ANNUAL REPORT 2021

INTRALOGISTICS PIONEERS

JUNGHEINRICH

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COMPANY PROFILE

As a globally leading provider of intralogistics solutions, Jungheinrich has been advancing the development of innovative and sustainable products and solutions for material flows for 70 years. As a pioneer in the sector, the Hamburg-based family business is committed to creating the warehouse of the future.

With its portfolio of material handling equipment, automated systems, digital solutions and matching services, Jungheinrich offers its customers tailor-made solutions from a single source to support them in mastering the growing challenges in intralogistics and achieving their sustainability goals. The company has energy expertise that is unique in the industry with over one million battery-powered trucks in use and especially energy-efficient lithium-ion technology solutions. The company creates fully automated intralogistics workflows with a comprehensive range of automated warehouse systems, mobile robots and software. Uniting economic, environmental and social responsibility is the focus of all its business activities, and the corporate strategy 2025+ pursues the aim of creating sustainable value for all stakeholders.

In 2021, Jungheinrich and its workforce of over 19,000 employees generated revenue of €4.24 billion. The global network covers 13 production plants and 40 service and sales companies. The share is listed on the MDAX.

KEY FIGURES AT A GLANCE

Jungheinrich Group		2021	2020	Change %
Incoming orders	units	162,400	111,400	45.8
	€ million	4,868	3,777	28.9
Orders on hand 31/12	€ million	1,519	821	85.0
Revenue	€ million	4,240	3,809	11.3
thereof Germany	€ million	1,014	917	10.6
thereof abroad	€ million	3,226	2,892	11.5
Foreign ratio	%	76	76	–
Earnings before interest and income taxes (EBIT)	€ million	360	218	65.1
EBIT return on sales (EBIT ROS)	%	8.5	5.7	–
EBIT return on capital employed (ROCE)[1]	%	19.8	13.5	–
EBIT return on capital employed Intralogistics (ROCE new)[2]	%	20.2	10.8	–
Earnings before taxes (EBT)	€ million	349	200	74.5
EBT return on sales (EBT ROS)	%	8.2	5.3	–
Profit or loss	€ million	267	151	76.8
Capital expenditure[3]	€ million	71	75	–5.3
Research and development expenditure	€ million	102	89	14.6
Balance sheet total 31/12	€ million	5,769	5,411	6.6
Shareholders' equity 31/12	€ million	1,803	1,546	16.6
thereof subscribed capital	€ million	102	102	–
Employees 31/12	FTE[4]	19,103	18,103	5.5
thereof Germany	FTE[4]	7,995	7,577	5.5
thereof abroad	FTE[4]	11,108	10,526	5.5
Earnings per preferred share[5]	€	2.62	1.49	75.8
Dividend per share – ordinary share	€	0.66[6]	0.41	61.0
– preferred share	€	0.68[6]	0.43	58.1

1 EBIT as a percentage of interest-bearing capital employed (cut-off date).
2 EBIT of the "Intralogistics" segment as a percentage of average capital employed of the "Intralogistics" segment.
3 Property, plant and equipment and intangible assets without capitalised development expenditure and right-of-use assets.
4 FTE = full-time equivalents; part-time employees were taken into account according to their hours.
5 Based on share of earnings attributable to the shareholders of Jungheinrich AG.
6 Proposal.

BOARD OF MANAGEMENT

Christian Erlach
Member of the Board of Management Sales

Dr Volker Hues
Member of the Board of Management Finance

Dr Lars Brzoska
Chairman of the Board of Management

Sabine Neuß
Member of the Board of Management Technics

FOREWORD BY THE BOARD OF MANAGEMENT

DEAR SHAREHOLDERS,

Rarely in the course of a year have a crisis and a boom been as close together as in 2021. The past financial year was therefore one in which we were faced with two unusual extremes. One the one hand, the ongoing pandemic with its third and fourth waves of infection coupled with supply shortages and rising material prices and, on the other, a strong economic upswing across almost every industry. We at Jungheinrich started the financial year with the aim to grow profitably even in the pandemic and create sustainable value. And we were successful. Overall, 2021 was the best financial year to date in the history of Jungheinrich. Helped by very good market development in Europe in particular, the value of incoming orders increased to €4.87 billion, slightly above the forecast range. Group revenue came in at €4.24 billion, thus also exceeding the forecast range slightly. EBIT improved considerably to €360 million, representing an increase of 65 per cent.

This is all the result of the hard work and tireless commitment shown by the company's more than 19,000 employees worldwide, as well as our sustainable corporate culture, which has been shaping Jungheinrich for nearly 70 years now and particularly demonstrated its worth in the last year. The increase in the company's value and its return to the MDAX show that we have also embarked on the right course with our Strategy 2025+. Electric power and energy efficiency – two core issues of our time – have always been in Jungheinrich's blood. As a pioneer of intralogistics, we were able to celebrate ten years of lithium-ion technology made by Jungheinrich in 2021. We have again set the bar for innovative solutions in our sector by launching the ultra-compact lithium-ion forklift trucks ERD 220i and ERE 225i. In the area of automation, we have introduced a new AGV, the EKS 215a, capable of automating processes that have up to now largely been carried out by counterbalance and reach trucks. We further enlarged our Robotics and Software portfolio by acquiring arculus, in doing so taking a crucial step towards designing the warehouse of the future and keeping our customers inspired. Our commitment to more sustainability is a guiding principle in every field of action relating to our Group strategy. It is Jungheinrich's aim to have a positive impact on the world in which we all live and work by delivering innovative products and solutions. We have moved yet another step closer to achieving our goal of becoming a climate-neutral company. Jungheinrich is among the top 1 per cent of the world's most sustainable companies, recently being awarded a platinum EcoVadis medal, the highest sustainability award available here.

As a family company, Jungheinrich looks back over generations. This has always been a particular strength of our company and it remains the key for sustainable, profitable growth to increase the company's value over the long term. In 2022, we will be working to keep Jungheinrich growing profitably despite the risks of ongoing supply chain shortages and further increases in the cost of materials. At the same time, the war that Russia has started against Ukraine will not only impact business in the countries directly affected, but will also bring uncertainty to European economic development at the very least. However, there is absolutely no doubt in our minds that peace and freedom are more important than any business interests. Peace is the prerequisite for our security, and not least for our freedom and our prosperity.

For what we have achieved, I would like to express my personal thanks, on behalf of the entire Board of Management, to all our employees, customers and business partners, as well as to all of you. I would also like to thank particularly our shareholder families Lange and Wolf, as well as the Supervisory Board, for the confidence shown and the constructive collaboration.

Sincerely yours,

Dr Lars Brzoska
Chairman of the Board of Management

TO OUR SHAREHOLDERS

REPORT OF THE SUPERVISORY BOARD

Jungheinrich was able to benefit from overall strong growth in the market. The ongoing challenges posed by the coronavirus pandemic, in particular those relating to global supply chains, were successfully managed thanks to the timely and solution-oriented approach taken by the Board of Management, all senior executives and employees. We would like to take this opportunity to express our thanks to everyone involved.

Hans-Georg Frey
Chairman of the Supervisory Board

FOCAL POINTS OF SUPERVISORY BOARD ACTIVITY

Building on the experience gained in managing the crisis last year, it was possible to handle the ongoing situation regarding the pandemic very well thanks to flexible forms of working and communication coupled with preventive health measures. The result is that the company benefited from the very strong market growth overall in 2021 and was able to achieve strong, profitable growth itself. The positive business development also led to the targets for Strategy 2025+ being raised during the year.

The Board of Management continued its work to implement Strategy 2025+ during the financial year and with it consistently drive related projects concerning the company's future strategic alignment, notably with regards to processes, digitalisation, products and the organisation forward. The most important milestone to be highlighted in this context is the acquisition of arculus GmbH in the fourth quarter of 2021, an innovative technology company with extensive expertise in autonomous mobile robots and software solutions for mobile automation. The acquisition underscores the importance of automation and its position at the heart of Jungheinrich's future growth. In addition, the acquisition of the assets and staff of the insolvent supplier Hoesch Schwerter Profile GmbH together with KION was completed in the summer of 2021, and the newly established joint venture successfully commenced operations. The Supervisory Board was closely involved in efforts to implement and adapt Strategy 2025+ in the reporting year.

In addition to the ongoing coronavirus pandemic, supply chains in particular posed a major challenge in the year under review. The global shortages here weighed heavily on business activity, yet were successfully mastered by Jungheinrich to such an extent that there were no serious manufacturing standstills. Considerable rises in material prices at times were cushioned by appropriate measures.

As in the past, the Supervisory Board accompanied and supported the Board of Management in all projects in an advisory capacity and exchanged information closely with the Board of Management. In addition to the economic challenges, the focus was also on implementing regulatory requirements and further developing corporate governance. For instance, the Supervisory Board dedicated a great of its attention in 2021 to implementing the legal requirements pertaining to Board of Management remuneration and the company's new risk management system.

The pandemic meant that most of the Supervisory Board meetings continued to be held as virtual or hybrid meetings in the 2021 financial year. The Annual General Meeting in May 2021 was again held as a virtual event without the physical presence of the shareholders, in line with the possibilities provided for under the law.

COOPERATION BETWEEN THE SUPERVISORY BOARD AND THE BOARD OF MANAGEMENT

Once again, the Supervisory Board and the Board of Management worked together very closely and in a spirit of trust during the year under review. The Board of Management involved the Supervisory Board early on and extensively in the relevant matters of its work and the business activities of the company and all Group companies, enabling aspects that deserve attention to be discussed promptly; the Supervisory Board was able to satisfy itself at all times of the legality, appropriateness and correctness of the company's management. The Supervisory Board was also kept informed in a timely manner by means of detailed written and oral reports, in particular on the following topics: the market situation, the current and expected economic development in the individual regions of the world, the business development in the individual Group companies and their financial situation (in particular by analysing key indicators such as incoming orders, revenue, EBIT and margin), employee development, the status of capital expenditure, the current challenges relating to supply chains and material procurement, the reactions to this, including through price-related measures on the market, and the effects of the ongoing coronavirus pandemic on the company, its employees, customers and suppliers. Furthermore, after careful review and deliberation, the Supervisory Board approved numerous transactions requiring its approval and presented by the Board of Management, the most important of which are listed in this report.

The Supervisory Board and the Finance and Audit Committee also examined the risk management system, the effectiveness of the internal control system, the monitoring of accounting and accounting procedures, the internal audit system and compliance within the company. The Supervisory Board did not identify any irregularities or objections in any of these areas in the 2021 financial year. The Board of Management also fully complied with all its reporting obligations. This means that the Supervisory Board did not need to exercise its statutory rights to request and inspect. The Finance and Audit Committee recommended that the Supervisory Board again propose that PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Hamburg, (PwC), be selected as the auditor for the 2021 financial year at the Annual General Meeting on 11 May 2021. The Supervisory Board and Annual General Meeting agreed with this proposal.

The Chairman of the Supervisory Board, also in his role as Chairman of the Personnel Committee, and the Chairman of the Finance and Audit Committee also reviewed important topics outside of the meetings in regular discussion with the Board of Management, in particular with the Chairman of the Board of Management and the Member of the Board of Management for Finance, and prepared points to be decided on in plenary sessions.

MAIN ISSUES ADDRESSED IN SUPERVISORY BOARD MEETINGS

The Supervisory Board convened on a total of eight occasions in the 2021 financial year, one of which was extraordinary, and one resolution was passed by written procedure. In almost every meeting, the Supervisory Board discussed individual agenda items without the presence of the members of the Board of Management. While this is not elaborated on below, the Board of Management reported in detail on the current business overview for the Group at each meeting. The Personnel Committee and the Finance and Audit Committee reported regularly and on an ad hoc basis on current topics of the committee's work. Resolutions were passed in numerous meetings on proposals of the Board of Management, of which only the most important are mentioned below.

In an extraordinary meeting on 25 February 2021, the Supervisory Board focused on issues pertaining to Board of Management remuneration. In addition to setting targets for variable remuneration and passing resolutions on individual aspects of the company pension scheme for the members of the Board of Management, this included in particular the resolution on the new system of Board of Management remuneration developed by the ARUG II working group and the Personnel Committee, which was subsequently presented to and approved by the Annual General Meeting on 11 May 2021, as well as its incorporation into new contracts of employment for the members of the Board of Management. The Supervisory Board also decided to submit a proposal to the Annual General Meeting to authorise the Board of Management to acquire treasury shares. The authorisation was approved by the Annual General Meeting on 11 May 2021 in the proposed form.

The Supervisory Board held an accounts meeting for the 2020 financial year on 25 March 2021 to review and approve Jungheinrich AG's annual financial statements and consolidated financial statements together with the combined management report as of 31 December 2020. The Supervisory Board also endorsed the Board of Management's proposal for the appropriation of profits for the 2020 financial year to the Annual General Meeting, as well as taking note of the non-financial (Group) statement 2020. The Supervisory Board also passed a resolution on the actual values for determining the variable remuneration for the members of the Board of Management for the 2020 financial year and the further details pertaining to the new remuneration system. The meeting also farewelled the employee representative on the Supervisory Board, Ms Birgit von Garrel, on 11 May 2021 for age reasons.

At the meeting on 11 May 2021 following the Annual General Meeting, the new member of the Supervisory Board, Ms Kristina Thurau-Vetter, was first welcomed. This was followed by the elections of the Chairperson and Deputy Chairperson of the Supervisory Board as well as the members of all committees. A range of topics were also discussed in plenary sessions, including an upcoming training event, the upcoming self-assessment of the Supervisory Board, the drafting of the new contracts of employment for the members of the Board of Management as well as various personnel decisions.

In the meeting on 24 June 2021, the Supervisory Board passed a resolution on an adjusted definition for future financial years as well as new target values for one of the parameters relating to the variable remuneration for the members of the Board of Management. The Supervisory Board also approved several proposals from the Board of Management on individual projects, including measures under company law at a joint venture, the introduction of a global HR information system and the construction of a new plant in Czechia. Furthermore, information was provided about an ongoing audit on the topic of data protection.

At the strategy meeting of the Supervisory Board on 27 September 2021, the current status as regards implementing Strategy 2025+ was presented and discussed in detail, as well as a strategy update with new target values for 2025, among other matters. With this in mind, various individual projects within the framework of the Strategy 2025+, including considerations on M&A transactions and a long-term programme to realign structures, processes and the IT architecture in light of the digital transformation (programme DEEP, Digital End-to-End Processes) were also discussed.

At the meeting on 28 September 2021, the Supervisory Board approved the Strategy 2025+ update. The Supervisory Board also decided to task PwC with auditing the combined separate non-financial report for the 2021 financial year. Numerous proposals from the Board of Management were also approved for individual projects, including a development programme for AGV control systems and trucks, the planned acquisition of a local partner company, the establishment of a new subsidiary for business services, the planned increase in an investment in a company from the automation sector and a further development project in the field of lift masts. In addition, the self-assessment carried out by the Supervisory Board and its results, the draft of updated rules of procedure for the Board of Management and further details of Board of Management remuneration, including the commissioning of an external remuneration consultant, were discussed.

In a resolution passed by written procedure in October 2021, the Supervisory Board approved the Board of Management's proposal to acquire arculus GmbH, following a detailed review and discussion. The company's hardware and software specialists focus on autonomous mobile robots and software solutions for mobile automation. The transaction was successfully completed shortly afterwards and arculus GmbH became part of the Jungheinrich Group with retroactive economic effect as of 1 January 2021.

In a DEEP programme workshop on 20 December 2021, the Supervisory Board was shown further details of this ongoing long-term programme to realign structures, processes and the IT architecture against the backdrop of the digital transformation. The focus here was on the programme's objectives, the current status of the implementation, the opportunities and risks presented by the process, the budget framework and the timetable for individual sub-projects.

The first item on the agenda of meeting on 21 December 2021 was to report further on various remuneration-related topics. The Supervisory Board then resolved to rework selective points of the remuneration system for the Board of Management, a resolution which will be submitted to the 2022 Annual General Meeting for approval, as well as to set targets for the Board of Management's variable remuneration. The updated rules of procedure for the Board of Management and the Supervisory Board were adopted and the plan for 2022 was approved. Ms Antoinette P. Aris was re-elected as a non-voting member of the Personnel Committee for the 2022 financial year. The Supervisory Board approved the Board of Management's proposal to also hold the Annual General Meeting on 10 May 2022 without the physical presence of the shareholders or their proxies and thus as a virtual Annual General Meeting, in accordance with Article 2, Section 1, Paragraph 6 of the Covid-19 Act, which came into force on 28 March 2020, in conjunction with Article 16 of the extension act, which came into force on 15 September 2021. The Supervisory Board also approved further proposals from the Board of Management, including one to establish a subsidiary acting as a service hub, and addressed the planning for 2022. The Supervisory Board was also provided with comprehensive information as regards the Group risk report and the new risk management system. Finally, the Supervisory Board resolved on the declaration pursuant to Section 161 of the German Stock Corporation Act ("declaration of compliance") based on the recommendation of the Finance and Audit Committee.

WORK OF THE SUPERVISORY BOARD COMMITTEES

The Finance and Audit Committee convened on five occasions in the reporting year, one of which was extraordinary. The committee specifically considered the work to prepare and implement the new risk management system, and all topics related to the annual and consolidated financial statements of Jungheinrich AG and the audit services (fee and order preparation, focal points of the audit, audit results, and additional audit services). The committee also carefully completed the tasks entrusted to it, including monitoring accounting and accounting processes, the effectiveness of the internal control system, risk management and internal auditing. The Committee also discussed the regular oral and written reports submitted by the Compliance Officer in detail and dealt with various compliance issues. The planning for the 2022 financial year was explained by the Board of Management in an extraordinary meeting in December 2021 and discussed in detail in the committee to prepare the way for a corresponding resolution of the Supervisory Board.

The Personnel Committee convened five times in the reporting year, one of which was extraordinary, and passed one resolution by written procedure. The committee dealt with all tasks assigned to it on behalf of the entire Supervisory Board – particularly contract and remuneration issues for members of the Board of Management, including the remuneration system and the remuneration report for the 2021 financial year. The committee considered the issue of training successors for management positions within the Group in its usual thorough manner.

The Joint Committee, according to Section 27, Paragraph 3 of the German Co-Determination Act of 1976, did not convene.

OTHER INFORMATION

With the exception of one meeting of the Supervisory Board, which Ms Kristina Thurau-Vetter was unable to attend, and one meeting of the Finance and Audit Committee, which Mr Steffen Schwarz was unable to attend, all meetings of the Supervisory Board and its committees were always attended by all members of the respective committee. In the reporting year, no conflicts of interest of Board of Management or Supervisory Board members arose that would have had to be immediately disclosed to the Supervisory Board.

The members of the Supervisory Board take responsibility for the training and further education measures required for their tasks, such as those pertaining to changes in the legal framework or new technologies, and receive support here from the company, as do new members when they take up their position. In the 2021 financial year, the company held information and training events for the members of the Supervisory Board on the topics of insider trading law and ad hoc disclosure obligations as well as on issues of current legislation and case law that affect the company and the Supervisory Board.

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

The annual financial statements prepared by the Board of Management and the consolidated financial statements as of 31 December 2021 and the combined management report of Jungheinrich AG were audited by PwC. The auditors had no objections regarding the financial statements or the accounting, and confirmed this in their unqualified audit report.

The results of the audit performed by the auditors were the topic of meetings of the Finance and Audit Committee and of the Supervisory Board. The members of the Supervisory Board checked the Board of Management documents for the annual and consolidated financial statements in great detail using PwC's audit reports. As is also regularly the case, various members of the Supervisory Board attended the Finance and Audit Committee meeting for the preparation of the entire Supervisory Board's resolution regarding the 2021 financial statements. All members of the Supervisory Board approved the Board of Management's proposal for the appropriation of profits for the 2021 financial year. According to the audit's results, there are no objections to the internal control system, the risk management system or the compliance system. There were also no objections to the declaration of compliance pursuant to Section 161 of the German Stock Corporation Act.

Following its detailed inspection of the annual financial statements, consolidated financial statements and combined management report, the Supervisory Board had no objections to the financial statements and agreed with the results of the audit performed by the auditors in its accounts meeting on 30 March 2022. The Supervisory Board therefore authorised Jungheinrich AG's annual financial statements and consolidated financial statements for the period ending 31 December 2021. Jungheinrich AG's annual financial statements as of 31 December 2021 are therefore finalised.

In its meeting on 30 March 2022, the Supervisory Board seconded the Board of Management's proposal for the appropriation of profits for the 2021 financial year.

The Finance and Audit Committee and the Supervisory Board also considered the combined separate non-financial report as of 31 December 2021, which was prepared by the Board of Management. The Supervisory Board has taken note and approved of this report, which was audited by PwC.

PERSONNEL

Ms Antoinette P. Aris, Ms Beate Klose and Dr Ulrich Schmidt were each re-elected to the Supervisory Board for a full term of office by the Annual General Meeting on 11 May 2021.

Ms Birgit von Garrel, employee representative on the Supervisory Board, retired from the Supervisory Board with effect from 11 May 2021. At the suggestion of IG Metall and at the request of the company, Ms Kristina Thurau-Vetter, trade union secretary of IG Metall Bezirksleitung Küste, was legally appointed to replace Ms von Garrel as a member of the Supervisory Board. Due to the interruption of the elections of employee representatives to the Supervisory Board prior to the Annual General Meeting on 11 May 2021 as a result of the coronavirus pandemic, the remaining employee representatives elected to date to the Supervisory Board continued to be legally appointed as members of the Supervisory Board at the request of the company.

The Supervisory Board acknowledges the exceptional performance of the Board of Management, senior executives and all employees in meeting the challenges of 2021 and would like to thank them all very much for their successful work.

Hamburg, 30 March 2022

On behalf of the Supervisory Board

H. G. Frey

Hans-Georg Frey
Chairman

MEMBERS OF THE SUPERVISORY BOARD

HANS-GEORG FREY
Chairman
Membership of other supervisory boards/ regulatory committees:
Fielmann AG, Hamburg
HOYER GmbH, Hamburg
Blanc & Fischer Familienholding GmbH (previously E.G.O. Blanc und Fischer & Co. GmbH), Oberderdingen
Gottfried Schultz Automobilhandels SE, Ratingen

MARKUS HAASE[1]
Deputy Chairman
Service Consultant at Jungheinrich Vertrieb Deutschland AG & Co. KG
Chairman of the Group Works Council

DIPL.-ING. ANTOINETTE P. ARIS, MBA
Senior Affiliate Professor of Strategy at INSEAD (Fontainebleau/France)
Membership of other supervisory boards/ regulatory committees:
ASML N.V., Veldhoven/Netherlands
Randstad N.V., Diemen/Netherlands
Rabobank Group, Utrecht/Netherlands

DAGMAR BIEBER[1]
Business Manager
Quality Coordinator at Jungheinrich Service & Parts AG & Co. KG
Member of the Group Works Council

DIPL.-ING. RAINER BREITSCHÄDEL[1]
Head of Kaltenkirchen location at Jungheinrich Service & Parts AG & Co. KG
Executive Staff Representative

BIRGIT VON GARREL[1]
(until 11 May 2021)
Trade Union Secretary IG Metall Executive Board Administration Frankfurt

BEATE KLOSE
Business Graduate

WOLFF LANGE
Businessman
Managing Director of LJH-Holding GmbH, Wohltorf
Membership of other supervisory boards/ regulatory committees:
HANSA-HEEMANN AG, Rellingen (Chairman)
Wintersteiger AG, Ried/Austria (Chairman)

MIKE RETZ[1]
Trade Union Secretary
IG Metall branch office for the region of Hamburg

DR ULRICH SCHMIDT
Business Manager
Managing Director of AWZ Asphaltmischwerke Verwaltungs-GmbH, Balingen (until 31 July 2021)

STEFFEN SCHWARZ[1]
Assembly worker at Jungheinrich Norderstedt AG & Co. KG
Deputy Chairman of the Group Works Council

KRISTINA THURAU-VETTER[1]
(since 11 May 2021)
Trade Union Secretary IG Metall
District Management Küste

ANDREAS WOLF
Business Manager
Managing Director of WJH-Holding GmbH, Aumühle

COMMITTEES OF THE SUPERVISORY BOARD

Finance and Audit Committee
Dr Ulrich Schmidt (Chairman)
Antoinette P. Aris (Deputy Chairwoman)
Steffen Schwarz[1]

Personnel Committee
Hans-Georg Frey (Chairman)
Markus Haase[1] (Deputy Chairman)
Wolff Lange
Steffen Schwarz[1]
Andreas Wolf
Antoinette P. Aris (non-voting member)

Joint Committee
Hans-Georg Frey (Chairman)
Markus Haase[1] (Deputy Chairman)
Birgit von Garrel[1] (until 11 May 2021)
Mike Retz[1] (since 11 May 2021)
Andreas Wolf

1 Employee representative.

MEMBERS OF THE BOARD OF MANAGEMENT

The members of the Jungheinrich AG Board of Management sit on the following supervisory boards, the formation of which is a statutory requirement, and similar regulatory bodies in and outside of Germany:

DR LARS BRZOSKA
Chairman of the Board of Management
Corporate
Labour Director

CHRISTIAN ERLACH
Member of the Board of Management
Sales
Membership of other supervisory boards/ regulatory committees:
Jungheinrich Heli Industrial Truck Rental Co. Ltd., Shanghai/China[1]
MCJ Supply Chain Solutions LLC, Houston, Texas/USA[1]

DR VOLKER HUES
Member of the Board of Management
Finance
Membership of other supervisory boards/ regulatory committees:
A.S. Création Tapeten AG, Gummersbach

SABINE NEUß
Member of the Board of Management
Technics
Membership of other supervisory boards/ regulatory committees:
Continental AG, Hanover
JULI Motorenwerk CZ s.r.o., Moravany/Czechia[1]
Schwerter Profile GmbH, Schwerte (since 20 May 2021)[1]
Magazino GmbH, Munich[1]

1 Group or associated company.

COMBINED SEPARATE NON-FINANCIAL REPORT

IN ACCORDANCE WITH THE CSR DIRECTIVE IMPLEMENTATION ACT

As a globally leading provider of intralogistics solutions, we are responsible for our activities in Germany, Europe and the rest of the world from an economic, environmental and social viewpoint. Our conduct is based on our understanding of CSR: the successful combination of profitable growth with the needs of society and the environment. At Jungheinrich, we create sustainable value together and meet our stakeholders' expectations based on our company's success.

EcoVadis Platinum and other awards
For several years, Jungheinrich has been participating in the independent sustainability rating from EcoVadis. Once a year, the company is evaluated in the categories environment, labour and human rights, ethics, and sustainable procurement. This helps us measure our sustainability performance and make it transparent, and continuously improve our performance by analysing the evaluation results. After achieving Gold status in 2019 and 2020, this year we were awarded Platinum certification for the first time. This puts us in the top one per cent of the world's most sustainable companies. We especially improved in the fields of work practices and human rights, and sustainable procurement. Receiving platinum status is both a confirmation and motivation: it represents recognition for our work and drives us to keep setting ambitious targets in the future.

In the past financial year, we participated for the first time in the prestigious CDP sustainability rating (formerly the "Carbon Disclosure Project") in the "Climate" category and received a rating of B–. We also received a score of A– in the CDP Supplier Engagement Rating (SER). This assesses companies with regard to their corporate governance, definition of targets, and estimation of greenhouse gas emissions in their value chain, as well as their commitment to the supply chain. Both ratings scales range from A to F. In addition, during our participation in the German Sustainability Awards, we were nominated as a finalist in the "Climate" category.

Initiatives and memberships
Jungheinrich joined the 50 Sustainability & Climate Leaders initiative in 2020 and thus belongs to a group of companies that are dedicated to stopping climate change and promoting a more sustainable economy. The 50 international companies from different industries participating in the campaign have set themselves the goal of taking a leading role in the fight against climate change and thus contributing to the achievement of the 17 United Nations Sustainable Development Goals (UNSDGs).

In 2021, we also took an important step in creating a scientific framework for our goal of climate neutrality by committing to the [Science Based Targets initiative (SBTi)][1] and [The Climate Pledge]. The founding members of STBi include the World Wide Fund For Nature (WWF) and CDP. We have also joined the Sustainability Skills programme of econsense e.V. to ensure exchanges happen beyond just our sector and to keep ourselves informed of sustainability developments. econsense has set itself the goal of connecting international companies in order to actively shape the transition to more sustainable business and society.

About this report
In the following chapter, "Combined separate non-financial report in accordance with CSR Directive Implementation Act[2]", Jungheinrich covers the progress made in operating sustainably in the 2021 financial year (1 January to 31 December). Pursuant to Sections 315b, 315c in connection with 289c to 289e of the German Commercial Code, the combined separate non-financial report relates to the Jungheinrich Group and Jungheinrich AG. Jungheinrich AG does not have any separate concepts and is managed by the Group. The GRI Standards provide the framework for the combined separate non-financial report in line with Section 289d of the German Commercial Code.

1 We are committed to the "Near term" standard and "Net-zero" standard. "Near term": Target timeframe between 5 and 15 years. "Net-zero": emissions reductions as soon as possible, short- and long-term targets, climate neutrality only with achievement of long-terms targets, targets that go beyond own value creation.
2 CSR: Corporate Social Responsibility.

With this report Jungheinrich also meets the requirements of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (hereafter EU Taxonomy Regulation) [page 32 ff.].

It covers all companies of the Jungheinrich Group (as of 31 December 2021). Deviations are indicated in the document. The report is published annually and is based on the 2020 non-financial report which was published as part of the annual report on 26 March 2021.

This non-financial report was subject to a limited audit in accordance with ISAE 3000 (Revised) and issued with an unqualified audit opinion by independent auditors PricewaterhouseCoopers GmbH (PwC).

CSR AT JUNGHEINRICH

Quality, environment, energy and work safety
On the same page: we depend on our employees' cooperation in quality, environment, energy and work safety issues. In order to achieve these, we implement appropriate measures and regularly monitor their effectiveness.

We need targets to keep on developing. We set Group-wide targets as well as site and area targets. In order to achieve our targets, we implement appropriate measures and regularly monitor their effectiveness.

Further information and details on sustainability can be found on our website [www.jungheinrich.com/en/responsibility].

Meeting demands
A central part of CSR in our company involves avoiding negative effects for people and the environment. We have, therefore, firmly established a precautionary approach in our Group guidelines and processes for quality, environment and energy, work safety and compliance issues. It is our aim not just to fulfil statutory requirements but to exceed them wherever possible.

The requirements of our internal and external stakeholders are extremely important to us. These requirements include: evaluating risks and opportunities, developing innovations, the effectiveness of processes (like Purchasing, Development, Production, Sales and Personnel), making necessary resources available and constantly improving performance.

As early as 2016, we created the "CSR Core Team" to manage the various CSR-related issues within the Jungheinrich organisation. The interdisciplinary team from Account Management, Corporate Communications, Corporate Compliance, Audit & Data Protection, Corporate Human Resources, Corporate Investor Relations, Corporate Procurement, CE & Customs, Corporate Sustainability, Health & Safety, Corporate Strategy & Digital and Technical Procurement recommends actions and suggests targets. The core team occupies a key role as an intermediary between the business units and the Board of Management. Headed by Corporate Sustainability and Health & Safety, the team prepares and discusses decisions for the Board of Management. Different departments contribute to a holistic understanding of sustainability and provide specialist content. Further input comes from the production plants, sales units and other locations. They carry out suggestions approved by the Board of Management. As part of our strategy process, we have begun to reorganise the core team and the underlying processes.

Changes to sustainability organisation
There were two major organisational changes in the area of sustainability in the 2021 financial year: the Sustainability and Environment department was taken out of the Corporate Quality & Sustainability division and established under new leadership at a level directly under the CEO as the new Corporate Sustainability, Health & Safety division. The Environment, Health & Safety department and the Sustainability Management & Performance department are part of the new division. This organisational change will significantly reinforce Jungheinrich's Sustainability division and drive our sustainability strategy.

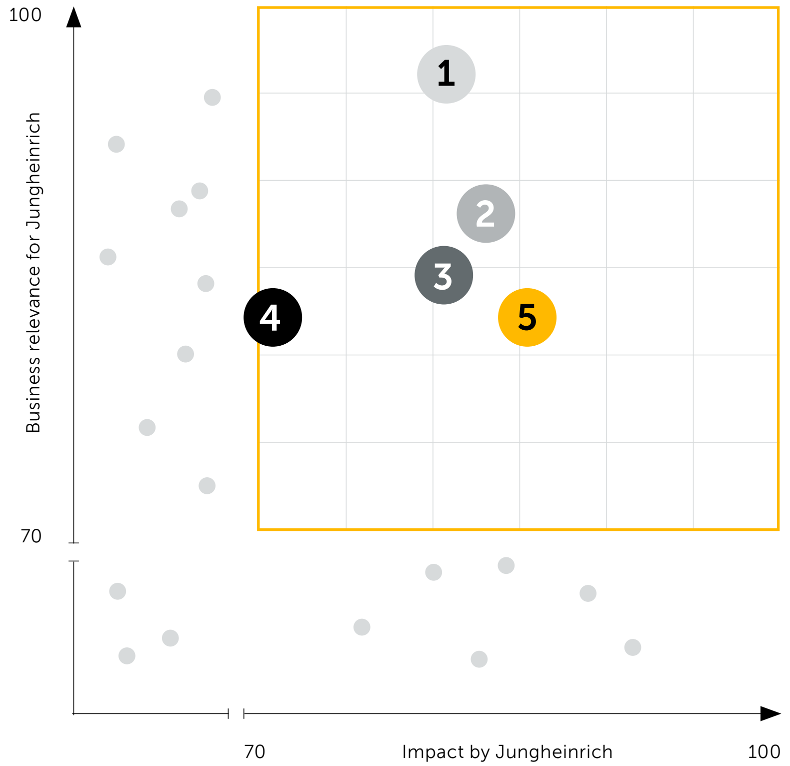
Materiality analysis

Our existing materiality analysis was checked to see if it was still up-to-date and was confirmed as such. Various sources of information[1] were used to determine which topics are material for Jungheinrich in terms of sustainability. The topics identified as part of this process were evaluated by our key stakeholders and internal experts with regard to their business relevance and consequences. 17 out of the 33 topics were rated as being particularly relevant for the company. They were then grouped into five focus areas. During preparation of the non-financial report in accordance with the CSR Directive Implementation Act, issues evaluated by the materiality analysis as being material or very material were checked and prioritised with regard to both their relevance to the business and their degree of impact, in line with the principle of double materiality pursuant to Section 289c, Paragraph 3 of the German Commercial Code. The outcome is shown in the materiality matrix to the right.

JUNGHEINRICH MATERIALITY ANALYSIS

	Requirements of the German Commercial Code in accordance with Section 289c Paragraph 3	Executive function at Jungheinrich
1. Economic responsibility	Combating corruption and bribery	Corporate
2. Environmentally friendly & safe products	Environmental concerns	Corporate & Technics
3. Transparency & responsibility in the supply chain	Environmental concerns, social concerns & respect for human rights	Corporate, Technics & Finance
4. Environment & energy	Environmental concerns	Corporate, Technics & Finance
5. Secure & good jobs	Employee concerns, social concerns & attention to human rights	Corporate

MATERIALITY MATRIX



MATERIAL TOPICS FOR JUNGHEINRICH

1 **Economic responsibility**
Acting within the law, Compliance & corruption
Responsible management
Norms & standards

2 **Environmentally friendly & safe products**
Materials (resource-saving products)
Environmentally friendly products
Customer health & safety
Customer satisfaction, competitive standing, R&D
Product quality & enhancement

3 **Transparency & responsibility in the supply chain**
Material compliance[2]
Transparency in the supply chain

4 **Environment & energy**
Energy (consumption & renewable energies)
Waste & recycling

5 **Secure & good jobs**
Occupational health & safety
Training & development
Good employer

1 We used the following external sources: customer enquiries, EcoVadis, German Commercial Code (Handelsgesetzbuch), ILO core labour standards, ISO 14001, ISO 50001, ISO 45001, competitors, MSCI, UN Principles for Responsible Investments. We used the following internal sources: experts in environment, occupational safety, development, innovation and IT security.
2 Material compliance: compliance with substance prohibitions.

Non-financial risks pursuant to Section 289c Paragraph 3 Item 3 and 4 HGB
Non-financial risks for Jungheinrich's business operations are addressed as part of our regular risk management. The detailed risk and opportunity report [page 64 ff.] can be found in our combined management report. Pursuant to Section 289c Paragraph 3 Items 3 and 4 of the German Commercial Code, no material risks with highly likely serious negative impacts in the aspects outlined in the CSR Directive Implementation Act were identified for our business operations, business relationships, products or services. Reportable correlations with the figures in the consolidated financial statements were not detected. Against the backdrop of the Russia-Ukraine conflict, non-financial risks could arise that could not be conclusively assessed at the time this report was prepared.

OUR SUSTAINABILITY STRATEGY

Jungheinrich unveiled its corporate Strategy 2025+ in November 2020. As one of the six fields of action[1], the sustainability strategy will significantly determine the company's direction in the future and forms the foundation for cooperation at Jungheinrich and its impact. The relevance of the sustainability concept is also emphasised by the central Group goal of "Creating sustainable value". The contents of the sustainability strategy were developed together with an interdisciplinary team. This has six focal points, which in turn are subdivided into various initiatives and measures:

- **Climate neutrality:** We already formulated our goal to become a climate-neutral[2] company in 2020. We use the Greenhouse Gas Protocol, an international standard enabling comparability and transparency, to determine the level of our greenhouse gas emissions. We aim for climate neutrality in Scopes[3] 1, 2 and 3 (upstream activities). This ambitious goal underlines the relevance of environmental and climate protection at Jungheinrich and is a central component of our sustainability strategy.

  The majority of our Scope 3 emissions are generated in the supply chain, which is why we are working on reducing these emissions together with our suppliers. The foundations of this are laid in the design process for our trucks by determining factors such as energy efficiency and CO_2e emissions for the delivered materials and the later deployment phase. We also check whether it is viable to use recyclable materials or low-carbon alternative materials. We believe that observing circular economy principles as early as the development stages of our products is an essential step in achieving our goal of climate neutrality.

  To make our own locations climate neutral, we began switching all locations to green electricity[4] and adapted our company vehicle guidelines to include electric and hybrid vehicles at the beginning of 2021. To increase our energy efficiency we equipped many of our production sites in Germany with LED technology and started installing photovoltaic facilities at suitable locations, such as our headquarters in Hamburg.

  Our products are among the most energy efficient on the market. In particular, our fleet of lithium-ion battery-powered trucks is setting new benchmarks in intralogistics. By 2025, we want to achieve an equipment ratio of 70 per cent lithium-ion battery-powered trucks. Lithium-ion battery-powered trucks make an effective contribution to sustainability by increasing energy efficiency and lowering CO_2e emissions[5]: they emit around 20 per cent less CO_2 than traditional lead acid batteries. We are certain that switching to electric products is the key to climate neutrality and that is why we are no longer investing in the development of combustion drives.

- **Eco efficiency and circular economy:** Earth Overshoot Day was on 29 July 2021, this is the day on which all renewable resources were used which the Earth can provide in a year. According to scientific statements, the global population used the capacity of 1.6 Earths by the end of 2021. In addition, global supply chains pose a big risk for the continuity of business processes due to resource scarcity and the corresponding increase in prices. To ensure that raw and other materials are available, we specifically analyse developments in future regulations, the consequences of the coronavirus pandemic and the rising raw materials prices. Derived from this, we will increasingly make use of options such as local procurement and the use of alternative materials (e.g. recycled materials).

  We want to reorient our locations, processes and products to the principles of circular economies. Detaching economic growth from the consumption of natural resources and the associated impacts on the environment are simultaneously the key and the end goal. We will therefore establish [ecological design principles] further as an important element of our product development by developing cost-benefit methods in interdisciplinary teams. The teams and methods will ensure that the economic, ecological and social aspects of our conduct and products are optimised. As a supporting measure, we will expand the scope of our product life cycle assessments so that we can present more detailed information on other things that have an impact, such as land usage and water consumption, in addition to CO_2e emissions.

1 Strategy 2025+ is comprised of six fields of action (automation, digitalisation, energy systems, efficiency, global footprint and sustainability). Further information on Strategy 2025+ can be found in the combined management report from [page 50 ff.] onwards.
2 Jungheinrich understands "climate neutral" to mean generating a neutral balance of greenhouse gases listed in the Kyoto Protocol (CO_2, CH_4, N_2O, SF_6, HFCs, PFCs and NF_3). Greenhouse gas emissions are considered balanced once all appropriate measures to reduce our own greenhouse emissions in the Jungheinrich Group as well as in the value chain and the product portfolio are fully exploited, and at least the volume of unavoidable emissions is offset by select compensation projects.
3 Emissions are divided into three scopes: direct (Scope 1), indirect (Scope 2) and other indirect (Scope 3) emissions. Scope 3 emissions are divided into 15 categories. With the exception of category 3.10 (Processing of sold products) and 3.14 (Franchise), all categories are relevant to us. A detailed overview of all three scopes is presented on [page 30].
4 Electricity should be sourced from renewable energy sources wherever the market and government allow.
5 Numerous other gases in addition to greenhouse gas CO_2 have an impact on the climate (see footnote 2). These are grouped for indexing and easier comparison under "CO_2 equivalents" (CO_2e).

The ecological efficiency of our own locations is currently being analysed so that we can derive overarching programmes to significantly reduce the environmental impacts of the entire company.

- **Sustainable business models, products and services:** It is our aim to create sustainable values – for all of our stakeholders. We are developing business models that can make a decisive contribution both to our long-term corporate success and society, and that are in line with our innovation expectations. We are working closely together with customers to achieve this by, for instance, offering integrated intralogistics solutions that optimise the economic aspects, the principles of climate and circular economy, and social aspects in operating the warehouses. This also allows us to transfer our expertise out to other sectors and markets. Examples are our holistic energy solutions in new fields of application (Jungheinrich Powertrain Solutions), with which we have brought electric power to the agricultural and construction machinery sectors, or our vertical farming solutions, with which we can make an important contribution to food supplies of the future.

- **Systematic sustainability management:** In order to implement the developed targets, focus areas and programmes of Jungheinrich's sustainability strategy, comprehensive management with regulated processes, understandable data and clearly defined responsibilities is required. We are actively expanding our sustainability organisation, strengthening existing committees (e.g. sustainability core team) and establishing new ones. The aim is to establish a global sustainability network within our organisation. Corporate Sustainability, Health & Safety will function as the central management, connecting the expertise of employees in a variety of different corporate areas with individual measures and initiatives. This interdisciplinary approach will enable Jungheinrich to integrate sustainability into all decision-making processes and to shape them with a holistic perspective. Detailed and comprehensive data management is vital for this undertaking, and digitalisation and artificial intelligence will play important roles.

- **Employees and societies:** Our employees are the foundation on which our success rests. They are the face of the company and their conduct determines our corporate character. Jungheinrich is committed to providing a healthy and safe environment for our employees to work efficiently around the world. We are therefore continually refining our work safety principles and defining central programmes and initiatives in the field of safety and health management.

  We want to be the first choice for employees today and tomorrow. We offer modern and future-proof jobs. We are integrating our sustainability ideas into our corporate cultures and are using the discoveries made during the coronavirus pandemic by implementing forward-looking working methods into our company.

  We thrive on the ideas, thoughts and visions of our employees, have many discussions and stand united behind the decisions we make. We are convinced that diversity can lead to balanced decision-making processes that can improve the overall performance of our company due to the variety of points of view. We are also committed to increasing the number of female managers in our company. We have set ourselves the target of increasing the share of female managers to 18 per cent by 2025.

  Living by our values of respect, tolerance and equality is very important to us at Jungheinrich. We work together with our employees every day to create a culture of collaboration that puts these values at the core of everything we do.

- **Sustainability in the Jungheinrich brand:** We want to create sustainable values for all of our stakeholders. We aim to achieve this by ensuring that sustainability principles are observed in the development and production of Jungheinrich products, solutions and services. Our new campaign "We are intralogistics pioneers" underscores our dedication to innovations focusing on sustainability, automation and electric mobility. We want to show that sustainable business models and innovation go hand in hand. Strategy 2025+ forms our framework for this and defines the standards for sustainable business at Jungheinrich. The decision to go carbon neutral is a milestone that will impact on our company and our ambitions.

  Plus, we are adding the cooperation with our new brand ambassador, Nico Rosberg. The former Formula 1 race driver is one of the founders of the GreenTech Festival, a global platform for future technologies in the areas of mobility, nutrition, agriculture, finance, fashion and energy. Since retiring from Formula 1, Rosberg has been a prominent advocate of electric mobility and sustainable entrepreneurship. With this collaboration, Jungheinrich is underscoring its global position as a sustainable company that is a driving force behind innovations in green technologies and supports its customers in becoming climate neutral. Our sustainable portfolio is one of the tools we use to ensure that we are the partner of choice for our customers.

IN DIALOGUE WITH OUR STAKEHOLDERS

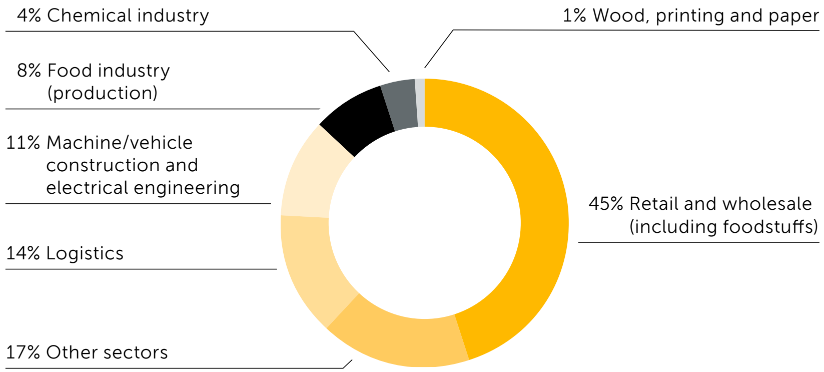
We believe the close exchange with various stakeholder groups is an important part of our understanding of sustainability and our business model. Our customers show us directly what the markets expect from us, how we can support them with their sustainability targets, and what their demands are. Topics like corruption, occupational safety, the environment, energy and transparency in the supply chain are becoming increasingly relevant. We actively encourage this communication. We also maintain contact with other stakeholders via direct discussions, online platforms, surveys and events. To this end, we are able to increase satisfaction in stakeholder groups and create long-term relationships. To achieve this aim, we exchange information with a range of public and private institutions and other companies.

Stakeholders are weighted according to the relevance of their business operations to Jungheinrich. This includes those who have direct contact with our products, those affected by processes at our locations or those who have any other connection to our company. The most important stakeholder groups for Jungheinrich are therefore: customers, employees, shareholders, competitors and associations.

BUSINESS MODEL AND CUSTOMERS

The integrated business model encompasses the development, production and sale of new material handling equipment and the planning and realisation of automatic systems, the short-term rental of new and used material handling equipment, the reconditioning and sale of used forklifts and after-sales services. Jungheinrich also supplies stacker cranes and load handling equipment. In addition, customers receive their entire factory and office equipment from a single source. The material handling equipment consists almost exclusively of battery-powered forklifts. In addition to electric engines and drive controls, Jungheinrich also manufactures matching lithium-ion batteries and battery chargers. Almost all of our trucks are available with a lithium-ion battery. Digital products, such as the Jungheinrich warehouse management system (WMS) and the fleet management system, based on the latest generation of the Jungheinrich IoT platform in the cloud, complement our portfolio. Combined with a comprehensive range of financial services, Jungheinrich is pursuing the goal of creating sustainable value.

CUSTOMERS BY SECTOR[1]



1 Incoming orders in units.

RESPONSIBILITY AND VALUES

We not only feel obliged to take responsibility for social issues – it is a part of our corporate philosophy. We therefore support charity initiatives and promote the education of young people. With our commitment, we make an important contribution to society. We also believe that good corporate governance involves not merely fulfilling legal requirements and internal regulations but exceeding them. Our compliance management system and well-trained employees are crucial to achieving this.

DEALING WITH THE CORONAVIRUS PANDEMIC AND KEY MEASURES

2021 was again significantly marked by the global course of the coronavirus pandemic and its impact on almost all areas of life. Handling the pandemic, which has been impacting the company's everyday business since mid-January 2020, has also been a great corporate challenge for Jungheinrich.

At the same time, it has become clear that with our products, solutions and services, such as our after-sales services, we are making a significant contribution to ensuring primary care for the population during this extraordinary time and can therefore be seen as system critical. For example, our forklift trucks are used to operate the distribution warehouses of the food retail and pharmacy trade, as well as in the distribution of vaccines. They ensure the smooth flow of goods in the distribution centres as well as in the local markets.

Protecting the health of our employees and ensuring the ability to deliver to our customers remain Jungheinrich's top priorities. Jungheinrich has therefore adopted and implemented extensive measures to protect employees from infection:

- **Establishment of crisis teams**
  Since March 2020 we have set up crisis teams throughout the Group. These teams analyse the local situation, provide advice on next steps and determine what measures are necessary. The crisis teams are staffed with members of the central administrative departments (such as Corporate Human Resources, Corporate Procurement, CE & Customs, Facility Management, Sales, Technical Procurement and Technics) and occupational safety specialists, among others. When selecting the members of the crisis team, care was taken to ensure that the relevant employees were selected and trained as well as possible. The crisis teams again actively and continually provided information for the workforce during the reporting year and initiated adjustments and additions to the measures already in place whenever the rules changed.

- **Continual expansion of existing occupational safety and hygiene concepts**
  In the course of the coronavirus pandemic, all existing hygiene and occupational safety concepts were expanded depending on the situation in order to meet the pandemic-specific requirements of the law and the supervisory authorities. The implementation of these concepts is reviewed regularly. In addition, all employees are regularly and comprehensively informed about all updates of these concepts and resulting codes of conduct, and their compliance is required. Communication takes place in such a way that the entire workforce is reached in the best possible way, in particular through personal contact by managers, publications on the intranet and in the Jungheinrich employee app, by passing on information via e-mail and by posting physical notices. In addition, external staff and external companies, such as suppliers, are informed about the regulations we have in place to deal with the pandemic.

- **Risk analysis of workplaces**
  Workplaces throughout the Group were inspected and risk assessments were carried out, if necessary with the participation of the occupational safety specialist, the works council and the company doctor. Subsequently, among other things, a maximum occupancy was defined and prescribed. Where necessary, all workplaces were adapted to the applicable distance and hygiene regulations.

- **Measures for activities with increased risk of infection**
  An examination was carried out of which activities or areas are or could be at increased risk of infection within the framework of the risk assessments described above. Activities and areas with an increased risk of infection were identified and marked. In relation to these activities, additional measures were taken to ensure the health of the employees concerned, such as the provision of disinfectants and medical masks.

- **Testing and vaccination provided by the company**
  Jungheinrich decided to procure lateral flow tests and roll out a comprehensive testing concept back in September 2020. Since the beginning of 2021, rapid antigen tests have been procured throughout the Group. A corporate testing concept was adopted in April.

  At the end of 2020, the Group crisis team resolved on a voluntary vaccination concept for Jungheinrich. Sufficient vaccines have been available since June 2021, which has allowed our company doctors to perform vaccinations. At the same time, company doctors or local doctors administered vaccinations at our German locations. In addition to first and second doses of the vaccine, Jungheinrich employees were also being offered booster vaccines at the end of the fourth quarter of 2021. These offers were very popular with our employees.

SOCIAL COMMITMENT

With Strategy 2025+ we have set ourselves the goal of creating sustainable values. Taking social responsibility is not just an obvious societal convention for us, but rather an integral part of our canon of values. We provide long-term support for initiatives and projects that match our corporate philosophy and our core skills, such as education and charity projects. All activities – both national and international – are coordinated at the Group headquarters in Hamburg. Individual Jungheinrich locations also support local initiatives.

Jungheinrich has had a long-standing partnership with the German medical aid organisation action medeor e. V. since 2012 [www.jungheinrich.com/en/responsibility/social-responsibility/action-medeor]. As the "world's emergency pharmacy", action medeor has been committed to sustainably improving the health of people living in the world's poorest regions since 1964. In addition to donating money and supplies, we also help with our expertise in intralogistics. With Jungheinrich's support, the organisation has established multiple drug storage facilities in Tanzania and Malawi and expanded its storage facilities at the action medeor headquarters in Tönisvorst, Germany. In the past year, we provided financial support for a project to construct a multi-purpose building for medical technology training, also in Tanzania, as well as other projects. We also provided support to the humanitarian relief efforts in Haiti, which were necessary due to earthquakes and flooding, and in Afghanistan due to the political destabilisation and the refugee situation in the country.

In addition, Jungheinrich employees collect donations regularly as part of the company's internal "Donate your Pennies" campaign. With this voluntary programme, employees can donate the change behind the decimal point from their monthly pay. The money is then donated to charity projects chosen every year. The total amount raised by the end of the year is doubled by the company and donated, including the tax benefit, to action medeor. In addition to Germany, Jungheinrich companies in Austria, Italy, Portugal and Spain also participate in this campaign. Our Donate your Pennies campaign allowed us to contribute to the coronavirus emergency aid measures in Tanzania as well as train medical personnel in the Democratic Republic of the Congo in 2021.

In the past year, Jungheinrich and Die Arche – Christliches Kinder- und Jugendwerk (a Christian charity for children and youths) reflected on a decade of charitable cooperation in Hamburg-Jenfeld. The charity's objective of improving the lives of children and young people is close to our hearts at Jungheinrich, and we therefore regularly donate both money and other resources to various projects and volunteer our time. In winter last year, a group of trainees and apprentices again got stuck in to help with ARCHE's annual St. Nicholas Day activities and packed gift boxes for a number of children in the district of Jenfeld in Hamburg. Jungheinrich donated money to a extracurricular educational activity project. As a result of temporary school closures during the coronavirus pandemic, the need for these type of projects has risen exponentially.

In addition to our long-term partnerships, Jungheinrich also provides support in emergencies. We provided aid quickly and directly through a number of channels last summer when the destructive floods hit in various parts of North-Rhine Westphalia and Rhineland Palatinate, which even affected some of Jungheinrich's customers and employees: We sent daily shipments of cleaning materials and disinfectants, clothing donations from Jungheinrich employees, our after-sales service technicians volunteered their weekends to repair vehicles, and we provided leasing equipment for clearing and harvesting work free of charge. We also donated €100,000 to Aktionsbündnis Katastrophenhilfe (a disaster relief charity) and made other monetary donations to local organisations in order to support the people affected by the floods.

FOLLOWING THE RULES AND REGULATIONS

Jungheinrich's business model is based on the responsible and ethically proper conduct of all people who work for the company. Only then can Jungheinrich's customers, suppliers, employees, shareholders and all other stakeholders perceive and respect us as a reliable partner. We have introduced organisational structures and processes that we continually develop. We ensure compliance with laws and regulations through:

- A compliance management system with clear responsibilities for all of our locations,
- a Code of Conduct as an integral part of our Group compliance guidelines that is binding for all employees, including members of Jungheinrich's Board of Management and the Supervisory Board,
- a whistleblowing system ("Jungheinrich OpenLine") where open questions and breaches of rules can be addressed personally or anonymously,
- group-wide compliance training for all employees that takes place at on-site events or through our internal LMS (Learning Management System) platform "CAMPUS".

In recent years, no significant official investigations have been launched against Jungheinrich or its managers/executive bodies that have resulted in fines.

Consistent Code of Conduct
Jungheinrich's guidelines, binding regulations and standards are made centrally available to all employees including guidelines on dealing with issues relevant to compliance. These guidelines outline the procedure for dealing with suspected or actual violations of legal requirements or internal regulations. These guidelines include the Code of Conduct, which is applicable throughout the company and requires all employees to observe legal regulations and standards. The main topics covered in the Code of Conduct are anti-corruption, competition law and data protection among others, which are also some of the most important legal fields for Jungheinrich. A fully revised version was made available on our intranet for employees and on the internet for external third parties in 2020 [www.jungheinrich.com/en/compliance].

Informational events on compliance
To encourage proper and appropriate conduct amongst our employees, Corporate Compliance, Audit & Data Protection holds training courses for employees on site. In 2021, there were 25 compliance briefings (2020: 13). In addition to on-site events, Jungheinrich has also made various compliance e-learning modules available through our Jungheinrich learning platform

"CAMPUS" for a number of years now. These modules are available to the entire Group. In principle, all employees are regularly trained in various ways. We aim to continuously expand the training approach and also track training success. The course content includes competition law, data protection, anti-corruption, information security and our Code of Conduct. These basic compliance training courses were again rolled out to all employees Group-wide who are able to use "CAMPUS" in September 2021. Training materials that fulfil the needs of employees who do not have direct access to computers and thus "CAMPUS" were made available for on-site training courses.

