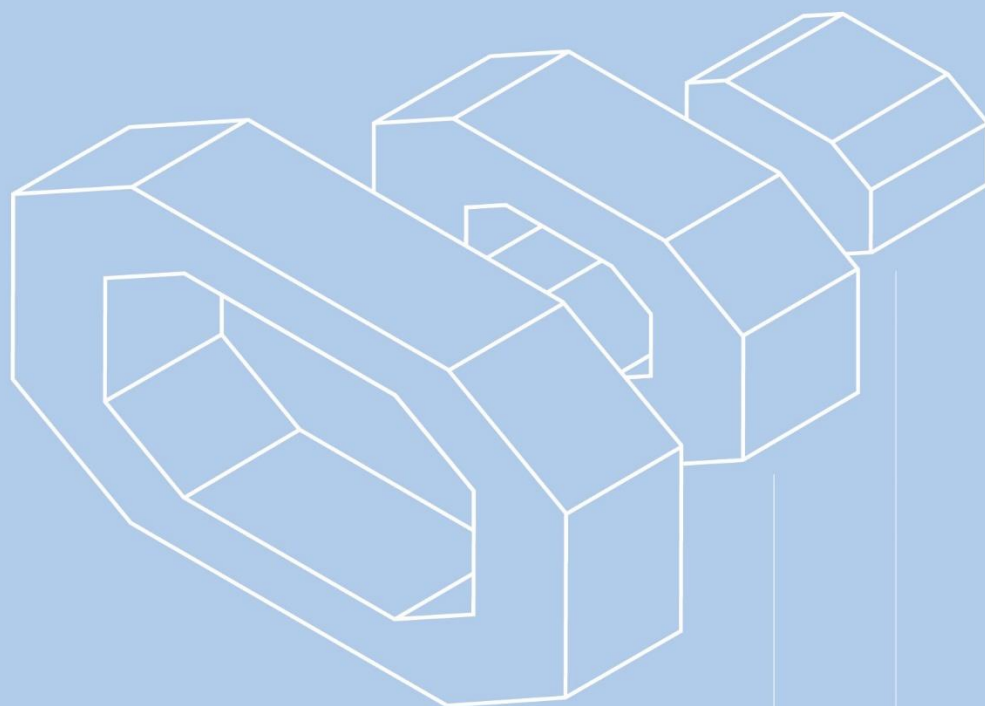


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Interim Report
Q1 2021



STAHL

This report is available in German and English language. Both versions can also be found online on our corporate website www.r-stahl.com under Corporate/Investor Relations/Financial Reports. It contains forward-looking statements based on assumptions and estimates of R. STAHL's management. Although we assume that the expectations of these forward-looking statements are realistic, we cannot guarantee that these expectations will prove to be correct. The assumptions may involve risks and uncertainties that could cause the actual results to differ materially from the forward-looking statements. Factors that may cause such discrepancies include: changes in the macroeconomic and business environment, exchange rate and interest rate fluctuations, the roll-out of competing products, a lack of acceptance of new products or services, and changes in business strategy. R. STAHL does not plan to update these forward-looking statements nor does it accept any obligation to do so.

Alternative performance indicators

The alternative performance indicators *EBITDA pre exceptionals* and *EBITDA margin pre exceptionals* that are used in this report are not defined by international accounting standards. R. STAHL uses these indicators to improve the comparability of its business performance over time. *EBITDA pre exceptionals* is derived from earnings before interest, taxes, depreciation and amortization (EBITDA) less adjustments classified as exceptionals (restructuring charges, non-scheduled depreciation and amortization, charges for design and implementation of IT-projects, M&A costs as well as profit and loss from the disposal of non-current assets no longer required for business operations). *EBITDA margin pre exceptionals* describes *EBITDA pre exceptionals* in percentage of sales.

Rounding differences and rates of change

Percentages and figures in this report may include rounding differences. The signs used to indicate rates of change are based on economic aspects. Improvements are indicated by a "+" sign, deteriorations by a "-" sign. Rates of change >+100% are shown as >+100%, rates of change <-100% as "n/a" (not applicable).

