

GESCO AG  
Quarterly statement  
for the first quarter  
1 January to 31 March 2021



**Q1**  
**2021**

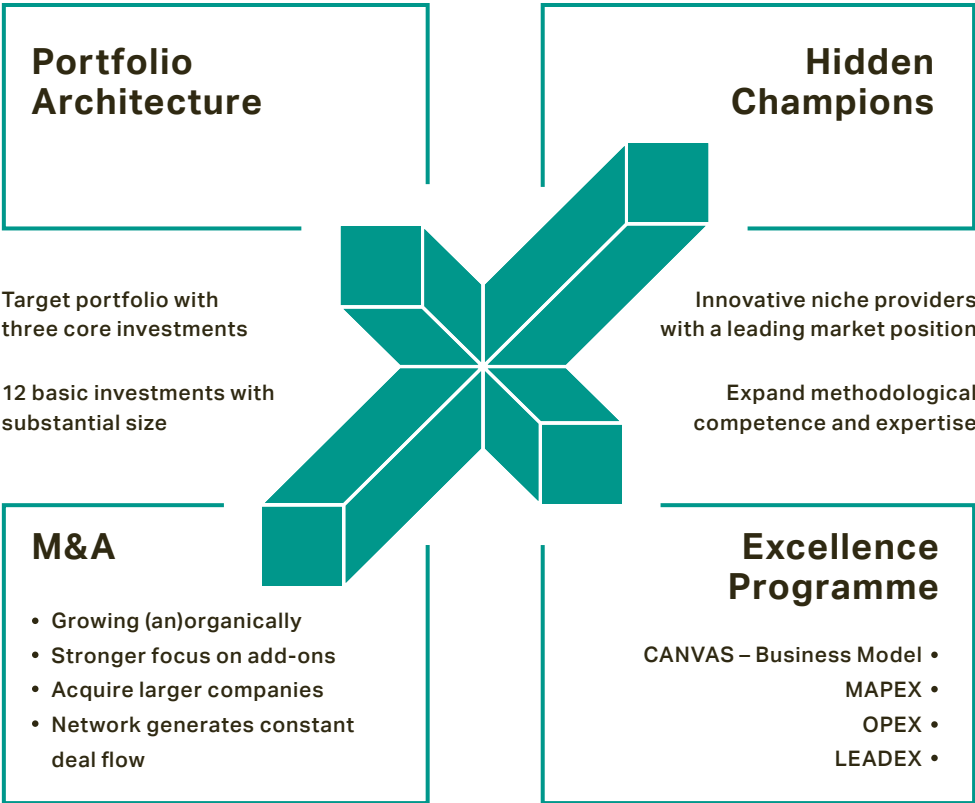
# NEXT LEVEL strategy – In Transition

The Executive Board and the Supervisory Board of GESCO AG developed and adopted the NEXT LEVEL strategy in autumn 2018. Based on a shared vision of GESCO as a group of hidden champions, the strategy defines key measures and objectives for the Group’s strategic and operational development in the years ahead.

GESCO again made solid progress on its NEXT LEVEL strategy in 2020. By selling a group of six subsidiaries in late 2020 and agreeing to a management buy-out at VWH in early 2021, GESCO has balanced out its direct dependency on the automotive market and discontinued its Mobility segment. The Group has also made good progress on its strategic excellence programmes.

The guiding theme of financial year 2021 is “in transition”. We will intensively focus on our target portfolio architecture and achieve further success in the implementation of our excellence programmes in order to safeguard the future of our subsidiaries and remain successful in the long term.

