

16	Our Strategy
17	Industry Trends
18	Ongoing Impact of and Response to the Coronavirus Crisis
18	Financial Performance
20	Cash Position
23	Financial Position
24	Research and Development
26	Purchasing
26	Employees
28	Risks and Opportunities
32	Outlook

02

Group Management Report

Group Management Report

Our Strategy

CLAAS has its origins in agriculture and is deeply rooted there. Over the past few months, we have revised CLAAS' corporate mission and strategy in order to continue to grow sustainably and profitably along with our customers.

Growing together

Our vision puts the customer at the center. We aim to support our customers to help them achieve success and attain the best possible results for their business.

Our mission outlines how we want to achieve our vision and long-term goal. We seek to bring together passionate people, brilliant ideas, and advanced technologies to deliver real added value for farmers and contractors.

Our goal is to secure our independence as a family business and achieve sustainable, profitable growth along with our customers.

A clear value orientation

Our corporate mission statement contains the principles and values that we believe in and for which our brand stands. They are not just aspirational, but already shape our work on a day-to-day basis. At the same time, we know that there is always room for improvement.

We strive for excellence and proximity to our customers. We share our customers' passion for agriculture and deliver convenient, intuitive solutions and innovations.

We think and act entrepreneurially, which means not only being willing to take on responsibility, but also acting with honesty and integrity – this is how we want to deal with people.

As a family business, our strongest motivation is to always find a better solution.

Expanding the core business and breaking new technological ground

Our strategic plan includes several global initiatives that use new technologies to drive the expansion of our core business. We are putting an even stronger focus on the satisfaction of our customers and are combining that with specific growth and earnings targets. In line with this, we have launched six strategic programs whose ambitious goals we want to achieve by 2025. In addition to our core markets, our geographical focus is primarily on Eastern Europe and North America.

Over the past two years we have laid a foundation for the future by renewing key elements in our harvester product portfolio with the new LEXION and the introduction of the TRION in the medium class segment.

CLAAS has introduced CEMOS for tractors and the CTIC tire pressure control system, as well as achieving significant performance improvements with the new CLAAS POWER MANAGEMENT. CLAAS Tractor in Le Mans, France, also has a fully renovated factory of the future that sets new standards in production. The aim is to intensify market penetration and achieve growth in new markets.

The service and spare parts sector is a particular focus of the strategic programs, ensuring our customers can continue to rely on CLAAS as a partner even after they have purchased equipment. New systems at CLAAS and at the dealer level to better analyze customer needs for more efficient on-site resource planning and faster logistics. The result is significant performance improvements, which immediately benefit the customer. Continuous training and further improvements to service staff education play an equally important role, making CLAAS service stand out from the competition.

New technologies are being introduced in all areas, in products as well as in processes. For CLAAS, the four most important technology fields of the future are digitalization, autonomy, alternative drives, and smart farming. DataConnect as a platform for manufacturer-independent fleet management or the investment in AgXeed in the field of autonomy are just two examples.

Focus on the customer

The exchange with our dealers and customers is and remains the most important instrument for creating real added value and growing together. We are supported in this exchange by

continuously improving technologies for collecting comprehensive customer feedback and ensuring timely responses. This process is central to everything we do.

Industry Trends

Economic frameworks

The economic environment in 2021 was shaped by the supply and demand shocks of the coronavirus pandemic in the prior year. The International Monetary Fund (IMF) accordingly expects a growth rate of 5.9% in calendar year 2021 (prior year: -3.1%; as of October 2021). The World Bank's estimate of 5.6% from June and the OECD's estimate of 5.7% from September are just below this, with forecasts tending to be revised upwards over the course of the year. The clearly positive growth estimates were politically supported on the one hand by economic stimulus programs and the expansive monetary policy of many central banks. On the other hand, the high savings rate in the prior year and the relaxation of coronavirus measures supported overall economic demand.

The economic upturn and logistical problems also led to a significant increase in raw material prices in some cases, with steel prices reaching record levels. Following a price weakness at the beginning of the crisis, the oil price also managed to rise above the five-year average in the current year. As a result, prices for energy-intensive products such as fertilizers also increased. Finally, consumer prices have also been rising in some countries since spring 2021.

The mechanical engineering sector recovered in the current calendar year, with the German Mechanical Engineering Industry Association (VDMA) expecting global growth of 13%. The industry, which shrank by 4% in 2020, has therefore been able to recover extremely quickly from the coronavirus crisis by historical standards.

According to VDMA estimates, the global agricultural equipment industry (including municipal, forestry, and gardening equipment) will reach a record market volume of approximately €125 billion in 2021 and is thus expected to grow by 12%, after

sales had almost stagnated in the crisis year 2020. However, the high order intakes brought supply-side bottlenecks and supply chain fragility increasingly into focus.

In the crop year 2020/21, global grain production (including rice) exceeded the prior year's level by 1.2% at 2,708 million metric tons, according to the US Department of Agriculture (USDA). Wheat production in 2020/21 was 775 million metric tons, which was another increase on the prior year's record, but even stronger growth in consumption led to declining inventories of -2.2%. Corn production, on the other hand, remained at the prior year's level of 1,116 million metric tons, while rising demand caused inventories to fall by more than 5% within one year. As a result, prices for both wheat and corn were consistently above the five-year average.

Regional industry developments

Producer prices, some of which have reached historic highs, in combination with globally stable harvest expectations, strengthened the financial framework conditions of farmers. Regionally, however, the picture was more differentiated. While conditions for the wheat harvest were rather favorable in Europe, Ukraine and Australia, for example, the forecasts for the crop year 2021/22 were reduced for North America and Russia due to drought. Corn cultivation in Central Europe benefited from high rainfall in summer and a warm June. In Brazil, on the other hand, it was hampered by persistent drought. North America also struggled with mixed harvest conditions due to drought, which also limited the soybean harvest. On the other hand, favorable monsoon conditions in China and India benefited the harvest.

Despite the overall stable production, producer prices increased due to demand, especially in spring 2021. A major price driver was China's increased demand for feed, which was reflected in significantly rising soybean and corn imports since the beginning of the fiscal year.

In addition to the very positive price developments in agriculture, the noticeable recovery from the pandemic-related demand shocks of 2020 also benefited the agricultural equipment sector across the board. The VDMA predicts particularly

high sales growth in North and South America as well as in Russia in 2021.

Predominantly positive political conditions for agricultural equipment also played an important role. In Russia, the industry benefited from the government's investment promotion program and export subsidies. In the U.S., the agricultural sector was boosted by direct payments to farmers, which have been increased sharply in recent years, and coronavirus aid also supported order intake in some European countries, especially at the beginning of the fiscal year.