R. STAHL GROUP

Key Figures

in € million	Q1 2021	Q1 2020	Change in %
Sales	58.2	65.1	-10.6
Germany	14.6	16.9	-13.4
Central region ¹⁾	28.2	29.2	-3.3
Americas	4.8	7.2	-33.8
Asia/Pacific	10.5	11.8	-10.6
EBITDA pre exceptionals	2.7	4.7	-44.0
<i>EBITDA margin pre exceptionals</i>	4.6%	7.3%	
EBITDA	2.6	4.7	-44.3
EBIT	-1.5	0.5	n/a
Net profit	-2.5	-0.6	n/a
Earnings per share in €	-0.39	-0.10	n/a
Order intake	63.9	78.8	-18.8
Order backlog as of March 31	68.9	79.9	-13.7
Cash flow from operating activities	-1.3	0.9	n/a
Depreciation and amortization	4.1	4.2	-1.3
Capital expenditures	3.2	2.3	+37.1
	31 March 2021	31 Dec. 2020	Change in %
Total assets	255.5	256.2	-0.3
Equity	51.4	48.1	+6.7
<i>Equity ratio</i>	20.1 %	18.8 %	
Net financial debt ²⁾	11.6	5.8	+99.5
Net financial debt incl. lease liabilities pursuant to IFRS 16	38.2	33.1	+15.4
Employees ³⁾	1,679	1,690	-0.7

¹⁾ Africa and Europe excl. Germany

²⁾ excl. pension provision and excluding lease liabilities

³⁾ excl. apprentices

INTERIM REPORT

of R. Stahl Aktiengesellschaft for the period 1 January 2021 through 31 March 2021

CONTENTS

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KEY TOPICS IN THE REPPORTING PERIOD

- > Changes in the Executive Board and Supervisory Board of R. STAHL

Changes in the Executive Board and Supervisory Board of R. STAHL

R. STAHL is setting a course for ongoing consistent implementation of its strategic agenda with personnel changes to the Executive Board and Supervisory Board. Jürgen Linhard, member of the Executive Board of R. STAHL AG, left the company for personal reasons as of 31 March 2021. Furthermore, Rudolf Meier, member of the Supervisory Board and the Administrative Committee of R. STAHL AG, has stepped down from his position prematurely as of 15 April 2021.

GROUP MANAGEMENT REPORT

- > Sales of €58.2 million in Q1 2021 down 10.6% or €6.9 million year-on-year (Q1 2020: €65.1 million)
- > EBITDA pre exceptionals declines by €2.1 million to €2.7 million (Q1 2020: €4.7 million) – ongoing cost adjustments continue to noticeably cushion impact of weak sales development
- > Exceptionals in Q1 2021 unchanged at <€-0.1 million (Q1 2020: €-0.1 million)
- > Net profit decreases by €1.9 million to €-2.5 million (Q1 2020: €-0.6 million) and earnings per share to €-0.39 (Q1 2020: €-0.10)
- > Negative net profit and ongoing strategy implementation lead to temporary slight increase in net financial debt to €11.6 million
- > First signs of market recovery: Demand up by about 13% to €63.9 million in Q1 2021 compared with the average of the three prior quarters
- > Forecast for 2021 detailed: Sales between €250 million and €256 million, EBITDA pre exceptionals between €17 million and € 19 million

Business Development

Sales and order intake

As in the prior three quarters, R. STAHL's business development in Q1 2021 was again clearly impacted by the effects of the COVID 19 pandemic. The low order backlog at

the beginning of the year in particular led to a 10.6% year-on-year decline in sales to €58.2 million (Q1 2020: €65.1 million). Compared to the previous quarter, sales declined by €3.9 million (Q4 2020: €62.1 million). Development was weaker in all regions. Sales of €14.6 million were generated in **Germany** (Q1 2020: €16.9 million), a drop of 13.4%. This development mainly reflects the decline in international investment projects, which was also evident in weaker business in the German machinery sector. By contrast, sales in the **Central region** - which consists of Africa and Europe excluding Germany - fell by a relatively moderate 3.3% year-on-year to €28.2 million in the reporting quarter (Q1 2020: €29.2 million). The comparatively high share of sales in customer industries not directly affected by the decline in demand in the oil and gas sector had a stabilizing effect. By contrast, there was an entirely different trend in the **Americas** region, where the reluctance to invest in the oil and gas sector resulted in a 33.8% year-on-year decline in sales to €4.8 million (Q1 2020: €7.2 million). This also impacted the **Asia/Pacific** region. In addition, the postponement of major projects had a negative impact on the development of sales in this region, which resulted in an overall decline in sales of 10.6% to €10.5 million (Q1 2020: €11.8 million).

