

# Q3

Fiscal 2020/2021  
Report on the 3<sup>rd</sup> quarter  
1 October 2020 until 30 June 2021

## The first three quarters at a glance

### INCOME STATEMENT, CASH FLOW , BALANCE SHEET, SHARE, EMPLOYEES

TABLE 01

IFRS	01/10/2020- 30/06/2021	Changes in %	01/10/2019- 30/06/2020
<b>Income statement</b>			
Total revenues (EUR million)	631.027	-11.6	713.709
EBIT (EUR million)	12.877	-33.6	19.397
Profit from ordinary activities (EUR million)	8.679	-44.0	15.499
Post-tax earnings (EUR million)	3.504	-61.6	9.120
<b>Cash flow statement</b>			
Cash flow from operating activities (EUR million)	54.572	-25.1	72.858
Cash flow from investing activities (EUR million)	-29.159	-36.2	-45.686
Free cash flow (EUR million)	25.413	-6.5	27.172
Capital spending (EUR million)	29.637	-35.4	45.866
<b>Balance sheet</b>			
Equity (EUR million)	405.485	-1.0	409.711
Equity ratio (%)	44.5	2.1	43.6
Total assets (EUR million)	910.368	-3.0	939.452
<b>Share</b>			
Earnings per share (EUR)	0.35	-61.1	0.90
Share price on 30 June (EUR) <sup>1</sup>	56.40	60.7	35.10
Share price, high (EUR) <sup>2</sup>	63.20	10.7	57.10
Share price, low (EUR) <sup>2</sup>	28.80	15.2	25.00
Shares outstanding on 30 June (number)	10,143.240	-	10,143.240
Market capitalisation on 30 June (EUR million)	572.1	60.7	356.0
<b>Employees</b>			
Number of employees at Bertrandt Group on 30 June	11,899	-7.0	12,788

<sup>1</sup>Closing price in Xetra trading.

<sup>2</sup>In Xetra trading.

## Overview

The first nine months of fiscal year 2020/2021 continued to be affected by the coronavirus pandemic. Only towards the end of the reporting period in May and June 2021 did the growing success of the vaccine rollout allow the easing of government-mandated restrictions, leading to a general recovery of the economy which had begun in other regions of the world already earlier in spring 2021. The development of our customers' business varied by region, and they continued to implement their own cost-saving programmes. Against the backdrop of this heterogeneous development of the market and for our customers, they continued to set clear priorities when awarding investment and engineering projects. However, since March 2021, a gradual improvement in market sentiment has been noticeable in our customers' outlooks.

The megatrends in the mobility sectors are driven by the measures derived from the European 'Green Deal', as a number of OEMs have announced in the current reporting period to stop the production of combustion engines within the coming ten to twenty years. Engineering service providers are therefore able to expect increasing potential from electromobility while conventional drive variants come under considerable pressure for efficiency. At the same time, the need for innovation in our customer industries is growing, driving the demand for solutions for autonomous driving, connectivity and digitalisation. The trend towards the outsourcing of whole project packages comprehensively managed by engineering service providers is unbroken. Our experience in the product development process across mobility sectors, such as the automotive or aerospace industries, paired with our digitalisation expertise offers a lot of potential. Sustainability is an essential element also of Bertrandt's strategy. We do not only work on sustainable, innovative solutions for tomorrow, we are applying the high standards of various ESG criteria also to our internal processes. The rating agency MSCI awarded an AA-rating to us for our achievements, only one level short of the best rating.

The automotive industry is thus still in the midst of a fundamental transformation and Bertrandt is responding to the new market opportunities by implementing organisational changes. Since the beginning of fiscal year 2020/2021, our competences have been pooled at our different locations. Thus, we can provide access to the full range of services and all experts in the Group to customers from varied sectors. With these measures paving the way, our group is set for a successful future.

While the first quarter and in phases also the second quarter of the current reporting period were still heavily affected by the pandemic, revenues and earnings picked up again and rose the third quarter compared to previous year values. In the economic environment described above, the Company's key performance indicators developed as follows in the first nine months of fiscal 2020/2021:

- In the third quarter of fiscal year 2020/2021, total revenues rose by 4.3% from EUR 205.469 million to EUR 214.232 million. After nine months, total revenues amount to EUR 631.027 million (previous year EUR 713.709 million).
- EBIT improved by EUR 3.635 million in the third quarter to EUR 1.794 million (previous year EUR -1.841 million). While there was a palpable reduction in short-time working in Germany, the level remains high in other countries. Also, an extra day of paid leave, which we need to factor in as a wage and salary component, affected the result in the third quarter. After nine months, EBIT comes to EUR 12.877 million (previous year EUR 19.397 million).
- The workforce as at the end of the first three quarters was 11,899 people (previous year 12,788).

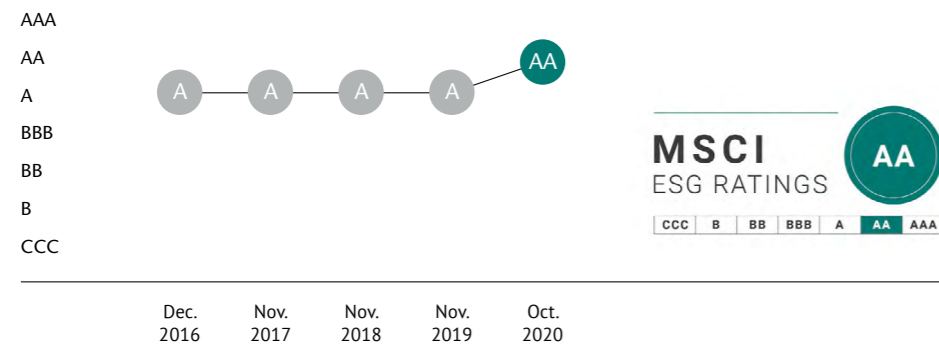


## MSCI gives Bertrandt AG an “AA” rating in its annual sustainability analysis.

MSCI ESG Research products and services are geared to provide businesses all around the world with comprehensive research, assessment and analysis of ecological, social and governance-related business practices. MSCI ESG analyses support global investors in the construction and management of portfolios with strong sustainability profiles.

The MSCI ESG ratings measure the resilience of companies’ business models to long-term environmental, social and governance (ESG) risks and rate their performance relative to peers in the same sub-industry or sector. ESG Ratings range from AAA to CCC. In response to further improvements made by Bertrandt AG and certifications of its data security, its MSCI ESG Rating has gone up from A in the previous year to AA.

### ESG Rating History



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# Group management report

## THE GROUP – GENERAL INFORMATION

### Business model and strategy

As one of Europe's leading engineering partners, Bertrandt has been devising specific and tailored solutions with customers at 50 locations in Europe, Asia and the United States for over 45 years now. Our services for the mobility industry include all process steps in the project phases conceptual design, CAD, development, design modelling, tool production, vehicle construction and production planning right through to start of production and production support. In addition, the individual development steps are validated by simulation, prototype building and testing in our state-of-the-art test centres such as the High-Voltage Battery Test Centre or the Powertrain Solution Center. These technology centres provide dedicated design studios, electronics labs as well as testing facilities. The full range of our expert services of all locations is available to our customers in the automotive, aerospace, truck and off-road industries. We also provide technological services outside the mobility industry in such forward-looking sectors as energy, medical technology, electrical engineering as well as machinery and plant engineering throughout Germany. All the core services provided by our production units are pooled in three segments: Digital Engineering, Physical Engineering and Electrical Systems/Electronics. Customer relationships are thriving thanks to the consistency, reliability and investment in infrastructure and technical equipment that we offer. These are key success factors for Bertrandt.

### Foreign operations

With our 16 non-domestic branches in Europe, the United States and Asia, our strategy is to ensure the sharpest possible focus on the customer by diversifying our locations on a project-specific basis. In close organisational interaction with our German branches, we are able to offer to our customers the full range of our services, devising solutions rapidly and efficiently at a global level.

## REPORT ON ECONOMIC POSITION

### Economic development

According to the ifo Institute's June 2021 forecast, the global economic development will continue to be significantly affected by the coronavirus pandemic. Global GDP recovered overall in the winter half year 2020/2021, but development varied considerably between countries. Overall, global GDP is expected to grow by 6.6% this year (2021) and by 4.2% in 2022. The ifo Institute anticipates that total economic output in the US will exceed pre-crisis levels already in the second calendar quarter of 2021, whereas China has already surpassed pre-crisis levels since the third calendar quarter of 2020. The eurozone is not expected to exceed pre-corona levels until the beginning of 2022. In Germany, economic activity even declined by 1.8% in the first three months of 2021. This was attributable to rising coronavirus case numbers and resulting partial lockdowns as well as to the anticipatory effect caused by the temporary reduction in VAT in the second half of 2020. An additional burden were the increasing scarcity of materials and rising inflation. However, for the further course of the year, the ifo Institute assumes that economic restrictions will be lifted by the end of the third calendar quarter. Thus, the ifo Institute expects German GDP to expand significantly again from the second calendar quarter onwards, and growth is forecast at 3.3% for the full year 2021 (2022: +4.3%).