## The strategy as an integrated concept



# Overview of key points

- Encouraging recovery in demand
- Incoming orders and sales up significantly
- EBIT margin sees substantial improvement
- Good outlook for 2021 as a whole confirmed

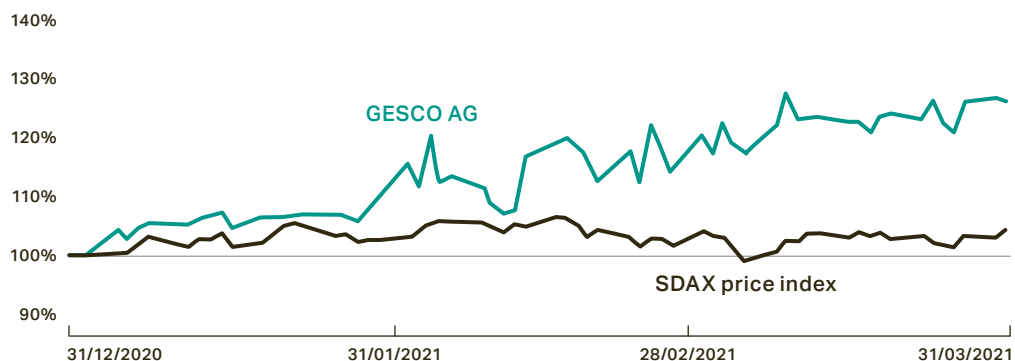
## GESCO Group at a glance

Key figures

€'000	01/01/2021 – 31/03/2021 (continuing operations)	01/01/2020 – 31/03/2020 (continuing operations)	Change (in %)
Incoming orders	136,352	114,789	18.8
Sales	112,631	101,919	10.5
EBITDA	11,414	6,337	80.1
EBIT	7,441	2,107	> 100.0
EBIT margin (in %)	6.6	2.1	450 bp
EBT	7,009	1,605	> 100.0
Group result <sup>1)</sup>	4,049	1,171	> 100.0
Earnings per share (in €)	0.37	0.11	> 100.0
Closing price (in €) <sup>2)</sup>	23.80	13.66	> 100.0
Employees <sup>3)</sup>	1,680	1,759	-4.5

<sup>1)</sup> After minority interest. <sup>2)</sup> XETRA closing price as at the balance sheet date. <sup>3)</sup> Number as at the balance sheet date.

## Share performance in the reporting period



Source: Bloomberg, share performance indexed and in %.

# Letter to shareholders

## Dear Shareholders,

GESCO Group started the new financial year with momentum. Buoyed by the most recent strategic measures and the nascent economic recovery, our company was able to use the tailwind to take advantage of the structural progress. By presenting the final figures for the first quarter of 2021, we confirm the preliminary figures that we presented as part of the virtual annual accounts press conference and analysts' conference for financial year 2020 on 27 April 2021.

Upon publication of the figures for 2020 as a whole, the figures for the twelve-month financial year 2020 were comparable with those for the nine-month abbreviated financial year 2019 to only a limited extent following the change in the financial year, the successful sale of seven subsidiaries in total and the discontinuation of the Mobility Technology segment. With the presentation of the results for the first quarter of 2021, it is now possible to fully compare the figures of the continuing business operations on a twelve-month basis once again.

GESCO Group's companies saw a positive start to the current financial year overall following a very challenging financial year 2020. Incoming orders were up significantly year on year in all three segments. Group sales increased considerably. As in previous years, project business was subdued in the reporting period and is set to slowly but continuously gather steam over the course of the year. This development was supported by a particularly strong first quarter in the stainless steel and strip steel business.

In the Production Process Technology segment, both incoming orders and sales rose significantly in combination with positive earnings, thanks in no small part to the stainless steel technology business. As usual, the production of machinery, plant and equipment already under way will only start to have an impact on sales and earnings over the course of the year. The Resource Technology segment recorded higher demand, a marked increase in sales and a disproportionately steep rise in earnings that was supported by all companies in the segment. And, once again, the Healthcare and Infrastructure Technology segment demonstrated its resilience in the face of economic volatility by reporting a particularly high level of incoming orders and stable development of sales and earnings.

Even though the effects of the continuing pandemic cannot currently be assessed with any degree of certainty and the future developments are associated with uncertainties, we view the positive development in the first quarter as a potential turning point. The economic recovery as well as the noticeable easing on the demand side led to catch-up effects in the reporting period. Only the months ahead will tell if these effects are going to last. Apart from this, GESCO will benefit from the significantly less pronounced impact of the automotive and capital goods industries compared to previous years. In addition, the programmes that form part of the NEXT LEVEL strategy will continue to have an effect in the current financial year. Last but not least, the decidedly solid financial parameters provide a good starting position for further organic and inorganic growth.

