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AT A GLANCE

For the Eberspächer Group, fiscal year 2021 was impacted by the consequences of the global shortage of semiconductors and raw materials. This resulted in a slight decline in net revenue. However, consolidated revenue increased significantly due to higher raw materials prices for monoliths, which are installed in exhaust systems and represent transitory items. Last year, the Group was targeted by hackers, and the consequences of the attack are still being felt. A positive operating result and a consolidated net income were achieved despite the difficult circumstances.

2022 is characterized by the ongoing Coronavirus pandemic, geopolitical uncertainties and the accelerated transformation of the automotive industry. By developing new business segments, continuously further developing its technological expertise and improving efficiency in its existing core business, Eberspächer is tackling these challenges head-on – for the clean mobility of the future.

Performance indicators in EUR million	2021	Change on 2020 in %	2020	2019	2018
Net revenue	2,269.7	-1.2	2,296.4	2,742.4	2,672.5
Gross revenue	6,000.0	18.5	5,063.7	5,193.7	4,896.1
Foreign share of gross revenue	5,024.6	19.6	4,202.3	4,136.7	3,587.4
Revenue generated abroad as a % of total revenue	83.7		83.0	79.6	73.3
Cashflow from operating activities	-74.9	-138.6	194.0	218.9	170.3
Ratio of equity to total assets as a %	20.2		19.0	24.2	23.6
Equity ratio as a %*	21.3		20.2	25.5	25.0
Capital expenditure**	98.0	-17.0	118.1	150.7	111.6
Amortization, depreciation and write-downs	131.4	0.2	131.1	134.8	130.1
Research and development expenses	43.9	37.2	32.0	47.1	37.5
Personnel expenses	543.0	8.7	499.4	583.2	567.0
Net income / net loss for the year vs. profit for the year	21.0		-42.9	65.8	78.7
EBIT***	52.8	52.2	34.7	127.3	126.4
EBITDA	184.2	11.1	165.8	262.1	256.5
Return on sales as a % (after taxes)	0.4		-0.8	1.3	1.6
Number of employees (average number of employees including trainees)	10,600	-0.2	10,622	n/a	n/a

* Including loan liabilities to partners

** Without changes in the consolidated group

*** Earnings before tax, investment, and financial result

THE GROUP CORPORATE BOARDS OF THE GROUP

Supervisory Board

Mario Trunzer

Chairman

Franziska Beckmann

Deputy Chairperson

Christian Fürst

Klemens Schmiederer

Bernhard Wolf

Executive Board

Martin Peters

Chairman of the Executive Board /
Managing Partner

Dr. Jörg Schernikau

COO

Climate Control Systems / Automotive Controls

Dr. Thomas Waldhier (until June 2022)

CEO

Purem by Eberspächer

Since July 2022:

Volker Cwielong

Co-CEO Purem by Eberspächer

Marcus Knödler

Co-CEO Purem by Eberspächer

Uwe Johnen

Chief Transformation Officer (CTO)

Dominic Waldeier

Chief Financial Officer (CFO)

Ulrike Wörz

Chief Strategy Officer (CSO)

THE GROUP DIVISIONS

as of Dezember 31, 2021

Purem by
Eberspächer

EUR **1,619** million*
(Gross revenue EUR 5,349 million)

For clean and quiet mobility: Exhaust technology and acoustic solutions for passenger cars and commercial vehicles.

Climate
Control
Systems

EUR **604** million*

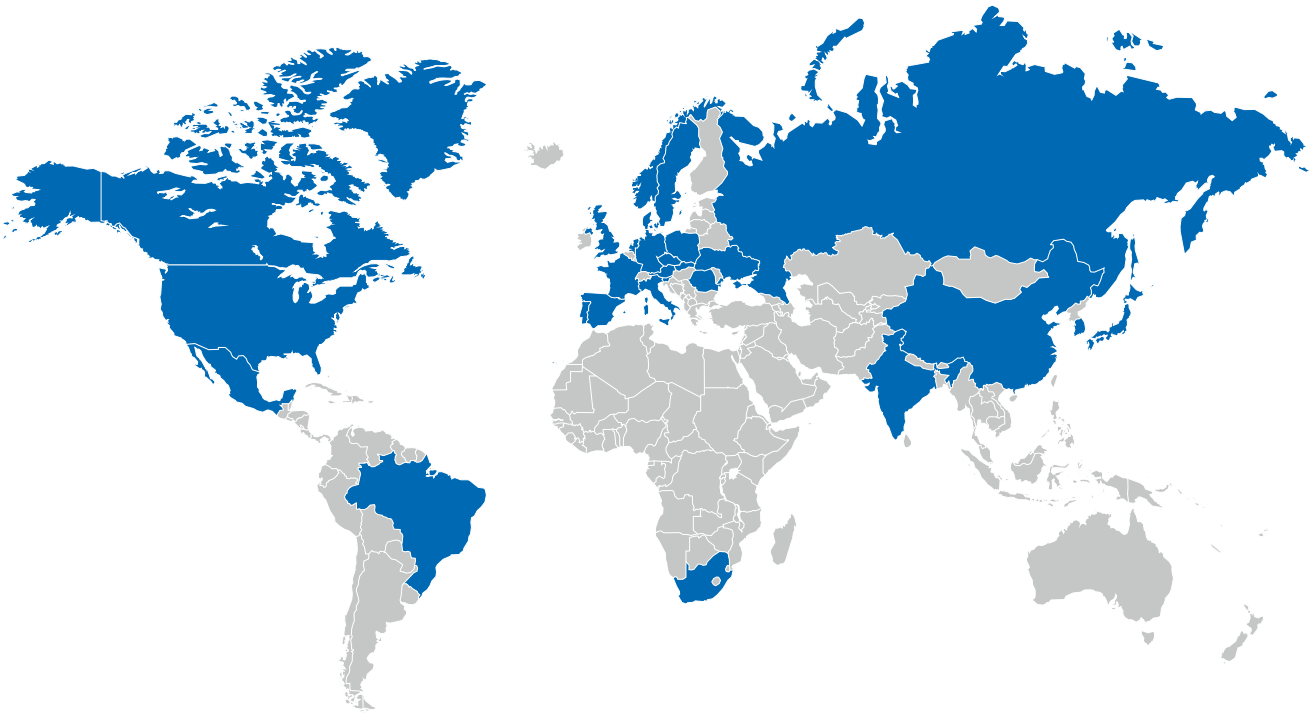
For comfortable thermal management: pre-heaters and auxiliary heaters for all types of vehicles, air conditioning for buses, and special vehicles.

Automotive
Controls

EUR **47** million*

For safe electronics: vehicle power and performance management, battery management systems, and control units for mobile, medical, and industrial applications.

GLOBAL FOOTPRINT



■ Purem by Eberspächer / ● Climate Control Systems / ▲ Automotive Controls / ◆ New Business
(Excluding sales representations, Version May 2022)

Europe

<p>Austria</p> <ul style="list-style-type: none"> ■ Graz ● Wiener Neudorf 	<p>Germany</p> <ul style="list-style-type: none"> ■ Emden ■●▲◆ Esslingen ● Hermsdorf ● Herxheim ■ Homburg ▲ Landau ● Liederbach ■ Neunkirchen ● Renningen ● Torgelow ■ Wilsdruff 	<p>Poland</p> <ul style="list-style-type: none"> ● Oława ● Poznań 	<p>Slovenia</p> <ul style="list-style-type: none"> ● Ljubljana
<p>Czech Republic</p> <ul style="list-style-type: none"> ● Prague ■ Rakovník 		<p>Portugal</p> <ul style="list-style-type: none"> ■ Tondela 	<p>Spain</p> <ul style="list-style-type: none"> ● Getafe
<p>Denmark</p> <ul style="list-style-type: none"> ● Copenhagen 		<p>Romania</p> <ul style="list-style-type: none"> ●▲ Cluj-Napoca ■ Oradea 	<p>Sweden</p> <ul style="list-style-type: none"> ● Nacka Strand ■ Nyköping ● Trollhättan
<p>France</p> <ul style="list-style-type: none"> ■● Elancourt ● Pusignan ■ St. Michel 	<p>Italy</p> <ul style="list-style-type: none"> ● Borgosatollo ■ Castellalto ■ Turin 	<p>Russia</p> <ul style="list-style-type: none"> ● Moscow ● Nizhniy Novgorod ● Novosibirsk ■● St. Petersburg ■ Tolyatti ● Yekaterinburg 	<p>Ukraine</p> <ul style="list-style-type: none"> ● Kiev
	<p>Netherlands</p> <ul style="list-style-type: none"> ■ Sittard 	<p>Slovak Republic</p> <ul style="list-style-type: none"> ■ Nitra 	<p>United Kingdom</p> <ul style="list-style-type: none"> ■ Cowley ● Ringwood
	<p>Norway</p> <ul style="list-style-type: none"> ● Trollåsen 		

The Americas

Brazil

- Sorocaba

Canada

- ▲ Concord
- Mississauga

Mexico

- Mexico City
- Monterrey
- Ramos Arizpe

USA

- ▲ Brighton, MI
- ◆ Lafayette, CO
- Louisville, KY
- Novi, MI
- Spartanburg, SC
- St. Louis, MO
- Wixom, MI

Africa

South Africa

- Port Elizabeth
- Rosslyn

Asia

China

- Beijing
- Changchun
- Chongqing
- Guangzhou
- Shanghai
- Shenyang
- Taizhou
- ▲ Tianjin
- Xi'an
- Yulin
- Zhangjiakou
- Zhongshan

India

- Bangalore
- Pune

Japan

- Nagoya
- Odawara
- Yokohama

Republic of Korea

- Seoul

Singapore

- Singapore

COOPERATION

This keyword perfectly sums up the Eberspächer Group's fiscal year. Thanks to the power of cooperation, our Company managed to deal with difficult structural conditions and close out the year successfully. Our positive operating result and the consolidated net income are proof of that. The Coronavirus pandemic and its consequences affected 2021: Supply bottlenecks of raw materials and electronic components, higher material and energy prices and temporary port closures are just three examples. The global economic and geopolitical impacts led to a profound transformation of our industry.

Last October, our Company was target of a cyber-attack. After the attack, we focused on providing customer support and ensuring the supply of our customers. And we managed to achieve just that. Outstanding teamwork ensured that the more than 50 production plants worldwide we were able to maintain their delivery capacity and/or swiftly recover it.

This would not have been possible without the exceptional achievements of our 10,600 employees. It is thanks to their dedication, creativity and innovative power that our Company is moving forward. In such especially challenging times, they have proven that we can only overcome hurdles if we work together and that we can be successful as long as we cooperate – on behalf of the entire Executive Board I would like to take this opportunity to offer them our sincere thanks! In line with our Corporate Strategy MOVE, last year we also continued to consistently further develop Eberspächer. As such, our operations also underwent transformation, as evidenced by the stronger operational independence of the Exhaust Technology Division under the Purem by Eberspächer brand and the start of our fuel cell technology activities. Together we are developing new business segments, continuously further developing our technological expertise and improving efficiency in our existing core business.

We have set ourselves clear targets for the future: By 2025, we want to generate 47 % of our net revenue independently of passenger car combustion engines. Clean mobility is at the heart of our activities and sustainable operations are a fundamental part of this. We plan to achieve Group-wide CO₂-neutral production by 2030.

The power of cooperation will be instrumental in helping us achieve our ambitious targets – together we can afford to be confident about the future.



Martin Peters
Chairman of the Executive Board / Managing Partner

GROUP MANAGEMENT REPORT

Fiscal year 2021 involved transformations for the Eberspächer Group. The ongoing Coronavirus pandemic and the shortage of semiconductors and raw materials constituted challenges for the Group's business development. Furthermore, the Group was targeted by hackers in October 2021, the consequences of which will continue to be felt in 2022.

At EUR 2,269.7 million, net revenue adjusted for the non-value-generating revenue components was down by -1.2 % year-on-year (prior year: EUR 2,296.4 million). The decline in revenue was, in particular, due to the consequences of the global shortage of semiconductors and various raw materials. Despite this, consolidated revenue increased by 18.5 % to EUR 6,000.0 million. This increase was due to higher raw materials prices for monoliths, which are installed in exhaust systems and simply represent transitory items for the Eberspächer Group. An operating result of EUR 52.8 million and a consolidated net income of EUR 21.0 million were achieved despite the difficult circumstances. As such, both key performance indicators are higher than those for fiscal year 2020.

The Coronavirus pandemic has further accelerated the transformation of the automotive industry. The increased pressure to instigate change means that, in addition to developing new business segments, the Eberspächer Group is focusing on improving efficiency in its existing core business. As such, we see the continuous further development of our technological expertise and the creation of a broad product portfolio containing established and new technologies as the basis for the long-term success of the Company.

In fiscal year 2021, Eberspächer Gruppe GmbH & Co. KG prepared IFRS consolidated financial statements in accordance with §315e for the first time. The comparative figures from the prior year were also adapted to IFRS values. The income statement shall also be structured in accordance with the cost of sales method as from fiscal year 2021 onwards.

GROUP BUSINESS PROFILE

Group business model

The Eberspächer Group, which is headquartered in Esslingen am Neckar (Germany) was founded in 1865 by Jakob Eberspächer and is now one of the largest system developers and suppliers in the automotive industry with approximately 80 sites all around the world. Around 10,600 employees develop, produce, and distribute series of components and complete systems for automobile manufacturers and also supply the aftermarket with exactly fitting retrofit solutions. The Group comprises three Divisions, namely Purem by Eberspächer (formerly Exhaust Technology), Climate Control Systems, and Automotive Controls, which in turn are supported by the Corporate Center. The activities of the Business Innovation and Hydrogen Mobility units are incorporated within the New Business business area for the purposes of developing new products and tapping into new markets.

The Group's development is based on our overall Corporate Strategy MOVE. This means: Eberspächer is shaping the Clean Mobility of the future and is inspiring its customers with Smart Solutions both developed and produced by Dedicated People. We want to achieve profitable growth and are therefore able to confidently and consistently withstand global competition and changing market conditions. We are continuously strengthening our position in existing as well as new markets by driving innovation and pursuing acquisitions and strategic partnerships.

Eberspächer is aware of its environmental responsibility and its Corporate Social Responsibility. Our sustainable corporate governance focuses on three areas of activity: Green Footprint – Innovation – People. As such, we conserve resources, protect the climate and assume responsibility for our employees as well as Corporate Social Responsibility. Our sustainability activities are part of our Corporate Strategy. The Eberspächer Sustainability Report is available online and can be downloaded at the Eberspächer website.

Purem by Eberspächer

In consultation with automobile manufacturers, Eberspächer has been producing and developing its exhaust aftertreatment systems for passenger, commercial and non-road vehicles under the individual brand "Purem by Eberspächer" since May 2021. The products of the Purem by Eberspächer Division significantly contribute to meeting the emission and noise standards. The aim is to further reduce fuel consumption and CO₂ emissions. The new brand is designed to strengthen the Division's operational independence and broaden opportunities for global cooperation with other companies. The Eberspächer Group will continue to own the Division.

Climate Control Systems

The Climate Control Systems Division focuses on Eberspächer's thermal management products and solutions for all types of vehicles. This includes pre-heaters for passenger, commercial and non-road vehicles, as well as air-conditioning systems for buses and special vehicles. Electrical heaters for passenger cars with hybrid, electric or fuel cell drives have become another major component in the product portfolio.

Automotive Controls

The Automotive Controls Division provides standardized and customer-specific electronics solutions. The vehicle electronics applications comprise vehicle electric system and energy management, engine and drive train management, as well as control units and electronics modules for vehicle air-conditioning systems and extended vehicle functions. Battery management and energy storage systems for special vehicles which are used in the medical technology sector and in industrial applications complete the portfolio.

New Business

The Eberspächer Group's activities relating to hydrogen and fuel cell applications have been incorporated within the new Hydrogen Mobility unit since August 2021. The tasks assigned to the new business segment include the creation and implementation of the Hydrogen Strategy, business development and the development of fuel cell systems. The unit cooperates with all Divisions on this. The Business Innovation unit known as "Next Shed" focuses specifically on developing new products and tapping into new markets and is also incorporated within the New Business business area.

Research and development

In fiscal year 2021, research and development expenses amounted to EUR 43.9 million, constituting a considerable increase year-on-year (prior year: EUR 32.0 million). In addition, development costs of EUR 23.6 million were capitalized (prior year: EUR 15.8 million). This includes internal expenses plus external services for design, computer-aided engineering, testing, and prototypes. Furthermore, numerous customer development projects were recognized as revenue.