Ongoing Impact of and Response to the Coronavirus Crisis

CLAAS was able to build on the processes practiced in the first year of the pandemic. Crisis management teams continued to be active at our national and international locations, assessing the current situation and adapting our protection concepts accordingly. The majority of employees in the indirect areas continued to work from home during the fiscal year and benefited from reliable IT connectivity. Internal and external events continued to be run primarily in digital or hybrid formats.

Sufficient protective masks as well as testing kits and disinfection agents were available to staff present on site. In addition, test buses were regularly used at some locations, offering both self-testing and professional rapid tests. These offers met with a positive response everywhere and were very well received. In many countries, the state implemented the necessary vaccination measures on its own. CLAAS has supported these

campaigns and, where necessary, also initiated its own vaccination campaigns. At the German sites alone, we administered around 3,400 vaccine doses to employees and relatives within a few weeks with the help of an external service provider.

The sometimes severe disruption of supply chains continued to pose new, nearly daily challenges to the production process, with the immediate effects of the virus diminishing in importance. Here, too, the well-established processes for monitoring suppliers had a positive effect and enabled us to find some unconventional solutions to problems.

Overall, the extended pandemic management contributed to positive development of profitability at CLAAS, despite many adverse effects.

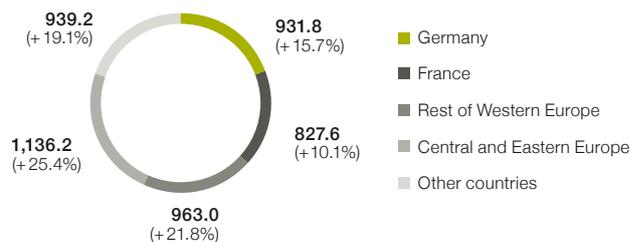
Financial Performance

Net sales by region ↗ 1

The CLAAS Group generated net sales of €4,797.8 million in the past fiscal year, up 18.7% on the prior year. Despite the ongoing pandemic and the major challenges posed by supply bottlenecks for important components, CLAAS was able to meet customer orders for the most part and report a significant increase in sales. Sales in markets relevant to CLAAS largely developed positively. Overall, the change in important exchange rates, such as U.S. dollars or Russian rubles, had no significant impact on sales. The share of sales generated outside Germany amounted to 80.6% (prior year: 80.1%).

1 _ Net Sales by Region

in € million/in % compared to prior year



Industry Trends
Ongoing Impact of and Response to the Coronavirus Crisis
Financial Performance

Net sales in Germany totaled €931.8 million (prior year: €805.5 million). The significant increase resulted from higher sales figures in almost all major product groups. Sales of combine harvesters, forage harvesters, and tractors in particular improved disproportionately.

The sales generated in France increased from €751.9 million in the prior year to €827.6 million. The sales increases were achieved primarily through higher sales of combine harvesters, forage harvesters, and balers. However, business in tractors and used machinery also developed very positively.

Sales generated in the Rest of Western Europe increased to €963.0 million (prior year: €790.7 million). In the UK, a significant improvement in sales was achieved after the decline in sales in the prior year, despite continuing uncertainties due to Brexit and its consequences. In Italy, strong demand from the market – partly supported by government subsidy programs – led to record sales. Demand for CLAAS products developed extremely positively compared to the prior year in Austria and Switzerland.

At €1,136.2 million, net sales in Central and Eastern Europe were up 25.4% from the prior-year figure of €905.8 million. The Russian Federation, Poland, Ukraine, and Romania contributed the highest sales volume within this region. Poland in particular saw a significant increase in sales due to government subsidy programs.

At €939.2 million, net sales generated outside of Europe were up 19.1% year on year (prior year: €788.4 million). Significant increases were generated in North America through new machine sales of combine harvesters, forage harvesters, and tractors. Due to this trend, CLAAS expanded its market position in the segment for large combine harvesters, in particular as a result of the launch of the new LEXION series. CLAAS was able to increase its sales in Argentina in spite of the difficult ongoing political and economic conditions there. CLAAS sales in Australia and India also developed very positively. The U.S., Canada, and China contributed the highest sales volumes outside Europe.

Income ↗ 2

Gross profit on sales improved by €240.6 million year on year, which resulted in a rise in the gross profit margin from 20.3% to 22.1%. The significant increase in gross profit was achieved through higher volume on the one hand, and through the improvement in sales margins on the other. Furthermore, the volume-related high production utilization resulted in a relative improvement in the gross profit margin.

Selling, general and administrative expenses increased year on year, but at a much lower rate than sales. Increased expenses for strategic initiatives and digitalization projects were offset by lower communication, marketing, and business travel expenses.

2_Income Statement (Summary)

in € million	2021	2020	Change
Net sales	4,797.8	4,042.3	755.5
Cost of sales	-3,737.5	-3,222.6	-514.9
Gross profit on sales	1,060.3	819.7	240.6
Selling, general and administrative expenses	-474.3	-441.9	-32.4
Research and development expenses	-251.9	-226.2	-25.7
Other operating income, net	32.8	4.7	28.1
Operating income	366.9	156.3	210.6
Income from investments, net	22.1	18.7	3.4
Financial result	-31.9	-16.9	-15.0
Income before taxes	357.1	158.1	199.0
Net income	272.6	107.1	165.5

Research and development costs rose to a new record high at CLAAS. They included the development and renewal of harvesting machinery and tractors, investments in electronics architecture for machine control and connectivity, and expenses for the digitalization of agricultural processes. Please refer to the section on “Research and Development” for more information.

Other operating income, net, saw an increase of €28.1 million year on year. In the current fiscal year, other operating income of €97.2 million was at the average level of prior years. By contrast, other operating expenses decreased to €64.4 million. In the prior year, this item was significantly higher at €89.2 million due to a cautious valuation of assets and liabilities in view of the unclear overall situation at the time.

Income from investments, net, mainly includes the respective share of income from the financing and leasing business of the CLAAS Financial Services companies.

The decrease in the financial result is mainly due to the negative development of foreign exchange gains and losses. The main drivers of this development in the course of the year were temporarily unfavorable exchange rate developments – particularly for the ruble and the U.S. dollar – in conjunction with volume expansions at the same time, as well as valuation effects on hedging transactions for the coming fiscal year. In contrast, net income from securities improved year on year due to positive valuation effects.

Despite the ongoing coronavirus crisis and major challenges on the procurement side, profit before income taxes rose by €199.0 million year on year to a record €357.1 million, significantly exceeding our expectations. This positive trend was due to a large extent to the significant improvement in gross profit. The return on sales increased to 7.4%, compared with 3.9% in the prior year.

Cash Position

Liquid assets ↗ 3

As of the reporting date, the CLAAS Group’s liquidity amounted to €1,237.9 million (prior year: €907.7 million). Liquid assets are mainly held as fixed-term deposits, money market securities, and investment funds. The significant increase in liquidity was mainly due to the further improvement in cash flows from operating activities.