Thanks to the successful start in the first quarter and the current overall conditions, we are confident for the current financial year despite the challenging environment. Overall, we confirm the outlook for financial year 2021 that we published at the virtual annual accounts press conference and analysts' conference on 27 April 2021. We expect Group sales of between € 445 million and € 465 million along with Group net income after minority interest of € 16.5 million to € 18.5 million (both target ranges in principle before corporate transactions and without changes to the scope of consolidation).

The guiding theme of financial year 2021 is "in transition". We will intensively focus on our target portfolio architecture and achieve further success in the implementation of our excellence programmes in order to safeguard the future of our subsidiaries and remain successful in the long term. The first quarter of 2021 has allowed us to start setting the stage for our return to a path of profitable growth.

Wuppertal, Germany, May 2021



Ralph Rumberg (CEO)  
CEO/Spokesman of the Executive Board



Kerstin Müller-Kirchhofs (CFO)  
CFO/Chief Financial Officer

## Change of financial year and portfolio restructuring

GESCO completed its first full financial year running concurrently with the calendar year in reporting year 2020. In the previous year, the change in financial year to 31 December had resulted in a nine-month abbreviated financial year from 1 April to 31 December 2019, meaning that the previous year's figures were only comparable to a limited degree. The new financial year 2021 offers full comparability of the continuing business operations on a twelve-month basis for the first time (2021 vs. 2020). The figures for continuing operations reported in the previous reporting period have also been adjusted to facilitate a better understanding of business performance (abbreviated in the following as "Q1 2020-c").

Following the completed portfolio restructuring in 2020, the associated sale of a group of six subsidiaries and the discontinuation of the Mobility Technology segment, the sold companies were reported as "discontinued operations" in the consolidated financial statements for financial year 2020. The same applies for the majority shareholding in VWH GmbH, which was sold as part of a management buy-out in February 2021. We will continue to report this investment under "discontinued operations" in financial year 2021, as the figures for VWH GmbH were still included in the financial statements to a minor extent in January 2021. The "discontinued operations" in financial year 2020 contain the figures of the seven sold subsidiaries.

## Business performance and the development of Group sales and earnings

Following the recent marked reluctance to invest and the effects of the coronavirus pandemic, GESCO Group's companies recorded an encouraging recovery in demand in the first quarter of 2021. The key driving factor for the positive business development was the business with stainless steel products. However, other areas also recorded business volume that was significantly higher year on year. While development in the Healthcare and Infrastructure Technology segment was positively stable compared to the good first quarter in 2020 in terms of sales and earnings, the Production Process Technology and Resources Technology segments again reported significantly better sales and earnings figures than in the weak previous year.

Incoming orders at GESCO Group stood at € 136.4 million in the reporting period and were therefore up by a substantial 18.8% compared to the figure of € 114.8 million in the same quarter of the previous year (Q1 2020-c). Group sales amounted to € 112.6 million and were 10.5% higher year on year (Q1 2020-c: € 101.9 million). The reporting period ended with an order backlog of € 164.7 million (Q1 2020-c: € 140.4 million).

The ratio of material expenditure to total output fell from 61.2% in the same quarter of the previous year to 55.3%. The personnel expenditure ratio also declined from 27.6% to 24.4% thanks to improved utilisation and the adjusted capacities. Other operating income was up year on year. Other operating expenses developed in proportion to sales revenues. Earnings before

interest, taxes, depreciation and amortisation (EBITDA) stood at € 11.4 million in total in the reporting period (Q1 2020-c: € 6.3 million).

Depreciation and amortisation declined by 6.1% year on year. No impairment losses were recognised. At € 7.4 million, EBIT was considerably higher than in the same quarter of the previous year (Q1 2020-c: € 2.1 million), resulting in an EBIT margin of 6.6% (Q1 2020-c: 2.1%).