### Sector trends

According to the German Association of the Automotive Industry (VDA), the coronavirus pandemic is still impacting developments on international car markets, and some of them still have a long way to go to reach their pre-crisis levels. The combined result from the seven markets covered (Europe, USA, China, Japan, India, Brazil and Russia) falls short by 8%, or 2.7 million units, compared to the same period in 2019. However, market development varied strongly between countries. New vehicle sales on the Chinese passenger car market totalled 9.8 million in the first half of 2021 according to the VDA, a rise of 27% in units sold in this period. In the second quarter (isolated) of 2021, however, a shortage of semiconductors led to a slight decline in numbers of 1% to 4.8 million units.

By comparison, in the USA the volume of light vehicle sales (passenger cars and light trucks) added close to one third (+29%) to attain around 8.3 million units in the first half of 2021. While passenger car sales decreased by 21% sales in the light

truck segment gained 32%. In the second quarter of 2021, new vehicle sales in the USA grew by 50% to 4.4 million units.

The European passenger car market expanded in the first half of this year compared to the historically low 2020 figure. In total, new registrations in this period rose by 27% to 6.5 million units, but the European market was still around one quarter down on the same period in 2019. According to the VDA, the five largest national markets all developed positively in the first six months of 2021. In Italy, sales grew by 51%, and in France by 29%. In the UK and Spain, new registrations rose by 39% and 34% respectively, and in Germany they were up 15%.

According to the VDA, the situation continues to be particularly challenging for the automotive industry, as it has to cope with the ongoing transformation process along with the coronavirus pandemic. The industry is pushing ahead with the development of electromobility with great commitment as new drive solutions are needed to respond to climate change and growing mobility needs. The fundamental transformation towards alternative drives is increasingly pushed, above all by the so-called Green Deal and the goal of a virtual ban of combustion engines to be accomplished by 2035.

At the same time, technologies are being advanced to enable automated driving at different levels with a view to further increasing safety and comfort.

According to the German Aerospace Industries Association (BDLI), the German civil aviation industry has been severely hit by the Covid-19 pandemic and experienced a significant decline in sales by EUR 41 billion to EUR 10 billion in the previous year (2020). The total workforce in the sector shrank from 114,000 (2019) by 9,000 to 105,000. On the other hand, solid order books provide aircraft manufacturers with a good basis for planning and investment. Moreover, the easing of travel restrictions and rising vaccination coverage lead to an increase in demand for air travel. While Airbus had reported the delivery of 125 units for the total first calendar quarter 2021, numbers rose to 297 aircraft as per the end of June 2021. In June 2021 alone, Airbus delivered 77 aircraft to customers. Orders for aircraft also rose significantly in the course of the year (39 units by March 2021, 165 units by June 2021). Order backlogs are growing even more dynamically in non-civil aviation than in civil aviation. The aerospace industry in general offers considerable opportunities for new products and innovations, as, similar to other mobility sectors, it is working on new technologies for emission reduction and digitalisation.

The key industries in which Bertrandt operates apart from the automotive and aerospace sectors are recovering from the effects of the coronavirus pandemic, according to the German Engineering Association (VDMA). According to the VDMA, the industry reports growth in orders of 47% in real terms in May 2021 compared to the relatively weak previous year. However, the association has also stated that there are increasing signs that the industry will be able to make up at least partially for last year's severe setback.

The German Hightech Industry Association SPICHTARIS reports that the first three quarters of the fiscal year 2020/2021 were still affected by the coronavirus pandemic. According to the association, the negative impacts especially affected activities in foreign markets as supply chains were interrupted and some sales markets were not as easily accessible as in previous years due to travel restrictions.

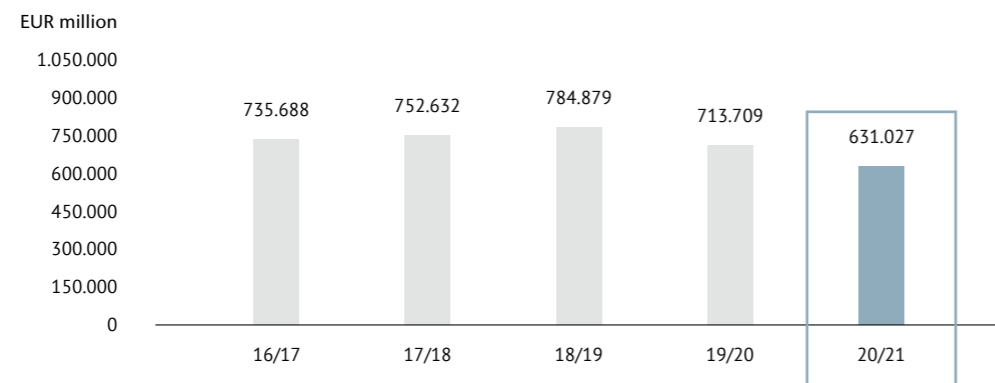
## BUSINESS PERFORMANCE

### Development in the first nine months of fiscal year 2020/2021

So far, the course of fiscal year 2020/2021 has been predominated by the different waves of the coronavirus pandemic. When Bertrandt started into the reporting period, infection rates were under control and there were increasing hopes of a successful vaccine rollout and rather limited government restrictions. Then, however, a 'light' lockdown was imposed in November 2020, followed by a second hard shutdown with shop closures, travel restrictions and several other restrictive measures in December 2020. The infection situation has only lessened in May 2021 and government restrictions such as the Federal 'emergency brake' (providing for restrictions defined by the Federal level to be applied when incidence rates exceed certain levels locally) are being phased out. Uncertainty and investment restraint on the part of our customers remained pronounced overall although the market sentiment has been more buoyant since the end of the second business quarter.

## TOTAL REVENUES (Q1–Q3)

CHART 02



Total revenues declined compared to the same period last year by 11.6% to EUR 631.027 million.

Bertrandt's pandemic committee continues to coordinate all country-specific rules and requirements related to the pandemic. Offering the use of mobile work to some 7,000 people has allowed us both to comply with legal requirements regarding restrictions on individual mobility and to maintain our operational capacity.

At the same time, the transformation process in the automotive industry is progressing: During the reporting period, the EU has further specified measures geared at meeting the requirements of the "Green Deal 2050". Strict emission targets apply to all mobility sectors and lead to increased pressure for innovation. With the market volatility and uncertainty about the development of the pandemic continuing throughout most of the last nine months, expenditure behaviour in our customer industries was volatile and clear priorities were set when awarding projects. Since the end of the reporting period, our customer industries have benefitted to varying degrees from the gradual expansion of vaccine coverage, decreasing infection rates, the easing of government-mandated restrictions and the resulting recovery of the economy. As markets are optimistic that the recovery will continue in the further course of the year, sentiment among our customers appears to be improving.

We respond to the efficiency pressure in some disciplines of our range of services by adopting strategic measures, realigning our business activities and continuing our cost optimisation programme started in fiscal 2019/2020. This enables us to respond quickly in times of temporary underutilisation of capacity while at the same time ensuring medium-term cost savings.

Bertrandt continues to be managed on the basis of the same three segments. The divisional structure for the automotive units in Germany is an important element in our segment structure and gives us a sharper profile within the existing Digital Engineering, Physical Engineering and Electrical Systems/Electronics segments. The pooling of technological competences in the German automotive units and the clear allocation of former mixed fields of expertise result in adjustments between the existing segments in our automotive business. The effect on prior-year figures is shown in Bertrandt's segment reporting in the Notes.