We provide information and seek to raise awareness among our entire workforce about compliance principles in various risk areas. The information regarding anti-corruption and competition law is also specific to individual target groups. The production plants and sales locations also organise more in-depth informational events with topics relevant to the location. We also expect our business partners to adhere to our compliance regulations and we have provided training for them via "CAMPUS" since 2019. In addition, we regularly notify our Supervisory Board of compliance-relevant issues.

Assessment via Corporate Audit
As a rule, all potential cases of suspected statutory and/or internal regulation breaches are initially reviewed by the Chief Compliance Officer and the head of the central Compliance department. Further steps are taken if necessary, such as the performance of document audits, interviews and disciplinary measures. No corruption cases were reported in the year under review (2020: 0).

In order to prevent corruption, all Jungheinrich locations are audited by Corporate Compliance, Audit & Data Protection for risk indicators on a revolving basis. A standard part of the process is checking documents and financial transactions. Due to the coronavirus, the audits originally planned for 2021 could again only be carried out partially or in an adjusted form. In order to protect our employees, the audit plan was changed accordingly and focused on audits that could be carried out either purely online or in a hybrid fashion. In the 2021 reporting year, five audits were conducted (2020: 12).

Clearly defined reporting channels – in person or anonymously
We are committed to providing firmly defined, clearly communicated Group-wide reporting channels for all issues concerning compliance topics and suspected violations. A hotline ("OpenLine") has been set up to supplement the established reporting channels, i.e. reporting to a direct supervisor, local personnel manager or compliance officer and/or the central compliance team. The hotline number has been communicated to the entire Group and the number has also been made available on our website for notifications from external people since 2019. [www.whistle-blow.org] This additional reporting channel provides employees and external third parties with another means to report potential compliance topics to a service provider and anonymously receive information regarding the correct conduct. In light of the rising legal requirements for whistleblowing and our corporate due diligence obligations within our supply chains, we began examining existing notification options for information and complaints and identifying development possibilities.

High data protection standards
Complying with privacy rights and protecting company secrets are crucial to Jungheinrich. We have guidelines in place to ensure that protection standards are maintained and legal regulations, in particular EU General Data Protection Regulation (GDPR), are observed when handling private data. In addition, responsibilities are regulated to ensure our standards are met.

We also place the same high expectations on our suppliers and sales partners when it comes to compliance and data protection. Aside from ethically correct conduct, we also expect suppliers and sales partners to adhere to standards that are comparable to the standards we have defined for ourselves. This includes guaranteeing the basic principles of free and fair competition, ensuring data is protected, and preventing corruption. That is why we have integrated these points in our general supplier agreements and require explicit confirmation that the relevant laws and provisions will be observed.

Sustainable procurement
We aim to bring successful products to market alongside our suppliers. The best prerequisite for this is a long-term collaboration based on partnership. A careful selection of suppliers is the basis for guaranteeing our outstanding product quality.

Before a manufacturer becomes a Jungheinrich supplier, it has to meet approval criteria that are consistent throughout the entire Group. The supporting pillars here are the Supplier Code we developed and the Supplier Manual. These documents set out all the requirements that Jungheinrich places on its contractors in terms of sustainability and the way they work together.

In 2021, we integrated sustainable procurement even further into our processes, the organisation and with our main suppliers. Both existing and new suppliers have been risk-classified with regard to environmental, economic and social criteria since 2019. Depending on the supplier risk category, measures are defined that can range from acceptance of the "Supplier Code" referred to above to the performance of self-assessments and internal or external audits.

Among other things, this classification takes into account the type of goods supplied or services rendered, as well as the revenue generated with the supplier concerned. The basis for this is our risk analysis, for which we classified products from more than 250 commodity groups by their sustainability. This enables us to focus on the most important suppliers.

In order to implement the concept in the supply chain, supplier qualification and procurement processes were adapted. The key suppliers now undergo a sustainability self-assessment, which we carry out with the support of the Integrity Next platform. Up to the current reporting year, more than 700 suppliers have participated since the assessments were launched. These suppliers represent more than 75 per cent of our global purchasing volume. We have derived a target from our Group strategy of procuring at least 80 per cent of the relevant purchasing volume from sustainable suppliers by 2025. To monitor this target, we have introduced the key figure “Sustainable spend”.

The contents of the assessment are:
- Anti-corruption and anti-bribery
- Occupational safety
- Energy management
- Conflicts of interest
- Human and labour rights
- Environmental protection
- Responsibility in the supply chain

The results are analysed and evaluated by company internal experts. Based on this, further measures may be agreed upon with the departments responsible.

As an example of a supplier profile, you can take a look at the Jungheinrich profile on Integrity Next [www.integritynext.com].

We are aiming to take a closer look at sustainability aspects in the supply chain. This also means integrating the tighter requirements of the Act on Corporate Due Diligence in Supply Chains into the supply chain and making the appropriate adjustments in our internal processes. Sustainable procurement is an integral part of the sustainability strategy developed as part of Jungheinrich’s Strategy 2025+. The first measures that we have taken here are sustainable procurement training sessions for our purchasers and targets for our department heads in technical and non-technical purchasing.

PRODUCT DEVELOPMENT, QUALITY AND SAFETY

At Jungheinrich, product responsibility means supplying high-quality, safe products and services. We therefore set the highest safety standards. Ongoing process optimisation and the introduction of new technologies are commonplace in our working day. We aim to protect our customers to the best of our ability from any possible harm they may come to when using our products. We also aim to provide the latest technology to the benefit of our customers.

HOLISTIC QUALITY MANAGEMENT

Jungheinrich has adopted a systematic approach to quality management. Our development projects, for example, have to reach set milestones at which certain quality criteria are checked.

A crucial element of developing safe products is to consider and fulfil external and internal stakeholder demands. This can be achieved by taking a comprehensive view of all relevant areas from the product’s development to use phases.

Our production plants in Norderstedt, Lüneburg, Moosburg, Degernpoint, Landsberg, Dresden, Gyöngyös (Hungary) and Qingpu (China) all work with an ISO 9001-qualified quality management system to ensure that we are ideally positioned from a quality standpoint.

All of our production plants systematically check parts that are purchased during an incoming goods inspection. If there are any abnormalities, the inspection cycle is automatically intensified. We observe suppliers’ performance based on performance indicators such as timeliness and quantities rejected which are regularly verified. Our long-term target is to help our suppliers develop to the point that the scope of checks on incoming goods can be further reduced. We have adopted a preventative approach to achieve this.

Central Operations, Corporate Quality and Technical Procurement work closely together to achieve Jungheinrich’s key strategic goals. A centralised quality organisation standardises processes and defines the consistent quality levels expected of suppliers.

Set standards for in-house production

Jungheinrich is synonymous with quality – that is why we have the highest standards in all production areas. We have clearly defined quality standards, particularly when it comes to producing and assembling parts or components that are designed to ensure security and/or functionality. One of our most important manufacturing processes is welding, for example: it is crucial to our products' load-bearing structure, such as the truck frame or lifting frame. We take full responsibility for this. The inspection of welding joints is a fixed step of the manufacturing process at every Jungheinrich production plant and at defined intervals in the laboratory (destructive testing).

We regularly check that our welding quality standards – such as welding joint inspections – meet the ISO 3834-2 standard as part of our plant-specific welding management systems.

In the area of production, we also rely on innovative possibilities to standardise processes and procedures. For example, the inspection of relevant truck and equipment features is carried out via a digital application that provides employees with the necessary information on mobile devices. This means that checklists are paperless and can be provided and processed individually. If problems or deviations are detected, these can also be recorded on mobile devices and directly addressed to the appropriate internal or external departments for troubleshooting.

Material Compliance

Alongside the usual topic of quality management, we took a close look at the requirements for our products in terms of critical materials and relevant regulations in 2021. As part of our comprehensive material compliance project, we are working on a central approach to cover development process requirements and safeguarding the procurement, availability and assessment of information.

The aim of introducing a new IT system is to deliver a transparent presentation of material compliance information.

COMPREHENSIVE CONTROL MECHANISMS

The passing of control points after every important manufacturing step is standard procedure in the production plants. In prefabrication, there are a number of control points where random geometry checks are performed along with the normal inspections that the employees carry out. Along with safety-relevant functionalities, such as braking, steering, lifting and driving, product quality is also checked thoroughly during and at the end of assembly. Random checks are performed here, too, where issues such as structural stability of the truck are examined and, in addition, regular, comprehensive audits take place, which are performed by quality assurance in cooperation with the development, after-sales services and production departments. Components relevant to safety and functions, such as lifting frames, are thoroughly tested at workstations specifically designed for this purpose.

Systematically recording, evaluating and analysing errors in all production areas caused by the company or third parties allows for continual improvement, which is tracked by performance indicators.

PROACTIVE APPROACH TO STANDARDISATION PROCESSES: A STRATEGIC TASK

Jungheinrich considers being proactive in standardisation and association processes an important strategic task. Standards and guidelines provide legal clarity, for example, by defining central safety requirements for material handling equipment. This enables us to minimise risks of error and prevent accidents. Applying standards also facilitates export and ensures level playing fields between suppliers. Common standardisation processes also enable standards to be checked for practical application and product optimisation to be achieved in research associations.

Standardisation processes are an important basis for increasing our products' safety and reliability even further. The standardisation processes are therefore a vital element of CSR at Jungheinrich. Adhering to standards ensures our products' user-friendliness and also covers aspects of work safety. For instance, we were involved in the further development of the EN ISO 3691 series of standards[1]. Adhering to all laws and standards relevant to safety issues (such as the machinery directive, EMC Directive[2] and complying with internal ergonomic and safety requirements) are obligatory at Jungheinrich at all stages – starting with product development.

The many trade associations of which Jungheinrich is a member include Verband Deutscher Maschinen- und Anlagenbau (VDMA – Mechanical Engineering Industry Association) and European materials Handling Federation (FEM). Jungheinrich continues to send experts to DIN standardisation committees (German Institute for Standardisation), European standardisation bodies (CEN/CENELEC), and bodies of the globally active International Organization of Standardization (ISO). In addition, Jungheinrich provides support to VDI (Association of German Engineers) in creating its guidelines.

1 Material handling equipment safety.
2 Directive 2014/30/EU regarding electromagnetic compatibility.

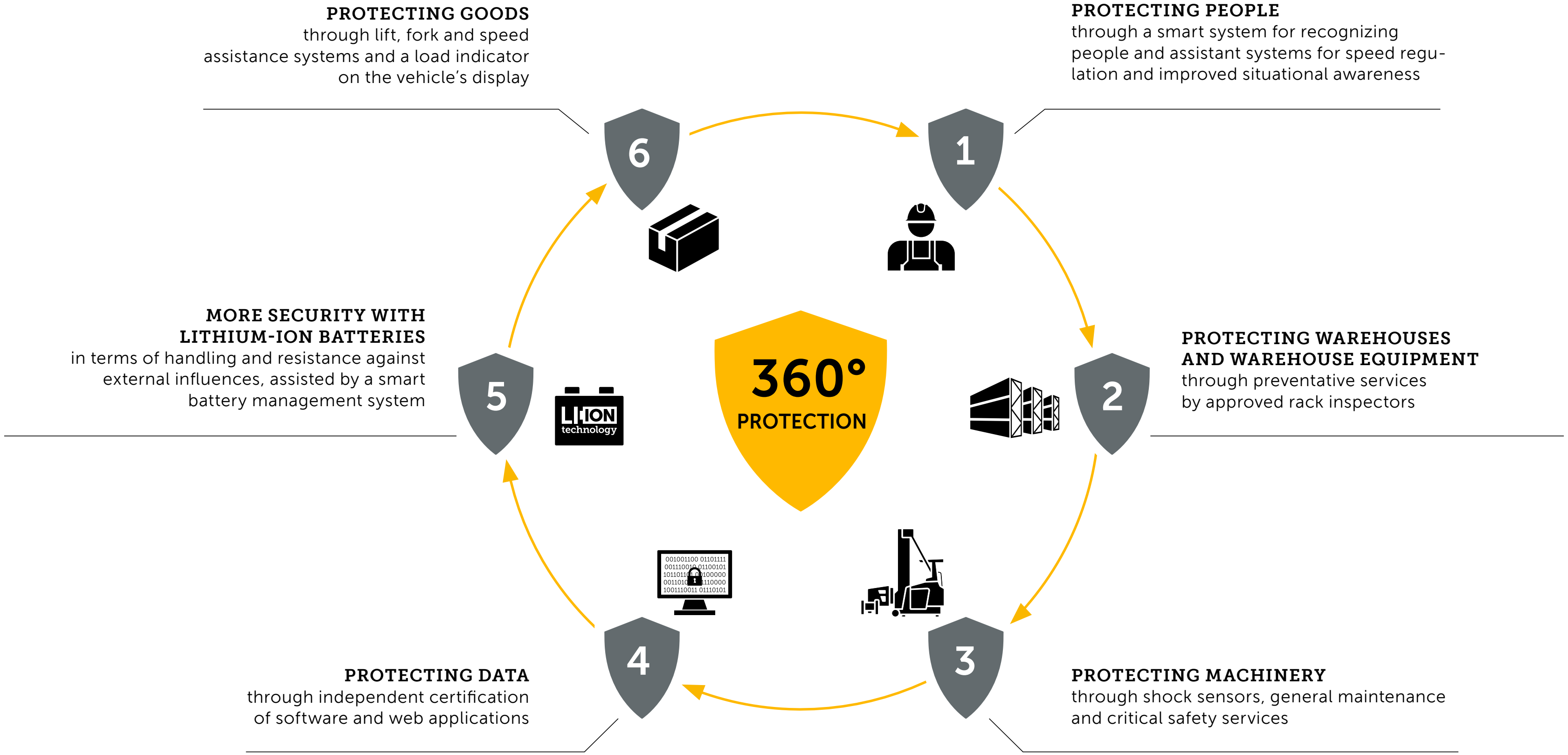
WE HAVE AN EYE ON OUR TRUCKS EVERYWHERE

The direct sales organisations with their own after-sales services in 40 countries represent an important aspect of the Jungheinrich business model. The dense service network ensures both permanent market observation and direct on-site support for our customers – the basis for our maximum reaction speed in the event of product disruptions.

We closely evaluate the service reports of our after-sales service technicians with system support and determine optimisation measures to improve safety and reduce downtimes for our products. Jungheinrich has established responsibilities for problem reporting, mistake analysis and solution finding in a binding process that is valid across the Group. We use the transparency and evaluation of the data to the best of our ability to recognise mistakes in time and use corrective measures to prevent them in series and in trucks already in service depending on the case. Our proven processes also take effect in the event of accidents involving a Jungheinrich product. The evaluation of incident reports shows that the majority of accidents are caused by incorrect handling of the product, for example when taking on loads or by problems in the storage facilities' organisation.

A whole number of solutions help make our products safer. Our 360-degree protection provides an overview of how we protect people, goods, warehouse equipment, machinery and data.

360° PROTECTION



EMPLOYEES

Our employees are the foundation on which our success rests. We believe that being a good employer as a company means encouraging employees to identify with the company and its targets. A family-friendly work environment, active promotion of health and positions with personal responsibility and good prospects form the foundation of our endeavours to create a successful and motivated team.

JUNGHEINRICH AS AN EMPLOYER

Globally present, but locally connected: Even as a Group with more than 19,000 employees in Germany and abroad and exponential growth over the last few years, Jungheinrich has managed to retain the character and advantages of a family-run company. This is especially reflected in the way we treat our employees. Our corporate values of courage, innovation, trust, passion and entrepreneurship are based on reciprocity.

Our unique attitude towards leadership, based on the deepest trust in our employees, has always characterised Jungheinrich. Our company founder, Dr Friedrich Jungheinrich, summarised this attitude with only three words: "Go for it!". With this catchphrase he encouraged his employees to try out their suggestions and ideas, and be active members of the company. We have translated and future-proofed this message in our management guide, the "Jungheinrich Way". With the project "Future of Work@Jungheinrich", we are laying the foundations for our future collaboration, always with the aim of remaining a constantly attractive employer.

All employees contribute to our overall success with their dedication. Outstanding products and a highly skilled team make Jungheinrich a secure and attractive employer over the long run. Our average period of employment of around ten years[1–4] and low employee turnover demonstrate loyalty and attachment to Jungheinrich. The international turnover rate is 5.3 per cent[2–6] (2020: 3.7 per cent). In absolute terms, this equates to 970 employees leaving the company[1–3, 6, 7] (2020: 672). The increase in departures initiated by employees is due to better labour market conditions in comparison with the previous year, which was dominated by the outbreak of the coronavirus. Nevertheless, this figure remains below the pre-coronavirus levels. Overall, the number of employees has increased by 1,000 compared with the previous year, to 19,103.

Gaining and retaining skilled employees

Society's changing attitudes in favour of sustainability, along with the demographic changes and increasing lack of qualified employees mean that we face continual challenges when it comes to gaining the most talented candidates for our company. We aim to fulfil employees' expectations regarding personal development and work-life balance to the best of our ability. Flexible working-time models, company pensions and training offers – but most of all our excellent working atmosphere – are the incentives we use to increase employee loyalty and recruit new employees. That we aim for long-term relationships is shown in the fact that 98.2 per cent of employees have permanent contracts[4, 8] with Jungheinrich (2020: 98.7 per cent).

International trainee programme

A total of 20 new trainees joined our "Jungheinrich International Graduate Programme" (JIG) for junior managers in 2021. Young master graduates have joined us from nine countries. In addition to the countries that have supported our programme for a number of years (Italy, China, Spain, France, England and Germany), we have gained three new countries: Thailand, Romania and Turkey. Both of our trainee classes had a successful start and are looking forward to the international collaboration.

EMPLOYEES BY REGION AND GENDER

	FTE 2021[4, 8]	Headcount female[1–4]
Germany	7,995	1,522
France	1,204	265
Italy	1,099	283
United Kingdom	781	123
Poland	597	140
Russia	576	129
Rest of Europe	4,721	858
China	877	213
Other countries	1,703	343
Total	**19,103**	**3,876**

1 Number of employees excluding temporary agency workers, apprentices and trainees.
2 Abroad excluding MIAS USA, MIAS Holding Asia, JFS United Kingdom, JFS Spain and JFS Italy as the companies have fewer than ten employees.
3 Germany excluding arculus GmbH, as the company only joined the Jungheinrich Group in November 2021.
4 As of: 1 December of the respective reporting year.
5 Average number of employees excluding temporary agency workers, apprentices and trainees.
6 Fluctuation refers to voluntary departures.
7 Correct at: 31 December of the respective reporting year.
8 Employees in FTE including apprentices, excluding temporary agency workers and trainees.

WHAT WE OFFER OUR EMPLOYEES

Broad spectrum of career development opportunities
With our extensive training offers that are often not only job specific, we aim to actively encourage all employees to develop themselves further. Annual feedback reviews with managers are another step in ensuring the diligent development of employees. We are particularly appreciative of our employees' willingness to constantly learn and develop themselves further. The Jungheinrich Training Centre at the Norderstedt site has covered the business' specific training and further education needs for a number of years. This allows us to ensure that our employees are qualified according to our needs. A team of trainers, advisers and experts in digital learning and training management ensure employees receive lasting success in learning.

In 2021, a total of 6,637 participants (2020: 3,128) attended training courses at the training centre. In-person training courses were again largely cancelled due to the coronavirus. Many elements of the training courses are digitalised, and the expansion of digital content is being driven forward strategically. However, there is no intention to fully move away from traditional in-person training, as certain training measures require the physical presence of trainers, participants and trucks.

Committed to health
2021 again presented us with very special challenges with regard to the health of our employees. Independently of the comprehensive measures we had to take to protect our employees in the reporting year due to the coronavirus pandemic, we always care deeply about the health of our workforce. Our primary goal is and remains helping employees maintain their health and improve it in certain areas. Our employees' health ratio stands at 95.9 per cent (2020: 95.6 per cent)[1–4] across the Group and is thus slightly up on the previous year's level. In order to achieve this, we continuously work on optimising our working conditions at all levels. We use campaigns and initiatives to encourage our employees to follow healthy lifestyles and to promote personal responsibility. There were 464 accidents[1–5] in the workplace throughout the Group in the year under review, that is 22 more than in 2020. This equates to 14.8 (2020: 13.8)[1–6] accidents per one million hours worked. Accidents in the workplace resulted in an average of 17.3 (2020: 18.3)[1–6] lost days.

We aim to help our employees make it through the working day fit and healthy, with diverse measures and initiatives. These measures and initiatives include:

- Site-based ergonomically furnished workspaces
- Subsidised occupational health check-ups
- A varied company sports programme
- The continuation of our "Yes I Care" workshops for managers to raise awareness of health issues in their teams

We also aim to organise regular health awareness days with a specific focus. On these days, we provide employees with the opportunity to receive advice on health and nutrition; feedback on their personal health status; and tips and ideas on how to improve health from professionals. Numerous offers such as circulation and mobility checks or vaccination advice complete our health awareness days.

The majority of the initiatives mentioned above – as well as our well-attended health awareness days – could not take place in the usual way in the year under review due to the coronavirus.

EXCEPTIONAL TIMES CALL FOR EXCEPTIONAL MEASURES

As in 2020, the coronavirus pandemic again presented most people with unprecedented challenges and profound changes in their personal as well as their working lives in 2021.

For Jungheinrich as an employer, protecting the health of our employees – in addition to the safeguarding of our delivery capability – remained our top priority this year. Under the direction of the central crisis team, various preventive measures were monitored and kept in place to protect the workforce from infection.

- Mobile working from home was an option wherever possible. For work areas that could not switch to mobile working (such as production), comprehensive concepts were applied at the sites to provide the best possible protection against infection and to maintain production. These include the establishment of shift models with shift equalisation, the division of teams, initiation of extensive disinfection measures and Plexiglas screens at workplaces where no social distancing was possible.

1 Number of employees excluding temporary agency workers, apprentices and trainees.
2 Abroad excluding MIAS USA, MIAS Holding Asia, JFS United Kingdom, JFS Spain and JFS Italy as the companies have fewer than 10 employees.
3 Germany excluding arculus GmbH, as the company only joined the Jungheinrich Group in November 2021.
4 Correct at: 31 December of the respective reporting year.
5 Accidents in the workplace with at least one lost day.
6 Calculation differs from previous year: average headcount instead of reporting date.

- The after-sales service again faced enormous challenges: In order to keep the risk as low as possible for our customers as well as for the technicians themselves, our employees were equipped with comprehensive hygiene sets (including disinfectant, surgical and FFP2 masks). Moreover, the German government's occupational health and safety requirements have been translated into instructions for service visits (for example, disinfection of forklifts prior to service, hand disinfection following service, and tool disinfection).

- The changes to the workplace that were initiated by the coronavirus pandemic in 2020 will have a long-term impact. Within the framework of our international "Future of Work@JH" programme, the factors of our collaboration that led to success have been analysed and comprehensively evaluated. These include our IT infrastructure, workplace design and working-time models, and their impact on our collaboration and leadership. This is the foundation that Jungheinrich will use to offer employees suitable solutions for a future working world that will be increasingly characterised by virtual, mobile or "hybrid collaboration models". We want to position ourselves as an appealing employer – now and in the future.

- The Jungheinrich Training Centre and the Corporate HR Development department were again unable to hold analogue training and further education courses. Digital concepts and online offers are now standard in order to safeguard high levels of qualification and knowledge transfer between all Jungheinrich employees long term.

As a result of the numerous protective measures that were implemented, the number of infections among Jungheinrich employees worldwide has been kept at a very low level so far. Our Jungheinrich teams in factories, at home and at customer sites have worked tirelessly to ensure that the company comes through the coronavirus pandemic well again in 2021.

EQUAL OPPORTUNITIES FOR ALL

For Jungheinrich, diversity in the workforce is fundamental to our success. It enables different perspectives, ideas and solutions to emerge within teams and as employees interact with each other. We do everything in our power to maintain and further promote an atmosphere of openness and tolerance.

In Germany, our employees come from 71 different nations[1–3] and have diverse cultural and religious backgrounds. Naturally our workforce also includes people with disabilities. We all work together every day to achieve our objectives. The average age of employees across the Group is 41.5 years[1–4].

It is important to us that the Jungheinrich values – the Jungheinrich Way – are a part of the Group's international culture. Our long-term goal is to have local managers in our companies abroad who are familiar with the local conditions and the national culture. One target of our Strategy 2025+ is increasing the number of international managers in the Group's workforce as a result of the increased international expansion. In 2021 86.1 per cent of our managers abroad came from the country they were working in (2020: 86.0 per cent). The expertise and special intercultural skills of these employees provide a valuable and indispensable contribution to Jungheinrich's global success.

The ratio of women to men in the Jungheinrich Group climbed against the previous year to 20.5 per cent[1–4] globally (2020: 20.1 per cent) and 19.5 per cent[1–4] (2020: 19.2 per cent) in Germany. This latter figure exceeds the last comparison figure available for the mechanical engineering sector in Germany of 16.9 per cent[5]. The share of women on the Board of Management was 25.0 per cent, and on the Supervisory Board it was 33.3 per cent. The share of women in management positions in the reporting year was 16.1 per cent. The target we have set ourselves in Strategy 2025+ is 18.0 per cent plus. Jungheinrich pays all employees a comparable salary in line with their positions. In addition, compliance with minimum wage requirements and fair remuneration in line with standard market conditions are absolutely essential for us.

HUMAN RIGHTS

Jungheinrich is committed to upholding human rights worldwide and supports nationally and internationally applicable guidelines. We demand responsible, ethical and legally compliant behaviour from our employees, customers and business partners worldwide at all times. We do not tolerate compulsory, child or punitive labour, slavery or human trafficking. Violations and misconduct lead to serious consequences. If national regulations have stricter conditions, we adhere to those. In 2021, we published the "Code of Human Rights and Occupational Health and Safety" [Code on human rights and labour protection]. This document summarises our standards with regard to working conditions. In addition to the implementation of national and international guidelines, for example the United Nations Universal Declaration of Human Rights, it also includes guidelines on safety in the workplace or the handling of personal data. The focus of all principles is on responsible, ethically impeccable, legally compliant and sustainable behaviour. Ultimately, Jungheinrich's goal is to create value sustainably and uphold ethical principles.

1 Number of employees excluding temporary agency workers, apprentices and trainees.
2 Germany excluding arculus GmbH, as the company only joined the JH Group in November 2021.
3 Correct at: 1 December of the respective reporting year.
4 Abroad excluding MIAS USA, MIAS Holding Asia, JFS United Kingdom, JFS Spain and JFS Italy as the companies have fewer than 10 employees.
5 According to the German Federal Employment Agency and the German Federal Statistical Office (as of 31/12/2020 – latest available value).

ENERGY, ENVIRONMENT AND CLIMATE PROTECTION

Ranked among the world's leading intralogistics solution providers, we have a great responsibility in terms of the environmental impact of our products and business activities.

Our goal of becoming a climate-neutral company is ambitious and requires careful preparation. For this reason, Jungheinrich will systematically monitor the remaining CO_2e emissions that are harmful to the environment with a view to our company, products and services. On this basis, we will develop a climate strategy that defines clear measures that will enable us to systematically reduce our CO_2e emissions further. And we are already undertaking a number of activities to reduce our CO_2e emissions. An important milestone towards climate neutrality is the transition at our company locations to electricity that comes entirely from renewable energy sources. We were able to complete this transition at our German locations in 2021. All other locations will be transitioned gradually in line with the possibilities open to us in the respective countries. Our production plant in Norderstedt is now also using CO_2e-neutral district heating. As a result, we have logged no indirect emissions (Scope 2) at our German locations in 2021. We are also implementing measures along the supply chain and downstream, in addition to directly within our company and for the manufacture of our products. In future, Jungheinrich will offset the unavoidable residual CO_2e emissions with certificates from selected, accredited projects. The quality and effectiveness of the offsetting service are of primary importance to us. Therefore, we will only offset our unavoidable residual emissions with projects that are implemented and certified to the highest standards.

ENVIRONMENTAL IMPACT OF OUR PRODUCTS

We are improving the meaningfulness of our product life cycle assessments
Jungheinrich has been a pioneer in the field of electric intralogistics since the company was founded. In 1953, we brought our first electric forklift truck, "Ameise 55", onto the market. Now, more than one million electric trucks from Jungheinrich are in use around the world. Nearly all the forklifts we sell are battery powered.

We have used our many years of experience and our unique expertise in electric mobility to constantly improve the efficiency of our products and make them more environmentally friendly. In 2010, we became the first manufacturers of material handling equipment to create product life cycle assessments for a cross-section of our products that are DIN EN ISO 14040/14044 certified by TÜV Nord. So far, the product life cycle assessments have focused specifically on the CO_2e efficiency of our products in the manufacturing, deployment and reconditioning stages. In future, we will improve the meaningfulness of our life cycle assessments even further. In addition to determining CO_2e emissions, we will take other relevant environmental factors into consideration and analyse the various life cycle phases more thoroughly.

Based on our data so far, which will become even more precise in future, we have been constantly improving the energy efficiency of our trucks, sites and processes since 2010. Thanks to the various technological milestones we have achieved, we have been able to drastically reduce our CO_2e emissions. One of these milestones was the introduction of high-frequency charging technology and fourth-generation alternating power technology. Lithium-ion technology has also enabled us to develop completely new truck concepts that significantly increase warehouse efficiency and material efficiency in the product due to their space-saving dimensions, which in turn allows our customers to reduce their energy costs and the associated CO_2e emissions considerably.

Used forklifts – a sustainable business field
In addition to manufacturing more efficient products, we are gradually expanding the range of used equipment offered by our JUNGSTARS. Thanks to the high quality of our products, we can directly reuse a large part of the materials used and thus actively drive all three pillars of sustainability. We create attractive jobs, securing them and our economic performance with a diverse range of business fields. In addition, the reconditioning of used trucks requires far fewer materials and much less energy. All in all, the reconditioning plant in Dresden achieves a reuse ratio per truck of almost 94 per cent. With this figure, Jungheinrich is setting a high benchmark for circular economy processes in intralogistics, and providing the sector with especially sustainably reconditioned trucks.

Frames, engines, motors, hydraulic components, lifting frames, protective driver roofs and drive and steering shafts are some of the parts that are refurbished. This reconditioning results in reductions of around 80 per cent in CO_2e compared to new production. We also guarantee correct and environmentally friendly disposal of fuels and trucks that are at the end of their life cycles. This means our products are virtually fully recyclable at the end of their life cycles.

Jungheinrich opened its second site for reconditioning used equipment in Ploiești, Romania, at the beginning of 2022. This will allow Jungheinrich to increase its capacity for reconditioning trucks by 25 per cent by the year 2025.

ABOUT JUNGHEINRICH
TO OUR SHAREHOLDERS

COMBINED MANAGEMENT REPORT
CONSOLIDATED FINANCIAL STATEMENTS
ADDITIONAL INFORMATION

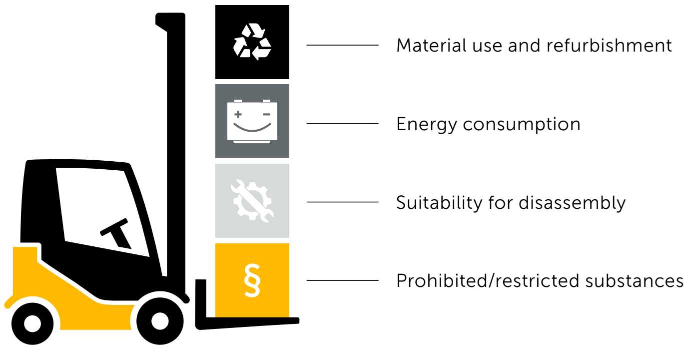
REFURBISHED USED EQUIPMENT

in units

Ecological design – considered from the very start

Sustainability plays an important role at Jungheinrich throughout the entire product life cycle; it is taken into account using ecological design criteria right from the new product design phase. We include all relevant areas when developing our material handling equipment. The environmental compatibility assessment during the product development phase allows us to exhaust the energy and resource efficiency potential for each product right from the beginning. Defined milestones ensure that the ecological design criteria are recorded, evaluated and implemented, including:

ECOLOGICAL DESIGN CRITERIA



Our materials

The main components of material handling equipment are steel and grey cast iron[1]. Another important component, particularly for Jungheinrich, is the battery, because our product portfolio consists virtually completely of electric material handling equipment. The majority of batteries that we fit are currently still lead acid batteries. These are virtually completely recyclable and can be reused in new batteries, which is why we mostly use batteries with recycled lead.

Lithium-ion batteries

We continue to see great potential in lithium-ion technology. This is why this technology is one of the focal points of our current research and development work for electric power. In 2011, we already became the first manufacturer to launch a series-produced truck with a lithium-ion battery on the market. In 2019, we established the JT Energy Systems company together with Triathlon Holding GmbH to increase the production capacity for lithium-ion batteries. By 2025, we want to have achieved a lithium-ion battery equipment ratio for our trucks of over 70 per cent. We are also continually developing our business model – for example, with the right short-term rental options and guaranteed battery returns. In addition to the batteries' use in Jungheinrich trucks, we see great growth potential in our holistic energy solutions in new fields of application (Jungheinrich Powertrain Solutions). Here, we also make our batteries and expertise in the field of energy systems available to other manufacturers, including those in the construction and agricultural machinery industry, thus driving electric mobility forward across sectors.

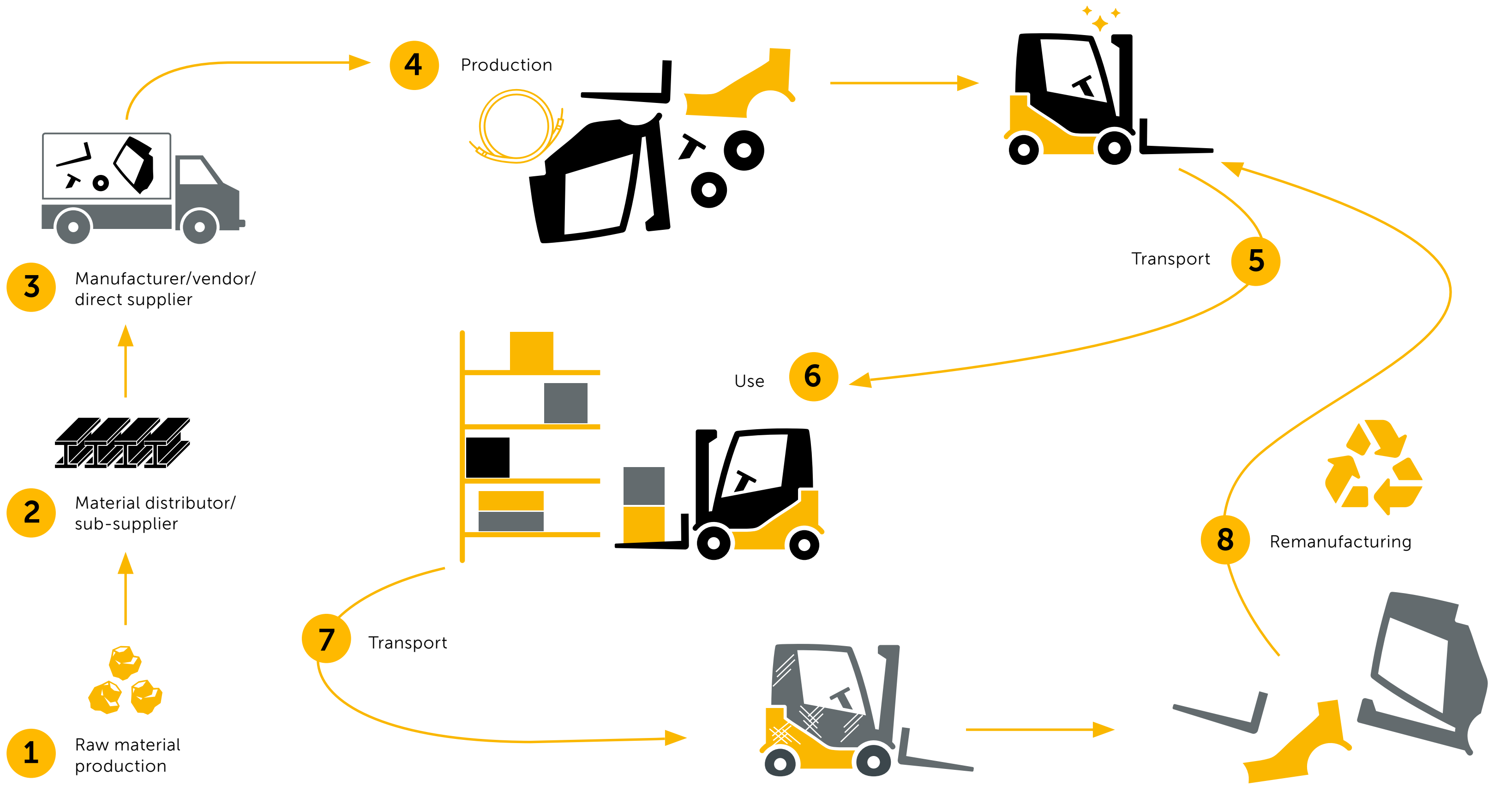
Even though lithium-ion batteries have a very long service life, options for recycling them play a major role. Lithium-ion batteries partly contain rare-earth elements, and lithium itself is a key raw material. JT Energy Systems gives used batteries a second life and installs used Jungheinrich lithium-ion batteries in highly flexible battery storage systems. One of Germany's most efficient plants with a peak performance of 25 megawatts will be constructed in the state of Saxony in 2022, to support the production of CO_2e-neutral batteries. Here, too, we show that responsible use of resources is possible and that we can apply the principles of a circular economy to our products.

ENVIRONMENTAL IMPACT OF OUR COMPANY

As a manufacturing company, Jungheinrich relies on various energy sources. The main types of energy used by our production sites are natural gas, heating oil, diesel, petrol, electricity and district heating. By transitioning to green electricity at all locations in Germany and using CO_2e-neutral district heating at the Norderstedt location, we were able to significantly reduce the impact our operations have on the environment. We produced no Scope 2 emissions in Germany in 2021[2]. Other countries where we have direct sales companies (such as Austria and Spain) have also switched to green electricity. Units that have not

1 Grey cast iron is an iron-carbon alloy.
2 Excluding externally charged electric trucks.

JUNGHEINRICH VALUE CHAIN AND STAGES OF THE PRODUCT LIFE CYCLE ASSESSMENT



made the switch yet will be doing this in the coming years[1]. The direct use of renewable energies at our locations is also being continually expanded. At the end of last year, for instance, we equipped the roof of our Group headquarters with a photovoltaic system and took over an existing photovoltaic installation at our manufacturing plant in Moosburg. In order to make the best possible use of energy, we continuously work to optimise and modernise our buildings, machines, plants and processes in terms of energy. In recent years, for example, we have been able to significantly reduce the consumption of lamps and electricity by gradually converting to LED lighting. In order to achieve our goal of climate neutrality, we will continue to use climate-neutral technologies in our buildings in the future.

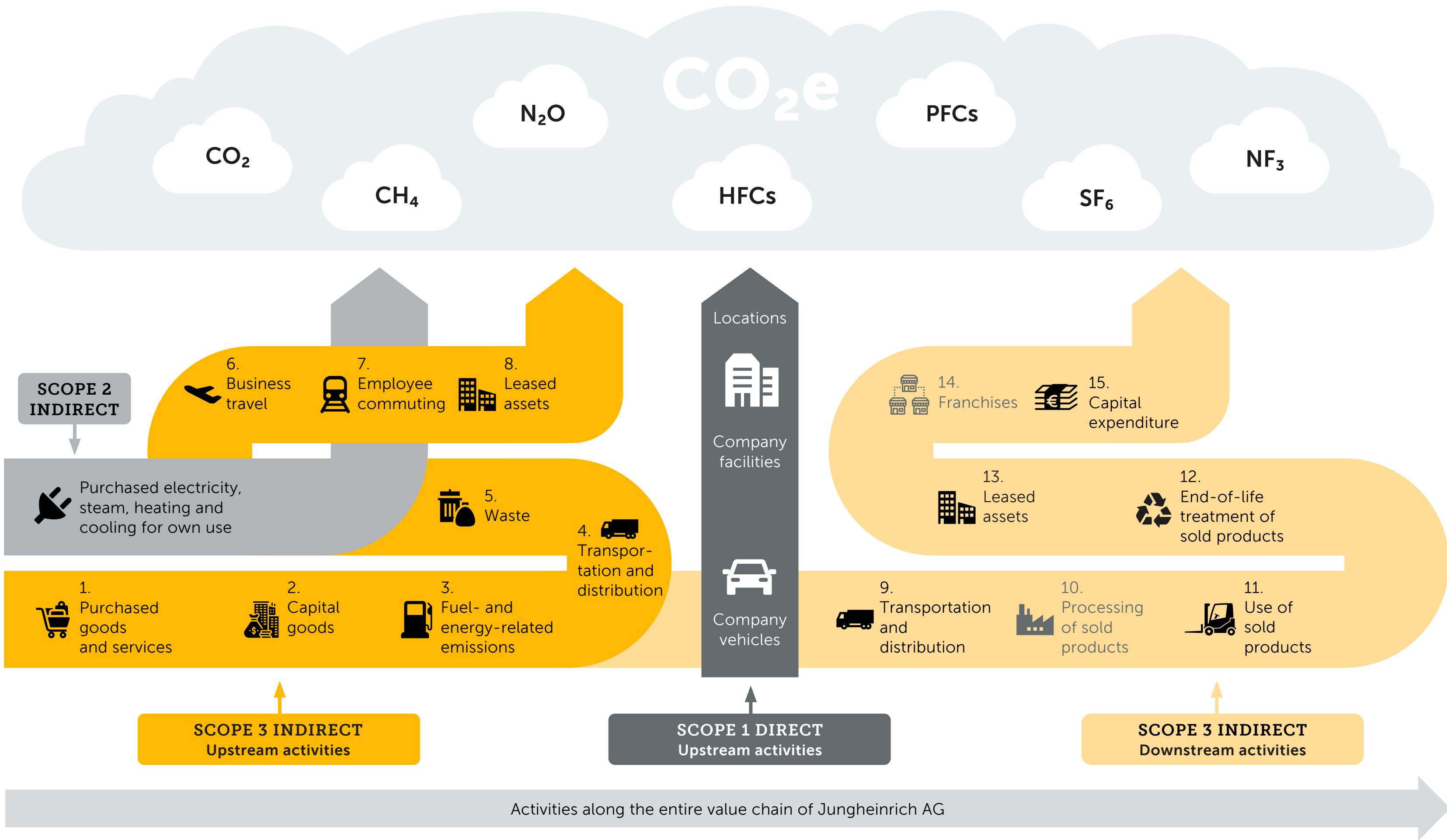
Due to the comprehensive range of services we provide, our CO_2e emissions in the Sales division are relatively high. We therefore offer fuel-saving training to our service technicians and constantly work to optimise the weight and payload of our after-sales services vehicles. A number of suitable locations also use electric vehicles, which lowers our direct emissions further. We have also set up a climate-neutral customer service in Norway as part of a pilot project. A rollout to the Netherlands and the UK is scheduled in the 2022 financial year.

1 Electricity should be sourced from renewable energy sources wherever the market and government allow.

We are creating complete emissions transparency in the company

In order to determine how efficient the company is in terms of climate protection and to ensure holistic transparency, we adhere to the requirements of the Greenhouse Gas Protocol when recording our CO_2e emissions. We take into account all companies in which Jungheinrich holds a voting share and capital share of more than 50 per cent[1] ("Control Approach"). We also separate Jungheinrich's CO_2e emissions into three scopes and record emissions along the entire value chain: in the value chain (upstream Scope 3 emissions), in our own works (Scope 1 and 2 emissions) and those resulting from Jungheinrich products and services used at customer locations (downstream Scope 3 emissions). The image "Schematic representation of CO_2e emissions" shows the source of emissions of greenhouse gases listed in the Kyoto Protocol that we analyse systematically. Applying this internationally recognised method for determining greenhouse gas emissions will help us to identify the climate impacts that we cause directly and indirectly, as well as all other indirect impacts associated with us.

ACCORDING TO THE STANDARDS OF THE GREENHOUSE GAS PROTOCOL: SCHEMATIC REPRESENTATION OF CO_2e EMISSIONS[2]



1 See notes to the consolidated financial statements [page 144 ff.].
2 In terms of Scope 3 emissions, all categories are relevant to us except 3.10 (Processing of sold products) and 3.14 (Franchises).

The coronavirus pandemic again had an impact on our environmental performance last year. In 2020, virtually all energy key figures were down and below the figures recorded in 2019 due to the coronavirus. As a result of catch-up effects, they are now up again on the previous year, but largely still under those from the 2019 financial year. Due to the transition to electricity from renewable energy sources and CO_2e-neutral district heating in Germany and other locations, the figures for our Scope 2 emissions have once again decreased significantly compared with previous years.

ENERGY CONSUMPTION[1]

	2021	2020	2019
Natural gas in kWh[2]	50,393,583	44,536,444	48,344,885
Heating oil in kWh	1,514,197	1,724,908	1,826,020
Diesel in l	10,094,990	9,765,251	11,784,792
Petrol in l	450,141	226,717	422,898
Ethanol in l	48,365	52,571	40,619
Public electricity in kWh[3, 4]	56,333,950	54,151,080	58,737,320
District heating in kWh	11,563,197	9,596,340	11,250,715

A relevant lever for the calculation of Scope 2 emissions is the CO_2 conversion factor for the local electricity mix at the location. Each country (location-based approach) and each energy provider (market-based approach) has an individual CO_2 conversion factor. The energy provider's exact factor is the most exact for the calculation, but it is not always available, however. We have been working on increasing transparency and thereby improving the quality of our data since 2019.

1 The figures shown apply to the production plants in Norderstedt, Lüneburg, Moosburg, Degernpoint, Landsberg, Dresden and Qingpu (China), the spare parts centre in Kaltenkirchen, the Group headquarters in Hamburg, the IT office in Hamburg and the sales units in Australia, Austria, Belgium, Brazil, Czechia (2019 excluding Hněvotín), France, Germany (2019 excluding Frankfurt), Italy, the Netherlands, Poland, Russia, Spain, Switzerland and the United Kingdom; only locations with more than 50 employees. The figures are partially estimated and have been adjusted to reflect the better data available and subsequent corrections of previous years.
2 Including natural gas consumption for the production of electricity through the cogeneration unit in Degernpoint.
3 Excluding externally loaded electric trucks.
4 Exclusively current from external sources, as electricity for the cogeneration unit is reported under the item "natural gas".
5 Brazil and Russia.
6 Emission factor sources: IEA, DEFRA and local energy suppliers.
7 Where a switch was made to green electricity during the year, the CO_2 factor is extrapolated on a pro rata basis.
8 Excluding the UK.

DATA QUALITY CO_2 CONVERSION FACTORS

	2021	2020	2019
Number of countries location-based	2[5]	4	12
Number of countries market-based	13	11	3

GREENHOUSE GAS EMISSIONS[1, 6]

in t CO_2	2021	2020	2019
Direct (Scope 1) GHG emissions	36,606	34,553	41,469
Indirect (Scope 2) GHG emissions[3, 7]	5,560	16,342	19,993

Turning waste into a resource

Both hazardous and non-hazardous waste can be valuable resources for recycling or even repurposing. The majority of waste from production plants, sales units and other locations is recycled and the material or heat reused. We are of the opinion that a circular economy for natural resources must be established for linear material consumption that is characterised by raw material extraction, transport and processing, using products, and disposal at the end of the life cycle. It is our aim to develop, manufacture and operate our products in such a way that we increase recyclability, enable their refurbishment, and maximise the recovery of raw materials.

TOTAL AMOUNT OF WASTE[1]

in t	2021	2020	2019[8]
Total hazardous waste	5,239	4,311	4,649
Recycling of materials	3,791	3,300	3,602
Thermal recovery	353	312	345
Disposal (landfill)	1,095	699	701
Total non-hazardous waste	11,036	10,277	11,854
Recycling of materials	8,801	8,050	8,937
Thermal recovery	1,057	1,105	1,528
Disposal (landfill)	1,178	1,122	1,388

EU TAXONOMY REGULATION

In order to achieve the EU target of carbon neutrality by 2050, the EU Commission created an action plan to redirect capital flows to a sustainable economy. A material component of this action plan is the EU Taxonomy Regulation, which offers a classification system for ecologically sustainable environmental activities.

In accordance with this year's requirements (Article 8 EU Taxonomy Regulation and Article 8 and Article 10 (2) of the Article 8 Climate Delegated Act), the following section contains the required disclosures for the first two environmental objectives (climate protection and climate change adaptation) of the EU Taxonomy Regulation. As the parent company, we present the share of taxonomy-aligned and non-taxonomy-aligned Group revenue, capital expenditure and operating expenses for the 2021 financial year.

Jungheinrich reports the key figures for the taxonomy-aligned economic activities only, without stating prior-year figures. The disclosures on the key figures are aggregated, meaning that no distinction is made with regard to the relevant economic activities. This is in line with the relief provisions for the first reporting period.

The Draft Commission Notice published on 2 February 2022 was taken into consideration to the extent that our process allowed. The complex and quality-assured collection and verification of the necessary information relating to capital expenditure and operating expenses could not be fully carried out due to the publication date.

OUR ACTIVITIES

PORTION OF REVENUE, CAPEX AND OPEX THAT ARE TAXONOMY-ALIGNED AND NON-TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

in %	Proportion of taxonomy-aligned economic activities	Proportion of non-taxonomy-aligned economic activities
Revenue	55	45
Capital expenditure	2	98
Operating expenses	4	96

Taxonomy-aligned economic activities

We have examined the relevant taxonomy-aligned economic activities based on our activities as an intralogistics solutions provider and grouped them in the following economic activities (in accordance with Annex I and II of the Climate Delegated Act):

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

Taxonomy-aligned activity (number/name)	Description	Climate protection	Climate change adaptation
3.4 Manufacture of batteries	The manufacture of electric batteries (lithium-ion and lead acid batteries)	✓	✓
3.6 Production of other low-carbon technologies	Production of electric material handling equipment	✓	
6.5 Transport with motorbikes, passenger vehicles and light-duty commercial trucks	Leasing of electric trucks	✓	✓
7.3 Installation, maintenance and repair of energy-efficient devices	Conversion to LED lights, installation of ventilation systems, façade renovation	✓	✓
7.4 Installation, maintenance and repair of charging stations for electric trucks in buildings (and in car parks belonging to buildings)	Electric charging stations (electric forklift trucks, electric cars)	✓	✓
7.5 Installation, maintenance and repair of devices for the measurement, regulation and management of buildings' total energy efficiency	Building control system updates, meters for measurement of third-party electricity	✓	✓
7.6 Installation, maintenance and repair of energy-efficient devices	Battery storage devices, photovoltaic installation	✓	✓

Allocation of revenue, capital expenditure and operating expenses to an environmental target

The activities of Jungheinrich were categorised under the goal of "climate protection" to avoid double counting.

OUR KPIs AND REPORTING PRINCIPLES

Our key performance indicators include revenue, capital expenditure and operating expenses. For the 2021 financial year, we are disclosing our KPIs with regard to our taxonomy-aligned activities (numerators) in relation to the taxonomy-aligned plus non-taxonomy-aligned economic activities (denominators) (pursuant to Art 10(2) of the Article 8 Climate Delegated Act).

Data collection and validation process
In order to report on the taxonomy-aligned economic activities in the 2021 financial year, Jungheinrich
- Examined the Group's business activities and identified eligible activities.
- Performed central, detailed analyses of revenue, capital expenditure and operating expenses in relation to the taxonomy-aligned economic activities.
- Provided the relevant subsidiaries with a query request for capital expenditure and operating expenses that enables them to notify us of the taxonomy-aligned activities that may apply to the Group.
- Commissioned a team to support subsidiaries with queries, and consolidate and check data.

In short, all material revenue, capital expenditure and operating expenses that were identified as being taxonomy-aligned were reported.

KPI revenue
The past financial year was considered for the revenue KPI. This results from the quotient of the numerator and denominator defined as follows:

- The denominator of KPI revenue is based on our consolidated net revenue pursuant to IAS 1.82(a). Additional details regarding the presentation of the consolidated statement of profit or loss can be found on [page 79], [page 86 f.] and [page 99 f.].
- The numerator for KPI revenue is defined as the net revenue generated by products and services in connection with the taxonomy-aligned economic activities.

KPI capital expenditure
The KPI capital expenditure is defined as the capital expenditure eligible according to the EU Taxonomy Regulation (numerator) divided by our total capital expenditure (denominator) as described below:

- The denominator consists of additions to intangible assets and property, plant and equipment during the financial year before depreciation, amortisation and write-downs and remeasurements. This also includes additions resulting from remeasurements and impairment losses as well as such that occur without changes in fair value. The acquisition of property, plant and equipment (IAS 16), intangible assets (IAS 38), right-of-use assets (IFRS 16) and investment property (IAS 40) are also included. Additions from business combinations also constitute part of total capital expenditure. Goodwill is not included in capital expenditure as it is not considered an intangible asset according to IAS 38. The denominator represents the sum of the additions to intangible assets [page 104 ff.] and property, plant and equipment [page 107 ff.] as presented in the notes to the consolidated financial statements.
- The numerator consists of the following categories in accordance with taxonomy-aligned capital expenditure:
  a) Capital expenditure relating to assets or processes that are associated with economic activities according to the EU Taxonomy Regulation (category A, annex 1, section 1.1.2.2. supplement to Regulation 2020/852): We assume that economic goods and processes are associated with taxonomy-aligned economic activities if they are a material component necessary for performing the economic activity.
  b) Capital expenditure that is part of an investment plan to realign or expand taxonomy-aligned economic activities so that it is taxonomy conform (category B). Capital expenditure plans as defined by the EU Taxonomy Regulation were not created. Accordingly, no capital expenditure was recognised for this section.
  c) Capital expenditure related to the acquisition of finished goods from taxonomy-aligned economic activities and individual measures that enable certain target activities (usually economic activities that are not taxonomy viable) to become low carbon or lead to a reduction in greenhouse gas emissions (category C). This is also considered taxonomy-aligned capital expenditure according to the EU Taxonomy Regulation if the purchased product or individual measure corresponds to the description of the respective economic activity.

In order to avoid double listings in the capital expenditure KPI, we only counted capital expenditure in connection with purchased products and individual measures once. These are already listed under category A (for instance, capital expenditure in connection with assets or processes associated with taxonomy-aligned economic activities, especially our production buildings).

KPI operating expenses

The KPI operating expenses is defined as eligible operating expenses according to the EU Taxonomy Regulation (numerator) divided by the operating expenses described below (denominator).

- The denominator consists of direct, non-capitalised costs related to research and development, building renovation measures, short-term rental agreements, maintenance and repairs, and other direct expenses for the ongoing maintenance of property, plant and equipment. This includes:
  - Non-capitalised costs for research and development, as presented in the notes to the consolidated financial statements pursuant to IAS 38.126 [page 105]
  - Maintenance and repair costs for property, plant and equipment
  - Expenses for short-term and low-value leases determined in accordance with IFRS 16 as presented in the notes to the consolidated financial statements [page 108]. Even if low-value leases are not specifically mentioned in Article 8 of the Climate Delegated Act, we interpret the legislation as including these leases.
- For the operating expenses numerator, we analysed the research and development costs directly associated with taxonomy-aligned economic activities. In considering materiality, we also requested information from individual companies regarding their corresponding operating expenses. The operating expenses mentioned above were recorded following checks of the taxonomy-aligned economic activities.

With regard to the approach regarding double listing, we refer to the corresponding disclosures for the KPI capital expenditure.

GRI-INDEX[1]

GENERAL STANDARD DISCLOSURES

GRI indicator	Indicator name	Page	Topic from materiality analysis
ORGANISATIONAL PROFILE			
102-1	Name of the organisation	84	
102-2	Activities, brands, products, and services	17, 46 ff.	
102-3	Location of headquarters	84	
102-4	Location of operations	46 f., 158	
102-5	Ownership and legal form	40 f., 84	
102-6	Markets served	17, 55	
102-7	Scale of the organisation	2	
102-8	Information on salaried employees and other workers	24	Good employer
102-9	Supply chain	29	
102-10	Significant changes to the organisation and its supply chain	10 f.	
102-11	Precautionary Principle or approach	13	
102-13	Membership of associations	12, 22	Norms and standards
STRATEGY			
102-14	Statements from senior decision-makers	4	
ETHICS AND INTEGRITY			
102-16	Values, guidelines, standards and norms of behaviour	18 ff.	Responsible management
GOVERNANCE			
102-18	Governance structure	14	Responsible management
102-20	Executive-level responsibility for economic, environmental, and social topics	14	

GRI indicator	Indicator name	Page	Topic from materiality analysis
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	17	
102-42	Identifying and selecting stakeholders	17	
102-43	Approach to stakeholder engagement	17	
102-44	Key topics and concerns raised	17	Customer satisfaction, competitive standing, R&D
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	144 ff.	
102-46	Defining report content and topic boundaries	14	
102-47	List of material topics	14	
102-48	Restatements of information	13	
102-49	Changes in reporting	13	
102-50	Reporting period	13	
102-51	Date of most recent report	13	
102-52	Reporting cycle	13	
102-53	Contact point for questions regarding the report	161	
102-54	Claims of reporting in accordance with the GRI Standards	13	
102-55	GRI content index	35	
102-56	External audit	13, 38 f.	