Due to a marked improvement in the financial result and a tax rate of 36.6%, Group net income after minority interest stood at € 4.0 million (Q1 2020-c: € 1.2 million). Including discontinued operations, Group net income after minority interest was around € 13 thousand lower in the first quarter of 2021 (Q1 2020: € 781 thousand lower). In the reporting period, earnings per share amounted to € 0.37 for both continuing operations and including discontinued operations (vs. Q1 2020-c at € 0.11 and Q1 2020 at € 0.04).

## Segment performance

In the **Production Process Technology** segment, incoming orders grew by 58.1% in the reporting period, from € 12.2 million (Q1 2020-c) to € 19.3 million. Segment sales increased by 23.8% from € 10.0 million in the first quarter of the previous year (Q1 2020-c) to € 12.4 million. As is standard practice in this segment, the companies began producing machinery, plant and equipment that is usually only completed as the year progresses, which is also when these activities first have an impact on sales and earnings. Segment EBIT therefore usually has little relevance in the first quarter and

came to € 1.1 million in the reporting period after € -1.1 million in the same quarter of the previous year (Q1 2020-c). The segment's EBIT margin therefore stood at 8.6%. The significant rise in sales and the positive earnings contribution were mainly fuelled by the stainless steel technology business. For the year as a whole, we anticipate a slight recovery in mechanical and plant engineering, rising sales thanks to high-margin growth in stainless steel processing and relief on earnings due to restructuring in the previous year. Compared to the annualised previous-year period for the continuing business operations, the segment is therefore expected to report a noticeable increase in terms of sales and earnings.

The **Resource Technology** segment also benefited from higher demand in the reporting period. Incoming orders amounted to € 74.7 million and increased by 10.9% compared to the same period in the previous year (Q1 2020-c). Sales revenues rose by 14.0% from € 58.8 million (Q1 2020-c) to € 67.0 million. Segment EBIT stood at € 5.9 million after € 2.3 million in the first quarter of the previous year (Q1 2020-c). The segment's EBIT margin increased in this context from 4.0% (Q1 2020-c) to 8.8%. The marked rise in sales and earnings, combined with improved margins, was supported by all companies in the segment. Owing to the higher demand in the tool and strip steel business and the solid order situation for loading technology, we expect a significant increase in sales and a disproportionately steep rise in earnings year on year for the year as a whole.

The **Healthcare and Infrastructure Technology** segment continued to be in stable condition in the first quarter of 2021, demonstrating once again that it is largely resilient and unaffected by conditions in the capital goods industry. At € 42.3 million, incoming orders exceeded the € 35.2 million in incoming orders seen in the first quarter of 2020 by 20.2% (Q1 2020-c). Sales, at € 33.3 million in the reporting period, were virtually on a par with the € 33.2 million recorded in the same period in the previous year (Q1 2020-c), the same applies to the EBIT of € 3.4 million. The segment's EBIT margin improved slightly from 10.0% (Q1 2020-c) to 10.3% in the reporting period. For the full year, we expect positive sales development on the whole at all companies in the segment and a stable EBIT margin.

### **Assets and financial position**

At € 400.4 million, total assets were somewhat higher as at the reporting date than at the beginning of the financial year (€ 390.8 million). Non-current assets fell slightly, whereas current assets rose by a small margin. At € 60.9 million, liquid assets reflected a further increase in the cash position as compared to the most recent reporting date (€ 49.2 million).

The equity ratio stood at 57.8% as at the reporting date despite the rise in equity due to the increase in total assets (compared to 58.3% as at 31 December 2020). Non-current liabilities fell by 6.4%, whereas current liabilities rose by 11.0%, due in particular to the rise in trade payables and other liabilities.

### **Employees**

A total of 1,680 people were employed at GESCO Group's continuing business operations as at the quarterly reporting date (continuing business operations as at 31 March 2020: 1,759). In light of the decline in demand in the capital goods industry, GESCO Group adjusted staff levels in some cases at the affected companies, particularly in financial year 2020. Very flexible use of short-time work instruments was made where reasonable, mainly with regard to the effects of the coronavirus crisis.