Expenses for direct product development are required in order to meet the increasing demand for series applications. These costs are necessary to ensure that the global revenue targets will be met. We also advance standards, processes and methods and invest in basic development (research).

Purem by Eberspächer

The development activities in the Purem by Eberspächer Division are mainly grouped together at the three sites in Esslingen (Germany), Novi (USA) and Shanghai (China).

In 2021, the research and development activities focused on modern emission control systems for passenger and commercial vehicles. In the passenger car segment, we mainly engaged in developments for current emission standards and pre-developments for future emission standards. With regard to commercial vehicles, activities focused on the market launch of the next generation of the emission control system for a leading US truck manufacturer as well as further new developments and pre-developments in all regions. All pre-development activities contribute to ensuring compliance with the Euro 7 emission standard currently being coordinated at regulatory level and global equivalents thereof. These are currently expected to broadly come into effect after 2025. The activities mainly comprise new components for Diesel passenger car and commercial vehicle engines and potentially also for gasoline engines. The aim is to ensure that the exhaust system's operating temperature is reached and/or maintained more quickly once the engine has been started as the majority of pollutant emissions are produced during the cold start phase. We believe that the Lamella and Fractal Heaters have huge potential here. A bandheat catalyst, intended to be added to the portfolio, is currently at the early evaluation stage in order to ensure that a variety of solutions covering the entire range of technological and commercial

requirements are on offer. Hydrogen mobility activities have been specified by an initiative with the Karlsruhe Institute of Technology (KIT) and also by founding the "Allianz Wasserstoffmotor e. V." alliance together with industry partners. The aim is to promote hydrogen engines as another solution for Clean Mobility. In addition, with regard to fuel cell applications, the foundations have been laid for further components matching the Purem by Eberspächer expertise and technology profile. These include, for example, flaps, catalytic converters, water separators, and acoustic solutions.

Climate Control Systems

In the Climate Control Systems Division, research and development activities are primarily carried out at the respective main sites of the individual product groups in Germany: for the Business Units Fuel Operated Heaters and Special Markets in Esslingen, for Electrical Heaters in Herxheim and Hermsdorf, and for Bus & Coach in Renningen.

The new and further product developments for fuel operated heating systems of the Fuel Operated Heaters Business Unit were continued in 2021. The focus was on modularizing and standardizing the components for all product families. The new generation of the Airtronic 3 air heater for the performance classes from 2 kw to approximately 8 kw was successively launched from summer 2021 onwards. It supplies heat in many commercial and special vehicles, for example

in recreational vehicles (RVs), vans, ambulances, trucks, boats, and in driver's cabs of off-highway vehicles. The Division continued developing its own software and electronic hardware in cooperation with the Automotive Controls Division. In the fourth quarter of 2021, the series production of the InCat application (integrated catalytic converter) for the Hydronic S3 water heater was launched. This reduces almost all CO and HC emissions and thus provides a low-emission heating option. We also continued to research possible uses of alternative fuels in heaters. Our fuel operated heating systems can also be used as range extenders for plug-in hybrid or electric vehicles. This increases the electric range and at the same time reduces emissions.

The Special Markets Business Unit improved the Europe-wide accessibility of the app-based EasyStart Web and EasyStart Pro operating interfaces. Initial digital services for the cold chain monitoring of temperature-sensitive goods have been launched thanks to the introduction of the digital, cloud-based "e-connected" platform. The connectivity platform enables customers to access information regarding the status of their vehicles and goods. Eberspächer Kalori SAS, our French climate control specialist for commercial and special vehicles, developed a new roof-mounted air-conditioning system as well as new operating elements for heaters and air-conditioning systems. The number of installation kits for retrofitting pre-heaters provided by the Business Unit was doubled in 2021.

The development activities in the Electrical Heaters Business Unit focused on high-voltage coolant heaters. Progress was made in 2021 with regard to the development of the fourth generation of this type of heater. Further series production orders as well as additional volumes for existing projects for the third product generation were acquired in China, Europe and the USMCA region (United States-Mexico-Canada-Agreement). As such, the required application developments for this commenced. Some have already been completed. In 2021, the application development was further strengthened at the Tianjin site in China in order to further drive the development of the business in Asia. The development of PTC ceramics for high-voltage and low-voltage heaters was also continued. These are ceramic elements that are part of intrinsically safe PTC heating solutions for automotive applications. They are used for battery conditioning and the quick availability of warm air in the passenger department.

In the Bus & Coach Business Unit, a new heat pump generation for the foreign market was specified, developed and launched. Furthermore, technology development focused on establishing alternative suppliers for numerous components, with special attention being given to valuable components. This resulted in new configuration options for complete system solutions and improved competitiveness in specific markets. The use of the natural refrigerant CO₂ was further tested and validated via various test systems. Another platform development was started for conventional and electric vehicle drives. Initial customer prototypes were already installed on vehicles for field tests. In order to minimize the risk of infection with viruses in buses and public transport, a system was developed which channels the air inside the bus through the air-conditioning system and sterilizes it with UV-C LED modules by using ultraviolet radiation. It is called Clean Air Solutions by Eberspächer and has already been presented to several customers.

Automotive Controls

The development activities of the Automotive Controls Division take place at the German sites in Esslingen and Landau, the Romanian site in Cluj-Napoca, and the Canadian site in Concord.

The vehicle electronics development activities continued to focus on products for autonomous driving functions, electric mobility, and further reduction of CO₂. In 2021, highly secure switches were developed further. They are required for autonomous driving without a driver (level 5) and for highly automated vehicles (level 3). A highly complex battery management system for a 12-volt lithium-ion battery was developed in Landau thanks to the expertise secured in recent years. This paves the way for the strategic expansion of the product portfolio. The electronic platform developments for future fuel operated and electrical heaters were continued at both German sites in Esslingen und Landau in 2021. The development of the supercap module (SCAP) for ensuring comfort in heavy electric vehicles achieved the required degree of maturity for the start of production in 2023. In the beginning of 2021, the new Development Center in Cluj-Napoca (Romania) was set up. In the future, it will ensure the Group's necessary specialist qualifications and in particular broaden its software expertise. Initial project work has already begun on site. The plan in 2022 is to significantly strengthen the team and start laboratory activities.

In 2021, our site in Concord (Canada) also focused on the further development of large-format battery management systems for applications with higher voltage ranges. These standard solutions can be used in various applications, such as forklifts and other commercial vehicles. Particular focus was given to optimizing the applications in order to make them more user-friendly.

New Business

The Business Innovation unit, Next Shed by Eberspächer, focuses on tapping into specific new business segments to further develop the position of the Eberspächer Group in the future. On the one hand, Next Shed serves as an incubator, whereby the unit collates and validates ideas from internal and external project teams and provides support as a coach and mentor in order to develop the ideas into a scalable business model and market

readiness. The unit also acts as a strategic partner or investor for innovative companies and start-ups with promising ideas and products. The activities focus on the three defined search fields "Thermal Comfort for Mobility", "Urban Mobility Solutions" and "Hydrogen for Mobility".

With regard to hydrogen mobility, the acquisition of VAIREX air systems (Eberspaecher Victori LLC) in July 2021 represented the start of the Eberspächer Group's fuel cell technology activities. Air compressors for the cathode gas supply of fuel cells as well as related components are being developed in Lafayette (Colorado, USA). The output of the fuel cell can be controlled by precisely controlling the air flow and air pressure. As such, the compressor is a key component for the performance of fuel cells and makes a considerable contribution to the efficiency, optimum set-up, and durability of the overall system.

Manufacturing, logistics, and procurement

The procurement and supply bottlenecks caused by the Coronavirus pandemic presented the Eberspächer production plants with major challenges within the last year. Due to the shortage of semiconductors and the scarcity of other primary products and raw materials, production capacities had to be adapted in line with our customers' call-offs. Sometimes they were changed at very short notice. Despite this situation, Eberspächer continued to expand its global production network and therefore accounted for the newly starting customer projects and the internationalization of the business.

On Sunday, October 24, 2021, the Eberspächer Group was the victim of a targeted attack by hackers. All networks and servers had to be shut down in order to prevent the attack from spreading both internally within the Company and externally. Subsequently, we focused on providing customer support and ensuring that customers received their deliveries from the more than 50 production plants worldwide. The outstanding teamwork of our employees ensured that we were able to maintain our delivery capacity and/or swiftly recover it.

Purem by Eberspächer

Production Business Unit Europe

The Europe Business Unit of the Purem by Eberspächer Division is responsible for passenger car and commercial vehicle business with European customers at global level. Well above half of the revenue from passenger car exhaust systems within the Europe Business Unit is generated at the production plants in Neunkirchen (Germany), Rakovník (Czech Republic), Oradea (Romania) and Tondela (Portugal). The extensive acquisition of new business in 2021 will ensure good capacity utilization in the future, in particular at our Eastern European production sites.

The automobile manufacturers drastically reduced their small and special series portfolios in response to the Coronavirus pandemic and the related significant decrease in end customer demand. As a result, the site in Schwäbisch Gmünd (Germany) dropped below a critical revenue volume and was unable to cover the costs of its production any longer. The volumes

remaining after the site was closed were predominantly transferred to the Neunkirchen (Germany) plant by mid-2021.

The Wilsdruff (Germany) and Nyköping (Sweden) sites produce series of Euro 6 exhaust systems for the European commercial vehicle market. Due to the fact that a large customer order is scheduled to come to an end in Nyköping, the site will be closed in 2023. The necessary steps in relation to this have been initiated. Last year, the site in Wilsdruff continued to focus on activities for improving competitiveness.

Production Business Unit Americas

The Americas Business Unit produces exhaust systems for the passenger car and commercial vehicle market at the production sites in the USA, Mexico and Brazil. The production plants are located in Spartanburg (South Carolina, USA), Northport (Alabama, USA), Wixom (Michigan, USA) and Brighton (Michigan, USA) as well as in Ramos Arizpe (Mexico) and Sorocaba (Brazil). After the start of production at the new exhaust technology plant in Ramos Arizpe (Mexico) last year, work was carried out in 2021 in order to continue to ramp it up to full planned capacity. The plant strengthens the North American production network and supports the commercial vehicle and passenger car business for OEM customers. Purem by Eberspächer is continuing to expand its activities in Brazil with the plant expansion in Sorocaba which was started last year. 2021 also saw the start of the development of two further plants in the USA at the sites in Louisville (Kentucky) and St. Louis (Missouri). Both plants support important customer programs relating to light-duty and medium-duty vehicles. At the same time, the planned closure of our production plant in Northport (Alabama, USA) was initiated as the orders there are coming to an end.

Production Business Unit Asia

The Chinese market continues to provide significant growth potential for Eberspächer and the Asia Business Unit. One of the focal points was on meeting the China National 6 emission standard for trucks, which was recently introduced in 2021. The launch of our new generation of commercial vehicle exhaust systems was realized here. In order to ensure closer contact with customers, the previous site in Foshan was relocated to

a new plant around 35 kilometers away in Guangzhou and a new just-in-sequence plant was brought on stream in Shenyang.

Production India

Eberspächer produces exhaust systems that meet the Bharat Stage VI emission standard at the site in Pune (India), enabling the Company to serve the Indian commercial vehicle sector. On account of newly acquired orders, activities were ramped up and a second production network was set up in Pune as part of the joint venture with Sharda Motor in 2021. A building close to the existing plant was rented for such purposes.

Supply chain management

Last year, the procurement and transport markets were affected by global shortages, price increases and logistical challenges with regard to packaging and transport. This was a result of swift and, in some areas, abrupt recoveries in demand following earlier sharp declines on account of the Coronavirus pandemic. In addition to crude steel products, plastics and precious metals, semiconductors used in exhaust flap controls, were particularly affected by shortages. Procurement and transport strategies were adjusted accordingly. Individual plants were able to support each other with goods supplies due to the carry-over parts strategy. In order to maintain our delivery capacity even in the face of the shortage of semiconductors, affected products were, for example, technically modified and long-term offtake agreements were concluded with customers and suppliers following in-depth discussions with our customers. To ensure optimum availability of the components and achieve a swift response time, a cross-divisional Task Force was set up. We managed to prevent supply bottlenecks for our customers as far as possible by expanding and improving our control mechanisms and increasing the safety stock for certain groups of goods. With regard to indirect procurement, shortages of parts and semiconductors caused noticeable delivery time delays amongst machine and device manufacturers. The Purem by Eberspächer Division supported its partners by providing them with the contact details of component suppliers or its own stock.

Despite the difficult overall conditions, measures introduced to improve supplier quality proved effective. These included targeted activities regarding supplier development, close global cooperation and the use of modern technologies. This includes remote international and intercontinental audits carried out, for example, using augmented reality. One of the main focuses of the Division's purchasing team in 2021 was innovation management with lots of strategically relevant projects. These could be implemented thanks to extensive cooperation with development partners and potential suppliers.

Climate Control Systems

Expansion of pooled production

Fuel operated and electrical heaters as well as bus air-conditioning systems are manufactured at the Polish production site in Oława for the Climate Control Systems Division's four Business Units. The expansion of the plant, which began in 2020, was completed on schedule in May last year despite the challenges posed by the Coronavirus pandemic.

Fuel Operated Heaters production

In 2021, the Fuel Operated Heaters Business Unit manufactured its products in the plant network in Poland at the site in Oława and for the last time at the site in Esslingen (Germany). Inventories were first of all drawn up for the closure of the production plant in Esslingen. The necessary systems were then transferred in two waves from Esslingen to Oława and to external suppliers. The effects of the semiconductor crisis and the cyber-attack on the restructuring were sometimes significant but could be minimized thanks to successful crisis management. The launch of the new generation of air heaters (Airtronic 3) was realized in Oława. The series introduction of the first OEM application of the Hydronic S3 water heater with emission control via an integrated catalytic converter was also implemented there. The Esslingen production site was fully closed down at the end of the fiscal year.

Electrical Heaters production

The Electrical Heaters Business Unit produces high-voltage and low-voltage heaters in Tianjin (China), Oława (Poland) and Herxheim (Germany). Due to the sharp rise in demand from customers for hybrid and electric vehicles, production is being transformed to involve greater automation and achieve greater quantities, in particular in Herxheim. The first highly automated system was installed in 2021. Further systems have been ordered for subsequent years. PTC stones for the low-voltage and high-voltage range are produced at the Hermsdorf site in Germany. The move to the new building was completed in 2021. Extensive volume increases at the Hermsdorf site are being expedited in order to be able to serve the three plants for high-voltage and low-voltage heaters at global level.

Bus & Coach production

The relocation of the production lines of the Bus & Coach Business Unit from Novi (USA) to Monterrey (Mexico), planned for 2021, was completed. As such, Eberspächer is the first manufacturer of electrical bus air-conditioning systems in Mexico and Central America. The systems are used in electric and hybrid buses. In addition to being manufactured at the plant in Monterrey (Mexico), the Business Unit's products are also manufactured at the production sites in Bangalore (India), Sorocaba (Brazil) and Oława (Poland). After the plant expansion in Oława was completed in 2021, additional assembly lines for bus air-conditioning systems were brought on stream there. The German site in Renningen is further developing its function as a competence center and manages the global processes within the Business Unit.

Special Markets production

The production of the Special Markets Business Unit comprises three sites: The Business Unit operates an assembly plant for cable harnesses and custom designs in Torgelow (Germany). The production plants in Pusignan (France) and Zhongshan (China) produce

and assemble air-conditioning system components and complete systems. The site in Zhongshan is used as an upstream component plant for final assembly in France and also serves the Asian market. Due to increased demand in Asia, in 2021 the Business Unit signed a lease for a new building in Zhongshan which provides three times the space. The planned relocation was delayed due to the cyber-attack. It will now take place in 2022. In the future, the site will be the Asian hub for all of the Business Unit's products. Both air-conditioning systems as well as fuel operated and electrical heaters will be supplied to all Asian markets from there.

Automotive Controls

The Automotive Controls Division produces vehicle electronics in the Automotive Electronics Business Unit at the site in Landau (Germany) and in Tianjin (China). The production site in Landau specializes in the production of control units for vehicle electric system management and supercap modules (SCAP). Necessary investments were made and systems were modernized here in 2021. Control units for the Climate Control Systems Division's high-voltage heaters and fuel operated heaters are also produced here. Production of control units at the Chinese plant was ramped up in 2021 after series production started the year before. The produced control units are installed directly on site in the electrical high-voltage heaters of the Electrical Heaters Business Unit. Eberspächer has been producing electrical high-voltage heaters in Tianjin since December 2018. The installation of an additional production facility is being prepared for the required expansion of production capacities in 2022. Battery management systems for medical, military and increasingly also industrial applications are produced in the Battery Management Business Unit at the Concord site (Canada). As these battery management systems are a fixed component in respirators and ventilators, Eberspächer was once again able to make an important contribution to the medical treatment of COVID-19 patients during the pandemic in 2021.