3_Net Liquidity

in € million	Sept. 30, 2021	Sept. 30, 2020	Change
Cash and cash equivalents	539.1	524.1	15.0
Securities	698.8	383.6	315.2
Liquid assets	1,237.9	907.7	330.2
Financial liabilities*	757.4	759.3	- 1.9
Net liquidity	480.5	148.4	332.1

* Excluding derivative financial instruments.

Financial liabilities and credit facilities

The U.S. private placement, the “Schuldscheindarlehen” (German private placement) issued in 2015, and another

“Schuldscheindarlehen” issued in euros in a total of four tranches in the prior fiscal year were the largest individual financial liabilities items. The increase in cash and cash equivalents and securities, with financial debt remaining virtually constant, resulted in a €332.1 million improvement in net liquidity.

On the balance sheet date, the CLAAS Group had access to credit facilities from banks as well as a flexible syndicated loan totaling €686.5 million for general financing purposes, €649.0 million of which was unutilized.

Further information on the financial liabilities and the financial risk management are presented in the Notes 25 and 35 to the consolidated financial statements.

Off-balance-sheet measures

CLAAS uses the asset-backed securitization program (ABS program) to sell trade receivables to a structured entity on a revolving basis. Due to the seasonal nature of sales realization in the agricultural equipment industry, substantial financing is

Financial Performance
Cash Position

needed during the course of the year. By contrast, at the end of the fiscal year, the relatively lower level of capital tied up in working capital generally leads to a high liquidity level. The ABS program helps to effectively reduce seasonal liquidity

Asset and capital structure ↗ 4

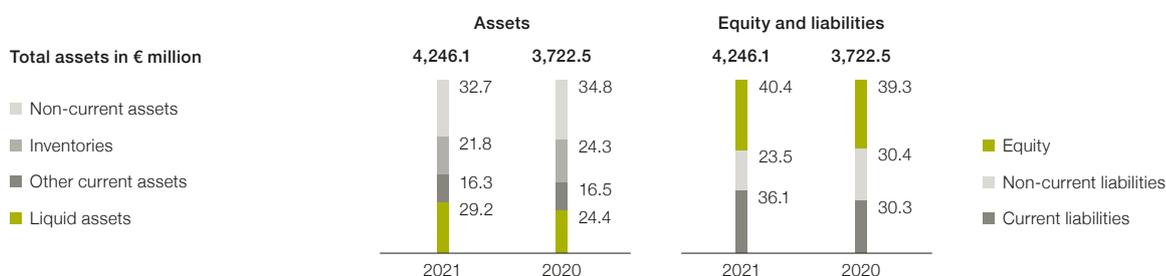
Non-current assets were covered by long-term financing, consisting of equity and non-current liabilities, at a ratio of 195.2% as of the balance sheet date (prior year: 200.5%). Non-current assets plus 50.0% of inventories were funded by

fluctuations. The volume of receivables transferred amounted to €159.8 million as of September 30, 2021 (prior year: €175.1 million).

long-term financing at a ratio of 146.4% (prior year: 148.5%). These figures testify to the CLAAS Group's sound capital structure.

4_Balance Sheet Structure

in %



Cash flows ↗ 5

5_Statement of Cash Flows (Summary)

in € million	2021	2020	Change
Cash and cash equivalents at beginning of year	524.1	491.3	32.8
Cash flows from operating activities	580.5	478.4	102.1
Cash flows from investing activities	-507.3	-376.6	-130.7
Cash flows from financing activities	-68.2	-49.3	-18.9
Effect of foreign exchange rate changes on cash and cash equivalents	10.0	-19.7	29.7
Change in cash and cash equivalents	15.0	32.8	-17.8
Cash and cash equivalents at end of year	539.1	524.1	15.0

The further increase in cash inflows from operating activities was mainly due to significantly higher net income. The increase in other provisions had no negative impact on cash flow.

Cash outflow from investing activities predominantly comprised outflow from capital expenditure. As in the prior year, investments were also made in predominantly money market securities, resulting in a total outflow of cash and cash equivalents of €308.3 million.

The cash outflow from financing activities resulted mainly from dividend payments and the repayment of lease liabilities.

The development of the free cash flow due to the influences described before is as follows: ➤ 6

6-Free Cash Flow

in € million	2021	2020	Change
Cash flows from operating activities	580.5	478.4	102.1
Net capital expenditure in intangible assets, property, plant and equipment, borrowings, and investments	-199.0	-170.3	-28.7
Free cash flow	381.5	308.1	73.4

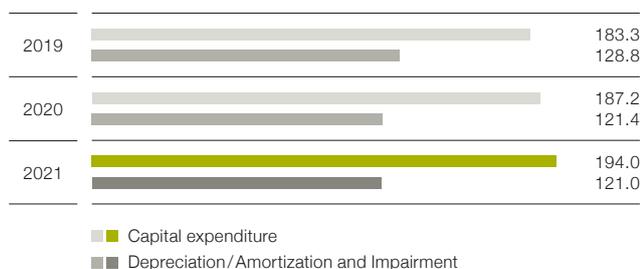
Capital expenditure ➤ 7

Capital expenditure came to €194.0 million in the reporting year. The additions mainly related to investments in the construction, expansion, and modernization of production and sales sites, in innovative technologies, and in new products. The ratio of capital expenditure to sales stood at 4.0% (prior year: 4.6%).

Investments in the construction, expansion, and modernization of production and sales sites were mainly made in Germany, Russia, and France.

7-Capital Expenditure, Depreciation/Amortization, and Impairment

in € million



In Harsewinkel, Germany, the final phase of the SynPro 2020 modernization project began during this fiscal year. A total production area of 15,500 m² was converted during the five-month construction period. The two combine assemblies were merged into one assembly line. As planned, no combine harvesters were produced at the main plant during the rebuild phase. During the last weeks of production in June 2021, a dust protection wall was installed in areas adjacent to the construction site and ceiling protection was prepared for the hall demolition. After the last combine harvester had left the assembly line, the assembly equipment was dismantled and put into storage

so that demolition of the hall roofs could begin. Work then proceeded on the reconstruction of the crane system and the floor and roof renovations. The work on the new combine harvester production was largely completed in November 2021. The first fully assembled combine harvesters will leave the new production line in early December.

A multi-year plant structure project was launched at the production site in Bad Saulgau, Germany. The aim is to further optimize processes in the assembly and logistics areas and to increase production capacity. The first infrastructure measures were carried out in the current fiscal year, including the construction of a new social building and a new employee parking lot. The technical equipment on the site was also adapted to future challenges.

Work continued on expanding metalworking and painting at the production site in Krasnodar, Russia, during this fiscal year. The positive development in Russia was taken into account with the consistent expansion of logistics and production areas as well as technical facilities. Installation of all equipment was completed in October 2021.