The Group's workforce declined only slightly as at the reporting date compared to the figure of 1,695 reported at the end of the previous year on 31 December 2020. The number of employees in the Resource Technology and Healthcare and Infrastructure Technology segments each fell only slightly, whereas the number of employees in the Production Process Technology segment was virtually unchanged.

### **Opportunities and risks**

The statements on the subject of opportunities and risks in the consolidated financial statements as at 31 December 2020 remain essentially valid. For more details, please refer to the Annual Report for financial year 2020, which is available online at <https://www.gesco.de/en/investor-relations/financial-reports/>.



## Outlook and events after the reporting date

In light of the economic recovery, the German government currently expects gross domestic product growth of 3% in 2021. The Verband Deutscher Maschinen- und Anlagenbau e.V. (VDMA) anticipates production growth of 7% for the German mechanical engineering industry. The marked economic recovery and the stabilisation to be expected over the course of the year are likely to support GESCO Group's development to an equal extent.

In financial year 2021, GESCO Group's development will also benefit from the fact that the automotive industry in particular, as well as the capital goods industry, will have a significantly less pronounced impact on the portfolio of continuing operations compared to previous years. In addition, the Executive Board believes that the MAPEX and OPEX programmes that form part of the NEXT LEVEL strategy will continue to have an effect. The strategic and solid financial parameters also provide a good starting position for further organic and inorganic growth.

Based on the information available at the current time, we confirm the outlook for the ongoing financial year 2021 that we published at the virtual annual accounts press conference and investors' conference on 27 April 2021. For 2021 as a whole, we continue to expect full-year Group sales of between € 445 million and € 465 million along with Group net income after minority interest of € 16.5 million to € 18.5 million (both target ranges in principal before M&A activities and without changes to the scope of consolidation). As the effects of the pandemic cannot currently be assessed with any degree of certainty, the outlook for the financial year may also change significantly at short notice.

# GESCO Group Consolidated Statement of Financial Position

€'000	31/03/2021	31/12/2020
<b>Assets</b>		
<b>A. Non-current assets</b>		
I. Intangible assets		
1. Industrial property rights and similar rights and assets as well as licences to such rights and assets	16,296	16,613
2. Goodwill	23,437	23,347
3. Prepayments	141	116
	<b>39,874</b>	<b>40,076</b>
II. Tangible assets		
1. Land and buildings	56,968	57,649
2. Technical plant and machinery	27,853	28,764
3. Other plant, fixtures and fittings	15,538	15,710
4. Prepayments and assets under construction	3,152	2,643
	<b>103,511</b>	<b>104,766</b>
III. Financial investments		
1. Shares in affiliated companies	0	0
2. Shares in companies recognised at equity	1,813	1,868
3. Investments	236	236
4. Other loans	9,861	9,861
	<b>11,910</b>	<b>11,965</b>
IV. Other assets	440	441
V. Deferred tax assets	2,286	2,506
	<b>158,021</b>	<b>159,754</b>
<b>B. Current assets</b>		
I. Inventories		
1. Raw materials, supplies and consumables	24,450	22,856
2. Unfinished products and services	22,734	22,634
3. Finished products and goods	59,711	63,308
4. Prepayments	369	119
	<b>107,264</b>	<b>108,917</b>
II. Receivables and other assets		
1. Trade receivables	63,764	56,286
2. Amounts owed by affiliated companies	1,397	1,455
3. Amounts owed by companies recognised at equity	603	301
4. Other assets	7,423	5,926
	<b>73,187</b>	<b>63,968</b>
III. Cash and credit with financial institutions	60,869	49,226
IV. Accounts receivable and payable	1,098	928
V. Assets held for sale	0	8,028
	<b>242,418</b>	<b>231,067</b>
	<b>400,439</b>	<b>390,821</b>