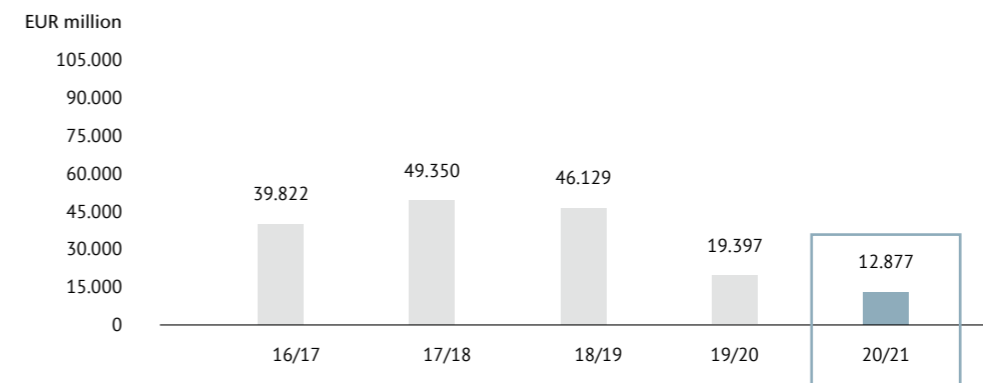
## Total revenues

In the third quarter of fiscal year 2020/2021, total revenues rose to EUR 214.232 million (previous year: EUR 205.469 million). The reduction in short time work in Germany was a major factor contributing to the increase. However, in addition to the impacts of the pandemic, effects from still high short-time work levels abroad and the lower number of working days in this quarter compared to the previous quarter had a major effect on the figures of the quarter. After nine months, total revenues attained EUR 631.027 million (previous year EUR 713.709 million). This includes capitalised internally generated assets of EUR 2.637 million (previous year EUR 0.856 million) for the first nine months.

→ CHART 02

## EBIT (Q1–Q3)

CHART 03



EBIT in the first nine months of the current fiscal year was EUR 12.877 million.

## Key expenditure figures

Key expenditure figures in the first nine months of fiscal 2020/2021 were also affected on the one hand by the coronavirus pandemic and on the other hand by our countermeasures. Project-related cost of materials were EUR 52.280 million and thus below the previous year's level as a result of reduced procurements from external service suppliers (previous year EUR 59.976 million). At EUR 488.384 million, personnel expenses were also below the previous year's level (EUR 541.570 million). A factor influencing this development was the reduction in our workforce from 12,788 as at 30 June 2020 to 11,899 employees as at the end of the reporting period, which reflects the structural adjustments to the capacity demands in the market and an active management of our portfolio. Personnel expenses include expenditure on wages, salaries, flexitime, holiday leave and short-time working plus an extra day of paid leave as a salary component in 2021 amounting to EUR 1.877 million, which were booked in the third quarter. Bertrandt's staff cost ratio was 77.4% in the first three quarters of fiscal 2020/2021 and is thus higher than the previous year's ratio of 75.9%. It was in particular strongly affected by capacity utilisation and short-time working abroad as well as the extra day of paid leave. Depreciation/amortisation expense increased from EUR 39.986 million in the previous year to EUR 42.029 million as at the end of the reporting period in conjunction with investing activities in previous years. Other operating expenses were EUR 45.128 million as at the end of the first nine months, which is equivalent to a EUR 14.403 million improvement year on year (EUR 59.531 as at 30 June 2020). This does not only reflect the successful implementation of the cost

saving programme but also the first effects from the catalogue of measures for a lasting reduction in infrastructure expenses. Other operating income rose to EUR 9.672 million (previous year EUR 6.751 million) and includes exchange-rate effects and a loan subsidy of EUR 1.678 million under a pandemic assistance programme abroad, which was recognised in the second quarter.

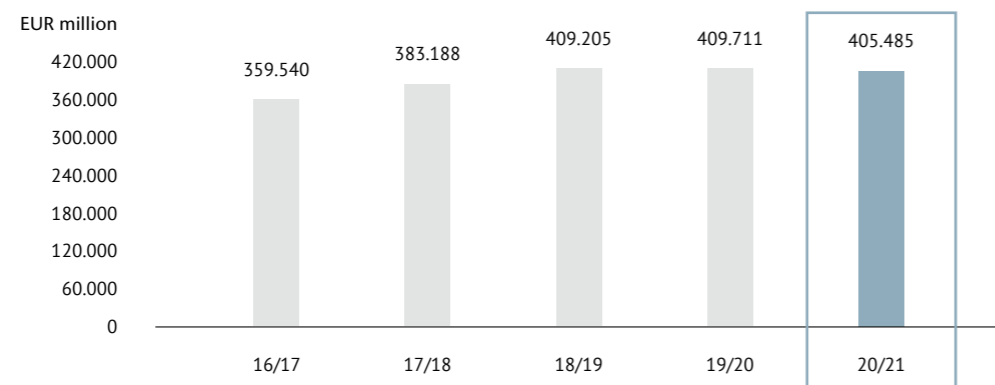
## EBIT

The Bertrandt Group's EBIT came to EUR 12.877 million as at the end of the first nine months of fiscal year 2020/2021. Compared to the previous year (EUR 19.397 million), this is a decline reflecting the impact of the pandemic on our business on the one hand and the countermeasures implemented under our cost optimisation programme on the other. The first half of the previous fiscal year was hardly affected by the pandemic. In the third quarter, EBIT came to EUR 1.794 million which is equivalent to a EUR 3.635 million increase compared to the same quarter in the previous year (EUR -1.841 million) Net finance income in the reporting period was EUR -4.198 million, which is close to the previous year's level (EUR -3.898 million). Profit from ordinary activities in the reporting period was EUR 8.679 million (previous year EUR 15.499 million). The tax rate for the reporting period was 51.2% (previous year 29.6%). It was significantly influenced by the recognition of loss carry-forwards at the level of foreign subsidiaries. Thus, the Company generated post-tax earnings of EUR 3.504 million (previous year EUR 9.120 million).

→ CHART 03

## EQUITY (AS AT 30 JUNE)

CHART 04



The equity ratio was 44.5% as at the balance sheet date.

## Financial and assets position

Total assets decreased to EUR 910.368 million as at 30 June 2021 (EUR 945.459 million as at 30 September 2020), which was mainly due to the timely repayment of a tranche of the bonded loan. Non-current assets decreased to EUR 450.873 million (EUR 464.797 million as at 30 September 2020), mainly as a result of depreciation/amortisation and reduced investing activities. Current assets were EUR 459.495 million (EUR 480.662 million as at 30 September 2020). While contract assets increased to EUR 121.113 million (EUR 90.493 million as at 30 September 2020), trade receivables were reduced to EUR 128.990 million (EUR 175.471 million as at 30 September 2020). Cash and cash equivalents shrank in the ordinary course of seasonality to EUR 181.297 million compared to EUR 187.233 million as at the end of the previous fiscal year.

Current liabilities were EUR 156.381 million (EUR 197.430 million as at 30 September 2020). The fall in current liabilities essentially results from the timely repayment of a tranche of the bonded loan of EUR 30.000 million. Reduced provisions for personnel expenses were another influencing factor. Non-current liabilities rose to EUR 348.501 million (EUR 344.598 million as at 30 September 2020) due to the combined effect of a decrease over time in lease liabilities and an increase in borrowings resulting from new loans. As at 30 June 2021, equity stands at EUR 405.485 million and is thus broadly the same as at 30 September 2020 (EUR 403.431 million as at 30 September 2020). As a result of the overall decrease in total assets, the equity ratio improved and was 44.5% compared to 42.7% as at 30 September 2020.

→ CHART 04

Cash flow from operating activities in the first nine months of the fiscal year 2020/2021 was EUR 54.572 million (previous year EUR 72.858 million). Like in the comparative period, the optimisation of working capital had a clearly positive effect here. There was a net cash outflow from investing activities of EUR -29.159 million (previous year EUR -45.686 million). This reduction was in line with our expectations regarding the development of investment activities in the current fiscal year, as described in our Annual Report 2019/2020 (p. 78 et seq.). This resulted in free cash flow of EUR 25.413 million as at the end of the third quarter (previous year EUR 27.172 million)

→ CHART 05

→ CHART 06

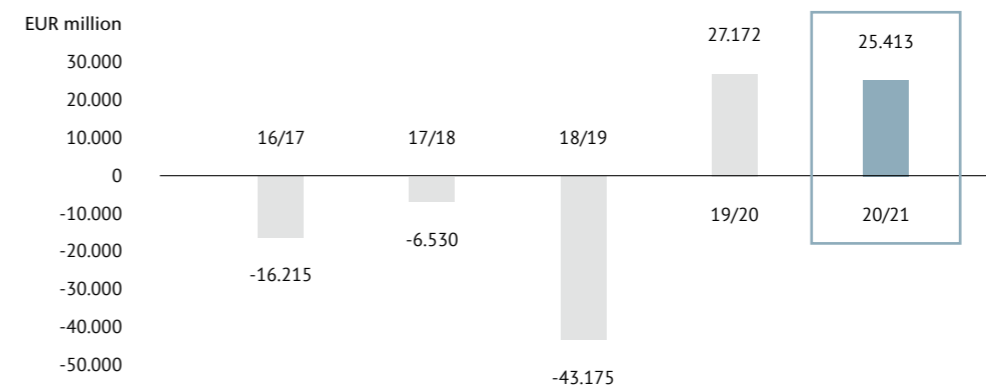
## Human resources

On 30 June 2021, 11,899 people were employed in the Group. The number of employees reflects the market needs in the ongoing challenging economic environment as well as our active portfolio management. Thus we are hiring and have already recruited personnel for our Electronics Division, in Non-Automotive and at our Near-Shore location Romania. Compared to the end of fiscal 2019/2020 (30 September 2020: 12,335 employees), the workforce decreased by 436 people. The latest information on human resources management can be found in the "Careers" section of Bertrandt's website at [www.bertrandt.com](http://www.bertrandt.com).