In May 2021, CLAAS officially reopened the tractor plant in Le Mans, France, after a three-year conversion phase, realized in parallel to ongoing production. The factory of the future offers higher production capacities and state-of-the-art production processes, making it possible to manufacture more complex and individually configured tractors. This involved in particular restructuring the internal logistics processes. Redesigning the workstations in line with the latest ergonomic standards was also a major focus. The redesign not only positively impacts employee motivation, it is also an important aspect of further quality improvement. The modernization of the tractor plant was recognized by the French government in 2019 as a showcase project for the industry and as an "Industry of the Future". This year, CLAAS also received the "Choose France Award" for outstanding foreign investment in France.

After the completion of the high-bay warehouse in 2019, the next project of CLAAS Service and Parts GmbH in Hamm, Germany, is now on the agenda for the coming fiscal years. It involves enlarging the automated small parts warehouse using the space gained by the construction of the new high-bay warehouse. The expansion of the bays is intended to secure storage capacity for further growth in the range of parts and to increase the availability of spare parts.

Cash Position
Financial Position

CLAAS has already commissioned its new location in Herzebrock-Clarholz, Germany, at the end of 2020. Meanwhile, the office capacities in Harsewinkel have reached their limits due to CLAAS' continued growth in recent years. A fully-fledged CLAAS location with the best working conditions was opened. CLAAS Vertriebsgesellschaft mbH and employees from international sales IT moved from Harsewinkel to Herzebrock-Clarholz. Flexible workstations have been set up for employees in the IT department, which can be used according to topic and activity. This strengthens the exchange between teams and promotes agile working. A total of approximately 200 employees work in Herzebrock-Clarholz.

In addition, CLAAS is investing in the expansion and digitalization of business processes at all levels of the sales organization. New systems and applications are set to enhance communication among CLAAS, dealers, and customers.

Investments in the testing and production of new products made within the scope of the extensive development program accounted for a substantial share of capital expenditure.

At the end of the fiscal year, CLAAS had financial obligations totaling €22.1 million relating to future capital expenditure.

Financial Position ↗ 8

8_Balance Sheet (Summary)

in € million	Sept. 30, 2021	Sept. 30, 2020	Change
Assets			
Intangible assets	313.5	289.2	24.3
Property, plant and equipment	612.2	561.6	50.6
Right-of-use assets	82.6	88.1	-5.5
Investments accounted for using the equity method	160.8	156.8	4.0
Inventories	926.5	905.8	20.7
Trade receivables	441.3	373.8	67.5
Liquid assets	1,237.9	907.7	330.2
Other assets	471.3	439.5	31.8
Total assets	4,246.1	3,722.5	523.6
Equity and liabilities			
Equity	1,717.1	1,464.1	253.0
Financial liabilities	757.4	759.3	-1.9
Provisions	1,132.6	979.9	152.7
Trade payables	278.4	233.1	45.3
Other liabilities	360.6	286.1	74.5
Total equity and liabilities	4,246.1	3,722.5	523.6

Total Group assets rose by €523.6 million year on year to €4,246.1 million compared to September 30, 2020. A major reason for this significant increase on the assets side was the strong positive development of liquidity as well as an increase in property, plant and equipment and trade receivables. This development was accompanied by an increase in equity, provisions, and trade payables.

Intangible assets increased year on year to €313.5 million. This was caused primarily by the rise in development costs recognized as an asset by €13.2 million to €245.6 million.

Inventories increased slightly by €20.7 million compared with the prior year. While the inventory of used machines was reduced, there was an increase in the new machinery sector. This development was related to the SynPro 2020 project in Harsewinkel, Germany, as machines in some product groups were already produced in advance.

Trade receivables and payables developed in opposite directions and ultimately led to a slight reduction in working capital. The share of working capital to total assets dropped significantly to 23.4%. Working capital developed as follows: **9**

9_Working Capital

in € million

2019	1,170.0
2020	994.7
2021	992.6

Other assets increased by €31.8 million to €471.3 million. They mainly comprise deferred taxes, tax receivables, and assets relating to ABS transactions.

Research and Development

In the reporting year, research and development costs increased by 10.5% to €262.3 million **10**. Activities were focused on new models and the further development of harvesting machinery and tractors. Investments in electronics architecture for machine control and connectivity, as well as in the digitalization of agricultural processes, also continue to account for a significant share of the CLAAS Group's total research and development costs.

Product innovations

CLAAS is continuing its new model campaign in harvesting technology launched in 2019 with the new TRION series models. In addition to straw walkers, the new range also includes hybrid models with single or double rotors. In addition, the models are available in TERRA TRAC tracked version and MONTANA version for slopes. The customer can tailor the

The change in the equity of the CLAAS Group involves a variety of factors, some of which with opposing effects. Net income of €272.6 million, which corresponded to return on equity of 15.9%, had a significant positive effect. By contrast, the dividend payment made in fiscal year 2021 reduced equity. The measurement of pension provisions with no effect on profit or loss had a slightly positive impact caused by an increase in the discounting rate compared with the prior year. Given that equity developed disproportionately to the increase in total assets, the equity ratio increased to 40.4% (prior year: 39.3%).

The rise in provisions was due to a variety of effects. Tax provisions increased due to the significantly improved earnings situation compared with the prior year. The increase in other provisions resulted, among other things, from the increase in sales-related obligations and therefore followed the significant rise in sales.

In addition to the silent partnership, other liabilities mainly include deferred income, other taxes, and liabilities to investments.

10_Research and Development

		2021	2020
Research and development costs (total)	in € million	262.3	237.4
Research and development cost ratio	in %	5.5	5.9
Development costs recognized as an asset	in € million	53.2	52.6
R&D capitalization ratio	in %	20.3	22.2
Amortization / impairment of development costs recognized as an asset	in € million	42.9	41.5
Share of workforce involved in research and development at the CLAAS Group	in %	12.2	12.4
Active patents	Number	4,409	4,307

TRION as needed thanks to the various types of configuration options available. As a result, the new model fits the markets in Europe as well as in North and South America. The new TRION

Financial Position
Research and Development

stands for high levels of adaptability to specific farms and crops during harvest. The TRION can be adapted to different requirements with its simple, rapid, tool-free crop change and a wide range of cutterbar types and widths. Proven APS threshing technology, coupled with JETSTREAM cleaning and a large grain tank, contributes to high performance. CEMOS AUTOMATIC makes harvesting even more precise and therefore more efficient.

In the course of the introduction of Stage V emissions standards, CLAAS is equipping ARION 400 tractors with new performance-enhancing features. The seven models in the line cover a range from 90 to 155 hp maximum output. The new Stage V engines clean exhaust gases using an effective combination of SCR-on-filter technology and diesel oxidation catalyst. This means that the engines not only operate cleanly, but also remain highly efficient, with low diesel and AdBlue consumption.