1 Not part of PwC audit.

SPECIFIC STANDARD DISCLOSURES – ECONOMIC

GRI indicator	Indicator name	Page	Topic from materiality analysis
MARKET PRESENCE			
202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	26	Good employer
202-2	Regionally hired management	26	Good employer
ANTI-CORRUPTION			
205-1	Operations assessed for risks related to corruption	20	Compliance & corruption
205-2	Communication and training about anti-corruption policies and procedures	19 f.	Compliance & corruption
205-3	Confirmed incidents of corruption and actions taken	20	Compliance & corruption

SPECIFIC STANDARD DISCLOSURES – ENVIRONMENTAL

GRI indicator	Indicator name	Page	Topic from materiality analysis
MATERIALS			
301-1	Materials used by weight or volume	28	Materials (resource-saving products)
301-2	Recycled input materials used	28	Materials (resource-saving products)
ENERGY			
302-1	Energy consumption within the organisation	31	Energy (consumption & renewable energies)
302-5	Reductions in energy requirements of products and services	27 f.	Environmentally friendly products/Customer satisfaction, competitive standing, R&D
EMISSIONS			
305-1	Direct (Scope 1) GHG emissions	31	Energy (consumption & renewable energies)
305-2	Energy indirect (Scope 2) GHG emissions	31	Energy (consumption & renewable energies)
WASTE			
306-2	Waste by type and disposal method	31	Waste & recycling

SPECIFIC STANDARD DISCLOSURES – SOCIAL

GRI indicator	Indicator name	Page	Topic from materiality analysis
SUPPLIER ENVIRONMENTAL ASSESSMENT			
308-1	New suppliers that were screened using environmental criteria	21	Transparency in the supply chain
EMPLOYMENT			
401-1	New employee hires and employee turnover	24	Good employer
OCCUPATIONAL HEALTH AND SAFETY			
403-2	Type and rate of injuries, occupational diseases, lost days and absences as well as number of work-related fatalities	25	Occupational health and safety
TRAINING AND EDUCATION			
404-2	Programme for improving employees’ skills	25	Training and development
DIVERSITY AND EQUAL OPPORTUNITIES			
405-1	Diversity of governance bodies and employees	26	Good employer
405-2	Ratio of basic salary and remuneration of women to men	26	Good employer
CHILD LABOUR			
408-1	Operations and suppliers at significant risk for incidents of child labour	21, 26	Transparency in the supply chain

GRI indicator	Indicator name	Page	Topic from materiality analysis
FORCED OR COMPULSORY LABOUR			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	21, 26	Transparency in the supply chain
SUPPLIER SOCIAL ASSESSMENT			
414-1	New suppliers that were screened using social criteria	21	Transparency in the supply chain
CUSTOMER HEALTH AND SAFETY			
416-1	Assessment of the health and safety impacts of product and service categories	22 f.	Product quality & enhancement/ Customer health & safety
SOCIOECONOMIC COMPLIANCE			
419-1	Non-compliance with laws and regulations in the social and economic area	19	Acting within the law
SUPPLY CHAIN			
Own indicator		22	Material compliance

INDEPENDENT PRACTITIONER'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT ON NON-FINANCIAL REPORTING[1]

To Jungheinrich Aktiengesellschaft, Hamburg

We have performed a limited assurance engagement on the Combined non-financial report of Jungheinrich Aktiengesellschaft, Hamburg, (hereinafter the "Company") for the period from 1 January 2021 to 31 December 2021 (hereinafter the "Combined Non-financial Report").

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Combined Non-financial Report.

RESPONSIBILITY OF THE EXECUTIVE DIRECTORS

The executive directors of the Company are responsible for the preparation of the Combined Non-financial Report in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18. June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section EU-Taxonomy-Regulation of the Combined Non-financial Report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Company that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as the executive directors consider necessary to enable the preparation of a Combined Non-financial Report that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section EU-Taxonomy-Regulation of the Combined Non-financial Report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

INDEPENDENCE AND QUALITY CONTROL OF THE AUDIT FIRM

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis – IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

RESPONSIBILITY OF THE ASSURANCE PRACTITIONER

Our responsibility is to express a conclusion with limited assurance on the Combined Non-financial Report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's Combined Non-financial Report, other than the external sources of documentation or expert

1 PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the combined non-financial report and issued an independent practitioner's report in German language, which is authoritative. The following text is a translation of the independent practitioner's report.

opinions mentioned in the Combined Non-financial Report, are not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section EU-Taxonomy-Regulation of the Combined Non-financial Report.

In a limited assurance engagement the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the Company's sustainability organisation and stakeholder engagement
- Inquiries of the executive directors and relevant employees involved in the preparation of the Combined Non-financial Report about the preparation process, about the internal control system relating to this process and about disclosures in the Combined Non-financial Report
- Identification of likely risks of material misstatement in the Combined Non-financial Report
- Analytical procedures on selected disclosures in the Combined Non-financial Report
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report
- Evaluation of the presentation of the Combined Non-financial Report
- Evaluation of the process to identify taxonomy-eligible economic activities and the corresponding disclosures in the Combined Non-financial Report
- Inquiries on the relevance of climate-risks

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

ASSURANCE OPINION

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Combined Non-financial Report of the Company for the period from 1 January 2021 to 31 December 2021 is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section EU-Taxonomy-Regulation of the Combined Non-financial Report.

We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the Combined Non-financial Report, which are marked unassured.

RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

Hamburg, 29 March 2022

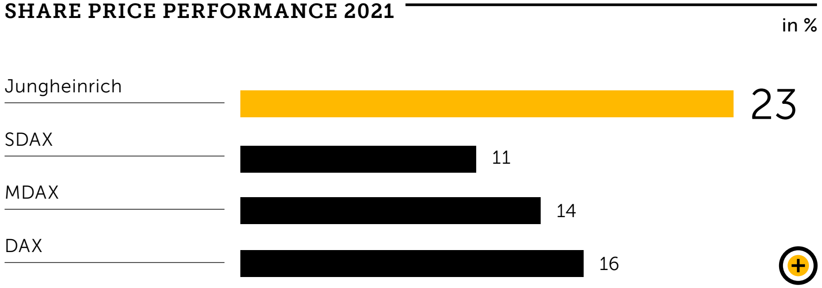
PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Alexander Fernis	Theres Schäfer
Wirtschaftsprüfer	Wirtschaftsprüferin
[German public auditor]	[German public auditor]

JUNGHEINRICH SHARE

In 2021, the Jungheinrich share had a very successful year on the stock market, gaining 23 per cent in value and reaching an all-time high of €47.32. In September, the share was promoted to the MDAX with the reorganisation of the Deutsche Börse indices. At €0.68, Jungheinrich pays out the highest dividend to date and allows its preferred shareholders to participate in the company's success.

SHARE PRICE PERFORMANCE 2021



EQUITY MARKETS ON THE UP

Overall, stock market activity in 2021 was characterised by a clear upward trend. Both the national and the international stock markets were essentially dominated by three themes: the progress in the fight against the coronavirus pandemic through the increasing availability of vaccines, the global economic recovery and the expansionary monetary policy. Indices saw double-digit rises until well into the fourth quarter – at times unfazed by global infection rates – and even reached new highs in some cases. Low interest rates made investing in shares an interesting prospect for investors. Even though problems in the global supply chains put the brakes on the economy, the capital markets were in robust shape. Towards the end of the year under review, the coronavirus pandemic again dominated developments on the stock markets due to the appearance of a new, highly contagious variant, Omicron.

The most important German stock indices showed double-digit growth rates at the end of the year. The DAX recorded the biggest gain of 16 per cent, climbing to 15,885 points (previous year: 13,719 points). The MDAX also performed well with an increase of 14 per cent to 35,123 points (previous year: 30,796 points). The SDAX gained 11 per cent in value in the year under review and closed out 2021 with 16,415 points (previous year: 14,765 points).

JUNGHEINRICH SHARE PRICE UP 23 PER CENT AND MOVED UP TO THE MDAX

With the reorganisation of Deutsche Börse indices, the Jungheinrich share was assigned to the MDAX from 20 September 2021 rather than the SDAX. The DAX was increased in size from 30 to 40 companies. At the same time, the number of companies in the MDAX was reduced from 60 to 50. The obligation to list in the Prime Standard of the Frankfurt Stock Exchange for all companies in the selected DAX indices had already ceased in March 2021. It has since been sufficient to be listed in the Regular Market to be included in an index. In order to simplify the rules for index allocation, the only parameter relevant for index members since September 2021 has been market capitalisation. The second parameter, share turnover, which was decisive until this point in time, is no longer considered, being replaced by a minimum liquidity requirement instead.

Starting from a closing price of €36.60 on the last trading day of 2020, the Jungheinrich share began the year under review at €38.48. On 23 March 2021 the share achieved its low for the year at €34.20. In view of the very good business development, the noticeably high level of incoming orders and the expected high demand for Jungheinrich's material handling equipment and automated systems for the remainder of the year, the Board of Management raised the forecast for the 2021 financial year published on 26 March 2021, in an ad hoc announcement on 22 April 2021. On 27 April 2021 the Jungheinrich share then reached both its annual and its all-time high of €47.32. At the end of the first half of the year on 30 June 2021, the share price was €41.22, 13 per cent above the closing price at the end of 2020. The Jungheinrich share closed the first trading day in the MDAX on 20 September 2021 at a price of €42.92.

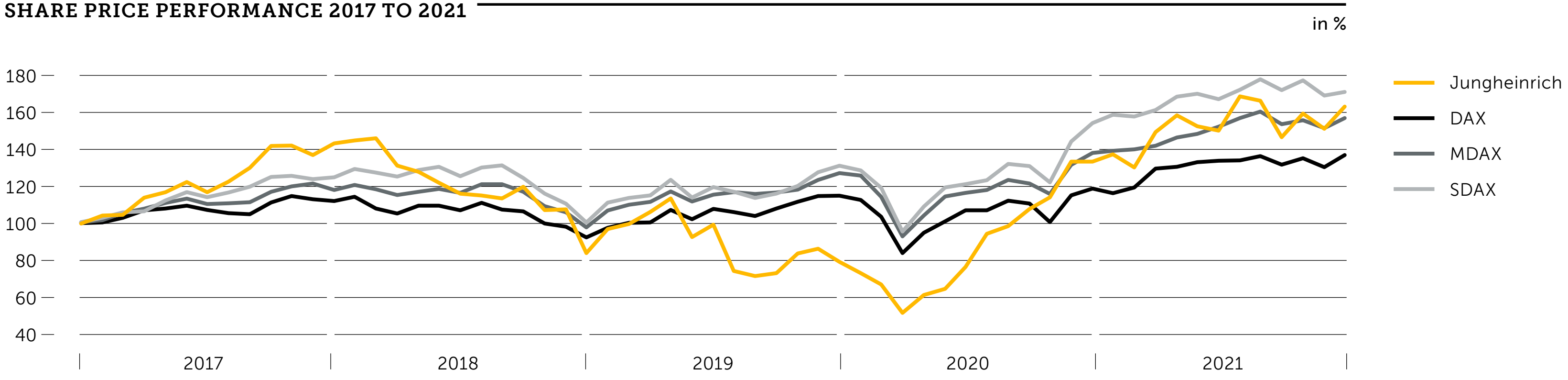
As a result of a continued rise in customer demand and very good business development despite supply shortages for production materials combined with higher material prices, Jungheinrich raised its forecast for the 2021 financial year once again on 25 October 2021, when it published another ad hoc announcement. In December, uncertainty about the impact of Omicron's spread weighed on stock market activity, yet despite this, the Jungheinrich share held up well and ended trading in the 2021 stock market year at a price of €44.88, representing an increase in value of 23 per cent. Market capitalisation increased accordingly by €845 million during the year and stood at €4,578 million at the end of 2021 (31 December 2020: €3,733 million).

With market capitalisation of €2,111 million, which is relevant for index calculation, the Jungheinrich preferred share climbed to 77th place (previous year: 82nd place) at the end of December 2021. Of the total Jungheinrich AG shares (102 million), only the 48 million no-par-value preferred shares are listed and widely distributed.

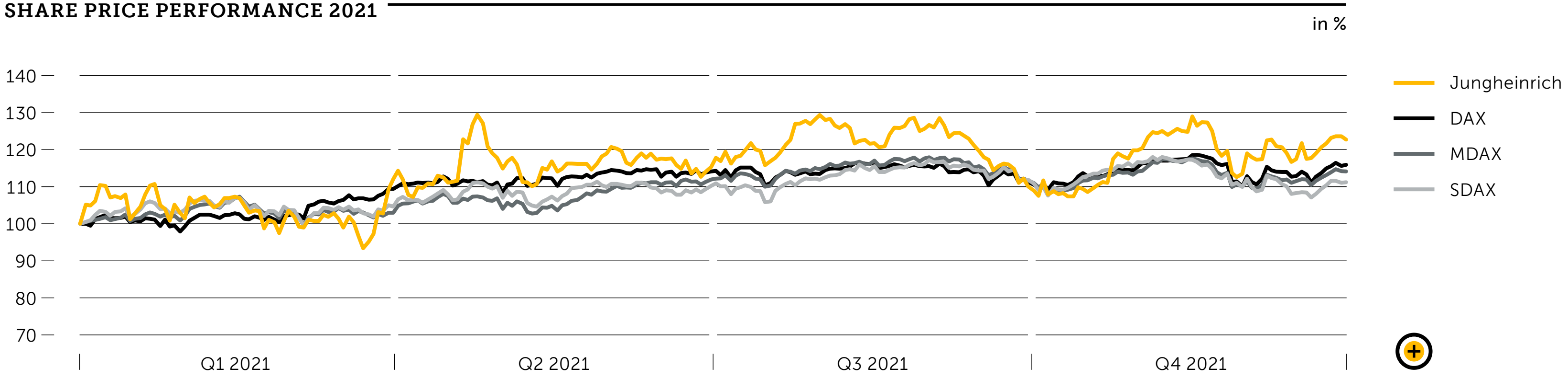
According to Deutsche Börse's definition of free float, this includes all stock-market-listed shares of Jungheinrich AG. The 54 million ordinary shares are held equally by the families of each of company founder Dr Friedrich Jungheinrich's two daughters.

SHARE PRICE DEVELOPMENT OVER TIME

SHARE PRICE PERFORMANCE 2017 TO 2021



SHARE PRICE PERFORMANCE 2021



The shareholdings in Jungheinrich AG reportable pursuant to Sections 33 et seq. of the German Securities Trading Act (WpHG) have been published in accordance with Section 40 of the German Securities Trading Act (WpHG) in the notes to the annual financial statements of Jungheinrich AG and on the company's website [www.jungheinrich.com/en/investor-relations/notifications].

TRADING NUMBERS SIGNIFICANTLY LOWER THAN PREVIOUS YEAR

The Jungheinrich share is listed in the Prime Standard quality segment of the Deutsche Börse. It is traded on all German stock exchanges. The trading volume (Xetra and Frankfurt) amounted to 19.3 million shares in 2021, 55 per cent down from the trading volume in 2020 (43.0 million shares). The average number of shares traded per trading day (Xetra and Frankfurt) also more than halved to 75.8 thousand shares compared with the previous year (168.7 thousand shares). Yet despite this, the average daily trading volume reached €3.2 million due to the good share price development (previous year: €3.8 million).

DIVIDEND RISES TO HISTORIC HIGH

Jungheinrich's dividend policy is fundamentally geared towards continuous dividend payments. The aim is to distribute between 25 per cent and 30 per cent of the profit attributable to the shareholders of Jungheinrich AG.

Based on the significant improvement in profit for the year, the Board of Management and Supervisory Board of Jungheinrich AG will propose to the Annual General Meeting on 10 May 2022 that a dividend of €0.68 (previous year: €0.43) per no-par-value preferred share and €0.66 (previous year: €0.41) per no-par-value ordinary share be distributed. This equates to an increase of 58 per cent per preferred share compared with the previous year and means that the dividend will also rise to a historic high. Subject to approval at the Annual General Meeting, this will result in a total payment of €68 million (previous year: €43 million).

The payment of the dividend will be made on the third working day after the Annual General Meeting. The payment ratio, which is calculated as the percentage of the total dividend in relation to the profit attributable to the shareholders of Jungheinrich AG, thus reaches 26 per cent (previous year: 28 per cent).

JUNGHEINRICH SHARE REMAINS AN ATTRACTIVE INVESTMENT FOR LONG-TERM INVESTORS

The Jungheinrich share proves to be an attractive capital investment over the long term. The share recorded significantly better performance over a ten-year period than the DAX, MDAX and SDAX. Over a five-year period, the picture is somewhat more varied. While the performance of the Jungheinrich share was much better than that of the DAX and still slightly better than that of the MDAX, it was on a par with the SDAX.

LONG-TERM PERFORMANCE OF THE JUNGHEINRICH SHARE

Investment period	10 years	5 years
Investment date	01/01/2012	01/01/2017
Portfolio value at end of 2021	€78,353	€16,877
Average return p.a.	22.9%	11.1%
Comparable return of German share indices p.a.:		
DAX	10.1%	6.5%
MDAX	14.4%	9.4%
SDAX	13.9%	11.2%

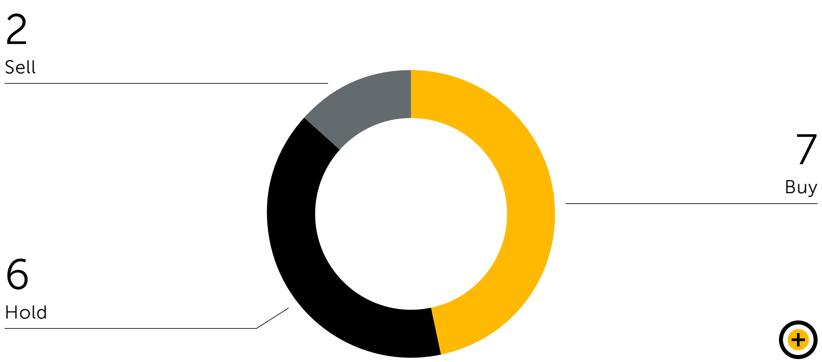
Please note: based on an initial investment of €10 thousand;
assuming that annual dividends received were reinvested in additional preferred shares.

BROAD ANALYST COVERAGE CONTINUES

Equity research is important for making investors aware of share issuances, as it serves as a vital foundation when deciding to invest. In total, the Jungheinrich share was regularly analysed and assessed by 15 financial analysts (2020: 16) from national and international banks and research houses at the end of 2021, meaning that the scope of coverage has remained virtually unchanged compared with the previous year. Only Commerzbank discontinued its institutional equity research in light of the cooperation with the Franco-German financial group ODDO BHF in the equity sector and ceased its coverage of Jungheinrich at the beginning of September 2021. Seven analysts recommended buying the share, six recommended holding and two recommended selling. Based on the key analysts' valuations, the average share target was €49. The lowest value was €36, and the highest was €55.

ANALYSTS' RECOMMENDATIONS

As of: 31/12/2021



2021 ANALYST COVERAGE

Buy	Hold	Sell
Baader Bank	Citigroup	Bank of America
Berenberg	Hauck & Aufhäuser	Morningstar
DZ-Bank	HSBC Trinkaus & Burkhardt	
Landesbank Baden-Württemberg	Kepler Cheuvreux	
Metzler	Morgan Stanley	
M. M. Warburg	Stifel	
NORD/LB and SRH[1]		

1 NORD/LB and SRH AlsterResearch cooperate on equity research.

VALUABLE RELATIONSHIPS CULTIVATED EVEN UNDER PANDEMIC CONDITIONS

The aim of Jungheinrich's investor relations work is to achieve a fair valuation of the Jungheinrich share through reliable, up-to-date and continuous communication. Key topics of capital market communication in 2021 were the business development in light of the ongoing coronavirus pandemic, the increasing level of supply shortages for production materials and rising material prices, the development of the market situation for material handling equipment and automated systems as well as the implementation progress of the Strategy 2025+.

The company informed the capital markets about special developments in the form of ad hoc announcements:

- Announcement on 22 April 2021: "Jungheinrich raises forecast for 2021 and publishes numbers as of 31 March 2021"
- Announcement on 25 October 2021: "Jungheinrich again raises its forecast for incoming orders and results for the 2021 financial year and publishes figures as of 30 September 2021"

As in the previous year, being able to meet personally with capital market participants was overshadowed by restrictions due to the coronavirus pandemic, the result being that the analyst conference on the 2020 financial year was again held as a conference call on 26 March 2021. To protect the health of the staff and visitors, the Annual General Meeting on 10 May 2021 was again held virtually. Conferences and roadshows with national and international participants were also organised exclusively as virtual events during the year, yet being able to interact digitally via telephone and video conferencing allowed for greater flexibility in terms of regional coverage of investor contacts. For the publications of the quarterly and half-year figures, Jungheinrich reported as usual in detail on the current business development of the Group in conference calls.

During the conference call on the business development as of 30 September 2021 on 10 November 2021, the Board of Management also reported on the focal points of the ongoing successful work to implement the strategy and the adjustments to the Strategy 2025+ targets published in November 2020 in light of the current market and business development. Core topics here were the acquisition of arculus GmbH in the field of automation and the planning of an additional production facility for reach trucks in Czechia. Over 300 investors had contact with the company during the year. Further information on Strategy 2025+ can be found in the combined management report from [page 50 ff.] onwards.

BASIC INFORMATION ABOUT THE JUNGHEINRICH SHARE

Securities identification numbers	ISIN: DE0006219934 // WKN: 621993
Ticker symbol Reuters/Bloomberg	JUNG_p.de / JUN3 GR
Stock exchanges	Hamburg and Frankfurt stock exchanges and all other German stock exchanges
Designated Sponsor	Oddo BHF Corporates & Markets AG
IPO	30 August 1990

Comprehensive information regarding the Jungheinrich share is published on the Jungheinrich AG website [www.jungheinrich.com/en/investor-relations/about-our-share]. Along with financial reports, presentations, ad hoc and press releases, the website also contains a total return calculator, analysts' recommendations, the financial calendar and the contact details for Corporate Investor Relations.

CAPITAL MARKET KEY FIGURES

			2021	2020
Dividend per share	Ordinary share	€	0.66[1]	0.41
	Preferred share	€	0.68[1]	0.43
Dividend yield	Preferred share	%	1.5	1.2
Earnings per share	Ordinary share	€	2.60	1.47
	Preferred share	€	2.62	1.49
Shareholders' equity per share		€	17.68	15.16
Share price[2]	High	€	47.32	39.00
	Low	€	34.20	10.11
	Closing price at end of year	€	44.88	36.60
Share price performance		%	23	70
Market capitalisation		€ million	4,578	3,733
Stock exchange trading volume[3]		€ million	806	978
Average daily turnover		thousand shares	75.8	168.7
P/E[4]		ratio	17.1	24.6
Number of shares	Ordinary share	million shares	54	54
	Preferred share	million shares	48	48
	Total	million shares	102	102

1 Proposal.
2 Xetra closing price.
3 Xetra and Frankfurt.
4 P/E = closing price/earnings per preferred share.

COMBINED MANAGEMENT REPORT

GROUP PRINCIPLES

BUSINESS ACTIVITIES AND ORGANISATIONAL STRUCTURE

Integrated business model and international orientation
Jungheinrich is one of the world's leading solutions providers for the intralogistics sector. With a comprehensive portfolio of material handling equipment, automatic systems and services, Jungheinrich is able to offer customers solutions to the challenges posed by Industry 4.0.

The integrated business model encompasses the development, production and sale of new material handling equipment and the planning and realisation of automatic systems, the short-term rental of new and used material handling equipment, the reconditioning and sale of used forklifts and after-sales services. Jungheinrich also supplies stacker cranes and load handling equipment. In addition, the customer receives their entire factory and office equipment from a single source. The material handling equipment consists almost exclusively of battery-powered trucks. In addition to electric engines and drive controls, Jungheinrich also manufactures matching lithium-ion batteries and battery chargers. Almost all of our trucks are available with a lithium-ion battery. Digital products, such as the Jungheinrich warehouse management system (WMS) and the fleet management system, based on the latest generation of the Jungheinrich IoT platform in the cloud, complement our portfolio. We also offer our customers a comprehensive range of financial services. We aim to create sustainable value at Jungheinrich.

The group has twelve plants, eight of which are in Germany, two in China, one in Hungary and one in Romania. Jungheinrich manufactures stacker trucks, reach trucks and horizontal order pickers in Norderstedt. In addition to truck production, the plant also manufactures electronic control units, lithium-ion batteries and battery chargers. The Lüneburg plant produces light-duty vertical order pickers, tow tractors and automated guided vehicles in addition to small-series and customised trucks. The Moosburg plant manufactures counterbalanced trucks, while the neighbouring factory in Degernpoint manufactures narrow-aisle trucks, heavy-duty vertical order pickers and automated guided vehicles. The production focus at the Landsberg/Saale plant is on low-lift trucks and double-decker trucks. The groundbreaking for an additional plant in Chomutov (Czechia), where primarily reach trucks will be produced, is scheduled for May 2022. Used equipment is industrially reconditioned in a plant close to Dresden and in a plant in Ploiești (Romania). Jungheinrich also reconditions used material handling equipment in Qingpu (China) and Bangkok (Thailand). The Qingpu plant in China produces low-lift and stacker trucks, battery-powered counterbalance trucks and reach trucks, as well as control units and batteries. The MIAS Group manufactures stacker cranes and load handling equipment at its locations in Munich, Gyöngös (Hungary) and Kunshan (China). Jungheinrich also works together with Triathlon Holding GmbH on lithium-ion batteries through JT Energy Systems GmbH, based in Freiburg, Saxony, and founded in 2019. JT Energy Systems GmbH's work includes manufacturing and reconditioning lithium-ion batteries. In addition to its headquarters in Munich, arculus GmbH (arculus), acquired in the fourth quarter of 2021 and specialising in autonomous mobile robots and software solutions, also has a research and development centre in Ingolstadt, a project office in Stuttgart and a software hub in Dresden.

The development and production of digital products is concentrated at the locations in Graz (Austria), Hamburg and Madrid (Spain).

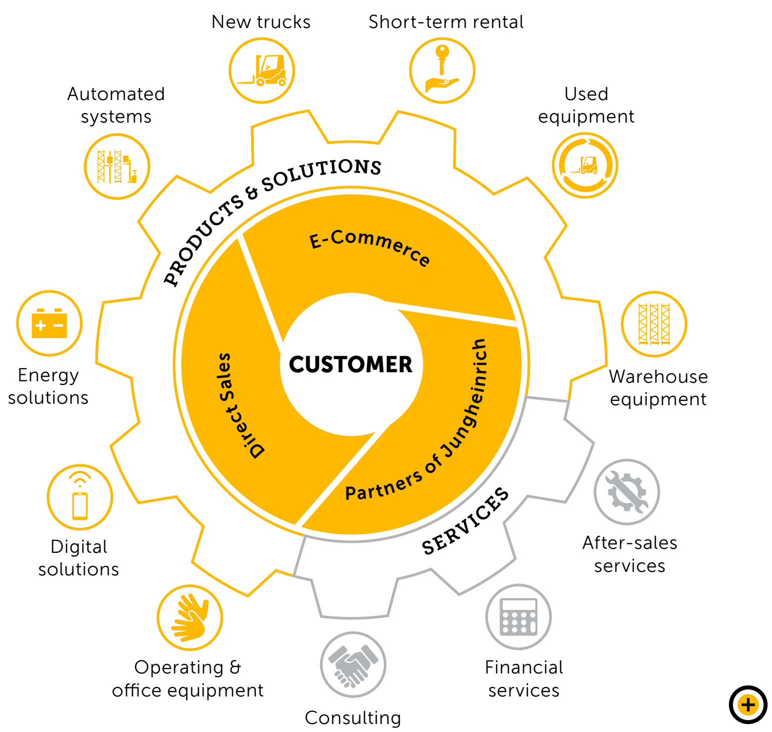
Jungheinrich has held a stake in Magazino GmbH, Munich (Magazino), since 2020. The company is a robotics start-up. At the same time, a strategic co-operation in the field of mobile automation was agreed with this company.

To cover the constantly growing after-sales services business, Jungheinrich operates a modern spare parts centre in Kaltenkirchen. With this warehouse, and others in Lahr, Bratislava (Slovakia), Moscow (Russia), Shanghai (China), Birmingham (United Kingdom) and Singapore (Singapore), Jungheinrich can guarantee the best possible global supply of spare parts for its after-sales services. Through the joint venture TREX.PARTS GmbH & Co. KG, Jungheinrich is tapping into additional market potential in the spare parts market. The company offers a comprehensive product range with original manufacturer spare parts and alternative parts of original equipment quality or comparable quality.

In North America, Jungheinrich cooperates with Mitsubishi Caterpillar Forklift America Inc., a sales partner with a comprehensive dealership footprint. A joint venture is focused on direct sales of automated guided vehicles in North America (MCJ Supply Chain Solutions LLC, Houston). In China, Jungheinrich serves the metropolitan regions of Shanghai, Changzhou, Guangzhou and Tianjin through a joint venture with Anhui Heli Co. Ltd., leasing material handling equipment via four subsidiaries. Jungheinrich covers almost all demand for electric motors in a joint venture with another manufacturer of material handling equipment in Moravany (Czechia) and Putian (China).

Jungheinrich has established a global direct sales and service network with locations in 40 countries to offer the best-possible customer service. The Jungheinrich Group is also represented in approximately 80 other countries through partner companies. The Group's core market is Europe, where 87 per cent of Group revenue is generated. Of the European revenue, 27 per cent is generated in Germany.

BUSINESS MODEL OF JUNGHEINRICH



Organisation and Group management

Jungheinrich AG controls the Group centrally and cross-functionally as a management holding company. It assumes key Group-wide functions such as Corporate Finance, Corporate Controlling, Corporate Communications, Corporate Legal Affairs & Insurances, Corporate Accounting and Corporate Compliance, and Audit & Data Protection. There was a personnel increase in the Corporate HR and Corporate IT Processes & Systems departments as part of the implementation of Strategy 2025+. The Corporate Sustainability Health & Safety department was also restructured and more capacity added, while the Corporate Finance department gained more M&A expertise.

The Board of Management is responsible for the Group's strategic management and operational leadership. This includes determining and monitoring company targets, taking responsibility for leadership, management and controlling processes – including risk and opportunity management – and resource allocation. The key figures and reports regularly presented to the entire Board of Management are based on Group-wide, economic performance parameters.

The advisory and supervisory body for the Board of Management is the Supervisory Board, which consists of twelve people, pursuant to the requirements of the German Co-Determination Act. There are an equal number of shareholder representatives and employee representatives on the Supervisory Board.

As the parent company, Jungheinrich AG holds shares directly and indirectly in both domestic and foreign subsidiaries. The managing directors of the subsidiaries are responsible for operations and economic performance in the local markets. The companies receive support from the management of the holding company, but are independent from a legal perspective. The consolidated financial statements cover 93 fully consolidated companies – including Jungheinrich AG. The complete shareholdings in Jungheinrich AG can be found in the notes to the consolidated financial statements [page 144 ff.].

Important key performance indicators

The Jungheinrich Group uses selected key figures to determine budget targets as well as medium- and long-term company targets. The Board of Management considers key financial indicators predominantly in order to manage the Group. Net debt/net credit and return on capital employed (ROCE) are used for management purposes, in addition to incoming orders and revenue, earnings before interest and taxes (EBIT) or EBIT return on sales (EBIT ROS) and earnings before taxes (EBT) or EBT return on sales (EBT ROS). Another performance parameter is that ratio of trucks equipped with lithium-ion batteries.

Net debt/net credit consists of financial liabilities less cash and cash equivalents and securities. Financial liabilities include liabilities due to banks, promissory notes, liabilities from financing trucks for short-term rental, lease liabilities and notes payable, but not liabilities from financial services.

Net debt/net credit will be reported for the last time as a performance parameter in the 2021 annual financial statements. As this figure will no longer be used internally for management purposes from the beginning of the 2022 financial year, it will not be included in the forecast for the 2022 financial year. As part of Strategy 2025+, we plan to use a cash flow-based figure for management purposes. We are currently working on a final definition for the new cash flow-based performance parameter and will implement this in the 2022 reporting year. The definition, calculation methodology, and actual and target figures will be appear in the interim report as of 30 June 2022 for the first time.

The previously used figure return on capital employed (ROCE), which was based on interest-bearing capital employed in Group assets, was replaced by EBIT return on capital employed (ROCE new), which is based on the figures from the "Intralogistics" segment, on 30 June 2021. The old figure will be reported for the last time in statements as at 31 December 2021. The main reason for introducing this figure is that it allows better management of the operating units in the Jungheinrich Group in comparison with the previously reported EBIT return on capital employed (ROCE) by drawing on EBIT and the "Intralogistics" segment's capital employed in addition to measuring operating returns at Group level. The new key figure was used and reported for the first time in the first half of 2021 to evaluate to what extent annual planning for the 2021 financial year as well as medium-term corporate goals have been achieved. ROCE new is also one of the figures used for calculating long-term variable remuneration for the Board of Management.

The financial key figure ROCE new represents the rate of return based on the EBIT generated in the "Intralogistics" segment in relation to the capital employed that can be attributed to this segment. This means returns can be determined regardless of whether a customer has financing from the Jungheinrich Group's "Financial Services" segment. Capital employed is calculated from fixed assets (without trucks for short-term rental and trucks for lease) plus trucks for short-term rental and working capital less other provisions. Working capital includes inventories as well as trade accounts receivable and contract assets less trade accounts payable and contract liabilities. The average of capital employed is calculated by including the figures as at the balance sheet date of the current quarter and the three quarters before this balance sheet date in order to prevent fluctuations in the capital employed on the balance sheet date. For interim reporting, the EBIT of the period is annualised and viewed in relation to the average capital employed.

The figure will be regularly reported and monitored to manage the business units assigned to the "Intralogistics" segment. ROCE is not reported for the "Financial Services" segment as the EBIT return on capital employed (ROCE) is not a control parameter for this segment.

ROCE, reported for the last time in the current reporting year, is the parameter for measuring the profitability of capital employed. This figure is determined by the ratio of EBIT to interest-bearing capital (as at the balance sheet date). Interest-bearing capital consists of shareholders' equity, financial liabilities (excluding liabilities from financial services), provisions for pensions and similar obligations and non-current personnel provisions less cash and cash equivalents and securities.

In addition to the ROCE new financial key figure, the equipment ratio of trucks with lithium-ion batteries as part of both the short-term and long-term variable remuneration of the Board of Management is also a new material non-financial control parameter for the Jungheinrich Group from the reporting year. It symbolises the company's commitment to sustainability and is an integral part of the Group strategy. It is also one of the central targets of Strategy 2025+. The equipment ratio of lithium-ion batteries is calculated from the ratio of incoming orders for lithium-ion battery-powered trucks (units; excluding purchased electric trucks with built-in batteries) to incoming orders for battery-powered trucks, regardless of type of battery (units; excluding purchased electric trucks with built-in battery).

The Board of Management follows developments in the figures indicated above as part of the regular reporting process. Where necessary, appropriate measures are launched and significant deviations analysed based on constant monitoring of target and actual figures.

Changes in various early indicators are monitored and evaluated in order to recognise possible future developments within the company in good time and to maintain a basis on which to base business policy decisions. These are primarily prognoses from economic experts on developments in gross domestic product in Jungheinrich's core markets, indices for evaluating the economic situation in the sector, and continual monitoring of incoming orders and orders on hand.

Supply chains successfully secured, despite extreme materials shortages
As in the previous year, the coronavirus pandemic had a significant impact on global supply chains in 2021. We continued to put a great amount of effort into securing materials for Jungheinrich. Due to the global interconnections in supply chains, the effects of the supply bottlenecks spread throughout the entire supplier and materials portfolio, as well as the associated logistics capacities. The task forces formed in 2020 have come to play a vital role in securing supplies. Supply range, capacity, delivery times and delivery routes are monitored on a daily basis through consistent supplier risk management, which includes sub-suppliers. Depending on current infection rates, the infection rates within critical suppliers' workforces were also included in supplier management. In addition to these preventative measures, we also pushed forward with setting up alternative supplier and materials portfolios and far-reaching support materials purchases were made and different types of transport used. Stability in transport logistics and parts supply for production was upheld throughout the 2021 financial year with this comprehensive procurement market and supplier management. The tense situation on the market, however, has led to considerable increases in material prices and logistics costs.

In the 2021 financial year, the purchasing volume at the Jungheinrich Group rose to €2,597 million following €1,992 million in the previous year. The sharp rise in demand for material handling equipment and the associated increase in incoming orders over the course of the year had an effect on the number of units produced. In addition to the previously mentioned price increases in materials and logistics, this also led to a higher procurement volume for production materials and project orders as well as all directly and indirectly related services.

The purchasing volume can generally be divided into:
– Production materials, including post-production materials
– Indirect materials and services
– Merchandise

BREAKDOWN OF PURCHASING VOLUME IN 2021

in € million	2021	2020	Change %
Production materials	1,178	865	36.2
Indirect materials and services	748	619	20.8
Merchandise	670	508	31.9
Total	**2,597**	**1,992**	**30.4**

Table contains rounding differences.

Once again, in the reporting year, around 90 per cent of the Group's purchasing volume, which was higher than in the 2020 financial year, was attributable to Europe as a result of Jungheinrich's strong presence in this market and the production plants being primarily located in Germany.

The top-selling commodity groups were batteries, warehouse equipment, steel components, logistics services and electric drive trains.

Research and development
The main research and development (R&D) activities in the 2021 financial year focussed on the further development of efficient lithium-ion technology-based energy storage systems, the associated improvements in terms of constructing new material handling equipment and digital products. In addition, the automation of material handling equipment and the optimisation of automated systems were another development focus.

RESEARCH AND DEVELOPMENT EXPENDITURE

in € million

R&D expenditure consists primarily of internal services. Including the use of third-party services, it stood at €102 million in the Group, 15 per cent higher than in the previous year (€89 million). This represents 2.4 per cent (previous year: 2.3 per cent) of Group revenue. The capitalisation ratio represented 18 per cent of Group revenue, remaining largely on a par with the previous year's figure (17 per cent). Depreciation, amortisation and impairment losses on capitalised development expenditure were immaterial in the reporting year, while impairment losses in the amount of €22 million were recorded in the previous year.

R&D received a personnel boost in the reporting year; the number of employees involved in development projects across the Group stood at an average of 661 in the reporting period (previous year: 629). Jungheinrich AG, which is responsible for Group-wide basic and product development, accounted for 97 (previous year: 95).

RESEARCH AND DEVELOPMENT

in € million	2021	2020	Change %
Total R&D expenditure	102	89	14.6
thereof capitalised development expenditure	18	15	20.0
Capitalisation ratio	18%	17%	–
Depreciation, amortisation and impairment losses on capitalised development expenditure	11	33	–66.7
R&D costs (statement of profit or loss)	95	107	–11.2
Total R&D expenditure/Group revenue	2.4%	2.3%	–
Average number of R&D employees (FTE)	661	629	5.1
Number of patent applications	96	89	7.9
Number of patents granted	104	111	–6.3

STRATEGY 2025+

With the aim of creating sustainable value for all stakeholders, Jungheinrich has been consistently implementing its corporate strategy 2025+ since autumn 2020. Within the framework of the six fields of action – automation, digitalisation, energy systems, efficiency, global footprint and sustainability – numerous projects were initiated, developed and implemented across the world in 2021.

The focal areas for the ongoing successful implementation of the strategy in the 2021 financial year are the following:

Central targets adjusted
The Strategy 2025+ targets were checked against current market and business developments over the course of 2021 and adjusted for the coming years.

We expect Group revenue to grow organically to €5.5 billion by 2025 and EBIT return on sales (EBIT ROS) to come in between 8 per cent and 10 per cent. We are striving for a share of revenue from outside of Europe of 20 per cent. The ROCE new key performance indicator introduced on 30 June 2021 is expected to be between 21 per cent and 25 per cent. In 2025, we want to achieve an equipment ratio with lithium-ion batteries of 70 per cent for our trucks. Employee productivity measured by EBIT per employee is to be about €23,000 and the proportion of female managers is to be increased to 18 per cent. Jungheinrich also intends to become climate neutral over the medium to long term. This target is a permanent and important element of our Group's system for key performance indicators.

The guideline for our R&D ratio as well as for the capital expenditure rate until 2025 is an order magnitude of 2.5 per cent of Group revenue annually.

Significant acquisitions and product innovations in automation
Automation is key to the future growth of Jungheinrich. Technologies and products related to mobile robots (automated guided vehicles – AGV, autonomous mobile robots – AMR), automated warehouse systems and software are the focus of the business activities with which we intend to expand and boost our portfolio in this area. This led to us acquiring the technology company arculus GmbH (arculus), Munich, in the fourth quarter of 2021. arculus specialises in hardware and software and focuses on AMR and software solutions for mobile automation. arculus' customer base includes well-known industrial customers.

The takeover of arculus is an important step in the implementation of our corporate strategy 2025+. One of the important areas of application – goods-to-person order picking – has recorded ongoing strong growth, not least because of the ever-increasing amount of e-commerce. arculus contributes to expanding Jungheinrich's portfolio of solutions to include AMR and advanced software solutions. With arculus's software management system, AMR/AGV fleets from any manufacturer can be operated with the VDA5050 interface. Based on the existing automation programmes, we intend to generate strong growth synergies with arculus, and tap into the considerable potential in automated warehouse logistics as a one-stop shop. And we have already gained our first customer, Prodrive Technologies, with this strategy in 2021.

Jungheinrich invested in Magazino in 2020 and agreed on a strategic collaboration in the field of mobile robots. Magazino is a technology company developing and building intelligent mobile robots that can process their surroundings and make decisions independently. We continued developing this collaboration further in the 2021 financial year.

With regard to implementing our strategic targets for automation, the variety of application areas in the field of mobile robots and the enormous development momentum is key.

We have also brought a product innovation to the market in the growth field of automated vehicles in the reporting year (EKS 215a). We designed a fully integrated AGV from scratch for the first time. Previously, we had offered such vehicles as automated versions of traditional series-produced trucks.

Digitalisation advancing with hybrid cloud and expansion of digital fleet-management system
Our strategy involves digitalising our own business processes as well as our customers' intralogistics processes and our interfaces with these processes in order to generate the basis for new products and business models.

With our new IT plant, we have laid the foundation for a hybrid cloud that will connect people, machines and software around the world. Short IT solution lead times mean digital transformation and new value-adding business models are made possible for us and our customers with the highest security. The aim of the global renovation of our IT network is to provide future-proof, safe and fast connectivity through modern communications methods for us internally as well as to our customers and suppliers.

We continued investing in the digital fleet management system "Jungheinrich FMS", our cloud-based telematics platform, in 2021, focussing on the migration of key customers' fleets to the new FMS system. The central, digital management of customer fleets, access management, detailed evaluation of operating hours and costs, and detailed recording of shocks provide significant advantages in resource scheduling, maintenance and the availability of trucks. Our new modules are designed to help our customers advance productivity and also offer a high level of user-friendliness and proactive management of critical situations. The new and improved digital system is now available in 14 countries and is being rolled out further.

New generation of trucks underscores Jungheinrich's core skill in energy systems
Electric mobility is one of Jungheinrich's core skills. In 2011, we became the first to launch a series-produced truck with a lithium-ion battery on the market. We are expanding our solid position when it comes to energy storage systems as part of Strategy 2025+ for this technology in our industry. Our new generation of trucks with integrated lithium-ion batteries are a vital component in the strategic direction we are taking.

In 2021, we brought two new truck innovations featuring the new battery concept to the market. The most significant aspect is that both battery-powered ride-on/pedestrian pallet trucks (ERE 225i, ERD 220i) are significantly shorter than predecessor models thanks to the integrated battery. This makes the trucks especially manoeuvrable and allows for precision even in the narrowest spaces resulting in efficiency gains for our customers.

We also continued to push forward with our strategic objective of bringing our energy expertise to industries beyond warehouse logistics in the reporting year. We recorded a rising number of customers for comprehensive energy solutions in series production and projects in new application areas (Jungheinrich Powertrain Solutions).

Improved efficiency with new production plants and DEEP programme
We expect demand for our material handling equipment to continue climbing sharply. We are therefore expanding our production network with a new plant for manufacturing reach trucks in particular. The production plant is a central component needed to reach the growth targets of Strategy 2025+ and to increase both our efficiency and profitability. This plant is scheduled to begin operations in the second half of 2023. The project budget for the new location amounts to approximately €60 million. The reason for choosing the Chomutov site in Czechia is its location at the heart of Europe and excellent logistical connections resulting from it. The current reach truck manufacturing in Norderstedt will be gradually transferred to the new location in Chomutov from 2023. The available capacities in Norderstedt will then be used to also enable further growth here.

As part of the DEEP programme (digital end-to-end processes), which aims to further the digital transformation and increase Group efficiency, the situation analysis including defining the IT target architecture was completed in 2021. We also redesigned the Group management system accordingly. Projects, in particular the setting up of a new ERP system, have been launched to increase customer centricity in the DEEP programme.

Global footprint while staying close to customers remains core goal
Local presence and proximity to customers in an international network is one of the factors for the success of our business model. We are especially aiming to grow more rapidly in North America and Asia through acquisitions and/or strategic partnerships.

Sustainability is in our DNA
As part of a global society, Jungheinrich is aware of its responsibility and contributes to the sustainable development of society. The targets and standards for this sustainable action throughout the whole company are defined in our sustainability strategy. The sustainability strategy also ensures adherence to all legal sustainability requirements, including the act on corporate due diligence in the supply chain. We aim to be our customers' partner of choice when it comes to sustainable products, services and intralogistics solutions.

We continued working on a number of projects and initiatives already underway in 2021, such as completing the switchover to green electricity at all German Jungheinrich locations in the first quarter of 2021; other branches in Europe and the rest of the world will follow. We have also begun producing our own solar power, at our headquarters in Hamburg for instance, and we intend to gradually equip all suitable locations with photovoltaics in the future.

The external evaluations of our sustainability activities have also improved. The progress we are making is clear from external ratings such as the EcoVadis sustainability rating. Once a year, participating companies are evaluated in the categories environment, labour and human rights, ethics, and sustainable procurement. Jungheinrich received the EcoVadis platinum rating, the highest rating, for the first time in 2021. We also received our first rating from CDP (formerly "Carbon Disclosure Project") for our commitment to measures to fight climate change in 2021. Jungheinrich was immediately placed in the second highest (B–) of four levels. Jungheinrich also committed to align its targets for reducing greenhouse gas emissions with the standards of the Science Based Targets initiative (SBTi) to restrict global warming to 1.5° Celsius in 2021. Since the climate conference in Paris in 2015, virtually all countries, including the European Union, have now agreed to work towards this goal. The SBTi is the equivalent for companies. In line with the initiative's standards, we will create and implement a plan with specific individual measures over the next two years.

We provide extensive information regarding our sustainability activities in the combined separate non-financial report in accordance with the CSR Directive Implementation Act in this annual report [page 12 ff.].

ECONOMIC REPORT

ECONOMIC AND SECTOR ENVIRONMENT

The regional focus of Jungheinrich's activities lies in Europe. Around 30 per cent of the global demand for material handling equipment originated in Europe in 2021. Outside Europe, the focus is on North America and Asia. Each country's gross domestic product (GDP) as an economic indicator is key to evaluating business developments in these regions.

Global economy recovers in 2021
The recession trend dominating in the previous year came to an end in 2021 with targeted intervention from central banks in the form of expansive monetary policies, far-reaching regional aid packages and vaccination campaigns to halt the pandemic. The global economy showed a clear recovery in the reporting year, supported by all of the nations and regions listed below. China and the USA recorded the strongest growth in the reporting year.

GROWTH RATES FOR SELECTED ECONOMIC REGIONS

Gross domestic product in %	2021	2020
World	5.9	–3.1
USA	5.6	–3.4
China	8.1	2.3
Eurozone	5.2	–6.4
Germany	2.7	–4.6

Source: International Monetary Fund (estimates as of 25 January 2022, with updated figures from previous years in comparison with combined management report 2020).

The Eurozone also recorded solid GDP growth in the reporting year of 5.2 per cent, following a clear contraction of –6.4 per cent in the previous year. The export-oriented German economy recovered noticeably from the economic decline of 4.6 per cent in the previous year and recorded GDP growth of 2.7 per cent in 2021. Based on a sharp drop in GDP of 8.0 per cent in the previous year, the French economy recorded economic growth of 6.7 per cent in the reporting year. The Italian economy gained 6.2 per cent, following an 8.9 per cent contraction in the previous year. Developments in the UK economy were largely in line with this, shrinking 9.4 per cent in the previous year and growing 7.2 per cent in 2021. Jungheinrich generates approximately half of its Group revenue in the four countries mentioned above. Russia's economic output rose by 4.5 per cent in 2021, after falling 2.7 per cent in 2020. GDP rose by 5.4 per cent in Poland in the reporting year. There, too, a 2.5 per cent decline was recorded in the previous year. Russia and Poland are also important markets for Jungheinrich.

Material handling equipment market shows strong growth
The global market volume for material handling equipment grew significantly in 2021 against the previous year, with all regions contributing to this growth. Around half of all demand for products was for warehousing equipment. Orders in Europe also rose noticeably in the reporting year, primarily driven by demand for warehousing equipment.

Germany, France, Italy and the United Kingdom were the largest markets in Western Europe, based on unit numbers. The largest market in Eastern Europe was Russia, followed by Poland and Czechia.

STATEMENT FROM THE BOARD OF MANAGEMENT AND TARGET ACHIEVEMENT

The Jungheinrich AG Board of Management is very satisfied with the course of business in the 2021 financial year. Despite ongoing restrictions in business activities and challenges posed to supply chains by the coronavirus pandemic, incoming orders and revenue rose more sharply than forecast in 2021 in the Jungheinrich Group. The forecast target ranges for incoming orders and revenue, which had already been corrected upwards during the year due to continuing strong demand for Jungheinrich products and services, were exceeded. The target ranges for EBIT and EBIT ROS and EBT and EBT ROS, which were also raised twice during the year, were achieved. A number of targets for sustainable, profitable growth were set in 2021, and it was the most successful year in the company's history.

Despite great uncertainty in supply chains, Jungheinrich forecast a clear increase in incoming orders, revenue, EBIT and EBIT ROS, and EBT and EBT ROS for 2021 with the publication of the 2020 annual report on 26 March 2021. The forecast was based on the expectation that the market for material handling equipment would develop well, especially in Europe. Due to the very strong incoming order position in the first quarter of 2021 and anticipated high demand for the rest of the year, we raised the forecast for 2021 and published this in an ad hoc announcement on 22 April 2021. In another ad hoc announcement on 25 October 2021, we raised the forecast ranges for incoming orders, EBIT, EBIT ROS, EBT, EBT ROS and ROCE once more due to ongoing solid demand and targeted, successful supply chain management which helped us largely avoid production standstills and keep cost increases lower thanks to efficiency measures and appropriate pricing measures.

The value of incoming orders rose to €4,868 million in the 2021 financial year. As a result of the sufficiently positive demand, particularly in Europe, into the fourth quarter of 2021,this figure was slightly above the forecast range (€4.6 billion to €4.8 billion). Group revenue came to €4,240 million, also slightly exceeding the forecast range (€4.0 billion to €4.2 billion).

EBIT climbed considerably in the 2021 financial year to €360 million, putting it in the upper half of the range aimed for (€340 million to €370 million). With higher overall capacity utilisation than in the previous year and further efficiency improvements, EBIT ROS also exceeded the prior-year figure considerably. It climbed to 8.5 per cent, coming in at the bottom of the forecast range (8.5 per cent to 8.8 per cent), which had already been raised several times during the year.

EBT of €349 million was at the upper end of the expected forecast range (€325 million to €355 million). The EBT ROS amounted to 8.2 per cent and was therefore within the anticipated range (8.1 per cent to 8.5 per cent).

Significantly higher demand led to a noticeable increase in trucks for short-term rental being added to fixed assets in 2021. Inventories were also enlarged in order to secure our ability to make deliveries into 2022 and mitigate the risks of delivery disruptions. Net credit thus stood at €222 million as at 31 December 2021, below the forecast figure (net credit significantly above €300 million).

Due to capital expenditure, additions of trucks for short-term rental to fixed assets and the increase in working capital resulting from inventory expansion, ROCE new (capital employed intralogistics, control parameter from 30 June 2021) came to 20.2 per cent, almost exactly in the middle of the forecast range (19 per cent to 22 per cent).

ROCE (control parameter used until 30 June 2021) was slightly above the prior-year figure at 19.8 per cent due to the significant increase in EBIT and a comparatively moderate rise in interest-bearing capital, but still below the anticipated range (20 per cent to 23 per cent).

TARGET-TO-ACTUAL COMPARISON

		Forecast			2021 actual
		March 2021[1]	April 2021[2]	October 2021[3]	
Incoming orders	in € billion	3.9 to 4.1	4.2 to 4.5	4.6 to 4.8	4.87
Revenue	in € billion	3.9 to 4.1	4.0 to 4.2		4.24
EBIT	in € million	260 to 310	300 to 350	340 to 370	360
EBIT ROS	in %	6.7 to 7.6	7.5 to 8.3	8.5 to 8.8	8.5
EBT	in € million	240 to 290	280 to 330	325 to 355	349
EBT ROS	in %	6.2 to 7.1	7.0 to 7.9	8.1 to 8.5	8.2
Net credit	in € million	significantly > 200	significantly > 300		222
EBIT return on capital employed Intralogistics (ROCE new)	in %	–	17 to 21	19 to 22	20.2
ROCE	in %	14 to 18	17 to 21	20 to 23	19.8

1 Annual Report 2020.
2 Ad hoc release from 22 April 2021 and interim report as of 30 June 2021.
3 Ad hoc release from 25 October 2021 and interim report as of 30 September 2021.

BUSINESS TREND AND EARNINGS POSITION

Solid rise in incoming orders reflects positive market development, especially in Europe

At 162 thousand units, incoming orders in the new truck business, based on units, which includes orders for both new forklifts and short-term rental trucks, rose by 46 per cent (previous year: 111 thousand trucks). The value of incoming orders, which covers the new truck business[1], short-term rental, used equipment and after-sales services business fields, also exceeded the previous year's figure at €4,868 million (€3,777 million) by a clear 29 per cent. The steep rise reflects the very positive market development, particularly in Europe.

Orders on hand in the new truck business amounted to €1,519 million as of 31 December 2021 (previous year: €821 million). The reasons for this very significant build-up were the strong demand for material handling equipment, the increase in project orders for automated systems and the partially restricted availability of production materials for further processing.

INCOMING ORDERS

Revenue growth held back by materials supply issues

Group revenue exceeded the previous year's figure (€3,809 million) by 11 per cent or €431 million and amounted to €4,240 million. As in the previous year, Europe accounted for 87 per cent of revenue. In Europe, revenue in Germany, France and the United Kingdom climbed in particular. Foreign revenue increased by 12 per cent to €3,226 million (previous year: €2,892 million). As in 2020, the foreign ratio stood at 76 per cent.

Revenue generated outside of Europe amounted to €556 million (previous year: €491 million). This corresponds to a 13 per cent increase and a Group revenue share of 13 per cent, as in the previous year.

REVENUE IN 2021 BY REGION

in € million	2021	2020	Change %
Germany	1,014	917	10.6
Western Europe	1,963	1,778	10.4
Eastern Europe	707	623	13.5
Other countries	556	491	13.2
Total	**4,240**	**3,809**	**11.3**

The main driver of the increase in Group revenue was the new truck business with revenue growth of €312 million. This growth in revenue in the new truck business was primarily caused by the higher demand and a corresponding significant increase in production volume of new trucks as well as solid growth in project orders for automated systems. Revenue in the short-term rental and used equipment business also increased and amounted to €639 million (previous year: €606 million). This development largely resulted from an increase in demand for trucks for short-term rental. After sales grew noticeably with revenue amounting to €1,190 million in the reporting period (previous year: €1,095 million). The after-sales services share of Group revenue amounted to 28 per cent (previous year: 29 per cent). Revenue in the financial service business remained roughly on a par with the previous year in the reporting year at €1,132 million (€1,121 million).

1 New truck business consists of material handling equipment, automated systems and warehouse equipment, stacker cranes and load handling equipment, factory and office equipment, energy solutions and digital products.