→ CHART 07

## FREE CASH FLOW (Q1–Q3)

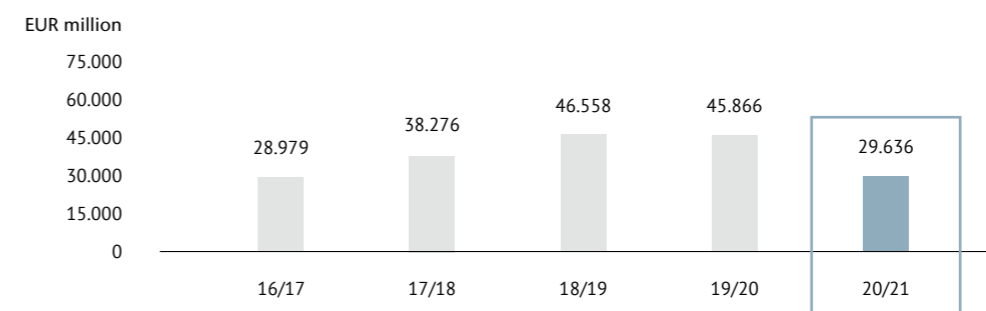
CHART 05



As at the end of the third quarter of fiscal 2020/2021, free cash flow was EUR 25.413 million.

## CAPITAL EXPENDITURE (Q1–Q3)

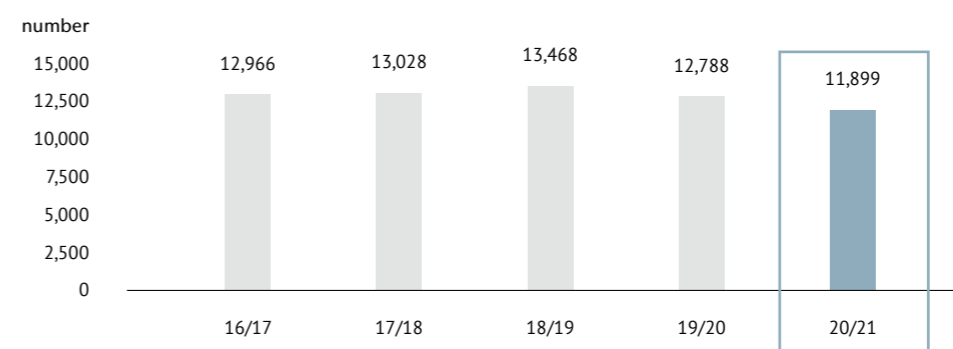
CHART 06



Investment concentrates on the dominant technology trends in the industry.

## EMPLOYEES (ON 30 JUNE)

CHART 07



Year on year, the workforce decreased by 889 people.

## Risk report

As an engineering service provider operating on an international scale, Bertrandt is exposed to a wide variety of risks. The relevant influencing factors were comprehensively described in the fiscal 2019/2020 Annual Report. Above all, the further development of the COVID-19 pandemic and the ongoing transformation process in the automotive sector will continue to shape the 2020/2021 fiscal year. The ultimate outcomes of these developments cannot be wholly predicted at the present juncture. Depending on the turn of events, the above parameters may result in opportunities or risks for the Bertrandt Group in the current fiscal year. Overall, the level of uncertainty regarding the underlying economic conditions and industry-specific situation remained high throughout first nine months of the 2020/2021 fiscal year. Macroeconomic forecasts for 2021 were partly revised downward compared to forecasts issued in the autumn 2020. More details are provided in the report on economic position and forecast sections.

Rising infection rates in the autumn of 2020 followed by the second and third waves of the pandemic initially affected both global trade and logistics chains and the entire real economy. This has resulted in great uncertainty among the end-customers of our customer industries and a generally volatile market environment. Moreover, there is a potential risk to the health of our employees. The impacts of new official measures imposed to curb the virus or new virus variants and the resulting reduction or discontinuation of the economic activity of a large number of customer groups could again increase the risk of delays in the launch of new products and/or passenger car models. Even though at the end of the third quarter of the fiscal year the pandemic situation began to ease off in countries with high vaccination rates, and despite hopes for a similar development in Europe for the remaining course of the year, Bertrandt has not adjusted the risk assessment given in the Annual Report 2019/2020.

# 7,000

mobile workplaces are deployed  
at Bertrandt.

Bertrandt's pandemic committee coordinates all recommendations and actions related to the pandemic. The committee works across disciplines and is chaired by a member of the Management Board. The members have key functions in the Group and the committee directly reports to the Management Board. Comprehensive and up-to-date information regarding the protection of our employees are communicated and published on our intranet in a timely manner. Thanks to the Bertrandt's high-performance IT infrastructure and high digital security standards, 7,000 mobile workstations are deployed. This enables us to comply with statutory provisions and provide our employees optimum protection while at the same time maintaining operational capacity to the benefit of our customers. Bertrandt is certified to the TISAX standard. This means that the Group meets the high requirements for information security in the automotive industry. The pandemic committee continuously evaluates changes regarding the spread of the virus and the responses by public institutions (tightening or easing of lockdown restrictions) to be able to recommend Group decisions and reassess the risk situation.

The risks referred to in the Annual report 2019/2020 (p.68 et seq.) along with the underlying economic conditions and the impact of the coronavirus have adversely affected total revenues and earnings in the period under review and may also have a negative effect on future business performance, despite the countermeasures implemented by the Group. Our broad strategic alignment, the high demand for innovative solutions catering to the automotive megatrends of digitalisation, autonomous driving, connectivity and electrification, and our solid financial base will continue to provide a stable foundation for our future business growth.

## Potentials

The ongoing technology trends of digitalisation, autonomous driving, connectivity and especially e-mobility result in a great breadth and depth of topics for Bertrandt. New business fields and market shares are emerging, putting us to test both as an all-rounder and a specialist. As a solutions-focused engineering business the Group is geared to market and customer requirements and consequently also invests in infrastructure and the competences of its employees. With all these developments, new topics, services and cooperation opportunities are also emerging alongside established fields of business. We are increasingly exploiting these to develop the best solutions for our customers. Our customers can rely on the support we provide as their technology partner. Our objective is to manage our business sustainably, to position ourselves successfully on the market and to further build a leading position with a broad and integrated range of services. We consciously serve a rather diverse customer base. Bertrandt assumes the role of an expert consultant to the automotive and aerospace industries while embracing the development of technological future trends with a can-do attitude.

Moreover, there are promising opportunities for Bertrandt to establish a market position and to bring its expertise to bear in sectors beyond the mobility industry, such as the energy and electrical engineering and medical technology industries or machinery and plant engineering industries. Pooling our technological competences in the German automotive units enables us to engage in complex multi-site projects and allows our customers to tap into all of our Group's expertise and competences. Each customer can rely on close support from a dedicated sales organisation. Thus, we can take on board customer wishes immediately and implement them in projects involving our expertise from the entire Group.

## Forecast and outlook

According to the ifo Institute's summer 2021 forecast, the global economic development will continue to be significantly affected by the coronavirus pandemic. Following a challenging winter half year 2020/2021, global GDP began to recover so that global GDP is expected to grow overall by 6.6% this year (2021) and by 4.2% in 2022. The macroeconomy experts of M.M Warburg & CO increased their forecast for global economic growth for the year 2021 from 5.8% to 6.1%. While the experts anticipate growth of 6.6% for the USA, growth in the eurozone is expected to be 5.0%.

According to the ifo Institute, total economic output in the USA will exceed pre-crisis levels already in the second calendar quarter of 2021 while China has already surpassed pre-crisis levels since the third calendar quarter of 2020. The eurozone as a whole, however, is not expected to exceed pre-covid levels until the beginning of 2022.