CLAAS offers two new wheel loader models, the TORION 2014 and the TORION 1913, both featuring more engine power and more lifting capacity. The overload height and width have been increased by extending the wheelbase by 10 cm, thereby allowing the highest trailers to be safely loaded. In addition, the higher operating weight of the two models – 18.5 t for the TORION 1913 and 19.6 t for the TORION 2014 – ensures optimum balance and maximum stability under heavy loads.

QUADRANT square balers have been given a comprehensive technical update in terms of performance and maximum durability, therefore this new generation is called EVOLUTION. The highlight of the QUADRANT EVOLUTION is the new high-density pickup with two cam tracks. The design, unique on the market, guarantees maximum torsional rigidity and a high level of robustness. Wear costs are reduced by using heavy-duty components from the CLAAS JAGUAR forage harvester pickup and reworking various materials. The baling channel has also been optimized, resulting in a further improved bale shape and slightly higher baling density. The new QUADRANT EVOLUTION features a new front frame and headstock, making it easier to hitch the square baler to

the tractor. In addition to the mechanics, the electronic operation of the square baler has also been simplified: it can now be operated via CEMIS 700, CEBIS, or any other ISOBUS compatible terminal.

The DISCO CONTOUR disc mowers series is reinforced with the DISCO 4400 CONTOUR. From now on, the 4.20-meter-wide rear mower, in combination with a front mower, is a powerful and efficient alternative to simple triple mower combinations. Thanks to the MAX CUT mower bar, ACTIVE FLOAT relief and a large range of disc speeds, the DISCO 4400 CONTOUR also requires less power to guarantee excellent cutting quality as well as high driving speed.

CLAAS has revised the large VARIO cutterbars from 10.80 meters to 13.80 meters. New rapeseed knives are available for the large VARIO models, featuring mechanical drives with integrated overload clutch and increased cutting force. This enables even the most difficult areas on field edges and bends, or with heavy weed growth, to be traversed reliably and without disruption. The operator can react immediately to heterogeneous harvesting conditions through the CEBIS terminal by simply pushing a button from the cab, using the hydraulic height adjustment on the intake auger.

Awards

Every year, a jury of agricultural journalists from various countries presents the Tractor of the Year Awards. This year, the CLAAS AXION 960 CEMOS was voted first place in the Sustainable Tractor of the Year 2021 category. The Sustainable Tractor of the Year Award was presented for the second time and is intended to recognize tractors that stand out for their particularly sustainable technologies. In addition to the introduction of the Stage V emissions standard for the AXION 900 series, the large tractors can now be equipped or retrofitted with a CTIC tire pressure control system and the CEMOS self-learning dialog system for tractors. Optimization of technology, electronics, and tire pressure results in remarkable fuel savings for the AXION 960 CEMOS and makes it perform much more efficiently in the field.

Purchasing

In contrast to the prior year, 2021 was characterized by an upturn in the economy and high capacity utilization across the industry. Combined with the coronavirus crisis, these conditions led to an extraordinary rise in steel prices.

Despite the unfavorable development of steel as the main input factor, further increases in capacity utilization on the part of suppliers, and a rising production program, price increases were largely avoided thanks to timely reaction.

Purchasing communicated risk reports at an early stage and, together with logistics, focused on safeguarding established price positions and ensuring availability for as long as possible. The matrix organization already in place in the areas of Purchasing and Supply Chain Management provided a solid basis for managing the crisis, enabling production requirements to be met for the most part.

Logistics were very tight due to numerous influences such as the obstruction of the Suez Canal, Brexit, and the coronavirus pandemic. A particular challenge was the lack of empty

containers for sea transport. The excess traffic at ports resulted in surcharges and extended transit times. Air freight utilization was also at a record level due to generally strained supply chains. In land transportation, there was strong demand for trucks for the UK, specialized vehicles for machinery transportation in Europe, and container chassis availability in the U.S.

The department responsible for purchasing non-production material focused on major investments, IT projects, and optimizing purchasing processes. Various investments in buildings and facilities, such as in SynPro 2020 or the new site in Herzebrock-Clarholz, Germany, were successfully completed. Close monitoring and early discussions with supply partners successfully countered delivery delays due to upstream supplier bottlenecks.

Strategic projects in the area of business process digitalization were also commissioned, focusing in particular on the area of Sales and Service. Purchasing is also participating in new concepts for virtual events and product presentations.

Employees

HR indicators ↗ 11

Personnel expenses increased by around 10.5% to €819.8 million (prior year: €742.2 million). As of September 30, 2021, the CLAAS Group employed a total of 11,957 people (prior year: 11,395) worldwide, approximately 51.6% of which outside of Germany ↗ 12.

Training

As of September 30, 2021, the CLAAS Group employed 775 apprentices (prior year: 714), 473 (prior year: 430) of which in Germany. CLAAS trains young people in Germany in various technical and business professions, as well as within a “dual study” program, with alternating phases of theory and practice. The same applies to other countries in which CLAAS operates, such as France, Hungary, the UK, and India.

11 _HR Indicators

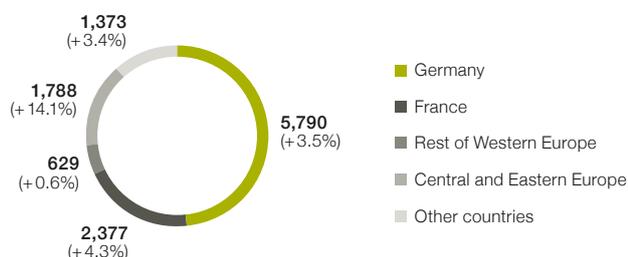
		2021	2020
Employees as of the balance sheet date ¹	Number	11,957	11,395
Male employees	in %	87.0	86.7
Female employees	in %	13.0	13.3
Average age	in years	40.2	40.2
Length of service	in years	11.7	11.8
Fluctuation	in %	6.4	8.3
Personnel expenses	in € million	819.8	742.2
Vocational and further trainings costs	in € million	19.1	18.7

¹ Including apprentices.

Purchasing
Employees

12_Employees by Regions

Employees/in % compared to prior year



Personnel development

At CLAAS, strategic corporate objectives are directly connected with targeted investments in its employees. Managers and employees coordinate qualification and further development opportunities with individual needs throughout their careers. Offerings include workplace learning, exchange formats, seminars, development programs, self-directed learning, or attendance at professional conferences. The demand for training opportunities at CLAAS is rising continuously. The further training program was maintained and expanded through virtual alternatives during the pandemic.