BREAKDOWN OF REVENUE

in € million	2021	2020	Change %
New truck business	2,422	2,110	14.8
Short-term rental and used equipment	639	606	5.4
After-sales services	1,190	1,095	8.7
“Intralogistics” segment	**4,251**	**3,811**	**11.5**
“Financial Services” segment	**1,132**	**1,121**	**1.0**
Reconciliation	–1,143	–1,123	1.8
Jungheinrich Group	**4,240**	**3,809**	**11.3**

Improvement in gross profit primarily result of higher plant capacity utilisation
Gross profit on sales increased by €176 million to €1,323 million (previous year: €1,147 million). This position primarily benefited in the reporting period from higher capacity utilisation at the plants in comparison with the previous year. Gross profit also included expenses for additions to provisions for battery disposal costs and warranty obligations in the medium double-digit million euro range, which reduced the improvement. The gross margin rose from 30.1 per cent in the same period of the previous year to 31.2 per cent.

COST STRUCTURE (STATEMENT OF PROFIT OR LOSS)

in € million	2021	2020	Change %
Cost of sales	2,916	2,662	9.5
Gross profit	1,323	1,147	15.3
Selling expenses	741	698	6.2
R&D costs	95	107	–11.2
General administrative expenses	136	121	12.4

The increase in selling expenses was disproportionately lower than revenue growth. This was partially the result of the lower increase in personnel expenses. The previous year also included impairment losses on acquired intangible assets in the amount of €17 million. Following 18.3 per cent in the previous year, selling expenses represented 17.5 per cent of Group revenue.

Research and development costs fell significantly by €12 million to €95 million in the reporting period (previous year: €107 million). A low level of impairment losses on capitalised development expenditure was recorded, whereas in the previous year impairment losses of €22 million were recorded.

Administrative expenses represented 3.2 per cent of Group revenue, remaining on a par with the prior-year figure (3.2 per cent). Expenses associated with strategic projects on ongoing process optimisation, efficiency optimisation and digitalisation projects also climbed significantly against the previous year.

Other operating expenses decreased noticeably from €15 million in the previous year to €2 million in the reporting year. This position did not include expenses from goodwill impairment, while expenses from goodwill impairment amounted to €10 million in the previous year.

EARNINGS BEFORE INTEREST AND TAXES

in € million

Exceptional increase in EBIT
At €360 million, EBIT exceeded the previous year’s level (€218 million) by €142 million, or 65 per cent. At 8.5 per cent, EBIT ROS was also significantly above the previous year’s level (5.7 per cent). With a considerably higher EBIT and a comparatively moderate increase in interest-bearing capital, ROCE came in clearly above the previous year’s figure at 19.8 per cent (previous year: 13.5 per cent). ROCE new came to 20.2 per cent, primarily due to the high rise in EBIT (previous year: 10.8 per cent).

CALCULATING CAPITAL EMPLOYED AND ROCE NEW

in € million	2021	2020
Fixed assets (without trucks for short-term rental and trucks for lease)	1,001.7	918.3
+ trucks for short-term rental	362.9	288.9
+ working capital (inventories + trade accounts receivable and contract assets – trade accounts payable – contract liabilities)	794.7	706.1
./. Other provisions	–377.8	–302.4
= Capital employed in “Intralogistics” segment	1,781.4	1,611.0
Average capital employed in “Intralogistics” segment	1,644.2[1]	1,721.5[2]
EBIT in “Intralogistics” segment	332.7	185.4
ROCE new in %	20.2	10.8

Table contains rounding differences.
1 Calculation of average capital employed in 2021: the capital employed amounted to €1,622.8 million as at 30 September 2021, €1,604.6 million as at 30 June 2021 and €1,567.8 million as at 31 March 2021.
2 Calculation of average capital employed in 2020: the capital employed amounted to €1,664.1 million as at 30 September 2020, €1,803.8 million as at 30 June 2020 and €1,806.9 million as at 31 March 2020.

Financial income came to €–11 million (previous year: €–18 million). A significant increase in income from the evaluation securities and derivatives held in special funds was recorded in the reporting year, and interest expenses were reduced due to the lower utilisation of loans. This led to an even sharper increase in EBT than in EBIT, with EBT increasing 75 per cent against the previous year (€200 million) to €349 million. EBT return on sales amounted to 8.2 per cent (previous year: 5.3 per cent).

PROFIT OR LOSS

in € million

Income tax liabilities rose to €82 million as a result of the significant rise in EBT (previous year: €49 million). The Group tax rate amounted to 23 per cent following 25 per cent in the previous year. The lower tax rate in the reporting year was largely related to the use of tax loss carryforwards. Profit or loss rose to €267 million (previous year: €151 million), and the earnings per preferred share (based on share of earnings attributable to the shareholders of Jungheinrich AG) accordingly came to €2.62 (previous year: €1.49).

Dividend rises to a historic high

The Jungheinrich AG Board of Management will propose a dividend of €0.66 (previous year: €0.41) per ordinary share and €0.68 (previous year: €0.43) per preferred share at the Annual General Meeting on 10 May 2022. This equates to an increase of 61 per cent and 58 per cent compared with the previous year and means that the dividend will also rise to a historic high. This dividend proposal will result in a total payout of €68 million (previous year: €43 million). The payment ratio of 26 per cent (previous year: 28 per cent) is in the company's target range of paying between 25 per cent and 30 per cent of profit to shareholders. Jungheinrich follows a policy of consistent dividend payments.

FINANCIAL AND ASSET POSITION

Principles and targets of financial management

The parent company, Jungheinrich AG, is responsible for the Group's financial management. It ensures that sufficient financial resources are available to cover strategic and operational financial requirements.

The Group treasury is primarily responsible for cash and currency management. It aims to provide Group companies with financial resources at the best interest and currency conditions, and to control cash flows. All financing possibilities provided by international money and capital markets are exploited in order to procure the short, medium and long-term financial resources that are required.

Ensuring that the Group has sufficient liquidity reserves is particularly important so that the Group is able, even in economically difficult times, to implement all necessary strategic measures and guarantee financial independence.

The Group takes a conservative approach to investing in order to ensure sufficient liquidity. The objective is not to maximise profit, but – considering current conditions in the international money and capital markets – to preserve assets.

A central working capital management system is in place to strengthen internal financing that stipulates the optimisation and standardisation of material processes and systems.

Capital requirements are covered through operating cash flows and short and long-term financing. As of 31 December 2021, the medium-term credit agreements in place amounted to €300 million. These were supplemented by short-term credit lines of €177 million. They largely comprise the bilateral credit lines of individual foreign subsidiaries. Both the medium-term credit agreements and short-term credit lines were only used to a small extent. In addition, separate guarantee facilities and credit lines are available for financing the short-term rental fleet. Following the repayment of tranches in the total amount of €127 million, promissory notes amounting to €73 million remain. Credit or promissory note agreements do not contain financial covenants. Jungheinrich maintains a solid liquidity reserve.

Strong financial position and capital structure

At €754 million at the end of 2021, cash and cash equivalents and securities were €227 million below the prior-year figure (€981 million). A considerable amount of cash and cash equivalents were used to repay medium- and long-term loans and promissory notes. As of 31 December 2021, net credit therefore stood at €222 million (previous year: €194 million). The slight increase of €28 million was due firstly to an increase in cash flows from profit or loss plus depreciation, amortisation and impairment losses, and secondly the additions to working capital and the short-term rental fleet.

SHAREHOLDERS' EQUITY

EQUITY RATIO

CAPITAL STRUCTURE

in € million	31/12/2021	31/12/2020	Change %
Shareholders' equity	**1,803**	**1,546**	**16.6**
Non-current liabilities	**1,982**	**2,181**	**–9.1**
Provisions for pensions and similar obligations	228	240	–5.0
Financial liabilities	282	510	–44.7
Liabilities from financial services	1,344	1,299	3.5
Other liabilities	128	132	–3.0
Current liabilities	**1,985**	**1,684**	**17.9**
Other provisions	287	244	17.6
Financial liabilities	250	277	–9.7
Liabilities from financial services	552	504	9.5
Trade accounts payable	533	384	38.8
Other liabilities	363	275	32.0
Balance sheet total	**5,769**	**5,411**	**6.6**

Profit or loss was the main influencing factor in the €257 million higher shareholders' equity in the reporting period. The dividend payment of €43 million (previous year: €48 million) was offset by income outside of profit or loss from currency translation and the measurement of pension obligations. The equity ratio thus rose slightly to 31 per cent (previous year: 29 per cent). Adjusted for all effects from the "Financial Services" segment, the shareholder's equity for "Intralogistics" amounted to 48 per cent (previous year: 45 per cent).

Provisions for pensions and similar obligations declined to €228 million (previous year: €240 million), largely due to the remeasurement of pension obligations in Germany and Switzerland. The Group's non-current and current financial liabilities decreased by €255 million to €532 million (previous year: €787 million), largely as a result of the repayment of medium- and long-term loans and promissory notes and financing for short-term rental fleets in individual European countries. Non-current and current liabilities from financial services of €1,896 million were up by €93 million on the 31 December 2020 figure (€1,803 million) due to of the increase in new contracts.

Other current provisions increased by €43 million to €287 million compared to the previous year (€244 million). The increase resulted primarily from the rise in provisions for warranty obligations and personnel. Trade accounts payable rose noticeably due partly to the expansion of measures to hedge risks in material orders to €533 million (previous year: €384 million). Other current and non-current liabilities decreased by €84 million to €491 million, primarily due to the considerably higher volume of payments received on account of orders (previous year: €407 million).

STATEMENT OF CASH FLOWS[1]

in € million	2021	2020
Profit or loss	267	151
Depreciation, amortisation and impairment losses	377	433
Changes in trucks for short-term rental and trucks for lease (excluding depreciation) and receivables from financial services	–351	–254
Changes in liabilities from financing trucks for short-term rental and financial services	38	52
Changes in working capital	–81	110
Other changes	1	59
Cash flows from operating activities	**251**	**551**
Cash flows from investing activities[2]	**–163**	**–102**
Cash flows from financing activities	**–322**	**–57**
Net cash changes in cash and cash equivalents[2]	**–234**	**392**

1 Exchange rate effects were eliminated in the cash flow statement. The changes in balance sheet items shown there cannot therefore be reproduced in the statement of financial position.
2 Excluding the balance of payments for the purchase/proceeds from the sale of securities and payments for time deposits and proceeds from time deposits totalling €48 million (previous year: €–124 million).

Cash flow from operating activities reflects necessary increase in working capital

Cash flow from operating activities reached €251 million for the reporting year, a decrease of €300 million, a significant drop compared with the previous year (€551 million). This decrease was due to the increase in working capital as a result of the build-up of inventories. Cash flow from operating activities contained an additional negative impact of €191 million compared with the previous year as a result. Cash flow was also down by €111 million due to the higher outflows for the addition to trucks for short-term rental and trucks for lease and the development of receivables from financial services and the underlying financing. The €60 million increase in cash flows from profit or loss plus depreciation, amortisation and impairment losses in comparison with the previous year was almost offset in the same amount by lower effects from other changes.

Cash flow from investing activities was adjusted in the statement of cash flows shown above compared to the consolidated financial statements for the payments towards the purchase of and proceeds from the sale of securities and payments for time deposits and proceeds from time deposits totalling €48 million (previous year: €–124 million) that are included in this item. The resulting cash flow from investing activities of €–163 million in the reporting period was €61 million higher than in the same period of the previous year (€–102 million) primarily due to the acquisition of shares in arculus.

Cash flow from financing activities based significantly on loan repayments

Cash flow from financing activities of €–322 million in the reporting year declined significantly by €265 million compared to the previous year (€–57 million). This was due firstly to the repayment of medium- and long-term loans and promissory notes in the amount of €207 million. Secondly, cash flow in the previous year was impacted by an additional long-term loan amounting to €50 million.

Growth-related increase in non-current and current assets

Largely due to the acquisition of arculus, the carrying amounts for intangible assets and property, plant and equipment rose by €78 million from €844 million in the previous year to €922 million as at the balance sheet date.

BALANCE SHEET TOTAL

in € million

ASSET STRUCTURE

in € million	31/12/2021	31/12/2020	Change %
Non-current assets	**3,079**	**2,858**	**7.7**
Intangible assets and property, plant and equipment	922	844	9.2
Trucks for short-term rental and trucks for lease	863	805	7.2
Receivables from financial services	1,036	986	5.1
Other assets (including financial assets)	224	192	16.7
Securities	34	31	9.7
Current assets	**2,690**	**2,553**	**5.4**
Inventories	764	537	42.3
Trade accounts receivable	755	672	12.4
Receivables from financial services	371	341	8.8
Other assets	80	53	50.9
Cash and cash equivalents and securities	720	950	–24.2
Balance sheet total	**5,769**	**5,411**	**6.6**

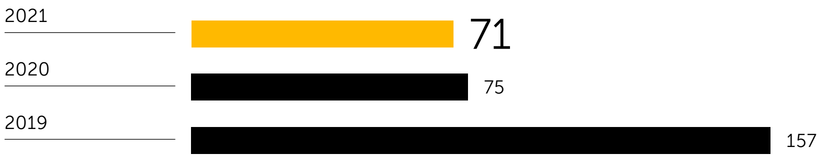
Due to the increase in the number of trucks, the carrying amounts for trucks for short-term rental and trucks for lease increased by €58 million to €863 million (previous year: €805 million). The carrying amounts for trucks for short-term rental amounted to €363 million as at the balance sheet date, following €289 million in the previous year. Trucks for lease from financial services decreased from €516 million in the previous year to €500 million in the year under review. In contrast, non-current and current receivables from financial services were up €80 million on the previous year (€1,327 million) at €1,407 million.

Inventories were up noticeably by €227 million to €764 million (previous year: €537 million) due to an increase in orders to secure deliveries and the increase in inventories for project business. Current trade accounts receivable were up €83 million against the previous year at €755 million due to the larger volume of invoices in the last two months of the reporting period (previous year: €672 million). The increase of €27 million in other current assets from €53 million in the previous year to €80 million in the reporting year was primarily due to an increase in VAT credits and to receivables from suppliers whose increased expenses for electronic components, based on price increases, were assumed as at the balance sheet date. The decrease of €230 million in cash and cash equivalents and current securities as at the balance sheet date to €720 million (previous year: €950 million) was mostly related to the repayment of medium- and long-term loans and promissory notes.

Capital expenditure remains on par with previous year's level
As a result of the ongoing restrained investments in expansion and replacements, the Group's capital expenditure remained on a par with the previous year at €71 million. As at the balance sheet date, investment commitments for property, plant and equipment alone amounted to €16 million. All capital expenditure was financed with the company's own resources.

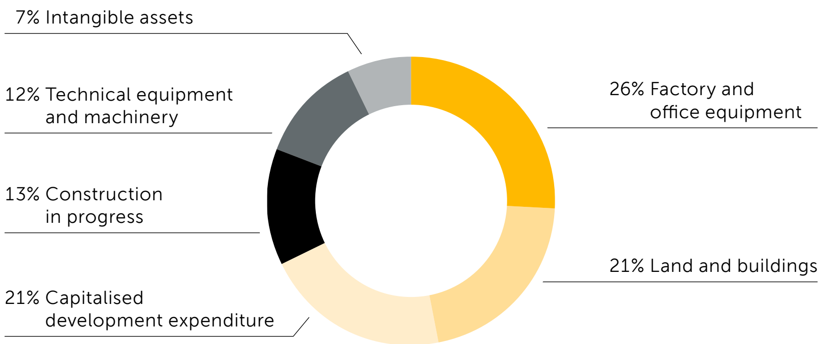
CAPITAL EXPENDITURE[1]

in € million



1 Property, plant and equipment and intangible assets excluding capitalised development expenditure and right-of-use assets.

DISTRIBUTION OF CAPITAL EXPENDITURE IN 2021[2]



2 Property, plant and equipment and intangible assets excluding right-of-use assets.

FINANCIAL SERVICES

Financial services business secures long-term customer loyalty
All of the company's financial services activities are pooled in the "Financial Services" segment. This segment provides individual transfer of use and sales financing to promote the sale of trucks. The financial service agreements offered are always combined with full service or maintenance agreements. This business model's objective is to provide customer service for the entire duration of a truck's use and achieve long-term customer loyalty.

All risks and opportunities that result from the financial service agreements are assigned to the operating sales units of the "Intralogistics" segment, with the exception of customer receivable default risks and refinancing risks.

Jungheinrich is represented by its own financial services companies in eight countries: Germany, Italy, France, the UK, Spain, the Netherlands, Austria and Australia.

The "Financial Services" segment's uniform structural and procedural organisation throughout the Group enables a financing structure with powerful domestic and foreign banks. The refinancing company Elbe River Capital S.A., Luxembourg, also enables us to take advantage of refinancing through the capital market. The volume placed through this financing platform amounted to €332 million as of 31 December 2021 (previous year: €338 million).

KEY FIGURES FOR FINANCIAL SERVICES

in € million	31/12/2021	31/12/2020	Change %
Original value of new contracts[1]	777	755	2.9
Original value of contracts on hand	3,563	3,335	6.8
Trucks for lease from financial services	643	641	0.3
Receivables from financial services	1,420	1,327	7.0
Shareholders' equity	94	73	28.8
Liabilities	2,291	2,214	3.5
Revenue[1]	1,132	1,121	1.0
EBIT[1]	18	9	100.0

1 1 January–31 December

In addition to the SAP standard software used by the financial services business to record and balance lease agreements, there is a software solution that uses a database (Global Lease Center) for smaller sales units.

Refinancing with matching terms and interest rates
Jungheinrich companies conclude financial service agreements either directly with customers or indirectly via leasing companies or banks (also known as vendor contracts). Agreements concluded directly with customers are reported as operating leases or finance leases pursuant to IFRS accounting regulations. These long-term customer agreements are refinanced with matching terms and interest rates and are reported under liabilities from financial services. Payments from customer agreements cover at least the refinancing payments to credit institutes for the transactions. For vendor agreements, deferred revenue stemming from sales proceeds already generated with an intermediate leasing company are stated under deferred income.

Revenue from financial services stable at over €1 billion
New long-term financial service agreements rose by €22 million in 2021 (previous year: decrease of €143 million). The best-performing region is the United Kingdom with a 26 per cent increase in new agreements. 68 per cent of the increase in agreements was attributable to the eight countries with Jungheinrich financial services companies (previous year: 66 per cent).

At the end of 2021, existing agreements totalled 207 thousand units, which is 5 per cent more than the previous year (197 thousand trucks). This represents an original value of €3,563 million (previous year: €3,335 million).

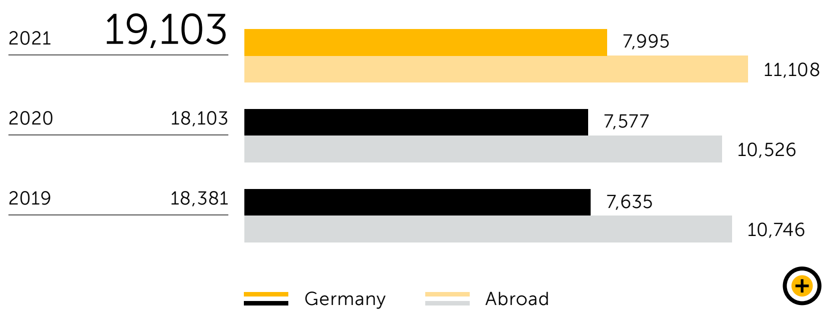
Relative to the number of new trucks sold, 40 per cent was sold via financial service agreements (previous year: 40 per cent). The lease rate was different in each of the countries. For example, Jungheinrich recorded lease rates of over 60 per cent for new trucks in England, Norway, Sweden, Brazil and Chile.

Revenue in the "Financial Services" segment increased by 1 per cent to €1,132 million (previous year: €1,121 million), remaining above the €1 billion mark.

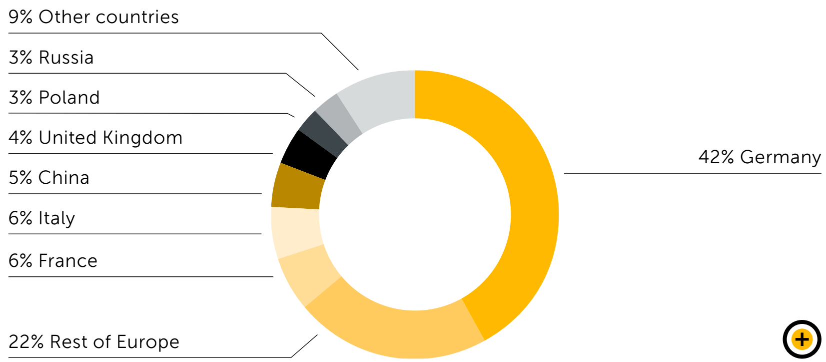
EMPLOYEES

Number of employees climbs to more than 19,000 around the world due to growth
The good economic developments in Jungheinrich's sales markets and the consistent implementation of Strategy 2025+ and the growth that this has led to has resulted in an increase in the global workforce by a total of 1,000 people. This figure includes 76 employees who joined us with the takeover of arculus. As of 31 December 2021, the Group had 19,103 (previous year: 18,103) employees (measured in full-time equivalents). Part-time employees were taken into account according to their hours.

EMPLOYEES
in FTE; always on 31/12



EMPLOYEES BY REGION
As of 31/12/2021



in FTE	2021	2020	Change %
Germany	7,995	7,577	5.5
France	1,204	1,213	–0.7
Italy	1,099	1,071	2.6
United Kingdom	781	762	2.5
Poland	597	565	5.7
Russia	576	524	9.9
Rest of Europe	4,271	4,057	5.3
China	877	809	8.4
Other countries	1,703	1,525	11.7
Total	**19,103**	**18,103**	**5.5**

In order to be able to react more flexibly to workload fluctuation, temporary workers are employed alongside the permanent workforce in production plants. In light of the increase in production in the year under review, the number of temporary workers also increased on average throughout the year to 443 (previous year: 251). As of 31 December 2021, the Group employed 606 (previous year: 324) temporary workers.

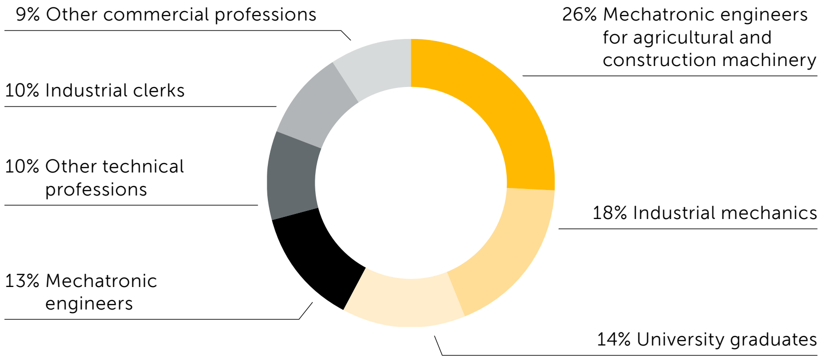
As a result of the higher volume of business in 2021, the after-sales service was also expanded. In total, 42 per cent of the workforce, or 8,081 employees, were employed in this area as at the reporting date (previous year: 7,854). Of this figure, 5,707 were after-sales service technicians located around the world (previous year: 5,524).

Jungheinrich offers 24 different apprenticeships

As of 31 December 2021, the Group employed 509 (previous year: 490) trainees and apprentices of which 354 (previous year: 351) were based in Germany. The Jungheinrich Group offers 24 different apprenticeships in Germany, and dual study courses in cooperation with universities. The number of trainees and apprentices on dual study courses was 14 per cent in 2021 – based on the number of trainees and apprentices in Germany (previous year: 16 per cent).

APPRENTICEABLE PROFESSIONS[1]

As of 31/12/2021



1 Basis: 354 apprentices in Germany.

LEGAL DISCLOSURE

CORPORATE GOVERNANCE STATEMENT PURSUANT TO SECTIONS 289f AND 315d OF THE GERMAN COMMERCIAL CODE (HGB)

Pursuant to Sections 289f and 315d of the HGB, as a listed stock corporation, Jungheinrich AG is obligated to issue a Corporate Governance Statement for the Group. This statement has been published on the company's website [www.jungheinrich.com/en/investor-relations/corporate-governance].

COMBINED SEPARATE NON-FINANCIAL REPORT IN ACCORDANCE WITH THE CSR DIRECTIVE IMPLEMENTATION ACT

In accordance with the CSR Directive Implementation Act, which aims to regulate non-financial corporate reporting, the Jungheinrich Group and Jungheinrich AG are obliged to report on non-financial aspects, including at least environmental, employee and social aspects, along with respect for human rights and combating corruption and bribery.

The Jungheinrich Group and Jungheinrich AG fulfil this obligation in the form of a combined separate non-financial report in accordance with Sections 289b Paragraph 3 and 315b Paragraph 3 of the German Commercial Code. This report is published as a separate chapter in the annual report. The annual report is published on the company's website [www.jungheinrich.com/en/investor-relations/reports-publications].

RISK AND OPPORTUNITY REPORT

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM FOR THE GROUP ACCOUNTING PROCESS

The Jungheinrich Group's internal control system and risk management system encompass principles, methods and measures for ensuring the effectiveness of management decisions, the economic viability of business activities and the correctness of accounting, in addition to ensuring compliance with applicable statutory regulations and in-house policies.

The following describes the key features of the internal control and risk management system with respect to the Jungheinrich Group accounting process:

- The Jungheinrich Group has a diverse organisational and corporate structure that ensures appropriate performance checks.
- The holistic analysis and management of earnings-critical risk factors and risks jeopardising the company's existence are handled by Group-wide governance, budgeting and controlling processes as well as a risk management and early risk detection system, which will be described below.
- The functions of all Group accounting process departments (e.g. Corporate Accounting, Corporate Controlling and Group Treasury) are clearly assigned.
- IT systems employed in Corporate Accounting are protected from unauthorised access and are largely off-the-shelf software (primarily SAP systems).
- The Jungheinrich Group has guidelines in place determining accountabilities, work-flow and controls for all material processes. All employees can access these guidelines on the intranet.
- A comprehensive Group accounting manual regulates the Group accounting process of the individual companies and consolidation at Group level, ensuring that business transactions are accounted for, measured and uniformly reported throughout the Group. The manual is updated regularly and made available to the areas involved in the Group accounting process. Regular sample inspections and plausibility checks are performed both decentrally and centrally to verify the Group accounting data's completeness and correctness. This is done either manually or using software.
- Material processes of relevance to accounting are subject to regular reviews. The establishment of the early risk detection system is examined as part of the statutory annual audit of the annual financial statements and consolidated financial statements. Findings derived from this audit are taken into account when considering the continual improvement of the Group-wide, Jungheinrich-specific system. The Corporate Compliance and Audit & Data Protection division reviews the effectiveness of the accounting-related internal controls.
- The Supervisory Board or its Finance and Audit Committee is responsible for, among other issues, dealing with material issues pertaining to Group accounting and risk management, compliance and the audit assignments and focal points of audits conducted by the independent auditors and the Corporate Compliance, Audit & Data Protection division.

RISK AND OPPORTUNITY REPORT

The early identification of risks and opportunities and the steps to be taken in response are an important element of corporate governance at Jungheinrich. The basic principles and courses of action are defined as part of the risk management system in a Group guideline and a risk management manual, which are continually checked and developed further. The risk management system was comprehensively expanded in the 2021 financial year, including its established responsibilities, methods, processes and new risk management software. There will therefore be no comparison with previous years in this reporting year.

Objectives of risk management system and risk culture

Risks and opportunities are a fundamental component of all business activities. In a complex, global market in particular there are a number of external as well as internal influences on Jungheinrich's business activities. The objective of the company's risk management system is to recognise and evaluate the risks as well as the opportunities arising from these influences so that adequate control measures can be initiated. Another aim – in addition to creating transparency on risks and opportunities – is actively promoting a corporate culture with a consistent understanding of risks and opportunities throughout the Group.

Risks and opportunities include all future developments or events that could lead to a negative (risk) or positive (opportunity) deviation from targets. The Jungheinrich risk management system is based on the points of the auditing standard 981 of the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW) and it is integrated into a binding Group-wide guideline that is available to all employees.

Risk management system organisation and processes
The Jungheinrich Board of Management is responsible for the development and maintenance of an effective risk management system. Group risk management, a unit assigned to Corporate Controlling, defines and develops risk management methods and processes on an ongoing basis and is also responsible for Group-wide quality assurance, coordination and analyses. All those involved with risk management processes continually receive training in the form of courses, at information events and through communication initiatives about risk management requirements, methods and news. The risk management system covers the length of the organisational structure at the Jungheinrich Group including decentral functions and areas, and is coordinated centrally by Group risk management.

Identification
The managers of the central and decentral organisational units are responsible for identifying, evaluating and managing risks and opportunities. In addition to identifying risks and opportunities at regular management meetings, the risk managers perform a comprehensive inventory of risks and opportunities three times a year during the planning and projection processes. The risks and opportunities identified are assigned to predetermined risk areas that are based on the business environment and Jungheinrich's corporate targets.

Evaluation and management
Risks and opportunities are evaluated based on planned business development or the current projection. In addition to the current financial year, the period under consideration for evaluating the risks and opportunities includes the two following financial years. The likelihood of occurrence and the financial impact of the corporate risk on Group EBIT or the profit or loss for risks with a direct impact on the financial result or income taxes is estimated using standardised methods for each of the years considered. The financial impact is considered both before (gross) and after (net) any management measures. Management measures are systematically documented and monitored. Qualitative impacts on reputation, compliance, corporate strategy and operations are also recorded.

Analysing risks
Both Corporate Controlling and risk area managers perform a multi-stage quality assurance process for the risks and opportunities reported over all organisational units. This allows the plausibility of the reported risks to be checked and any redundancies or interdependencies to be identified. Finally, the reported risks and opportunities are analysed by the corporate risk manager for impacts on the Group. Aggregating all substantial risks and opportunities through a stochastic simulation process allows potential impacts on earnings and Group-wide developments, and any interdependencies, to be identified early on. The key figure value at risk (VaR)[1] is determined for the entire risk portfolio with a confidence level of 99 per cent.

Monitoring the Group's risk bearing capacity
To evaluate Jungheinrich's ability to bear risks, all risks identified are checked against the risk-bearing capacity, which takes into account both shareholders' equity and cash and cash equivalents. Other early warning indicators serve to continually monitor risk-bearing capacity and early risk detection.

Communication
The findings of risk analyses are reported in the Group Risk Committee, which is attended by the Board of Management. This includes statements on the ability to bear risks, substantial risks and opportunities and potential management measures. Ad hoc reporting is also used to inform risk management and the Board of Management of all likely and very likely risks and opportunities that would have a moderate impact or higher.

1 The value-at-risk indicates the maximum value that may not be exceeded within a predetermined period with a certain probability (confidence level).

Monitoring effectiveness
The risk and opportunity situation is an integral part of the planning and projections reported to the Supervisory Board by the Board of Management. The Supervisory Board monitors the efficacy of the risk management system and whether risks and opportunities are handled appropriately. The Corporate Compliance Audit & Data Protection department, as an independent authority, is tasked with checking that the risk management system functions and is effective.

Overall assessment of risks and opportunities
There were no risks identified in the reporting period that could jeopardise the Jungheinrich Group's continued existence. The coronavirus pandemic again had a clear impact on the Jungheinrich Group's overall risk situation in 2021. Supply shortages and delays originating on the procurement side, along with increases in the cost of materials are central risks that can impact production stability through the value chain and delivery times to customers.

There is no reason to assume that the acute supply and price risks in the electronics, steel and plastic industries will decline in the foreseeable future. Shortages of electronic components, such as chips and semiconductors in particular look set to become worse, which means this situation will likely not improve before 2023.

Jungheinrich created a central crisis team and established additional local crisis teams in its organisational units and factories in order to identify upcoming risks at an early stage and keep the impact of these risks as minimal as possible through timely, appropriate and coordinated measures. The managing directors in the areas particularly affected by the coronavirus pandemic work in close communication with the respective authorities and implement the measures. In particular, precautionary measures to minimise the impact of the pandemic on supply chains and production are taken. The focus is on protecting employees, customers and business partners.

Because Jungheinrich generates a large proportion of its revenue in Europe, cyclical fluctuations pose risks to business development. Economic developments are continually observed and analysed based on regular market analyses for material handling equipment, the competitive environment and capital markets, especially regarding fluctuations in exchange rates and interest rates. The objective is to discover information that could be relevant to future order development. Production plans are continually adapted to incoming orders in order to achieve the best-possible production capacity utilisation. Jungheinrich counters the risk of a downturn in business by continually enhancing the Group's product portfolio, expanding the scope of services, further intensifying marketing and sales, offering attractive financing solutions and implementing efficiency measures.

Cyber attacks are increasingly posing risks that are mitigated through security precautions, particularly the continual and targeted expansion of the information technology security management system.

Risk and opportunity situation
The table below gives an overview of the substantial risks and opportunities and their potential impact on the Jungheinrich Group for the next two financial years. The net impacts of risks and opportunities are presented separately and not offset against each other. Risks and opportunities are aggregated in risk areas at Jungheinrich, with risks classified according to their negative impact on the result based on VaR 99 per cent (loss value) and opportunities according to their positive impact on the result based on VaR 20 per cent (gain value).

Risks and opportunities are divided into the following impact classes based on net impact:

Very low	≤ €0.5 million
Low	> €0.5 million to ≤ €2 million
Moderate	> €2 million to ≤ €10 million
High	> €10 million to ≤ €20 million
Very high	> €20 million

The impact of the individual risks or opportunities are assigned to impact classes based on maximum value.

The description of the probability of occurrence for individual risks and opportunities is based on the following classes:

Improbable	≤ 25 per cent
Possible	> 25 per cent to ≤ 50 per cent
Probable	> 50 per cent to ≤ 75 per cent
Highly probable	> 75 per cent to 100 per cent

RISK AREAS OF JUNGHEINRICH GROUP

	Net risk/net opportunity (aggregated)				
	Very low ≤ €0.5 million	Low > €0.5 million to ≤ €2 million	Moderate > €2 million to ≤ €10 million	High > €10 million to ≤ €20 million	Very high > €20 million
Operational risks and opportunities					
After-sales	Opportunity		Risk		
Procurement		Opportunity			Risk
Digital products		Opportunity	Risk		
Research and development	Opportunity		Risk		
Information technology	Opportunity			Risk	
Production	Opportunity			Risk	
Product quality and safety		Risk	Opportunity		
Project business	Opportunity		Risk		
Revenue and sales			Opportunity	Risk	
Customs	Opportunity	Risk			
Sustainability risks and opportunities					
Extreme events	Opportunity	Risk			
Climate change and environmental protection	Risk, Opportunity				
Personnel and social		Opportunity	Risk		
Financial risks and opportunities					
Financial services	Opportunity		Risk		
Foreign currency		Opportunity	Risk		
Debt defaults	Risk, Opportunity				
Financing and capital investment		Opportunity	Risk		
Taxes		Risk, Opportunity			
Legal and compliance risks and opportunities					
Compliance and data protection	Risk, Opportunity				
Legal	Risk, Opportunity				

Risk (VaR 99%) ■ Opportunity (VaR 20%) ■

The risk areas are described in the following section. Material individual risks and opportunities with moderate net impacts or higher in each risk area are described.

Operational risks and opportunities

After-sales

The risk area after-sales consists of risks and opportunities that could occur as part of our work with customers during the product life cycle. Jungheinrich classes all after-sales risks as moderate.

There is a fundamental risk of potential supplier failures or delays due to material availability in spare parts operations, particularly in the semiconductor segment. This risk is even more pronounced in the case of warranty claims, where we could incur costs from the customer. There is also a risk that material costs will rise further and these costs cannot be passed on to the customer. In order to avoid supplier risks in spare parts operations, despite the tense conditions on the market, task force meetings monitor the risk on a daily basis. Materials are also stockpiled to ensure that materials are available despite any volatility. The probability of occurrence for the individual risks is deemed possible, while the impact is deemed low.

Procurement

Risks and opportunities in the field of procurement include both fluctuations in the cost of materials as well as disruptions in the supply chain. Overall, procurement risks are classified as very high, while the corresponding opportunities are aggregated and classified as low.

General deterioration of the already-tense market situation and trade restrictions, such as those on the Chinese market, a general lack of capacities on the market and potential supply chain disruptions due to production and logistics restrictions caused by the coronavirus pandemic as well as insolvencies, can result in materials shortages and a collapse in supply. The probability of occurrence is deemed possible. In pessimistic scenarios, the impacts could be very high and lead to production downtimes and higher material costs or require services.

To take preventive action against supply chain disruptions, Jungheinrich relies on control systems as part of its consistent supplier management system to monitor and analyse the financial health of the suppliers, the stability of the supply chains and transport routes. A task force also analyses developments in the supply chains on a daily basis in order to react early to prevent possible materials shortages and developments in materials supply to guarantee the stability of the global supply chains. Supply reach is also continually determined and alternative sources and products are introduced.

The price of raw materials on the global market remains volatile, resulting in uncertainties when planning material costs. Fluctuations in the procurement of production materials for various areas are considered possible and could be high at the individual risk level on both the risk and opportunity side.

Procurement uncertainties are especially noticeable when it comes to electronic components. Fluctuations in planned costs are classified as probable and range from very low to very high on the risk side. In contrast, opportunities, which result from the point in time at which the electronics components are used, are deemed to be moderate in individual cases.

Digital products

Jungheinrich develops and distributes digital products, such as the warehouse management systems (WMS), steering software for conveyor systems and other digital solutions for material handling equipment. Jungheinrich operates a cloud-based fleet management system to connect the material handling equipment. Risks from digital products are classified as moderate.

To safeguard information security in the digital solutions, the majority of end customer software was certified to ISO/IEC 27001 standard in the current financial year. Development of end customer products is based on a Group-wide standardised software product development process with the aim of ensuring consistently high-quality software.

Jungheinrich is also working continually on the strategic expansion of its digital products. This includes the ongoing expansion of expertise in the field, which is accompanied by the Group's central functions.

Research and development

The research and development risk area covers both risks and opportunities from development projects and results. Overall, risks from research and development are classified as moderate.

There is a fundamental risk arising from patent disputes. Innovations from research and development work are therefore protected by patents. Observance is monitored systematically and centrally and legal steps are taken whenever necessary. Individual risks from patent violations could have a moderate impact, but this is deemed to be improbable.

Information technology

Risks in the field of information technology cover the general stability of the information infrastructure and specifically include possible risks to information security and resilience of the IT systems to cyber attacks. Overall, information technology risks are classified as high.

The potential impact of the Group-wide risk of cyber attacks can be far-reaching if availability is affected, or confidentiality is breached or the integrity of information and IT systems is threatened due to security violations. Information technology systems are constantly reviewed and refined in order to limit IT risks and ensure that business processes are carried out securely, reliably and efficiently. Besides its effective IT emergency management system, Jungheinrich uses industry standards, redundant network connections and a mirror computing centre with a view to reducing failures of application-critical systems and infrastructure components. Jungheinrich mitigates the risk of unauthorised access to corporate data and of tampering with or sabotaging IT systems with Group-wide information security standards, the use of modern backup systems and regular reviews of the protective measures' effectiveness. The Group's information security management system uses the international ISO/IEC 27001 standard as a reference. The above-mentioned measures are supported effectively by modern IT monitoring and analysis systems and constantly monitored and developed by a dedicated team focussed on IT security. The probability of damage occurring is classed as improbable due to the comprehensive measures to mitigate the risk. The range of potential impacts is very large, however, ranging from very low in the best-case scenario to very high in extreme situations.

Production

Risks and opportunities in production relate to deviations in the product manufacturing process, such as a deviation from the capacity utilisation of production machinery or the planned production volume. Overall, the impacts of production risks are deemed high.

The stability of production is largely dependent on supply chains. Risks in the supply chain, such as the availability of raw materials, possible cyber attacks or supplier insolvency all constitute risks to product manufacturing processes. A task force therefore analyses developments in supply chains on a daily basis in order to be able to initiate countermeasures early on. This significantly reduces the probability of production downtimes, but does not completely eliminate it. The range of potential impacts of production downtime and the resulting reduction in units produced is very large, ranging from very low in the best-case scenario to very high in extreme situations.

Product quality and safety

Product quality and safety risks cover risks and opportunities from expected deviations in product quality and the associated obligations. Overall, risks from product quality and safety are classified as low. The opportunities on the other hand are considered to be moderate.

Product quality obligations are associated with warranties and guarantees as well as additional expenses for goodwill gestures. The obligations also include adhering to applicable standards. In order to manage risks, product management observes individual cases closely and uses these to find opportunities to minimise risks, for instance through insurance policies, technical analyses and legal action. In individual cases this can also lead to opportunities.

Project business

In relation to customer project business, risks and opportunities especially revolve around staying within budget, sticking to schedule and to the agreed product specifications. Overall, project business risks are classed as moderate.

For complex, wide-ranging, international projects in particular, there may be some deviation from the project targets or promised product specifications, which in turn can lead to additional expenses for corrections or any compensation payments from breaches of contact. Jungheinrich counters this risk through targeted project risk management, which aims to recognise, manage and systematically monitor project risks at an early stage. Nevertheless, project risks remain possible and impacts range from very low to moderate.

Revenue and sales

The risk area revenue and sales consists of risks and opportunities from the sale and rental of Jungheinrich trucks. Overall, revenue and sales risks are deemed to be high, while opportunities are considered to be moderate.

The concentration process that has been observed for several years now and the sharp increase in transparency on the demand side makes it more difficult to pass procurement costs on to the end customer. For this reason, Jungheinrich has established a project team and a monthly reporting schedule to analyse and act on opportunities to optimise price adjustments. The product and service offers are also continually checked against the market and individual, custom-made customer solutions are added. This improves market penetration and customer loyalty. However, uncertainties remain regarding to what extent price increases are feasible in the market. Fluctuations in the planned value are classed as probable and could be associated with high impacts for risks and opportunities.

Customs

The customs risk area includes risks and opportunities that could arise in relation to customs tariffs for goods. Customs risks are closely monitored by Jungheinrich and classed as low.

Sustainability risks and opportunities

Extreme events

Risks resulting from extreme events relate to unusual (natural) events, such as the coronavirus pandemic and its consequences. The severity can lead to strategic risks and opportunities that would impact all areas of the company. Risks and opportunities related to extreme events are therefore regularly discussed and monitored. Currently, however, the risk is deemed low.

Climate change and environmental protection

One of the ways in which Jungheinrich supports climate and environmental protection is by pursuing the aim of achieving climate neutrality in its value chain. Overall, risks are classed as very low.

Risks arise from the increase in climate and environmental protection regulations. Not achieving these targets could damage Jungheinrich's reputation and influence strategic targets, operating business processes and adherence to regulatory requirements. Jungheinrich considers itself to be well positioned to continue making important contributions to protecting the environment and the climate.

Further information can be found in the combined separate non-financial report in accordance with the CSR Directive Implementation Act [page 12 ff.].

Personnel and social

The personnel and social risk area includes risks and opportunities that have a direct impact on the availability, quality, occupational safety and cost of personnel. Overall, personnel and social risks are classified as moderate.

Personnel risks may arise if a company fails to recruit or retain qualified employees in sufficient numbers. This can impact the achievement of strategic and operational targets. In order to recruit young talents in the areas of IT and engineering, both of which are vital to Jungheinrich, the company maintains good contacts with universities through university marketing. Jungheinrich responds to the fierce competition for skilled labour and executives and mitigates the associated risk of a loss of know-how caused by staff turnover by offering attractive qualification options and a performance-based remuneration system. A high number of trainee positions will be maintained or even expanded Group-wide in order to ensure that all future needs for skilled workers can be met. Jungheinrich employs temporary workers in order to avoid capacity utilisation risks and uses location-specific flexible working time accounts. It is very likely that there will be uncertainty in personnel expense planning in the 2022 financial year due to the upcoming new collective bargaining agreements.

Financial risks and opportunities

Due to regulations governing the international financial markets, such as the European Market Infrastructure Regulation (EMIR), Jungheinrich must observe comprehensive guidelines and reporting duties for all financial transactions. A Group-wide process is in place to ensure that regulations are observed. This process guarantees that reporting obligations and risk mitigation requirements are met. Building on statutory requirements, Jungheinrich has laid out control mechanisms for the use of financial instruments in a procedural guideline. This includes clear differentiation between trading, processing, accounting and controlling and the stipulation that derivative financial instruments are only used to hedge existing underlying transactions against risks from changes in interest and exchange rates

Financial services

Risks associated with financial services arise particularly from the leasing business and include risks and opportunities from changing residual values of leased items and the corresponding interest rate. Financial services risks are deemed to be moderate overall. Detailed rules governing the identification and assessment of risks are documented in Group-wide guidelines and the financial service companies' internal process descriptions.

The risks and opportunities arising from the resale of truck returns from the financial services business are borne by the operating sales units. The residual value guarantees are calculated on the basis of a conservative uniform Group standard for maximum permissible residual values. The risk of fluctuation in the residual value of leased equipment causing deviations from the contractually agreed residual value is classed as being highly probable with a potentially moderate impact. The residual values of all individual contracts are subjected to a quarterly evaluation using the central financial services contracts database on the basis of their current fair value. If the originally calculated residual value is above the current fair value and the end of the term of the contract, this risk is appropriately taken into account depending on the classification of the long-term customer contract by reducing the carrying amounts for "trucks for lease from financial services" or "receivables from financial services" in profit or loss.

The refinancing risk is limited by applying the principle of matching maturities and interest rates for customer and refinancing agreements (no risk of a change in interest rates during the term of the contract) when refinancing financial service agreements. The "Financial Services" segment's Group-wide structural and procedural organisation ensures management of completed financial service agreements with a correlating financing structure and form through domestic and foreign refinancing banks. Moreover, an established financing platform enables us to obtain refinancing on the capital market. Sufficient lines of credit are at the company's disposal for financing the new truck business.

For refinancing, agreements were reached with the financing banks at an early stage in order to react flexibly to market and customer requirements caused by the coronavirus. As at the balance sheet date, the scope of the required customer-specific payment agreements was negligibly small in light of this. The refinancing lines remained available to Jungheinrich in the reporting year as they were at the end of the previous financial year.

Customer defaults on receivables, insolvencies and free early terminations of contracts with break clauses in the financial services business remain at a low level.

Foreign currencies

Due to its international activities and affiliates and dynamic developments on the financial markets, the Jungheinrich Group is subject to exchange rate fluctuations. Fluctuations in foreign currency exchange rates are deemed probable and, should they occur, there is also the possibility of moderate risks and a low level of opportunities. Jungheinrich uses financial instruments such as currency forwards, currency swaps and currency options to manage foreign currency risks.

Debt defaults

The debt default risk area covers risks arising from potential debt defaults on customer payments. Overall, these risks are classed as very low for Jungheinrich.

Jungheinrich protects itself against debt default risks by using an IT-based system to permanently monitor customers' creditworthiness and to regularly analyse outstanding receivables and their structure. The majority of foreign revenue generated from business with third parties is covered by credit insurance policies. Comprehensive system-reported creditworthiness checks performed before contracts are concluded, as well as revolving inspections during the terms of agreements, help keep default levels on receivables from customers very low. Forklift trucks prematurely recovered from customers are handed over to the "Intralogistics" segment's operational sales units for marketing. The return conditions are determined centrally.

Financing and capital investment

Financing and capital investment risks include all risks and opportunities that can arise when borrowing or investing capital. Risks in this risk area are classified as moderate.

Jungheinrich's good credit rating and solid statement of financial position continue to have a positive influence on obtaining credit. In addition to the high levels of cash and cash equivalents, confirmed medium-term credit facilities and short-term credit lines safeguard the Group's financial flexibility and liquidity. The confirmed credit facilities had only been partially used in the "Intralogistics" segment as at the balance sheet date.

Jungheinrich can also obtain finance through the capital market, as in the past, by issuing promissory notes. The maturities for the credit lines and remaining promissory notes are very spread out, giving the company plenty of long-term leeway for arranging financing. Furthermore, none of the credit agreements or promissory note agreements contain financial covenants.

The company's cash and cash equivalents and existing credit agreements ensure that it can always fulfil its payment obligations. There is, therefore, no liquidity risk. The central cash and currency management for the Jungheinrich Group enables the Group-wide, international provision of financial resources at the best possible interest and currency exchange rates, and cash flow management for domestic and foreign Group companies.

With the start of the coronavirus pandemic, the management and monitoring of Group liquidity was intensified. A rolling operational liquidity forecast has supplemented the medium-term liquidity forecast derived from cash flow planning since then.

Throughout the Group, Jungheinrich takes a conservative approach to investment and generally only invests in certain asset classes with flawless credit ratings. Part of the liquidity is invested in a special fund. The value of the capital investments held by Jungheinrich is subject to the normal fluctuations on the international capital markets. The severity of the fluctuation can have a moderate impact on both the risks and opportunities side, depending on the point in time of the sale.

Jungheinrich also faces credit partner risks that arise when contractual agreements are not fulfilled by partners. Due to the risk indicators employed within the Group and spreads for credit default swaps, there is no material risk of dependence on specific contractual partners. The general credit risk from the derivative financial instruments employed is considered very low.

Further information regarding financial instruments can be found in Jungheinrich AG's consolidated financial statements [page 90].

Impairment risks are constantly monitored by Corporate Finance. This applies in particular to goodwill from company acquisitions, which has an indefinite useful life and is therefore not subject to amortisation. Goodwill is subjected to an impairment test in accordance with IAS 36 at least once a year, or more frequently if there are indications of a reduction in value. In addition, all assets that fall within the scope of IAS 36 are reviewed as part of an asset impairment test if there are such indications of a reduction in value.

Taxes

Tax risks are considered to be low overall. They arise from the constantly changing taxation policy requirements. Risks also arise when national tax authorities deviate from the international basic rules agreed between tax authorities with regards to cross-border matters. The risk increases when updated authority viewpoints are to be applied as a whole retroactively.

Legal and compliance risks and opportunities

Compliance and data protection

The compliance and data protection risk area covers all risks related to non-compliance with laws and general compliance regulations, especially corruption, fraud and money laundering prevention and data protection regulations. Due to the numerous measures in place, risks in the field of compliance and data protection are classed as very low overall.

In both the valid Group guidelines, which apply to all employees, and the Code of Conduct, Jungheinrich has set out regulations and measures for the prevention of corruption, fraud and money laundering risks. Adherence to these regulations is regularly checked by Corporate Compliance, Audit & Data Protection.

Jungheinrich is subject to the risk of fines in the area of data protection due to the General Data Protection Regulation (GDPR). These are addressed through a number of measures. Group guidelines are continually updated to reflect new data protection regulations. The necessary data protection agreement principles with suppliers and other business partners were also amended. Jungheinrich also ensured compliance with the requirements by implementing stricter technical and organisational measures (TOMs). The data protection challenges in the context of the coronavirus pandemic, in particular due to the increase in mobile working, have been taken into account through corresponding instructions and recommendations. The Board of Management obligates all employees to comply with data protection regulations. Regular Group-wide training is in place. The data protection management system is continually monitored and will be improved further.

Legal

The Jungheinrich Group's companies are exposed to the legal risks that are customary in commercial enterprises, in particular regarding the liability for alleged non-compliance with contractual obligations or public law and for allegedly faulty products. These risks are currently classed as very low for Jungheinrich.

Material general contract risks are eliminated by applying Group-wide policies whenever possible. In addition, central support and legal advice is available to the individual departments for material contracts and other transactions with significant legal aspects. Appropriate provisions are established to cover potential financial burdens resulting from risks relating to lawsuits. The Group has adequate insurance coverage for claims filed against Group companies on grounds of allegedly faulty products.

Current developments against the backdrop of the war in Ukraine

The Jungheinrich Group has subsidiaries in Russia and Ukraine. Jungheinrich has established a crisis team that communicates daily with the employees in Russia and Ukraine. In this respect, the measures of the crisis team focus on protecting the staff and their families. In light of the war started by Russia against Ukraine at the end of February 2022, assets reported as of 31 December 2021 in Russia and Ukraine in the amount of €130 million and €5 million, respectively, are exposed to an impairment risk.

FORECAST REPORT

Global economy set to continue growing, albeit at a slower pace
As of the end of January 2022, before the outbreak of war in Ukraine, the IMF anticipated that global growth would be weaker overall in 2022 than in 2021. The main reasons given for this forecast were the mobility restrictions in place in the winter of 2021/2022 as a result of the spread of the Omicron variant, but also the rising energy prices and the ongoing supply chain disruptions resulting in rising inflation. For the year 2022, the IMF expects global economic output to increase by 4.4 per cent (2021: 5.9 per cent). For China and the USA in particular, slower growth than in the previous year is expected. However, GDP in USA is still expected to increase by 4.0 per cent (2021: 5.6 per cent). Significantly lower GDP growth against the previous year of 4.8 per cent is forecast for the Chinese economy (2021: 8.1 per cent).

In the Eurozone, the IMF predicts that the coronavirus pandemic, increases in the cost of materials and potential supply shortages as a result of unreliable supply chains and the rising inflation trend will be the main issues in 2022. Nevertheless, robust economic growth of 3.9 per cent is forecast for this region (2021: 5.2 per cent).

The IMF believes economic output in Germany will rise faster than in the previous year at 3.8 per cent (2021: 2.7 per cent), but again supply chain issues will have a negative impact on German economic development. Following the strong growth of 6.7 per cent in France, GDP growth is expected to slow noticeably at 3.5 per cent in 2022; while the IMF expects economic output in Italy to reach comparatively moderate GDP growth of just 3.8 per cent in 2022 following the sharp rise in the previous year (6.2 per cent). The same applies to the UK: while GDP growth in 2021 was 7.2 per cent, noticeably slower economic growth of 4.7 per cent is predicted for 2022. Economic momentum in Poland is also forecast to slow somewhat (4.6 per cent; 2021: 5.4 per cent). With GDP growth of 2.8 per cent in 2022, a considerable slowdown is also anticipated in Russia in comparison with the previous year (4.5 percent).

GROWTH RATES FOR SELECTED ECONOMIC REGIONS

Gross domestic product in %	2022 forecast
World	4.4
USA	4.0
China	4.8
Eurozone	3.9
Germany	3.8

Source: International Monetary Fund (as of 25 January 2022).

2022 forecast: Despite increase in risk and high economic uncertainty, Jungheinrich continues to grow profitably
Despite a rise in economic uncertainty, which was once again massively heightened by the start of the Russia-Ukraine war at the end of February 2022, we generally expect to see good market demand and therefore assume that the Group will continue to grow profitably. We currently expect incoming orders to be slightly below the level seen in the previous year (2021: €4.9 billion). We expect Group revenue for 2022 to be slightly above the previous year's value (2021: €4.2 billion) with ongoing bottlenecks in the supply chains. EBIT and EBT are both expected to have a value significantly below that of the previous year (2021: €360 million and €349 million). We also expect significantly lower rates of return for EBIT and EBT compared with the previous year (2021: 8.5 per cent and 8.2 per cent). In terms of developments in the cost of materials, we anticipate – starting with the current high levels – further noticeable increases over the course of 2022. We would like to point out that it is not possible to conclusively assess any further negative effects from the war and these have therefore not yet been taken into account in the forecast. In order to continue implementing Strategy 2025+ consistently, we are planning a clear increase in personnel capacities, especially in the strategic fields of automation, digitalisation, energy systems, efficiency, global footprint and sustainability in 2022.

As part of Strategy 2025+, we plan to use a cash flow-based figure for management purposes. We are currently working on a final definition for the new cash flow-based performance parameter and will implement this over the course of the 2022 reporting year. The definition, calculation methodology, and actual and target figures will appear in the interim report as of 30 June 2022 for the first time.

ROCE new for the 2022 financial year is expected to come in well below the level of the previous year (2021: 20.2 per cent).

Due to competition law, actual and target figures on the equipment ratio of lithium-ion batteries are not reported.

All these forecast values refer to organic growth. As already explained above, any possible further consequences of the war started by Russia against Ukraine in February 2022 are not considered here. The planned contributions of Russia and Ukraine to Group revenue amount to 4 and less than 1 per cent, respectively. The Board of Management has decided not to deliver any more trucks or spare parts to Russia until further notice.

Also concerning the coronavirus pandemic, considerable uncertainties remain regarding the further course of the pandemic and the resulting impacts on our business. The forecast is also based on the assumption that there will be no widespread production standstills and that the supply chains remain largely intact. Implementing measures to ensure our ability to deliver will continue to be a priority.

General statement concerning the Jungheinrich Group's anticipated development

Alongside the war in Ukraine potentially resulting in further and considerable geopolitical upheaval with a significant negative impact on our market and/or substantial restrictions or very volatile developments, we also believe that there will be considerable uncertainty surrounding overall economic development and especially unreliable supply chains in the 2022 financial year. Although the coronavirus is gradually becoming endemic, it is safe to assume that the global economic and social consequences of lockdowns in the past two years will continue to echo through 2022.