Since late April, coronavirus infection rates have slowed down significantly also in Germany while vaccination rates against Covid-19 have gained momentum. According to the ifo Institute, this results in an increase in price-adjusted GDP of 3.3% for 2021. In the following year, 2022, GDP should be 4.3% higher than in the current year.



According to the VDA, the market will recover in 2021. In Europe, the association expects a plus of 12% in 2021 to 13.4 million passenger cars. Sales in the USA are expected to grow by 9% to 15.8 million light vehicles in 2021. Heading for 21.4 million units (+8%), the Chinese passenger car market will exceed its pre-coronavirus levels. The analysts assume, however, that the chip shortage will temporarily affect sales.

This is one of the reasons why the VDA has revised its production forecast for Germany to 3.6 million units, an increase of only 3% compared to the previous year. So far, the VDA had expected growth of 13% corresponding to 4 million vehicles.

On the development side, the automobile itself is in the midst of a historic transformation. Digital connectivity and globalisation are continuously driving the global innovation and technology race. The situation is now complicated by additional requirements resulting from the EU Green Deal.

Following the exceedingly challenging year 2020, the high order backlog of the major aircraft manufacturers gives rise to more positive medium-term prospects. According to the German Aerospace Industries Association (BDLI), the crisis is to serve as a chance to develop “green” flying. The BDLI emphasises that this requires targeted, far-sighted investments in all technological aspects of flying: in new types of engines as well as integrated flight systems, high-performance lightweight structures and digitalisation and, last but not least, sustainable aviation fuels. This also includes the development of a hydrogen infrastructure. The French government, for example, expects the aircraft manufacturer will build regional and medium-range jet models between 2030 and 2035 which do no longer emit any CO<sub>2</sub>.

# 3.6

million vehicles are going to be produced in Germany in 2021 according to the VDA.

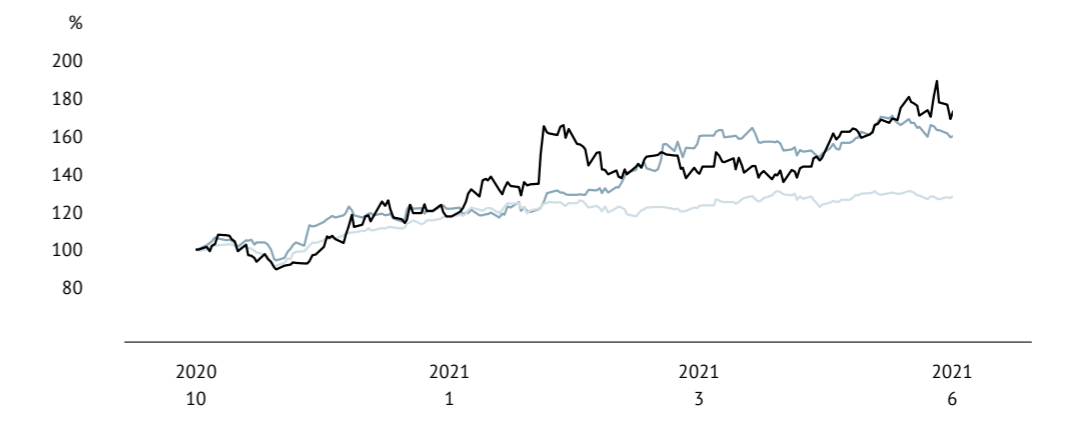
As a result, Bertrandt expects that the trend towards contracting out engineering services in the mobility industries – a mainstay of Bertrandt’s business performance – will continue after the recovery from the coronavirus pandemic. This expectation is based on external market studies on the sector of engineering services providers.

The Power Engineering division of the German Electrical and Electronic Manufacturers Association (ZVEI) reports that cumulative industry revenues for the entire period of January to May 2021 grew by 11.3% compared to the previous year to EUR 79.2 billion. Apart from the development of the coronavirus pandemic, the main factors influencing Bertrandt’s business model remain intact from the point of view of the Company and offer potentials for a successful business performance in the medium term. According to forecasts by economic research institutes, the outlook for the general economic environment for 2021 and beyond is positive – always subject to the risks entailed in the further course of the pandemic. 34% of the companies surveyed are expecting activities to increase in the next six months, 55% expect business to stay at the same level and 11% anticipate declining business.

External experts also deem it probable that there will be a further increase in model diversity of electrified vehicles, that technological progress will continue and that external sourcing of engineering services will remain stable. In the light of the current overall situation resulting from the coronavirus pandemic and the persistently dynamic market environment, it is still extremely difficult to produce accurate projections regarding future business performance in the Bertrandt’s Group’s fiscal year 2020/2021, as has been comprehensively described in the 2019/2020 Annual Report.

## SHARE PERFORMANCE COMPARED TO BENCHMARK INDICES (Q1–Q3)

CHART 08



Bertrandt’s share price was volatile.

— Bertrandt AG — Prime-Automobile-Performance-Index — SDAX

# 56.40

EUR was the closing price of our shares on the last day of Xetra trading.

On 1 October 2020, Bertrandt’s shares started the first nine months of the 2020/2021 financial year by opening in Xetra trading at EUR 32.60. The lowest share price in the reporting period was EUR 28.80 on 29 October 2020. The highest share price quoted in the reporting period was EUR 63.20, on 23 June 2021. On 30 June 2021, the shares closed at a price of EUR 56.40 at the end of the reporting period. The average daily trading volume in the first nine months of fiscal 2020/2021 was 7,513 shares (12,045 shares in the same period in the previous year). Analysts’ ratings of the share and of our Company can be found at [www.bertrandt.com](http://www.bertrandt.com) under Investor Relations.

→ CHART 08

### Our shares

On 1 October 2020, the DAX started at 12,812 points into the reporting period and showed a positive upward trend throughout the first three quarters of fiscal 2020/2021 as hopes grew for the pandemic to subside thanks to increasing vaccine coverage and the resulting economic recovery. On 30 June 2021, the DAX closed at 15,531 points. The SDAX started the same period at 12,545 points, closing at 16,021 points at the end of the reporting period. The Prime-Automobile-Performance-Index started the reporting period at 1,241 points and closed at 1,962 points.



# Interim Consolidated Financial Statements

## CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

TABLE 09

EUR million	Q3		Q1-Q3	
01/10 to 30/06	2020/2021	2019/2020	2020/2021	2019/2020
<b>I. Income statement</b>				
<b>Revenues</b>	212.810	205.169	628.390	712.853
Other internally generated assets	1.423	0.300	2.637	0.856
<b>Total revenues</b>	<b>214.232</b>	<b>205.469</b>	<b>631.027</b>	<b>713.709</b>
Other operating income	2.387	2.636	9.672	6.751
Raw materials and consumables used	-18.894	-15.948	-52.280	-59.976
Personnel expenses	-169.022	-163.179	-488.384	-541.570
Depreciation	-13.903	-14.042	-42.029	-39.986
Other operating expenses	-13.008	-16.777	-45.128	-59.531
<b>EBIT</b>	<b>1.794</b>	<b>-1.841</b>	<b>12.877</b>	<b>19.397</b>
Share of profit in associates	0.090	0.161	0.411	0.448
Interest income	0.025	0.029	0.068	0.080
Financial expenses	-1.556	-1.408	-4.655	-4.358
Other financial result	0.009	-0.008	-0.022	-0.068
<b>Net finance income</b>	<b>-1.433</b>	<b>-1.226</b>	<b>-4.198</b>	<b>-3.898</b>
<b>Profit from ordinary activities</b>	<b>0.361</b>	<b>-3.067</b>	<b>8.679</b>	<b>15.499</b>
Other taxes	-0.404	-0.792	-1.503	-2.553
<b>Earnings before tax</b>	<b>-0.043</b>	<b>-3.859</b>	<b>7.176</b>	<b>12.946</b>
Income taxes	0.177	1.020	-3.672	-3.826
<b>Post-tax earnings</b>	<b>0.134</b>	<b>-2.839</b>	<b>3.504</b>	<b>9.120</b>
– attributable to shareholders of Bertrandt AG	0.134	-2.839	3.504	9.120
Number of shares (million) – diluted/basic, average weighting	10.095	10.095	10.095	10.095
Earnings per share (EUR) – diluted/basic	0.01	-0.28	0.35	0.90
<b>II. Statement of comprehensive income</b>				
<b>Post-tax earnings</b>	<b>0.134</b>	<b>-2.839</b>	<b>3.504</b>	<b>9.120</b>
Exchange rate differences <sup>1</sup>	-0.182	-0.323	-0.015	-0.397
Revaluation of pension obligations	-0.001	-0.699	0.128	0.638
Deferred tax on remeasurement of retirement benefit obligations	-0.010	0.205	-0.048	-0.190
<b>Other comprehensive income after taxes</b>	<b>-0.192</b>	<b>-0.817</b>	<b>0.065</b>	<b>0.051</b>
<b>Total comprehensive income</b>	<b>-0.058</b>	<b>-3.656</b>	<b>3.569</b>	<b>9.171</b>
– attributable to shareholders of Bertrandt AG	-0.058	-3.656	3.569	9.171

<sup>1</sup>Components of other comprehensive income which will be reclassified to the income statements of future periods.