Junior staff development

CLAAS cooperates closely with schools and institutions of higher education, and exercises a wide range of vocational training and orientation initiatives. Fairs, training days, and internships enable young people to establish early contact with the potential employer. CLAAS was recognized for its particularly student-friendly communication. The company is ranked 7th in a Germany-wide trainee ranking by the market research institute Potentialpark. School graduates may also apply to complete technical or commercial vocational training at any of our sites in Germany or enter into a bachelor's program at Baden-Wuerttemberg Cooperative State University. Maintaining contact with apprentices, students participating in the "dual study" system, and interns even after their time at the Company is very important to CLAAS. The CLAAS Next Generation alumni program is used in a targeted manner to ensure the loyalty of talented young people in the long term. After finishing their studies, direct entry positions or the international trainee program offer a great opportunity for graduates to start their careers at CLAAS. The award-winning trainee program focuses on engineering, finance/controllers, sales, as well as software and electronics.

Employer rankings and employer branding

CLAAS has successfully positioned itself as an attractive company among its target groups so as to continue securing talent in the future. CLAAS is regarded as being a popular employer both nationally and internationally, a fact that is confirmed every year by the top positions that CLAAS secures in employer rankings. For example, CLAAS achieved 34th place among the 100 most popular German employers for engineering students in the employer ranking of the independent market research company Trendence Institut. In addition, CLAAS was once again recognized as a "MINT Minded Company" this year. This award recognizes that CLAAS provides special support to students and specialists in the fields of science, technology, engineering, and mathematics and is perceived by them as a particularly attractive employer. CLAAS is also actively and systematically encouraging young women to enter technical professions.

Performance-based pay

As a responsible employer, CLAAS offers our employees competitive, performance-based pay that is aligned to the long-term requirements of the Company. Systematic job evaluation ensures that our remuneration structures are both sound and commensurate. All domestic employees may become silent partners of CLAAS through CMG CLAAS Mitarbeiterbeteiligungs-Gesellschaft mbH. We aim to create a balance between business interests of the CLAAS Group and employees' professional, personal, and family needs. This includes offering employees the option to have flexible working hours, mobile working, learn more about the need for a work-life balance, and to take advantage of home office regulations.

Women in leadership positions

CLAAS aims to promote the training and education of young women through offers such as a Female Day and a mentoring program for students of science, technology, engineering, and mathematics (STEM). These measures have already resulted in candidates applying to join CLAAS' training and trainee programs.

In relation to Germany's law on the equal participation of women and men in executive positions, a new target was resolved in July 2017, which applies through June 30, 2022. The aim is to maintain or, if possible, increase the percentage of women in executive positions over this period. The target for the Supervisory Board stands at 8.3%. The target for the first management level stands at 7.7%, with the target for the

second management level at 4.0%. In setting these targets, CLAAS took into account industry-specific circumstances and the current percentage of women on staff.

The mentioned statement pursuant to Sec. 289f (4) of the German Commercial Code (HGB) is an integral part of the management report. The audit by the auditor is to be limited pursuant to Sec. 317 (2) Sentence 6 HGB to whether these disclosures have been made.

Risks and Opportunities

Internal control and risk management system

As a globally active corporate group, CLAAS is subject to various types of risk. Taking preventive measures to counter possible risks, as well as identifying, measuring, and adequately responding to these risks at an early stage, are key components of the CLAAS risk management system. At the same time, entrepreneurial activity at CLAAS also means deliberately entering into calculable risk to allow the Company to take advantage of the related opportunities.

Within the CLAAS Group, a uniform, Group-wide risk management system is an integral part of corporate management and the controlling organization. This serves to take advantage of opportunities, identify any significant risk that could endanger the ability of the Company to continue as a going concern, and ensure appropriate risk handling. The risk management system and implemented risk controlling utilize a wide variety of information for ongoing identification, evaluation, and control of risks. The existing system, which is continually being developed further, complies with all statutory early warning requirements.

The Group's reporting system represents an essential element in the continuous monitoring of economic risks. In addition to the data supplied for external reporting, detailed internal reports and evaluations are provided to decision makers on a monthly basis. Budgets are monitored for deviations, earnings projections for feasibility, and any new risks are identified, evaluated, and documented on an ongoing basis. The assessments are made on an ongoing basis for the current fiscal year and as part of the strategy process over the medium-term planning horizon. The management report usually covers a

period of twelve months. Risks are assessed on the basis of the probability of occurrence of an estimated maximum risk exposure before the implementation of counter-measures.

Within existing organizational structures, the risk management system is accounted for and supported by the operating and administrative areas of responsibility. In addition to the regular information provided, an obligation to prepare ad hoc risk reports ensures prompt Group Executive Board action at all times. The Internal Auditing department of CLAAS is responsible for monitoring the adequacy of the risk management system and conformity with regulations.

The aim of the internal control and risk management system for the financial reporting process and the Group financial reporting process is to ensure the effectiveness of the accounting system and its adherence to generally accepted accounting principles and guarantee compliance with statutory norms, financial reporting standards, and intragroup accounting policies, which are binding for all companies included in the consolidated financial statements. The key information on this is available to the entire Group via the CLAAS intranet. CLAAS ensures that all information is up to date by conducting continuous analyses of any changes to determine their relevance and their impact on the financial statements. The Group Accounting department is primarily responsible for this task. CLAAS prepares its financial statements using a Group-wide reporting system that is also used for preparation of the budget, medium-term planning, and estimates during the fiscal year. The reporting system incorporates principles, processes, and controls to ensure that the financial statements comply with all requirements and are submitted on time.

Employees
Risks and Opportunities

The following examples are representative of these principles, processes, and control mechanisms:

- Group-wide specifications for accounting, measurement, and account coding of key items that are updated and communicated to the responsible departments within the scope of training courses on an ongoing basis;
- Organizational measures in combination with access authorizations for accounting systems, separation of tasks, and rights of disposal;
- Dual control of financial reporting processes and in connection with the preparation of the financial statements;
- Internal audit procedures;
- Activities of external service providers.

The Internal Auditing department conducts regular risk-oriented reviews as well as reviews on a case-by-case basis of key business processes at companies in Germany and abroad. It determines whether legal requirements and internal instructions are being adhered to, and also whether the internal control system is effective and functional. As part of the reviews, the Internal Auditing department agrees on suitable measures with the respective company management team, which are then implemented by the Company. The Internal Auditing department also monitors their implementation. All audit results are reported as well. Internal audit activities, such as annual risk-oriented audit planning, documentation of audit activities and results, reporting, and follow-up measures, are set forth in rules for the Internal Auditing department and an audit manual. The tasks and activities are based on the rules of the Institute of Internal Auditors and of "Deutsches Institut für Interne Revision" (German Institute for Internal Audit), and they are supported by audit software. The most recent audit of the internal audit system in accordance with IDW PS 983 demonstrated full compliance with the quality assessment requirements.