New Business

Hydrogen Mobility production

Eberspächer added another site for its production activities by acquiring VAIREX air systems (Eberspächer Victori LLC) in July 2021. The first production plant in the new Hydrogen Mobility unit is located in Lafayette (Colorado, USA) and produces air compressors for the cathode gas supply of fuel cells as well as related components.

Logistics and procurement

The shortage of semiconductors also caused procurement and supply bottlenecks in the Climate Control Systems and Automotive Controls Divisions. Delivery times were considerably longer in the first half of 2021. In the second half of the year, the situation became so bad that orders which had already been confirmed were sometimes suddenly canceled during the fourth quarter. We continuously test and purchase alternative components in order to reduce our dependency and increase our flexibility. So-called spot purchasing opportunities are also used whereby globally in-demand components are sold sometimes at higher prices. Semiconductors are used in vehicle electronics products and in electrical heaters. Plastics that, for example, are used in heater housings, were also affected by shortages.

BUSINESS REPORT

Overall economic development

In 2021, global economic development continued to be significantly impacted by the Coronavirus pandemic and its resulting consequences. Worsening supply and capacity bottlenecks and resulting disruptions to global value added chains had a negative impact on industrial production in many countries. This was due to the swift economic recovery with sometimes unforeseeable increases in demand in individual sectors of the economy. Limited capacities in terms of raw materials and primary products caused bottlenecks, in particular in the case of metals, wood and semiconductor products. At the same time, global transport capacities were unable to keep up with the changing flows of goods. According to the International Monetary Fund (as at April 2022), global gross domestic product rose by 6.1 % following the sharp decline caused by the pandemic during the prior year (prior year: -3.3 %). Economic development was regionally very different: Apart from China, which had already achieved pre-crisis levels again by the end of 2020, the USA was the only major economy that managed to exceed these levels again in 2021. Economic activity grew significantly over the summer in the eurozone as a result of falling infection numbers and the lifting of containment measures. Services were a major driver of this growth. Germany was faced with a contrasting situation: As in the rest of the eurozone, the services industry had noticeably recovered from the Coronavirus crisis. Despite high levels of incoming orders value creation, the manufacturing industry was suffering due to supply bottlenecks of important industrial primary products. According to the International Monetary Fund (as at April 2022), growth in Germany was 2.8 % (prior year: -4.9 %).

Sector environment

Demand for passenger cars below pre-crisis levels

Global demand for passenger cars increased slightly year-on-year although it remained below pre-crisis levels. However, the shortage of semiconductors in particular is still having a negative impact on the automotive industry's supply chains. Rising energy and logistics prices as well as the shortage of other primary products and raw materials also caused issues for the industry. This meant that customer demand could not be met in full. As a result, according to the German Association of the Automotive Industry (Verband der Automobilindustrie; VDA), in 2021 new passenger car registrations in the European automotive market were slightly down year-on-year. The number of new passenger car registrations in Germany fell significantly compared to 2020. At the same time, the order intake of German OEMs moderately increased year-on-year during the course of the year and the order backlog even increased significantly toward the end of the year.

Both the export of German vehicles (2.4 million passenger cars) and the German production volume (3.1 million passenger cars) saw a significant decline. The total number of new passenger car registrations was moderately higher in China and slightly higher in the USA year-on-year.

According to information provided by IHS Markit, the globally produced numbers of units of battery electric vehicles (BEV) increased by 87.7 % year-on-year in 2021. This means a market share of 6.1 % of global passenger car production volumes. The production numbers in Germany in this passenger car segment increased by 81.6 %. It therefore achieved a 10.4 % share of total passenger car production volumes. With an increase in production numbers of 141.4 %, BEV in China accounted for 11.1 % of domestic passenger car production volumes. The numbers of units of plug-in hybrid electric vehicles (PHEV) produced also grew significantly year-on-year.

Commercial vehicle market still heterogeneous

The number of new commercial vehicle registrations increased significantly in Western Europe and moderately in Germany. Whilst new registrations in the USA increased by around 13 %, they fell significantly in China year-on-year (according to VDA).

Bus market below pre-crisis levels

Following sharp declines in the prior year, global demand for buses was also unable to recover from the effects of the Coronavirus pandemic in 2021. According to information provided by the ACEA (European Automobile Manufacturers' Association), new registrations in Europe were slightly up on 2020 levels. Whilst the coach segment saw a significant decline, the city bus share significantly increased. In Germany, sales of buses achieved the previous year's levels. The bus business in Brazil and India once again remained below pre-crisis levels. However, due to a significant recovery in the city bus market, the bus market in Mexico saw a significant increase year-on-year.

Outlook for 2022

After an increase in global gross domestic product of 6.1 % in 2021, the International Monetary Fund forecasts growth of 3.6 % for 2022 (as at April 2022). The low growth forecast is primarily due to the consequences of the Russia-Ukraine war which has been ongoing ever since Russian forces invaded the sovereign state of Ukraine on February 24, 2021.

Economic activity in the eurozone and in the USA is predicted to slow down in 2022. The International Monetary Fund forecasts that Germany's gross domestic product will grow by 2.1 % (as at April 2022). Chinese economic growth is also expected to slow down in 2022. The war in Ukraine is further increasing raw materials prices and exacerbating supply bottlenecks of raw materials and primary products. At the same time, inflation is continuing to rise. The duration and outcome of the war as well as the further implementation of sanctions against Russia are difficult to predict. Although the Coronavirus situation seems to have calmed down in many countries, new variants of the virus continue to jeopardize forecasts. China's strict zero-Covid policy and the consequences of the lockdown in Shanghai imposed at the end of March 2022 could make China's economy even weaker than currently presumed and are adding to the pressure surrounding the already globally fraught situation with regard to supply chains and logistics.

The global automotive industry is expected to experience a slight decline compared to 2021. High energy and logistics prices, the limited availability of raw materials and primary products, and the semiconductor crisis are all stifling growth, in particular in Europe. According to information provided by IHS Markit, battery electric vehicles (BEV) could account for 7.7 % of total global passenger car production volumes in 2022. Plug-in hybrid electric vehicles (PHEV) are forecast to account for 3.1 % of global passenger car production volumes.

Business trend

Development in revenue

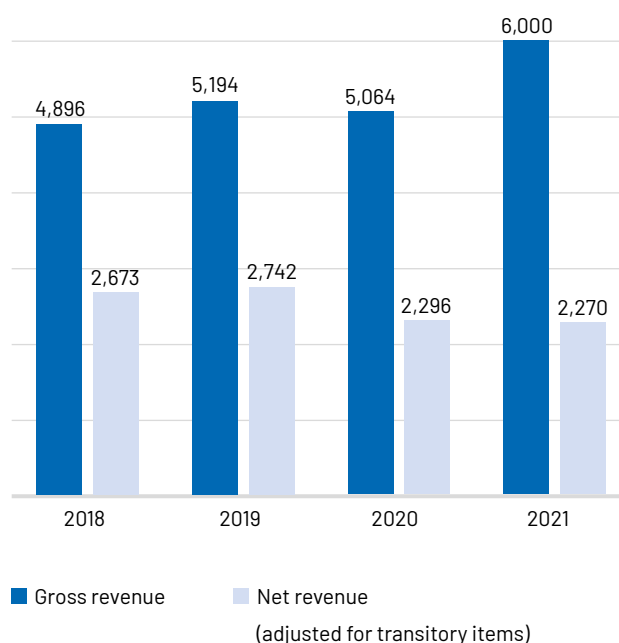
In fiscal year 2021, the consolidated revenue of the Eberspächer Group amounted to EUR 6,000.0 million (prior year: EUR 5,063.7 million), constituting an increase of 18.5 %. Net revenue (adjusted for transitory items such as monoliths and third-party parts that do not contribute to value creation) decreased by 1.2 % in 2021. The year-on-year revenue decrease primarily resulted from the consequences of the global shortage of semiconductors and various raw materials. Gross revenue increased compared to net revenue. This was mainly the result of higher raw materials prices for monoliths, which are installed in exhaust systems. Our net revenue forecast in the 2020 management report was based on values calculated in accordance with the German Commercial Code (Handelsgesetzbuch, HGB). As the consolidated financial statements and Group management report are being created in accordance with IFRS as from 2021, it is impossible to carry out a comparison with the previous year's forecast.

Purem by Eberspächer

Revenue in the Purem by Eberspächer Division increased by 19.0 % to EUR 5,348.6 million (prior year: EUR 4,495.2 million).

Revenue in the Purem by Eberspächer Division contains a large proportion of transitory items. These are mainly coated monoliths and additional purchased components that Eberspächer installs. In 2021, this share amounted to 69.7 % (prior year: 61.6 %). Net revenue, adjusted for these transitory items, amounted to EUR 1,618.5 million (prior year: EUR 1,727.8 million), a decrease of 6.3 % year-on-year. The reason for the increase in gross revenue was the increased share in transitory items, which was primarily caused by higher monolith prices. In addition, the semiconductor crisis led partly to a shift in sales towards products with a higher monolith proportion.

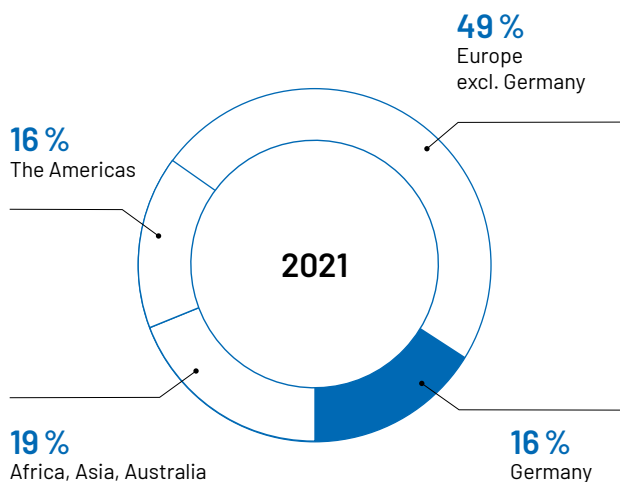
Gross revenue and net revenue
of the Eberspächer Group in EUR million



Global sales markets

The development of the Business Units within the Purem by Eberspächer Division was primarily impacted in 2021 by three factors: The Coronavirus pandemic, the trend towards electrified drives as well as the ongoing supply issues concerning electronic components and the related effects on our OEM customers. As a result of these effects, the production plants of the Europe Business Unit were exposed to significant volatility in terms of incoming orders and order call-offs during the entire fiscal year. There were also operational and financial challenges as a result of the cyber-attack in October 2021. Despite the global crisis concerning supply chains and the effects of shortages of electronic components at passenger car and commercial vehicle manufacturers, the revenue of the Europe Business Unit was approximately the same year-on-year. The Americas Business Unit was also affected by reduced customer demand as a result of the semiconductor crisis. This led to unscheduled production downtime. However, the Business Unit's revenue for the entire year increased slightly year-on-year. In Asia, the consequences of the shortage of semiconductors in particular had a negative effect on revenue. As a result, the Asia Business Unit's revenue decreased significantly year-on-year.

Revenue of the Eberspächer Group by region



Climate Control Systems

In the Climate Control Systems Division, revenue in 2021 amounted to EUR 604.2 million (prior year: EUR 518.4 million), constituting a considerable increase year-on-year.

Fuel Operated Heaters revenue recovered significantly

Revenue from fuel operated heaters in the Fuel Operated Heaters Business Unit recovered year-on-year and was considerably higher than in the previous year. This was predominantly the result of strong demand in the American commercial vehicle segment. In the passenger car segment, revenue in Europe fell short of expectations. The continued decline in demand for combustion engines in particular in Europe is affecting both the commercial vehicle and the passenger car OEM business of the Business Unit. Electrical heaters of the Eberspächer Group's Electrical Heaters Business Unit are often installed instead.

Special Markets increased significantly

The Special Markets Business Unit pools the activities with subsidiaries and sales representations in Germany and abroad as well as OES and non-automotive OEM customers. In fiscal year 2021, the revenue of this Business Unit once again increased and was therefore significantly up year-on-year. The Business Unit benefited from several new long-term orders and tenders in the flourishing ambulance, RV and utility vehicle business. In addition, the areas concerning passenger car and truck retrofit solutions as well as sales of spare parts in these segments recovered from the earlier sharp declines in revenue seen in 2020 during the Coronavirus pandemic.

Electrical Heaters increased significantly

Despite the current semiconductor crisis, the Electrical Heaters Business Unit saw a significant increase in revenue in 2021 year-on-year. This in particular concerns the high-voltage sector. The Business Unit is profiting here from sustained high demand for electrical high-voltage heaters used for plug-in hybrid and battery electric vehicles in Europe and China.

Bus & Coach recovered significantly

Revenue in the Bus & Coach Business Unit recovered significantly from the sharp declines seen in 2020 during the Coronavirus pandemic. However, the lasting effects of global mobility restrictions imposed due to the pandemic continued to be noticeable. They continue to particularly affect the coach and intercity bus segments, whereby pre-crisis levels have still not yet been achieved.

Automotive Controls

In the Automotive Controls Division, revenue amounted to EUR 47.1 million (prior year: EUR 50.1 million), moderately down year-on-year. Demand for electronic control units was very high in 2021, in particular for those that are installed in electrical heaters of electric vehicles. However, the shortage of semiconductors and the general disruptions to the supply chain as well as related production downtime meant that customer demand could not be met in full.

Financial performance indicators

Earnings before interest and taxes (EBIT) is a key financial performance indicator for the Group. The EBIT results from the operating profit before financial result and taxes. At EUR 52.8 million, the Group's EBIT in 2021 was significantly up year-on-year (prior year: EUR 34.7 million). This was due in part to lower restructuring expenses year-on-year. The EBIT in the prior year was also more heavily impacted by the effects of the pandemic than in 2021. A comparison with the value forecast for the EBT in the prior year would not be meaningful due to the change in the accounting standards in use from those relating to the German Commercial Code (Handelsgesetzbuch, HGB) to IFRS and therefore does not appear here or in the case of the following financial performance indicators.

Net financial debt is another financial benchmark. It is the total value of financial liabilities less the total value of cash and cash equivalents and other current financial assets. The Group's net financial debt amounted to EUR 731.8 million (prior year: EUR 483.1 million) and was therefore considerably worse year-on-year. In addition to the cyber-attack, the globally fraught situation with regard to deliveries and supplies of raw materials and primary products in particular led to inefficiencies and increased capital requirements for the Eberspächer Group.

Futhermore, trade working capital is also a financial benchmark. It is composed of trade receivables and

inventories less trade payables. The trade working capital in 2021 amounted to EUR 615.2 million and was therefore significantly up year-on-year (prior year: EUR 464.6 million). Customer calls fluctuated heavily or were abruptly changed due to the semiconductor crisis. Together with an increase in safety stocks, this led to a significant increase in our stock levels. In the Purem by Eberspächer Division, this was also a result of higher monolith prices.

Based on the description of our financial performance indicators, we examine the Group's net assets, financial position, and results of operations below.

Net assets, financial position, and results of operations

Net assets

As at December 31, 2021, total assets increased year-on-year by EUR 160.1 million (+6.3 %) to EUR 2,692.9 million. Essentially, with regard to assets, increases were recorded for inventories (EUR +119.1 million) and other current assets (EUR +61.7 million). By contrast, cash fell by EUR 77.9 million. The strong build-up of inventories was due to higher monolith and raw materials prices, higher safety stocks on account of disruptions to supply chains, and the erratic call behavior of OEM customers. The increase in other current assets essentially concerned a VAT credit (import VAT) in Mexico. This originated due to delays involved in the approval of a VAT certificate.

With regard to non-current assets, increases were recorded for intangible assets and property, plant and equipment of EUR 47.9 million to EUR 869.4 million. Investments (without leasing and goodwill) of EUR 123.3 million (prior year: EUR 137.6 million) were offset by depreciation and amortization of EUR 131.4 million as well as disposals at carrying amounts of EUR 38.7 million – also from sales-and-lease-back transactions. Currency effects from the translation of fixed assets from local currency into euros had, in the amount of EUR 22.2 million, an influence on the accounting valuation of the fixed assets. The carrying amounts of the usage rights from leases increased year-on-year by EUR 26.2 million. The intangible assets, which also contained goodwill, increased year-on-year by EUR 27.5 million. The increase concerned costs for in-house developments as well as the goodwill from first consolidation of the acquisition carried out in July 2021 of VAIREX air systems (now Eberspaecher Victori LLC).