By contrast, order intake in the first quarter of 2021 was significantly higher than sales. In fact, orders declined by 18.8% to €63.9 million compared to the very strong previous year (Q1 2020: €78.8 million). Compared to the previous quarter, however, this represents an increase of 20% (Q4 2020: €53.3 million). This encouraging performance was driven in particular by follow-up material requirements from major projects, catch-up effects from postponed procurement activities as well as maintenance and repair orders for production equipment in operation. As a result, order backlog increased to €68.9 million compared with the level at the beginning of the year (31 December 2020: €64.5 million).

Sales by region

in € million	Q1 2021	Q1 2020	Change in %	in % of Group sales
Germany	14.6	16.9	-13.4	25
Central region	28.2	29.2	-3.3	49
Americas	4.8	7.2	-33.8	8
Asia/Pacific	10.5	11.8	-10.6	18
Total	58.2	65.1	-10.6	100

EBITDA and EBIT

The €6.9 million drop in sales also led to a decline in earnings before interest, taxes, depreciation and amortization (EBITDA) pre exceptionals in Q1 2021 which, due to targeted measures that included personnel cost adjustments, was limited to a decline of €2.1 million to €2.7 million (Q1 2020: €4.7 million). This resulted in an EBITDA margin pre exceptionals of 4.6% (Q1 2020: 7.3%). At <€-0.1 million, exceptionals remained at a very low level (Q1 2020: €-0.1 million), resulting in EBITDA of €2.6 million in the reporting quarter (Q1 2020: €4.7 million).

Total performance decreased by 12.7% to €61.3 million in the first quarter of 2021 (Q1 2020: €70.2 million). Reflected here is the reduction in inventories of finished goods and work in progress of €-2.3 million as a result of increased shipments.

Cost of materials decreased by 11.7% to €-21.4 million in the reporting period (Q1 2020: €-24.3 million), resulting in

what continues to be a low cost of materials ratio that is at 35.0% of total performance – only slightly higher year-on-year (Q1 2020: 34.5% of total performance).

Personnel expenses fell by 4.7% to €-30.0 million in the reporting period (Q1 2020: €-31.5 million), mainly due to temporarily reduced working hours at the Waldenburg site.

The balance of other operating income and other operating expenses decreased by 26.0% to €-7.2 million in the first quarter of 2021 (Q1 2020: €-9.8 million). This was mainly attributable to lower travel expenses, lower legal and consulting fees, lower expenses for temporary workers and favorable changes in foreign exchange rates.

Amortization of intangible assets and depreciation of property, plant and equipment was largely unchanged compared with the previous year. In the reporting period, these amounted to €-4.1 million (Q1 2020: €-4.2 million).

This resulted in negative EBIT of €-1.5 million in the reporting period (Q1 2020: €0.5 million). EBIT was thus € 2.0 million below the level of the previous year

Reconciliation of EBITDA pre to EBIT

in € million	Q1 2021	Q1 2020	Change	included in income statement under
EBITDA pre exceptionals	2.7	4.7	-2.1	
Exceptionals ¹⁾	-0.0	-0.1	0.0	
Restructuring charges	-0.0	-0.1	0.0	
Severance pay	-0.0	-0.0	-0.0	Personnel costs
Legal and consulting costs	0.0	0.0	0.0	Other operating expenses
Others	0.0	0.0	0.0	Other operating expenses
EBITDA	2.6	4.7	-2.1	
Depreciation and amortization	-4.1	-4.2	0.1	
EBIT	-1.5	0.5	-2.0	

Financial result

At €-0.5 million, the financial result in the first quarter of 2021 was at the level of the previous year (Q1 2020: €-0.4 million). This mainly includes the result of ZADOV Goreltex, which is accounted for using the equity method, in the amount of €0.2 million (Q1 2020: €0.4 million) as well as interest and similar expenses in the amount of €-0.7 million (Q1 2020: €-0.8 million).

Earnings before income taxes

Earnings before income taxes decreased by €2.1 million year-on-year to €-2.0 million in the first quarter of 2021 (Q1 2020: €0.1 million).

Income taxes

Income taxes amounted to €-0.6 million in the first quarter of 2021 (Q1 2020: €-0.7 million). Of that amount, €-0.2 million related to effective taxes and €-0.4 million to deferred taxes.