€'000	31/03/2021	31/12/2020
<b>Equity and liabilities</b>		
<b>A. Equity</b>		
I. Subscribed capital	10,839	10,839
II. Capital reserves	72,364	72,364
III. Revenue reserves	141,742	137,871
IV. Other comprehensive income	- 4,256	- 5,432
V. Minority interests (incorporated companies)	10,583	12,128
	<b>231,272</b>	<b>227,770</b>
<b>B. Non-current liabilities</b>		
I. Minority interests (partnerships)	744	903
II. Provisions for pensions	10,623	11,115
III. Other non-current provisions	535	524
IV. Liabilities to financial institutions	34,904	38,256
V. Lease liabilities	12,780	13,032
VI. Other liabilities	1,620	1,678
VII. Deferred tax liabilities	2,679	2,734
	<b>63,885</b>	<b>68,242</b>
<b>C. Current liabilities</b>		
I. Other provisions	7,102	8,314
II. Liabilities		
1. Liabilities to financial institutions	45,179	44,357
2. Lease liabilities	2,400	2,287
3. Trade payables	15,686	8,701
4. Payments received on account of orders	9,192	8,620
5. Liabilities to affiliated companies	1,199	1,021
6. Liabilities to companies recognised at equity	0	0
7. Other liabilities	24,170	18,322
	<b>97,826</b>	<b>83,308</b>
III. Accounts receivable and payable	354	159
IV. Liabilities directly relating to assets held for sale	0	3,028
	<b>105,282</b>	<b>94,809</b>
	<b>400,439</b>	<b>390,821</b>

# GESCO Group Consolidated Statement of Income

€'000	01/01/2021 – 31/03/2021	01/01/2020 – 31/03/2020
<b>CONTINUING OPERATIONS</b>		
<b>Sales revenues</b>	<b>112,631</b>	<b>101,919</b>
Change in stocks of finished and unfinished products	- 880	4,812
Other company-produced additions to assets	123	145
Other operating income	1,602	1,119
<b>Total income</b>	<b>113,476</b>	<b>107,995</b>
Material expenses	- 62,319	- 62,416
Personnel expenses	- 27,517	- 28,160
Other operating expenses	- 12,202	- 11,060
Impairment losses on financial assets	- 24	- 22
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>11,414</b>	<b>6,337</b>
Amortisation of intangible assets and depreciation on property, plant and equipment	- 3,973	- 4,230
<b>Earnings before interest and tax (EBIT)</b>	<b>7,441</b>	<b>2,107</b>
Earnings from companies valued at equity	- 3	19
Other interest and similar income	91	9
Interest and similar expenses	- 525	- 536
Third-party profit share in partnerships	5	6
<b>Financial result</b>	<b>- 432</b>	<b>- 502</b>
<b>Earnings before tax (EBT)</b>	<b>7,009</b>	<b>1,605</b>
Taxes on income and earnings	- 2,566	- 193
<b>Earnings from continuing operations</b>	<b>4,443</b>	<b>1,412</b>
<b>DISCONTINUED OPERATIONS</b>		
<b>Earnings from discontinued operations</b>	<b>- 19</b>	<b>- 760</b>
<b>Group net income</b>	<b>4,424</b>	<b>652</b>
of which:		
<b>Shares held by third parties in incorporated companies</b>		
Earnings from continuing operations	394	241
Earnings from discontinued operations	- 6	21
	<b>388</b>	<b>262</b>
<b>Shares held by GESCO shareholders</b>		
Earnings from continuing operations	4,049	1,171
Earnings from discontinued operations	- 13	- 781
	<b>4,036</b>	<b>390</b>
<b>Earnings per share (€)</b>		
From continuing operations	0.37	0.11
From continuing and discontinued operations	0.37	0.04

# GESCO Group Consolidated Statement of Comprehensive Income

€'000	01/01/2021 – 31/03/2021	01/01/2020 – 31/03/2020
<b>Group net income</b>	4,424	652
<b>Revaluation of benefit obligations not impacting income</b>	337	-1,052
<b>Items that cannot be reclassified to the income statement</b>	337	-1,052
<b>Difference from currency translation</b>		
a) Reclassification to the income statement	183	0
b) Changes in value with no effect on income	848	128
<b>Difference from currency translation from companies valued at equity</b>		
a) Reclassification to the income statement	0	-1
b) Changes in value with no effect on income	-51	-104
<b>Market valuation of hedging instruments</b>		
a) Reclassification to the income statement	0	0
b) Changes in value with no effect on income	-174	-255
<b>Items that can be reclassified to the income statement</b>	806	-232
<b>Other comprehensive income</b>	1,143	-1,284
<b>Comprehensive income for the period</b>	5,567	-632
of which shares held by third parties in incorporated companies	520	285
of which shares held by GESCO shareholders	5,047	-917