The other current assets reduced in the area of derivative financial instruments by EUR 12.3 million. The trade receivables reduced year-on-year by EUR 2.7 million to EUR 915.5 million as at December 31, 2021.

On the liabilities side, the increase in the long-term and short-term financial liabilities of EUR 159.3 million was essentially due to liabilities to banks (EUR +131.6 million) due to the use of a line of credit from the syndicated loan agreement as well as the taking out of a loan.

The leasing liabilities also increased by EUR 25.9 million to EUR 93.1 million, essentially in connection with the new construction of a plant of the Purem by Eberspächer Division in Mexico.

The other provisions increased slightly from EUR 98.0 million as at December 31, 2020, to EUR 101.6 million as at December 31, 2021.

The trade payables reduced, contingent upon reporting date, by EUR 34.2 million to EUR 855.3 million. The other liabilities reduced by EUR 24.7 million, primarily as a result of decreasing liabilities in the human resources area (EUR -7.8 million), smaller contractual liabilities (EUR -0.1 million) and reduced tax liabilities (EUR -7.7 million).

Equity improved by EUR 63.3 million to EUR 544.6 million, essentially as a result of the consolidated net income of EUR 21.0 million (prior year: consolidated net loss of EUR 42.9 million) and the change of currency conversion by EUR 31.0 million.

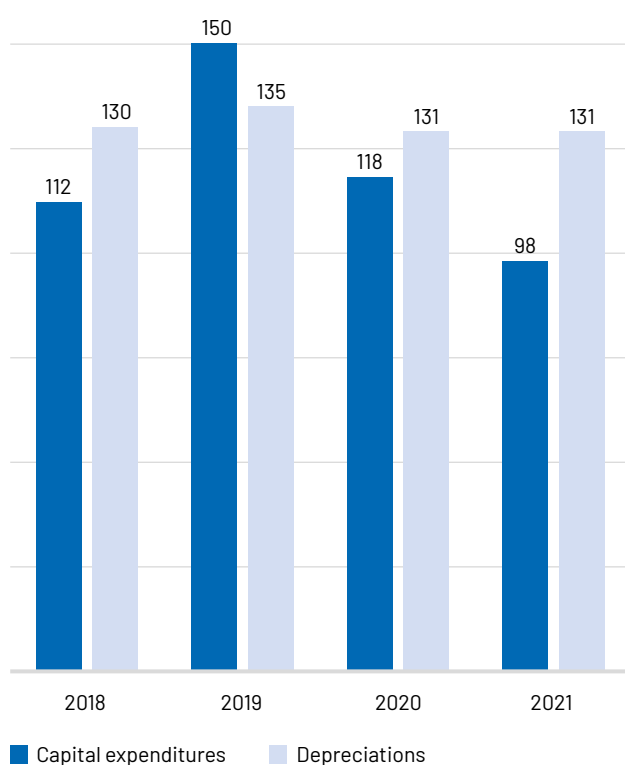
The equity ratio improved in comparison to the prior year's reporting date from 19.0 % to 20.2 %. The equity ratio (including liabilities to partners) amounted to 21.3 % (December 31, 2020: 20.2 %).

Financial position

Net financial debt increased from EUR 483.1 million as at December 31, 2020, to EUR 731.8 million as at December 31, 2021. This is the result, firstly, of the negative cash flow from operating activities of EUR -74.9 million, primarily due to the fact that the trade working capital increased by EUR 150.6 million year-on-year. Secondly, net financial debt increased as a result of cash outflow from investing activities by EUR -103.7 million. Cash flow from financing activities amounted to EUR -1.5 million. Cash inflows predominantly resulted from the use of a credit line from the syndicated loan agreement as well as an additional loan of EUR 20 million. On the other hand, repayments amounted to EUR 64.0 million. Due to leases funds of EUR 28.1 million also flowed out.

Revolving receivables are sold monthly and weekly for financing purposes as part of factoring agreements. As at the reporting date, these transactions in the amount of EUR 73.2 million (prior year: EUR 40.7 million) led to a balance sheet contraction. As at the reporting date, the Group had unused credit facilities of approximately EUR 134 million.

Capital expenditures and depreciations in EUR million



Results of operations

In fiscal year 2021, consolidated revenue amounted to EUR 6,000.0 million (prior year: EUR 5,063.7 million), constituting an increase of EUR 936.3 million or 18.5 % year-on-year. The revenue of the Purem by Eberspächer Division increased significantly. However, this was due only to higher raw materials prices for monoliths, which are installed in exhaust systems. Higher revenue in the Purem by Eberspächer Division was reported, for example, by the subsidiaries in the USA, Germany, China, Portugal and Romania. The subsidiary in Sweden, on the other hand, recorded a decline in revenue. Despite the Coronavirus pandemic and the shortage of semiconductors, the Climate Control Systems Division managed to significantly increase its revenue. This was due to positive developments at the subsidiaries in Poland, the USA and France, for example. The Automotive Controls Division recorded a 5.9 % drop in revenue year-on-year. The shortage of semiconductors and the general supply chain disruptions had a particularly strong impact here.

Net revenue fell slightly by 1.2 % to EUR 2,269.7 million (prior year: EUR 2,296.4 million). This figure is calculated from the revenue recognized less transitory items that do not contribute to value creation, such as monoliths and additional purchased parts. The slight decline was essentially due to the consequences of the semiconductor crisis.

Costs of sales increased primarily due to higher raw materials prices for monoliths to EUR 5,691.2 million from EUR 4,765.5 million in fiscal year 2020. In addition, production expenses increased due to inefficiencies following the cyber-attack which the Eberspächer Group suffered on October 24, 2021.

The resulting gross profit from revenue in 2021 was EUR 308.8 million, constituting a 3.6 % increase year-on-year.

Research and development expenses increased by EUR 11.9 million to EUR 43.9 million. Expenditures in the Purem by Eberspächer and Climate Control Systems Divisions were also increased here in order to be able to meet future regulatory requirements. In addition, in-house developments of the Group will be capitalized and depreciated and amortized as scheduled over subsequent years.

Selling expenses amounted to EUR 120.1 million and were therefore slightly up year-on-year. In the wake of the global supply chain disruptions, distribution costs increased due to special cargoes.

Administrative expenses decreased slightly by 1.2 % to EUR 100.6 million, which was due in part to lower consultancy expenses. The project for changing the accounting standards in use to IFRS was completed in mid-2021.

Other operating income increased by EUR 12.8 million to EUR 50.5 million. This included insurance compensation from the cyber-attack of EUR 10.0 million.

Other operating expenses amounted to EUR 42.4 million, constituting a decrease of EUR 1.3 million year-on-year. Primarily, expenses for external services decreased. On the other hand, higher losses were incurred from the disposal of property, plant, and equipment assets, in particular in case of the American subsidiary of the Purem by Eberspächer Division.

Earnings before interest and taxes (EBIT) amounted to EUR 52.8 million, increasing significantly of EUR 18.1 million year-on-year. The expenses resulting from the cyber-attack were only partly offset in the fiscal year by income from the insurance compensation of EUR 10.0 million.

The financial result improved by EUR 44.4 million from EUR -48.1 million to EUR -3.7 million. The interest result contains income of EUR 9.0 million from the

measurement of financial instruments, following expenses of EUR 15.0 million in the previous year. The other financial result increased as the currency result from exchange-rate gains and exchange-rate losses improved by EUR 19.1 million year-on-year.

In the reporting period, the consolidated result amounted to EUR 21.0 million and was therefore significantly up year-on-year (2020: EUR -42.9 million).

Depreciation and amortization was EUR 131.4 million and therefore increased by EUR 0.3 million year-on-year. EBITDA was therefore EUR 184.2 million, which is EUR 18.4 million above fiscal year 2020.

Earnings before taxes amounted to EUR 49.1 million, constituting an increase of EUR 62.5 million year-on-year (prior year: EUR -13.4 million). Taxes on income were slightly down year-on-year as the extraordinary items from audits of the prior year ceased to exist and, in addition, loss exploitation effects could be claimed.

Despite the wide range of challenges presented by the Coronavirus pandemic, the semiconductor crisis, and the cyber-attack, a clearly positive EBIT of EUR 52.8 million was achieved in fiscal year 2021. The Group recorded a consolidated net income of EUR 21.0 million following a loss in the prior year of EUR 42.9 million.

Opportunities and risk report

As a globally active company, Eberspächer is faced with a great number of risks, which are inseparable from our business activity. However, these risks also come with different opportunities that can positively influence business developments.

The goal of our Group-wide risk management is to minimize the probability of occurrence of risks and related damages. It thereby contributes to securing the Company's future success and sustainably increases Company value.

Risks within the Group are identified at Division level and assessed on the basis of the probability of occurrence and financial impact within the scope of risk management. This comprises all important risks. Risk management is concerned with the selection and implementation of measures to reduce risk in order to ultimately also deflect existential dangers. In addition, concretized potential damages (damages that have not yet occurred, but for whose potential occurrence in the near future there are sufficient indications) in excess of at least EUR 250,000 EUR is recorded and monitored on a monthly basis. Risk reporting is a component of the monthly management report to the Company's management.

The following risks are presented prior to the implementation of risk-limiting measures. We are aware of the risks and attempt to manage them actively with the following measures.

Our activities are linked with the following key risks and opportunities:

Procurement market risks and opportunities

As a manufacturing company, we are faced with a high risk of a lack of availability of pre- and intermediate products for our manufacturing. This risk shows itself especially in the current situation in the world markets and already existing delivery and supply bottlenecks as a consequence of the Coronavirus pandemic. This will continue in 2022. In this context, a consistent observation and transparent analysis of our supply chains, intensive planning, and anticipatory adjustments between customers and suppliers is urgently required. We do everything in our power to counteract impending capacity bottlenecks at our suppliers with intensive bottleneck management and increased dualsourcing of work steps and components. Due to the already existing shortages, our control mechanisms were post-adjusted and safety stocks for certain groups of goods increased. In relation to the shortage of semiconductors,

alternative components were tested and purchased, affected products modified technically through close exchanges with our customers and long-term acceptance agreements concluded. By setting up an area-wide task force, the best possible availability and a fast response time for customers should be achieved.

In addition, further variants of the Coronavirus could lead again to negative effects on the procurement market. For example, our supply chains could be impacted by pandemic-related short-term closing of important ports. We assume that sea freight will remain restricted in 2022. Therefore, parts of our imports from China will be switched from ship to rail to avoid further costs and to increase our flexibility in this regard.

To safeguard against price risks for our products, the procurement markets are continuously monitored – as far as is possible in the current situation – and the supplier portfolio and corresponding goods group strategies are planned in the long term as far as

possible. In addition, we are concluding long-term supply contracts with currency and material price escalation clauses, which should counter the progressing inflation, amongst other things. These measures are required, as we consider the probability of this risk occurring to be high. Uncertainties exist in this context in relation to the effect of rising energy prices. Through the risk and cost-optimized purchase of partial quantities, it has been possible to limit additional costs hitherto.

Because of the current overall economic development, we see the financial stability of suppliers as a moderate risk. As part of our supply and sourcing strategies, we meet this with selective global dualsourcing and the expansion of our supplier base in global best-cost countries. In addition, we are continually increasing our level of localization in China.

Price risks and opportunities

Due to multi-year price development agreements usually being entered into already when placing an order, the risk of a sudden price drop is rather low. Customers nevertheless attempt to achieve additional price reductions by negotiating with us.

The automobile manufacturers rely on broadly diversified model ranges in order to service numerous vehicle segments and various group brands. At the same time, the engine platforms of numerous OEMs are standardized throughout the entire group. The volumes for close-coupled systems are allocated in pools. This development results in numerous exhaust system variants, thus increasing unit costs.

Vehicle manufacturers try to partly compensate for cost increases from continually rising model varieties and electrification by reduced component prices. At the same time, it is difficult for suppliers to pass on increased development and production costs to the OEMs. A trend towards a shift in emphasis away from technical contents to the costs of components can be observed, even among the premium manufacturers.

Along with persistent price pressure on the part of automobile manufacturers, extensive development and service activities are relocated to the supplier. These are confronted with a continually increasing requirement for investment and financing.

However, the shift of development activities and services also provides suppliers with the opportunity

of expanding their know-how further and strengthening their own technology portfolios. Thanks to a high level of competence along the entire value chain, a strengthening of the competitive position can result along with potential savings through cost optimizations.

The persistent debates about the future distribution of drive technologies and the strong support for battery-electric vehicles are currently leading to a high level of uncertainty in planning for vehicle manufacturers related to sales volumes in series production and future model programs. This situation inevitably causes a great deal of competitive pressure for the supplier businesses of combustion components and systems.

Key market risks and opportunities

We have been able to expand our customer base in recent years and thus, reduce dependency on individual customers. Due to long-term supply contracts over the entire life-cycle of different model series, the risk of short-term discontinuations in business relationships with our customers can be classified as rather low. Through increased activities in growth markets, we are also achieving new market potential.

A considerable reduction in customer demand in 2022, as a consequence of the Coronavirus crisis, presents a small risk. Depending on how the pandemic progresses, this continues to exist in principle. The persistent semiconductor shortage can lead to our customers having to limit their production again. For Eberspächer this can lead to a new reduction in production volume, which can again have a negative impact on the sales of our products. If the production and supply bottlenecks that still exist worldwide resolve in 2022, the economy could recover more quickly and gain momentum. This could result in opportunities for improved sales development at Eberspächer.

The mobility of the future presents new challenges for the entire automotive industry. In view of global trends and ever tougher emission standards, electric mobility is increasingly gaining in importance. The Coronavirus pandemic further increased the pressure to transform within the automotive industry. In the long term, we see ourselves confronted by the risk of a shrinking market for combustion engines. We are countering this risk with the development of new business models as well as simultaneous growth and increasing efficiency in the present business field. Next Shed by Eberspächer has set itself the goal in this context to build new

business fields along with the core business and further development in the Divisions. Within the scope of this technological change, traditional drives must be optimized further and the development of new drive concepts, such as hybrid and electric drives, advanced. We regard ourselves as well positioned for the future due to our development of innovative products, some of which are developed in cooperation with individual automobile manufacturers. The increasing globalization as well as technological and social change provide the Group with additional regional growth opportunities.

Financial risks and opportunities

The observance of law and order is the basis of every business transaction for Eberspächer. Eberspächer has set down the relevant standards for employees in a Code of Conduct and monitors internally the observation of competition and antitrust law.

In 2014, several antitrust authorities initiated investigations against manufacturers of exhaust systems for the automotive industry on the grounds of potential agreements that violate antitrust laws. The proceedings have been terminated in the meantime where jurisdictions in the core markets, Europe, America, and Asia, were concerned without any violations of antitrust law being found and without any penalties being imposed. Only one antitrust authority is still reviewing its further course of action. Independent of this, there is further risk of damage claims by third parties. Corresponding provisions were set aside for potential follow-up claims.

As part of its usual business activity, Eberspächer is exposed to currency and interest rate risks. In these instances, where we intend to hedge against these risks, derivative financial instruments are deployed. These must be backed by items, cash investments and financing, which arise from the operating business. We therefore regard the probability of these risks occurring as moderate. Positive currency and interest rate changes represent at the same time financial and economic opportunities for the Group.

We assess existing default risks as moderate in total due to our customer portfolio. Above-average bad debts are not to be expected. We have nevertheless intensified our regular customer credit checks. The parts, Coronavirus and Ukraine crises have temporarily

led to supply chain disruptions and therefore made it hard to predict customers' call-off behavior. Together with higher prices for monoliths, this led to an increased build-up of working capital. Against this background, the existing syndicated loan was changed in the second quarter of 2022 and the related accounting standards in use were changed to IFRS. As such, the volume and financial figures were adjusted and the term extended until mid-2025. The Group also has bilateral loans and factoring facilities. This secures the Group's long-term financing requirements. This provides the necessary solid foundations for implementing the growth strategy and the upcoming transformation in the coming years.

Warranty risks

Through the continuing sharpening of the warranty requirements of the OEMs and the high quality requirements of customers, the likelihood of warranty risks occurring continues to be estimated as high. As has been usual in the automotive sector for a long time, these risks, especially for product development, are transferred largely by the OEM to the supplier as a system developer. Therefore, Eberspächer already respects in the production process the recognition and avoidance of possible warranty risks. In addition, early breakdowns during series ramp-up are analyzed in cooperation with the OEMs to counteract the causes of such breakdowns. The permanent observation of the warranty data of the OEMs contributes to possible errors being recognized early on and shortening of response times. Assessments of the experiences from warranty cases lead logically to a lessons-learned process. Furthermore, we are continually expanding our quality management and already check potential contracts several times legally in the quotation preparation stage.