## CONSOLIDATED BALANCE SHEET

TABLE 10

EUR million	30/06/2021	30/09/2020
<b>Assets</b>		
Intangible assets	14.059	14.566
Property, plant and equipment	401.811	413.056
Investment properties	1.227	1.277
Investments accounted for using the equity method	7.459	7.048
Financial receivables	1.755	1.428
Other financial assets	2.769	2.832
Other assets	6.112	8.724
Deferred taxes	15.682	15.866
<b>Non-current assets</b>	<b>450.873</b>	<b>464.797</b>
Inventories	0.844	0.860
Contract assets	121.113	90.493
Trade receivables	128.990	175.471
Financial receivables	0.327	0.413
Other financial assets	3.436	3.156
Other assets	23.030	19.671
Income tax assets	0.459	3.365
Cash and cash equivalents	181.297	187.233
<b>Current assets</b>	<b>459.495</b>	<b>480.662</b>
<b>Total assets</b>	<b>910.368</b>	<b>945.459</b>
<b>Equity and liabilities</b>		
Issued capital	10.143	10.143
Capital reserves	29.714	29.714
Retained earnings	346.136	346.136
Other reserves	-5.844	-5.909
Consolidated distributable profit	25.337	23.347
<b>Equity</b>	<b>405.485</b>	<b>403.431</b>
Borrowings	248.265	234.913
Other financial liabilities	65.359	76.449
Other liabilities	1.252	1.648
Provisions	12.872	13.002
Deferred taxes	20.753	18.586
<b>Non-current liabilities</b>	<b>348.501</b>	<b>344.598</b>
Borrowings	17.622	45.412
Contract liabilities	4.200	2.137
Trade payables	12.098	12.852
Other financial liabilities	28.790	35.205
Other liabilities	75.697	67.046
Other provisions	13.925	26.546
Tax provisions	4.049	8.232
<b>Current liabilities</b>	<b>156.381</b>	<b>197.430</b>
<b>Total equity and liabilities</b>	<b>910.368</b>	<b>945.459</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TABLE 11

EUR million	Issued Capital	Capital reserves	Retained earnings	Other reserves		Consolidated distributable profit	Total	
				Currency translation reserve	Revaluation of pension obligations			
<b>Value on 01/10/2020</b>	<b>10.143</b>	<b>29.714</b>	<b>346.136</b>	<b>-2.098</b>	<b>-3.811</b>	<b>-5.909</b>	<b>23.347</b>	<b>403.431</b>
Post-tax earnings							3.504	3.504
Other comprehensive income after taxes				-0.015 <sup>1</sup>	0.080	0.065		0.065
<b>Total comprehensive income</b>				<b>-0.015</b>	<b>0.080</b>	<b>0.065</b>	<b>3.504</b>	<b>3.569</b>
Dividend payment							-1.514	-1.514
<b>Value on 30/06/2021</b>	<b>10.143</b>	<b>29.714</b>	<b>346.136</b>	<b>-2.113</b>	<b>-3.731</b>	<b>-5.844</b>	<b>25.337</b>	<b>405.485</b>
<b>Vorjahr</b>								
<b>Value on 01/10/2019</b>	<b>10.143</b>	<b>29.714</b>	<b>346.136</b>	<b>-1.290</b>	<b>-3.775</b>	<b>-5.065</b>	<b>35.764</b>	<b>416.692</b>
Post-tax earnings							9.120	9.120
Other comprehensive income after taxes				-0.397 <sup>1</sup>	0.448	0.051		0.051
<b>Total comprehensive income</b>				<b>-0.397</b>	<b>0.448</b>	<b>0.051</b>	<b>9.120</b>	<b>9.171</b>
Dividend payment							-16.152	-16.152
<b>Value on 30/06/2020</b>	<b>10.143</b>	<b>29.714</b>	<b>346.136</b>	<b>-1.687</b>	<b>-3.327</b>	<b>-5.014</b>	<b>28.732</b>	<b>409.711</b>

<sup>1</sup>Components of other comprehensive income which will be reclassified to the income statements of future periods.

## CONSOLIDATED CASH FLOW STATEMENT

TABLE 12

EUR million	2020/2021	2019/2020
01/10 to 30/06		
<b>Post-tax earnings</b>	<b>3.504</b>	<b>9.120</b>
Income taxes	3.672	3.826
Share of profit in associates	-0.411	-448
Interest income	-0.068	-0.080
Financial expenses	4.655	4.358
Other financial result	0.022	0.068
Depreciation of non-current assets	42.029	39.986
Increase/decrease in provisions	-12.751	-16.166
Other non-cash income/expense	-2.017	0.326
Gain/losses from disposal of non-current assets	0.130	-0.062
Increase/decrease in inventories, trade receivables as well as other assets not assigned to investing or financing activities	45.671	26.083
Increase/decrease in contract assets	-30.619	7.134
Increase/decrease in trade payables and other liabilities not assigned to investing or financing activities	4.483	-1.538
Income tax paid	-6.141	-1.664
Income tax received	2.992	2.301
Interest paid	-0.630	-0.468
Interest received	0.050	0.082
<b>Cash flows from operating activities</b>	<b>54.572</b>	<b>72.858</b>
Payments received from disposal of property, plant and equipment	0.477	0.280
Payments made for investments in property, plant and equipment	-27.724	-43.008
Payments made for investments in intangible assets	-1.913	-2.858
Payments made to acquire consolidated entities and other businesses	0	-0.100
<b>Cash flows from investing activities</b>	<b>-29.159</b>	<b>-45.686</b>
Dividend payment	-1.514	-16.152
Financial receivables – payments received	0.230	0.168
Financial receivables – payments made	-0.605	-0.254
Payments received from borrowings issued	22.519	40.468
Payments made for the repayment of borrowings	-30.985	-0.950
Payments made for the repayment of other financial liabilities	-15.834	-13.248
Interest paid on borrowings and other financial liabilities	-5.163	-4.625
<b>Cash flows from financing activities</b>	<b>-31.352</b>	<b>5.407</b>
Changes in cash and cash equivalents	-5.940	32.579
Effect of exchange rate changes on cash and cash equivalents	0.003	-0.311
Cash and cash equivalents at beginning of period	187.233	91.491
<b>Cash and cash equivalents at end of period</b>	<b>181.297</b>	<b>123.759</b>