# GESCO Group Consolidated Statement of Changes in Equity

€'000	Subscribed capital	Capital reserves	Revenue reserves	Own shares
<b>As at 01/01/2020</b>	<b>10,839</b>	<b>72,364</b>	<b>158,049</b>	<b>0</b>
Dividends			0	
Acquisition of own shares				0
Sale of own shares			0	0
Acquisition of shares in subsidiaries			0	
Group net loss / income for the period			390	0
<b>As at 31/03/2020</b>	<b>10,839</b>	<b>72,364</b>	<b>158,049</b>	<b>0</b>
<b>As at 01/01/2021</b>	<b>10,839</b>	<b>72,364</b>	<b>137,871</b>	<b>0</b>
Dividends			0	
Sale of shares in subsidiaries			- 165	
Group net loss / income for the period			4,036	0
<b>As at 31/03/2021</b>	<b>10,839</b>	<b>72,364</b>	<b>141,742</b>	<b>0</b>

## GESCO Group Segment report

€'000	Production Process Technology		Resource Technology		Healthcare and Infrastructure Technology	
	01/01/2021 – 31/03/2021	01/01/2020 – 31/03/2020	01/01/2021 – 31/03/2021	01/01/2020 – 31/03/2020	01/01/2021 – 31/03/2021	01/01/2020 – 31/03/2020
Order backlog	28,045	28,662	88,524	77,558	48,083	34,158
Incoming orders	19,339	12,231	74,708	67,365	42,305	35,193
Sales revenues	12,396	10,012	66,986	58,763	33,278	33,238
of which with other segments	22	10	3	83	4	1
Depreciation and amortisation	358	392	1,258	1,330	1,024	1,080
EBIT	1,060	- 1,081	5,902	2,345	3,411	3,314
Investments	273	335	387	718	1,076	882
Employees (number / reporting date)	373	414	733	751	553	575

	Exchange equalisation items	Revaluation of pensions	Hedging instruments	Total	Minority interests (incorporated companies)	Equity
	- 405	- 4,927	- 56	235,864	14,564	250,428
				0	- 182	- 182
				0		0
				0		0
			- 9	- 9	- 650	- 659
	11	292	- 255	438	285	723
	- 405	- 4,927	- 65	235,855	13,732	249,587
	- 2,220	- 3,386	174	215,642	12,128	227,770
				0	- 1,070	- 1,070
		165		0	- 995	- 995
	868	317	- 174	5,047	520	5,567
	- 1,352	- 2,904	0	220,689	10,583	231,272

	GESCO AG / other companies		Reconciliation		Group	
	01/01/2021 – 31/03/2021	01/01/2020 – 31/03/2020	01/01/2021 – 31/03/2021	01/01/2020 – 31/03/2020	01/01/2021 – 31/03/2021	01/01/2020 – 31/03/2020
	0	0	0	0	164,652	140,378
	0	0	0	0	136,352	114,789
	302	192	- 331	- 286	112,631	101,919
	302	192	- 331	- 286	0	0
	33	45	1,300	1,383	3,973	4,230
	- 1,686	- 1,565	- 1,246	- 906	7,441	2,107
	21	8	412	366	2,169	2,309
	21	19	0	0	1,680	1,759