In order to reduce expenses for warranty obligations along the supply chain, the warranty contracts with suppliers are synchronized in their conditions as far as possible with those of the OEMs. We continue to strive to prevent defective pre-products through optimized supplier management. Through this, we are reducing the expenses for warranty obligations. In addition, we are implementing in collaboration with our suppliers quality assurance measures. A high quality level characterizes us as a reliable partner in the market and gives us the opportunity to develop sustainable customer relationships.

We have measured the risk items in warranties and took precautions in the form of provisions or appropriate insurance cover.

IT risks and opportunities

Electronic data processing enables the Group to design even more efficient and effective business processes within the organization, to improve the quality of work, and to supply customers just in time or just in sequence. Complex IT systems have to be implemented and operated for this purpose. However, a high penetration of business areas with information technologies also contains risks, which can affect the entire Group.

A loss of availability or breach of integrity of digital information may temporarily disrupt Eberspächer's ability to supply, and therefore customers' production processes. The disclosure of confidential information and business secrets also constitutes a high risk, which can result in compensation claims being raised by partners and customers. Security aspects therefore play an important role in the continuous optimization of the IT landscape.

The continuing growing threat to IT security from cyber crime and thus the danger of becoming the target of an attack is estimated as high. Successful attacks have a big impact and create great damage due to the growing dependency of the business processes on the IT infrastructure.

Eberspächer was the victim of a targeted cyber-attack in the previous fiscal year in which parts of the IT infrastructure was encrypted. To protect customers, an emergency team was alerted as soon as the attack became known, which carried out appropriate

emergency measures. As a response to this, a wide range of further preventative and corrective measures were initiated, which have been partly implemented already or will be implemented in the near future.

Information security and data protection risks

The requirements of information security and data protection organizations are continually increasing. The information security position remains generally tense and the number of security events reported worldwide within the Group continues to climb. To lower the risks of security incidents, the information security organization that has existed since 2019 is continually expanded.

The overarching organization is composed of different roles for information security, IT security and data protection. Through this, uniform and tailored standards and regulations can be defined within this network and the information security management system can be managed. Risks with regard to the security of digital and analogue information are thereby identified and evaluated. The information security organization further advises IT and specialist departments in the implementation of suitable risk prevention measures and monitors their realization. Remaining risks are minimized through cyber insurance, which was taken out in fiscal 2019. This insures the Eberspächer Group against the consequences of financial loss from a cyber-attack as part of contractually agreed insured amounts.

When handling data, the inattention of users poses a particular risk. In order to increase the risk awareness among employees, various target groups received information security trainings in 2021. In addition to classroom training and compulsory e-learning, Intranet news, training videos and flyers are offered to raise

awareness. In combination with technical protective measures, this can minimize the risk of an information security incident.

As part of collaboration with third parties, information that is worthy of protection is shared with service providers and suppliers. To ensure information security within the supply chain, structural regulations were extended to service providers and suppliers and the implementation monitored through spot checks. Furthermore, in addition, technical and organizational protection measures as well as management processes were verified by internal and external audits in 2021. In this way, the fulfillment of contractual, legal and internal requirements for information security are guaranteed.

In dealing with personal data, new handling requirements arise through repeatedly changing legal requirements. The Coronavirus pandemic has brought new data protection challenges with it.

As a consequence of the cyber-attack on the Eberspächer Group, necessary announcements followed, in particular in accordance with Article 33 and 34 GDPR. The concentrated IT measures taken must stay close to the data protection regulations.

Data protection audits and training sessions should further minimize risks. The data protection area has been strengthened in order to be able to continue to meet risks appropriately.

Overall risks and opportunity position

From today's perspective, the majority of the above risks can be easily controlled and do not endanger the Group's continued existence as a going concern. Nevertheless, the consequences of the Coronavirus pandemic continue to present a challenge for the Group and its employees. Eberspächer is exposed to more than the above risks. Risks that Eberspächer is not yet aware of and risks that are still being regarded as less significant at present could also have a negative effect on the Group. The above opportunities could also have effects that offset the risks. These opportunities further provide numerous possibilities for strengthening Eberspächer's position.

Forecast

The following outlook contains forward-looking statements. These are based on current plans, estimates, and expectations regarding future developments in our key markets and Eberspächer Group. They are subject to uncertainties that may harbor both risks and opportunities.

For 2022, for the Eberspächer Group, we assume that EBIT will be well below the level of fiscal 2021 (EBIT 2021: EUR 52.8 million). Despite the slight increase that is forecast in net revenue, extraordinary items are set to have a negative effect on EBIT in 2022. These include the effects of the war in Ukraine, Coronavirus-related lockdowns (for example in Shanghai), higher raw materials prices, and additional costs in connection with global supply and capacity bottlenecks. The net debt will, as a consequence, also get considerably worse in 2022 (net debt 2021: EUR 731.8 million). We also expect an increase in our stock levels and therefore also a slight increase in trade working capital compared to 2021. From fiscal 2022 onwards, another financial performance indicator will also be used for management purposes, namely free cash flow. The free cash flow shows the amount of cash in a period, which is available for distribution to equity and debt providers. It is composed of the cash flow from operating activities and the cash flow from investing activities. Free cash flow is expected to increase considerably in 2022 compared to 2021 due to the measures introduced to optimize cash management.

Purem by Eberspächer

The trend of the Purem by Eberspächer Division is very different regionally. While the markets in Europe stagnate, we estimate that sales will rise in Asia and particularly in America in the next few years. In the medium term, a positive trend is indicated for the Division, with fiscal 2022, however, representing a transition year. The increasing liquidity and profitability of the Division is highlighted, above all. These are and will, also, be influenced by existing and future Coronavirus-related lockdowns, for example in Shanghai. This is even more important with regard to the growth forecast in America. Our presence in this region will therefore become increasingly significant. With the construction of new plants in Louisville (Kentucky, USA) and St. Louis (Missouri, USA), this has already begun. The new Mexican production plant in Ramos Arizpe and the plant expansion in Sorocaba (Brazil) also create the necessary prerequisites for the planned revenue growth targets. Despite supporting battery electric mobility,

combustion engines in passenger and commercial vehicles will take up a significant volume in the medium-term sales forecasts of our customers, also in Europe. The introduction of the future emission standard Euro 7, with which emission limits are expected to reduce further, will influence the sales trend in Europe positively. In general, we expect further growth opportunities as a consequence of the increasing complexity of exhaust emission conversion due to new emission standards. The different regional market trends are managed differently within the Division. In addition, Eberspächer is working on innovations for the future and looking for targeted solutions as well as conventional and new drive technologies. With its Active Heating product family, to which the Lamella and the Fractal Heater belong, the Division is working out concepts for lowering pollutant emissions further. Moreover, activities in hydrogen mobility are being pushed forward.

Climate Control Systems

Electric mobility is an important driver for growth for the Climate Control Systems Division. In the coming years, the Electrical Heaters Business Unit, in particular, will benefit from this trend with its electrical high-voltage heaters. Highly automated systems have already been installed at the Herxheim site (Germany), which should lead to a higher level of automation and a higher number of pieces in production. An additional expansion of capacity is already planned and should enable a significantly higher production volume from 2023 onwards. In addition, together with the Automotive Controls Division, the construction of a new plant in Ruse (Bulgaria) is planned to support the growth strategy of both Divisions through additional production capacity. Furthermore, the required volume increases are also being pushed forward at the Hermsdorf production site (Germany). The expansion of the production site in Oława (Poland) will create the space required for the growth of the four Business Units. Through the measures introduced, the existing processes are adjusted and optimized. This enables a growth in revenue with the necessary operating efficiency. Within the product area, new innovative solutions expand the product portfolio and contribute to the growth of the Division. This includes, for example, a system for air purification in buses and coaches.

Automotive Controls

The overarching goal of CO₂ reduction as well as the increasing importance of electric mobility and autonomous driving create a growing demand for products from the Automotive Controls Division.

Mechanical systems are increasingly being replaced by electric aggregates and an increasing number of fully electric vehicle drives. This is where the Division, whose core competence is reliable switches, performance electronics and control units with complex software, comes in. It is not only successful in direct customer business but is at the same time a strong partner for the Business Units of the Climate Control Systems Division. In fiscal year 2021, above all, the shortage of semiconductors proved itself to be a limiting factor for the growth in revenue of the Division. We estimate strong growth for the Division in fiscal 2022 and in the years that follow, in particular. To further increase our competence, targeted investment in the electronics area has already been made with the new development site in Cluj-Napoca (Romania). Together with the Electrical Heaters Business Unit, expansion of production capacity through the construction of a new plant in Ruse (Bulgaria) is planned. With its battery management systems, the Automotive Controls Division generates additional revenue outside of the automotive industry. Its battery management systems are used in medical technology and logistics, for example, and guarantee the reliable functioning of lithium-ion battery-driven systems and means of transport.

New Business business area

Starting with the acquisition of VAIREX air systems, Eberspächer wishes to further develop its components for hydrogen technology in the long term. The Group uses the competences of the Divisions for this and works together cross-divisional.

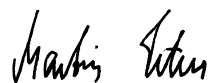
Outlook

Through the promotion of innovations, acquisitions, and partnerships as well as our already existing broad product portfolio, we see ourselves as being well positioned for the future. In the medium and long term, however, we continue to expect profitable growth for the Eberspächer Group with a product portfolio consisting of established and new technologies. For fiscal year 2022, we estimate a challenging business progression by comparison with the previous year due to the revenue and results forecast for the Eberspächer Group. Difficulties arising from the Coronavirus pandemic and the existing supply and capacity bottlenecks continue to exist in 2022 and have been felt during the first half of the year in particular due to the lockdown in Shanghai. At present, the further development and duration of the war in Ukraine are

difficult to assess, as too are their consequences for the global economy and hence also our future business performance. The impacts already identified at the time of reporting are reflected in our forecasts.

Esslingen am Neckar, June 28, 2022

Eberspächer Gruppe GmbH & Co. KG
– Chairman of the Executive Board /
Managing Partner –



Martin Peters

Supplementary report

Due to the extended deadline for drawing up the annual financial statements for 2021, the planning drawn up for fiscal 2022 already takes into account the economic and geopolitical events that took place after the reporting date. As a result, the significant effects of the cyber-attack, the war in Ukraine, the rise in inflation and the Coronavirus-related lockdown in China that were identified at the time of reporting have been included in the forecast. With regard to the war in Ukraine, Eberspächer strictly adheres to the embargoes against Russia. In both Ukraine and Russia, since 2007 and 2010, we have been active with our subsidiaries in exhaust technology and in the sale of our thermal management products. Our Russian sites fulfill their contractual obligations locally. Due to the war, we see risks in the global procurement and sales markets with regard to supply and production safety, especially for our customers. This would also create production restrictions for Eberspächer and have a negative impact on our sales trend. At the present time, our delivery capability is not impaired. How big the impact will ultimately be on our customers, on our suppliers and on us depends on the further development and duration of the Russia-Ukraine war.

In June 2022, Eberspächer Gruppe GmbH & Co. KG's syndicated loan agreement was extended and the loan volume was increased at the same time. More detailed information on this can be found in the section entitled "Financial risks and opportunities".

CONSOLIDATED INCOME STATEMENT

	2021 IN EUR K	2020 IN EUR K
Revenue	5,999,960	5,063,690
Cost of Sales	-5,691,195	-4,765,543
Gross profit from revenue	308,765	298,147
Research and development expenses	-43,934	-32,035
Selling expenses	-120,140	-119,093
General and administrative expenses	-100,564	-101,811
Other operating income	50,505	37,658
Other operating expenses	-42,444	-43,745
Result from investments accounted for using the equity method and other financial assets	645	-4,437
EBIT	52,833	34,684
Interest income	12,862	1,193
Interest expenses	-19,662	-34,844
Other financial results	3,075	-14,412
Earnings before taxes	49,108	-13,380
Taxes on income and returns	-28,090	-29,516
Earnings after taxes	21,018	-42,896
Consolidated profit attributable to equity holders of the parent company	20,797	-42,303
Group result attributable to non-controlling shares	221	-593

STATEMENT OF TOTAL GROUP RESULT

	2021 IN EUR K	2020 IN EUR K
Earnings after taxes	21,018	-42,896
Other results		
Changes of actuarial gains and losses	12,019	-8,313
Income tax effects	237	417
Items not reclassified to profit or loss	12,256	-7,896
Difference from currency exchange	30,994	-27,493
Derivative financial instruments	86	207
Income tax effects	-10	-13
Items not reclassified to profit or loss	31,070	-27,299
including result from investments accounted for using the equity method	910	-154
Other results after taxes	43,327	-35,195
Total result	64,345	-78,091
Total result attributable to shareholders of the parent company	63,295	-76,733
Total result attributable to non-controlling shares	1,049	-1,358

CONSOLIDATED BALANCE SHEET

ASSETS	2021 IN EUR K	2020 IN EUR K
Intangible assets and goodwill	125,447	97,997
Property, plant, and equipment	743,908	723,430
Shares accounted for using the equity method and other financial assets	21,949	14,817
Other financial assets	2,737	2,922
Other assets	40,430	36,891
Deferred tax assets	33,135	20,258
Non-current assets	967,605	896,315
Inventories	555,072	435,976
Trade receivables	915,456	918,146
Other financial assets	3,102	14,513
Other assets	154,209	92,543
Income tax receivables	9,137	9,123
Cash and cash equivalents	86,851	164,771
Assets held for sale	1,489	1,474
Current assets	1,725,315	1,636,546
Balance sheet total	2,692,920	2,532,861

EQUITY AND LIABILITIES	2021 IN EUR K	2020 IN EUR K
General and limited partner interests	90,000	90,000
Reserves	492,355	472,420
Accumulated other equity	-45,962	-88,460
Equity attributable to shareholders of the parent company	536,393	473,960
Non-controlling shares	8,220	7,383
Equity	544,613	481,343
Provisions for pensions and similar obligations	172,449	185,529
Other provisions	25,323	28,193
Financial liabilities	470,655	419,876
Other liabilities	6,984	14,679
Deferred tax liabilities	14,376	11,978
Non-current liabilities and provisions	689,787	660,256
Trade payables	855,310	889,509
Income tax liabilities	18,577	15,118
Other provisions	76,308	69,855
Financial liabilities	351,084	242,555
Other liabilities	157,240	174,225
Current liabilities and provisions	1,458,520	1,391,262
Balance sheet total	2,692,920	2,532,861

GROUP CASH FLOW STATEMENT

	2021 IN EUR K	2020 IN EUR K
Operating activities		
Earnings after taxes	21,018	-42,896
Taxes on income and returns	28,090	29,516
Interest result	6,800	33,652
Depreciation, amortization and impairment	128,841	131,251
Other income/expenses not affecting the balance sheet	-8,264	-9,392
Change of provisions	-458	27,983
Changes in inventories, trade receivables, other assets	-100,485	-214,013
Changes in trade liabilities, other liabilities	-116,892	278,995
Loss from disposal of assets	9,233	2,976
Income from allowances / allocations	-7,306	-4,956
Result from investments accounted for using the equity method and other income from investments	-645	4,438
Income tax paid	-34,802	-43,603
Cash flow from operating activities	-74,870	193,951
Investment activities		
Deposits from disposals of intangible assets	94	723
Disbursements for investments in intangible assets	-10,544	-9,518
Deposits from disposals of property, plant, and equipment	17,399	30,450
Disbursements for investments in property, plant, and equipment	-94,753	-122,668
Deposits from disposals of financial assets and other financial assets	75	830
Disbursements for investments in financial assets and other financial assets	-7,438	-4,751
Disbursements for the acquisition of subsidiaries	-10,896	-3,793
Interest received	719	2,148
Dividends received	1,598	4,369
Cash flow from investment activities	-103,746	-102,210
Financing activities		
Deposits from borrowing	100,000	140,000
Disbursements from the repayment of loans	-64,000	-67,352
Disbursements from the repayment of leasing liabilities	-28,115	-24,394
Deposits from allowances/allocations received	5,073	3,121
Interest paid	-14,426	-15,646
Cash flow from financial activity	-1,468	35,729
Cash and cash equivalents as at 1/1	138,836	-4,744
Net increase/decrease of cash and cash equivalents	-180,084	127,470
Exchange rate-related change in cash and cash equivalents	-2,386	16,235
Changes related to the scope of consolidation in cash and cash equivalents	0	-125
Cash and cash equivalents as at 12/31	-43,633	138,836

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

IN EUR K	ACCUMULATED OTHER EQUITY						THE EQUITY ATTRIBUTABLE TO SHARE-HOLDERS OF THE PARENT COMPANY	NON-CONTROL-LING SHARES	TOTAL
	GENERAL AND LIMITED PARTNER INTERESTS	RE-SERVES	Currency conversion	Changes of actuarial gains and losses	Derivative financial instruments	Total			
Position as at 1/1/2020	90,000	517,098	-28,519	-25,144	-284	-53,947	553,151	9,606	562,756
Consolidated result	-	-42,303	-	-	-	-	-42,303	-593	-42,896
Other results	-	-	-26,881	-7,739	190	-34,430	-34,430	-765	-35,195
Total result	-	-42,303	-26,881	-7,739	190	-34,430	-76,733	-1,358	-78,091
Credit notes on shareholder accounts in borrowed capital	-	-23	-	-	-	-	-23	-	-23
Changes in the scope of consolidation and step acquisitions	-	-2,410	-82	-	-	-82	-2,493	-843	-3,335
Other equity changes	-	58	-	-	-	-	58	-22	36
Position as at 12/31/2020 / 1/1/2021	90,000	472,420	-55,483	-32,883	-94	-88,460	473,960	7,383	481,343
Consolidated result	-	20,797	-	-	-	-	20,797	221	21,018
Other results	-	-	30,408	12,014	75	42,498	42,498	829	43,327
Total result	-	20,797	30,408	12,014	75	42,498	63,295	1,049	64,345
Credit notes on shareholder accounts in borrowed capital	-	-989	-	-	-	-	-989	-	-989
Distributions	-	-	-	-	-	-	-	-11	-11
Changes in the scope of consolidation and step acquisitions	-	-	-	-	-	-	-	-203	-203
Other equity changes	-	127	-	-	-	-	127	3	129
Position as at 12/31/2021	90,000	492,355	-25,074	-20,869	-18	-45,962	536,393	8,220	544,614

NOTES TO THE FINANCIAL STATEMENTS

Abbreviated summary for fiscal year 2021

General notes

Reporting company

The Eberspächer Gruppe GmbH & Co. KG (hereinafter referred to as "Company"), headquartered in Germany, Eberspächerstraße 24, 73730 Esslingen am Neckar, is entered in the commercial register of the Stuttgart local court under HRA 212143.

