

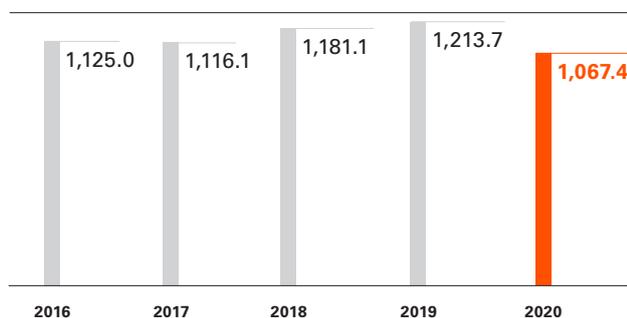
SALES AND EARNINGS REVIEW

Sales at TAKKT decreased significantly by 12.0 percent due to the coronavirus pandemic and its economic consequences. The effect from the additional contribution from an acquisition and the negative currency effects almost canceled each other out. In organic terms (i.e., adjusted for the effects of acquisitions, disposals and exchange rates), sales development came to minus 11.8 percent. On the whole, the Web-focused Commerce segment slightly outperformed the Omnichannel Commerce segment. Depending on the respective end markets, the extent to which the individual business units within the segments were affected by the crisis varied greatly. TAKKT responded very quickly to the new conditions during the crisis and successfully implemented cost-cutting measures. After taking one-time effects into account, the Group generated EBITDA of EUR 92.6 million and a high single-digit EBITDA margin despite the effects of the pandemic.

DECLINE IN SALES DUE TO PANDEMIC

Almost all of the Group's activities suffered a significant decline in customer demand due to the economic consequences of the coronavirus pandemic. Many customers were directly affected by the protective measures to prevent the spread of the virus, such as the conference and event sector, the foodservice sector, and also industry and commerce. In addition, the pandemic created a very high level of economic uncertainty and difficulty in planning, which had a significant adverse impact on the ordering behavior of customers at certain times. In 2020, TAKKT generated sales totaling EUR 1,067.4 (1,213.7) million, corresponding to a 12.0 percent decrease compared to the previous year.

Sales in EUR million

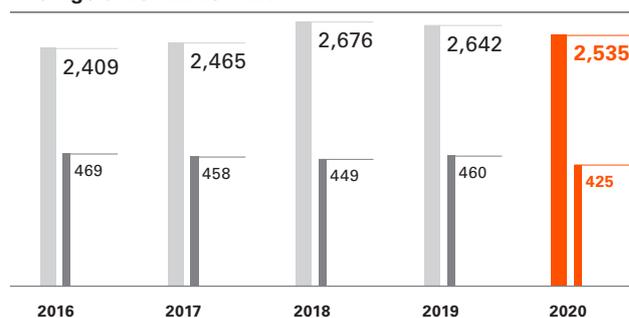


The acquisition of XXLhoreca, which was completed at the beginning of May 2019, had a positive effect on sales development of half a percentage point in the year under review. Due to the lower value of the US dollar relative to the euro, changes in exchange rates had an overall negative effect of 0.6 percentage points. Organically (i.e., adjusted for the mentioned effects), Group sales were down 11.8 percent on the previous year.

ORDER VALUES IMPACTED BY ORDERING BEHAVIOR DURING THE PANDEMIC

The number of orders in the year under review decreased to 2.5 (2.6) million. The acquisition of XXLhoreca had a slight positive effect on the development of order numbers. Adjusted for this change, the number of orders was 5.1 percent lower than in the previous year. The average order value decreased to EUR 425 (460) and was slightly impacted by the negative effects from the acquisition and currency fluctuations. Organically, the average order value decreased by 6.5 percent. Factors contributing to this were the change in order behavior during the pandemic and structural effects due to the difference in growth between the business units.

Number of orders in thousands
Average order value in EUR



E-COMMERCE SHARE CONTINUES TO GROW

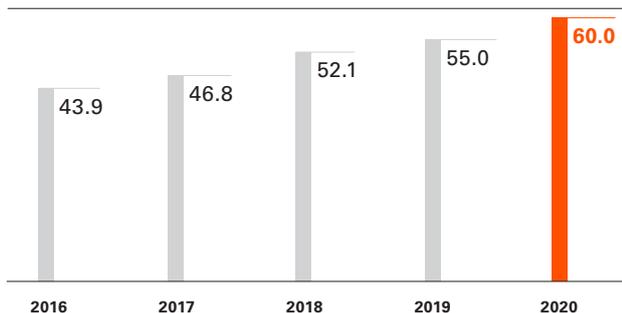
In the omnichannel approach, it is important to differentiate between marketing and sales impulses on the one hand and the order intake method on the other. When allocating incoming orders, only the method by which the order has been received can be determined directly. Indirect conclusions about marketing or sales impulses can, however, be a valuable source of information with respect to the diverse internal links in omnichannel models.