Net profit/ Earnings per share

In the first quarter of 2021, net profit fell by €1.9 million to € -2.5 million (Q1 2020: € -0.6 million). This corresponds to earnings per share of €-0.39 (Q1 2020: €-0.10).

Reconciliation of EBIT to earnings per share

in € million	Q1 2021	Q1 2020	Change
EBIT	-1.5	0.5	-2.0
Financial result	-0.5	-0.4	-0.1
Earnings before income taxes	-2.0	0.1	-2.1
Income taxes	-0.6	-0.7	+0.2
Net profit	-2.5	-0.6	-1.9
thereof			
attributable to other shareholders	-0.0	0.0	-0.0
attributable to shareholders of R. STAHL AG	-2.5	-0.6	-1.9
Earnings per share (in €)	-0.39	-0.10	-0.29
Average number of shares outstanding (weighted, in million units)	6.44	6.44	0

Net assets and financial position

Balance sheet structure

The R. STAHL Group's balance sheet total decreased slightly to €255.5 million as of 31 March 2021, compared to the end of the previous year (31 December 2020: €256.2 million).

Non-current assets decreased by €1.2 million as of the balance sheet date, mainly as a result of the decrease in deferred tax assets primarily attributable to the change in the discount rate used to value pension provisions.

There was a slight increase of €0.5 million in current assets to €103.7 million as of 31 March 2021 compared with the end of the previous year (31 December 2020: €103.2 million). Declining cash and cash equivalents were

offset for the most part by an increase in inventories and trade receivables.

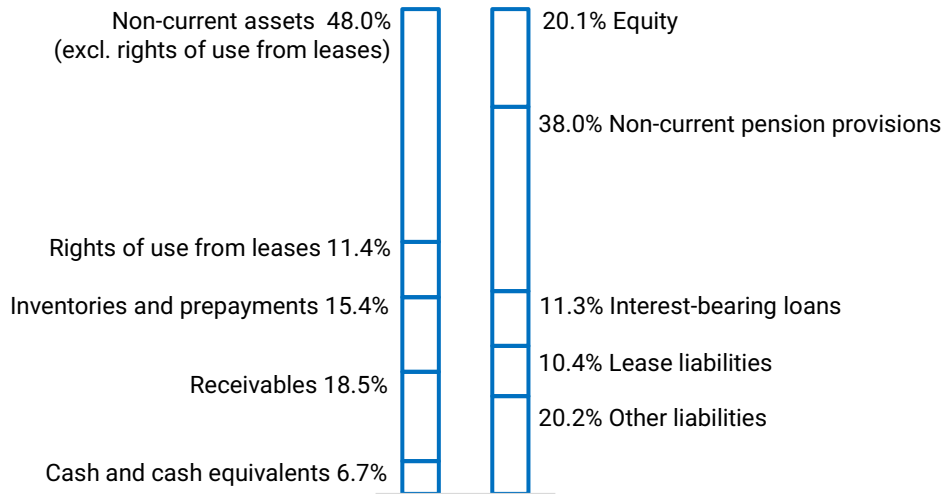
Non-current liabilities decreased by €7.1 million to €130.7 million by the end of the reporting period (31 December 2020: €137.8 million), mainly due to lower provisions for pension obligations which decreased by €6.0 million in the reporting period as a result of an increase in the discount rate. Lease liabilities also fell slightly by €0.7 million while interest-bearing loans declined by €0.3 million.

There was an increase of €3.2 million in current liabilities to €73.4 million as of 31 March 2021 compared with the end of the previous year (31 December 2020: €70.3 million). This was mainly due to an increase in the utilization of loans and higher accrued liabilities.