If the expected good demand remains unaffected, positive impacts for Jungheinrich's business activities derived from this assumption can be expected. Increased opportunities are also being presented by the intact and growing global trends that will push intralogistics, digital products and services, e-commerce-oriented portfolios and electric mobility and automation offers.

At present, we believe that the risks plaguing material supplies, including the rising costs of materials, will in all likelihood impact profitability. Potential supply chain disruptions would also negatively impact revenue growth. Potential severe exchange rate fluctuations and/or interest rate changes could also have negative impacts on revenue, EBIT and EBT.

Jungheinrich's business model, combined with our strong balance sheet and solid liquidity, enables us to continue implementing Strategy 2025+ even in the event that economic and market developments fall short of expectations. We will focus on the strategically important fields of automation, digitalisation, energy systems, efficiency, global footprint and sustainability.

JUNGHEINRICH AG (HGB)

The annual financial statements of Jungheinrich AG follow the provisions of the German Commercial Code (HGB), while the consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

Jungheinrich AG is a management holding company and, in addition to the Group's central functions, also comprises Corporate Research & Development and Corporate Real Estate Management. As the parent company, it holds shares directly and indirectly in both domestic and foreign subsidiaries. Jungheinrich AG especially has direct business relations with the subsidiaries in Germany. The positive annual results of the subsidiaries managed in the legal form of AG & Co. KG are recognised in the same phase in the annual financial statements of Jungheinrich AG and reported under income from affiliates. In addition, there are some profit and loss transfer agreements with domestic corporations whose income is reported under a separate item in the statement of profit or loss. The income from associates consisting of these two components are the material control parameter for Jungheinrich AG.

As of 31 December 2021, Jungheinrich AG had 1,288 employees, of which 167 were trainees and apprentices (previous year: 1,173 employees, of which 166 were trainees and apprentices).

The overall economic and industry-related conditions correspond to those of the Group as described in the economic report [page 53 ff.].

Business trend and earnings position

The earnings position of Jungheinrich AG is determined by the business trend of the operating subsidiaries in Germany and abroad as well as the resulting income from affiliates. As expected, Jungheinrich AG's income from affiliates climbed in 2021 to €205 million after €191 million in the previous year. The primary reason for this was higher income from affiliates at German plants who benefited from the noticeable increase in capacity utilisation in the reporting year.

Jungheinrich AG's revenue in the 2021 financial year amounted to €243 million, compared to €200 million in the previous year. It includes remuneration for services, revenue from the rental of real estate and revenue from licensing agreements. Revenue from remuneration for services increased steeply due to expansion in business volumes in the domestic operating companies by 23 per cent in comparison with the previous year from €120 million to €147 million. Revenue from the rental of real estate to domestic Group companies of €35 million was similar to the previous year (€34 million). Revenue from licence agreements was 33 per cent higher year-on-year at €61 million than the previous year's figure of €46 million due to the higher volume of business at the plants.

Other operating income increased significantly from €35 million in the previous year to €65 million in the reporting year. The main reason for this was the sharp increase of €32 million in compensation payments received from foreign companies and domestic plants on the basis of contractual agreements.

Jungheinrich AG's expenses developed as follows:

in € million	2021	2020
Cost of materials	3	3
Personnel expenses	130	122
Depreciation and amortisation of fixed assets	22	24
Other operating expenses	279	220

The cost of materials mainly includes the energy costs of the rented properties. Personnel expenses and other operating expenses include the administrative costs of the holding company and the central divisions. The increase in personnel expenses by €8 million was due to the increase in the average number of employees (measured in full-time equivalent, excluding trainees and apprentices) of 996 in 2020 by 71 to 1,067 employees in the 2021 financial year.

Other operating expenses increased by €59 million from €220 million in the previous year to €279 million. The clear increase was primarily driven by large increases in compensation payments to foreign companies on the basis of contractual agreements and the rise in the cost of strategic projects. The settlement for central services for domestic plants was also adjusted. The higher expenses that this resulted in were offset by revenue from the remuneration of services in the same amount.

R&D expenditure, including the use of services provided by third parties and affiliated companies, arises mainly from the use of services provided by affiliated companies. At €87 million, they were up 12 per cent against the previous year (€78 million).

The earnings trend of Jungheinrich AG in the reporting period was thus as follows:

in € million	2021	2020
Earnings before interest and taxes	78	58
Net interest	–2	–2
Earnings before taxes	76	56
Taxes on income and other taxes	–25	–35
Profit for the year	101	91

Earnings before interest and taxes and earnings before taxes each climbed by €20 million in comparison with the previous year.

At €25 million, the net income from taxes on income and other taxes was lower than in the previous year (€35 million). This includes the income tax allocations demanded from the operating companies in the legal form of AG & Co KG, which rose to €67 million compared to the previous year (€57 million) due to the increased income from affiliates. The expense from effective taxes developed in the opposite direction.

As expected, Jungheinrich AG closed the 2021 financial year with a noticeably higher net income of €101 million compared to the previous year (€91 million). In accordance with Section 58, Paragraph 2 of the German Stock Corporation Act (AktG), €33 million of the net profit for the year was transferred to other retained earnings.

Capital expenditure

Additions to fixed assets amounted to €152 million in the reporting period and were thus considerably higher than the previous year's figure (€29 million). This was largely related to the acquisition of arculus and its technical expertise, which totalled €123 million. As at the balance sheet date, Jungheinrich AG's capital expenditure commitments amounted to €1 million. Capital expenditure was financed with the company's own resources.

Financial and asset position

As the parent company of the Group, Jungheinrich AG is responsible for the financial management of the Group and ensures the availability of sufficient financial resources. Further information on financial management can be found in the economic report [page 57].

The asset structure of Jungheinrich AG is as follows:

in € million	2021	2020
Non-current assets	766	639
Receivables from affiliated companies	493	424
Bank balances and securities	502	773
Other assets	23	12
Balance sheet total	**1,784**	**1,848**

Fixed assets increased from €639 million in the previous year to €766 million in 2021, primarily as a result of the acquisition of arculus and its technical expertise.

The increase of €69 million in receivables from affiliated companies resulted from the higher claims of Jungheinrich AG compared to the previous year from the provision of cash and cash equivalents to Group companies as part of central liquidity management. The clear reduction of €271 million in bank balances and securities to €502 million in the 2021 financial year was due in particular to the acquisition of arculus and the repayment of medium- and long-term loans and promissory notes.

The capital structure of Jungheinrich AG is as follows:

in € million	2021	2020
Shareholders' equity	1,144	1,085
Provisions for pensions	37	34
Other provisions	62	29
Liabilities due to banks	172	383
Liabilities to affiliated companies	341	298
Other liabilities	28	19
Balance sheet total	**1,784**	**1,848**

The shareholders' equity of Jungheinrich AG amounted to €1,144 million as at the balance sheet date and was thus €59 million higher than in the previous year (€1,085 million). The profit for the year of €101 million was offset by the dividend payments of €43 million for the previous financial year. The equity ratio increased to 64 per cent (previous year: 59 per cent).

Other provisions in the reporting year included the present value of a contingent purchase price payment in the amount of €25 million from the agreed earn-out clauses as part of the acquisition of arculus.

Liabilities due to banks decreased significantly by €211 million year-on-year. This was due to the repayment of medium- and long-term loans and promissory notes in virtually equal amounts.

At €341 million, liabilities to affiliated companies were €43 million higher than in the previous year (€298 million) and were largely incurred through measures to refinance trucks for short-term rental in Germany and abroad.

Risks and opportunities
Jungheinrich AG shares in the risks and opportunities of its subsidiaries. Detailed information is provided in the risk and opportunity report [page 64 ff.].

Forecast report
We report on our prospects and plans for operations in our forecast report [page 73 f.].

The operating results of the subsidiaries of Jungheinrich AG will be much lower in 2022 than in 2021. As a result, the total income from affiliates and Jungheinrich AG's profit for the year should also be significantly lower in 2022 than in the previous year.

The explanations above are forward-looking statements that are based on the company management's current expectations, assumptions and assessments for future developments. Such statements are subject to risks and uncertainty that are largely beyond the company's control. The outlook for the 2022 financial year is very uncertain, especially because of the war that Russia started against Ukraine at the end of February 2022, as the possible further negative effects, particularly on procurement and sales, cannot currently be estimated – not just for business transactions with Ukraine and Russia, but globally. This includes changes in the overall economic situation, including impacts from the further course of the coronavirus pandemic, within the intralogistics sector, in materials supply, the price development of fuel and raw materials, demand in important markets, developments in competition and regulatory frameworks and regulations, exchange and interest rates and the outcome of pending or future legal proceedings. Should these or other uncertainties or unknown factors apply or the assumptions on which these statements are based proved false, actual results may deviate significantly from the results stated or implied. No responsibility is therefore taken for forward-looking statements. Without prejudice to existing capital market obligations, there is no intention nor do we accept any obligation to update forward-looking statements.

Hamburg, 25 March 2022

Jungheinrich Aktiengesellschaft
The Board of Management

Dr Lars Brzoska	Christian Erlach
Dr Volker Hues	Sabine Neuß

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

in € thousand	Notes	2021	2020
Revenue	(3)	**4,239,815**	**3,808,674**
Cost of sales	(4)	2,916,378	2,661,659
Gross profit on sales		**1,323,437**	**1,147,015**
Selling expenses		740,691	698,338
Research and development costs	(12)	95,381	106,929
General administrative expenses		135,535	120,623
Other operating income	(7)	6,643	10,592
Other operating expenses	(8)	1,667	14,554
Income (expense) from companies accounted for using the equity method	(16)	2,838	981
Earnings before interest and income taxes		**359,644**	**218,144**
Interest income	(9)	668	1,451
Interest expenses	(9)	11,420	13,534
Other financial income (expense)	(10)	241	–6,515
Financial income (expense)		**–10,511**	**–18,598**
Earnings before taxes		**349,133**	**199,546**
Income tax expense	(11)	81,737	48,778
Profit or loss		**267,396**	**150,768**
thereof attributable to non-controlling interests		1,148	–509
thereof attributable to the shareholders of Jungheinrich AG		266,248	151,277
Earnings per share in € (diluted/undiluted) based on profit or loss attributable to the shareholders of Jungheinrich AG	(39)		
Ordinary shares		**2.60**	**1.47**
Preferred shares		**2.62**	**1.49**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in € thousand	2021	2020
Profit or loss	**267,396**	**150,768**
Items which may be reclassified to the consolidated statement of profit or loss in the future		
Income (expense) from the fair value measurement of derivative financial instruments	**1,108**	**2,368**
Unrealised income (expense)	–2,351	6,046
Realised income (expense)	3,774	–3,120
Deferred taxes	–315	–558
Income (expense) from currency translation	**15,318**	**–38,473**
Unrealised income (expense)	15,318	–38,473
Income (expense) from investments measured using the equity method	**118**	**593**
Unrealised income (expense)	118	593
Items which will not be reclassified to the consolidated statement of profit or loss		
Income (expense) from the remeasurement of pensions	**14,920**	**–9,111**
Unrealised income (expense)	18,822	–13,027
Deferred taxes	–3,902	3,916
Other comprehensive income (expense)	**31,464**	**–44,623**
Comprehensive income (expense)	**298,860**	**106,145**
thereof attributable to non-controlling interests	1,148	–509
thereof attributable to the shareholders of Jungheinrich AG	297,712	106,654

The consolidated statement of comprehensive income is explained in note (24) [page 117].

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

in € thousand	Notes	31/12/2021	31/12/2020
Non-current assets			
Intangible assets	(12)	201,712	120,218
Property, plant and equipment	(13)	720,003	723,439
Trucks for short-term rental	(14)	362,917	288,895
Trucks for lease from financial services	(15)	500,448	515,879
Investments measured using the equity method	(16)	45,696	42,242
Other financial assets	(17)	10,925	9,233
Trade accounts receivable	(19)	9,559	9,349
Receivables from financial services	(20)	1,036,132	985,476
Derivative financial assets	(37)	1,245	43
Other receivables and other assets	(21)	33,753	11,159
Securities	(22)	34,353	30,705
Deferred tax assets	(11)	121,915	121,889
		3,078,658	**2,858,527**
Current assets			
Inventories	(18)	763,853	537,454
Trade accounts receivable and contract assets	(19)	755,052	671,961
Receivables from financial services	(20)	371,338	341,505
Income tax receivables		5,343	8,534
Derivative financial assets	(37)	3,385	2,474
Other receivables and other assets	(21)	71,314	40,601
Securities	(22)	245,574	262,323
Cash and cash equivalents	(23)	474,619	688,034
		2,690,478	**2,552,886**
		5,769,136	**5,411,413**

SHAREHOLDERS' EQUITY AND LIABILITIES

in € thousand	Notes	31/12/2021	31/12/2020[1]
Shareholders' equity	(24)		
Subscribed capital		102,000	102,000
Capital reserves		78,385	78,385
Retained earnings		1,719,532	1,496,064
Accumulated other comprehensive income (expense)		(98,614)	(130,078)
Equity attributable to the shareholders of Jungheinrich AG		1,801,303	1,546,371
Non-controlling interests		1,306	158
		1,802,609	**1,546,529**
Non-current liabilities			
Provisions for pensions and similar obligations	(25)	227,796	240,160
Other provisions	(26)	65,355	60,056
Deferred tax liabilities	(11)	28,893	22,476
Financial liabilities	(27)	282,420	510,384
Liabilities from financial services	(28)	1,344,369	1,299,065
Derivative financial liabilities	(37)	826	2,030
Other liabilities	(31)	–	1,620
Deferred income	(32)	32,074	45,409
		1,981,733	**2,181,200**
Current liabilities			
Income tax liabilities		23,507	17,029
Other provisions	(26)	286,863	243,568
Financial liabilities	(27)	250,523	276,969
Liabilities from financial services	(28)	552,046	503,864
Trade accounts payable	(29)	532,969	383,673
Contract liabilities	(30)	198,428	122,725
Derivative financial liabilities	(37)	4,977	4,081
Other liabilities	(31)	106,923	99,476
Deferred income	(32)	28,558	32,299
		1,984,794	**1,683,684**
		5,769,136	**5,411,413**

1 Contract liabilities are reported separately from the 2021 financial year (previously: reported in other liabilities). The previous year's figures have been adjusted accordingly.

CONSOLIDATED STATEMENT OF CASH FLOWS

in € thousand	2021	2020[1]
Profit or loss	**267,396**	**150,768**
Depreciation, amortisation and impairment losses (excluding trucks for short-term rental and trucks for lease)	144,170	199,678
Depreciation and impairment losses of trucks for short-term rental and trucks for lease	232,856	233,287
Changes in provisions	21,798	43,567
Changes in trucks for short-term rental and trucks for lease (excluding depreciation)	–285,210	–154,602
Income from the disposal of property, plant and equipment and intangible assets and other financial assets	–276	1,043
Changes deriving from companies accounted for using the equity method and of other financial assets	–941	1,094
Changes in deferred assets and liabilities	909	–14,842
Change		
Inventories	–220,367	41,926
Trade accounts receivable and contract assets	–77,772	18,282
Receivables from financial services	–66,095	–98,960
Trade accounts payable	143,564	23,689
Liabilities from financial services	80,511	68,470
Liabilities from financing trucks for short-term rental	–42,873	–16,567
Contract liabilities	73,370	26,120
Other operating assets	–30,204	24,845
Other operating liabilities	9,946	3,013
Cash flow from operating activities	**250,782**	**550,811**
Payments for investments in property, plant and equipment and intangible assets	–89,458	–90,472
Proceeds from the disposal of property, plant and equipment and intangible assets	11,910	7,255
Payments for investments in companies accounted for using the equity method and other financial assets	–3,193	–18,629
Proceeds from the disposal of other financial assets	12	35
Payments for the acquisition of companies and business areas, net of acquired cash and cash equivalents	–71,308	–
Payments for the purchase of securities	–351,565	–482,065
Proceeds from the sale/maturity of securities	364,273	403,026
Proceeds from investments in term deposits	150,000	105,000
Payments for investments in term deposits	–115,000	–150,000
Payments for current loans granted to related parties	–10,555	–
Proceeds from repayments of current loans granted to related parties	1,078	–
Cash flow from investing activities	**–113,806**	**–225,850**
Dividends paid to the shareholders of Jungheinrich AG	–42,780	–47,880
Changes in short-term liabilities due to banks	–33,044	–2,408
Proceeds from obtaining long-term financial loans	5,572	63,500
Repayments of long-term financial loans	–198,401	–21,289
Repayments of lease liabilities	–53,307	–48,621
Cash flows from financing activities	**–321,960**	**–56,698**
Net cash changes in cash and cash equivalents	**–184,984**	**268,263**
Changes in cash and cash equivalents due to changes in exchange rates	8,222	–8,134
Changes in cash and cash equivalents	**–176,762**	**260,129**
Cash and cash equivalents on 01/01	**527,027**	**266,898**
Cash and cash equivalents on 31/12	**350,265**	**527,027**

1 Contract liabilities are reported separately from the 2021 financial year (previously: reported in other operating liabilities). The previous year's figures have been adjusted accordingly.

RECEIPTS AND PAYMENTS RELATING TO CASH FLOWS FROM OPERATING ACTIVITIES

in € thousand	2021	2020
Interest paid	48,405	47,045
Interest received	79,383	74,381
Dividends received	2,015	2,668
Income tax expense	73,926	43,211

The consolidated statement of cash flows is explained in note (34) [page 131].

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in € thousand	Subscribed capital	Capital reserve	Retained earnings	Accumulated other comprehensive income (expense)						
				Currency conversion	Remeasurement of pensions	Market valuation of derivative financial instruments	At-equity measured interests	Equity attributable to shareholders of Jungheinrich AG	Non-controlling interests	Total
Balance on 01/01/2021	102,000	78,385	1,496,064	–38,452	–90,123	–2,096	593	1,546,371	158	1,546,529
Dividend for the previous year	–	–	–42,780	–	–	–	–	–42,780	–	–42,780
Profit or loss	–	–	266,248	–	–	–	–	266,248	1,148	267,396
Other comprehensive income (expense)	–	–	–	15,318	14,920	1,108	118	31,464	–	31,464
Comprehensive income (expense)	–	–	266,248	15,318	14,920	1,108	118	297,712	1,148	298,860
Balance on 31/12/2021	**102,000**	**78,385**	**1,719,532**	**–23,134**	**–75,203**	**–988**	**711**	**1,801,303**	**1,306**	**1,802,609**
Balance on 01/01/2020	102,000	78,385	1,392,667	21	–81,012	–4,464	–	1,487,597	667	1,488,264
Dividend for the previous year	–	–	–47,880	–	–	–	–	–47,880	–	–47,880
Profit or loss	–	–	151,277	–	–	–	–	151,277	–509	150,768
Other comprehensive income (expense)	–	–	–	–38,473	–9,111	2,368	593	–44,623	–	–44,623
Comprehensive income (expense)	–	–	151,277	–38,473	–9,111	2,368	593	106,654	–509	106,145
Balance on 31/12/2020	**102,000**	**78,385**	**1,496,064**	**–38,452**	**–90,123**	**–2,096**	**593**	**1,546,371**	**158**	**1,546,529**

The consolidated statement of changes in equity is explained in note (24) [page 117].

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

(1) PURPOSE OF THE COMPANY

The Jungheinrich corporation (Jungheinrich AG) is headquartered at Friedrich-Ebert-Damm 129 in Hamburg (Germany) and is registered with the commercial register kept at the Hamburg District court under HRB 44885.

The Jungheinrich Group operates on an international level – with a main focus on Europe – as an intralogistics solutions provider with an extensive portfolio of material handling equipment, automatic systems and services. The integrated business model encompasses the development, production and sale of new material handling equipment and the planning and realisation of automatic systems, the short-term rental of new and used material handling equipment, the reconditioning and sale of used forklifts and after-sales services. Jungheinrich also supplies stacker cranes and load handling equipment.

Material handling equipment is manufactured at the production plants in Norderstedt, Moosburg, Degernpoint, Landsberg and Lüneburg (all in Germany) as well as at the production plant in Qingpu/Shanghai (China).

Used material handling equipment is reconditioned in the used equipment centre in Klipphausen/Dresden (Germany) and, since the second quarter of 2021, in the used equipment plant in Ploiești (Romania).

In 2019, Jungheinrich AG and Triathlon Holding GmbH established JT Energy Systems GmbH, Freiberg, to develop, manufacture and recondition lithium-ion batteries. Jungheinrich is the majority shareholder in this venture as of 31 December 2021.

Jungheinrich maintains a large and close-knit direct sales network with 28 proprietary sales companies in European countries. Additional foreign companies are located in Australia, Brazil, Chile, China, Colombia, Ecuador, India, Malaysia, Peru, Singapore, South Africa and Thailand. Jungheinrich product distribution in North America is handled by an exclusive distribution partner.

Furthermore, Jungheinrich products are also distributed via local dealers – especially overseas.

Stacker cranes and load handling equipment are manufactured in plants in Munich (Germany), Gyöngyös (Hungary) and Kunshan (China) and sold under the MIAS brand all over the world.

(2) ACCOUNTING PRINCIPLES

Fundamentals
Jungheinrich AG prepared the consolidated financial statements for the financial year ending on 31 December 2021 in compliance with the International Financial Reporting Standards (IFRS). All standards and interpretations of the IFRS Interpretations Committee endorsed by the EU and effective as at the balance sheet date were applied. Regulations under commercial law pursuant to Section 315e of the German Commercial Code (HGB) were complementarily taken into account.

The consolidated financial statements have been prepared in euros (€). Unless indicated otherwise, disclosure is in thousands of euros. The statement of profit or loss has been prepared using the cost of sales accounting method.

The consolidated financial statements for the period ended 31 December 2021 were approved for publication by the Board of Management on 25 March 2022.

Consolidation
Subsidiaries including structured entities over which Jungheinrich AG, Hamburg, can exercise direct or indirect control are included in the consolidated financial statements. Control can be exercised if the parent company has control over the subsidiary on the basis of voting rights or other rights, participates in the variable returns and can use its control to influence these returns. Structured entities which are controlled are also included in the scope of consolidation. Structured entities are companies in which the voting rights or comparable rights are not definitive for the determination of control. For example, this is the case if the voting rights only pertain to

the administrative responsibilities and the material activities are regulated by way of contractual agreements.

Joint ventures and associated companies are reported using the equity method. A joint venture is a joint arrangement according to which Jungheinrich exercises control together with a partner company and has rights in the net assets of the investment together with this partner. Associated companies are companies where Jungheinrich AG, Hamburg, has a significant direct or indirect influence on the finance and business policies. A significant influence is said to exist if Jungheinrich holds a share of between 20 per cent and 50 per cent of the voting rights.

Subsidiaries, joint ventures and associated companies which are of subordinated importance to the Group and to the presentation of the actual assets, liabilities, financial position and profit or loss due to their dormancy or minimal business activity are accounted for at fair value.

Subsidiaries are included in the consolidated financial statements starting from the point in time at which Jungheinrich AG obtains control over the company until the point in time at which control by Jungheinrich AG ends.

The financial statements of Jungheinrich AG as the parent company and of included subsidiaries that are to be consolidated are prepared using uniform accounting and valuation methods as at the balance sheet date of the parent company.

The same accounting and valuation methods are used to determine the pro rata shareholders' equity of companies accounted for using the equity method.

Business combinations, in other words acquisitions of companies and business areas, are accounted for using the acquisition method in compliance with IFRS 3. Accordingly, the consideration transferred at the acquisition date is offset against the net assets measured at their fair values as of the date of acquisition. Transaction costs associated with business combinations are generally recognised in profit or loss. If the consideration transferred includes conditional consideration, the latter is measured at its fair value at the acquisition date. Identifiable assets acquired and liabilities assumed are also measured at their fair values at the acquisition date. If the acquisition costs are higher than the fair value of the identified net asset, the positive balance is capitalised as goodwill. If the fair value of the acquired net asset is higher than the acquisition costs, the negative balance is recognised as negative goodwill. This is recognised immediately in profit or loss in the year of acquisition. If the fair values of the business combination on the acquisition date can only be determined provisionally until their initial reporting date, the business combination is accounted for on the basis of these provisional figures. In accordance with IFRS 3.45, initial accounting observes the twelve-month measurement period from the acquisition date. All necessary adjustments to the determined fair values are booked against the provisional goodwill or negative goodwill within this measurement period. Non-controlling interests in shareholders' equity are reported under "Non-controlling interests" in shareholders' equity.

All receivables and liabilities, expenses and income as well as intragroup results within the scope of consolidation are eliminated within the framework of the consolidation.

Investments in companies accounted for using the equity method are recognised at their acquisition cost upon initial recognition. Changes in the pro rata shareholders' equity of the investments following acquisition are offset against the investments' carrying amount. The Jungheinrich Group's investments in companies accounted for using the equity method include goodwill arising at the time of their acquisition. Since this goodwill is not stated separately, it does not have to be separately tested for impairment pursuant to IAS 36. Instead, the investment's entire carrying amount is tested for impairment in accordance with IAS 36 as soon as there are indications of the recoverable amount dropping below the investment's carrying amount. If the recoverable amount is lower than the carrying amount of a company accounted for using the equity method, an impairment loss in the amount of the difference is recognised. Write-ups in subsequent reporting periods are recognised in profit or loss.

Currency translation
Cash and cash equivalents, receivables and liabilities in foreign currency in the Group companies' annual financial statements are translated at the exchange rate valid at the balance sheet date and any differences resulting from such translation are recognised in profit and loss.

KEY EXCHANGE RATES FOR THE JUNGHEINRICH GROUP

		Mean exchange rate at the balance sheet date		Annual average exchange rate	
Currency	Basis €1	31/12/2021	31/12/2020	2021	2020
AUD		1.5615	1.5896	1.5747	1.6554
BRL		6.3101	6.3735	6.3813	5.8900
CHF		1.0331	1.0802	1.0814	1.0703
CLP		967.7900	868.6600	897.6318	903.1030
CNY		7.1947	8.0225	7.6340	7.8708
COP		4,598.6800	4,202.3400	4,427.2168	4,215.7000
CZK		24.8580	26.2420	25.6468	26.4554
DKK		7.4364	7.4409	7.4370	7.4544
GBP		0.8403	0.8990	0.8600	0.8892
HUF		369.1900	363.8900	358.4635	351.2040
INR		84.2292	89.6605	87.4861	84.5795
MYR		4.7184	4.9340	4.9026	4.7934
NOK		9.9888	10.4703	10.1634	10.7248
PEN		4.5193	4.4426	4.5885	3.9913
PLN		4.5969	4.5597	4.5640	4.4432
RON		4.9490	4.8683	4.9209	4.8380
RSD		117.6170	117.4100	117.5512	117.6150
RUB		85.3004	91.4671	87.2321	82.6454
SEK		10.2503	10.0343	10.1448	10.4881
SGD		1.5279	1.6218	1.5896	1.5736
THB		37.6530	36.7270	37.8216	35.6933
TRY		15.2335	9.1131	10.4670	8.0436
UAH		31.0284	34.6084	32.2959	30.8115
USD		1.1326	1.2271	1.1835	1.1413
ZAR		18.0625	18.0219	17.4795	18.7685

The annual financial statements of the foreign subsidiaries included in the consolidated financial statements are translated according to the functional currency concept. In each case, this is the local currency if the subsidiaries are integrated into the currency area of the country in which they are domiciled as commercially independent entities. As regards the companies of the Jungheinrich Group, the functional currency is the local currency.

To prepare the consolidated financial statements, assets and liabilities reported in local currency are converted to euros at the mean exchange rate at the balance sheet date. Changes during the year, the items on the statement of profit or loss and the components of the other comprehensive income are translated at the annual average exchange rate for the financial year. Shareholders' equity is carried at historic exchange rates. Translation differences are recognised in shareholders' equity under "Accumulated other comprehensive income (expense)" with no effect on profit or loss until the subsidiary is removed from the scope of consolidation. The respective cumulative translation differences are reversed in profit or loss when Group companies are deconsolidated.

Revenue recognition

Revenue is recognised after deduction of bonuses, discounts or rebates when control over the goods or services has been transferred to the customer. In general, this is the case when the delivery has been made or the service has been rendered, when the selling price is fixed or determinable and when the receipt of payment is reasonably certain.

Revenue for contracts with customers, particularly in relation to the sale of material handling equipment and the performance of after-sales services, is recognised in the Jungheinrich Group primarily on the basis of individual contracts. Revenue is recognised at the amount of the contractually agreed consideration as soon as the customer has gained control over the goods or uses the services provided. Significant financing components are not included in the contracts with customers as standard market payment targets are agreed as a general rule. A provision is set up for statutory and contractual warranty obligations.

With regard to automation projects in the area of automatic systems which are under the control of the ordering party during production and for which the Group has a legal right to payment for the work already performed, including an appropriate margin, Jungheinrich recognises revenue and the cost of sales in accordance with the degree of completion. This means that, for these projects, control is transferred and revenue is recognised over a specific period. The degree of completion is determined using the milestone method; in other words, work performed is recognised in relation to total work. If the earnings from a construction contract cannot be determined reliably, revenue is only recognised in the amount of the costs incurred that are likely recoverable.

Revenue from financial service transactions is recognised on a straight-line basis over the term of the contracts if the contract is classified as an "operating lease" in the amount of the lease payments. If the contract is deemed to be a "finance lease", revenue is recognised in the amount of the fair value of the leased item or the present value of the lease payments attributable to the lessor at the start of the contract, whichever is lower. The interest income is realised over the terms of the contracts using the effective interest method. If a leasing company or bank acts as an intermediary, the sales proceeds received, less the agreed residual values, from concluded sales contracts which contain repurchase obligations and are classified as an "operating lease" are recognised under deferred income. They are reversed with an effect on revenue on a straight-line basis over time until the repurchase date contractually agreed with the leasing company/bank. If the contracts are deemed to be "finance leases", revenue is recognised in the amount of the fair value of the leased item or the present value of the lease payments attributable to the lessor at the start of the contract, whichever is lower.

Product-related expenses
Expenses for advertising and sales promotion as well as other sales-related expenses are recognised in profit or loss when they are incurred. Freight and dispatch costs are carried under the cost of sales.

Product-related expenses also include additions to provisions for warranty obligations as well as to provisions for onerous contracts.

Research and development costs
Research costs and development expenses that cannot be capitalised are recognised in profit or loss in the period in which they are incurred.

From the beginning of production, capitalised development expenditure is reduced by straight-line depreciation over the series production's expected duration.

Research costs, non-capitalisable development expenditure as well as amortisation of capitalised development expenditure are stated under research and development costs.

Government grants
Investment grants and subsidies are recognised if there is sufficient certainty that Jungheinrich can satisfy the associated conditions and that the benefits are granted. Performance-related government grants are recognised in profit or loss as "other operating income" in the period in which the corresponding claim arises. Government grants for assets do not reduce these assets' acquisition and manufacturing costs. Instead, they are generally recognised as deferred income and distributed on schedule over the subsidised assets' useful lives. The reversals are recognised in profit or loss as other operating income on a pro rata temporis basis.

Earnings per share
Earnings per share are calculated based on share of profit or loss attributable to the shareholders of Jungheinrich AG, and this in turn is based on the average number of the respective shares outstanding during a financial year. In the 2021 and 2020 financial years, no equity instruments diluted the earnings per share on the basis of the respective shares issued.

Intangible assets and property, plant and equipment
Purchased intangible assets are measured at acquisition costs and reduced by straight-line depreciation over their useful lives insofar as their useful lives are limited. The useful lives used as a basis for software licences are 3 to 8 years. Intangible assets with limited useful lives acquired as part of business combinations primarily relate to customer relationships, technologies and customer contracts. The economic useful lives determined are between 4 and 15 years for these customer relationships and technologies and between 15 and 20 years for the customer contracts. Usage rights in land acquired in China and Singapore are limited to 50 and 36 years respectively.

Development expenses are capitalised if the manufacturing of the developed products is expected to result in an economic benefit for the Jungheinrich Group and is technically feasible and if the costs can be determined reliably. Capitalised development expenditure comprises all costs directly allocable to the development process, including development-related overheads. From the beginning of production, capitalised development expenditure is amortised using the straight-line method over the series production's expected duration, which is normally between 4 and 7 years.

At initial recognition, goodwill from business combinations is measured at acquisition cost and classified as an intangible asset. Acquisition costs are the positive balance of the consideration transferred and the fair value of the acquired net asset. In subsequent periods, goodwill is accounted for at acquisition cost less – if necessary – accumulated impairment losses. Goodwill is tested for impairment at least once a year or whenever there is an indication of a potential reduction in value. If the carrying amount of a cash-generating unit (CGU) exceeds the recoverable amount, an impairment loss in the amount of the difference is recognised immediately in profit or loss. Impairment losses, including impairment losses recognised during the current financial year, will not be reversed in subsequent reporting periods. For the purpose of impairment testing, the recoverable amount of the CGU to which the goodwill is allocated needs to be determined. The CGUs are generally identical to the legal Group companies. The MIAS Group is the designated CGU to which goodwill from the acquisition of MIAS has been assigned. The recoverable amount is the higher of the fair value less selling costs and the value in use. The impairment test is performed on the basis of the determined value in use of a CGU using the discounted cash flow method. As a rule, this uses the cash flows budgeted for in the bottom-up five-year budget, the plausibility of which is verified by Jungheinrich AG management. Forecasts for long-term revenue and returns form the basis for cash flows beyond the budget period. A pre-tax interest rate in line with the conditions prevailing on the market is used as the discount rate. The total cost of capital is based on the risk-free interest rate and risk premiums for equity and debt specific to the Group units and countries. If the value in use is lower than the carrying amount, the recoverable amount is also calculated on the basis of fair value less selling costs.

Property, plant and equipment are measured at historical acquisition and manufacturing costs, less accumulated depreciation. The manufacturing costs for self-produced equipment contain not only the direct material and manufacturing expenses, but also attributable material and production overheads as well as production-related administrative expenses and depreciation. Maintenance and repair expenses are stated as expenses. All costs for measures that lead to an extension of the useful life or a widening of the future possibilities for use of the assets are capitalised. Depreciable objects are reduced by straight-line depreciation. If objects are sold or scrapped, property, plant and equipment and intangible assets are derecognised; any resulting profits or losses are recognised in profit or loss.

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

Buildings	10–50 years
Land improvement, improvements in buildings	10–50 years
Plant facilities	8–15 years
Technical equipment and machinery	5–10 years
Factory and office equipment	3–10 years

Intangible assets and property, plant and equipment with undeterminable or unlimited useful lives are not reduced using depreciation or amortisation.

Jungheinrich enters into contracts as a lessee for the use of property, plant and equipment, primarily properties and trucks. The right-of-use assets reported under property, plant and equipment are measured at acquisition cost less cumulated depreciation and any necessary impairment, taking into account any remeasurements of the lease liability. The acquisition cost of the right-of-use asset is the present value of contractually agreed lease payments plus contract completion costs, less all lease incentives received. If there is an obligation to restore the underlying asset of the lease to its original state, then these costs are considered part of the acquisition cost. Jungheinrich makes use of the option in property leases to consider payments for non-lease components as lease payments and thereby to recognise every lease component and all associated non-lease components as a single lease component. For all other leases, lease and non-lease components are accounted for separately. If ownership of the leased item is transferred to Jungheinrich at the end of the contract's term, as a result of exercising an option or a contractual agreement, the item is depreciated over the economically useful life. Otherwise, the right-of-use asset is reduced by straight-line depreciation over the lease term.

For leases with a maximum term of twelve months and leases of low-value assets, the rental and lease payments made by Jungheinrich are recognised straight-line by Jungheinrich as an expense over the term of the contract under functional costs. Low-value leases consist of assets whose individual acquisition costs at original value do not exceed €5 thousand.

Trucks for short-term rental
Jungheinrich rents trucks to customers on the basis of short-term agreements. These trucks for short-term rental are capitalised at historical acquisition or manufacturing costs and depreciated over their economic useful lives, which are set at six and nine years respectively according to product group. Depending on the product group, they are depreciated at 30 or 20 per cent of their cost in each of the first two years, after which they are reduced using the straight-line method until the end of their useful lives.

Impairments of intangible assets, property, plant and equipment and trucks for short-term rental
The impairment test for goodwill is explained in the section headed "Intangible assets and property, plant and equipment".

All other intangible assets, property, plant and equipment and trucks for short-term rental are tested for impairment whenever there is an indication of a potential reduction in value. Besides qualitative criteria, particularly macroeconomic indicators, quantitative criteria are also used to furnish indications that a write-down may occur in a cash-generating unit (CGU). Each legal company generally constitutes one CGU. As its quantitative criterion for assessing the impact of crises on recognised assets, Jungheinrich uses the ratio between the EBIT coverage ratio based on the CGU's current annual forecast and the current total carrying amounts of its fixed assets and net current assets. If the ratio falls below 3 per cent, the relevant CGU's intangible assets, property, plant and equipment, and trucks for short-term rental are tested for impairment.

In such cases, the recoverable amount of the asset is compared with its carrying amount. The recoverable amount is determined for each individual asset unless an asset generates cash flows that are not largely independent of those of other assets or other groups of assets (cash-generating units). The recoverable amount is the higher of fair value of the asset less selling costs and value in use, which is the estimated discounted future cash flow. If the carrying amount exceeds the recoverable amount of the asset, an impairment is performed.

If the reason for an impairment carried out in previous years no longer exists, a write-up to amortised acquisition and manufacturing costs is performed.

Leasing and financial services
Within the framework of their financial services business, Jungheinrich Group companies conclude contracts with customers either directly or with a leasing company or bank acting as an intermediary.

The classification of the lease contracts, and thus the way they are reported in the accounts, depends on the attribution of the economic ownership of the lease object. In the case of "finance lease" contracts, essentially all the risks and rewards incidental to ownership of the leased asset are transferred so that the economic ownership lies with the lessee. At the Jungheinrich Group companies, as the lessor, this leads to identification as receivables from financial services in the amount of their net investment value. Interest income realised in instalments over the term to maturity ensures that a stable return on outstanding net investments is achieved.

If economic ownership is attributed to Jungheinrich as the lessor, the agreement is classified as an "operating lease" and the trucks are capitalised as "trucks for lease from financial services" at historical acquisition or manufacturing cost and then depreciated over their economic useful lives. Leased items acquired before 1 January 2021 are depreciated over an economic useful life of six or nine years, depending on product group. Depending on the product group, they are depreciated at 30 or 20 per cent of their cost in each of the first two years, after which they are reduced using the straight-line method until the end of their useful lives. Leased equipment acquired from 1 January 2021 will be reduced by straight-line depreciation during the term of the customer contract down to the residual value. Lease income is recognised in profit or loss during the contracts' terms using the straight-line method. Upon termination of the customer lease contract, the trucks are transferred to inventories at their carrying amounts.

These long-term customer contracts ("finance leases" and "operating leases") are always financed by loans with maturities identical to those of the contracts. They are recorded on the liabilities side under liabilities from financing as part of the item "liabilities from financial services". In addition to truck-related loan financing, proceeds from the sale of future lease instalments from intragroup usage right agreements in the Jungheinrich Group are deferred as liabilities from financing and released over the period of the usage right using the effective interest method. In addition, Jungheinrich finances itself via Elbe River Capital S.A., Luxembourg, an affiliated company established exclusively for this purpose. This refinancing firm buys all lease instalments from intragroup usage right agreements – and in Germany, from customer contracts – that mature in the future and refinances itself through the issuance of promissory notes.

In addition, the underlying trucks in long-term customer contracts are refinanced using the sale and leaseback method. For sale and leaseback transactions completed before the initial application of IFRS 16 "Leases", there was no reassessment regarding the transfer of control to the leasing companies/banks, and the distribution of the profit from the sale from these contracts over the term of the contract is continued in accordance with the transition rules of IFRS 16. For sale and leaseback contracts completed after 1 January 2019, assessments are performed to see if control over the trucks has been transferred to the refinancing partner. As this is usually not the case, the trucks are not considered to have been sold and are derecognised. They are recognised and measured as either trucks for lease from financial services (operating lease) or receivables from financial services (finance lease) depending on how the customer contract is classified. Refinancing liabilities in the amount of the revenue from the transfer are accounted for as financial liabilities and recognised as liabilities from financial services.

In the case of customer contracts with a leasing company or bank acting as an intermediary, Jungheinrich concludes sales contracts with the leasing companies/banks for the assets provided to the customer. Jungheinrich is frequently required under these contracts to repurchase the trucks from the leasing company/bank for an agreed residual value when the customer contracts expire. As a result, these contracts satisfy the definition of a lease contract and are classified as an "operating lease" or "finance lease" in accordance with the classification criteria which are used to classify lease contracts concluded directly with customers. If economic ownership is held by the Jungheinrich Group companies, the trucks sold to leasing companies/banks continue to be recognised in Jungheinrich's statement of financial position in accordance with IFRS. When they are capitalised as "trucks for lease from financial services", sales proceeds less the agreed residual value are recorded as "deferred revenue from financial services" under deferred income. Trucks for lease are depreciated on a straight-line basis over the term of the underlying leases between the leasing companies/banks and the end customer. The sales proceeds recognised as part of deferred income are reversed with an effect on revenue on a straight-line basis over the term of the contract until payment of the agreed residual value is due. The repurchase obligations are reported in the amount of the contractually agreed residual values under the item "liabilities from financial services".

Financial instruments
In accordance with IFRS 9, financial instruments are defined as contracts that at the same time lead to financial assets in one company and financial liabilities or equity instruments in the other.

In accordance with IFRS 9, financial assets must be assigned to one of the following three measurement categories:

– At amortised cost
– At fair value through other comprehensive income
– At fair value through profit or loss

The financial assets are classified based on the Jungheinrich Group's business model for managing financial assets and on the characteristics of the contractually agreed cash flows.

Financial liabilities must be assigned to one of the following two measurement categories:

– At fair value through profit or loss
– Other financial liabilities

Financial instruments carried at amortised cost are primarily non-derivative financial instruments such as trade accounts receivable and payable, contract assets, other receivables and financial assets, other financial liabilities, receivables and liabilities from financial services as well as financial liabilities.

Non-derivative financial instruments are recognised at the settlement date, i.e. the time the asset is delivered to or by Jungheinrich.

Trade accounts receivable and contract assets
Trade accounts receivable and contract assets are held by the Jungheinrich Group primarily for the purpose of realising their nominal value. The contractual conditions result in cash flows at agreed times which exclusively constitute repayments and, if applicable, interest payments on the outstanding receivable amount. As a rule, the Jungheinrich Group's trade accounts receivable and contract assets have contractually agreed short-term payment targets. They are categorised as "at amortised cost" and measured at amortised cost using the effective interest method, whereby the amortised cost corresponds to the nominal value less loss allowances.

Further information on receivables from financial services can be found in the notes on the treatment of leases.

Non-consolidated investments in affiliated companies and joint ventures
Non-consolidated investments in affiliated companies and joint ventures are accounted for at fair value through profit or loss. Non-consolidated investments in affiliated companies and joint ventures are reported under "Other financial assets" in the consolidated statement of financial position.

Other investments
Investments in companies that are neither affiliated companies, associated companies nor joint ventures are recognised under other non-current financial assets. These investments are accounted for at fair value through profit or loss and reported under "Other financial assets" in the consolidated statement of financial position.

Securities
Securities which are held for the purpose of holding them to maturity and realising their contractual cash flows are categorised as "at amortised cost" and measured at amortised cost using the effective interest method. These securities are initially recognised at fair value plus transaction costs. Differences between the original amount and the amount repayable at maturity are distributed over their terms and recognised in financial income (expense). With these securities, the amortised cost corresponds to the nominal value less (plus) any discounts (premiums) and less loss allowances for expected credit losses.

Securities which are held for the purpose of selling or holding in order to realise contractual cash flows but which cannot be assigned to the category "fair value through other comprehensive income" are categorised as "at fair value through profit or loss". These securities are initially recognised at fair value plus transaction costs that are directly attributable to the purchase of the financial instrument. The fair value corresponds to the market prices quoted on active markets. Gains and losses from these securities resulting from measurement at fair value are recognised directly in profit or loss.

Jungheinrich does not have any securities categorised as "at fair value through other comprehensive income".

Other financial assets
Other financial assets are categorised as "at amortised cost" and carried at amortised cost using the effective interest method, in other words at the nominal value less loss allowances for expected credit losses.

Cash and cash equivalents
Cash and cash equivalents are available at short notice and have an original maturity of up to three months. They also include short-term deposits with an original contractual term of up to twelve months. Cash and cash equivalents are carried at amortised cost, in other words at the nominal amount less valuation allowances for expected credit losses.

Liabilities
Liabilities are measured at amortised cost using the effective interest method. The interest cost is recognised in accordance with the effective interest rate.

Lease liabilities are recognised at the beginning of the lease at present value of the outstanding lease payments using the incremental borrowing rate and finally measured using the effective interest method at amortised cost. The lease liability's carrying amount increases by accrued interest and decreases by lease payments made. Changes to the carrying amount from remeasurement of the lease liability due to reassessments or adjustments to the lease are also taken into account.

Impairment of financial instruments
For financial instruments in the category "at amortised cost", impairment losses are calculated for expected credit losses and recognised immediately in profit or loss as loss allowances.

In accordance with IFRS 9, loss allowances for expected credit losses must be recognised at the time of initial recognition of financial assets.

Jungheinrich uses the simplified method (two-level model) to calculate loss allowances recognised for trade accounts receivable and contract assets. Due to the predominantly short-term maturity of these financial assets, the expected credit loss resulting from potential defaults relates to the remaining term of the trade accounts receivable and contract assets (level 2). A transfer from level 1 to level 2, as envisaged in the general impairment model (three-level model), is thus not relevant for these financial instruments.

The Jungheinrich Group has established standardised risk categories for ranges of credit rating indices. To calculate the loss allowances in the consolidated financial statements, the upper limit of the range has been specified for each risk group as the Group probability of default for a twelve-month term to maturity. Trade accounts receivable and contract assets existing as at the balance sheet date are assigned to these risk groups in accordance with the individual customer rating. The loss allowances for expected credit losses are determined by applying the Group probability of default to the portfolio of receivables of the individual risk groups while taking account of the average payment targets agreed by the respective Group companies. In the case of portfolios of receivables for which there is loan insurance, only the contractually agreed deductible is subject to a credit risk. The individual customer ratings contain forward-looking information.

Trade accounts receivable and contract assets are transferred to level 3 as soon as there are objective indications of impairment affecting these financial instruments. These indications include a clear deterioration in the customer rating, registered insolvencies and a clear increase in the debtor's overdue payments. Individual event-based loss allowances are recognised for these doubtful trade accounts receivable and contract assets with an impaired credit rating.

Insofar as the objective indications of impairment no longer apply and the trade accounts receivable and contract assets no longer have an impaired credit rating, the impairment losses are reversed. The financial instruments are included again in the calculation of loss allowances at level 2.

If it can no longer be assumed, based on an appropriate evaluation, that trade accounts receivable or assets are recoverable in whole or in part, they are derecognised in line with local regulations.

Jungheinrich uses the three-level model to calculate potential future impairment losses for all other financial instruments in the category "at amortised cost". At the time of initial recognition, these financial assets are assigned to level 1, and loss allowances equal to the expected twelve-month credit losses are recognised. The probabilities of default for a twelve-month period are based on CDS prices containing forward-looking information and the expected loss given default ratio. Parameters for loss given default ratios (LGD) reflect an assumed recoverability rate of 40 to 45 per cent. In this case, the estimated loss is calculated based on the current market price of the financial instruments and the remaining term to maturity. If the credit risk rate increases significantly in subsequent periods, these financial instruments would have to be transferred to level 2, and loss allowances equal to the expected credit loss for the remaining term to maturity would have to be recognised. Were contractual payments to become more than 30 days overdue, this would not by itself signal a significant increase in the credit risk but would indicate that a significant increase in the credit risk could have occurred. Jungheinrich's risk management system treats a downgrading of the counterparty's external rating below investment grade as a criterion for a significant increase in the credit risk. However, in line with Jungheinrich's risk management strategy, all other financial instruments are immediately liquidated if there is a significant increase in the creditworthiness risk.

IFRS 9 requires that loss allowances be recognised for expected credit losses. These loss allowances are calculated based on estimated probabilities of default. The credit losses that actually occur in the future may deviate from the amounts recognised in the consolidated financial statements.

Subsequent changes to IAS 1 "Presentation of Financial Statements" resulting from the introduction of IFRS 9 have not been implemented by Jungheinrich. For reasons of materiality, impairment losses are not reported separately in the statement of comprehensive income, but rather in the notes to the financial statements.

Derivative financial instruments
At Jungheinrich, derivative financial instruments are mainly used for hedging purposes.

Jungheinrich has opted to continue to apply the provisions of IAS 39 when accounting for hedges, as permitted by IFRS 9.

Derivative financial instruments are recognised at the trade date, i.e. the time the obligation to buy or sell the asset was entered into.

IAS 39 requires all derivative financial instruments to be accounted for at fair value as assets or liabilities. Depending on whether the derivative is a fair value hedge or a cash flow hedge, gains and losses arising from changes in the fair value of the derivative are recognised in profit or loss or are otherwise recognised in shareholders' equity (accumulated other comprehensive income (expense)) with no effect on profit or loss. In the case of a fair value hedge, the results from changes in the fair value of derivative financial instruments are recognised in profit or loss. The changes in the fair value of derivatives that are to be classified as cash flow hedges are initially recognised with no effect on profit or loss under shareholders' equity in the amount of the hedge-effective part. These amounts are transferred to the statement of profit or loss at the same time as the effect on the result of the underlying transaction. The hedge-ineffective part is recognised directly in financial income (expense).

Derivative financial instruments that are not designated as hedging instruments are categorised as "at fair value through profit or loss". Gains and losses from these derivative financial instruments resulting from measurement at fair value are recognised directly in profit or loss.

Financial instruments measured at fair value are classified and assigned to measurement categories according to the significance of the factors considered in their measurement. Financial instruments are assigned to levels depending on the significance their input factors have on their overall measurement. Assignments are based on the lowest level of substantial or main relevance for the measurement. The fair value hierarchy is based on the input factors used:

Level 1 – (unchanged) market prices quoted on active markets for identical assets or liabilities

Level 2 – input data other than listed market prices, which can be observed either directly (as a price) or indirectly (derived from prices) for the asset or liability

Level 3 – referenced input factors used for the measurement of the asset or liability that are not based on observable market data

Jungheinrich records reclassifications between these different measurement levels at the end of the reporting period in which the change occurred.

Inventories
Inventories are measured at the lower of acquisition or manufacturing cost and net realisable value. Manufacturing costs include not only the direct material and manufacturing expenses, but also the attributable material and production overhead costs as well as production-related administrative expenses and depreciation. The average cost method is applied to calculate the acquisition and manufacturing costs of inventories of the same type.

Utilisation risks resulting from storage time are taken into account by way of value reductions on the basis of historical usage. Once the reason for the write-downs ceases to exist, a reversal of the write-down is carried out.

Income taxes
Deferred tax assets and liabilities are recognised in accordance with the balance-sheet-orientated method for all temporary differences between Group and tax-based valuation. This procedure is generally applicable for all assets and liabilities with the exception of goodwill from the consolidation of investments. In addition, deferred tax assets are stated on the statement of financial position to carry forward unused tax losses and unused tax credits if it is probable that they can be utilised. Deferred taxes are valued at the current rates of taxation. If it is expected that the differences will be offset in years with different rates of taxation, then the latter rates valid at that time are applied. If there are any changes in the tax rates, these changes are taken into account in the year in which the relevant changes in tax rates are approved. Actual income tax expense is recorded on the statement of financial position as of the time it was incurred. It is calculated taking into account the respective local tax legislation and current case law. The complexity of these regulations and the potential for them to be interpreted differently as a result means that there is uncertainty as to how individual transactions are to be treated for tax purposes. These uncertain tax items are measured in accordance with IFRIC 23 by using the most likely amount.

A loss allowance is recognised for deferred tax assets, the recovery of which is improbable.

Accumulated other comprehensive income
Stated in this item are changes in the shareholders' equity with no effect on profit or loss insofar as these are not based on capital transactions with shareholders. These include the currency translation adjustment as well as differences resulting from the remeasurement of defined benefit pension plans. Changes in the year under review are presented in the statement of comprehensive income.

Provisions
Provisions for pensions and similar obligations are valued on the basis of actuarial calculations in accordance with IAS 19 by applying the projected unit credit method for defined benefit obligations from pensions. This method takes into account pensions and vested future benefits known as at the balance sheet date, expected increases in salaries and pensions as well as demographic calculation principles. Remeasurements relating to actuarial gains and losses and the return on plan assets at Jungheinrich (excluding amounts included in the net interest on the net defined benefit liability) are recognised in other comprehensive income as soon as they occur and are thus disclosed directly on the statement of financial position. Remeasurements recognised in other comprehensive income are a component of accumulated other comprehensive income and are not transferred to the statement of profit or loss in subsequent periods. The cost component "service cost" is recognised in profit or loss in the personnel costs of the corresponding functional areas. Net interest on the net liability from defined benefit pension plans is recognised in profit or loss in financial income (expense). Pension obligations and similar obligations of some foreign companies are financed by pension funds. These pension funds are qualifying plan assets pursuant to IAS 19.

The defined benefit obligation stated on the consolidated statement of financial position represents the current funding gap of the Jungheinrich Group's defined benefit pension plans.

Termination benefits are recognised if the employee's employment contract is terminated before reaching the normal pension age or if an employee volunteers to terminate the employment contract in exchange for severance benefits. The Group recognises such benefits only if Jungheinrich is obliged to terminate the employment contract and provide the benefits due to a detailed formal plan, which cannot be revised, or if there is an individual agreement. Termination benefits are accounted for in accordance with IAS 19.

Furthermore, provisions have been accrued to cover employee benefits due pursuant to local statutory regulations in the event of their departure as well as other employee benefits due over the short or long term. These obligations are accounted for in accordance with IAS 19.

The valuation of the long-term incentive (LTI) as a share-based performance-related component of the Board of Management's remuneration with a long-term incentive effect is carried out at fair value using a Monte Carlo simulation. The obligations are recorded as personnel provisions under other provisions.

Other provisions are accrued in accordance with IAS 37 if a past event results in a present obligation to third parties. It is probable that resources will be used to meet this obligation and the anticipated amount of the required provision can be reliably estimated. Other provisions are accounted for based on the best possible estimate of costs required to meet the present obligation as at the balance sheet date. If the amount of the necessary provision can only be determined within a certain bandwidth, the most probable value is stated. If all amounts are of equal probability, the mean value is stated.

Provisions for restructuring measures are accrued pursuant to IAS 37 if a detailed, formal plan has been established and all involved parties have been informed of said plan. The measures are implemented without undue delay.

Non-current provisions are discounted and stated at the present value of the expected expense. Provisions are not offset against claims under rights of recourse.

Classification of accounts
Current and non-current assets as well as current and non-current liabilities are stated on the statement of financial position as separate classification groups. Assets and liabilities are classified as being current if their realisation or repayment is expected within twelve months from the balance sheet date. Accordingly, assets and liabilities are classified as being non-current if they have a remaining term to maturity of more than one year. Pension provisions are stated in line with their nature under non-current liabilities as benefits due to employees in the long term. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities.

Individual items in the statement of profit or loss as well as on the statement of financial position are summarised. They are shown separately in the notes.

Estimates
In the consolidated financial statements, it is necessary to a certain degree to make estimates and assumptions that have an impact on the level and recognition of assets and liabilities stated on the statement of financial position as at the balance sheet date and of income and expenses during the reporting period. Estimates and assumptions must be made primarily to determine the economic useful lives of property, plant and equipment, trucks for short-term rental and leased equipment uniformly throughout the Group, to conduct impairment tests on assets and to account for and measure provisions, including those for pensions, guarantee and disposal obligations or legal disputes. Further estimates and assumptions about the expected residual values at the end of the term of long-term customer leases must be made to measure the underlying assets. Assumptions and estimates are also necessary when determining the intrinsic value of deferred tax assets, especially on loss carryforwards, and when recognising tax items that are still uncertain. Estimates and assumptions are made on the basis of the latest knowledge available, historical experience as well as on additional factors such as future expectations.

The amounts which actually materialise may deviate from the estimates. When the actual course of events deviates from the expectations, the premises and, if necessary, the carrying amounts of the affected assets and liabilities, are adjusted accordingly.

To identify any impairment of goodwill, it is necessary to calculate the recoverable value of the cash-generating unit (CGU) to which the goodwill has been allocated. Calculating the recoverable amount involves estimating future cash flows from the CGU, a long-term growth rate and an appropriate discount rate for the calculation of the net present value. Any change in these and other influential factors may lead to impairment losses. Goodwill is tested for impairment once a year or whenever there is an indication of a reduction in value.