A trust hotline was set up in 2021 for the confidential communication of grievances and breaches of laws and regulations within the Company. The overarching aim is to prevent harm to employees, customers, business partners and the Company. In addition to using the internal channels, active or former employees of the CLAAS Group as well as business partners such as sales partners, customers or suppliers can also turn to an external ombudsman in confidence with information.

More details on the main risks and opportunities are provided below.

Market risk

The risk landscape of CLAAS is affected by variations in harvest yields, decisions on agricultural policies, farmers' incomes, as well as intense competition in the industry. In view of demand trends for agricultural equipment, markets in Asia, especially China and India, as well as in Central and Eastern Europe, above all Russia, are of particular importance for the CLAAS Group. These markets have huge potential; however, CLAAS sales activities are hampered in some countries in these regions on account of the prevailing market conditions there. These include customs barriers, minimum requirements relating to the share of local manufacturing, payment and convertibility restrictions, or political and economic insecurity. At the same time, there are opportunities that go above and beyond current planning that can emerge from quicker growth in markets with a comparatively low level of mechanization. Risks and opportunities are managed centrally by monitoring and evaluating market-related indicators in conjunction with the specific country risks.

Markets and their early warning indicators are carefully observed on an ongoing basis in order to identify any fluctuations in demand or changing buying behavior in sales regions at an early stage. This ensures that product strategies are kept up to date and are adapted in response to changing customer requirements and reactions from competitors.

Research and development risk

Along with controlled risk-taking, acting entrepreneurially at CLAAS involves dealing in depth with all risks along the value chain. With innovation cycles becoming increasingly shorter, research and development play a pivotal role. The aim is to ensure that innovative and technically mature products are created and brought to market for the benefit of customers. Risks from possible mistakes in development, increased ramp-up costs for new products, delays to product launches, and regulatory requirements are counteracted through the systematic expansion and ongoing monitoring of research and development activities. CLAAS counteracts the risk that products may not be developed within the planned time frame, at targeted levels of quality, or at the specified costs by continuously and systematically monitoring the progress of all projects using a clearly defined process.

Purchasing risk

The 2021 business year was characterized by persistently high supply risks. The coronavirus crisis and its aftermath continued to have a massive impact on the availability of materials. After many companies had to scale down production in the prior year due to lockdown measures, demand picked up strongly again in many markets this year and suppliers' production capacities were often unable to keep pace with this development. In the electronics sector in particular, the recovery of the automotive industry coupled with high demand in the entertainment industry led to critical shortages. Brexit, the obstruction of the Suez Canal, and, in some cases, exceptional weather conditions further massively impacted the already tense global transport situation.

Close monitoring of supply chains enabled series production at the sites to be largely maintained despite many missing parts and a high outlay for reworking. Future availability risks will continue to be monitored closely. Measures to sustainably increase procurement security are being implemented in close cooperation between Purchasing, Logistics, and Production. Availability workshops are also being held for critical groups of goods. Although the increase in suppliers' capacity utilization mostly had a positive effect on their liquidity, we are continuing to monitor suppliers' financial situation closely through Financial Monitoring.

Production risk

In CLAAS production, all equipment is serviced regularly, and any potential sources of risk are eliminated by renewing the equipment in order to reduce the risk of production downtime. In addition, advantageous insurance contracts protect CLAAS from the effects of production outages. Flexible working time models ensure that the required human resources can be adjusted to meet the degree of capacity utilization. To reduce quality risk, a central quality management department guarantees adherence to and fulfillment of predefined standards. The "Ongoing Impact of and Response to the Coronavirus Crisis" section contains a full description of how CLAAS reacted to the pandemic.

Personnel risk

CLAAS has a constant need for highly qualified specialists and management executives. At the moment, CLAAS does not see itself exposed to risks arising from a shortage of certain types of employees on the labor market and resulting delays in finding successors for critical positions. With its personnel strategy, CLAAS focuses above all on in-house junior staff advancement as well as systematic training and personnel development. Aside from "dual study" programs, the international trainee program ensures that highly qualified employees can be trained within the Company. In addition, CLAAS also offers measures to promote and maintain employee health. For a comprehensive description of personnel activities, please see the "Employees" section.

IT risk

Business processes at CLAAS are supported by powerful, state-of-the-art IT systems. The Group's uniform global IT strategy allows systems to be effectively and continuously adapted to reflect current requirements and developments. This also includes adapting to new and changing IT risks, which have increased significantly in recent years and which CLAAS now deems critical.

CLAAS implemented a security strategy at an early stage, which includes preventive measures as well as the timely detection of safety incidents in order to be able to react appropriately. Actively monitoring the threat situation in the cybersecurity environment allows us to identify and implement the organizational and technical measures required to increase IT security.

In order to avoid disruption, CLAAS places particular importance on standardized hardware and software environments, the integrity and safety of data, and on user management. Reliable data backup systems are complemented by systematic and varied employee training.

Risks and Opportunities

Legal risk

CLAAS is exposed to risks relating to international and national tax, competition, patent, trade, and liability law. Decisions at the CLAAS Group are made after intensive legal review and consultation so as to avoid these risks. Selected risks are transferred to insurance companies by means of global master policies and national framework agreements on a uniform basis across the Group.

Financial risk

Due to its business activity, the CLAAS Group is exposed to risks and opportunities from exchange rate and interest rate volatility. On the procurement side, the CLAAS Group is exposed to commodity price risk and supply security risks. Credit risks that could result from payment default or delayed payments are minimized through effective receivables management, close cooperation with banks, and credit insurance. Liquidity risk can result from a significant decline in operating business performance, restriction of the free movement of capital, or as a result of the risk categories mentioned above. These risks are identified for the entire CLAAS Group and measured, monitored, and managed centrally by Group Treasury. The hedging instruments primarily used are foreign exchange outright and options, as well as interest rate swaps. The risk management software in use enables independent valuations, performance measurement, and forward-looking scenario simulations of the utilized financial instruments. CLAAS is fully compliant with the risk management requirements that the European Market Infrastructure Regulation (EMIR) of the European Parliament and the European Council imposes on non-financial counterparties below the clearing threshold.

CLAAS measures liquidity development on an ongoing basis in the form of daily, weekly, and monthly reports with an increasing level of detail. Potential liquidity risks are countered by maintaining sufficient financing commitments and cash and cash equivalents, as well as through the ABS program and the international cash management strategy.

Risk management in relation to financial instruments, as well as the quantifying of concluded hedging instruments, is explained in Notes 34 and 35 of the consolidated financial statements.

Strategic refinancing risks are managed at CLAAS by a relatively long duration target for drawn borrowings.

