery, including data consolidation;
- Inquiries of personnel involved in the preparation of the non-financial report regarding the preparation process, the internal control system relating to this process and selected sustainability information;
- Evaluation of selected internal and external documents;
- Identification of the likely risks of material misstatements of the non-financial report under consideration of the GRI-Criteria;
- Analytical evaluation of selected disclosures in the non-financial report;
- Comparison of selected sustainability information with corresponding data in the consolidated financial statements and in the group management report;
- Assessment of the presentation of selected sustainability information.

Conclusion

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the non-financial report of the Company for the period January 1 to December 31, 2023 has not been prepared, in all material respects, in accordance with the relevant GRI-Criteria.

Intended use of the Assurance Report

We issue this report on the basis of the engagement agreed with JOST Werke SE, Neu-Isenburg. The assurance engagement has been performed for the purpose of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement and must not be used for purposes other than those intended. The report is not intended to provide third parties with support in making (financial) decisions.

Engagement Terms and liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungs-gesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften)" dated January 1, 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement. In addition, please refer to the liability provisions contained in No. 9 and to the exclusion of liability towards third parties. We assume no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we do not update the assurance report to reflect events or circumstances arising after it was issued unless required to do so by law. It is the sole responsibility of anyone taking note of the result of our assurance engagement summarized in this assurance report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Kronberg, March 20, 2024

Spall & Kölsch GmbH

Wirtschaftsprüfungsgesellschaft (Auditing firm)

[Original German Version signed by:]

Christian Spall
Wirtschaftsprüfer
[German Public Auditor]

Ralph Becker
Wirtschaftsprüfer
[German Public Auditor]

Legal disclaimer: This document contains forward-looking statements. These statements reflect the current views, expectations and assumptions of the management, and are based on information currently available to the management. Forward-looking statements do not guarantee the occurrence of future results and developments and are subject to known and unknown risks and uncertainties. Therefore, actual future resultsand developments may deviate materially from the expectations and assumptions expressed in this document due to various factors. These factors primarily include changes in the general economic and competitive environment. Neither the Company nor any of its affiliates undertakes to update the statements contained in this report.

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

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GRI 2-3

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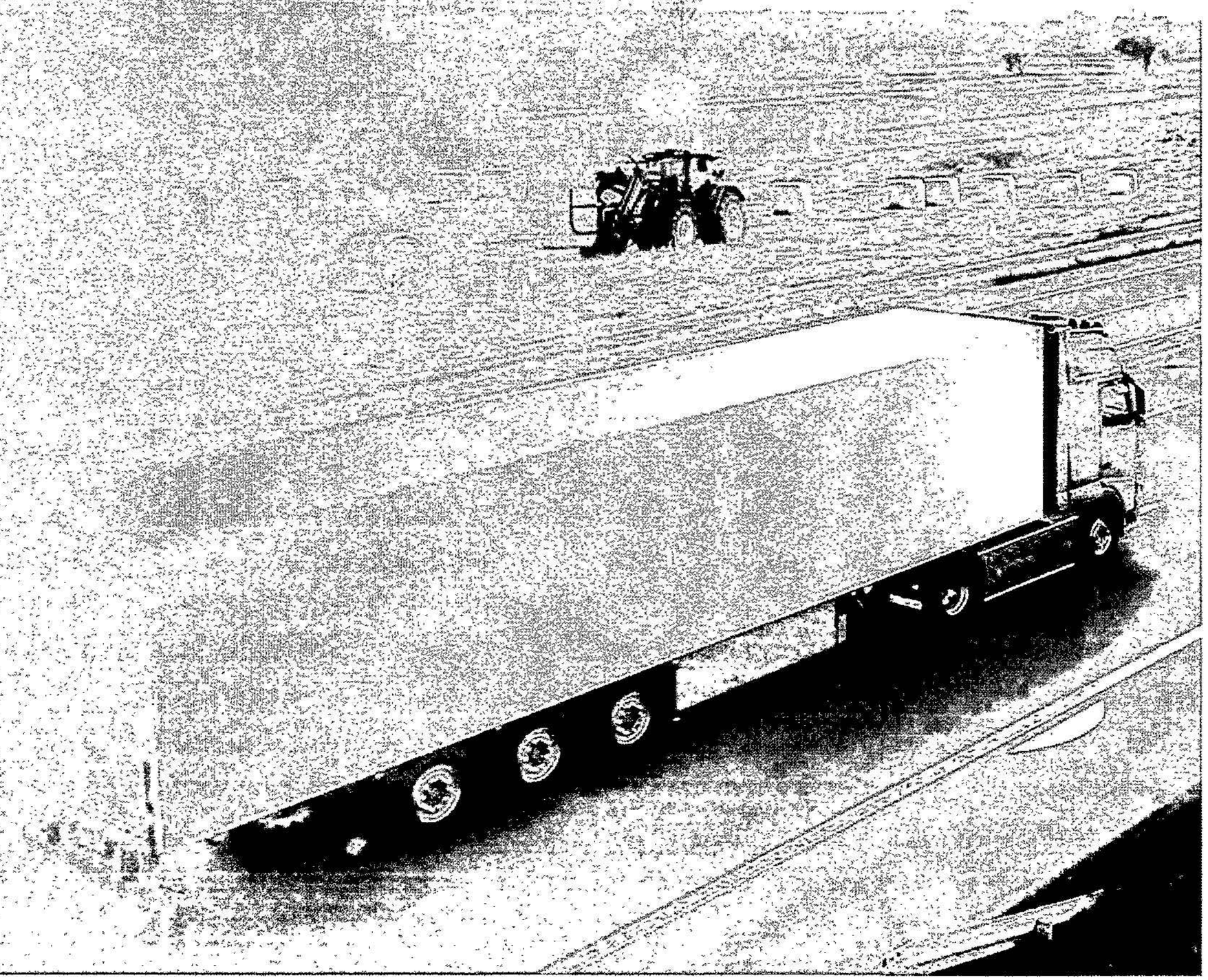