All other intangible assets, property, plant and equipment and trucks for short-term rental are tested for impairment whenever there is an indication of a potential reduction in value. Besides qualitative criteria, particularly macroeconomic indicators, quantitative criteria are also used to furnish indications that a write-down may occur in an individual cash-generating unit (CGU).

All significant risks known at the time the consolidated financial statements were prepared and affecting the assets and liabilities stated on the statement of financial position as of 31 December 2021 were taken into consideration.

Within the framework of their financial services business, Jungheinrich Group companies conclude contracts with customers either directly or with a leasing company or bank acting as an intermediary. The classification of the lease contracts, and thus the way they are reported in the accounts, depends on the attribution of the economic ownership of the lease object.

If economic ownership is attributed to Jungheinrich as the lessor, the agreement is classified as an "operating lease" and the trucks are capitalised as "trucks for lease from financial services" at historical acquisition or manufacturing cost and then depreciated over their economic useful lives.

Leased equipment acquired before 1 January 2021 was depreciated over an economic useful life of six or nine years, depending on product group. Depending on the product group, they were depreciated at 30 or 20 per cent of their cost in each of the first two years, after which they were reduced using the straight-line method until the end of their useful lives.

This depreciation method is used to ensure that the remaining carrying amounts of the leased equipment do not, or not materially, exceed the anticipated fair value if the customer terminates the contract in the first two years.

The Group analysed contract terminations in the past and discovered that the majority of leases with customers run for the originally planned term. Thanks to the analyses available for the first time in the 2021 financial year, Jungheinrich has noticed that applying the straight-line method of depreciation for trucks for lease from financial services better represents usage history and has thus adjusted estimates relating to anticipated depreciation as of 1 January 2021. All leased equipment acquired from 1 January 2021 and leased individually on a long-term basis will be reduced by straight-line depreciation during the term of the customer contract down to the guaranteed residual value.

This change to estimates had a positive impact on earnings before financial income (expense) and income tax expense of around €3 million in 2021. Based on the information currently available, a positive impact on earnings before financial income (expense) and income tax expense of around €9 million for the 2022 financial year. From the 2023 financial year onward, the adjustment to the depreciation method is not expected to have any material impact.

Estimates of future costs for legal disputes, warranty and disposal obligations are subject to a number of uncertainties.

It is often impossible to predict the outcome of individual lawsuits with certainty. It cannot be ruled out that, due to the final ruling on some of the outstanding lawsuits, Jungheinrich may be faced with costs that exceed the provisions accrued for this purpose and whose timing and extent cannot be predicted with certainty.

Warranty and disposal obligations are subject to uncertainties surrounding the enactment of new laws and regulations, the number of affected trucks and the nature of measures to be initiated. It cannot be ruled out that the expenses actually incurred for these measures may exceed the provisions accrued for them to an unpredictable extent. Further information can be found in note (26) [page 123].

Although the expenses resulting from a necessary adjustment in provisions in the reporting period can have a significant impact on Jungheinrich's results, it is expected that – including provisions already accrued for this purpose – potentially ensuing obligations will not have a material effect on the Group's economic situation.

Published IFRS adopted by the EU and applied for the first time in the 2021 financial year

In August 2020, the IASB completed the second stage of the project "Interest Rate Benchmark Reform" with the publication of the changes to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases". The changes are intended to mitigate the effects on financial reporting resulting from the interest rate reform (IBOR reform). The changes published by IASB were adopted by the EU in January 2021 and become effective for the first time for financial years beginning on or after 1 January 2021. The adjustments to contractual terms due to the reform had no material effects in 2021. It remained possible to report hedging relationships affected by the IBOR reform on the statement of financial position up to 31 December 2021. Jungheinrich does not expect the IBOR change to have any material effects on the reporting of financial instruments and hedging relationships in the Group in 2022.

None of the other IFRS which became mandatory in the EU for the first time as of 1 January 2021 had a material effect on Jungheinrich's consolidated financial statements.

Published IFRS adopted by the EU and not yet applied

In May 2020, the IASB published an amendment to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". This now stipulates for the first time that, when it comes to the valuation of provisions for onerous contracts, all costs directly attributable to a contract are to be taken into account as costs of fulfilment. No material impacts are currently expected on the consolidated financial statements. The changes published by IASB were adopted by the EU in June 2021 and become effective for the first time for financial years beginning on or after 1 January 2022.

Jungheinrich currently expects that all other standards adopted by the EU and not yet applied will also not have a material impact on the consolidated financial statements.

Published IFRS that are yet to be adopted by the EU and have not yet been applied

The other standards published but not adopted by the EU and not yet applied by Jungheinrich are not expected to have a material impact on the Jungheinrich Group's assets, liabilities, financial position and profit or loss. Jungheinrich does not currently plan to apply these standards, when these have been endorsed by the EU, until they become mandatory in later financial years.

Scope of consolidation

In addition to the parent company, Jungheinrich AG, Hamburg, the consolidated financial statements included 78 (previous year: 78) foreign and 27 (previous year: 27) domestic companies. The scope of consolidation included 92 (previous year: 93) fully consolidated subsidiaries, including one structured entity, which were directly or indirectly controlled by Jungheinrich AG. Twelve joint ventures (previous year: eleven) and one associated company (previous year: one) were accounted for using the equity method.

Universal-FORMICA-Fonds, Frankfurt/Main, in which Jungheinrich AG holds 100 per cent of the shares, was included in the scope of consolidation as a structured entity. On the basis of contractual agreements, Jungheinrich is able to steer the activities of the special fund and thus influence the amount of return. The purpose of investments in funds is to take advantage of opportunities to earn returns on the capital market while limiting risk. The special fund is managed to maintain value in order to limit risks.

All of the shareholdings of Jungheinrich AG, Hamburg, are disclosed in note (44) [page 144].

Changes in the scope of consolidation

CHANGES IN THE SCOPE OF CONSOLIDATION

	Jungheinrich AG	Subsidiaries		Joint ventures		Associated companies		
	Germany	Germany	Abroad	Germany	Abroad	Germany	Abroad	Total
Balance on 01/01/2021	1	23	70	3	8	1	–	106
Additions	–	1	1	1	–	–	–	3
Disposals	–	2	1	–	–	–	–	3
Balance on 31/12/2021	**1**	**22**	**70**	**4**	**8**	**1**	**–**	**106**
Balance on 01/01/2020	1	23	69	3	10	1	–	107
Additions	–	–	2	–	–	–	–	2
Disposals	–	–	1	–	2	–	–	3
Balance on 31/12/2020	**1**	**23**	**70**	**3**	**8**	**1**	**–**	**106**

Subsidiaries

As part of the merger by absorption, JT Energy Systems GmbH, Freiberg, took over all assets and debts of the absorbed businesses JT mopro GmbH, Glauchau, and JT lipro GmbH, Freiberg, as of 1 January 2021.

Jungheinrich Fleet Services S.L., Abrera/Barcelona (Spain), took over all the assets and liabilities of the absorbed Jungheinrich Rental S.L., Abrera/Barcelona (Spain), by way of a merger by absorption as of 1 January 2021.

Jungheinrich Chomutov s.r.o., Modletice/Prague (Czechia), was founded in the fourth quarter of 2021 to expand production capacity. The new production plant in Czechia, where mainly reach trucks will be manufactured in the future, is being erected as a "built-to-suit" solution by a local developer. Jungheinrich has contractually agreed to enter into a long-term rental agreement with the developer to use this property after its completion. Construction is scheduled to begin in 2022. The current plan is for this work to be completed in 2023 so that production can then begin.

On 28 October 2021, Jungheinrich gained control over arculus GmbH, Munich (Germany), for a purchase price of €76.1 million in order to further expand its automation activities and since then has held 100 per cent of the voting rights and capital in this company. arculus GmbH, based in Munich, is a technology company active in the field of autonomous mobile robots. Jungheinrich has thus added highly innovative hardware and software solutions in the rapidly growing autonomous mobile robots market to its existing portfolio of automation systems. arculus GmbH, Munich, is allocated to the "Intralogistics" segment.

The purchase price was provided in the form of cash and cash equivalents. In connection with the acquisition of the company, it was agreed that the sellers of the shares and the employees of arculus GmbH, Munich, at the time of acquisition would receive further variable payments in subsequent years, provided that the conditions set out in the purchase agreement were met (referred to as earn-out payments). The beneficiaries are only entitled to payment upon fulfilment of the performance-related key figures if they are employed by arculus GmbH, Munich, at the contractually agreed time. Jungheinrich expects contingent payments totalling €25.9 million, which would be due for payment in 2023, 2025 and 2026. The transaction-related costs of €1.0 million were recorded in profit or loss under general administrative expenses in 2021.

The first-time consolidation is to be considered preliminary in view of the fair value measurement of the assets and liabilities acquired. There was not sufficient time to finish the analysis of the acquired net assets prior to publication of the consolidated financial statements. The analysis of the contracts with one customer was not yet completed with regard to determining when the promised performance obligations are fulfilled. The table below shows the preliminary allocation of the purchase price to the net assets acquired.

PURCHASE PRICE ALLOCATION AT THE DATE OF ACQUISITION

in € million	Carrying amount	Fair value
Assets		
Intangible assets	3.0	23.1
Property, plant and equipment	1.4	1.4
Inventories	1.6	1.6
Trade accounts receivable	0.1	0.1
Other receivables and other assets	11.1	11.1
Cash and cash equivalents	4.7	4.7
	21.9	**42.0**
Liabilities		
Other provisions	11.2	11.2
Financial liabilities	1.3	1.3
Trade accounts payable	0.1	0.1
Other liabilities	0.8	0.8
Deferred tax liabilities	–	7.2
	13.4	**20.6**
Net assets acquired	**8.5**	**21.4**
Transferred consideration		76.1
Goodwill		**54.7**

Intangible assets in the amount of €23.1 million and goodwill totalling €54.7 million were identified as part of the purchase price allocation. The recognisable intangible assets identified as part of the purchase price allocation primarily related to acquired technologies with a fair value of €22.0 million and an assumed useful life of 10 years. As the development expenditure of €3.0 million capitalised at the time of acquisition was closely related to the identified technology-related intangible assets, they were offset against the determined fair values to derive the goodwill. The goodwill stemmed mainly from the fact that the consideration transferred included amounts reflecting the expectation of being able to harness potential synergy effects as well as expected benefits from future market growth and revenues, and the resulting positive development of the earnings position. These benefits were not recognised separately from goodwill as they do not fulfil the criteria for the recognition of intangible assets. In addition, the goodwill included the acquisition of well-trained employees, which also did not comply with the rules on recognising intangible assets. No part of the goodwill is expected to be deductible for income tax purposes. It was not yet possible as at the balance sheet date to allocate the goodwill of €54.7 million recorded in the business combination with arculus GmbH, Munich, to a cash-generating unit. This is because it has not yet been ultimately determined how the acquired company will be integrated into the Jungheinrich business model.

The receivables acquired were solely comprised of receivables which are expected to be recoverable. The fair values determined take into account the credit risk for expected credit losses, which was rated low.

Jungheinrich measured the acquired lease liabilities at the present value of the remaining lease payments at the time of acquisition. The right-of-use assets were valued at the same amount as the lease liabilities.

Since the date of acquisition, arculus GmbH, Munich, has contributed revenue of €0.6 million to the revenue reported in the consolidated statement of profit or loss. Its share of consolidated earnings after taxes for the same period was €–3.7 million, including the effects of the purchase price allocation.

If the acquisition date of the business combination had been 1 January 2021, Group revenue and consolidated earnings after taxes for 2021 would have been approximately €4,240 million and approximately €252.2 million, respectively. When determining these figures, Jungheinrich assumed that the provisionally determined fair value adjustments made as of the date of acquisition would also have been valid in the event of an acquisition on 1 January 2021.

Joint ventures

With the approval of the merger in the second quarter of 2021, KION GROUP AG, Frankfurt am Main, acquired 50 per cent of the shares in Jungheinrich Profile GmbH, Hamburg. The business was then renamed Schwerter Profile GmbH and its head office moved to Schwerte. As of that date Schwerter Profile GmbH, Schwerte, became a joint venture accounted for using the equity method. The purpose of the joint venture, which began operations on 1 July 2021, is the development, manufacture and distribution of steel profiles and other steel products. On 1 July 2021 Schwerter Profile GmbH took over the share of the assets attributable to the mill operations of the insolvent company Hoesch Schwerter Profile GmbH, Schwerte, and at the same time a long-term property license agreement for the mill property came into effect.

NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(3) REVENUE

Jungheinrich generates revenue from contracts with customers by providing goods and services both at a point in time and over time. The Group also generates revenue from short-term rental and lease agreements whereby Jungheinrich is the lessor.

COMPOSITION OF REVENUE

			2021			2020
in € thousand	Intralogistics	Financial Services	Jungheinrich Group	Intralogistics	Financial Services	Jungheinrich Group
New truck business	1,554,679	–	1,554,679	1,263,044	–	1,263,044
Used equipment	280,563	–	280,563	274,749	–	274,749
After-sales services	471,036	–	471,036	423,180	–	423,180
Revenue recognition at a point in time	**2,306,278**	**–**	**2,306,278**	**1,960,973**	**–**	**1,960,973**
After-sales services	541,013	173,352	714,365	503,839	163,970	667,809
Other	79,736	–	79,736	79,223	–	79,223
Revenue recognition over time	**620,749**	**173,352**	**794,101**	**583,062**	**163,970**	**747,032**
Revenue from contracts with customers	**2,927,027**	**173,352**	**3,100,379**	**2,544,035**	**163,970**	**2,708,005**
Revenue from short-term rental and lease agreements	**346,008**	**793,428**	**1,139,436**	**317,818**	**782,851**	**1,100,669**
Total revenue	**3,273,035**	**966,780**	**4,239,815**	**2,861,853**	**946,821**	**3,808,674**

Revenue from contracts with customers is broken down by region and reportable segment in the following table.

REVENUE FROM CONTRACTS WITH CUSTOMERS BY REGION AND SEGMENT

			2021			2020
in € thousand	Intralogistics	Financial Services	Jungheinrich Group	Intralogistics	Financial Services	Jungheinrich Group
Germany	772,425	45,084	817,509	674,141	44,022	718,163
Italy	226,733	46,945	273,678	181,323	44,216	225,539
France	200,498	23,927	224,425	165,728	22,449	188,177
United Kingdom	118,534	24,183	142,717	106,837	22,794	129,631
Other Europe	1,162,362	29,109	1,191,471	1,050,404	27,074	1,077,478
Other countries	446,475	4,104	450,579	365,602	3,415	369,017
Revenue from contracts with customers	**2,927,027**	**173,352**	**3,100,379**	**2,544,035**	**163,970**	**2,708,005**

Other revenue generated by the “Intralogistics” segment includes revenue for long-term construction contracts with reference to the stage of completion of the contract activity.

Revenue generated by the "Financial Services" segment includes €167,533 thousand (previous year: €167,632 thousand) in lease income from "operating lease" customer contracts and €78,715 thousand (previous year: €73,237 thousand) in interest income from "finance lease" customer contracts.

Of the revenue from contracts with customers realised in the reporting period, revenue in the amount of €97,426 thousand (previous year: €77,083 thousand) was included in contract liabilities as of 1 January 2021.

The contract liabilities as of 1 January 2021 also included €13,094 thousand (previous year: €11,958 thousand) for performance obligations that Jungheinrich had already fulfilled in the previous year and revenue deductions that had been contractually agreed with customers but not yet refunded. In relation to this, contract debts of €9,057 thousand (previous year: €8,184 thousand) were paid in the reporting year, and an amount of €1,637 thousand (previous year: €730 thousand) was able to be reversed with an effect on revenue.

In the area of after-sales services, Jungheinrich concludes with customers both long-term service contracts with fixed contractual terms and short-term service contracts with the option to extend at standard market prices. With regard to long-term service contracts, there was a total of €996,883 thousand in performance obligations not yet fulfilled as of 31 December 2021 (previous year: €955,074 thousand). Jungheinrich will recognise revenue of the same amount over the remaining contractual terms when the agreed services are provided.

FUTURE REVENUE FROM PERFORMANCE OBLIGATIONS EXISTING AS AT THE BALANCE SHEET DATE

	31/12/2021			31/12/2020		
in € thousand	After-sales services	Other	Total	After-sales services	Other	Total
Revenue recognition within one year	298,962	79,919	378,881	278,664	55,370	334,034
Revenue recognition between one and five years	606,374	104,640	711,014	579,931	24,397	604,328
Revenue recognition in more than five years	91,547	–	91,547	96,479	–	96,479
Total	**996,883**	**184,559**	**1,181,442**	**955,074**	**79,767**	**1,034,841**

The other revenue recognition disclosed in the table relates to performance obligations for long-term construction contracts, the revenue of which is recognised over time, and for which the obligations existed as at the balance sheet date and had not yet been fulfilled.

All of the Jungheinrich Group's other unfulfilled performance obligations existing as at the balance sheet date related to periods of no more than one year. As is permitted under IFRS 15, the transaction price assigned to these unfulfilled performance obligations is not disclosed.

(4) COST OF SALES

The cost of sales includes the cost of materials consisting of expenses for raw materials and supplies as well as for purchased goods and services totalling €2,159,014 thousand (previous year: €1,847,550 thousand).

The cost of materials includes €5,204 thousand in currency losses (previous year: €2,007 thousand) primarily resulting from purchases by non-German sales companies in the Group currency and the associated currency hedges.

The cost of sales includes impairment losses for trade accounts receivable and contract assets totalling €834 thousand (previous year: €9,036 thousand).

The cost of sales also includes €36,382 thousand (previous year: €33,802 thousand) in interest expenses associated with the matching-term refinancing of long-term customer contracts in the "Financial Services" segment.

(5) PERSONNEL EXPENSES

The following personnel expenses are included in the functional costs of the consolidated statement of profit or loss.

PERSONNEL EXPENSES IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

in € thousand	2021	2020
Salaries	990,996	941,962
Social security contributions	197,829	186,948
Cost of pensions and other benefits	20,768	21,293
Total	**1,209,593**	**1,150,203**

AVERAGE NUMBER OF EMPLOYEES DURING THE YEAR

in FTEs[1]	2021	2020
Hourly-paid employees	8,476	8,355
Salaried employees	9,533	9,269
Trainees and apprentices	474	462
Total	**18,483**	**18,086**

1 FTE = full-time equivalents.

In addition to personnel expenses, functional costs also included the cost of temporary workers amounting to €29,324 thousand (previous year: €17,032 thousand).

(6) DEPRECIATION, AMORTISATION, IMPAIRMENT LOSSES AND WRITE-UPS

The depreciation, amortisation, impairment losses and write-ups of non-current non-financial assets are shown in the development of intangible assets, property, plant and equipment, trucks for short-term rental and trucks for lease. Impairment losses on goodwill are recognised under other operating expenses, while other depreciation, amortisation, impairment losses and write-ups are included in functional costs.

(7) OTHER OPERATING INCOME

Other operating income from the reporting year includes €1,133 thousand (previous year: €6,327 thousand) in government grants. As well as reversals of deferred investment grants and investment subsidies in the amount of €218 thousand (previous year: €217 thousand), performance-related government grants in the amount of €915 thousand were recognised in profit or loss in 2021 (previous year: €6,110 thousand). Grants related to income in 2021 and 2020 were the result of government support in conjunction with the Covid-19 pandemic.

Other operating income in the reporting year also includes €1,129 thousand (previous year: €726 thousand) in income from the disposal of property, plant and equipment and intangible assets.

(8) OTHER OPERATING EXPENSES

Other operating expenses in the reporting year included expenses from impairment losses on goodwill of €853 thousand (previous year: €1,769 thousand) in losses from the disposal of property, plant and equipment and intangible assets.

In addition, other operating expenses of the previous year included expenses of €10,114 thousand resulting from the impairment of goodwill and expenses of €1,628 thousand from the winding up and liquidation of the joint venture Industrial Components of Texas LLC, Houston/Texas (USA).

(9) NET INTEREST

COMPOSITION OF NET INTEREST

in € thousand	2021	2020
Interest and similar income on securities[1]	101	186
Other interest and similar income	567	1,265
Interest income	**668**	**1,451**
Interest expenses from leases	3,792	4,079
Other interest and similar expenses	7,628	9,455
Interest expenses	**11,420**	**13,534**
Net interest	**–10,752**	**–12,083**

1 Assigned to the measurement category "at amortised cost".

Interest expenses in connection with the refinancing of long-term customer contracts with identical maturities in the "Financial Services" segment and the financing of trucks for short-term rental are reported under cost of sales.

(10) OTHER FINANCIAL INCOME (EXPENSE)

COMPOSITION OF OTHER FINANCIAL INCOME (EXPENSE)

in € thousand	2021	2020
Income (expense) from special fund[1]	4,742	240
Income (expense) from derivatives	–2,996	–3,284
Net interest on defined benefit pension plans	–1,892	–2,214
Income (expense) from the measurement of other financial assets at fair value through profit or loss	1,024	–
Other financial income (expense)	–637	–1,257
Other financial income (expense)	**241**	**–6,515**

1 Assigned to the measurement category “at fair value through profit or loss”.

Details of the income (expense) from the special fund and from securities allocated to the measurement category “at fair value through profit or loss” can be found in the following table:

BREAKDOWN OF INCOME (EXPENSE) FROM THE SPECIAL FUND AND FROM SECURITIES ALLOCATED TO THE MEASUREMENT CATEGORY “AT FAIR VALUE THROUGH PROFIT OR LOSS”

in € thousand	2021	2020
Currency gains	10,147	9,198
Currency losses	5,983	8,226
Interest and similar income	562	190
Interest expenses	36	34
Currency income (expense)	638	–392
Other comprehensive income (expense)	–586	–496
Income (expense) from special fund and securities[1]	**4,742**	**240**

1 Assigned to the measurement category “at fair value through profit or loss”.

The price gains and losses presented also included unrealised gains and losses resulting from the measurement at fair value.

Income (expense) from derivatives included price gains of €3,643 thousand (previous year: €3,469 thousand) and price losses of €6,639 thousand (previous year: €6,753 thousand). Income from derivatives includes all income from derivative financial instruments that do not relate to supplies and services, are not held in the special fund and were not designated as hedges as at the balance sheet date. These primarily include derivative financial instruments used to hedge foreign exchange rates when concluding intragroup financial transactions. Income (expense) from derivatives also includes changes in currency exchange rates pertaining to financing.

Other financial income (expense) includes €158 thousand (previous year: €–249 thousand) changes in loss allowance recognised in profit or loss for expected credit losses on securities, cash and cash equivalents and other financial assets, and €–354 thousand (previous year: €–250 thousand) in expenses from accrued interest on non-current provisions for personnel.

(11) INCOME TAX (EXPENSE)

COMPOSITION OF TAX EXPENSE

in € thousand	2021	2020
Current taxes		
Germany	41,753	25,998
Abroad	43,339	33,537
Deferred taxes		
Germany	–4,394	–11,691
Abroad	1,039	934
Tax expense	**81,737**	**48,778**

The current tax expense in Germany was higher than in the previous year due to higher earnings. Expenses from the previous year’s taxes amounted to €3.5 million (previous year: €1.3 million).

The current foreign tax expense was lower than in the previous year also due to higher earnings. Expenses from the previous year’s taxes amounted to €0.0 million (previous year: €1.5 million).

€4.4 million (previous year: €11.7 million) of deferred tax income pertaining to Germany is mainly attributable to a decline in deferred tax liabilities for intangible assets. Deferred tax expense pertaining to abroad of €1.0 million (previous year: €0.9 million) resulted from the reduction of deferred tax receivables on loss carryforwards in the reporting year. The Jungheinrich Group’s deferred tax income in 2021 totalling €3.4 million (previous year: €10.8 million) was attributable to tax expense of €3.0 million (previous year: €0.5 million) from the use of loss carryforwards and tax income of €6.4 million (previous year: €11.3 million) arising from changes in temporary differences.

The domestic corporate income tax rate for the 2021 financial year was 30.5 per cent (previous year: 30.5 per cent). It continues to comprise the corporate income tax burden of 15.0 per cent along with the solidarity surcharge of 5.5 per cent of the corporate income tax burden and a trade tax rate of 14.6 per cent.

The applied local income tax rates for foreign companies varied between 9.0 per cent (previous year: 9.0 per cent) and 34.0 per cent (previous year: 34.0 per cent).

As of 31 December 2021, the Group had approximately €66 million in corporate tax loss carryforwards (previous year: €89 million). Of this amount, €44 million (previous year: €46 million) related to the loss carryforward in the USA. Deferred tax assets were not recognised in connection with the loss carryforward in view of the future utilisation options. The loss carryforwards accrued in or before 2014 can be carried forward within a specific time limit, while those accrued in subsequent years have no such limit on when they can be used.

As of 31 December 2021, the Group had €21.9 million in utilisable corporate tax loss carryforwards (previous year: €42.4 million). They could be carried forward indefinitely. Impairment losses of €3.2 million (previous year: €6.2 million) were recognised for deferred tax assets in connection with these loss carryforwards. €2.3 million of this amount (previous year: €5.2 million) related to the loss carryforwards in Australia. As of 31 December 2021, trade tax loss carryforwards also amounted to €9.1 million (previous year: €8.9 million). Impairment losses of €0.6 million (previous year: €0.4 million) were recognised for deferred tax assets in connection with these loss carryforwards.

Income tax receivables and liabilities are recognised in the amount of an expected reimbursement from or payment to tax authorities based on the estimated tax rates valid as at the balance sheet date.

Several years have not yet been conclusively assessed with regard to the Group's taxation. Jungheinrich believes that it has provided for these open assessment years to a sufficient extent.

When stating deferred tax assets on the statement of financial position, the extent to which future effective tax relief might result from existing tax loss carryforwards and the differences in accounting and valuation must be assessed. In this context, all positive and negative influential factors have been taken into account. The current assessment of this point may alter depending on changes to the earnings position in future years and may therefore result in a higher or lower impairment loss.

COMPOSITION OF DEFERRED TAX ASSETS AND LIABILITIES

	Deferred tax assets		Deferred tax liabilities	
in € thousand	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Property, plant and equipment and intangible assets	302,383	291,310	99,162	93,036
Inventories	34,196	22,754	7,314	14,556
Receivables and other assets	45,937	35,235	492,802	507,647
Tax loss carryforwards	4,502	5,129	–	–
Provisions for pensions and similar obligations	34,622	37,718	4,777	2,247
Other provisions	19,037	14,241	10,278	5,242
Liabilities	427,041	424,062	144,488	100,204
Deferred income	4,397	4,908	–	–
Other	23,228	27,939	43,500	40,951
Deferred taxes prior to offsetting	**895,343**	**863,296**	**802,321**	**763,883**
of which relating to non-current assets and liabilities	734,914	727,558	596,921	576,608
Offsetting	**–773,428**	**–741,407**	**–773,428**	**–741,407**
Balance sheet recognition	**121,915**	**121,889**	**28,893**	**22,476**

€93,022 thousand (previous year: €99,413 thousand) of the net amount of the deferred taxes of €32,061 thousand (previous year: €36,278 thousand) was recognised directly in shareholders' equity. The latter primarily related to comprehensive income with no effect on profit or loss from the remeasurement of defined benefit pension plans.

No deferred tax liabilities were recognised for temporary differences amounting to €23.1 million (previous year: €22.2 million) between net assets and the tax carrying amount of subsidiaries as Jungheinrich is able to manage the timing of the reversal of temporary differences and no turnaround is expected with regard to the temporary differences in the near future.

The following table shows the reconciliation of the expected amount with the disclosed tax expense. The expected tax expense reported is the resulting amount from applying the total tax rate of 30.5 per cent (previous year: 30.5 per cent) applicable to the parent company to consolidated earnings before income taxes. The "Change in taxes from the previous year" was caused by deviations in assessments and company audits. The permanent differences were again dominated by tax-free income from depreciation rules designed to boost the economy.

RECONCILIATION OF THE EXPECTED TO THE DISCLOSED TAX EXPENSE

in € thousand	2021	2020
Expected tax expense	106,490	60,842
Change in the tax rate	–166	–784
Foreign tax differentials	–14,354	–9,356
Change in valuation allowances	–8,305	6,116
Change in taxes from the previous year	–564	–766
Non-deductible operating expenses and tax-free gains	–2,115	–6,633
Miscellaneous	751	–641
Actual tax expense	**81,737**	**48,778**

In 2021, the Group's tax quota was 23.4 per cent (previous year: 24.4 per cent).

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(12) INTANGIBLE ASSETS

DEVELOPMENT OF INTANGIBLE ASSETS DURING THE REPORTING YEAR

in € thousand	Acquired intangible assets	Internally generated intangible assets	Goodwill	Total
Acquisition and manufacturing costs Balance on 01/01/2021	143,743	141,770	47,657	333,170
Changes in currency exchange rates	571	810	–139	1,242
Additions due to business combinations	23,151	–	54,747	77,898
Additions	6,570	18,462	–	25,032
Disposals	4,372	–	–	4,372
Transfers	1,031	–	–	1,031
Balance on 31/12/2021	**170,694**	**161,042**	**102,265**	**434,001**
Amortisation and impairment losses Balance on 01/01/2021	103,223	90,857	18,872	212,952
Changes in currency exchange rates	140	280	–136	284
Additions due to business combinations	15	–	–	15
Amortisation in the financial year	9,742	11,038	–	20,780
Impairment losses in the financial year	1,961	453	–	2,414
Accumulated amortisation and impairment losses on disposals	4,156	–	–	4,156
Balance on 31/12/2021	**110,925**	**102,628**	**18,736**	**232,289**
Carrying amount on 31/12/2021	**59,769**	**58,414**	**83,529**	**201,712**

DEVELOPMENT OF INTANGIBLE ASSETS DURING THE PREVIOUS YEAR

in € thousand	Acquired intangible assets	Internally generated intangible assets	Goodwill	Total
Acquisition and manufacturing costs Balance on 01/01/2020	142,146	168,190	48,684	359,020
Changes in currency exchange rates	–2,587	–162	–1,027	–3,776
Additions	5,930	14,984	–	20,914
Disposals	3,621	41,335	–	44,956
Transfers	1,875	93	–	1,968
Balance on 31/12/2020	**143,743**	**141,770**	**47,657**	**333,170**
Amortisation and impairment losses Balance on 01/01/2020	78,308	98,313	9,215	185,836
Changes in currency exchange rates	–811	–41	–457	–1,309
Amortisation in the financial year	11,720	11,276	–	22,996
Impairment losses in the financial year	17,036	21,541	10,114	48,691
Accumulated amortisation and impairment losses on disposals	3,030	40,232	–	43,262
Balance on 31/12/2020	**103,223**	**90,857**	**18,872**	**212,952**
Carrying amount on 31/12/2020	**40,520**	**50,913**	**28,785**	**120,218**

The additions in the item “Acquired intangible assets” were mainly related to software and software licences in the reporting year. The additions from company acquisitions in 2021 totalling €77,898 thousand included only intangible assets as part of the acquisition of arculus GmbH, Munich (Germany). Please see the notes to changes in the scope of consolidation.

Jungheinrich decided in 2021 to discontinue the use of the warehouse management system software it had acquired. Impairment losses amounting to the carrying amount of €1,961 thousand were recorded in cost of sales.

An event-driven test in 2020 of the intangible assets, property, plant and equipment, and trucks for short-term rental acquired revealed impairment losses on acquired intangible assets in the total amount of €9,878 thousand at the sales companies in Chile, Ecuador, Malaysia, Peru and Romania. These losses were attributed in full to the customer relationships and customer contracts acquired as part of business combinations. Impairment losses totalling €6,557 thousand were also identified at the Australian companies; these were likewise attributed in full to the customer relationships and customer contracts acquired. The acquired brand “NTP”, which has not been used on the market since 2020, was also deemed to be impaired and was written off in full in the amount of €374 thousand. All impairment losses were recognised in selling expenses for the 2020 financial year.

Internally generated intangible assets include the Jungheinrich Group’s capitalised development expenditure. €18,462 thousand in development expenditure (previous year: €14,984 thousand) met the capitalisation criteria under IFRS.

RESEARCH AND DEVELOPMENT COSTS IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

in € thousand	2021	2020
Research costs and uncapitalised development expenditure	83,890	74,112
Amortisation of capitalised development expenditure	11,038	11,276
Impairment loss of capitalised development expenditure	453	21,541
Research and development costs	**95,381**	**106,929**

The impairment test performed on the carrying amounts of capitalised development expenditure is broken down by product line. In the reporting year, impairment losses of €453 thousand were identified for a development project. A strategic decision meant that the development for one product will not be continued and therefore impairment losses at the carrying amount were recorded for this development project. In the previous year, impairment losses totalling €21,541 thousand were identified for six product ranges. These were mainly due to strategic product decisions, which resulted in impairment losses equal to the carrying amount for these development projects.

The goodwill of €54,747 thousand recorded in the course of the business combination with arculus GmbH, Munich, could not yet be allocated to a cash-generating unit as at the balance sheet date. The reason is that it has not yet been finally determined how the acquired company will be integrated into the Jungheinrich business model. Please see the notes to changes in the scope of consolidation.

The table below shows the allocation of goodwill to CGUs.

ALLOCATION OF GOODWILL TO THE CASH-GENERATING UNITS (CGUs)

in € thousand	31/12/2021	31/12/2020
MIAS Group	24,109	24,109
Sales company in:		
Serbia	1,827	1,830
Austria	1,771	1,771
Poland	111	111
Jungheinrich Systemlösungen GmbH, Graz (Austria)	102	102
ISI Automation GmbH & Co. KG, Extertal (Germany)	862	862
Not assigned to a CGU	54,747	–
Goodwill	**83,529**	**28,785**

In the fourth quarter of 2021, Jungheinrich performed annual impairment tests on the goodwill assigned to CGUs. The review of goodwill did not result in any impairment losses.

The main assumptions on which the calculation of the value in use of a CGU was based were free cash flows, the discount rate and the long-term growth rate.

VALUE IN USE AND FINANCIAL ASSUMPTIONS FOR THE CALCULATION OF THE VALUE IN USE OF THE CGUs TO WHICH SIGNIFICANT AMOUNTS OF GOODWILL HAVE BEEN ASSIGNED

	Value in use of CGUs (in € thousand)		Pre-tax discount rate (in %)		Sustainable growth rate (in %)	
CGU	30/09/21	30/09/20	30/09/21	30/09/20	30/09/21	30/09/20
MIAS Group	246,857	122,951	10.2	11.7	1.0	1.2
Sales company in:						
Serbia	13,896	5,715	12.4	17.0	1.2	1.1
Austria	93,579	81,017	10.0	11.1	1.0	0.9

A 0.5 per cent increase in the applied discount rates in each case or a 0.5 per cent decrease in the growth rates would not have resulted in an impairment loss.

Jungheinrich carried out impairment tests on an event-driven basis in the second quarter of 2020 and the annual impairment tests in the fourth quarter of 2020. The goodwill impairment test resulted in impairment losses totalling €10,114 thousand. The impairment losses in 2020 were fully allocated to goodwill and were recognised in other operating expenses.

(13) PROPERTY, PLANT AND EQUIPMENT

DEVELOPMENT OF PROPERTY, PLANT AND EQUIPMENT DURING THE REPORTING YEAR

in € thousand	Land and buildings including buildings on third-party land	Technical equipment and machinery	Factory and office equipment	Construction in progress	Total
Acquisition and manufacturing costs Balance on 01/01/2021	745,430	212,314	424,882	33,825	1,416,451
Changes in currency exchange rates	6,025	1,630	2,626	11	10,292
Additions due to business combinations	1,247	–	414	17	1,678
Additions	48,487	10,958	55,883	11,444	126,772
Disposals	19,259	10,528	35,646	484	65,917
Transfers	3,922	15,372	6,035	–26,362	–1,033
Balance on 31/12/2021	**785,852**	**229,746**	**454,194**	**18,451**	**1,488,243**
Depreciation and impairment losses Balance on 01/01/2021	257,338	160,479	275,195	–	693,012
Changes in currency exchange rates	1,899	915	1,632	–	4,446
Additions due to business combinations	–	–	251	–	251
Depreciation in the financial year	46,517	17,465	56,994	–	120,976
Accumulated depreciation on disposals	8,169	9,622	32,653	–	50,444
Transfers	–	–8	7	–	–1
Balance on 31/12/2021	**297,585**	**169,229**	**301,426**	**–**	**768,240**
Carrying amount on 31/12/2021	**488,267**	**60,517**	**152,768**	**18,451**	**720,003**

Developments in the right-of-use assets recognised under property, plant and equipment can be seen in the following table.

DEVELOPMENT IN RIGHT-OF-USE ASSETS OF PROPERTY, PLANT AND EQUIPMENT

in € thousand	Land and buildings including buildings on third-party land 2021	Technical equipment and machinery 2021	Factory and office equipment 2021	Total 2021	Land and buildings including buildings on third-party land 2020	Factory and office equipment 2020	Total 2020
Acquisition and manufacturing costs							
Balance on 01/01	173,891	–	89,244	263,135	150,099	73,112	223,211
Changes in currency exchange rates	2,367	–1	929	3,295	–4,903	–2,005	–6,908
Additions due to business combinations	1,247	–	–	1,247	–	–	–
Additions	29,469	210	32,666	62,345	40,093	25,652	65,745
Disposals	8,635	–	15,080	23,715	11,398	7,515	18,913
Balance on 31/12	**198,339**	**209**	**107,759**	**306,307**	**173,891**	**89,244**	**263,135**
Depreciation							
Balance on 01/01	48,925	–	41,493	90,418	29,655	23,504	53,159
Changes in currency exchange rates	612	–	485	1,097	–946	–724	–1,670
Depreciation in the financial year	25,980	14	26,081	52,075	25,000	25,758	50,758
Accumulated depreciation on disposals	6,373	–	13,285	19,658	4,784	7,045	11,829
Balance on 31/12	**69,144**	**14**	**54,774**	**123,932**	**48,925**	**41,493**	**90,418**
Carrying amount on 31/12	**129,195**	**195**	**52,985**	**182,375**	**124,966**	**47,751**	**172,717**

The right-of-use assets in the item “factory and office equipment” primarily related to lease contracts for trucks.

LESSEE LEASE EXPENSES IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

in € thousand	2021	2020
Depreciation on right-of-use assets	52,075	50,758
Expenses for short-term leases	779	499
Expenses for low-value leases	1,002	987
Earnings before interest and income taxes	**53,856**	**52,244**
Interest expenses from leases	3,792	4,079
Earnings before taxes	**57,648**	**56,323**

DEVELOPMENT OF PROPERTY, PLANT AND EQUIPMENT DURING THE PREVIOUS YEAR

in € thousand	Land and buildings including buildings on third-party land	Technical equipment and machinery	Factory and office equipment	Construction in progress	Total
Acquisition and manufacturing costs Balance on 01/01/2020	673,529	202,082	393,829	66,594	1,336,034
Changes in currency exchange rates	–7,041	–1,126	–5,616	–20	–13,803
Additions	55,881	11,546	51,285	16,591	135,303
Disposals	11,544	5,705	19,155	2,711	39,115
Transfers	34,605	5,517	4,539	–46,629	–1,968
Balance on 31/12/2020	**745,430**	**212,314**	**424,882**	**33,825**	**1,416,451**
Depreciation and impairment losses Balance on 01/01/2020	216,253	151,811	235,670	–	603,734
Changes in currency exchange rates	–1,689	–627	–3,025	–	–5,341
Depreciation in the financial year	44,922	14,607	57,614	–	117,143
Impairment losses in the financial year	378	455	2,070	–	2,903
Accumulated depreciation on disposals	2,526	5,525	17,376	–	25,427
Transfers	–	–242	242	–	–
Balance on 31/12/2020	**257,338**	**160,479**	**275,195**	**–**	**693,012**
Carrying amount on 31/12/2020	**488,092**	**51,835**	**149,687**	**33,825**	**723,439**

As at the balance sheet date, land and buildings were put up as mortgage to back €71,609 thousand (previous year: €84,509 thousand) in liabilities due to banks.

(14) TRUCKS FOR SHORT-TERM RENTAL

DEVELOPMENT OF TRUCKS FOR SHORT-TERM RENTAL

in € thousand	2021	2020
Acquisition and manufacturing costs Balance on 01/01	635,829	694,053
Changes in currency exchange rates	4,003	–32,367
Additions	203,821	128,544
Disposals	109,800	154,401
Transfers	2	–
Balance on 31/12	**733,855**	**635,829**
Depreciation and impairment losses Balance on 01/01	346,934	341,478
Changes in currency exchange rates	2,261	–14,311
Depreciation in the financial year	93,593	93,064
Impairment losses in the financial year	–	3,938
Accumulated depreciation on disposals	71,851	77,235
Transfers	1	–
Balance on 31/12	**370,938**	**346,934**
Carrying amount on 31/12	**362,917**	**288,895**

The impairment losses in 2020 totalling €3,938 thousand related to IC engine-powered counterbalance trucks.

Trucks for short-term rental with a total carrying amount of €73,361 thousand (previous year: €107,714 thousand) were pledged as collateral for their associated financial liabilities as part of the financing of receivables from intragroup rental-purchase agreements.

(15) TRUCKS FOR LEASE FROM FINANCIAL SERVICES

DEVELOPMENT OF TRUCKS FOR LEASE FROM FINANCIAL SERVICES

in € thousand	2021	2020
Acquisition and manufacturing costs Balance on 01/01	895,414	905,218
Changes in currency exchange rates	7,808	–14,194
Additions	182,654	169,830
Disposals	167,973	165,440
Balance on 31/12	**917,903**	**895,414**
Depreciation Balance on 01/01	379,535	347,161
Changes in currency exchange rates	3,313	–5,076
Depreciation in the financial year	139,263	136,284
Accumulated depreciation on disposals	104,656	98,834
Balance on 31/12	**417,455**	**379,535**
Carrying amount on 31/12	**500,448**	**515,879**

Depreciation in the 2021 financial year amounted to €12.6 million for adjustments to the expected residual value at the end of the contract term. For all long-term customer leases, i.e. irrespective of classification, changes in residual value expectations were properly taken into account by setting up a provision for onerous contracts if the originally calculated residual value at the end of the contract term was above the current fair value. As of 31 December 2021, the provisions for residual value risks recognised as provisions for customer contracts classified as operating leases at that date were reversed and, at the same time, the carrying amounts of trucks for lease from financial services were recognised as expenses. From the 2022 financial year onwards, changes in residual value expectations are taken into account directly when determining depreciation.

The breakdown of the carrying amount of trucks for lease from financial services by contract type is presented in the following table:

COMPOSITION OF TRUCKS FOR LEASE FROM FINANCIAL SERVICES

in € thousand	31/12/2021	31/12/2020
"Operating lease" contracts with customers	406,182	414,864
Contracts concluded with a leasing company acting as an intermediary	32,226	36,261
Trucks fleets for contracts with selected major customers	62,040	64,754
Trucks for lease from financial services	**500,448**	**515,879**

Within the framework of financial services offered by Jungheinrich Group companies acting as lessors, trucks for which a lease classified as an "operating lease" in accordance with IFRS has been concluded with the end customer are capitalised as trucks for lease.

The "operating leases" existing as at the balance sheet date included, in the amount of €11,267 thousand (previous year: €8,555 thousand), a fleet of trucks which is made available to customers in Australia for the flexible, short-term transfer of use.

In relation to the remaining non-cancellable "operating leases" valid as at the balance sheet date, the future lease payments to be paid to Jungheinrich are presented in the following table, broken down by maturity.

MATURITIES OF THE OUTSTANDING LEASE PAYMENTS FROM "OPERATING LEASE" CUSTOMER CONTRACTS

in € thousand	31/12/2021	31/12/2020
Due the following year	148,032	146,366
Due in the second year	108,148	108,975
Due in the third year	67,972	71,852
Due in the fourth year	36,522	37,462
Due in the fifth year	15,056	13,117
Due in more than five years	2,295	2,025
Total outstanding lease payments	**378,025**	**379,797**

Customer contracts with a leasing company/bank acting as an intermediary are also capitalised under the item "Trucks for lease from financial services" for sales contracts with agreed repurchase obligations concluded between Jungheinrich and leasing companies/banks if these contracts are classified as "operating leases".

The item "Trucks for lease from financial services" also includes truck fleets whose capacities selected large customers are able to use flexibly.

Trucks for lease with a carrying amount of €269,860 thousand (previous year: €274,996 thousand) were pledged as collateral for liabilities from financial services as at the balance sheet date.

(16) INVESTMENTS MEASURED USING THE EQUITY METHOD

DEVELOPMENT OF INVESTMENTS MEASURED USING THE EQUITY METHOD

in € thousand	2021	2020
Balance on 01/01	42,242	41,606
Additions	2,513	9,775
Pro rata earnings	2,838	981
Pro rata other comprehensive income (expense)	118	593
Dividend payments	2,015	2,668
Impairment losses	–	7,775
Disposals	–	270
Balance on 31/12	**45,696**	**42,242**

The investments measured using the equity method related to joint ventures in the amount of €41,109 thousand (previous year: €38,592 thousand) and associated companies in the amount of €4,587 thousand (previous year: €3,650 thousand).

The additions in the reporting year related solely to Schwerter Profile GmbH, Schwerte (Germany). Please see the notes to changes in the scope of consolidation.

Jungheinrich received a dividend in the amount of €1,964 thousand (previous year: €2,668 thousand). The measurement of cash flow hedges at fair value resulted in pro rata other comprehensive income amounting to €118 thousand in 2021 (previous year: €593 thousand) for this joint venture.

Jungheinrich received a dividend of €51 thousand from the joint venture Jungheinrich Heli Industrial Truck Rental (Changzou) Co., Ltd, Changzou (China) in the reporting year (previous year: €– thousand).

Jungheinrich increased the capital stock of the joint venture Industrial Components of Texas LLC., Houston/Texas (USA) pro rata in the amount of €7,775 thousand during the previous year in conjunction with its move to wind up and liquidate the company. This capital increase was required in order to offset on a proportionate basis the losses that the joint venture had accrued up until its liquidation. An impairment loss equal to the size of the capital increase was thus recognised in 2020 for the investments in companies accounted for using the equity method.

MATERIAL INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

Company	Main business	Share of capital in % 31/12/2021	31/12/2020
JULI Motorenwerk s.r.o., Moravany (Czechia)	Development, production and distribution of electric engines	50	50
Schwerter Profile GmbH, Schwerte (Germany)	Development, production and distribution of steel profiles	50	–
Jungheinrich Heli Industrial Truck Rental (China) Co., Ltd., Shanghai (China)	Short-term rental of material handling equipment on the Chinese market	50	50
Cebalog GmbH, Pyrbaum (Germany)	Manufacture and distribution of industrial batteries	40	40

Information on the other companies accounted for using the equity method can be found in note (44) [page 144].

The following table contains summarised financial information on the individual material companies accounted for using the equity method, whereby the disclosures do not represent Jungheinrich AG's share, but rather the entire entity.

SUMMARISED FINANCIAL INFORMATION OF THE MATERIAL COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

	JULI Motorenwerk s.r.o., Moravany (Czechia)[1]		Schwerter Profile GmbH, Schwerte (Germany)		Jungheinrich Heli Industrial Truck Rental (China) Co., Ltd., Shanghai (China)[1]		Cebalog GmbH, Pyrbaum (Germany)	
in € thousand	2021	2020	2021	2020	2021	2020	2021	2020
Revenue	173,064	135,675	44,990	n/a	39,896	31,245	91,584	68,532
Depreciation	2,350	2,502	817	n/a	19,960	16,004	187	191
Interest income	38	41	–	n/a	–	3	–	3
Interest expenses	47	51	207	n/a	2,037	1,437	239	188
Income tax expense	1,215	900	791	n/a	201	5	899	608
Profit or loss	5,116	4,205	1,054	n/a	1,558	434	2,342	1,585
of which from continuing operations	5,116	4,205	1,054	n/a	1,558	434	2,342	1,585
Other comprehensive income (expense)	236	1,186	–	n/a	–	–	–	–
Comprehensive income (expense)	5,352	5,391	1,054	n/a	1,558	434	2,342	1,585
in € thousand	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Non-current assets	25,114	23,967	6,783	n/a	99,091	63,602	669	657
Current assets	43,726	29,382	29,415	n/a	30,193	25,153	19,276	25,132
of which cash and cash equivalents	3,555	5,607	1,071	n/a	242	55	270	535
Non-current liabilities	4,923	5,141	–	n/a	27,952	18,979	24	11,302
Current liabilities	30,335	19,015	30,119	n/a	56,279	30,750	14,880	11,789
Shareholders' equity	33,582	29,193	6,079	n/a	45,053	39,026	5,041	2,698

1 Including subsidiaries.

RECONCILIATION OF THE SUMMARISED FINANCIAL INFORMATION WITH THE CARRYING AMOUNT OF THE MATERIAL COMPANIES ACCORDING FOR USING THE EQUITY METHOD IN THE CONSOLIDATED FINANCIAL STATEMENTS

	JULI Motorenwerk s.r.o., Moravany (Czechia)[1]		Schwerter Profile GmbH, Schwerte (Germany)		Jungheinrich Heli Industrial Truck Rental (China) Co., Ltd., Shanghai (China)[1]		Cebalog GmbH, Pyrbaum (Germany)	
in € thousand	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Shareholders' equity	33,582	29,193	6,079	n/a	45,053	39,026	5,041	2,698
Pro rata shareholders' equity	16,791	14,597	3,040	n/a	22,527	19,513	2,016	1,079
Consolidation/other	–2,543	–1,060	–	n/a	–1,112	1,226	2,571	2,571
Carrying amount calculated using the equity method	**14,248**	**13,537**	**3,040**	**n/a**	**21,415**	**20,739**	**4,587**	**3,650**

1 Including subsidiaries.

The following table contains aggregated financial information on the individual immaterial joint ventures, whereby the disclosures represent the Jungheinrich Group's share in each case.

AGGREGATED FINANCIAL INFORMATION ON IMMATERIAL COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

	Other joint ventures	
in € thousand	2021	2020
Profit or loss	–1,781	–6,485
Comprehensive income (expense)	–1,781	–6,485
At-equity carrying amount as of 31/12	**2,406**	**4,316**

The Group did not recognise pro rata gains of a total of €61 thousand (previous year: €4,534 thousand pro rata losses) in respect of its investments in joint ventures. The cumulative losses not recognised in the carrying amount calculated using the equity method totalled €25 thousand as of 31 December 2021 (previous year: €86 thousand).

The impairment test performed on investments in companies accounted for using the equity method as at the balance sheet date in 2021 did not result in any impairment losses.

(17) OTHER FINANCIAL ASSETS

COMPOSITION OF OTHER FINANCIAL ASSETS

in € thousand	31/12/2021	31/12/2020
Investments in non-consolidated affiliated companies	683	708
Investments in joint ventures not accounted for using the equity method	25	25
Other investments	10,217	8,500
Other financial assets	**10,925**	**9,233**

The other financial assets were carried at their fair value.

The fair value of investments in non-consolidated affiliated companies and joint ventures not accounted for using the equity method as at the balance sheet date was derived from the amortised costs.

The other investments saw a change of €+1,024 thousand in the carrying amount as at the balance sheet date from being measured at fair value (previous year: €– thousand). The income (expense) from the measurement was recorded in other financial income (expense).

(18) INVENTORIES

COMPOSITION OF INVENTORIES

in € thousand	31/12/2021	31/12/2020
Raw materials and supplies	226,738	121,146
Work in progress	71,197	51,017
Finished goods	208,435	148,801
Merchandise	144,943	124,298
Spare parts	91,792	73,922
Advance payments	20,748	18,270
Inventories	**763,853**	**537,454**

€57,602 thousand (previous year: €53,678 thousand) of the inventories are carried at their net realisable value. Write-downs recognised for inventories as at the balance sheet date amounted to €62,994 thousand (previous year: €59,797 thousand).

(19) TRADE ACCOUNTS RECEIVABLE AND CONTRACT ASSETS

COMPOSITION OF TRADE ACCOUNTS RECEIVABLE AND CONTRACT ASSETS

in € thousand	31/12/2021	31/12/2020
Trade accounts receivable (gross carrying amount)	749,078	671,606
Valuation allowances	–19,642	–22,142
Trade accounts receivable	729,436	649,464
Contract assets	35,175	31,846
Trade accounts receivable and contract assets	**764,611**	**681,310**

Trade accounts receivable included receivables from affiliated companies of €98 thousand (previous year: €49 thousand), receivables from joint ventures of €9,396 thousand (previous year: €7,080 thousand) and receivables from associated companies of €2 thousand (previous year: €1 thousand). Details on the composition of trade accounts receivable from related companies can be found in note (42) [page 142].

The contract assets essentially comprise contract balances from long-term construction contracts, the revenue of which is recognised over time. The credit risk for the contract assets was rated as low. As of 31 December 2021, impairment losses in the amount of €172 thousand were recognised for expected credit losses on contract assets (previous year: €49 thousand).

Details on the development of loss allowances for expected credit losses on trade accounts receivable and contract assets can be found in note (33) [page 127].

The following tables contain information on the credit risk and expected credit losses for trade accounts receivable.

TRADE ACCOUNTS RECEIVABLE: COMPOSITION, CREDIT RISK AND CALCULATED EXPECTED CREDIT LOSSES AS OF 31 DECEMBER 2021

in € thousand	Credit rating not impaired		Credit rating impaired		Total as of 31 December 2021	
Risk categories	Trade accounts receivable (gross carrying amount)	Level 2 valuation allowances	Trade accounts receivable (gross carrying amount)	Level 3 valuation allowances	Trade accounts receivable (gross carrying amount)	Valuation allowances
Very good credit rating	325,911	60	–	–	325,911	60
Good credit rating	295,433	757	–	–	295,433	757
Average credit rating	56,582	305	–	–	56,582	305
Weak credit rating	17,936	277	53,216	18,243	71,152	18,520
	695,862	**1,399**	**53,216**	**18,243**	**749,078**	**19,642**

TRADE ACCOUNTS RECEIVABLE: COMPOSITION, CREDIT RISK AND CALCULATED EXPECTED CREDIT LOSSES AS OF 31 DECEMBER 2020

in € thousand	Credit rating not impaired		Credit rating impaired		Total as of 31 December 2020	
Risk categories	Trade accounts receivable (gross carrying amount)	Level 2 valuation allowances	Trade accounts receivable (gross carrying amount)	Level 3 valuation allowances	Trade accounts receivable (gross carrying amount)	Valuation allowances
Very good credit rating	279,963	82	–	–	279,963	82
Good credit rating	273,000	726	–	–	273,000	726
Average credit rating	66,883	518	–	–	66,883	518
Weak credit rating	14,386	293	37,374	20,523	51,760	20,816
	634,232	**1,619**	**37,374**	**20,523**	**671,606**	**22,142**

Trade accounts receivable of €10,877 thousand (previous year: €7,670 thousand) were hedged by credit insurance policies for 90 per cent and 100 per cent as at the balance sheet date.

(20) RECEIVABLES FROM FINANCIAL SERVICES

Within the framework of the financial services business in which Jungheinrich Group companies act as lessors, the net investment values of customer leases classified as "finance leases" in accordance with IFRS are capitalised as receivables from financial services from the beginning of the lease onwards. If the agreed residual value in the long-term customer contract is above the truck's expected market value at the end of the contract term, this risk is reflected by immediately reducing receivables from financial services recognised in profit or loss. Furthermore, the receivables from financial services reported as at the balance sheet date only include lease payments due in the future and the carrying amounts are 100 per cent secured by the fair values of the trucks underlying the leases. No loss allowances for expected credit losses are taken into account.

Loss allowances for expected credit losses are determined for the amounts transferred to trade accounts receivable when the lease payments fall due and are recognised in note (19) [page 114].

In relation to the "finance lease" customer contracts valid as at the balance sheet date, the future lease payments to be paid to Jungheinrich are presented in the following table, broken down by maturity.

RECEIVABLES FROM FINANCIAL SERVICES: MATURITY ANALYSIS AND RECONCILIATION OF TOTAL OUTSTANDING LEASE PAYMENTS WITH THEIR NET INVESTMENT VALUE

in € thousand	31/12/2021	31/12/2020
Due the following year	424,850	389,641
Due in the second year	360,253	333,111
Due in the third year	276,804	269,301
Due in the fourth year	188,824	188,192
Due in the fifth year	106,850	102,964
Due in more than five years	70,103	66,437
Total outstanding lease payments	**1,427,684**	**1,349,646**
Plus unguaranteed residual value	156,767	151,732
Less unrealised interest income	176,981	174,397
Receivables from financial services	**1,407,470**	**1,326,981**

In the reporting year, Jungheinrich realised income of around €116 million (previous year: around €109 million) from the difference between additions to “finance lease” customer contracts and the carrying amounts of the underlying assets.