Risks related to payment security have become increasingly important in recent years. CLAAS is responding to this constantly growing challenge through Group-wide information and training for employees in affected areas, the monitoring of payment transactions as part of the scope of the cash management process, clear responsibility structures and process definitions, and the systematic implementation of dual control at all process levels, especially payment execution, among other measures. Great importance is also placed on preventing money laundering. Binding group-wide guidelines are supplemented by corresponding employee training and the provision of information and documentation.

In the area of dealer and sales financing, the CLAAS policy of following a traditional captive financing model only to a limited extent has paid off. The risk mix has remained sustainable thanks to the close integration of CLAAS Financial Services companies into the risk management and lending processes of a major European commercial bank, and the practice of concentrating primarily on business with retail customers.

Overall risk assessment

Following the continuous analysis of the information provided by risk management and risk controlling in the fiscal year 2021, all quantifiable risks were deemed to be not material to the extent that provisions have not already been made for them in the annual financial statements. For information on the existing financial risks, please see the notes to the financial statements. The further progress and the length of the coronavirus pandemic is still not reliably predictable. The increasing vaccination rate in many countries relevant to CLAAS offers hope that renewed lockdown scenarios can be avoided.

In addition, the handling of the pandemic in recent months has shown that CLAAS was largely able to avert any adverse effects. As a result, there are currently no identifiable risks for 2022 that could endanger the existence of the CLAAS Group or any of its major subsidiaries as going concerns, either individually or in conjunction with other risks, even if the pandemic were to continue.

Outlook

Economic frameworks

Global real gross domestic product is expected to grow in the coming years. The IMF forecasts growth of 4.9% in 2022, the World Bank of 4.3%, and the OECD's latest estimate was 4.5%. For 2023, the World Bank expects a return to pre-pandemic growth rates. The forecasts have been revised upward due to vaccination progress during 2021. Economic performance has already returned to pre-pandemic levels in a few countries – for example China, the U.S., and Russia. This is expected for Germany and India at the turn of 2021/22, and for Canada, Brazil, and some European countries in the course of 2022.

In 2020 and at the beginning of 2021, international trade was primarily impacted by the global coronavirus pandemic, and subsequently by disrupted logistics chains and individual events such as the obstruction of the Suez Canal. Despite continued protectionist tendencies, a significant recovery is forecasted for the remainder of the calendar year and into 2022.

The international mechanical engineering sector will also see substantial sales growth of around 5% in 2022 in the VDMA's base scenario. The VDMA forecasts growth of around 4% for the global agricultural equipment industry in 2022.

Meanwhile, the USDA expects global cereal production (including rice) to increase to 2,781 million metric tons in the current crop year 2021/22. Although wheat production is expected to remain at the levels of one year ago after a significant downward revision in August, corn (+7.4%) and soybean (+5.4%) production are expected to grow. Total inventories will nevertheless decline as a result of the substantially increased demand for wheat.

Regional industry developments

The USDA expects that the 2021/22 crop in Europe will remain at the average level of the prior year. The order situation in the agricultural equipment sector has already partially weakened towards the end of fiscal year 2021, with the result that sales in the European market are likely to remain constant. There is also ongoing uncertainty in the EU arising from the

requirements of the European Green Deal, the Common Agricultural Policy and the expiration of coronavirus aid.

By contrast, in Russia, expectations for the wheat harvest in the current crop year are noticeably below the prior year's figure and it is unlikely to exceed 80 million metric tons. There are also uncertainties regarding the further development and scope of Russia's subsidy policy. However, the investment climate among farmers remains stable at a high level. In Ukraine, the wheat harvest is expected to be strong.

In North America, positive crop expectations dominate despite the drought in 2021, with wheat being an exception. Politically, it is unclear whether the U.S. government will follow up on its predecessor's high subsidy payments, which recently accounted for a significant share of farmers' income. Nevertheless, the resumption of export opportunities for agricultural products is leading to more liquidity in the North American market, and to growth potential in 2022, especially for large agricultural equipment.

Crop expectations in South America are higher than last year, creating a favorable situation for agricultural equipment manufacturers. In Asia, expected volumes are stable.

Moreover, in view of a growing world population, rising consumption of animal-based nutrition worldwide, and consequently continued strong demand for agricultural products, grain prices are expected to remain strong which will continue to offer potential for agricultural equipment in the future.

However, growth potential will continue to be threatened by fragile supply chains in the coming fiscal year. Regional coronavirus outbreaks may therefore also limit production capacities in agricultural equipment, which would likely be followed by price increases in view of continued high overall economic demand. Moreover, the short supply of semi-conductors, combined with the continued high costs of energy, raw materials, and logistics, may weigh on earnings. Inflation expectations for 2022, however, are currently rather moderate, especially for industrialized countries.

Outlook

It remains to be seen how the ongoing coronavirus measures will affect the recovery of the global economy in general and the upturn in agricultural equipment in particular.

General statement on the development of business and outlook

Business performance in 2021 was characterized by challenging economic conditions, in particular due to widespread uncertainty arising from COVID-19, but also caused by supply bottlenecks and in some cases massive price increases for production components and logistics. The CLAAS Group was nevertheless able to increase sales in all regions, driven by high global demand for agricultural equipment. CLAAS improved its market shares in combine harvesters and forage harvesters, particularly in its core markets. The launch of the new LEXION combine harvester generation played a key role in expanding the market position. CLAAS also recorded a significant increase in sales in the tractor segment, with market shares rising slightly overall. Despite the challenges on the procurement markets and the additional efforts caused by COVID-19, earnings were well above expectations.

The CLAAS Group expects demand for agricultural equipment to remain stable overall in the main sales regions in fiscal year 2022. Robust growth drivers continue to be anticipated for some of CLAAS' core markets in particular. In spite of the uncertainties described below, CLAAS still expects sales in fiscal year 2022 above the prior year.

In view of the coronavirus pandemic, and smoldering international trade conflicts, with the risk of new bilateral sanctions in trade, finance, and other aspects of the economy, adverse effects on sales and income at the CLAAS Group cannot be ruled out. At the same time, the supply situation and price developments on the procurement markets pose a higher risk than in prior years.

Further risks may arise from weakening industry development and changing political frameworks for farmers in some markets.

The CLAAS Group will consistently pursue the strategy it has adopted, increasingly developing the growth markets in Eastern Europe and North America for CLAAS products. CLAAS' capital expenditures in the current year will exceed the high level of 2021. If market conditions change, the volume can be flexibly adapted. The development of innovative products and intelligent technologies will continue apace in the current fiscal year. However, it will take some time for the expenses associated with such development work to be recouped by the corresponding revenues. The CLAAS Group will continue its efforts to increase efficiency and achieve sustainable cost reductions in the current year. Due to the aforementioned availability and price risks, the CLAAS Group expects earnings before taxes for the current fiscal year 2022 to be slightly below the prior-year level.