The consolidated financial statements of the Eberspächer Gruppe GmbH & Co. KG comprise the company itself as well as its subsidiaries (together called the "Group"). In the presentation of shareholdings (see page 64 cont.) shares in the capital of the subsidiaries as well as their name and headquarters are listed.

Primarily, the Group is active as a system developer and provider in the automotive industry. The production also comprises retrofit solutions for the aftermarket, along with complete systems and components in series production for car manufacturers. The Group is divided into three Divisions. Purem by Eberspächer specializes in exhaust technology and acoustic solutions for passenger cars and commercial vehicles. The Climate Control Systems Division comprises pre- and auxiliary heaters for passenger cars and commercial vehicles as well as thermal management solutions for buses and special vehicles. Activities in the area of vehicle power and performance management as well as battery management systems and steering devices for mobile, medical, and industrial applications are brought together in the Automotive Controls Division.

Basis of the accounting

The consolidated financial statements as at December 31, 2021 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and approved for use in the European Union as at the balance sheet date. The term IFRS subsumes the International Accounting Standards (IAS), which are also effective at the balance sheet date, as well as the interpretations of the Standing Interpretation Committee (SIC) and the International Financial Reporting Standard Interpretations Committee (IFRS IC). As these consolidated financial statements are exempting financial statements, the provisions of Section 315e (3) HGB (German Commercial Code) have also been taken into account.

With the exception of the standards and interpretations the application of which is mandatory for the first time in fiscal year 2021, the accounting policies are the same as those applied in the previous year.

Functional currency and presentation currency

The consolidated financial statements are presented in euros, the functional currency of the company. All of the financial information presented in euros is, unless otherwise stated, rounded to the nearest thousand euros, which may result in rounding differences. It can therefore occasionally happen that percentages cannot be determined from the values shown or that values cannot be added up exactly to the sum indicated.

Essential accounting methods

Consolidation principles

The consolidated financial statements include the financial statements of the Company and all significant domestic and foreign subsidiaries. Subsidiaries controlled by the Group are fully consolidated. The Group controls a company when it is exposed to fluctuating returns or has rights to these returns and has the ability to affect these returns through its power over the company. The financial statements of subsidiaries are contained in the consolidated financial statements from the time the control begins and until the time the control ends.

The Group accounts for business combinations using the purchase method. In the course of capital consolidation, the acquisition costs of the shares acquired are offset against the equity of the subsidiaries attributable to the Group. The identifiable net assets acquired and the consideration transferred are generally measured at fair value. Any positive difference arising on initial consolidation between the cost of the shares acquired and the identifiable net assets is recognized as goodwill. Any goodwill arising is not amortized but tested annually for impairment. Any negative difference is recorded immediately in profit or loss.

Any contingent consideration obligation is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and a settlement is accounted for in equity. Otherwise, other contingent considerations are measured at fair value at each reporting date and subsequent changes in the fair value of the contingent considerations are recorded in profit or loss.

Non-controlling interests are measured at the acquisition date at their proportionate share of the acquiree's identifiable net assets.

Associated companies are companies over which the Group has significant influence, but not control or joint control, of the financial and operating policies. A joint venture is an arrangement over which the Group has joint control, whereby it has rights to the net assets of the arrangement rather than rights to its assets and obligations for its liabilities.

Shares in associated companies and joint ventures are accounted for using the equity method and are therefore initially estimated at cost including transaction costs. After the initial approach, the consolidated financial statements include the Group's share of comprehensive income less distributions received from equity method investments until the date that significant influence or joint control ceases.

All intercompany receivables and payables, as well as expenses and income, are eliminated in the consolidation of liabilities and income and expenses. Intercompany profits and losses resulting from the sale of assets within the Group are eliminated in the course of the elimination of intercompany profits and losses. Unrealized gains on transactions with companies accounted for using the equity method are closed out against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only if there is no indication of impairment.

Foreign currency conversion

Business transactions in foreign currency

Transactions denominated in a currency other than the Group's functional currency are initially recorded using the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the respective Group company at the balance sheet date or at the time of their realization. Non-monetary items are translated at historical rates. Currency conversion differences are generally recorded in profit or loss for the period.

Foreign business operations

If the functional currency of a subsidiary is not the euro, assets, including goodwill and liabilities are translated at the closing rate (spot rate), equity items are translated at historical rates, and income statement items are translated at the weighted average rate for a given period. The resulting translation differences are recorded in other comprehensive income and reported in accumulated other comprehensive income. When the subsidiary leaves the scope of consolidation, the currency conversion effects recorded in equity are reversed through profit or loss.

Measurement of fair value

The Group measures predefined assets at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In measuring fair value, it is assumed that the transaction takes place either in the principal market or, if there is no principal market, in the most advantageous market for the asset or liability. The prerequisite is that the Group must have access to the main or most advantageous market.

Revenue

Product sales and services resulting from the ordinary business activities of the company are reported as revenue. The Group records as revenue from customer contracts (IFRS 15) the amount received as consideration for the transfer of goods or services to customers. With regard to the determination of the point in time or the period, the transfer of control of the goods or services to the customer is taken into account (control approach).

The five-step model is used to determine when and in what amount revenue is to be recorded. This involves identifying the existing independently definable performance obligations within the contracts with customers. The transaction price is determined in

accordance with the rules of IFRS 15 and, if necessary, allocated to the existing performance obligations. The variable price components from customer contracts, such as discounts, customer bonuses and other price reductions, are analyzed, determined and taken into account in revenue recording. Whenever possible, observable stand-alone selling prices are used to allocate the transaction price to multiple performance obligations, if any. Otherwise, adjusted market prices or costs plus an expected margin are used. For each performance obligation, which according to IFRS 15 is abstract and can be delimited independently in the context of the contract, the type of revenue recording is set at the time of recording.

Financial result

Interest income and interest expenses are recognized on an accrual basis.

Income taxes

Tax expense includes both current and deferred taxes. Current tax and deferred tax are recognized in profit or loss, except to the extent that it relates to a business combination or to an item recorded directly in equity or in other comprehensive income.

Intangible assets and goodwill**Goodwill**

Goodwill arising from business combinations is measured at cost less any accumulated impairment losses and is not subject to amortization.

Research and development

Expenses for research activities are recognized in profit or loss. Development expenditure is capitalized only if the requirements for capitalization of internally generated intangible assets in accordance with IAS 38 are met. Expenses for research activities are recognized in profit or loss. Capitalized development expenditure is measured at cost less accumulated amortization and impairment losses.

Other intangible assets

Other intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated amortization and impairment losses.

Impairment of non-financial assets

At each balance sheet date, a review is carried out to determine whether there are any indications of impairment (so-called triggering events) of non-financial assets of the Group – with the exception of inventories and deferred tax assets. In addition, an impairment test is also performed during the year if facts or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If this is the case, the recoverable amount of the asset is estimated.

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment. Impairment testing is generally performed on December 31.

Impairment losses are recorded in the income statement. The impairment loss is initially recognized in the goodwill of the cash-generating unit. Any additional impairment losses are allocated to the carrying amounts of the assets of the cash-generating unit (or group of cash-generating units) on a pro rata basis.

Reversals of amortization recorded as part of goodwill impairment tests are not permitted.

Property, plant, and equipment

Property, plant and equipment, with the exception of leasing rights within the meaning of IFRS 16, are measured at cost on initial recognition. Borrowing costs attributable to items of property, plant and equipment that take a substantial period of time to acquire and/or bring to working condition (“qualifying assets”) are capitalized as part of the cost of the asset in accordance with IAS 23. In subsequent periods, property, plant

and equipment are carried at cost less accumulated depreciation and impairment losses. Scheduled depreciation is charged over their expected useful lives. Immovable assets are predominantly depreciated using the straight-line method, while movable assets are depreciated using the straight-line method or, if required by actual use, using the declining-balance method, depending on the type of use. When major maintenance is performed, the costs are recorded in the carrying amount of the item of property, plant and equipment if the approval criteria are met.

Assets held for sale

Non-current assets or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be realized primarily through sale rather than through continuing use.

Generally, these assets or the disposal group are recognized at the lower of their carrying amount and fair value less costs to sell. Impairment losses thus incurred on initial classification as held for sale are recorded in the income statement. Similarly, subsequent gains and losses are recorded in the income statement as part of a revaluation.

Once intangible assets and property, plant and equipment are classified as held for sale, they are no longer depreciated or amortized.

Leases

At the inception of a lease, the Group assesses whether the lease contains or contains an element of a lease as defined in IFRS 16. This is the case when the contract gives the right to control the use of an identified asset for a specified period of time in return for payment of a fee. In order to assess whether a contract conveys the right to control an identified asset, the Group applies the definition of a lease in accordance with IFRS 16.

Financial instruments

Generally, financial assets and financial liabilities are recognized when the Group becomes a party to a contract. Standard purchases and sales of financial instruments are shown in the balance sheet on the trade date.

Financial instruments are initially measured at fair value. If financial instruments are not subsequently measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue must be taken into account upon initial recording. Current trade receivables are initially measured at transaction price.

Inventories

Inventories comprise raw materials and supplies, purchased merchandise, and work in process and finished goods. They are measured at the lower of cost or net realizable value.

Raw materials and supplies, and purchased merchandise are measured at cost using the average cost method or lower net realizable value at the balance sheet date. Net realizable value is determined from the estimated selling price in the ordinary course of business less any costs of completion and selling expenses necessarily incurred.

The cost of work in progress and finished goods includes not only the cost of production materials and direct labor, but also a proportion of material and production overheads based on the assumption of normal capacity utilization.

Provisions for pensions and similar obligations

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the future benefits that employees have earned in the current and prior periods. This amount is discounted and the fair value of any plan assets is deducted from it.

Other provisions

Other provisions are recognized if, at the balance sheet date, a present legal or constructive obligation to a third party has arisen as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

Provisions are measured in accordance with IAS 37 using the best estimate of the amount of the obligation. Where provisions do not fall due until after one year and a reliable estimate can be made of the amounts to be paid or the dates on which they will be paid, the present value of the non-current portion is determined by discounting. The accrued interest is recorded in interest expense on an accrual basis.

Restructuring provisions are estimated when the constructive obligation to restructure has been incurred in accordance with the criteria set out in IAS 37.72.

Accruals are not reported under provisions, but under liabilities.

Government grants

Government grants related to assets are recognized as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions attaching to the grant. Subsequently, these other government grants are recorded as other operating income in profit or loss on a systematic basis over the period of the asset's useful life.

Expense-related grants are recognized on a scheduled basis as other operating income over the period corresponding to the expenses they are intended to compensate. This does not include reimbursements of employer contributions to social security in the context of short-time working. These are netted against personnel expenses.

Significant accounting judgments, estimates and assumptions

In preparing the consolidated financial statements, management makes significant judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. However, the uncertainty associated with these judgments, estimates and assumptions could give rise to events that result in material adjustments to the carrying amounts of the assets and liabilities affected in future periods.

The most important judgments, estimates and assumptions relate to: the determination of useful lives for intangible assets and property, plant and equipment, the recoverability of goodwill and intangible assets and property, plant and equipment, in particular the cash flow forecasts and discount rates used for this purpose, the assessment of how collectible receivables and other assets are, the identification and determination of the timing or period of performance of individual performance obligations under customer contracts as well as the determination of the transaction price under customer contracts. Furthermore, the realizability of tax receivables, and the recognition and measurement of liabilities or provisions, in particular the actuarial parameters for pensions and similar obligations, the parameters for measuring restructuring provisions, and the probability of occurrence and amount of warranty and litigation risks.

The discretionary decisions, estimates and assumptions are based on premises that reflect the current state of knowledge available at the time the consolidated financial statements were prepared. The premises are regularly monitored and, if necessary, adjusted to actual developments.

Accounting standards

The Group has prepared these financial statements in accordance with IFRS, considering all IFRS accounting standards required to be applied in the European Union (EU) as at December 31, 2021.

The new standards, interpretations to published standards and amendments that are mandatory for the first time for fiscal year 2021 had no material impact on these financial statements.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Revenue

Breakdown of revenue from contracts with customers

Revenues mainly result from the sale of products to automotive manufacturers and suppliers. The following table breaks down revenues from contracts with customers by main geographical markets and Divisions.

Abbreviated summary as of December 31, 2021 and December 31, 2020

REVENUE				2021 IN EUR K
	PUREM BY EBERSPÄCHER	CLIMATE CONTROL SYSTEMS	AUTOMOTIVE CONTROLS	TOTAL
Germany	823,776	133,226	18,356	975,359
European Union countries	2,489,194	192,388	12,667	2,694,249
Rest of Europe	189,633	63,394	121	253,148
The Americas	816,855	108,443	11,219	936,517
Africa, Asia, Australia	1,029,181	106,747	4,760	1,140,687
Total	5,348,640	604,199	47,122	5,999,960

REVENUE				2020 IN EUR K
	PUREM BY EBERSPÄCHER	CLIMATE CONTROL SYSTEMS	AUTOMOTIVE CONTROLS	TOTAL
Germany	728,013	114,158	19,218	861,389
European Union countries	2,043,898	200,446	12,779	2,257,123
Rest of Europe	179,869	34,072	644	214,584
The Americas	693,521	83,161	12,617	789,299
Africa, Asia, Australia	849,910	86,579	4,806	941,295
Total	4,495,211	518,416	50,063	5,063,690

A high proportion of the Purem by Eberspächer Division's revenue is dominated by the sale of coated monoliths and other supplier parts:

	2021 IN EUR K	2020 IN EUR K
Revenue with monoliths and other supplier parts	3,730,305	2,767,247
Revenue of Purem by Eberspächer Division	5,348,640	4,495,211
Share in percent	69.7	61.6

Contractual assets and contractual liabilities (contractual balances)

The following table presents the receivables, contractual assets and contractual liabilities arising from contracts with customers:

	2021 IN EUR K	2020 IN EUR K
Trade receivables	915,456	918,146
Contract assets*	26,742	32,301
Contract liabilities**	70,013	70,101

* The contract assets are included in other assets (see page 56)

** The contract liabilities are included in other liabilities (see page 62)

The contract assets as at December 31, 2021 mainly relate to claims for consideration from customer-funded development projects that are remunerated via amortization, as in this case the contractually agreed consideration is paid by the customer downstream of the transfer of control over the results (during the series via an increased parts price). Contract assets are reclassified as receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer or the customer issues a credit note.