Receivables from financial services with carrying amounts of €747,863 thousand (previous year: €713,095 thousand) were pledged as collateral for liabilities from financial services as at the balance sheet date.

(21) OTHER RECEIVABLES AND OTHER ASSETS

COMPOSITION OF OTHER RECEIVABLES AND OTHER ASSETS

in € thousand	31/12/2021	31/12/2020
Receivables from other taxes	33,130	15,165
Assets from the measurement of funded pension plans	23,901	11,005
Deferred income	14,294	14,588
Other financial assets	12,039	2,642
Miscellaneous other assets	21,703	8,360
Other receivables and other assets	**105,067**	**51,760**

Prepaid expenses primarily consisted of deferred prepayments for software usage fees and insurance premiums.

Other financial assets included receivables from affiliated companies of €1,337 thousand (previous year: €911 thousand), receivables from joint ventures of €10,066 thousand (previous year: €88 thousand) to joint ventures. €9,979 thousand (previous year: €– thousand) of other financial assets from joint ventures were attributable to the shareholder loan issued to Schwerter Profile GmbH, Schwerte. Details on the composition and further information on the other financial assets from related companies can be found in note (42) [page 142].

In the reporting year, Jungheinrich supported suppliers when purchasing electronic components to avoid supply shortages here and to safeguard its own ability to deliver to end customers. With this in mind, Jungheinrich absorbed the additional expenses caused by price increases incurred by the suppliers when purchasing electronic parts. The suppliers use these electronic parts to make electronic components. Jungheinrich will order electronic components from suppliers in 2022 in line with its incoming orders. As regards parts still in supplier inventories as at the balance sheet date, claims vis-à-vis suppliers of €9,490 thousand were recorded in miscellaneous other assets as of 31 December 2021.

The credit risk for all other financial assets was rated as very low. As at the balance sheet date, loss allowances totalling €1 thousand were recognised for expected credit losses (previous year: €– thousand). Details on the development of loss allowances can be found in note (33) [page 127].

No other receivables and other assets were either past due or impaired. As at the balance sheet date, there was no indication that the debtors could not meet their payment obligations.

(22) SECURITIES

COMPOSITION OF SECURITIES

in € thousand	31/12/2021	31/12/2020
Commercial papers, bonds and debenture bonds	210,349	231,912
Investment funds	35,665	17,168
Shares	15,857	12,479
Promissory notes	10,000	19,992
Covered bonds	8,183	11,710
Valuation allowances	–127	–233
Securities	**279,927**	**293,028**

The total portfolio of securities of €98,337 thousand as of 31 December 2021 (previous year: €140,356 thousand) comprised financial instruments categorised as "at amortised cost". These securities were held by Jungheinrich for the purpose of holding them to maturity and realising their contractual cash flows. Jungheinrich's securities on 31 December 2021 will mature in 2022 and 2024. All of Jungheinrich's securities as of 31 December 2020 which were due to mature in 2021 were redeemed when they matured, as contractually agreed. The credit risk for securities measured at amortised cost was rated as low, with the result that the loss allowances were calculated based on the expected twelve-month credit losses. As at the balance sheet date, loss allowances in the amount of €127 thousand were recognised for expected credit losses in relation to these securities (previous year: €233 thousand). Details on the development of loss allowances can be found in note (33) [page 127].

As at the balance sheet date, the total portfolio of securities also included financial instruments amounting to €181,717 thousand (previous year: €152,905 thousand), which were categorised as "at fair value through profit or loss". €154,130 thousand of the carrying amounts of these financial instruments (previous year: €152,905 thousand) were attributable to securities held in the special fund.

(23) CASH AND CASH EQUIVALENTS

Cash and cash equivalents are available at short notice and have an original maturity of up to three months. They also include time deposits with an original contractual term of up to twelve months. As at the balance sheet date, cash and cash equivalents included term deposits with an original term of over three months and without the option of termination at no cost at short notice in the amount of €115,000 thousand (previous year: €150,000 thousand) as well as bank balances in the amount of €8,382 thousand (previous year: €5,802 thousand) held in the special fund. €9,354 thousand (previous year: €11,007 thousand) in bank balances had been pledged to banks as of 31 December 2021. As at the balance sheet date, loss allowances totalling €40 thousand were recognised for expected credit losses (previous year: €93 thousand). Details on the development of loss allowances can be found in note (33) [page 127].

(24) SHAREHOLDERS' EQUITY

Subscribed capital

The subscribed capital of Jungheinrich AG, Hamburg (Germany) was fully paid up as at the balance sheet date and amounted to €102,000 thousand (previous year: €102,000 thousand). As in the previous year, it was divided among 54,000,000 ordinary shares and 48,000,000 preferred shares, each accounting for an imputed €1.00 share of the subscribed capital. All of the shares had been issued as at the balance sheet date.

Holders of no-par-value preferred shares will receive a preferential share of the profit of €0.04 per preferred share from the distributable profit which is distributed. On payment of a €0.04 share of the profit per ordinary share, the distributable profit remaining for distribution will be distributed among ordinary and preferred shareholders in line with the pro rata share of subscribed capital attributable to their shares, although unlike ordinary shareholders, preferred shareholders are entitled to an additional dividend of €0.02 per preferred share.

Capital reserve

The capital reserve includes premiums from the issuance of shares and additional income from the sale of own shares in previous years.

Retained earnings

Retained earnings contain undistributed earnings generated by Jungheinrich AG and consolidated subsidiaries in previous years as well as profit or loss attributable to shareholders of Jungheinrich AG for the reporting period.

Dividend proposal

Jungheinrich AG pays its dividend from the distributable profit stated in the annual financial statements of Jungheinrich AG, which are prepared in accordance with the German Commercial Code. The Board of Management of Jungheinrich AG proposes to use the distributable profit for the 2021 financial year of €68,280 thousand entirely to pay a dividend of €0.66 per ordinary share and a dividend of €0.68 per preferred share.

Other comprehensive income

The development of other changes in equity in the reporting year and in the previous year is presented as other comprehensive income in the consolidated statement of comprehensive income. Other comprehensive income was exclusively attributable to shareholders of Jungheinrich AG.

Other changes in equity in the amount of €–75,203 thousand (previous year: €–90,123 thousand) were attributable to the accumulated profit or loss recognised in other comprehensive income from the remeasurement of defined benefit pension plans. Details on the composition of the unrealised income of the reporting year can be found in note (25) [page 119].

In addition, other comprehensive income of €–988 thousand (previous year: €–2,096 thousand) related to the accumulated profit or loss recognised in other comprehensive income from the measurement at fair value of derivative financial instruments designated as hedging instruments as at the balance sheet date. The following table shows the development of this other comprehensive income, broken down by risk type.

OTHER COMPREHENSIVE INCOME FROM THE MARKET VALUATION OF DERIVATIVE FINANCIAL INSTRUMENTS WITH A HEDGING RELATIONSHIP: DEVELOPMENT BY RISK TYPE

in € thousand	Currency hedging contracts	Interest hedging contracts	Financial instruments with a hedging relationship
Balance on 01/01/2021	–469	–1,627	–2,096
Unrealised income (expense) in the financial year	–5,160	2,809	–2,351
Realised income (expense) in the financial year	3,774	–	3,774
Deferred taxes in the financial year	182	–497	–315
Balance on 31/12/2021	**–1,673**	**685**	**–988**
Balance on 01/01/2020	–3,383	–1,081	–4,464
Unrealised income (expense) in the financial year	6,711	–665	6,046
Realised income (expense) in the financial year	–3,120	–	–3,120
Deferred taxes in the financial year	–677	119	–558
Balance on 31/12/2020	**–469**	**–1,627**	**–2,096**

The realised income in 2021 and 2020 exclusively related to amounts that were reclassified to the consolidated statement of profit or loss at the time the hedging relationships were terminated.

Managing capital
Jungheinrich is not subject to any minimum capital requirements pursuant to its articles of association.

The Group manages the way in which its capital is used commercially via the return on interest-bearing capital employed (ROCE).

Interest-bearing capital consisted of shareholders' equity, financial liabilities, provisions for pensions and similar obligations and non-current personnel provisions less cash and cash equivalents and securities.

ROCE in the reporting year was 19.8 per cent (previous year: 13.5 per cent).

EBIT RETURN ON CAPITAL EMPLOYED (ROCE)

in € thousand	2021	2020
Interest-bearing capital 31/12	1,817,193	1,617,938
EBIT	359,644	218,144
ROCE in %	19.8	13.5

The capital and finance structure of the Group and its companies is managed primarily using the "debt ratio" as a key ratio. The debt ratio is defined as the ratio of net debt to earnings before interest, taxes, depreciation and amortisation (EBITDA) adjusted for depreciation on trucks for lease from financial services.

NET DEBT

in € thousand	31/12/2021	31/12/2020
Financial liabilities	532,943	787,353
Cash and cash equivalents and securities	–754,546	–981,062
Net credit (–)/Net debt (+)	–221,603	–193,709

As at the balance sheet date, the Jungheinrich Group reported net credit of €221,603 thousand (previous year: €193,709 thousand). The debt ratio remained at a good level compared to the previous year's balance sheet date.

DEBT RATIO

in € thousand	31/12/2021	31/12/2020
Net credit (–)/Net debt (+)	–221,603	–193,709
EBITDA (adjusted for depreciation on trucks for lease from financial services)	597,407	507,049
Debt ratio in years	< 0	< 0

The Jungheinrich Group's existing management and reporting system was expanded in the first half of 2021 to include EBIT return on capital employed (ROCE new), a new financial key figure. The new key figure was used for management for the first time on 30 June 2021 and was reported for the first time in the interim report as of 30 June 2021. The financial key figure ROCE new represents the rate of return on sales based on the EBIT generated in the "Intralogistics" segment in relation to the capital employed that can be attributed to this segment. ROCE new in the 2021 financial year was 20.2 per cent (previous year: 10.8 per cent). Please see the notes for the definition and calculation of ROCE new in the combined management report for the 2021 financial year.

The previous Group-wide key figure EBIT return on capital employed (ROCE) was reported for the last time for the financial year ending on 31 December 2021.

Jungheinrich determines the key ratios when preparing its quarterly financial statements. They are reported to the Board of Management once a quarter, in order to enable it to introduce measures if necessary.

Non-controlling interests
The non-controlling interests in the shareholders' equity related to minority interests in JT Energy Systems GmbH, Freiberg.

(25) PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Pension plans
Jungheinrich Group company pension schemes are either defined contribution or defined benefit plans. In defined contribution plans, Jungheinrich does not assume any obligation in addition to the contributions made to state-owned or private pension insurers. In the reporting year, expenses of €15,864 thousand for defined contribution plans (previous year: €14,177 thousand) were recognised in functional costs.

In Germany, major obligations have been assumed for defined benefit pension commitments regulated in individual and collective agreements for members of the Board of Management, managing directors and employees of Jungheinrich AG and its German subsidiaries. When pension benefits are committed within the framework of collective agreements, the amount of the pension claim depends on the number of eligible years of service when the pension payment is scheduled to start as well as on the monthly average salary of the beneficiary. German pension plans are funded by provisions. The company pension plans of Jungheinrich AG and of Jungheinrich Moosburg AG & Co. KG have been closed to managing directors and employees since 1 July 1987 and 14 April 1994 respectively.

In the United Kingdom, major obligations have been assumed to fulfil defined benefit pension commitments regulated in shop agreements to employees of Jungheinrich UK Ltd. and former employees of the Boss Manufacturing Ltd. production plant, which was closed in 2004. The pension plans of these companies were merged in 2003. The level of the committed benefits depends on the average compensation received by the beneficiaries during their years of service. The pension plan is funded by an outsourced fund and has been closed to new employees since 1 October 2002 and 18 January 2003 respectively. The pension plan was closed to current employees with effect from 31 July 2020. Since 1 August 2020, it has not been possible to accrue any additional benefit claims by completing more years of service as a result. The benefit claims accrued up until the plan was closed are to continue to be adjusted in line with changes in the basis for calculating them.

In other countries outside of Germany, several companies have pension plans for managing directors and employees. The principle foreign pension claims are covered by insurance policies.

Jungheinrich reclassified severance obligations existing abroad under local law in the year under review. The net liabilities previously recorded of €1,989 thousand within other provisions as "Provisions for personnel" were reclassified to the item "Provisions for pensions and similar obligations" in the year under review, and are shown in the following table in other changes.

BALANCE SHEET DEVELOPMENT OF THE NET DEFINED BENEFIT LIABILITY FROM DEFINED BENEFIT PENSION PLANS IN 2021

in € thousand	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Balance on 01/01	**557,413**	**328,258**	**229,155**
Changes in currency exchange rates	**20,438**	**20,953**	**–515**
Changes with an effect on profit or loss	**9,646**	**3,734**	**5,912**
Current service cost	5,819	n/a	5,819
Past service cost	–2,283	n/a	–2,283
Settlement gains	43	n/a	43
Net interest	6,067	4,175	1,892
Plan administration cost	n/a	–441	–441
Changes with no effect on profit or loss	**–18,250**	**572**	**–18,822**
Remeasurement of defined benefit obligations from			
changes in financial assumptions	–10,619	n/a	–10,619
changes in demographic assumptions	–3,847	n/a	–3,847
experience adjustments	–3,784	n/a	–3,784
Remeasurement of plan assets	n/a	572	572
Cash-effective changes	**–32,097**	**–18,273**	**–13,824**
Employee contributions	1,362	1,362	–
Employer contributions	n/a	3,973	3,973
Pension payments made using company assets	–9,851	n/a	–9,851
Pension payments made using plan assets	–23,608	–23,608	–
Other changes	**1,560**	**–429**	**1,989**
Balance on 31/12	**538,710**	**334,815**	**203,895**
of which not funded pension plans	212,827	–	212,827
Germany	191,056	–	191,056
Other countries	21,771	–	21,771
of which funded pension plans	325,883	334,815	–8,932
United Kingdom	259,481	283,382	–23,901
Other countries	66,402	51,433	14,969

BALANCE SHEET DEVELOPMENT OF THE NET DEFINED BENEFIT LIABILITY FROM DEFINED BENEFIT PENSION PLANS IN 2020

in € thousand	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Balance on 01/01	**535,827**	**313,417**	**222,410**
Changes in currency exchange rates	**–13,986**	**–14,900**	**914**
Changes with an effect on profit or loss	**13,621**	**4,644**	**8,977**
Current service cost	6,374	n/a	6,374
Past service cost	–179	n/a	–179
Settlement gains	–189	n/a	–189
Net interest	7,615	5,401	2,214
Plan administration cost	n/a	–757	–757
Changes with no effect on profit or loss	**45,167**	**32,140**	**13,027**
Remeasurement of defined benefit obligations from			
changes in financial assumptions	48,386	n/a	48,386
changes in demographic assumptions	–2,265	n/a	–2,265
experience adjustments	–954	n/a	–954
Remeasurement of plan assets	n/a	32,140	32,140
Cash-effective changes	**–22,711**	**–6,538**	**–16,173**
Employee contributions	1,677	1,677	–
Employer contributions	n/a	4,416	4,416
Pension payments made using company assets	–11,757	n/a	–11,757
Pension payments made using plan assets	–12,631	–12,631	–
Other changes	**–505**	**–505**	**–**
Balance on 31/12	**557,413**	**328,258**	**229,155**
of which not funded pension plans	219,022	–	219,022
Germany	199,683	–	199,683
Other countries	19,339	–	19,339
of which funded pension plans	338,391	328,258	10,133
United Kingdom	265,931	276,936	–11,005
Other countries	72,460	51,322	21,138

Of the net defined benefit liability from defined benefit pension plans, €227,796 thousand (previous year: €240,160 thousand) is recorded under the item “provisions for pensions and similar obligations” and €23,901 thousand (previous year: €11,005 thousand) is stated under “other receivables and other assets”.

Current service cost, past service cost and settlement gains were recognised in the personnel costs of the corresponding functional areas. The net interest and the plan administration costs were included in financial income (expense).

Defined benefit obligations

SIGNIFICANT FINANCIAL ASSUMPTIONS (WEIGHTED AVERAGE) FOR DETERMINING THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS

	Germany		United Kingdom		Other countries	
in %	31/12/21	31/12/20	31/12/21	31/12/20	31/12/21	31/12/20
Discount rate	1.3	0.9	1.8	1.4	0.8	0.6
Expected rate of pension increase	1.8	1.5	3.3	2.9	0.0	0.0

In the 2021 and 2020 financial years, the demographic assumptions for Germany were based on Prof. Klaus Heubeck's 2018G reference tables. In the reporting year, the valuation of pension plans in the United Kingdom was based on the SAPS S3PxA CMI 2020 mortality table (1.25 per cent) (previous year: SAPS S3PxA CMI 2019 (1.25 per cent)). The life expectancies used to measure plans in other countries were based on local mortality tables.

Jungheinrich primarily derives the interest rate risk, the pension increase risk and the longevity risk from the pension plans. The sensitivity analyses presented below were performed on the basis of reasonable potential changes in the assumptions as at the balance sheet date, while the other assumptions remained unchanged.

SENSITIVITY ANALYSIS OF THE SIGNIFICANT FINANCIAL ASSUMPTIONS: IMPACT ON THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS

in € thousand	31/12/2021	31/12/2020
Discount rate 0.5% higher	–39,691	–42,599
Discount rate 0.5% lower	44,750	48,276
Expected rate of pension increase 0.5% higher	26,862	30,050
Expected rate of pension increase 0.5% lower	–25,210	–24,580

A one-year increase in life expectancy would cause the present value of the defined benefit obligations in Germany and the United Kingdom to rise by approximately 5.2 per cent (previous year: 5.2 per cent) and 3.5 per cent (previous year: 4.0 per cent) respectively.

The actual change in the present value of defined benefit obligations cannot be derived from the aforementioned sensitivity analysis. It is not expected that the deviations will occur in isolation from one another as some of the assumptions are related to each other.

Furthermore, Jungheinrich is not exposed to any material risks arising from pension obligations.

The weighted average duration of defined benefit obligations on the balance sheet date was around 13 years in Germany (previous year: 14 years), around 19 years in the United Kingdom (previous year: 19 years) and around 15 years in other countries (previous year: 17 years).

Jungheinrich expects to make approximately €9.6 million (previous year: €9.5 million) in pension payments using company assets in the 2022 financial year.

The pension payments made using company's assets in 2020 included €2,040 thousand for payments in connection with settlements.

Plan assets

In the reporting year, the actual return on plan assets amounted to €4,306 thousand (previous year: €36,784 thousand). As in the previous year, there were no effects from a limitation to the asset ceiling.

Plan assets largely comprised the outsourced fund set up to cover pension obligations in the UK. The assets and income from the pension fund are intended exclusively for benefits and for administrative expenses for the pension plan. Jungheinrich works with an external asset manager to invest in the plan assets. Our long-term investment strategy complies with, among other things, minimum capital cover requirements and the goal of maximising income from the plan assets while keeping volatility at a reasonable level in order to minimise the long-term costs of defined benefit pension plans. Plan asset investments are made while ensuring that cash and cash equivalents are sufficient to cover benefits that fall due.

COMPOSITION OF THE FAIR VALUE OF THE PLAN ASSETS IN THE UNITED KINGDOM

in € thousand	31/12/2021	31/12/2020
Cash and cash equivalents	**2,099**	**1,044**
Equity instruments	**56,143**	**47,929**
Stock index funds in the United Kingdom	33,396	26,953
Stock index funds in Europe (excluding the UK)	22,747	20,976
Debt instruments	**225,140**	**227,963**
UK government bonds	200,594	203,450
Corporate bonds	24,546	24,513
Fair value on 31/12	**283,382**	**276,936**

The fair values of the aforementioned equity and debt instruments were determined on the basis of prices quoted on active markets.

The fair value of plan assets in the other countries totalled €51,433 thousand (previous year: €51,322 thousand) and cannot be broken down into asset classes as these plan assets are qualifying insurance policies.

As in the previous year, the outsourced pension funds did not include any own financial instruments or property used by Group companies as at the balance sheet date.

Jungheinrich expects to make cash-effective employer contributions totalling approximately €4.6 million for the 2022 financial year (previous year: €3.7 million) in order to comply with minimum statutory and contractual requirements.

(26) OTHER PROVISIONS

DEVELOPMENT OF OTHER PROVISIONS

in € thousand	Balance as of 01/01/2021	Changes in currency exchange rates	Additions from business combinations	Additions	Utilisations	Releases	Balance as of 31/12/2021
Provisions for personnel	174,871	1,313	11,223	138,835	130,109	7,845	188,288
Provisions for warranty obligations	46,302	347	–	74,060	49,741	4,550	66,418
Provisions for onerous contracts	61,256	953	–	30,694	12,726	27,063	53,114
Other provisions	21,195	12	39	32,551	5,833	3,566	44,398
Other provisions	**303,624**	**2,625**	**11,262**	**276,140**	**198,409**	**43,024**	**352,218**

Provisions for personnel as of 31 December 2021 primarily related to provisions for obligations arising from phased retirement agreements, anniversary obligations, performance-related remuneration and holiday entitlements.

As at the balance sheet date, obligations arising from phased retirement agreements amounted to €25,117 thousand (previous year: €22,512 thousand), which were netted against €12,612 thousand in financial assets (previous year: €11,564 thousand). Cash and cash equivalents and securities were transferred to an external trust in order to finance these obligations. These trust assets are being exclusively held to secure long-term benefits due to employees within the scope of phased retirement agreements and qualify as plan assets in accordance with IAS 19. The cash and cash equivalents and securities are not freely available due to the hedging role they play for these agreements. Furthermore, provisions in the amount of €2,226 thousand (previous year: €5,508 thousand) for pensions for former members of the Board of Management were accrued.

Additions to provisions for personnel included a total of €354 thousand in interest accretions (previous year: €250 thousand). €32,292 thousand (previous year: €35,963 thousand) of the provisions for personnel had a remaining maturity of more than one year.

The Group recognises provisions for warranty obligations based on past experience when products are sold or when new warranty measures are initiated. These provisions relate to the assessment of the extent to which warranty obligations must be met in the future and to the cost involved. Provisions for warranty obligations contain the expected expense of statutory and contractual warranty claims as well as the expected expense of voluntary concessions and recall actions. Additions to warranty obligations cover the product-related warranty expenses for the 2021 financial year for material handling equipment sold in the year under review.

Provisions for onerous contracts essentially related to provisions for residual value risks from the financial services business at the end of the contractual term. Impending losses from cancellations of contracts and other contractual risks were also recognised. As of 31 December 2021, the provisions for residual value risks of €26.5 million recognised as provisions at that date were reversed and at the same time, depending on the classification of the long-term customer contracts, the carrying amounts of trucks for lease from financial services were reduced by €12.6 million, receivables from financial services by €12.2 million and inventories by €1.7 million with an effect on expenses.

€2,943 thousand (previous year: €19,303 thousand) of the provisions for onerous contracts had a remaining maturity of more than one year.

Other provisions contained provisions for disposal obligations, legal disputes, environmental risks and other obligations. €30,120 thousand (previous year: €4,791 thousand) of the other provisions had a remaining maturity of more than one year.

(27) FINANCIAL LIABILITIES

COMPOSITION AND MATURITY OF FINANCIAL LIABILITIES

in € thousand	Liabilities due to banks	Promissory notes	Liabilities from financing trucks for short-term rental	Lease liabilities	Notes payable	Financial liabilities
31/12/2021						
Total future cash flows	**194,104**	**77,661**	**81,738**	**198,780**	**7,469**	**559,752**
Due within one year	107,968	14,060	78,551	48,952	7,469	257,000
Due in one to five years	47,673	33,037	3,182	104,363	–	188,255
Due in more than five years	38,463	30,564	5	45,465	–	114,497
Present value of future cash flows	**185,380**	**73,000**	**81,330**	**185,764**	**7,469**	**532,943**
Due within one year	106,001	13,000	78,307	45,746	7,469	250,523
Due in one to five years	43,386	30,000	3,018	97,585	–	173,989
Due in more than five years	35,993	30,000	5	42,433	–	108,431
Future interest expenses	**8,724**	**4,661**	**408**	**13,016**	**–**	**26,809**
31/12/2020						
Total future cash flows	**295,591**	**208,238**	**125,225**	**188,917**	**4,504**	**822,475**
Due within one year	143,870	52,303	41,204	44,016	4,504	285,897
Due in one to five years	99,089	124,806	84,020	97,428	–	405,343
Due in more than five years	52,632	31,129	1	47,473	–	131,235
Present value of future cash flows	**283,528**	**200,000**	**124,559**	**174,762**	**4,504**	**787,353**
Due within one year	141,080	50,000	40,816	40,569	4,504	276,969
Due in one to five years	93,804	120,000	83,742	89,908	–	387,454
Due in more than five years	48,644	30,000	1	44,285	–	122,930
Future interest expenses	**12,063**	**8,238**	**666**	**14,155**	**–**	**35,122**

Financial liabilities that can be repaid any time are disclosed as being "due within one year".

DETAILS OF LIABILITIES DUE TO BANKS

Currency	Interest rate conditions	Remaining term of the fixed interest rate as of 31/12/2021	Nominal volumes as of 31/12/2021 in € thousand	Range of effective interest rates 2021	Carrying amounts as of 31/12/2021 in € thousand	Nominal volumes as of 31/12/2020 in € thousand	Range of effective interest rates 2020	Carrying amounts as of 31/12/2020 in € thousand
EUR	variable	< 1 year	7,987	EURIBOR + margin	7,987	15,639	EURIBOR + margin	15,639
INR	variable	< 1 year	11,042	LIBOR + margin	11,042	8,063	LIBOR + margin	8,063
BRL	variable	< 1 year	9,263	LIBOR + margin	9,263	1,975	LIBOR + margin	1,975
ZAR	variable	< 1 year	6,757	LIBOR + margin	6,757	5,059	LIBOR + margin	5,059
Other	variable	< 1 year	7,920	LIBOR + margin	7,920	14,782	LIBOR + margin	14,782
EUR	fixed	< 1–10 years	113,841	1.05%–5.2%	92,447	198,429	0.65%–5.2%	178,873
EUR	variable	> 10 years	50,000	EURIBOR + margin	38,333	50,000	EURIBOR + margin	41,667
SGD	variable	> 10 years	8,796	SIBOR + margin	5,910	8,287	SIBOR + margin	6,593
Other	fixed	< 1–5 years	7,781	1.1%–13.4%	5,721	24,297	1.1%–13.8%	10,877
Liabilities due to banks			**223,387**		**185,380**	**326,531**		**283,528**

COMPOSITION OF THE PROMISSORY NOTES AS OF 31 DECEMBER 2021

	Maturity in year	Nominal interest rate	Nominal amount in € thousand
Jungheinrich AG 2017 (I)	2022	Fixed interest	13,000
Jungheinrich AG 2017 (II)	2024	Fixed interest	30,000
Jungheinrich AG 2017 (III)	2027	Fixed interest	30,000

A fixed-interest tranche of the promissory note drawn down in 2014 for €50,000 thousand was repaid on schedule in the reporting year when it became due.

In addition, the variable-interest tranches of the promissory notes taken out in 2017 and 2018 totalling €77,000 thousand were terminated and repaid in full in the reporting year.

The nominal amounts of the individual loan tranches correspond to the carrying amounts.

Liabilities from financing trucks for short-term rental amount to €75,962 thousand (previous year: €122,254 thousand) and result from refinancing receivables from intragroup rental-purchase agreements. Jungheinrich was given access to a credit facility, which could only be utilised up to the amount of the residual debt from rental-purchase agreements. The liabilities from this type of refinancing existing on the balance sheet date were repaid in full in January 2022.

Lease liabilities as of 31 December 2021 primarily related to the long-term leases of properties and trucks. The right-of-use assets from these leases are reported under property, plant and equipment.

(28) LIABILITIES FROM FINANCIAL SERVICES

Liabilities from financial services as of 31 December 2021 included repurchase obligations in the amount of €16,420 thousand (previous year: €16,822 thousand) equal to the contractually agreed residual values which related to lease contracts with a leasing company acting as intermediary.

In addition, liabilities from financial services included liabilities from financing in the amount of €1,879,995 thousand (previous year: €1,786,107 thousand). They result from the financing of long-term customer contracts with identical securities. Depending on whether commercial ownership is attributed to Jungheinrich Group companies, these contracts are capitalised under trucks for lease from financial services ("operating leases") or receivables from financial services ("finance leases").

Liabilities from financial services included €294,094 thousand (previous year: €299,562 thousand) in liabilities from the issuance of promissory notes via the consolidated securitisation vehicle in Luxembourg.

LIABILITIES FROM FINANCIAL SERVICES: RECONCILIATION OF TOTAL FUTURE CASH FLOWS WITH THEIR PRESENT VALUE

in € thousand	31/12/2021	31/12/2020
Total future cash flows	**1,961,724**	**1,861,948**
Due within one year	580,747	533,497
Due in one to five years	1,295,098	1,250,200
Due in more than five years	85,879	78,251
Present value of future cash flows	**1,879,995**	**1,786,107**
Due within one year	546,980	502,815
Due in one to five years	1,248,704	1,206,449
Due in more than five years	84,311	76,843
Future interest expenses	**81,729**	**75,841**

(29) TRADE ACCOUNTS PAYABLE

Trade accounts payable as of 31 December 2021 included €942 thousand (previous year: €464 thousand) in payables to affiliated companies, €25,568 thousand (previous year: €14,238 thousand) to an associated company and €5,314 thousand (previous year: €4,172 thousand) to joint ventures. Details on the composition of trade accounts payable from related companies can be found in note (42) [page 142].

All trade accounts payable were due within one year.

(30) CONTRACT LIABILITIES

Contract liabilities as of 31 December 2021 included €167,880 thousand (previous year: €93,330 thousand) for advanced payments received on orders.

Contract liabilities also essentially related to obligations resulting from revenue deductions contractually agreed with customers and contract balances from long-term construction contracts, the revenue of which is recognised over time.

(31) OTHER LIABILITIES

COMPOSITION OF OTHER LIABILITIES

in € thousand	31/12/2021	31/12/2020
Liabilities from other taxes	76,141	68,130
Social security liabilities	10,745	11,237
Other financial liabilities	6,373	7,498
Miscellaneous other liabilities	13,664	14,231
Other liabilities	**106,923**	**101,096**

Other financial liabilities contained accounts payable to affiliated companies amounting to €3 thousand (previous year: €3 thousand) and to an associated company amounting of €120 thousand (previous year: €60 thousand).

As of 31 December 2021, €4,500 thousand (previous year: €4,500 thousand) in other financial liabilities related to liabilities from financing towards the minority shareholders of JT Energy Systems GmbH, Freiberg.

All other liabilities are due within one year.

(32) DEFERRED INCOME

COMPOSITION OF DEFERRED INCOME

in € thousand	Deferred revenue from financial services	Deferred profit from financial services	Other deferrals	Deferred income
31/12/2021	**26,871**	**24,020**	**9,741**	**60,632**
Thereof maturities of up to one year	10,509	12,954	5,095	28,558
Thereof maturities of more than one year	16,362	11,066	4,646	32,074
31/12/2020	**31,209**	**39,866**	**6,633**	**77,708**
Thereof maturities of up to one year	11,956	16,965	3,378	32,299
Thereof maturities of more than one year	19,253	22,901	3,255	45,409

Deferred revenue from financial services related to lease agreements with a leasing company or bank acting as intermediary. In such cases, due to the contractually agreed repurchase obligations, Jungheinrich Group companies had commercial ownership despite the sale of the trucks to the leasing company/bank. The resultant IFRS obligation to capitalise this ownership led to the deferral of the sales proceeds that have already been received from the leasing company. This deferred income is reversed using the straight-line method with an effect on revenue until the agreed residual value is paid.

Deferred profit from financial services related to sale and leaseback transactions for refinancing trucks for lease that were concluded before the initial application of IFRS 16 "Leases". Deferred profit is reversed over the remaining terms of the leases.

Other deferrals as of 31 December 2021 included €5,190 thousand (previous year: €3,832 thousand) in government grants.

(33) ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORY

		31/12/2021		31/12/2020	
in € thousand	Measurement category in accordance with IFRS 9	Carrying amount	Fair value	Carrying amount	Fair value
Assets					
Cash and cash equivalents	At amortised cost	474,619	474,619	688,034	688,034
Trade accounts receivable and contract assets	At amortised cost	764,611	764,611	681,310	681,310
Receivables from financial services	n/a	1,407,470	1,424,294	1,326,981	1,345,144
Securities	At amortised cost	98,210	98,079	140,123	140,350
Securities	At fair value through profit or loss	181,717	181,717	152,905	152,905
Other financial assets	At fair value through profit or loss	10,925	10,925	9,233	9,233
Derivative financial assets					
Derivatives without a hedging relationship	At fair value through profit or loss	2,836	2,836	2,120	2,120
Derivatives with a hedging relationship	n/a	1,794	1,794	397	397
Other financial assets	At amortised cost	12,039	12,039	2,642	2,642
Shareholder's equity and liabilities					
Trade accounts payable	Other financial liabilities	532,969	532,969	383,673	383,673
Liabilities due to banks	Other financial liabilities	185,380	188,358	283,528	287,194
Promissory notes	Other financial liabilities	73,000	74,351	200,000	202,285
Liabilities from financing trucks for short-term rental	Other financial liabilities	81,330	81,330	124,559	124,559
Lease liabilities	n/a	185,764	n/a	174,762	n/a
Notes payable	Other financial liabilities	7,469	7,469	4,504	4,504
Liabilities from financial services	Other financial liabilities	1,896,415	1,902,690	1,802,929	1,810,420
Derivative financial liabilities					
Derivatives without a hedging relationship	At fair value through profit or loss	2,824	2,824	3,106	3,106
Derivatives with a hedging relationship	n/a	2,979	2,979	3,005	3,005
Other financial liabilities	Other financial liabilities	6,373	6,373	7,498	7,498
Of which aggregated by measurement category:					
Assets	At amortised cost	1,349,479	1,349,348	1,512,109	1,512,336
	At fair value through profit or loss	195,478	195,478	164,258	164,258
Shareholders' equity and liabilities	Other financial liabilities	2,782,936	2,793,540	2,806,691	2,820,133
	At fair value through profit or loss	2,824	2,824	3,106	3,106

The carrying amounts of the financial instruments measured at fair value in the consolidated financial statements as at the balance sheet date have been categorised in the table below by their fair value hierarchy level pursuant to IFRS 13 and based on the information and input factors used to determine them.

HIERARCHY LEVELS FOR FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

				31/12/2021				31/12/2020
in € thousand	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Securities[1]	181,717	–	–	181,717	152,905	–	–	152,905
Other financial assets	–	–	10,925	10,925	–	–	9,233	9,233
Derivatives without a hedging relationship	–	2,836	–	2,836	–	2,120	–	2,120
Derivatives with a hedging relationship	–	1,794	–	1,794	–	397	–	397
Shareholder's equity and liabilities								
Derivatives without a hedging relationship	–	2,824	–	2,824	–	3,106	–	3,106
Derivatives with a hedging relationship	–	2,979	–	2,979	–	3,005	–	3,005

1 Assigned to the measurement category "at fair value through profit or loss".

The fair value of level 1 financial instruments was determined on the basis of stock market quotations as at the balance sheet date.

The fair value of level 2 financial instruments was determined in line with generally acknowledged valuation models based on discounted cash flow analyses and using observable current market prices for similar instruments. The fair value of currency forwards is determined using the mean spot rate as at the balance sheet date, adjusted up or down to reflect the remaining term of the futures contract. The fair value of interest rate derivatives is determined on the basis of the market interest rates and interest rate curves on the balance sheet date, taking their maturities into account. Jungheinrich has taken counterparty risks into consideration when measuring fair value.

The fair value of level 3 financial instruments was determined using the generally accepted evaluation model of discounting future cash flows (discounted cash flow method). A market-oriented approach was used both to determine the discount rate as well as to forecast long-term development. A company-specific discount rate and the planned cash flows from the five year plan, created by the associated companies and checked by the management of Jungheinrich AG, were used. Forecasts for long-term revenue and returns formed the basis for cash flows beyond the budget period. Expectations regarding future market development and assumptions concerning the development of macroeconomic factors were taken into consideration.

No transfers between levels 1 and 2 took place in the reporting period.

Further information on measurement levels is provided in the chapter on accounting principles.

Current interest rates at which comparable loans with identical maturities as at the balance sheet date could have been taken out were used to determine the fair values of liabilities due to banks and promissory notes as well as of receivables and liabilities from financial services.

The fair values of interest-bearing securities with maturities categorised as "at amortised cost" corresponded to the fair values available as at the balance sheet date.

Cash and cash equivalents and trade accounts receivable primarily have short terms of maturity. Their carrying amounts as at the balance sheet date therefore roughly corresponded to their fair values.

For non-current other financial assets with variable interest rates, it was assumed for reasons of simplicity that their fair values correspond to their carrying amounts since the interest rates contractually agreed and realisable on the market were virtually at the same level. For the current other financial assets, their carrying amounts as at the balance sheet date approximated their fair values.

Other financial assets comprise investments in non-consolidated affiliated companies, joint ventures and other investments and were measured at fair value in the consolidated financial statements. The shares did not have a quoted market price. The fair value of investments in non-consolidated affiliated companies and joint ventures as at the balance sheet date was derived from the amortised costs. As regards material other investments, the fair value was determined using a current interest rate as well as the currently available, expected future cash flows of the company. In 2021, the measurement of other investments at fair value resulted in changes recognised in profit or loss in the amount of €+1,024 thousand which were recognised in other income. A 0.5 per cent higher (lower) market discount rate as at the balance sheet date would have led to a change in fair value of €+339 thousand (€+1,799 thousand) to be recognised in profit or loss in other financial income. For the remaining other investments, the fair value was derived from the amortised costs as at the balance sheet date.

DEVELOPMENT OF THE FAIR VALUE OF LEVEL 3 FINANCIAL INSTRUMENTS

in € thousand	2021	2020
Balance on 01/01	9,233	348
Additions	693	9,088
Net income from measurement at fair value in profit or loss (not realised)	1,024	–
Disposals	25	203
Balance on 31/12	**10,925**	**9,233**

It was assumed that the fair values of trade accounts payable and other financial liabilities corresponded to the carrying amounts of these financial instruments owing to their short remaining terms to maturity.

As regards liabilities from financing trucks for short-term rental with variable interest rates, it was assumed for reasons of simplicity that their fair values corresponded to their carrying amounts since the interest rates agreed and realisable on the market were almost identical.

The carrying amounts of current, interest-bearing financial liabilities corresponded almost exactly to their fair values.

HIERARCHY LEVELS FOR FINANCIAL INSTRUMENTS WHICH ARE NOT MEASURED AT FAIR VALUE AND FOR WHICH THE CARRYING AMOUNTS ARE NOT REASONABLE APPROXIMATIONS OF FAIR VALUES

			31/12/2021			31/12/2020
in € thousand	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets						
Receivables from financial services	–	1,424,294	1,424,294	–	1,345,144	1,345,144
Securities[1]	98,079	–	98,079	140,350	–	140,350
Shareholders' equity and liabilities						
Liabilities due to banks	–	188,358	188,358	–	287,194	287,194
Promissory notes	–	74,351	74,351	–	202,285	202,285
Liabilities from financial services	–	1,902,690	1,902,690	–	1,810,420	1,810,420

1 Assigned to the measurement category "at amortised cost".

The net results of financial instruments recognised in the statement of profit or loss are presented by measurement category in the following table.

NET RESULTS OF FINANCIAL INSTRUMENTS

	From interest and dividends	From subsequent measurement		Net result	
in € thousand		At fair value	Valuation allowances	2021	2020
At amortised cost	668	–	–676	–8	–6,481
At fair value through profit or loss	525	1,467	–	1,992	3,659
Other financial liabilities	–44,613	–	–	–44,613	–44,111

Interest and dividends from financial instruments attributable to the measurement categories "at amortised cost" and "other financial liabilities" were reported in financial income (expense) as well as in cost of sales.

The net result of securities attributable to the measurement category "at fair value through profit or loss", which includes interest and dividends as well as the net result from subsequent measurement at fair value, was recognised in other financial income (expense).

Net results from the subsequent measurement of derivative financial instruments at fair value not designated as hedging instruments are included in the cost of sales and in other financial income (expense).

Loss allowances for financial instruments categorised as "at amortised cost" are reported in the cost of sales in the case of trade accounts receivable and contract assets and in other financial income (expense) in the case of securities, cash and cash equivalents and other financial assets. Reversals of valuation allowances on other financial assets in 2020 in the amount of €1,353 thousand were recognised in other operating expenses.

The development of loss allowances for financial instruments in 2021 and 2020 is presented in the following table.

DEVELOPMENT OF LOSS ALLOWANCES FOR FINANCIAL INSTRUMENTS

in € thousand	Trade accounts receivable and contract assets Level 2	Trade accounts receivable and contract assets Level 3	Securities Level 1	Cash and cash equivalents Level 1	Other financial assets Level 3	Total
Balance on 01/01/2021	**1,668**	**20,523**	**233**	**93**	**–**	**22,517**
Changes in currency exchange rates	9	–187	–	–	–	–178
Additions due to business combinations	61	–	–	–	–	61
Utilisations	–	3,094	–	–	–	3,094
Releases	1,653	3,961	201	93	–	5,908
Additions	1,486	4,962	95	40	1	6,584
Balance on 31/12/2021	**1,571**	**18,243**	**127**	**40**	**1**	**19,982**
Balance on 01/01/2020	**1,919**	**15,389**	**54**	**23**	**1,353**	**18,738**
Changes in currency exchange rates	–46	–619	–	–	–	–665
Utilisations	1	3,487	–	–	–	3,488
Releases	1,874	913	42	23	1,353	4,205
Additions	1,670	10,153	221	93	–	12,137
Balance on 31/12/2020	**1,668**	**20,523**	**233**	**93**	**–**	**22,517**

ADDITIONAL INFORMATION

(34) CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows have been presented in the statement of cash flows independently of the structure of the statement of financial position and are broken down into cash flow from operating activities, investing activities and financing activities. Cash flows from investing and financing activities were directly attributed to corresponding cash flows. Cash flow from operating activities was derived indirectly.

Cash flow from operating activities was derived from profit or loss, which was adjusted to exclude non-cash income and expenses – mainly consisting of depreciation, amortisation and impairment losses – and taking changes in working capital into account. Cash flow from operating activities also included changes in the carrying amounts of trucks for short-term rental and trucks for lease as well as liabilities and deferred revenue and profit stemming from the financing of these assets. Changes to carrying amounts for right-of-use assets on property, plant and equipment, and non-cash changes and the interest portion of lease payments for the corresponding lease liabilities are also reported under cash flow from operating activities.

Cash flow from investing activities included disposals and additions on property, plant and equipment without right-of-use assets capitalised and intangible assets and in particular additions in capitalised development expenditure. In addition, the cash flow from investing activities includes purchases and sales of securities, inflows and outflows from time deposits with an original term of more than three months and without a short-term, cost-free termination option, inflows and outflows for loans granted to related parties, purchase price payments for business combinations and payments for investments in companies accounted for using the equity method and other financial assets as well as inflows from the sale of other financial assets.

Cash flow from financing activities included capital-related transactions, dividend payments, cash flow from obtaining and repaying long-term financial loans including promissory notes and changes in short-term liabilities due to banks. In addition, the repayment portion of the lease payments were reported under cash flow from financing activities in accordance with the provisions of IFRS 16 “Leases”.

Cash and cash equivalents at the end of the year correspond to the amount disclosed for cash and cash equivalents on the statement of financial position, less the cash and cash equivalents not freely available to Jungheinrich. Bank balances amounting to €9,354 thousand (previous year: €11,007 thousand), which were pledged to banks as at the balance sheet date, as well as time deposits with an original term of more than three months and without a short-term, cost-free termination option amounting to €115,000 thousand (previous year: €150,000 thousand) were therefore not included in cash and cash equivalents. As before, cash and cash equivalents consisted almost exclusively of bank balances as at the balance sheet date.

DEVELOPMENT OF FINANCIAL LIABILITIES FROM FINANCING ACTIVITIES

	Balance on 01/01	Cash-effective change	Non-cash-effective changes			Balance on 31/12
in € thousand			Additions due to business combinations	Change in currency exchange rates	Other	
Year 2021						
Liabilities due to banks	**283,528**	**–98,873**	**41**	**684**	**–**	**185,380**
Current bank liabilities	75,518	–33,044	–	495	–	42,969
Non-current loans	208,010	–65,829	41	189	–	142,411
Promissory notes	**200,000**	**–127,000**	**–**	**–**	**–**	**73,000**
Lease liabilities	**174,762**	**–53,307**	**–**	**2,572**	**61,737**	**185,764**
Total financial liabilities from financing activities	**658,290**	**–279,180**	**41**	**3,256**	**61,737**	**444,144**
Year 2020						
Liabilities due to banks	**254,052**	**39,803**	**–**	**–10,327**	**–**	**283,528**
Current bank liabilities	83,997	–2,408	–	–6,071	–	75,518
Non-current loans	170,055	42,211	–	–4,256	–	208,010
Promissory notes	**200,000**	**0**	**–**	**–**	**–**	**200,000**
Lease liabilities	**169,968**	**–48,621**	**–**	**–5,486**	**58,901**	**174,762**
Total financial liabilities from financing activities	**624,020**	**–8,818**	**–**	**–15,813**	**58,901**	**658,290**

(35) CONTINGENT LIABILITIES

No Group companies are involved in ongoing legal or arbitration proceedings that could have a considerable impact on the Group's economic situation, are likely to become involved in such litigation, or had done so within the last two years.

The respective Group companies have accrued provisions sufficient to cover financial burdens potentially resulting from other legal or arbitration proceedings.

As at the balance sheet date, Jungheinrich had issued letters of comfort for joint ventures and associated companies to secure €10,222 thousand in credit lines (previous year: €7,746 thousand). Against the backdrop of the companies' appropriate funding, it was assumed that the underlying obligations would be met; no withdrawals were anticipated.

(36) OTHER FINANCIAL OBLIGATIONS

Purchase commitments for capital expenditure exclusively on property, plant and equipment totalled €15,737 thousand as at the balance sheet date (previous year: €12,883 thousand).

Group companies have entered into leases and service agreements for trucks at their various locations. As at the balance sheet date, payment obligations for the non-lease components of these contracts amounted to €19,729 thousand (previous year: €20,676 thousand).

In addition, the Jungheinrich Group incurred payment obligations totalling €76,951 thousand (previous year: €39,239 thousand) for long-term software use and maintenance contracts and leases for low-value assets as at the balance sheet date.

The new plant in Czechia will be built by an external builder using a "Build to Suit" solution. Jungheinrich has contractually agreed to sign a long-term rental agreement for the use of this building with the builder following construction and pay rent in the total amount of at least €31,255 thousand in the future. As at the balance sheet date, this payment obligation applied in full.

(37) RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk management principles

The Jungheinrich Group's risk management system is designed to enable the company to identify developments in financial price risks – resulting primarily from interest rate and currency risks – early on and react to them via systematic courses of action both rapidly and effectively. Furthermore, it ensures that the Group only concludes financial transactions for which it possesses the necessary expertise and technical preconditions.

Financial markets present the opportunity to transfer risks to other market participants who have a comparative advantage or a higher capacity for accepting risks. The Jungheinrich Group makes use of these opportunities solely to hedge risks arising from underlying operating transactions and to invest or raise liquidity. Group guidelines do not allow the conclusion of financial transactions that are speculative in nature. As a rule, the Jungheinrich Group's financial transactions may only be concluded with banks or leasing companies as contractual partners.

The Board of Management as a whole bears responsibility for the initiation of organisational measures required to limit financial price risks. Jungheinrich has established a risk controlling and risk management system that enables it to identify, measure, monitor and control its risk positions. Risk management encompasses the development and determination of methods to measure risk and performance, monitor established risk limits and set up the associated reporting system.

Jungheinrich controls financial risks arising from its core business centrally as part of the Group strategy. Risks stemming from the Jungheinrich Group's financial services operations are subject to a separate risk management system.

Risks specific to the financial services business are determined by residual value risks, refinancing risks and counterparty credit risks.

A material element of risk management in the financial service business is a contract database based on SAP-ERP and the Global Lease Center (GLC), which is used by smaller sales companies, that allows uniform recording, risk analysis and risk evaluation of financial service agreements throughout the Group.

The contractually agreed residual values are calculated on the basis of a conservative uniform Group standard for maximum permissible residual values. The residual values of all individual contracts are subjected to a quarterly evaluation using the central financial services contracts database on the basis of their current fair value. If the originally calculated residual value is higher than the actual fair value at the end of the respective contract's term, the risk is taken into consideration depending on the classification of the long-term customer contract through a reduction of the carrying amounts "Trucks for lease from financial services" or "Receivables from financial services" with effect on profit or loss.

Financial service agreements are generally refinanced in accordance with the principle of matching maturities and interest rates for customer and refinancing contracts.

Reference is made to the commentary on credit risks as regards general creditworthiness and contingent loss risks in connection with customers.

Break clauses agreed on in customer contracts are limited by central parameters and linked to risk-minimising performance targets. The earnings risk potentially resulting from break clauses is covered by accruing suitable provisions.

Market price risks

Market price risks are risks arising from changes in an item's realisable income or value, with the item being defined as an item on the assets or liabilities side of the statement of financial position. These risks result from changes in interest rates, foreign exchange rates, share prices and other items and factors affecting the formation of prices. These parameters are used to determine the interest rate risk, the currency risk and the share price risk exposure of the Jungheinrich Group. There were no noteworthy risk concentrations in the year under review, as was the case in the previous year.

Interest rate risks

Interest rate risks result from the Group's financing and cash investment activity. Fixed and variable-interest items are regarded separately in order to determine this risk. Net positions are formed from interest-bearing instruments on the assets and liabilities sides and hedges are concluded to cover these net positions, if necessary. Interest rate swaps were used to hedge interest rates in the reporting period.

The interest rate risk from investments is composed of the shares accounted for at fair value through profit or loss, pension futures and pension funds amounting to €155,568 thousand (previous year: €139,366 thousand), held mostly in a special fund. If going interest rates as at the balance sheet date had been 100 basis points higher (lower), this would have led to a change in the fair value in the amount of €4,127 thousand (previous year: €3,958 thousand).

The Jungheinrich Group's interest rate risks include cash flow risks arising from variable-interest financial instruments for which no interest rate hedges have been concluded. These financial instruments were analysed as follows based on the assumption that the amount of liabilities outstanding at the end of the reporting period was outstanding for the full year.

As at the balance sheet date, the net exposure of variable-interest financial instruments was at €81,302 thousand (previous year: €164,185 thousand). If going interest rates had been 100 basis points higher on 31 December 2021, income would have been €621 thousand (previous year: €1,049 thousand) lower. If going interest rates had been 100 basis points lower, income would have been €430 thousand (previous year: €455 thousand) higher.

For interest rate swaps designated as a hedging instrument as at the balance sheet date, such an increase (decrease) in the market interest level would have resulted in a change in fair value of €+5,596 thousand (€–5,872 thousand) recognised in other comprehensive income with no effect on profit or loss.

The risk positions directly affected by the reform of the reference interest rates are the variable-interest liabilities in GBP existing within the framework of the financing of the financial services business via the Group's own financing company Elbe River Capital S.A., Luxembourg. These liabilities are hedged against interest rate risks by means of interest rate swaps. The basis for this is the 1-month LIBOR. As at the balance sheet date, the nominal volume of the hedging instruments used amounted to GBP 51.9 million (previous year: GBP 52.0 million).

From 1 January 2022, SONIA (Sterling Overnight Index Average) will replace GBP-LIBOR as the reference interest rate. There are significant differences between SONIA and GBP-LIBOR. In order to convert existing contracts and agreements to SONIA, adjustments need to be made for maturity and credit spreads so that the two reference rates are economically equivalent at transition.

During the transition phase, Jungheinrich had GBP-LIBOR interest rate swaps that were directly affected by the discontinuation of GBP-LIBOR from 31 December 2021 brought about by the reform of the general reference interest rate. However, these were dissolved in January 2022 before the next interest rate setting date. Other transactions and product types were not directly affected and so no transactions had to be migrated. The discounting curves for measuring derivative financial instruments were converted based on the new risk-free reference interest rate as of 31 January 2022.

The reference interest rate of the variable rate liabilities and the reference interest rate used in the interest rate hedge will transfer to SONIA at the same time in January 2022. The changeover to SONIA will have no material effect on the Jungheinrich Group.

A project was initiated in 2021 to implement the reform of the general reference interest rate in the system in order to integrate the necessary process and method changes, in addition to contractual changes – especially with regard to market data supply, interest rate setting and financial instrument measurement and accounting – in accordance with IFRS. The necessary adjustments and expansions were made to functions in the treasury management system used to manage the financial instruments in use.

Currency risks

When calculating this risk position, the Jungheinrich Group considers foreign currency inflows and outflows, primarily from revenue and purchases based on fixed and flexible contracts. This risk position reflects the net currency exposure resulting from balancing counteracting cash flows in individual currencies while taking hedges already concluded for the period in question into account. Jungheinrich used currency forwards and currency swaps to manage risks during the reporting period. In accordance with the Jungheinrich Group's risk management principles, a maximum of 75 per cent of the hedged amounts are designated as underlying transactions; these, in turn, can be fully hedged.

The Jungheinrich Group applies the value-at-risk approach to quantify the risk position. The value-at-risk indicates the maximum loss that may not be exceeded before the end of a predetermined holding period with a certain probability (confidence level). Parameters and market volatility, which are used to quantify risk, are calculated based on the standard deviation of logarithmic changes in the last 180 trading days and converted to a one-day holding period with a one-sided confidence level of 95 per cent.

To manage risk, a loss limit for the entire Group is determined based on the company's planning. Furthermore, corresponding lower limits are determined at the individual Group company level. These limits are compared to the current value-at-risk for all open positions as part of monthly reporting.

By applying the value-at-risk method as of 31 December 2021, the maximum risk did not exceed €1,270 thousand (previous year: €1,401 thousand) based on a holding period of one day and a confidence level of 95 per cent. In the reporting period, the value-at-risk was between a minimum of €1,119 thousand (previous year: €1,110 thousand) and a maximum of €1,453 thousand (previous year: €2,177 thousand). The average for the year was €1,302 thousand (previous year: €1,748 thousand).

Additionally, hedging of foreign currency risks takes place in the Jungheinrich Group with matching amounts and identical maturities from intragroup financing via currency swaps.

Share price risks
Jungheinrich has invested €150,000 thousand in cash and cash equivalents in a special fund (previous year: €150,000 thousand). Shares, stock index funds and share derivatives held in this fund expose the Jungheinrich Group to share price risks. On 31 December 2021, the Jungheinrich Group contained a total share exposure of €44,199 thousand (previous year: €27,104 thousand). If the share price level had been 10 per cent higher (lower) on 31 December 2021, this would have led to additional income (losses) in other financial income (expense) of €4,420 thousand (previous year: €2,710 thousand).

The special fund is managed to maintain value in order to limit share price risks. The lower value limit specified for the reporting year was not reached at any time.

Credit risks
Jungheinrich's exposure to credit risks stems almost exclusively from its core business. Trade accounts receivable from operations are constantly monitored by the business units responsible for them. Loss allowances for expected credit losses are recognised in order to offset the credit risks.

The entire business is continuously subjected to creditworthiness checks. Given the overall exposure to credit risks, accounts receivable from major customers are not substantial enough to give rise to extraordinary risk concentrations. Agreements made with customers and measures taken within the scope of risk management that minimise the creditworthiness risk largely consist of agreements on prepayments made by customers, the sharing of risks with financing partners and the permanent monitoring of customers via information portals. In addition, selected operating trade accounts receivable are collateralised by federal government credit insurance and private credit insurance covering 90 per cent of the respective receivable amount. Letters of credit are also used for collateral and generally cover 100 per cent of the receivable amount. There were no significant changes to the quality of the collateral during the reporting periods.

Notwithstanding existing collateral securities, in principle the carrying amounts of the financial assets in the balance sheet represent the maximum credit risk. As at the balance sheet date, there were no major agreements that reduced the maximum credit risk such as offsetting arrangements.

Financial assets measured at fair value through profit or loss had carrying amounts totalling €195,478 thousand (previous year: €164,258 thousand) as at 31 December 2021 in the statement of financial position. The carrying amounts reflect the maximum credit risk of these financial instruments.

Liquidity risks
A liquidity reserve consisting of lines of credit and of cash is kept in order to ensure that the Jungheinrich Group can meet its payment obligations and maintain its financial flexibility at all times. Medium-term credit lines have been granted by the Group's principal banks and are supplemented by short-term credit lines of individual Group companies awarded by local banks.