Independent Practitioners' Limited Assurance Report regarding ESG information

To JOST Werke SE, Neu-Isenburg

We have been engaged to perform a limited assurance engagement on the non-financial report of JOST Werke SE, Neu-Isenburg (hereinafter the "Company") in accordance with Section 315b Para. 3 HGB et sqq. (German Commercial Code), for the period January 1 to December 31, 2023.

Management's responsibility

The officers of the company are responsible for the preparation of the non-financial report in accordance with the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter: "GRI-Criteria") and for the selection of the disclosures to be evaluated.

This responsibility of Company´s officers includes the selection and application of appropriate methods of sustainability reporting as well as making assumptions and estimates related to individual sustainability disclosures, which are reasonable in the circumstances. Furthermore, the officers are responsible for such internal control as they have considered necessary to enable the preparation of the non-financial report that is free from material misstatement, whether due to fraud or error.

Audit firm's independence and quality control

We are independent of the company in accordance with the provisions under German commercial law and professional requirements, and we have fulfilled our other ethical responsibilities in accordance with the relevant provisions within these requirements.

Our audit firm applies the German national legal requirements and the German profession's pronouncements for quality control, in particular the by-laws regulating the rights and duties of Wirtschaftsprüfer and vereidigte Buchprüfer in the exercise of their profession (Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer) as well as the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms [IDW Qualitätsmanagementstandard: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QMS 1)] and IDW Standard on Quality Management 2: Engagement Specific Quality Assurance [IDW Qualitäts-managementstandard: Auftragsbegleitende Qualitätssicherung (IDW QMS 2)].

Practitioners' responsibility

Our responsibility is to express a limited assurance conclusion on the non-financial report, based on the assurance engagement we have performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" published by the International Auditing and Assurance Standards Board (IAASB). This standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the non-financial report of the Company for the period January 1 to December 31, 2023 has not been prepared, in all material respects, in accordance with the GRI-Criteria.

We do not, however, issue a separate conclusion for each disclosure. In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore significantly less assurance is obtained than in a reasonable assurance engagement. The auditing firm is responsible for the selection of evidence-gathering procedures, according to their reasonable discretion.

Within the scope of our engagement we performed amongst others the following assurance procedures and further activities:

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INDEPENDENT PRACTITIONERS' LIMITED ASSURANCE REPORT