Contract liabilities mainly resulted from advance payments received from customers.

Income and expenses

Expenses by type of expense

	2021 IN EUR K	2020 IN EUR K
Changes in inventories of finished goods and work in progress	-41,319	-23,803
Cost of materials	5,118,190	4,168,491
Personnel expenses	542,965	494,669
Depreciation, amortization and impairment	131,368	129,966
Expenses for third-party services	42,268	72,847
Expenses for personnel leasing	53,357	44,616
Other administrative expenses	40,099	45,329
Other distribution expenses	31,957	31,224
Expenses for maintenance and repair	26,258	25,969
Other expenses	10,691	29,174
Total cost of sales, selling expenses, administrative expenses and research and development expenses	5,955,833	5,018,482

Other operating income

Other operating income is made up as follows:

	2021 IN EUR K	2020 IN EUR K
Income from disposal of assets	1,255	2,425
Warranty revenues	3,049	1,545
Investment and other grants	7,306	4,956
Customer compensation	8,934	11,070
Income from compensation and damages	10,801	2,630
Other income	19,161	15,033
Total	50,505	37,658

Other operating expenses

The other operating expenses are made up as follows:

	2021 IN EUR K	2020 IN EUR K
Restructuring expenses	407	34,386
Close out of trade receivables	1,202	772
Impairment loss on trade receivables	7,562	735
Income from disposal of assets	10,489	5,400
Other expenses	22,784	2,451
Total	42,444	43,745

Financial result

	2021 IN EUR K	2020 IN EUR K
Interest income from banks	12,081	606
Interest and similar income of associated companies	104	153
Other interest receivable and similar income	676	433
Interest income	12,862	1,193
Interest expenses from banks	-13,858	-28,226
Expenses from compounding of provisions	-925	-1,463
Interest expenses from factoring	-766	-1,183
Interest expenses from leasing	-1,940	-1,144
Other interest expenses and similar expenses	-2,172	-2,828
Interest expenses	-19,662	-34,844
Interest result	-6,800	-33,652
Net foreign currency gains or losses	-1,830	-17,883
Result from derivatives – measured at fair value through profit or loss	5,108	4,852
Other	-202	-1,381
Other financial results	3,075	-14,412
Financial result	-3,725	-48,064

Due to an effective interest rate measurement of bank loans in accordance with IFRS 9, interest income from banks increased in the fiscal year 2021, following an increase in interest expenses in the previous year.

Taxes on income and revenue

Taxes recorded in consolidated net income

Income taxes recorded in the consolidated statement of income are composed as follows:

	2021 IN EUR K	2020 IN EUR K
Actual tax expense	-38,042	-41,792
Current year	-39,723	-36,710
Adjustments for previous years	1,681	-5,082
Deferred tax expense or income	9,952	12,275
Taxes on income and revenue	-28,090	-29,516

NOTES TO THE CONSOLIDATED BALANCE SHEET

Intangible assets and goodwill

IN EUR K	GOODWILL	OTHER INTANGIBLE ASSETS			TOTAL
		Concessions, industrial property rights, licenses	Capitalized development costs	Advance payments on intangible assets and intangible assets not yet available for use	
Costs of acquisition and production					
1/1/2021	27,937	51,643	48,040	39,940	167,561
Additions	9,968	1,621	36	23,600	35,225
Reclassifications	-	1,166	19,768	-19,949	984
Disposals	-	-910	-3,109	-	-4,019
Changes in the scope of consolidation	-	156	-	-	156
Foreign currency conversion differences	433	337	44	64	878
12/31/2021	38,338	54,014	64,778	43,654	200,785
Accumulated amortization and impairment losses					
01/01/2021	-5,510	-43,311	-16,532	-4,211	-69,564
Amortizations	-	-3,886	-5,616	-	-9,502
Impairment losses / reversals	-	41	-	-	41
Depreciation and amortization reclassifications	-	-18	-	-	-18
Disposals	-	844	3,109	-	3,953
Changes in the scope of consolidation	-	-45	-	-	-45
Foreign currency conversion differences	5	-253	46	-	-202
12/31/2021	-5,506	-46,628	-18,993	-4,211	-75,338
Carrying amounts					
01/01/2021	22,427	8,332	31,508	35,729	97,997
12/31/2021	32,832	7,386	45,785	39,444	125,447

IN EUR K	OTHER INTANGIBLE ASSETS				TOTAL
	GOODWILL	Concessions, industrial property rights, licenses	Capitalized development costs	Advance payments on intangible assets and intangible assets not yet available for use	
Costs of acquisition and production					
1/1/2020	27,943	54,161	41,634	31,523	155,262
Additions	-	2,267	1,404	15,836	19,507
Reclassifications	-	1,599	6,843	-7,187	1,255
Disposals	-	-4,174	-1,896	-32	-6,101
Foreign currency conversion differences	-6	-2,210	55	-201	-2,362
12/31/2020	27,937	51,643	48,040	39,940	167,561
Accumulated amortization and impairment losses					
01/01/2020	-5,516	-44,278	-12,628	-4,737	-67,160
Amortizations	-	-4,524	-5,061	-	-9,586
Impairment losses / reversals	-	-41	166	-	125
Depreciation and amortization reclassifications	-	-	-527	527	-
Disposals	-	4,044	1,564	-	5,608
Foreign currency conversion differences	6	1,488	-46	-	1,448
12/31/2020	-5,510	-43,311	-16,532	-4,211	-69,564
Carrying amounts					
01/01/2020	22,427	9,884	29,005	26,786	88,102
12/31/2020	22,427	8,332	31,508	35,729	97,997

Property, plant, and equipment

IN EUR K	LAND AND BUILDINGS	RIGHTS OF USE BUILDINGS	TECHNICAL EQUIPMENT AND OFFICE EQUIPMENT	RIGHTS OF USE OF TECHNICAL EQUIPMENT AND OFFICE EQUIPMENT	ADVANCES PAID AND ASSETS UNDER CONSTRUCTION	TOTAL
Costs of acquisition and production						
01/01/2021	305,827	88,500	1,226,563	32,207	84,904	1,738,002
Additions	6,354	33,820	41,591	20,834	50,065	152,664
Reclassifications	1,892	-	47,693	-3	-50,566	-984
Disposals	-477	-32,368	-69,055	-4,949	-11,220	-118,069
Changes in the scope of consolidation	18	-	469	-	-	488
Foreign currency conversion difference	4,854	3,579	28,430	415	3,163	40,440
12/31/2021	318,468	93,531	1,275,692	48,504	76,347	1,812,542
Accumulated amortization and impairment losses						
01/01/2021	-126,359	-47,395	-828,044	-12,767	-7	-1,014,572
Amortization, depreciation and write-downs	-8,229	-16,387	-88,186	-9,994	-	-122,796
Impairment losses / reversals	-13	2,120	1,309	-	-	3,416
Depreciation and amortization reclassifications	29	-	-11	-	-	18
Disposals	362	26,082	53,720	4,415	-	84,580
Changes in the scope of consolidation	-5	-	-323	-	-	-328
Foreign currency conversion difference	-2,118	-1,289	-15,422	-123	-	-18,952
12/31/2021	-136,333	-36,869	-876,956	-18,469	-8	-1,068,634
Carrying amounts						
01/01/2021	179,468	41,105	398,519	19,441	84,897	723,430
12/31/2021	182,136	56,662	398,736	30,035	76,339	743,908

IN EUR K	LAND AND BUILDINGS	RIGHTS OF USE BUILDINGS	TECHNICAL EQUIPMENT AND OFFICE EQUIPMENT	RIGHTS OF USE OF TECHNICAL EQUIPMENT AND OFFICE EQUIPMENT	ADVANCES PAID AND ASSETS UNDER CONSTRUCTION	TOTAL
Costs of acquisition and production						
01/01/2020	314,470	85,511	1,217,598	32,379	96,866	1,746,824
Additions	1,161	18,561	53,778	14,722	63,161	151,384
Reclassifications	662	-	56,597	-3,704	-54,810	-1,255
Disposals	-3,410	-13,200	-70,809	-10,355	-15,625	-113,399
Changes in the scope of consolidation	-	-	-41	-	-	-41
Foreign currency conversion difference	-7,056	-2,372	-30,560	-835	-4,688	-45,511
12/31/2020	305,827	88,500	1,226,563	32,207	84,904	1,738,002
Accumulated amortization and impairment losses						
01/01/2020	-122,343	-42,347	-812,073	-15,427	-8	-992,197
Amortization, depreciation and write-downs	-8,486	-12,831	-88,577	-7,136	-	-117,029
Impairment losses / reversals	-	-652	-3,638	-5	-	-4,295
Depreciation and amortization reclassifications	-	-	-95	95	-	-
Disposals	2,143	7,232	59,379	9,454	-	78,208
Changes in the scope of consolidation	-	-	37	-	-	37
Foreign currency conversion difference	2,326	1,202	16,922	252	1	20,703
12/31/2020	-126,359	-47,395	-828,044	-12,767	-7	-1,014,572
Carrying amounts						
01/01/2020	192,127	43,164	405,525	16,952	96,858	754,627
12/31/2020	179,468	41,105	398,519	19,441	84,897	723,430

Shares accounted for using the equity method and other financial assets

	2021 IN EUR K	2020 IN EUR K
Shares accounted for using the equity method	14,482	9,051
Other financial assets	7,467	5,766
Total	21,949	14,817

The joint ventures and associated companies accounted for using the equity method and the other investments were of minor importance with regard to the Group's results of operations, financial position and net assets at the balance sheet date.

The net income / net loss for the year amounted to EUR 639 k in fiscal year 2021 (previous year: EUR -4,443 k) and in other comprehensive income EUR 910 k (previous year: EUR -154 k).

Other financial assets relate to shares in non-consolidated subsidiaries.

Other financial assets

	2021 IN EUR K	2020 IN EUR K
Non-current		
Receivables from finance leases	790	1,251
Investments	1,189	1,189
Securities	307	265
Derivative financial instruments	17	5
Other financial assets	433	212
Total	2,737	2,922
Current		
Derivative financial instruments	838	13,127
Receivables from finance leases	589	544
Financial receivables from related undertakings	1,158	283
Other financial assets	517	559
Total	3,102	14,513

Other assets

	2021 IN EUR K	2020 IN EUR K
Sales tax and other tax assets (excluding income taxes)	93,538	42,835
Contractual assets	26,742	32,301
Prepaid expenses and deferred charges	6,755	7,027
Advance payments on inventories and other assets	5,434	3,140
Other financial assets	62,170	44,131
Other assets	194,638	129,434
Non-current	40,430	36,891
Current	154,209	92,543

Miscellaneous other assets include, among other things, advance payments made. The increase compared with the previous year is mainly due to the increase in capitalized contract costs (+EUR 12,147 k) and a reimbursement claim from the cyber attack (+EUR 10,000 k).

Assets held for sale

In 2020, a building in Brazil no longer used by the Purem by Eberspächer Division was reclassified to assets held for sale. Sales efforts have already begun and the intention was to sell the building within twelve months. Due to the Corona pandemic, there were delays in the sales process, so that the sale could not be completed within fiscal year 2021.

Inventories

Inventories were composed as follows:

	2021 IN EUR K	2020 IN EUR K
Raw materials, consumables and supplies	210,887	148,000
Work in process	206,739	161,601
Finished goods and merchandise	137,446	126,376
Inventories	555,072	435,976

Trade receivables

Trade receivables are composed as follows and are allocated to the measurement category “at amortized cost”:

	2021 IN EUR K	2020 IN EUR K
Trade receivables from third parties	910,011	915,845
Trade receivables from associated companies and persons	5,445	2,302
Trade receivables	915,456	918,146
Current	915,456	918,146

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks, cash in hand and current deposits.

	2021 IN EUR K	2020 IN EUR K
Bank balances	86,851	164,771
Cash and cash equivalents in the consolidated balance sheet	86,851	164,771
Overdrafts used for cash management purposes	-130,484	-25,935
Cash and cash equivalents presented in the cash flow statement	-43,633	138,836

Equity

As in the previous year, **the general partner's and limited partner's capital** amounted to EUR 90,000 k in the year under review.

The **reserves** include retained earnings and other reserves such as reserves resulting from the first-time application of IFRS standards.

The **accumulated other equity** includes the effects of currency conversion due to the translation of

financial statements of foreign operations. In addition, accumulated other comprehensive income includes the remeasurement of defined benefit plans and the accumulated net changes in the fair value of derivative financial instruments designated for hedging purposes.

The **non-controlling shares** in the reporting years result from investments in which Eberspächer Gruppe GmbH & Co. KG directly or indirectly holds less than 100.0% of the equity. The corresponding companies are listed (see page 64 cont.).

Provisions for pensions and similar obligations

	2021 IN EUR K	2020 IN EUR K
Net liabilities from defined benefit plans	172,411	185,486
Debts for social security contributions	38	44
Provisions for pension obligations	172,449	185,529

Other provisions

IN EUR K	OBLIGATIONS FROM OTHER TAXES	OBLIGATIONS FROM THE PERSONNEL AREA	OBLIGATIONS FROM THE PRODUCTION AREA	OBLIGATIONS FROM THE SALES AREA	OTHER OBLIGATIONS	TOTAL
Position as at 1/1/2021	411	38,312	33,484	12,379	13,462	98,048
Non-current	270	10,565	4,409	7,127	5,822	28,193
Current	141	27,747	29,075	5,252	7,640	69,855
Additions	141	5,969	22,709	3,009	8,850	40,678
Consumption	-144	-11,694	-9,434	-2,359	-665	-24,296
Reversals	-	-501	-8,810	-5,074	-638	-15,023
Foreign currency conversion difference	29	15	956	110	1,132	2,242
Addition of accrued interest	-	-18	8	0	0	-11
Changes in scope of consolidation and reclassifications	-	19	0	0	-27	-8
Position as at 12/31/2021	436	32,102	38,913	8,066	22,112	101,631
Non-current	292	10,505	5,901	2,844	5,781	25,323
Current	145	21,598	33,012	5,222	16,331	76,308

IN EUR K	OBLIGATIONS FROM OTHER TAXES	OBLIGATIONS FROM THE PERSONNEL AREA	OBLIGATIONS FROM THE PRODUCTION AREA	OBLIGATIONS FROM THE SALES AREA	OTHER OBLIGATIONS	TOTAL
Position as at 1/1/2020	664	18,494	22,103	19,049	10,453	70,761
Non-current	294	10,357	5,525	14,153	7,641	37,970
Current	370	8,137	16,578	4,896	2,812	32,791
Additions	12	25,066	20,742	4,342	6,525	56,687
Consumption	-223	-4,098	-7,348	-2,726	-2,640	-17,035
Reversals	-3	-1,232	-940	-7,927	-820	-10,922
Foreign currency conversion difference	-39	-109	-1,110	-359	-34	-1,651
Addition of accrued interest	-	191	15	-	-	206
Changes in scope of consolidation and reclassifications	-	-	22	-	-22	-
Position as at 12/31/2020	411	38,312	33,484	12,379	13,462	98,048
Non-current	270	10,565	4,409	7,127	5,822	28,193
Current	141	27,747	29,075	5,252	7,640	69,855

Personnel-related obligations mainly include long-service awards and early retirement obligations as well as obligations in connection with restructuring measures. The non-current personnel-related obligations are expected to be utilized within the next five years.

The **obligations from the production area** mainly include provisions for warranties. The provision for warranties is based on estimates based on historical warranty data of similar products and services. The Group expects to settle the majority of the provision in the next two years.

Obligations from sales mainly include provisions for contingent losses from pending sales transactions. The contract is expected to run for ten years.

Other obligations mainly include provisions for claims for damages from third parties in connection with completed antitrust proceedings and for litigation risks. Also included are obligations in connection with restructuring measures.