Counterparty risks
The Group is exposed to counterparty risks that arise from the non-fulfilment of contractual agreements by counterparties. To mitigate these risks, such contracts are only concluded with selected financial institutions, which meet the internal demands placed on the creditworthiness of business partners. The creditworthiness of contractual partners is constantly monitored on the basis of their credit rating, which is determined by reputable rating agencies, as well as on the basis of additional risk indicators. No major risks ensued for Jungheinrich from its dependence on individual counterparties as at the balance sheet date. The fair values of derivative financial instruments are adjusted by the risk values calculated using analytical tools (credit value adjustment/debit value adjustment).

With regard to cash and cash equivalents and investments in securities, the Group monitors changes to the credit risk by tracking published ratings. To determine whether there are material increases in credit risks as at the balance sheet date which are not reflected in published ratings, the Group also monitors price changes for credit default swaps (CDSs) as well as press releases and regulatory information about the issuer. In accordance with Group investment policies, capital expenditure is only made in financial assets if they have an investment grade rating. Impairment losses for expected credit losses are calculated based on the three-level model in IFRS 9. Potential future impairment losses are calculated for all cash and cash equivalents and securities for the

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expected 12-month credit loss (Level 1). They are reclassified to Level 2 if the credit risk of a financial instrument has increased significantly compared to its initial recognition. Were contractual payments to become more than 30 days overdue, this would not by itself signal a significant increase in the credit risk but would indicate that a significant increase in the credit risk could have occurred. Jungheinrich's risk management system treats a downgrading of the counterparty's external rating below investment grade as a criterion for a significant increase in the credit risk. There were no reclassifications from Level 1 to Level 2 in the 2021 and 2020 financial years.

The general liquidity risk from the financial instruments used, which arises if a counterparty fails to meet its payment obligations or only meets them to a limited extent, is considered to be negligible.

Hedging relationships

The Jungheinrich Group concludes cash flow hedges to secure, among other things, future variable cash flows resulting from revenue and purchases of materials that are partially realised and partially forecasted, but highly probable. Comprehensive documentation ensures the clear assignment of hedges and underlying transactions. A maximum of 75 per cent of the volumes to be hedged are designated as underlying transactions; these, in turn, can be fully hedged.

Furthermore, the variable-interest liabilities existing for the purpose of financing the financial services business via the Group's financing company Elbe River Capital S.A., Luxembourg, are hedged against interest rate risks via interest rate swaps as cash flow hedges.

The hedging ratio for all risk types is generally 1:1.

The effectiveness of hedging relationships is determined in each case at the beginning of the hedging relationship and through regular prospective assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument.

The hedging relationships can prospectively be classified as highly effective. An assessment of the retrospective effectiveness of hedging relationships is conducted at the end of every quarter using the dollar-offset method together with the hypothetical-derivative method.

Hedging can become ineffective if the counterparty's credit risk changes.

Nominal values of derivative financial instruments

NOMINAL VOLUME OF DERIVATIVE FINANCIAL INSTRUMENTS

	Nominal volume of hedging instruments for cash flow hedges		Nominal volume of other derivatives	
in € thousand	Currency hedges	Interest hedges	Currency hedges	Other
31/12/2021				
Total nominal volume	**196,293**	**294,094**	**257,446**	**42,338**
Maturities of up to one year	174,901	87,994	257,446	42,338
Maturities of one to five years	21,392	201,094	–	–
Maturities of more than five years	–	5,006	–	–
31/12/2020				
Total nominal volume	**139,504**	**299,562**	**243,326**	**41,844**
Maturities of up to one year	124,433	87,708	243,326	41,844
Maturities of one to five years	15,071	206,512	–	–
Maturities of more than five years	–	5,342	–	–

The nominal values of the currency hedging contracts primarily contain currency forwards that are used to hedge against rolling twelve-month exposure in individual currencies. The main foreign currency items were hedged at the following average rates as at the balance sheet date:

AVERAGE HEDGING RATES OF MATERIAL FOREIGN CURRENCY ITEMS

	31/12/2021	31/12/2020
EUR/GBP	0.8592	0.9038
EUR/CHF	1.0568	1.0790
EUR/AUD	1.5732	1.6275

The nominal values of the interest hedges include interest rate hedges largely concluded to hedge long-term interest rates for variable-interest financing. As at the balance sheet date, the average hedging rate was −0.11 per cent (previous year: −0.10 per cent) for interest rate hedges in EUR and 0.20 per cent (previous year: 0.23 per cent) for interest rate hedges in GBP.

INTEREST HEDGES: FUTURE CASH FLOWS THAT ARE NOT DISCOUNTED

in € thousand	31/12/2021	31/12/2020
Due within one year	–351	–863
Due in one to five years	1,323	–1,014
Due in more than five years	8	3
Total future non-discounted cash flows	**980**	**–1,874**

The nominal volume of the other derivative financial instruments included listed futures and options in special funds.

The transactions underlying the cash flow hedges are expected to be realised in line with the maturities of the hedges shown in the table.

The fair values of the underlying transactions and hedging instruments are used to measure effectiveness. Hedging measures were not associated with any material ineffectiveness until the balance sheet date.

For the currency forwards from cash flow hedges existing as at the balance sheet date, the change in the fair values of the hedging transactions amounted to €–1,876 thousand (previous year: €–666 thousand). The change in the fair values of the underlying transactions amounted to €1,876 thousand (previous year: €667 thousand).

For the interest rate hedging contracts existing as at the balance sheet date, the change in the fair values of the hedging transactions as at the balance sheet date was €913 thousand (previous year: €–1,890 thousand). The change in the fair values of the underlying transactions amounted to €–915 thousand (previous year: €1,890 thousand).

Fair values of derivative financial instruments

The fair value of a derivative financial instrument is the price at which the instrument could have been sold on the market as at the balance sheet date. Fair values were calculated on the basis of market-related information available as at the balance sheet date and on the basis of measurement methods stated in note (33) [page 127] that are based on specific prices. In view of the varying influencing factors, the values stated here may differ from the values realised later on the market.

FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

in € thousand	31/12/2021	31/12/2020
Derivative financial assets	**4,630**	**2,517**
Derivatives with a hedging relationship	**1,794**	**397**
Currency forwards/currency swaps	549	385
Interest rate swaps	1,245	12
Derivatives without a hedging relationship	**2,836**	**2,120**
Currency forwards/currency swaps	2,463	1,620
Futures	373	500
Derivative financial liabilities	**5,803**	**6,111**
Derivatives with a hedging relationship	**2,979**	**3,005**
Currency forwards/currency swaps	2,560	1,010
Interest rate swaps	419	1,995
Derivatives without a hedging relationship	**2,824**	**3,106**
Currency forwards/currency swaps	2,698	3,072
Futures	126	34

Details regarding the development of the fair value of derivatives in hedging relationships in the reporting year and previous year can be found in note (24) [page 117].

Offsetting of derivative financial instruments

The Group concludes derivative transactions according to a German framework agreement and similar national framework agreements. These agreements do not fulfil the criteria for offsetting to take place in the consolidated statement of financial position, since they only grant the right to offsetting if future events occur, such as the default or insolvency of the Group or the counterparty. All currency and interest rate hedging contracts belonging to the Jungheinrich Group fall under existing global netting agreements, meaning that, taking into account the counterparty structure, the offsetting potential as of 31 December 2021 would amount to €3,233 thousand (previous year: €1,694 thousand).

As at the balance sheet date, the gross value of derivative financial assets from currency and interest rate hedging contracts amounted to €4,257 thousand (previous year: €2,017 thousand) and the gross amount of derivative financial liabilities from currency and interest rate hedging contracts was €5,677 thousand (previous year: €6,077 thousand). After offsetting this would amount to receivables of €1,024 thousand (previous year: €323 thousand) and liabilities of €2,444 thousand (previous year: €4,383 thousand).

(38) SEGMENT INFORMATION

The Jungheinrich Group operates on an international level – with a main focus on Europe – as an intralogistics solutions provider with an extensive portfolio of material handling equipment, automatic systems and services. The integrated business model encompasses the development, production and sale of new material handling equipment and the planning and realisation of automatic systems, the short-term rental of new and used material handling equipment, the reconditioning and sale of used forklifts and after-sales services. Jungheinrich also supplies stacker cranes and load handling equipment.

The Board of Management of Jungheinrich AG acts and makes decisions with overall responsibility for all the Group's business areas. Jungheinrich's business model is designed to serve customers from a single source over a product's entire life cycle.

Segment reporting is in line with the internal organisational and reporting structure, thus encompassing the reportable segments "Intralogistics" and "Financial Services".

The "Intralogistics" segment encompasses the development, production, sale and short-term rental of new material handling equipment and warehousing equipment products including automatic systems as well as the sale and short-term leasing of used trucks and after-sales services, consisting of maintenance, repair and spare parts.

Activities undertaken by the "Financial Services" segment encompass the sales financing and usage transfer of material handling equipment and warehousing equipment products. In line with Jungheinrich's business model, this independent business area supports the operating sales units of the "Intralogistics" segment. In this context, the "Financial Services" segment finances itself autonomously.

Segment information is generally subject to the disclosure and measurement methods applied in the consolidated financial statements. One exception is that the segments do not determine or record impairments for expected credit losses pursuant to IFRS 9 "Financial instruments" for intragroup receivables. Business segments were not aggregated.

The segment income (expense) is presented as earnings before taxes (EBT). Income tax expense is not reported and managed by segment at Jungheinrich. Income tax expense is therefore only stated as a summarised item at the Group level. Accordingly, profit or loss is only stated for the Jungheinrich Group.

Capital expenditure, depreciation and amortisation and impairment losses concern property, plant and equipment and intangible assets, excluding capitalised development expenditure and excluding capitalised usage rights on property, plant and equipment. Segment assets and segment liabilities encompass all assets and liabilities allocable to the segment in question. All items on the statement of financial position relating to effective and deferred income tax expense are therefore also included.

The "Intralogistics" segment acquires products from long-term customer lease agreements at the end of the term of these agreements at contractually agreed residual values from the "Financial Services" segment. If the contractually agreed residual value is above the current fair value at the end of an agreement's term, the "Intralogistics" segment will take this residual value risk into consideration by forming appropriate reserves for onerous contracts. The Jungheinrich Group reversed the provisions accounted for in the "Intralogistics" segment as reserves for residual value risks in the amount of €26.5 million as of 31 December 2021 and simultaneously, according to the classification of the long-term customer agreements, reduced the carrying amounts of trucks for lease from financial services by €12.6 million, receivables from financial services by €12.2 million and inventories by €1.7 million and recognised these amounts as expenses. The figures from this cross-segment offsetting were included in the 2021 reconciliation items.

The reconciliation items in the reporting year and 2020 also included the intragroup revenue, interest, interim profits and receivables and liabilities eliminated within the scope of consolidation.

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in € thousand	Intralogistics	Financial Services	Segment total	Reconciliation	Jungheinrich Group
External revenue	3,273,035	966,780	4,239,815	–	4,239,815
Intersegment revenue	977,878	165,337	1,143,215	–1,143,215	–
Total revenue	4,250,913	1,132,117	5,383,030	–1,143,215	4,239,815
Income (expense) from companies accounted for using the equity method	2,838	–	2,838	–	2,838
Earnings before interest and income taxes (EBIT)	332,728	18,136	350,864	8,780	359,644
Interest income	1,848	133	1,981	–1,313	668
Interest expenses	11,494	1,239	12,733	–1,313	11,420
Other financial income (expense)	244	–3	241	–	241
Segment income (expense) (EBT)	**323,326**	**17,027**	**340,353**	**8,780**	**349,133**
Income tax expense					81,737
Profit or loss					**267,396**
Non-current assets					
Capital expenditure	70,888	109	70,997	–	70,997
Depreciation and amortisation	78,357	286	78,643	–	78,643
Impairment losses	1,961	–	1,961	–	1,961
Intangible assets	200,693	1,019	201,712	–	201,712
Property, plant and equipment	719,985	18	720,003	–	720,003
Trucks for short-term rental	362,917	–	362,917	–	362,917
Trucks for lease from financial services	–	642,760	642,760	–142,312	500,448
Investments measured using the equity method	45,696	–	45,696	–	45,696
Other financial assets	35,334	–	35,334	–24,409	10,925
Inventories	718,600	49,221	767,821	–3,968	763,853
Receivables from financial services	–	1,419,715	1,419,715	–12,245	1,407,470
Trade accounts receivable and contract assets	811,254	106,163	917,417	–152,806	764,611
Cash and cash equivalents and securities	725,263	29,283	754,546	–	754,546
Other assets	362,329	137,204	499,533	–262,578	236,955
Assets 31/12	**3,982,071**	**2,385,383**	**6,367,454**	**–598,318**	**5,769,136**
Shareholders' equity 31/12	1,910,987	94,325	2,005,312	–202,703	1,802,609
Provisions for pensions	227,556	240	227,796	–	227,796
Other provisions	377,841	875	378,716	–26,498	352,218
Financial liabilities	531,805	1,138	532,943	–	532,943
Liabilities from financial services	–	1,896,415	1,896,415	–	1,896,415
Trade accounts payable	536,954	148,838	685,792	–152,823	532,969
Contract liabilities	198,234	194	198,428	–	198,428
Other liabilities	198,694	243,358	442,052	–216,294	225,758
Liabilities 31/12	2,071,084	2,291,058	4,362,142	–395,615	3,966,527
Shareholders' equity and liabilities 31/12	**3,982,071**	**2,385,383**	**6,367,454**	**–598,318**	**5,769,136**

SEGMENT INFORMATION FOR 2020

in € thousand	Intralogistics	Financial Services	Segment total	Reconciliation	Jungheinrich Group
External revenue	2,861,853	946,821	3,808,674	–	3,808,674
Intersegment revenue	948,676	174,525	1,123,201	–1,123,201	–
Total revenue	3,810,529	1,121,346	4,931,875	–1,123,201	3,808,674
Income (expense) from companies accounted for using the equity method	981	–	981	–	981
Earnings before interest and income taxes (EBIT)	185,376	9,285	194,661	23,483	218,144
Interest income	2,663	68	2,731	–1,280	1,451
Interest expenses	13,520	1,294	14,814	–1,280	13,534
Other financial income (expense)	–6,514	–1	–6,515	–	–6,515
Segment income (expense) (EBT)	**168,005**	**8,058**	**176,063**	**23,483**	**199,546**
Income tax expense					48,778
Profit or loss					**150,768**
Non-current assets					
Capital expenditure	75,450	38	75,488	–	75,488
Depreciation and amortisation	77,836	269	78,105	–	78,105
Impairment losses	29,490	563	30,053	–	30,053
Intangible assets	119,044	1,174	120,218	–	120,218
Property, plant and equipment	723,413	26	723,439	–	723,439
Trucks for short-term rental	288,895	–	288,895	–	288,895
Trucks for lease from financial services	–	640,926	640,926	–125,047	515,879
Investments measured using the equity method	42,242	–	42,242	–	42,242
Other financial assets	33,642	–	33,642	–24,409	9,233
Inventories	489,112	49,705	538,817	–1,363	537,454
Receivables from financial services	–	1,326,981	1,326,981	–	1,326,981
Trade accounts receivable and contract assets	728,756	106,021	834,777	–153,467	681,310
Cash and cash equivalents and securities	957,068	23,994	981,062	–	981,062
Other assets	321,753	138,775	460,528	–275,828	184,700
Assets 31/12	**3,703,925**	**2,287,602**	**5,991,527**	**–580,114**	**5,411,413**
Shareholders' equity 31/12	1,682,356	73,447	1,755,803	–209,274	1,546,529
Provisions for pensions	240,056	104	240,160	–	240,160
Other provisions	302,372	1,252	303,624	–	303,624
Financial liabilities	783,002	4,351	787,353	–	787,353
Liabilities from financial services	–	1,802,929	1,802,929	–	1,802,929
Trade accounts payable	389,059	148,086	537,145	–153,472	383,673
Contract liabilities	122,660	65	122,725	–	122,725
Other liabilities	184,420	257,368	441,788	–217,368	224,420
Liabilities 31/12	2,021,569	2,214,155	4,235,724	–370,840	3,864,884
Shareholders' equity and liabilities 31/12	**3,703,925**	**2,287,602**	**5,991,527**	**–580,114**	**5,411,413**

Alongside the depreciation of property, plant and equipment and trucks for short-term rental, the main non-cash items stated as part of "Intralogistics" segment income are changes in provisions for pensions and similar obligations and other provisions with an effect on profit or loss.

In addition, impairment was recognised in connection with acquired intangible assets amounting to €1,961 thousand (previous year: €16,473 thousand) and for capitalised development expenditure in the amount of €453 thousand (previous year: €21,541 thousand).

In 2020 the "Intralogistics" segment income (expense) included impairment losses of €10,114 thousand resulting from goodwill impairment and €2,903 thousand in property, plant and equipment and €3,938 thousand in trucks for short-term rental.

The Jungheinrich Group's existing management and reporting system was expanded to include the financial key figure EBIT return on capital employed (ROCE new) in the first half of the current financial year. The ROCE new financial key figure represents the Jungheinrich Group's operating return based on the EBIT generated in the "Intralogistics" segment (annualised for interim reports) in relation to the capital employed (average of capital employed on current balance sheet date and at the balance sheet date in the last three quarters) that is attributable to this segment. ROCE new in the reporting period was 20.2 per cent (previous year: 10.8 per cent).

The following tables report revenue by recipient region and show non-current assets affecting intangible assets and property, plant and equipment, broken down by region.

REVENUE BY REGION

in € thousand	2021	2020
Germany	1,013,499	916,486
Italy	454,247	412,493
France	382,598	329,368
United Kingdom	249,019	220,584
Other Europe	1,584,213	1,438,471
Other countries	556,239	491,272
Revenue	**4,239,815**	**3,808,674**

The non-current assets by region shown in the following table refer to intangible assets and property, plant and equipment.

NON-CURRENT ASSETS BY REGION

in € thousand	31/12/2021	31/12/2020
Germany	509,235	503,437
Other Europe	261,469	247,165
Other countries	69,253	66,041
Consolidation	81,758	27,014
Intangible assets and property, plant and equipment	**921,715**	**843,657**

There were no relationships with individual external customers accounting for a material share of revenue with respect to Group revenue in the 2021 and 2020 financial years.

(39) EARNINGS PER SHARE

The calculations are based on profit or loss attributable to shareholders of Jungheinrich AG, as reported in the consolidated statement of profit or loss.

EARNINGS PER SHARE

		2021	2020
Profit or loss[1]	in € thousand	266,248	151,277
Shares outstanding[2]			
Ordinary shares	in thousand units	54,000	54,000
Preferred shares	in thousand units	48,000	48,000
Earnings per share (diluted/undiluted)			
Earnings per ordinary share	**in €**	**2.60**	**1.47**
Earnings per preferred share	**in €**	**2.62**	**1.49**

1 Attributable to the shareholders of Jungheinrich AG.
2 Weighted average.

In the 2021 and 2020 financial years, no equity instruments diluted the earnings per share on the basis of the respective shares issued.

(40) EVENTS AFTER THE CLOSE OF THE 2021 FINANCIAL YEAR

Due to the war started by Russia against Ukraine, further economic development in the 2022 financial year is marked by an especially high level of uncertainty. Negative effects, particularly on procurement and sales, cannot currently be estimated – not just for business transactions with Ukraine and Russia, but globally.

(41) FEES FOR THE AUDITOR OF THE CONSOLIDATED FINANCIAL STATEMENTS

Details on the fees charged by the auditor of the consolidated financial statements, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, for the year under review and the previous year are presented in the following table.

FEES CHARGED BY THE AUDITOR

in € thousand	2021	2020
Audit services	736	596
Tax services	–	47
Other consulting services	57	–
Other services	124	30
Total	**917**	**673**

Other services in the reporting year primarily related to services in connection with the LIBOR changeover, advanced training for the Supervisory Board and quality assurance as part of the risk management system changeover.

(42) RELATED PARTY DISCLOSURES

Jungheinrich AG's major ordinary shareholders are LJH-Holding GmbH, Wohltorf, and WJH-Holding GmbH, Aumühle.

In addition to the subsidiaries included in the consolidated financial statements, Jungheinrich has business relationships with joint ventures, associated companies and affiliated, non-consolidated companies. All the relationships with these companies are the result of normal business activities and are conducted on arm's length terms. The transactions with non-consolidated affiliated companies were of minor amounts.

The volume of trade between fully consolidated companies of the Jungheinrich Group and joint ventures and associated companies are presented in the following table.

BUSINESS RELATIONS WITH JOINT VENTURES AND ASSOCIATED COMPANIES

	Products and services provided		Products and services received		Trade accounts receivable from		Trade accounts payable to	
in € thousand	2021	2020	2021	2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
JULI Motorenwerk s.r.o., Czechia[1]	45	35	67,849	53,069	–	–	4,398	3,904
Jungheinrich Heli Industrial Truck Rental (China) Co., Ltd., China[1]	29,108	20,468	3,218	1,477	9,279	7,059	489	–
Schwerter Profile GmbH, Germany	784	n/a	4,160	n/a	–	n/a	233	n/a
Other joint ventures	3,176	1,624	2,451	1,997	117	21	194	268
Joint ventures	**33,113**	**22,127**	**80,002**	**56,543**	**9,396**	**7,080**	**5,314**	**4,172**
Cebalog GmbH, Germany	238	243	84,417	65,972	2	1	25,568	14,238
Associated companies	**238**	**243**	**84,417**	**65,972**	**2**	**1**	**25,568**	**14,238**

1 Including subsidiaries.

As at 31 December 2021 there were receivables of €9,979 thousand from a loan granted to Schwerter Profile GmbH, Schwerte, Germany (previous year: €– thousand). The bullet loan, with interest charged at market rates, has a fixed term which ends on 30 June 2026. The borrower is entitled to repay the loan early in full or in part, however, without prepayment penalty. The loan agreement contains a subordination agreement.

On 31 December 2021, other liabilities from financing vis-à-vis Malikon GmbH, Eslarn (Germany), amounted to €88 thousand (previous year: €88 thousand).

On 31 December 2021, other liabilities from financing vis-à-vis Supralift GmbH & Co. KG, Hofheim am Taunus (Germany), amounted to €120 thousand (previous year: €60 thousand).

Contingent liabilities of the Jungheinrich Group from letters of comfort issued for joint ventures and associated companies as at the balance sheet date are presented in note (35) [page 132].

Members of the Board of Management or the Supervisory Board of Jungheinrich AG are members of supervisory boards or comparable committees of other companies with which Jungheinrich AG has relationships as part of its operating activities. All transactions with these companies are conducted on arm's length terms.

Information about the remuneration of the Supervisory Board and Board of Management can be found in note (43) [page 143].

(43) TOTAL REMUNERATION OF THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

Total remuneration of the active members of the Board of Management pursuant to Section 314 Paragraph 1 Item 6a HGB amounted to €6,713 thousand in 2021 (previous year: €7,652 thousand). In addition to basic remuneration, this included remuneration in kind and fringe benefits, the short-term incentive (STI) and long-term incentive (LTI – a share-based performance-related component with a long-term incentive effect). The appropriateness requirement was taken into consideration when determining the individual variable remuneration.

The LTI has a term of three years and is allocated annually in the form of virtual performance share (VPS) tranches. Settlement occurs exclusively in cash at the end of the relevant performance period. The target amount forms the basis for the allocation and amounts to 55 per cent of the basic remuneration for each member of the Board of Management. At the start of the term, the target amount is divided by Jungheinrich AG's average share price (arithmetic mean of the closing prices in the last 120 trading days before the start of the performance period) to calculate the number of virtual shares (VPS) assigned conditionally. The target values for the performance criteria are set by the Supervisory Board, and their degree of achievement is decided by the Supervisory Board after the end of the performance period. The number of final VPS is always limited to 150 per cent of the originally allocated VPS.

Based on the remuneration system applicable as at 1 January 2021, a total of 59,969.87 VPS were granted in 2021 for the last financial year's LTI for the first time. The fair value determined by Monte Carlo simulation at the time when they were granted was €2,397 thousand. The LTI is recognised as a cash-settled share-based payment transaction pursuant to IFRS 2. The fair value is calculated at every balance sheet date and recognised as a personnel expense distributed on a straight-line basis over the vesting period and as a provision in the same amount.

The determination of the LTI is based on the financial performance criteria of "return on capital employed (ROCE)" and "relative total shareholder return", and on the sustainability-related non-financial performance criterion of "lithium-ion equipment ratio".

Provisions of €4,471 thousand were reported as at 31 December 2021 for active members of the Board of Management for the STI and the deferred variable remuneration based on the remuneration system applicable until 31 December 2020. The entitlements have been fully awarded with the activities in the 2021 financial year, whereby the actual payment will be measured and paid based on target achievement applicable according to the remuneration system for the previous years and from 1 January 2021 by the Supervisory Board in April 2022. The payment of STI is dependent on the weighted degree of overall target achievement, which is determined using "Group EBT return on sales", "increase in Group revenue" and "equipment ratio of lithium-ion".

There were pension commitments for all active members of the Board of Management; the corresponding provisions amount to €4,050 thousand (previous year: €3,511 thousand). The pensions will be paid out at the end of the 63rd year as lifelong monthly pensions as long as there is no active employment relationship with Jungheinrich AG at this point. The provision for dependants for spouses or partners and children entitled to maintenance is restricted to a maximum of 100 per cent of the regular pension claim.

The disclosure of the remuneration of management staff in key positions in the Jungheinrich Group pursuant to IAS 24 includes the remuneration of the Board of Management and the Supervisory Board.

in € thousand	Board of Management 2021	Board of Management 2020	Supervisory Board 2021	Supervisory Board 2020
Short-term benefits due	5,993	5,321	1,121	771
Post-employment benefits	746	513	–	–
Other long-term benefits due	–	2,331	–	–
Share-based payments	720	–	–	–
Total	**7,459**	**8,165**	**1,121**	**771**

Post-employment benefits include the current service cost resulting from the defined benefit obligations to the members of the Board of Management. Expenses from share-based payments in the 2021 financial year are reported as share-based payments.

The Supervisory Board remuneration includes basic annual remuneration and fixed annual remuneration for sitting on Supervisory Board committees. The full Supervisory Board remuneration is only due after the end of the financial year. As at 31 December 2021, provisions for Supervisory Board remuneration totalled €1,121 thousand (previous year: €771 thousand), which are paid out at the beginning of the next financial year. Employee representatives on the Supervisory Board receive a regular salary from their employment in the Group, whereby the amount is appropriate remuneration for their function or work in the Group.

No advances or loans to members of the Board of Management or the Supervisory Board of Jungheinrich AG existed on 31 December 2021, as in the previous year. The company also did not provide any guarantees for members of the Board of Management or Supervisory Board, as in the previous year.

Total emoluments of former members of the Board of Management amounted to €1,174 thousand (previous year: €851 thousand).

As at 31 December 2021, Jungheinrich AG had accrued a €16,391 thousand (previous year: €16,926 thousand) provision for pensions for former members of the Board of Management.

(44) LIST OF EQUITY STAKES HELD BY JUNGHEINRICH AG, HAMBURG, IN ACCORDANCE WITH SECTION 313, PARAGRAPH 2 OF THE GERMAN COMMERCIAL CODE (HGB)

As of 31 December 2021, the following companies were included in the consolidated financial statements of Jungheinrich AG, Hamburg, by way of full consolidation:

Company name	Domicile, country	Share of voting rights and capital in %
Jungheinrich Vertrieb Deutschland AG & Co. KG	Hamburg, Germany	100.0
Jungheinrich Norderstedt AG & Co. KG	Hamburg, Germany	100.0
Jungheinrich Export AG & Co. KG	Hamburg, Germany	100.0
Jungheinrich Service & Parts AG & Co. KG	Hamburg, Germany	100.0
Jungheinrich Beteiligungs-GmbH	Hamburg, Germany	100.0
Jungheinrich Moosburg AG & Co. KG	Moosburg, Germany	100.0
Jungheinrich Degernpoint AG & Co. KG	Moosburg, Germany	100.0
Jungheinrich Logistiksysteme GmbH	Moosburg, Germany	100.0
Jungheinrich Projektlösungen AG & Co. KG	Offenbach am Main, Germany	100.0
Jungheinrich Digital Solutions AG & Co. KG	Hamburg, Germany	100.0
Jungheinrich Landsberg AG & Co. KG	Landsberg/Saalekreis, Germany	100.0
Jungheinrich Financial Services AG & Co. KG	Hamburg, Germany	100.0
Jungheinrich Rental International AG & Co. KG	Hamburg, Germany	100.0
Jungheinrich Financial Services International GmbH	Hamburg, Germany	100.0
Elbe River Capital S.A.	Luxembourg, Luxembourg	100.0
Hemmdal GmbH	Hamburg, Germany	100.0
ISI Automation GmbH & Co. KG	Extertal, Germany	100.0
arculus GmbH	Munich, Germany	100.0
Jungheinrich PROFISHOP AG & Co. KG	Hamburg, Germany	100.0
Jungheinrich Profishop GmbH	Vienna, Austria	100.0
Jungheinrich PROFISHOP AG	Hirschthal, Switzerland	100.0
Gebrauchtgeräte-Zentrum Dresden AG & Co. KG	Klipphausen/Dresden, Germany	100.0
Jungheinrich Finances Holding SAS	Vélizy-Villacoublay, France	100.0
Jungheinrich France SAS	Vélizy-Villacoublay, France	100.0
Jungheinrich Finance France SAS	Vélizy-Villacoublay, France	100.0
Jungheinrich Financial Services SAS	Vélizy-Villacoublay, France	100.0
Jungheinrich UK Holdings Ltd.	Milton Keynes, UK	100.0
Jungheinrich UK Ltd.	Milton Keynes, UK	100.0
Jungheinrich Lift Truck Finance Ltd.	Milton Keynes, UK	100.0
Jungheinrich Financial Services Ltd.	Milton Keynes, UK	100.0

Company name	Domicile, country	Share of voting rights and capital in %
Jungheinrich Italiana S.r.l.	Rosate/Milan, Italy	100.0
Jungheinrich Rental S.r.l.	Rosate/Milan, Italy	100.0
Jungheinrich Fleet Services S.r.l.	Rosate/Milan, Italy	100.0
Jungheinrich de España S.A.U.	Abrera/Barcelona, Spain	100.0
Jungheinrich Fleet Services S.L.	Abrera/Barcelona, Spain	100.0
Jungheinrich Nederland B.V.	Alphen a. d. Rijn, Netherlands	100.0
Jungheinrich Finance B.V.	Alphen a. d. Rijn, Netherlands	100.0
Jungheinrich Financial Services B.V.	Alphen a. d. Rijn, Netherlands	100.0
Jungheinrich AG	Hirschthal, Switzerland	100.0
Jungheinrich n.v./s.a.	Leuven, Belgium	100.0
Jungheinrich Austria Vertriebsges. m.b.H.	Vienna, Austria	100.0
Jungheinrich Fleet Services GmbH	Vienna, Austria	100.0
Jungheinrich Polska Sp. z o.o.	Ozarow Mazowiecki/Warsaw, Poland	100.0
Jungheinrich Norge AS	Oslo, Norway	100.0
Jungheinrich (ČR) s.r.o.	Modletice/Prague, Czechia	100.0
Jungheinrich Chomutov s.r.o.	Modletice/Prague, Czechia	100.0
Jungheinrich Svenska AB	Arlöv, Sweden	100.0
Jungheinrich Hungária Kft.	Biatorbágy/Budapest, Hungary	100.0
Jungheinrich Danmark A/S	Tåstrup, Denmark	100.0
Jungheinrich d.o.o.	Kamnik, Slovenia	100.0
Jungheinrich Portugal Equipamentos de Transporte, Lda.	Mem Martins/Lisbon, Portugal	100.0
Jungheinrich Lift Truck Ltd.	Maynooth, Co. Kildare, Ireland	100.0
Jungheinrich Hellas EPE	Acharnes/Athens, Greece	100.0
Jungheinrich Istif Makinalari San. ve Tic. Ltd. Sti.	Alemdag/Istanbul, Turkey	100.0
Jungheinrich spol. s.r.o.	Senec, Slovakia	100.0
Jungheinrich Lift Truck Singapore Pte Ltd.	Singapore, Singapore	100.0
Jungheinrich Lift Truck Malaysia Sdn. Bhd.	Shah Alam/Kuala Lumpur, Malaysia	100.0
Jungheinrich Lift Truck Comercio de Empilhadeiras Ltda.	Itupeva-SP, Brazil	100.0
Jungheinrich Lift Truck OOO	Moscow, Russia	100.0
Jungheinrich Parts OOO	Moscow, Russia	100.0
Jungheinrich Lift Truck TOV	Kiev, Ukraine	100.0
Jungheinrich Lift Truck SIA	Riga, Latvia	100.0
Jungheinrich Lift Truck UAB	Vilnius, Lithuania	100.0

Company name	Domicile, country	Share of voting rights and capital in %
Jungheinrich Lift Truck Oy	Kerava, Finland	100.0
Jungheinrich (Shanghai) Management Co., Ltd.	Shanghai, China	100.0
Jungheinrich Lift Truck (Shanghai) Co., Ltd.	Shanghai, China	100.0
Jungheinrich Lift Truck Manufacturing (Shanghai) Co., Ltd.	Qingpu/Shanghai, China	100.0
Jungheinrich Lift Truck Ltd.	Samuthprakarn/Bangkok, Thailand	100.0
Jungheinrich Lift Truck India Private Ltd.	Mumbai, India	100.0
Jungheinrich Lift Truck Corporation	Houston/Texas, USA	100.0
Jungheinrich Systemlösungen GmbH	Graz, Austria	100.0
Jungheinrich South Africa (Pty) Ltd	Edenvale/Johannesburg, South Africa	100.0
Jungheinrich Romania S.R.L.	Tătărani, Romania	100.0
Jungheinrich Reconditionare Romania S.R.L.	Ploiești, Romania	100.0
Jungheinrich Rentalift SpA	Pudahuel/Santiago de Chile, Chile	100.0
Jungheinrich Colombia SAS	Mosquera/Bogotá, Colombia	100.0
Jungheinrich Ecuador S.A.	Guayaquil, Ecuador	100.0
Jungheinrich Perú S.A.C.	Lurín/Lima, Peru	100.0
Jungheinrich doo	Novi Banovci, Serbia	100.0
MIAS Maschinenbau, Industrieanlagen & Service GmbH	Munich, Germany	100.0
MIAS Hungary Kft.	Gyöngyös, Hungary	100.0
MIAS Holding Inc.	Charlotte/North Carolina, USA	100.0
MIAS Property LLC	Charlotte/North Carolina, USA	100.0
MIAS Inc.	Charlotte/North Carolina, USA	100.0
MIAS Singapore (formerly: MIAS Asia Holding) Pte. Ltd.	Singapore, Singapore	100.0
MIAS Materials Handling (Kunshan) Co., Ltd.	Kunshan, China	100.0
MIAS Australia Pty Ltd.	Narrabeen/Sydney, Australia	100.0
Jungheinrich Australia Holdings Pty Ltd.	Adelaide, Australia	100.0
Jungheinrich Australia Pty Ltd.	Adelaide, Australia	100.0[1]
Jungheinrich Fleet Services Pty Ltd.	Adelaide, Australia	100.0[1]
JT Energy Systems GmbH	Freiberg, Germany	70.0
Universal-FORMICA-Fonds[2]	Frankfurt am Main, Germany	0.0

1 10.0 per cent of the shares are held indirectly via a trust.
2 Included as a structured entity in accordance with IFRS 10.

As of 31 December 2021, the following joint ventures were included in the consolidated financial statements of Jungheinrich AG, Hamburg, using the equity method:

Company name	Domicile, country	Share of voting rights and capital in %
JULI Motorenwerk s.r.o.	Moravany, Czechia	50.0
Supralift GmbH & Co. KG	Hofheim am Taunus, Germany	50.0
Fujian JULI Motor Co., Ltd.	Putian, China	50.0
Jungheinrich Heli Industrial Truck Rental (China) Co., Ltd.	Shanghai, China	50.0
Jungheinrich Heli Industrial Truck Rental (Shanghai) Co., Ltd.	Shanghai, China	45.5
Jungheinrich Heli Industrial Truck Rental (Changzhou) Co., Ltd.	Changzhou, China	45.5
Jungheinrich Heli Industrial Truck Rental (Guangzhou) Co., Ltd.	Guangzhou, China	45.5
Jungheinrich Heli Industrial Truck Rental (Tianjin) Co., Ltd.	Tianjin, China	45.5
Malikon GmbH	Eslarn, Germany	50.0
MCJ Supply Chain Solutions LLC	Houston/Texas, USA	50.0
TREX.PARTS GmbH & Co. KG	Sittensen, Germany	50.0
Schwerter Profile GmbH	Schwerte, Germany	50.0

As of 31 December 2021, the following associated companies were included in the consolidated financial statements of Jungheinrich AG, Hamburg, using the equity method:

Company name	Domicile, country	Share of voting rights and capital in %
Cebalog GmbH	Pyrbaum, Germany	40.0

As of 31 December 2021, the following companies were included in the consolidated financial statements of Jungheinrich AG, Hamburg, at fair value:

Company name	Domicile, country	Share of voting rights and capital in %
Jungheinrich Polska Produkcja Sp. z o.o.[1]	Bronisze, Poland	100.0
Irapol Sp. z o.o.[1]	Łódź, Poland	100.0
Jungheinrich Digital Solutions s.l.[1]	Madrid, Spain	100.0
Jungheinrich Katalog Verwaltungs-GmbH[1]	Hamburg, Germany	100.0
Gebrauchtgeräte-Zentrum Dresden Verwaltungs-GmbH[1]	Klipphausen/Dresden, Germany	100.0
The Jungheinrich Australia Trust[1]	Adelaide, Australia	100.0
Jungheinrich Latinoamérica y Caribe Ltda.[1]	Pudahuel/Santiago de Chile, Chile	100.0
Jungheinrich Lift Truck Middle East (FZE)[1]	Sharjah, UAE	100.0
Multiton MIC Corporation[1]	Richmond/Virginia, USA	100.0
Jungheinrich Unterstützungskasse GmbH[1]	Hamburg, Germany	100.0
FORTAL Administracào e Participacoes S.A.[1]	Rio de Janeiro, Brazil	100.0
Boss Manufacturing Ltd.[1]	Leighton Buzzard, UK	100.0
ISI Verwaltungs GmbH[1]	Extertal, Germany	100.0
Supralift Beteiligungs- und Kommunikations-Gesellschaft mbH[1]	Hofheim am Taunus, Germany	50.0
TREX.PARTS Management GmbH[1]	Sittensen, Germany	50.0
Magazino GmbH	Munich, Germany	18.2
NOVUM engineerING GmbH	Dresden, Germany	5.0

1 Not consolidated due to its subordinate importance.

(45) APPLICATION OF SECTION 264, PARAGRAPH 3, AND SECTION 264b OF THE GERMAN COMMERCIAL CODE (HGB)

The following domestic subsidiaries included in the consolidated financial statements of Jungheinrich AG made use of the waiver pursuant to Section 264, Paragraph 3, and Section 264b of the German Commercial Code (HGB) to a certain extent:

- Jungheinrich Vertrieb Deutschland AG & Co. KG, Hamburg
- Jungheinrich Norderstedt AG & Co. KG, Hamburg
- Jungheinrich Export AG & Co. KG, Hamburg
- Jungheinrich Service & Parts AG & Co. KG, Hamburg
- Jungheinrich Moosburg AG & Co. KG, Moosburg
- Jungheinrich Degernpoint AG & Co. KG, Moosburg
- Jungheinrich Projektlösungen AG & Co. KG, Offenbach am Main
- Jungheinrich Digital Solutions AG & Co. KG, Hamburg
- Jungheinrich Landsberg AG & Co. KG, Landsberg/Saalekreis
- Jungheinrich Rental International AG & Co. KG, Hamburg
- Jungheinrich Financial Services AG & Co. KG, Hamburg
- Jungheinrich PROFISHOP AG & Co. KG, Hamburg
- Gebrauchtgeräte-Zentrum Dresden AG & Co. KG, Klipphausen/Dresden
- Jungheinrich Beteiligungs-GmbH, Hamburg
- Jungheinrich Financial Services International GmbH, Hamburg
- Jungheinrich Logistiksysteme GmbH, Moosburg
- ISI Automation GmbH & Co. KG, Extertal
- MIAS Maschinenbau, Industrieanlagen & Service GmbH, Munich

(46) ISSUANCE OF THE DECLARATION REGARDING THE GERMAN CORPORATE GOVERNANCE CODE IN ACCORDANCE WITH SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AktG)

In December 2021, the Board of Management and the Supervisory Board issued a declaration of compliance in accordance with Section 161 of the German Stock Corporation Act (AktG) and made it permanently and publicly accessible on the website of Jungheinrich Aktiengesellschaft.

Hamburg, 25 March 2022

Jungheinrich Aktiengesellschaft
The Board of Management

Dr Lars Brzoska   Christian Erlach   Dr Volker Hues   Sabine Neuß

ADDITIONAL INFORMATION

RESPONSIBILITY STATEMENT

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

Hamburg, 25 March 2022

Jungheinrich Aktiengesellschaft
The Board of Management

Dr Lars Brzoska | Christian Erlach | Dr Volker Hues | Sabine Neuß

INDEPENDENT AUDITOR'S REPORT

To Jungheinrich Aktiengesellschaft, Hamburg

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the consolidated financial statements of Jungheinrich Aktiengesellschaft, Hamburg, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Jungheinrich Aktiengesellschaft, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2021.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2021, and of its financial performance for the financial year from 1 January to 31 December 2021, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

1. **Recoverability of goodwill**
2. **Recoverability of intangible assets, property, plant and equipment and trucks for short-term rental**
3. **Accounting of lessor contracts in the sales area**

Our presentation of these key audit matters has been structured in each case as follows:

1. Matter and issue
2. Audit approach and findings
3. Reference to further information

Hereinafter we present the key audit matters:

1 Recoverability of goodwill

1 In the Company's consolidated financial statements goodwill amounting in total to EUR 83,529k (1.4% of total assets or 4.6% of equity) is reported under the "Intangible assets" balance sheet item. Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment test is carried out at the level of the cash-generating units to which the relevant goodwill is allocated. The carrying amount of the relevant cash-generating units, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally determined using the value in use. The present value of the future cash flows from the respective cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the adopted medium-term business plan of the Group forms the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors on the business activities of the Group are also taken into account. The discount rate used is the weighted average cost of capital for the respective cash-generating units. The impairment test determined that no write-downs were necessary.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash inflows from the respective cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

2 As part of our audit, we assessed the methodology used for the purposes of performing the impairment test, among other things. After matching the future cash inflows used for the calculation against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In addition, we assessed the appropriate consideration of the costs of Group functions. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company. Taking into account the information available, we determined that the carrying amounts of the cash-generating units, including the allocated goodwill were adequately covered by the discounted future cash flows.

Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

3 The Company's disclosures on goodwill are contained in section "Accounting principles" and numbers 6 and 12 of the notes to the consolidated financial statements.

2 Recoverability of intangible assets, property, plant and equipment and trucks for short-term rental

1 In the Company's consolidated financial statements, an amount in total to EUR 1,284,632k is reported under the balance sheet items "Intangible assets", "Property, plant and equipment", and "trucks for short-term rental". The recoverability of intangible assets, property, plant and equipment, and trucks for short-term rental was assessed as of the balance sheet date by means of impairment tests in accordance with IAS 36. The present value of the future cash flows from the respective cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the adopted medium-term business plan of the Group forms the starting point which is extrapolated based on assumptions about, for example,

long-term growth rates to reflect a sustainable situation (so-called "perpetual annuity"). Expectations relating to future market developments and assumptions about the development of macroeconomic factors on the business activities of the Group are also taken into account. The discount rate used is the weighted average cost of capital for the respective cash-generating units. The impairment test determined that no write-downs were necessary.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash inflows from the respective cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complexity of the methodological requirements, this matter was of particular significance in the context of our audit.

2 As part of our audit, we assessed the methodology used for the purposes of performing the impairment test and the determination of the weighted average costs of capital, among other things. After matching the future cash inflows used for the calculation against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In addition, we assessed the appropriate consideration of the costs of Group functions in the impairment tests of the respective cash-generating units. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate and growth rates applied, and assessed the calculation model. Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

3 The Company's disclosures on intangible assets, property, plant and equipment and trucks for short-term rental are contained in section "Accounting principles" and numbers 6, 12, 13 and 14 of the notes to the consolidated financial statements.

3 Accounting of lessor contracts in the sales area

1 In the Company's consolidated financial statements, carrying amounts in total to EUR 1,407,470k (24.4% of total assets) are reported under the balance sheet item "Receivables from financial services" and carrying amounts in total to EUR 863,365k (15.0% of total assets) are reported under the balance sheet items "Trucks for short-term rental" and "Trucks for lease from financial services". Jungheinrich makes extensive use of leases as a sales instrument in the "Financial Services" operating segment. The corresponding agreements include both contracts in which Jungheinrich Group companies are contracting parties and those in which the leased asset was sold to external financial partners. Monetization mainly takes place through the long-term leasing of new trucks as leased assets to the end customer, the sale of the leased asset to a financial partner and subsequent leaseback as well as the leasing of the leased asset to the end customer at the same time (sale-and-leaseback) and the sale of the (leased) asset to a financial partner, who leases it to the end customer (vendor leasing).

Leases directly to the end customer are classified as finance leases or operating leases as defined by IFRS 16. In the case of sale and leaseback agreements concluded, the transaction is classified as a financing agreement and therefore a liability from financial services is recognized in addition to an asset. Vendor leases are classified uniformly as leases within the meaning of IFRS 16 in accordance with IFRS 15.

Leasing applications used throughout the Group have been set up to ensure the complete and correct recognition, categorization and classification of the various contract types in accordance with IFRS. The updating, programming, and administration of the classification and booking routines of the leasing applications are performed centrally in Germany, while contract recording is decentralized to the sales units or the Group's own financial services companies. The definition of criteria and parameters in the leasing applications requires discretionary decisions by the executive directors. Due to the high volume of transactions in connection with the different types of contracts, errors in this area can have a significant impact on the consolidated financial statements. Against this background, the assessment of the accounting treatment of leases in the sales area was of particular significance in the context of our audit.

2 As part of the audit, we first obtained an understanding of the process for accounting for leases in the sales area, including an understanding of the existing types of contracts as well as the company's internal controls in the leasing area. With the knowledge of the organizational structure and the overall process, the audit focused on the leasing application used and on the completeness and accuracy of the data input in the individual sub-areas. In a further step, we assessed whether the criteria and parameters defined in the leasing applications used were appropriate for accounting for the lease and whether the automatic booking and classification routines stored complied with the relevant IFRS. To this we examined the Jungheinrich Group Accounting Manual, as the basis for programming the routines, for compliance with IFRS. Furthermore, we assessed the appropriateness of the accounting and classification routines. Our assessment was based on a selected sample of contracts. Based on the data inputs, we verified for each selected contract whether the results of the leasing applications are in compliance with the relevant IFRS. We assessed the data inputs in the financial year in the individual sub-areas on a sample basis. In this context, we verified the accuracy, proper accrual and completeness of the data input using the original contracts.

We were able to satisfy ourselves that the criteria and parameters defined by the executive directors in the leasing application are appropriate overall for the accounting of leases in the sales area.

3 The Company's disclosures on accounting of lessor contracts in the sales area are contained in sections "Revenue recognition" and "Leasing and financial services" of the notes to the consolidated financial statements.

OTHER INFORMATION

The executive directors are responsible for the other information.

The other information comprises
- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- the separate non-financial report pursuant to § 289b Abs. 3 HGB and § 315b Abs. 3 HGB
- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information
- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

– Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH § 317 ABS. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file Jungheinrich_KA_LB_2021-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2021 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (10.2021)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the annual general meeting on 11 May 2021. We were engaged by the supervisory board on 10 December 2021. We have been the group auditor of the Jungheinrich Aktiengesellschaft, Hamburg, without interruption since the financial year 2020.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

REFERENCE TO AN OTHER MATTER– USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

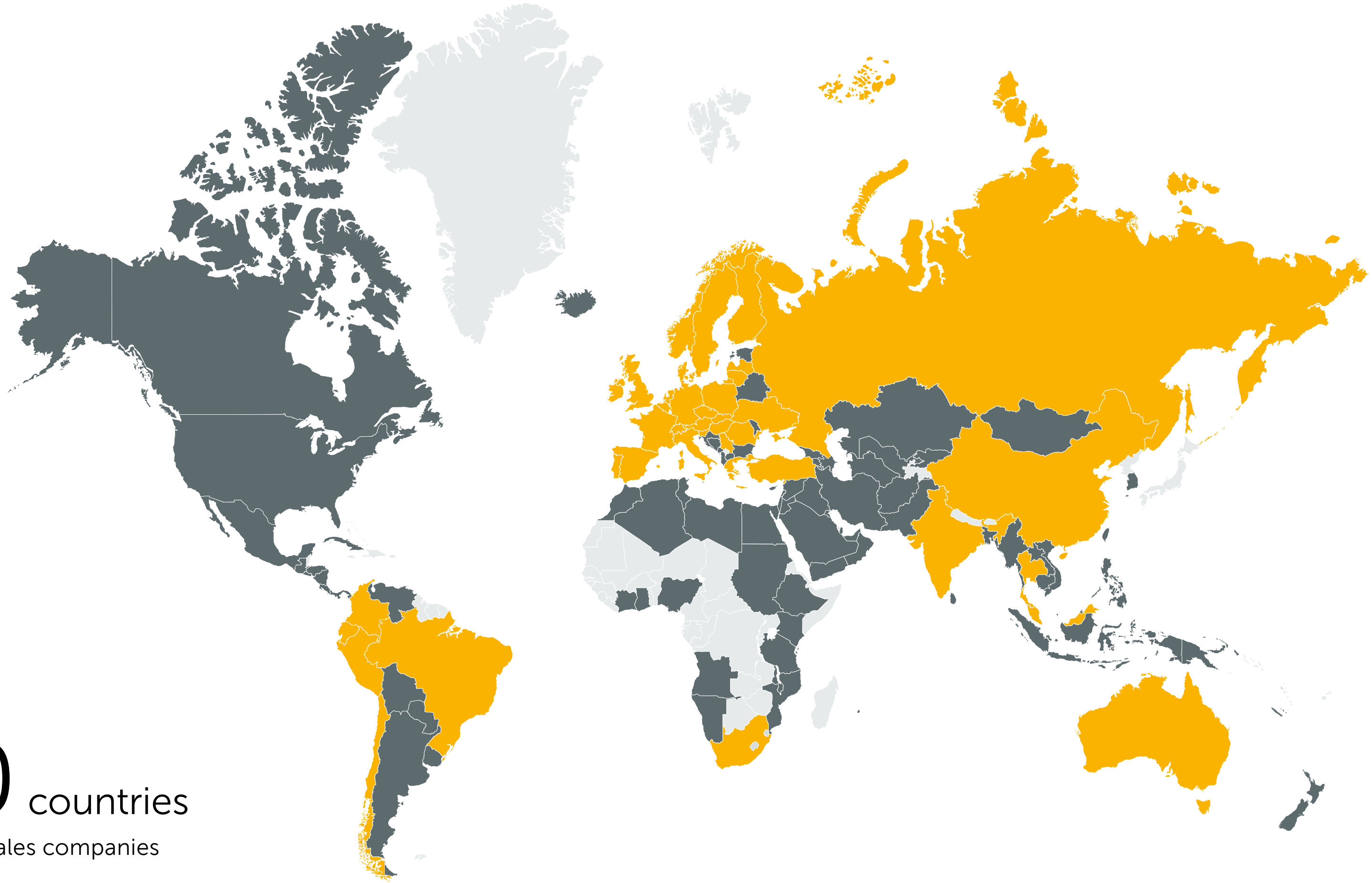
The German Public Auditor responsible for the engagement is Alexander Fernis.

Hamburg, March 29, 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Thorsten Dzulko	Alexander Fernis
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

JUNGHEINRICH WORLDWIDE



40 countries
Own sales companies

Approximately 80 countries
Partner of Jungheinrich

2021 QUARTERLY OVERVIEW

INCOMING ORDERS

in € million

REVENUE

in € million

INCOMING ORDERS

in units

EARNINGS BEFORE INTEREST AND INCOME TAXES

in € million

FIVE-YEAR OVERVIEW

Jungheinrich Group		2021	2020	2019	2018	2017
Incoming orders	units	162,400	111,400	121,900	131,000	123,500
	€ million	4,868	3,777	3,922	3,971	3,560
Orders on hand 31/12	€ million	1,519	821	787	907	692
Revenue	€ million	4,240	3,809	4,073	3,796	3,435
thereof Germany	€ million	1,014	917	966	900	851
thereof abroad	€ million	3,226	2,892	3,107	2,896	2,584
Foreign ratio	%	76	76	76	76	75
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	€ million	737	643	670	595	543
Earnings before interest and income taxes (EBIT)	€ million	360	218	263	275	259
EBIT return on sales (EBIT ROS)	%	8.5	5.7	6.4	7.2	7.5
EBIT return on capital employed (ROCE)[1]	%	20	14	14	16	17
EBIT return on capital employed Intralogistics (ROCE new)	%	20	11	–	–	–
Earnings before taxes (EBT)	€ million	349	200	242	249	243
EBT return on sales (EBT ROS)	%	8.2	5.3	5.9	6.6	7.1
Profit or loss	€ million	267	151	177	176	182
Capital expenditure[2]	€ million	71	75	157	106	88
Research and development expenditure	€ million	102	89	86	84	77
Balance sheet total 31/12	€ million	5,769	5,411	5,231	4,746	4,130
Trucks for short-term rental	€ million	363	289	353	381	375
Trucks for lease from financial services	€ million	500	516	558	528	448
Receivables from financial services	€ million	1,407	1,327	1,260	1,044	891
Liabilities from financial services	€ million	1,896	1,803	1,760	1,526	1,315
Shareholders' equity 31/12	€ million	1,803	1,546	1,488	1,362	1,244
thereof subscribed capital	€ million	102	102	102	102	102
Equity ratio (Group)	%	31	29	28	29	30
Equity ratio (Intralogistics)	%	48	45	46	46	48
Return on equity after income taxes (ROE)	%	16	10	12	13	15
Net debt (+) / Net credit (–)[1]	€ million	–222	–194	172	108	7
Indebtedness ratio[1]	years	< 0	< 0	0.32	0.23	0.02
Employees 31/12	FTE[3]	19,103	18,103	18,381	17,877	16,248
thereof Germany	FTE[3]	7,995	7,577	7,635	7,378	6,962
thereof abroad	FTE[3]	11,108	10,526	10,746	10,499	9,286
Earnings per preferred share[4]	€	2.62	1.49	1.75	1.73	1.80
Dividend per share – ordinary share	€	0.66[5]	0.41	0.46	0.48	0.48
– preferred share	€	0.68[5]	0.43	0.48	0.50	0.50

Explanatory notes to the key financial data:
Equity ratio = Shareholders' equity ÷ Total capital × 100
EBIT return on sales (EBIT ROS) = EBIT ÷ Revenue × 100
EBT return on sales (EBT ROS) = EBT ÷ Revenue × 100
EBIT return on capital employed (ROCE) = EBIT ÷ Employed interest-bearing capital[6] × 100
EBIT return on capital employed Intralogistics (ROCE new) = EBIT Intralogistics ÷ average capital employed Intralogistics × 100
Return on equity after income taxes (ROE) = Profit or loss ÷ Average shareholders' equity × 100
Net indebtedness = Financial liabilities – Cash and cash equivalents and securities
Indebtedness ratio = Net indebtedness ÷ EBITDA (excluding the depreciation of trucks for lease from financial services)

1 Determined according to accounting changes as of 01/01/2019 (IFRS 16 "Leases"). (Values from the previous year have not been adjusted.)
2 Property, plant and equipment and intangible assets without capitalised development expenditure and right-of-use assets.
3 FTE = full-time equivalents; part-time employees were taken into account according to their hours.
4 Based on share of earnings attributable to the shareholders of Jungheinrich AG.
5 Proposal.
6 Shareholders' equity + Financial liabilities – Cash and cash equivalents and securities + Provisions for pensions and long-term personnel obligations.

FINANCIAL CALENDAR, LEGAL NOTICE, CONTACT

FINANCIAL CALENDAR

31 March 2022
Balance sheet press conference (virtual)
Publication of the Annual Report 2021

31 March 2022
Analyst conference (virtual)

6 May 2022
Interim statement as of 31 March 2022

10 May 2022
Virtual Annual General Meeting 2022

13 May 2022
Dividend payment

12 August 2022
Interim statement as of 30 June 2022

11 November 2022
Interim statement as of 30 September 2022

LEGAL NOTICE

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WeSustain
A Cority Company

This annual report has been published in German and English. The German version shall always take precedence.

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