# GESCO Group Consolidated Statement of Cash Flows

€'000	01/01/2021 – 31/03/2021	01/01/2020 – 31/03/2020
<b>Group net loss / income for the period (including share attributable to minority interests in incorporated companies)</b>	<b>4,424</b>	<b>652</b>
Amortisation of intangible assets and depreciation on property, plant and equipment	3,973	6,640
Earnings from companies valued at equity	3	- 19
Share attributable to minority interests in partnerships	- 5	- 6
Decrease in non-current provisions	- 25	- 82
Other non-cash income	203	- 467
<b>Cash flow for the year</b>	<b>8,573</b>	<b>6,718</b>
Losses from the disposal of tangible / intangible assets	1	5
Gains from the disposal of tangible / intangible assets	- 5	- 78
Decrease / increase in inventories, trade receivables and other assets	- 8,404	- 3,603
Decrease in trade creditors and other liabilities	13,796	11,624
<b>Cash flow from ongoing business activity</b>	<b>13,961</b>	<b>14,666</b>
Incoming payments from disposals of tangible / intangible assets	12	192
Disbursements for investments in tangible assets	- 1,620	- 2,609
Disbursements for investments in intangible assets	- 137	- 199
Incoming payments from disposals of financial assets	0	200
Disbursements for investments in financial assets	- 3	0
Incoming payments from the sale of consolidated companies and other business operations	3,500	0
<b>Cash flow from investment activity</b>	<b>1,752</b>	<b>- 2,416</b>
Disbursements to shareholders (dividend)	0	13
Disbursements to minority interests	- 1,093	- 412
Incoming payments from taking out (financial) loans	3,700	5,179
Disbursements for the repayment of (financial) loans	- 6,230	- 17,078
Disbursements for the repayment of leasing liabilities	- 551	- 1,115
<b>Cash flow from funding activity</b>	<b>- 4,174</b>	<b>- 13,413</b>
<b>Changes in cash and cash equivalents</b>	<b>11,539</b>	<b>- 1,163</b>
<b>Exchange rate-related changes in cash and cash equivalents</b>	<b>122</b>	<b>19</b>
Cash and cash equivalents on 01/01	49,226	30,870
<b>Cash and cash equivalents on 31/03</b>	<b>60,887</b>	<b>29,726</b>

Note: Incl. discontinued operations.



# Explanatory notes

## Accounts, accounting and valuation methods

The statement of GESCO Group for the first quarter (1 January to 31 March 2021) of financial year 2021 was prepared on the basis of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB). It was drawn up in compliance with IAS 34.

The accounting and valuation principles applied generally correspond to those in the consolidated financial statements as at 31 December 2020. The financial statements are affected by the accounting and valuation methods as well as assumptions and estimates which affect the level and recognition of assets, liabilities and contingent liabilities on the balance sheet, as well as those of the income and expenditure items. Sales-related figures are accrued throughout the year.

# Financial calendar

## **18 May 2021**

Publication of the quarterly statement for the first quarter

## **30 June 2021**

Annual General Meeting

## **24 August 2021**

Publication of the Half Year Interim Report

## **19 November 2021**

Publication of the quarterly statement for the third quarter

# Shareholder contact

Julia Pschribülla  
Head of Investor Relations &  
Communications  
GESCO AG  
Johannisberg 7  
42103 Wuppertal, Germany

Phone + 49 (0) 202 24820-18  
Fax + 49 (0) 202 24820-49

investorrelations@gesco.de  
www.gesco.de

If you would like to be informed regularly,  
please contact us via e-mail or telephone.  
Or use the order function on our website at  
[https://www.gesco.de/en/investor-relations/  
service-ir-contact/](https://www.gesco.de/en/investor-relations/service-ir-contact/). We will be happy to add  
you to our permanent mailing list by post  
or e-mail.

## **Note:**

This quarterly statement contains forward-looking statements that are based on current assumptions and forecasts of the Executive Board of GESCO AG. These statements are therefore subject to risks and uncertainties. The results and business development of GESCO AG and GESCO Group may, under certain circumstances, deviate substantially from the estimates provided in this quarterly statement. GESCO AG does not assume any obligation to update such forward-looking statements or adjust them according to future events or developments.

Despite extensive precautions, discrepancies may occur between this quarterly statement and the accounting documents submitted to the German Federal Gazette, especially for technical reasons (e.g. conversion of electronic formats). In this case, the version submitted to the German Federal Gazette takes precedence.

A German version of the quarterly statement is also available; in the event of any discrepancies, the German version takes precedence.