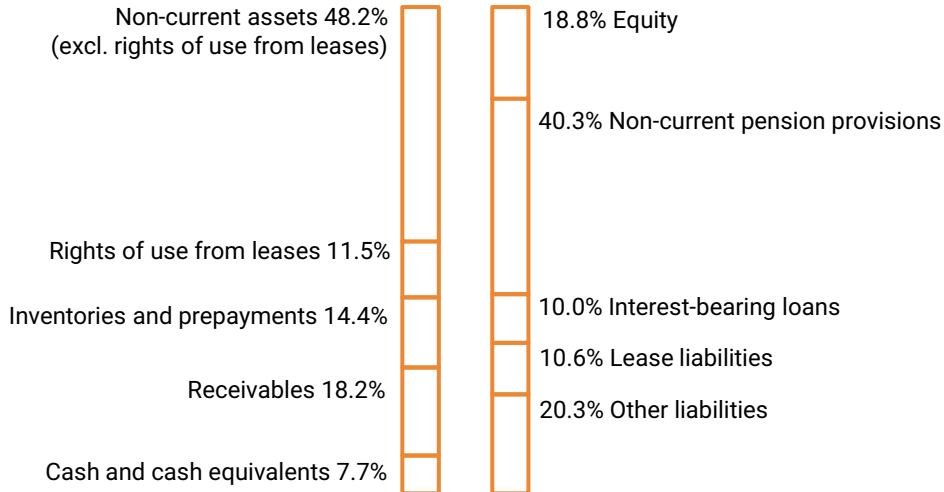
Equity improved by €3.2 million year-on-year to €51.4 million (31 December 2020: €48.1 million). This mainly reflects the beneficial effects of changes in foreign exchange rates and lower provisions for pension obligations. As a result, the equity ratio increased to 20.1% compared to the beginning of the year (31 December 2020: 18.8%).

Asset and capital structure

31 March 2021 **Balance sheet total €255.5 million**



31 December 2020 **Balance sheet total €256.2 million**



Financial position and investments

Negative net profit led to a year-on-year reduction in cash flow of €2.3 million to € 1.8 million in the reporting quarter (Q1 2020: €4.1 million). At €-3.1 million, working capital remained nearly unchanged year-on-year (Q1 2020: €-3.2 million). There were various offsetting effects in the reporting quarter: a lower increase in inventories was countered mainly by a decrease in prepayments received and a

reduction in trade payables. In the prior year, pandemic-related delays in deliveries resulted in a significant increase in inventories, and a higher share of sales from major projects led to increased advance prepayments received. Overall, there was a decrease in cash flow from operating activities of €2.3 million to €-1.3 million in the first quarter of 2021 (Q1 2020: €0.9 million).

In line with our strategic goal of maintaining and expanding our technology leadership, we increased spending on innovation projects in the reporting quarter. Compared

to the previous year, this was reflected in an increase of €0.8 million in investments in intangible assets to € 2.0 million (Q1 2020: €1.2 million). Cash flow from investing activities in the first quarter of 2021 increased to €3.2 million (Q1 2020: €2.2 million). Overall, free cash flow in the reporting quarter was €-4.5 million, corresponding to €3.2 million below the prior-year figure (Q1 2020: €-1.3 million).

Cash flow from financing activities decreased year-on-year to €1.5 million in Q1 2021, mainly due to lower borrowings of interest-bearing financial liabilities (Q1 2020: €3.8 million). There was a slight year-on-year decline in the repayment of lease liabilities.

As of 31 March 2021, the R. STAHL Group had cash and cash equivalents of €17.2 million at its disposal (31 December 2020: €19.9 million). Compared to the previous year, cash and cash equivalents thus increased by €0.3 million (Q1 2020: €17.0 million).

The negative free cash flow resulted in an increase in net debt (excluding pension provisions and leasing liabilities) of €5.8 million to €11.6 million at the end of the reporting quarter compared with the level at the beginning of the year (31 December 2020: €5.8 million).

Opportunities and risks

All R. STAHL subsidiaries regularly prepare an opportunity and risk report that takes into account the opportunities and risks of the company. Managing directors are required to inform the department responsible for opportunity and risk management of any significant events, including those

that occur during the quarter. The relevant statements made in the Annual Report 2020 starting on page 46 continue to apply unchanged.

Outlook

We first presented our assessment of R. STAHL group's expected development in the current year in detail in the forecast beginning on page 78 of the Annual Report 2020, which was published on 16 April 2021. Accordingly, supported by a significant recovery in all relevant key markets, we anticipated year-on-year sales growth in the low single-digit percentage range for 2021, a development that should gain momentum in the course of the year. In this regard, the continued systematic implementation of our strategic agenda will result in a slight year-on-year decline in EBITDA pre exceptionals. This would lead to a slight reduction in the equity ratio for the year as a whole if the valuation of our pension provisions remains unchanged. We did not anticipate any significant change with regard to the very comfortable liquidity position we had at the beginning of the year. We continue to stand by this assessment and now detail it as follows:

For 2021, we expect sales to increase to between €250 million and € 256 million, with a weaker first half of the year followed by a significantly stronger second half. We expect EBITDA pre exceptionals for the full year to be between €17 million and €19 million.