## CONSOLIDATED SEGMENT REPORT

TABLE 13

EUR million	01/10 to 30/06				01/04 to 30/06			
	2020/2021	2019/2020	restated	2019/2020 new	2020/2021	2019/2020	restated	2019/2020 new
<b>Digital Engineering</b>								
Revenues	311.174	409.786	-28.602	381.184	101.993	113.136	-8.253	104.883
Transfer between segments	7.728	19.322	-3.927	15.395	-0.370	5.425	-1.467	3.958
<b>Consolidated revenues</b>	<b>303.446</b>	<b>390.464</b>	<b>-24.675</b>	<b>365.789</b>	<b>102.363</b>	<b>107.711</b>	<b>-6.786</b>	<b>100.925</b>
Other internally generated assets	0.059	0.191	0	0.191	0.016	0.110	0	0.110
<b>Consolidated total revenues</b>	<b>303.505</b>	<b>390.655</b>	<b>-24.675</b>	<b>365.980</b>	<b>102.379</b>	<b>107.821</b>	<b>-6.786</b>	<b>101.035</b>
<b>EBIT</b>	<b>3.524</b>	<b>-2.132</b>	<b>1.025</b>	<b>-1.107</b>	<b>0.152</b>	<b>-6.547</b>	<b>1.362</b>	<b>-5.185</b>
<b>Physical Engineering</b>								
Revenues	165.442	157.350	53.103	210.453	53.340	45.083	15.839	60.922
Transfer between segments	20.613	13.006	16.916	29.922	4.839	4.690	5.079	9.769
<b>Consolidated revenues</b>	<b>144.829</b>	<b>144.344</b>	<b>36.187</b>	<b>180.531</b>	<b>48.501</b>	<b>40.393</b>	<b>10.760</b>	<b>51.153</b>
Other internally generated assets	2.527	0.316	0	0.316	1.378	0.134	0	0.134
<b>Consolidated total revenues</b>	<b>147.356</b>	<b>144.660</b>	<b>36.187</b>	<b>180.847</b>	<b>49.879</b>	<b>40.527</b>	<b>10.760</b>	<b>51.287</b>
<b>EBIT</b>	<b>-1.714</b>	<b>9.422</b>	<b>0.034</b>	<b>9.456</b>	<b>-1.820</b>	<b>1.722</b>	<b>-0.254</b>	<b>1.468</b>
<b>Elektrical Systems/Electronics</b>								
Revenues	180.978	184.492	-11.406	173.086	60.733	58.667	-3.859	54.808
Transfer between segments	0.863	6.447	0.106	6.553	-1.212	1.602	0.115	1.717
<b>Consolidated revenues</b>	<b>180.115</b>	<b>178.045</b>	<b>-11.512</b>	<b>166.533</b>	<b>61.945</b>	<b>57.065</b>	<b>-3.974</b>	<b>53.091</b>
Other internally generated assets	0.051	0.349	0	0.349	0.029	0.056	0	0.056
<b>Consolidated total revenues</b>	<b>180.166</b>	<b>178.394</b>	<b>-11.512</b>	<b>166.882</b>	<b>61.974</b>	<b>57.121</b>	<b>-3.974</b>	<b>53.147</b>
<b>EBIT</b>	<b>11.067</b>	<b>12.107</b>	<b>-1.059</b>	<b>11.048</b>	<b>3.461</b>	<b>2.984</b>	<b>-1.108</b>	<b>1.876</b>
<b>Total for all divisions</b>								
Revenues	657.594	751.628	13.095	764.723	216.066	216.886	3.727	220.613
Transfer between segments	29.204	38.775	13.095	51.870	3.257	11.717	3.727	15.444
<b>Consolidated revenues</b>	<b>628.390</b>	<b>712.853</b>	<b>0</b>	<b>712.853</b>	<b>212.809</b>	<b>205.169</b>	<b>0</b>	<b>205.169</b>
Other internally generated assets	2.637	0.856	0	0.856	1.423	0.300	0	0.300
<b>Consolidated total revenues</b>	<b>631.027</b>	<b>713.709</b>	<b>0</b>	<b>713.709</b>	<b>214.232</b>	<b>205.469</b>	<b>0</b>	<b>205.469</b>
<b>EBIT</b>	<b>12.877</b>	<b>19.397</b>	<b>0</b>	<b>19.397</b>	<b>1.793</b>	<b>-1.841</b>	<b>0</b>	<b>-1.841</b>

## SHARES OWNED BY MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS

TABLE 14

Number	Shares	Shares
	Balance at 30/06/2021	Balance at 30/06/2020
<b>Members of the Management and Supervisory Boards owning shares</b>		
Dietmar Bichler (Chairman of the Supervisory Board)	400,000	400,000
<b>Total</b>	<b>400,000</b>	<b>400,000</b>

Options are not disclosed here as there is currently no option programme.



## x-track mobile test laboratory.



Advanced automated driver assistance systems (ADAS), automated driving functions and a wide range of power-train concepts that must comply with global regulations are just some of the challenges facing the automotive industry. The x-track

mobile laboratory is fully equipped for the validation of active safety functions with NCAP regulations and the implementation of complex test scenarios on test tracks and roads. The laboratory enables significantly greater test efficiency.

# Condensed Consolidated Notes

## BASIC INFORMATION

The consolidated financial statements of Bertrandt Aktiengesellschaft, registered at Birkensee 1, 71139 Ehningen, Germany (register number HRB 245259, commercial register of the local court of Stuttgart), for the year ending 30 September 2020 were prepared using the International Financial Reporting Standards (IFRS) effective at the reporting date and as endorsed by the European Union (EU).

In principle, the presented consolidated financial statements as at 30 June 2021 have been prepared based on International Accounting Standard (IAS) 34 Interim Financial Reporting, applying the same reporting methods as in the consolidated financial statements for fiscal 2019/2020. These interim consolidated financial statements comply with the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB) (taking into consideration Article 83 (1) sentence 2 of the Introductory Law to the German Commercial Code (EGHGB)). They also comply with all Standards and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) which are mandatorily effective for the financial year 2020/2021, and with the German Corporate Governance Code

A detailed description of these methods is published in the Notes to the Consolidated Financial Statements of the Annual Report for fiscal 2019/2020. The Annual Report is also accessible on the internet at [www.bertrandt.com](http://www.bertrandt.com).

These interim consolidated financial statements were compiled in euros. Unless stated otherwise, all amounts are shown in millions of euros (EUR million). Where percentage values and figures are given, differences may occur due to rounding.

### International Financial Reporting Standards and Interpretations that are subject to mandatory application as of fiscal 2020/2021

The following table sets out the International Financial Reporting Standards and Interpretations that are subject to mandatory application as of fiscal 2020/2021.

TABLE 16

Standard/ Interpretation	Mandatory application <sup>1</sup>	Expected effect
IFRS 3	Amendment to IFRS 3: Business combinations – Clarifications to the definition of a business operation	01/01/20 none
IFRS 4	Amendment to IFRS 4: Insurance contracts – deferral of IFRS 9	01/01/20 none
IFRS 7, IFRS 9 and IAS 39	Amendment to IFRS 7, IFRS 9 and IAS 39: Interest rate benchmark reform	01/01/20 none
IFRS 16	Amendment to IFRS 16: Leases Covid 19-related rent concessions	01/06/20 Single-case-audit
IAS 1 and IAS 8	Amendment to IAS 1 and IAS 8: Definition of material	01/01/20 none
Improvements to IFRS	Changes on the conceptual Framework der IFRS-regulations	01/01/20 none

<sup>1</sup>Fiscal years beginning on or after the specified date.



### International Financial Reporting Standards and Interpretations that have been published but are not yet mandatory

The following standards and interpretations have already been adopted by the International Accounting Standards Board (IASB) and to some degree approved by the EU but they were not yet mandatory in fiscal 2020/2021. Bertrandt will apply them for the accounting period for which they become effective.

TABLE 16

Standard/ Interpretation		Mandatory application <sup>1</sup>	Expected effect
IFRS 3, IAS 16 and IAS 37 <sup>2</sup>	Amendment to IFRS 3, IAS 16 and IAS 37: Annual improvements	01/01/22	Single-case-audit
IFRS 4	Amendments to IFRS 4: Insurance Contracts – deferral of IFRS 9	01/01/21	none
IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39	Amendment to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39: Interest Rate Benchmark Reform – Phase 2	01/01/21	none
IFRS 16 <sup>2</sup>	Amendments to IFRS 16: Leases Covid-19-Related Rent Concessions beyond 30 June 2021	01/04/21	Single-case-audit
IFRS 17 <sup>2</sup>	Insurance Contracts; including Amendments to IFRS 17	01/01/23	none
IAS 1 <sup>2</sup>	Amendment to IAS 1: Classification of liabilities as current or non-current	01/01/23	Currently under examination
IAS 1 <sup>2</sup>	Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement	01/01/23	Currently under examination
IAS 8 <sup>2</sup>	Amendments to IAS 8: Accounting policies – Changes in Accounting Estimates and Errors	01/01/23	Currently under examination
IAS 12 <sup>2</sup>	Amendments to IAS 12: Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01/01/23	Single-case-audit

<sup>1</sup>Fiscal years beginning on or after the specified date.

<sup>2</sup>Not yet endorsed by the EU.

### Presentation of interim financial statements and segment reporting

Bertrandt continues to be managed on the basis of the same three segments. The new divisional structure for the automotive business in Germany is an important element in our segment structure and gives us a sharper profile within the existing Digital Engineering, Physical Engineering and Electrical Systems/ Electronics segments. The pooling of technological competences and the clear allocation of former mixed fields of expertise results in adjustments between the existing segments in our automotive business. The effect on prior-year figures is shown in Bertrandt's segment reporting.

### GROUP OF CONSOLIDATED COMPANIES

The group of consolidated companies includes all operating subsidiaries under the legal and constructive control of Bertrandt AG.