Financial liabilities

	2021 IN EUR K	2020 IN EUR K
Non-current		
Liabilities to banks	371,135	344,411
Leasing liabilities	70,494	45,804
Liabilities to shareholders	26,793	27,450
Liabilities of non-controlling shares partnerships	604	601
Other financial liabilities	1,629	1,610
Total	470,655	419,876
Current		
Refund liabilities	123,478	116,548
Liabilities to banks	194,806	89,935
Leasing liabilities	22,609	21,408
Liabilities from factoring	32	11,834
Liabilities to shareholders	3,306	2,283
Derivative financial instruments	5,981	341
Other financial liabilities	873	207
Total	351,084	242,555

Liabilities to banks

	CREDIT LINES		AMOUNT DRAWN		TERM	CURRENT INTEREST RATE DRAWN LINES
	2021 IN EUR K	2020 IN EUR K	2021 IN EUR K	2020 IN EUR K		
Syndicated loans	678,000	742,000	560,170	433,526	2023	1.24 %
Bilateral loans	20,000	-	20,000	-	2023	2.00 %
Credit line	8,829	8,149	-	-	2022	-
Other credit lines	9,432	7,236	2,211	-	No fixed maturities	0.48 - 1.57 %

Other liabilities

	2021 IN EUR K	2020 IN EUR K
Contract liabilities	70,013	70,101
Personnel-related liabilities	40,580	50,114
Sales tax and other tax liabilities	31,791	40,787
Government grants	3,554	4,394
Sundry other liabilities	18,287	23,509
Other liabilities	164,224	188,905
Non-current	6,984	14,679
Current	157,240	174,225

The public grants are investment subsidies within the framework of the joint task "Improvement of the regional economic structure" (GRW).

Miscellaneous other liabilities include, among other things, deferred income, accrued liabilities for annual financial statement and audit costs.

Trade payables

	2021 IN EUR K	2020 IN EUR K
Trade receivables from third parties	749,030	808,308
Trade receivables from associated companies and persons	698	161
Liabilities for outstanding invoices	105,581	81,039
Trade payables	855,310	889,509
Current	855,310	889,509

OTHER INFORMATION

Acquisition of subsidiaries

As part of a share deal, the Group acquired on July 2, 2021 all shares in Eberspaecher Victori LLC, Lafayette (Colorado/ USA).

With this acquisition, the Group is opening up a new business area in the field of hydrogen and fuel cell technology. The company develops and produces air compressors for cathode gas supply to the fuel cell as well as the associated components. With this acquisition, the Group intends to expand its product portfolio and open up new markets. To this end, the products appearing on the market under VAIREX air systems are to be further developed, while electronics competencies are to be integrated and then scaled via the Group's global presence.

The assets and liabilities included in the consolidated balance sheet for the first time as part of the acquisition were recognized at the following values:

	IN EUR K
Intangible assets	106
Property, plant, and equipment	153
Other non-current assets	-
Inventories	480
Other current assets	13
Trade receivables	156
Cash and cash equivalents	96
Financial liabilities	-3
Provisions and other liabilities	-23
Trade payables	-154
Total identifiable net assets acquired	824

Goodwill was recognized as a result of the acquisition, as follows:

	IN EUR K
Consideration transferred	10,996
Non-controlling shares	-204
Fair value of identifiable net assets	-824
Goodwill	9,968

Capitalized goodwill that is not simultaneously deductible for tax purposes does not give rise to deferred taxes.

List of shareholdings

The subsidiaries and investments of the Group are listed below.

As of December 31, 2021

GERMANY		SHARE-HOLDING ¹⁾
catem Holding GmbH & Co. KG	Herxheim	100 %
Eberspächer Beteiligungs-GmbH	Esslingen am Neckar	100 %
Eberspächer catem GmbH & Co. KG	Herxheim	100 %
Eberspächer catem Hermsdorf GmbH & Co. KG	Hermsdorf	100 %
Eberspächer catem Verwaltungs-GmbH	Herxheim	100 %
Eberspächer CC RUS Beteiligungs-GmbH	Esslingen am Neckar	100 %
Eberspächer Climate Control Systems GmbH	Esslingen am Neckar	100 %
Eberspächer Climate Control Systems International Beteiligungs-GmbH	Esslingen am Neckar	100 %
Eberspächer Controls Esslingen GmbH & Co. KG	Esslingen am Neckar	100 %
Eberspächer Controls Esslingen Verwaltungs-GmbH	Esslingen am Neckar	100 %
Eberspächer Controls International GmbH	Esslingen am Neckar	100 %
Eberspächer Controls Landau GmbH & Co. KG	Landau	100 %
Eberspächer Controls Landau Verwaltungs-GmbH	Landau	100 %
Eberspächer digital solutions GmbH	Esslingen am Neckar	100 %
Eberspächer Finanz GmbH	Esslingen am Neckar	100 %
Eberspächer Heizung Vertriebs-GmbH & Co. KG	Torgelow	100 %
Eberspächer Heizung Vertriebs-Verwaltungs-GmbH	Torgelow	100 %
Eberspächer Insurance Services GmbH	Esslingen am Neckar	100 %
Eberspächer Sütrak GmbH & Co. KG	Renningen	100 %
Eberspächer Sütrak Verwaltungs-GmbH	Renningen	100 %
Eberspächer Torgelow GmbH & Co. KG	Torgelow	60 %
Eberspächer Torgelow Verwaltungs-GmbH	Torgelow	60 %
Eberspächer Venture Capital GmbH	Esslingen am Neckar	100 %
Eberspächer Vermögensverwaltung GmbH	Esslingen am Neckar	92 %
Eberspächer Verwaltungs-GmbH	Esslingen am Neckar	100 %
EM Emissions Technology GmbH	Esslingen am Neckar	100 %
Menesa Verwaltungs-GmbH	Neunkirchen/Saar	100 %
Montagewerk Abgastechnik Emden GmbH	Emden	50 % ²⁾
PACE Telematics GmbH	Karlsruhe	28.20 % ²⁾
Purem GmbH (former: Eberspächer Exhaust Technology GmbH)	Neunkirchen/Saar	100 %
Purem International GmbH (former: Eberspächer Exhaust Technology International GmbH)	Esslingen am Neckar	100 %
Purem Service Parts GmbH & Co. KG (former: Eberspächer Exhaust Aftermarket GmbH & Co. KG)	Neunkirchen/Saar	100 %
Purem Service Parts Verwaltungs-GmbH (former: Eberspächer Exhaust Aftermarket Verwaltungs-GmbH)	Neunkirchen/Saar	100 %
Purem Technology GmbH (ehemals: Eberspächer International GmbH)	Esslingen am Neckar	100 %
Purem Wilsdruff GmbH (former: Eberspächer Exhaust Technology Wilsdruff GmbH)	Wilsdruff	100 %

EUROPE

Eberspächer AB	Trollhättan / Sweden	100 %
Eberspächer Avtovazagregat Exhaust Systems LLC	Tolyatti / Russia	100 % 1)
Eberspächer Climate Control Systems Sp. z o.o.	Oława / Poland	100 %
Eberspacher Controls Ro S.R.L.	Oradea / Romania	100 % 1)
Eberspächer Danmark ApS	Copenhagen / Denmark	100 %
Eberspächer GmbH	Wiener Neudorf / Austria	100 %
Eberspächer Kalori SAS	Pusignan / France	100 %
Eberspächer Praha s r.o.	Prague / Czech Republic	100 %
Eberspacher S.A.S.	Elancourt / France	100 %
Eberspaecher S.r.l.	Borgosatollo / Italy	100 %
Eberspaecher Sp. z o.o.	Wysogotowo / Poland	100 %
Eberspächer Sütrak S.A.	Madrid / Spain	100 %
Eberspacher Turkey Egzoz Teknolojisi Sanayi Ve Ticaret Limited Şirketi	Bursa / Turkey	100 %
Eberspaecher Ukraine OOO	Kiev / Ukraine	100 %
Eberspacher (UK) Holdings Ltd.	Ringwood / UK	100 %
Eberspacher (UK) Ltd.	Ringwood / UK	100 %
Joint-Stock Company Eberspaecher Climate Control Systems RUS	Moscow / Russia	100 %
Purem Castellalto S.p.A. (former Eberspaecher Italia S.p.A.)	Castellalto / Italy	100 %
Purem Cowley Ltd. (former: Eberspacher Exhaust Technology UK Ltd.)	Coventry / UK	100 %
Purem Nitra s.r.o. (former: Eberspächer Exhaust Technology Slovakia s.r.o.)	Nitra / Slovak Republic	100 %
Purem Nyköping AB (former: Eberspächer Exhaust Technology Sweden AB)	Nyköping / Sweden	100 %
Purem Oradea SRL (former: Eberspaecher Exhaust Technology Romania SRL)	Oradea / Romania	100 %
Purem Rakovník spol. sr.o. (former: Eberspächer spol. sr.o.)	Rakovník / Czech Republic	100 %
Purem St. Michel SAS (former: Eberspacher Systèmes d'Echappement S.A.S.)	St. Michel / France	100 %
Purem Togliatti OOO (former: Eberspaecher Exhaust Systems RUS OOO)	Moscow / Russia	100 %
Purem Tondela, Unipessoal LDA (former: Eberspächer Exhaust Technology Portugal, Unipessoal LDA)	Tondela / Portugal	100 %
S.C. Eberspaecher RO SRL	Floresti / Romania	100 %

SOUTH AFRICA

Eberspaecher Rosslyn (Pty.) Ltd.	Pretoria / South Africa	100 %
Purem Properties (Pty.) Ltd. (former: Eberspächer Properties (Pty.) Ltd.)	Port Elizabeth / South Africa	100 %
Purem Port Elizabeth (Pty.) Ltd. (former: Eberspächer South Africa (Pty.) Ltd.)	Port Elizabeth / South Africa	100 %

THE AMERICAS

Calsonic-Eberspächer Exhaust Systems Inc.	Shelbyville / USA	50 % 1)
Eberspaecher Climate Control Systems Canada Inc.	Mississauga / Canada	100 %
Eberspaecher Climate Control Systems Ltda.	Sorocaba / Brazil	100 %
Eberspächer Climate Control Systems S.A. de C.V.	Mexico City / Mexico	100 %
Eberspaecher Climate Control Systems USA Inc.	Novi / USA	100 %
Eberspaecher Controls North America Inc.	Novi / USA	100 %
Eberspaecher Exhaust Systems Canada Inc.	Brampton / Canada	100 %
Eberspaecher Vecture Inc.	Concord / Canada	100 %
Eberspaecher Victori LLC	Lafayette / USA	100 %
Purem Automotive Technology Sorocaba Ltda. (former: Eberspaecher Tecnologia de Exaustao Ltda.)	Sorocaba / Brazil	100 %
Purem Ramos Arizpe S.A. de C.V. (former: Eberspaecher Exhaust Technology Mexico S.A. de C.V.)	Ramos Arizpe / Mexico	100 %

ASIA

Eberspaecher Automotive Technology (Beijing) Co. Ltd.	Beijing / China	100 %
Eberspaecher catem Japan Ltd.	Nagoya / Japan	100 % 1)
Eberspaecher Climate Control Systems South East Asia Pte. Ltd.	Singapore	100 %
Purem Automotive Technology (Xi'an) Co., Ltd. (former: Eberspaecher Exhaust Technology (Xi'an) Co., Ltd.)	Xi'an / China	49 % 2)
Purem Automotive Technology (Zhangjiakou) Co., Ltd. (former: Eberspaecher Exhaust Technology (Zhangjiakou) Co. Ltd.)	Zhangjiakou / China	100 %
Eberspaecher Mikuni Climate Control Systems Corporation	Odawara-City / Japan	87.50 %
Eberspaecher Suetrak Bus Climate Control Systems India Private Limited	Bangalore / India	100 %
Eberspächer Yuchai Exhaust Technology Co., Ltd.	Yulin / China	51 % 2)
Exhaust Technology Pvt. Ltd.	New Delhi / India	50 % 1)
Purem Automotive Technology (Chongqing) Co., Ltd. (former: Eberspaecher Exhaust Technology (Chongqing) Co., Ltd.)	Chongqing / China	100 %
Purem Automotive Technology (Shanghai) Co. Ltd. (former: Eberspaecher Exhaust Technology (Shanghai) Co., Ltd.)	Shanghai / China	100 %
Purem Automotive Technology (Taizhou) Co., Ltd. (former: Eberspaecher Exhaust Technology (Taizhou) Co., Ltd.)	Taizhou / China	100 %
Purem Seoul Co., Ltd. (former: Eberspaecher Exhaust Systems Korea Ltd.)	Seoul / Korea	100 %
Purem Yokohama K.K. (former: Eberspaecher Exhaust Technology Japan K.K.)	Yokohama / Japan	100 %
Tenneco-Eberspaecher (Dalian) Exhaust System Co. Ltd.	Dalian / China	45 % 2)
Zhongshan Eberspächer Kalori Air Conditioning Industry Co., Ltd.	Zhongshan / China	100 % 1)

1) Non-consolidated

2) At-equity financed

In fiscal year 2021, Eberspächer Exhaust Technology Wilsdruff Verwaltungs-GmbH, Wilsdruff, Eberspächer Prototechnik Verwaltungs-GmbH, Schwäbisch Gmünd, and Eberspächer Prototechnik GmbH, Schwäbisch Gmünd, were merged to Purem Wilsdruff GmbH, Wilsdruff.

The number of fully consolidated entities decreased by a total of one unit year-on-year to 83.

For the following fully consolidated subsidiaries, we make use of exemption options pursuant to section 264 (3) HGB (German Commercial Code):

- Eberspächer Climate Control Systems GmbH, Esslingen am Neckar
- Purem Technology GmbH, Esslingen am Neckar
- Eberspächer Finanz GmbH, Esslingen am Neckar
- Eberspächer Climate Control Systems International Beteiligungs-GmbH, Esslingen am Neckar
- Purem GmbH, Neunkirchen/Saar
- Purem Wilsdruff GmbH, Wilsdruff

For the following fully consolidated subsidiaries, we make use of exemption options pursuant to section 264b HGB (German Commercial Code):

- Separate financial statements of the Group parent company Eberspächer Gruppe GmbH & Co. KG, Esslingen am Neckar
- Eberspächer Controls Esslingen GmbH & Co. KG, Esslingen am Neckar
- Purem Service Parts GmbH & Co. KG Neunkirchen/Saar
- Eberspächer catem GmbH & Co. KG, Herxheim
- catem Holding GmbH & Co. KG, Herxheim
- Eberspächer catem Hermsdorf GmbH & Co. KG, Hermsdorf
- Eberspächer Controls Landau GmbH & Co. KG, Landau
- Eberspächer Sütrak GmbH & Co. KG, Renningen
- Eberspächer Torgelow GmbH & Co. KG, Torgelow
- Eberspächer Heizung Vertriebs-GmbH & Co. KG, Torgelow

Leases

Leases as lessee

The rights of use capitalized under leases mainly relate to the leasing of real estate, technical equipment and machinery, and operating and office equipment.

Future minimum lease payments under leases that cannot be canceled are payable as follows:

	2021 IN EUR K	2020 IN EUR K
Up to one year	24,979	21,590
Longer than one year and up to five years	58,520	39,683
Longer than five years	19,971	9,629
Total undiscounted cash flows	103,471	70,902
thereof included in balance sheet:	93,103	67,212
Non-current	70,494	45,804
Current	22,609	21,408

Leases as lessor

In 2021, the Group partially subleased a building, which is recorded as a right-of-use asset in property, plant and equipment. The Group has classified this sublease as a finance lease from the lessor's perspective.

Associated companies and persons

Parent company and ultimate controlling party

In the course of its ordinary business activities, the parent company Eberspächer Gruppe GmbH & Co. KG maintains relationships with the subsidiaries listed on page 64 cont. to these consolidated financial statements and with other associated parties (joint ventures, associates and associated companies) and persons.

Other business transactions with associated companies and persons

Transactions with associated companies and the receivables and liabilities existing at the balance sheet date result without exception from ordinary business activities under usual market conditions and are as follows:

	VALUES OF BUSINESS TRANSACTIONS		BALANCES OUTSTANDING	
	2021 IN EUR K	2020 IN EUR K	2021 IN EUR K	2020 IN EUR K
Sale of goods / services rendered				
Joint ventures	3,180	4,489	590	970
Associated companies	-	31	24	150
Non-consolidated subsidiaries	5,188	223	6,286	925
Other				
Joint ventures	678	313	235	-
Associated companies	-	91	-	-
Non-consolidated subsidiaries	1,557	201	1,477	-

In addition, a receivable in the Purem by Eberspächer Division in the amount of EUR 4,858 k (previous year: EUR 0 k) was impaired.

Employees

The average number of employees during the fiscal year is shown below:

	2021	2020
Direct employees	4,397	4,968
Indirect employees	5,981	5,393
Trainees and apprentices	222	261
Total	10,600	10,622

EBERSPÄCHER GRUPPE GMBH & CO. KG
EBERSPÄCHERSTRASSE 24
73730 ESSLINGEN / GERMANY

PHONE: +49 711 939-00
FAX: +49 711 939-0634
info@eberspaecher.com
www.eberspaecher.com