Outlook FY 2021

in € million	May 2021	April 2021	2020
Sales	250 – 256	low single-digit percentage growth	246.5
EBITDA pre exceptionals	17 – 19	slightly declining	19.0
Free cash flow	~6	stable	5.7
Equity ratio	>18%	slightly declining	18.8%

CONSOLIDATED FINANCIAL STATEMENTS R. STAHL

Income statement

1 January through 31 March 2021

in €000

	Q1 2021	Q1 2020	Change in %
Sales	58,173	65,104	-10.6
Change in finished and unfinished products	1,832	4,108	-55.4
Other own work capitalized	1,300	1,022	+27.2
Total operating performance	61,305	70,234	-12.7
Other operating income	3,139	3,371	-6.9
Cost of materials	-21,432	-24,259	+11.7
Personnel costs	-30,048	-31,537	+4.7
Other operating expenses	-10,359	-13,134	+21.1
Earnings before financial result, income taxes and depreciation and amortization (EBITDA)	2,605	4,675	-44.3
Depreciation and amortization	-4,113	-4,169	+1.3
Earnings before financial result and income taxes (EBIT)	-1,508	506	n/a
Result from companies consolidated using the equity method	221	385	-42.6
Investment result	0	0	0
Interest and similar income	24	42	-42.9
Interest and similar expenses	-706	-835	+15.4
Financial result	-461	-408	-13.0
Earnings before income taxes	-1,969	98	n/a
Income taxes	-552	-734	+24.8
Net profit	-2,521	-636	n/a
thereof attributable to other shareholders	-12	4	n/a
thereof attributable to shareholders of R. STAHL AG	-2,509	-640	n/a
Earnings per share in €	-0.39	-0.10	n/a

CONSOLIDATED FINANCIAL STATEMENTS R. STAHL

Statement of comprehensive income

1 January through 31 March

in €000	Q1 2021	Q1 2020	Change in %
Net profit	-2,521	-636	n/a
Gains/losses from currency translation of foreign subsidiaries, recognized in equity	1,344	-2,674	n/a
Deferred taxes on gains/losses from currency translation	0	0	0
Currency translation differences after taxes	1,344	-2,674	n/a
Other comprehensive income with reclassifications to profit for the period	1,344	-2,674	n/a
Gains/losses from the subsequent measurement of pension obligations, recognized in equity	5,961	6,700	-11.0
Deferred taxes from pension obligations	-1,573	-1,956	+19.6
Other comprehensive income without reclassifications to profit for the period	4,388	4,744	-7.5
Other comprehensive income (valuation differences recognized directly in equity)	5,732	2,070	>+100
thereof attributable to other shareholders	8	-87	n/a
thereof attributable to shareholders of R. STAHL AG	5,724	2,157	>+100
Total comprehensive income after taxes	3,211	1,434	>+100
thereof attributable to other shareholders	-4	-83	+95.2
thereof attributable to shareholders of R. STAHL AG	3,215	1,517	>+100

CONSOLIDATED FINANCIAL STATEMENTS R. STAHL

Balance sheet

in €000	31 March 2021	31 Dec. 2020	Change
ASSETS			
Intangible assets	44,077	43,260	817
Property, plant & equipment	80,052	80,348	-296
Investments in associated companies	10,024	9,803	221
Other financial assets	32	32	0
Other assets	1,654	1,497	157
Investment property	4,655	4,707	-52
Deferred taxes	11,302	13,358	-2,056
Non-current assets	151,796	153,005	-1,209
Inventories and prepayments	39,283	36,938	2,345
Trade receivables	37,170	36,718	452
Contract receivables	609	637	-28
Income tax claims	136	471	-335
Other receivables and other assets	9,258	8,614	644
Cash and cash equivalents	17,244	19,854	-2,610
Current assets	103,700	103,232	468
Total assets	255,496	256,237	-741
EQUITY AND LIABILITIES			
Share capital	16,500	16,500	0
Capital reserves	13,457	13,457	0
Retained earnings	57,537	60,046	-2,509
Accumulated other comprehensive income	-36,370	-42,094	5,724
Equity attributable to shareholders of R. STAHL AG	51,124	47,909	3,215
Non-controlling interests	230	234	-4
Equity	51,354	48,143	3,211
Pension provisions	97,170	103,149	-5,979
Other provisions	2,060	2,048	12
Interest-bearing financial liabilities	8,442	8,781	-339
Lease liabilities	20,349	21,050	-701
Other liabilities	67	64	3
Deferred taxes	2,615	2,729	-114
Non-current liabilities	130,703	137,821	-7,118
Provisions	7,938	8,632	-694
Trade payables	12,154	13,805	-1,651
Interest-bearing financial liabilities	20,450	16,913	3,537
Lease liabilities	6,189	6,189	0
Deferred liabilities	15,980	12,394	3,586
Income tax liabilities	689	772	-83
Other liabilities	10,039	11,568	-1,529
Current liabilities	73,439	70,273	3,166
Total equity and liabilities	255,496	256,237	-741