Associates, i.e. entities which are not controlled by Bertrandt but over which the Company has significant influence, and joint ventures, i.e. entities of which Bertrandt has joint control, either directly or indirectly, are accounted for in the consolidated financial statements using the equity method.

The following table shows the entities of the Bertrandt Group:

### GROUP OF CONSOLIDATED COMPANIES

TABLE 17

	30/06/2021
<b>Bertrandt AG and consolidated subsidiaries</b>	<b>52</b>
Germany	42
Abroad	10
<b>Associates and joint ventures</b>	<b>17</b>
Germany	17
Abroad	0
<b>Total</b>	<b>69</b>

### FOREIGN CURRENCY TRANSLATION

The interim consolidated financial statements of subsidiaries using a functional currency other than the euro are translated according to IAS 21. The subsidiaries carry out their business independently for financial, commercial and organisational purposes. The functional currency is therefore identical to the currency of the country in which they are based.

Accordingly, for the interim financial statements these companies' assets and liabilities were translated at the mean closing rate at the date of the statement of financial position, and income and expenses were translated at the average exchange rate for the period. All resulting exchange differences including differences resulting from the translation of amounts brought forward from the previous year are recognised directly in equity.

Foreign currency transactions are recorded by translating the foreign currency amount into the functional currency amount at the exchange rate prevailing on the date of the transaction. Gains and losses arising from the settlement of such transactions as well as from the translation at the reporting date of monetary assets and liabilities held in foreign currencies are recognised in profit or loss.

The parities of the key currencies relative to one euro were as follows:

### FOREIGN CURRENCY TRANSLATION

TABLE 18

Relative to one euro		Average rate on balance sheet date		Average rate Q1–Q3	
		30/06/2021	30/06/2020	2020/2021	2019/2020
China	CNY	7.6808	7.9357	7.8364	7.7549
United Kingdom	GBP	0.8578	0.9136	0.8805	0.8692
Romania	RON	4.9278	4.8413	4.8911	4.8004
Turkey	TRY	10.3192	7.6827	9.4738	6.8989
Czech Republic	CZK	25.4840	26.7990	26.1353	26.0808
United States	USD	1.1890	1.1210	1.2010	1.1032

### RELATED PARTY DISCLOSURES

On 2 July 2014, Dr. Ing. h.c. F. Porsche AG, Stuttgart, increased its shareholding in Bertrandt AG by nearly four percentage points. After the share purchase, Volkswagen now indirectly holds around 29 percent of voting shares in Bertrandt. As in the past it is not the intention of Volkswagen to exercise influence on the Supervisory Board or the Management Board. From the date of the purchase of the shares, Bertrandt AG will be accounted for as an associate in the consolidated financial statements of the Volkswagen group under the equity method. Accordingly, the Volkswagen group has to be classified as a related party pursuant to IAS 24. All supplier relationships between Bertrandt AG and the Volkswagen group were based on arm's length prices. The revenues arising from transactions with all Volkswagen group companies amounted to EUR 245.621 million in the period under review (previous year EUR 264.290 million). As of the balance sheet date, receivables amounted to EUR 55.185 million (previous year EUR 85.543 million).

## FAIR VALUE DISCLOSURES

The principles and methods used for fair value measurement have remained unchanged compared to fiscal 2019/2020.

The fair values of the non-current financial liabilities the fair as of 30 June 2021 were EUR 255.449 million (previous year EUR 226.427 million) and the current financial liabilities were EUR 18.379 million (previous year EUR 35.523 million).

The financial assets and financial liabilities at fair value through profit or loss generally comprise derivatives to hedge foreign exchange and interest risks.

The derivatives' fair values are determined with generally accepted methods of financial mathematics, using mid-market pricing. All derivatives with a positive fair value are disclosed as derivative assets, while all derivatives with a negative fair value are disclosed as derivative liabilities.

As at 30 June 2021 the fair value of all balance sheet items valued at their fair value was EUR 0 million (EUR 0 million as at 30 September 2020). In the period under review, no foreign exchange forward contract or interest rate hedging contract was outstanding.

The fair value hierarchy established by IFRS 13 defines three levels of inputs to valuation techniques which depend on the availability of observable market prices in an active market. Level one input is input available for financial instruments that are measured at quoted prices in active markets for identical assets or liabilities. Financial instruments that are measured using Level two inputs are measured on the basis of inputs other than quoted prices included within Level one, which are observable either directly or indirectly. Level three input refers to market data for the measurement of financial instruments that are unobservable. Interest rate derivatives and foreign exchange forward contracts are categorised as Level two, other derivatives as Level three. Non-current financial liabilities are categorised as Level two. As in the previous year, there were no transfers between the three levels of the fair value hierarchy. A sensitivity analysis is performed every year, analysing and evaluating internal and external information and conditions for their probability of occurrence and the resulting financial burdens. As in the previous year, the sensitivity analysis carried out in the first half year of fiscal 2020/2021 for derivatives measured according to Level three of the fair value hierarchy did not lead to any change in the carrying amount.

## MATERIAL EVENTS AFTER THE REPORTING PERIOD

There were no material events after the reporting period of 1 October 2020 to 30 June 2021.

## GERMAN CORPORATE GOVERNANCE CODE

The declarations of compliance with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG) by the Management and Supervisory Boards of Bertrandt AG are accessible on the internet at [www.bertrandt.com](http://www.bertrandt.com).

# Quarterly Survey

## CONSOLIDATED INCOME STATEMENT

TABLE 19

EUR million	Q3 20/21	Q2 20/21	Q1 20/21	Q4 19/20	Q3 19/20
<b>Revenues</b>	<b>212.810</b>	<b>214.478</b>	<b>201.103</b>	<b>202.338</b>	<b>205.169</b>
Other internally generated assets	1.423	0.576	0.638	0.535	0.300
<b>Total revenues</b>	<b>214.232</b>	<b>215.054</b>	<b>201.741</b>	<b>202.873</b>	<b>205.469</b>
Other operating income	2.387	4.460	2.824	2.020	2.636
Raw materials and consumables used	-18.894	-17.296	-16.090	-16.967	-15.948
Personnel expenses	-169.022	-166.379	-152.984	-155.259	-163.179
Depreciation	-13.903	-13.901	-14.225	-14.370	-14.042
Other operating expenses	-13.008	-15.379	-16.741	-22.533	-16.777
<b>EBIT</b>	<b>1.794</b>	<b>6.559</b>	<b>4.525</b>	<b>-4.236</b>	<b>-1.841</b>
<b>Net finance income</b>	<b>-1.433</b>	<b>-1.338</b>	<b>-1.428</b>	<b>-1.333</b>	<b>-1.226</b>
<b>Profit from ordinary activities</b>	<b>361</b>	<b>5.221</b>	<b>3.097</b>	<b>-5.569</b>	<b>-3.067</b>
Other taxes	-0.404	-0.573	-0.526	-0.609	-0.792
<b>Earnings before tax</b>	<b>-0.043</b>	<b>4.648</b>	<b>2.571</b>	<b>-6.178</b>	<b>-3.859</b>
Income taxes	0.177	-2.081	-1.768	0.793	1.020
<b>Post-tax earnings</b>	<b>0.134</b>	<b>2.567</b>	<b>0.803</b>	<b>-5.385</b>	<b>-2.839</b>
– attributable to shareholders of Bertrandt AG	0.134	2.567	0.803	-5.385	-2.839
Number of shares (million)					
– diluted/basic, average weighting	10,095	10,095	10,095	10,095	10,095
<b>Earnings per share (EUR) –diluted/basic</b>	<b>0.01</b>	<b>0.25</b>	<b>0.08</b>	<b>-0.53</b>	<b>-0.28</b>



## Financial Calendar

**Annual report 2020/2021  
Annual press and  
analysts' conference**  
9 December 2021

**Annual General Meeting**  
23 February 2022  
10:30  
City Hall Sindelfingen  
or virtual

## Road- shows and Confer- ences

→ [DATES](#)

## Credits

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Male pronouns are used in this text for the sake of simplicity and legibility. They are intended to refer to people of all genders.

- > Financial Calendar
- > Roadshows and Conferences
- > Credits

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This report contains inter alia certain foresighted statements about future developments, which are based on current estimates of management. Such statements are subjected to certain risks and uncertainties. If one of these factors of uncertainty or other imponderables should occur or the underlying accepted statements proved to be incorrect, the actual results could deviate substantially from or implicitly from the expressed results specified in these statements. We have neither the intention nor do we accept the obligation of updating foresighted statements constantly since these proceed exclusively from the circumstances on the day of their publication.

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