CONSOLIDATED FINANCIAL STATEMENTS R. STAHL

Cash flow statement

1 January through 31 March

in €000

	Q1 2021	Q1 2020	Change
Net profit	-2,521	-636	-1,885
Depreciation, amortization and impairment of non-current assets	4,113	4,169	-56
Changes in non-current provisions	-2	11	-13
Changes in deferred taxes	379	393	-14
Equity valuation	-221	-385	+164
Other income and expenses without cash flow impact	58	657	-599
Result from the disposal of non-current assets	-4	-99	+95
Cash flow	1,802	4,110	-2,308
Changes in current provisions	-737	-619	-118
Changes in inventories, trade receivables and other non-capex or non-financial assets	-2,370	-7,766	+5,396
Changes in trade payables and other non-capex or non-financial liabilities not attributable to investing of financing activities	-34	5,200	-5,234
Changes in working capital	-3,141	-3,185	+44
Cash flow from operating activities	-1,339	925	-2,264
Cash outflow for capex in intangible assets	-1,955	-1,153	-802
Cash outflow for capex on property, plant & equipment	-1,264	-1,195	-69
Cash inflow from the disposals of property, plant & equipment and real estate held as a financial investment	20	122	-102
Cash flow from investing activities	-3,199	-2,226	-973
Free cash flow	-4,538	-1,301	-3,237
Distribution to/contribution from minority shareholders	0	0	0
Cash outflow for down payment of lease liabilities	-1,669	-1,838	+169
Cash inflow from interest-bearing liabilities	7,053	11,783	-4,730
Cash outflow for repayment of interest-bearing liabilities	-3,856	-6,170	+2,314
Cash flow from financing activities	1,528	3,775	-2,247
Changes in cash and cash equivalents	-3,010	2,474	-5,484
Foreign exchange and valuation-related changes in cash and cash equivalents	400	-453	+853
Cash and cash equivalents at the beginning of the period	19,854	14,966	+4,888
Cash and cash equivalents at the end of the period	17,244	16,987	+257

CONSOLIDATED FINANCIAL STATEMENTS R. STAHL

Statement of changes in equity

1 January through 31 March 2021

in €000	Equity attributable to shareholders								Equity
	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income			Total	Non-controlling interests	
				Currency translation	Unrealized gains/losses from pensions	Total accumulated other comprehensive income			
1 Jan. 2020	16,500	13,457	63,555	-3,358	-32,163	-35,521	57,991	449	58,440
Net profit			-640				-640	4	-636
Accumulated other comprehensive income				-2,587	4,744	2,157	2,157	-87	2,070
Total comprehensive income			-640	-2,587	4,744	2,157	1,517	-83	1,434
Dividend distribution							0		0
31 Mar. 2020	16,500	13,457	62,915	-5,945	-27,419	-33,364	59,508	366	59,874
1 Jan. 2021	16,500	13,457	60,046	-6,197	-35,897	-42,094	47,909	234	48,143
Net profit			-2,509				-2,509	-12	-2,521
Accumulated other comprehensive income				1,336	4,388	5,724	5,724	8	5,732
Total comprehensive income			-2,509	1,336	4,388	5,724	3,215	-4	3,211
Dividend distribution							0		0
31 Mar. 2021	16,500	13,457	57,537	-4,861	-31,509	-36,370	51,124	230	51,354

SELECTED EXPLANATORY NOTES

1. Accounting in accordance with International Financial Reporting Standards (IFRS)

The interim financial statements for the R. STAHL AG Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as applicable in the EU and in compliance with IAS 34 "Interim Financial Reporting". The interim consolidated financial statements have not been audited.

2. Scope of consolidation

In addition to R. STAHL AG, the interim consolidated financial statements include 31 domestic and foreign companies for which it is possible for R. STAHL AG to exercise a controlling influence.

Enterprises over which the Company can exercise substantial influence are included in the consolidated financial statements as associates using the equity method. Since 2016, ZAVOD Goreltex Co. Ltd, Saint Petersburg, Russia, has been included in the consolidated financial statements as an associate using the equity method. The scope of consolidation is unchanged over 31 December 2020.

3. Accounting and measurement methods

General information

The interim consolidated financial statements and the comparative figures for the prior-year period were generally prepared on the basis of the accounting and measurement methods applied in the consolidated financial statements for 2020. A description of these principles is published in the notes to the consolidated financial statements 2020. This can be viewed on the Internet at www.r-stahl.com.

The Group's functional currency is the euro. Unless indicated otherwise, all amounts are stated in thousands of euros (€000).

The consolidated financial statements have been prepared using the cost principle. Accounting for derivative financial instruments is the exception to this rule, as these must be accounted for at fair value.

The carrying amounts of cash and cash equivalents, as well as current account loans closely approximate

their fair values given the short maturity of these financial instruments. The carrying values of receivables and liabilities are based on historical costs, subject to usual trade credit terms, and also closely approximate their fair values.

The fair value of non-current liabilities is based on currently available interest rates for borrowing with the same maturity and credit rating profiles. The fair values of external liabilities is currently deviate only slightly from the carrying amounts.

To present the reliability of the valuation of financial instruments at fair value in a comparable manner, IFRS introduced a fair-value-hierarchy with the following three levels:

- > Valuation on the basis of exchange price or market price for identical assets or liabilities (Level 1)
- > Valuation on the basis of exchange price or market price for similar instruments or on the basis of assessment models that are based on market observable input parameters (Level 2)
- > Valuation on the basis of assessment models with significant input parameters that are not observable on the market (Level 3)

The derivative financial instruments measured at fair value of the R. STAHL Group are valued exclusively in accordance with the fair value hierarchy Level 2.

In the first three months of 2021, there were no re-classifications among the individual fair value hierarchies.

Cash flow statement

In accordance with IAS 7, the cash flow statement shows how the R. STAHL Group's flow of funds developed over the reporting period.

Cash and cash equivalents shown in the cash flow statement comprise cash on hand, cheques, and credit balances with banks. The item also includes securities with original maturities of up to three months.

Earnings per share

Earnings per share are calculated by dividing consolidated net profit - excluding non-controlling interests - by the average number of shares. Diluted earnings per share correspond to earnings per share.

4. Sales in accordance with IFRS 15

Sales presented in the income statement includes both sales from contracts with customers and sales not within the scope of IFRS 15.

A breakdown of sales by sales source is shown below:

€000	Q1 2021	Q1 2020
Sales from contracts with customers	57,919	64,850
Rental income from real estate held as financial investments	254	254
Total	58,173	64,104

A breakdown of sales by time of recognition is shown below:

€000	Q1 2021	Q1 2020
At a specific time	55,293	61,646
Over a specific period	2,880	3,458
Total	58,173	65,104

Sales are recognized over a specified period with a high probability of occurrence within a period of one to two months.

5. Financial instruments

R. STAHL mainly accounts for derivative financial instruments at fair value. For this reason, a detailed reconciliation statement for the carrying amounts and fair values for the individual classes is not provided for reasons of materiality.

The fair values of derivative financial instruments are as follows:

€000	31 March 2021	31 Dec. 2020
Positive market values		
Currency derivatives without hedging relationship	25	130
Negative market values		
Currency derivatives without hedging relationship	-9	-16

6. Number of employees

The number of employees at the 31 March 2021 reporting date was 1,679 (31 December 2020: 1,690) not including apprentices.

7. Contingent liabilities and other financial obligations

There have been no significant changes to contingent liabilities and other financial obligations compared with 31 December 2020.

8. Report on significant related party transactions

There were no significant transactions with related parties in the reporting period.

Waldenburg, 11 May 2021

R. Stahl Aktiengesellschaft

Dr Mathias Hallmann

CEO

FINANCIAL CALENDAR 2021

15 July

28th Annual General Meeting

12 August

Interim Report H1 2021

10 November

Interim Report Q3 2021

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