In 2020, order intake via e-commerce was significantly more stable than business as a whole. Adjusted for acquisition and currency effects, organic e-commerce growth was minus 3.6 percent. The Omnichannel Commerce segment developed slightly better than the Web-focused segment, which was negatively impacted by the weakness of the display business due to the pandemic.

The e-commerce share of order intake on Group level increased once again and rose to 60.0 (55.0) percent. This also includes orders that were placed with TAKKT companies through traditional channels but initiated via the internet. Other factors contributing to the increase were the consequences of the lockdown from the middle of March and the increased demand from private customers

for products for working from home. Orders generated through traditional sales activities such as print advertising, telephone sales and field sales declined, accounting for 40.0 (45.0) percent of order intake.

E-commerce share in order intake in %



OMNICHANNEL COMMERCE: RATIOFORM SHOWS STABLE DEVELOPMENT

Sales in the Omnichannel Commerce segment dropped by 13.8 percent to EUR 837.3 (971.5) million in the year under review, corresponding to a share of 78.1 percent of Group sales. Currency effects had a slight negative impact and lowered reported sales by 0.6 percentage points. The economic consequences of the pandemic caused overall organic sales performance for the segment to come to minus 13.2 percent. The crisis affected the five business units to different degrees.

The activities of packaging specialist ratioform showed slight growth for the year as a whole thanks to the strong final quarter. Demand for packaging solutions increased during the second lockdown at the end of the year. The plant, warehouse and office equipment business at KAISER+KRAFT recorded a particularly sharp decline in sales during the first phase of the pandemic in March and April. In individual weeks, the order volume was around 40 percent lower than in the previous year. What followed was a noticeable and steady stabilization of business, resulting in an organic sales decline in the low double-digit percentage range for the year as a whole.

At NBF, which is specialized in office equipment, organic sales development was also down significantly and at a similar level to KAISER+KRAFT for the year as a whole. Due to the growing use of flexible working practices and working from home during the pandemic, the demand from corporate customers for office equipment was lower than in the previous year. Hubert and Central sell equipment and supplies for the foodservice industry and restaurants. Hubert's customers from the foodservice sector were hit particularly hard by the spread of the virus and consequently placed fewer orders. The demand for products from the smaller

restaurants supplied by Central was also less during the crisis. At Central and Hubert, the organic decrease in sales was in the low double-digit percentage range.

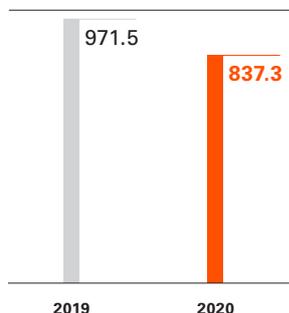
WEB-FOCUSED COMMERCE: DOUBLE-DIGIT GROWTH AT NEWPORT

Overall, the Web-focused Commerce segment enjoyed a much more stable development than the Omnichannel Commerce segment. At EUR 234.3 (247.3) million, sales for the segment were 5.3 percent below the level of the previous year. Its share of Group sales therefore came to 21.9 percent. While the acquisition of XXLhoreca still resulted in additional contributions to sales of 2.3 percentage points, currency effects had a negative impact of 1.3 percentage points. Organic sales development was minus 6.3 percent.

In 2020, the two business units of the segment were affected very differently by the pandemic and therefore showed contrary developments. In the year under review, Newport's activities benefited from the high demand from corporate and private customers for home office equipment. The Group thus continued the strong growth of the previous year and achieved an organic increase in the low double-digit percentage range. The market environment and Displays2go customers reacted very differently to the pandemic. The Group sells products such as advertising banners, portable trade fair stands and stand-up displays, which are very frequently used at conferences or other events. Since these events did not take place, demand at Displays2go decreased significantly. The organic decline was in the double-digit percentage range.

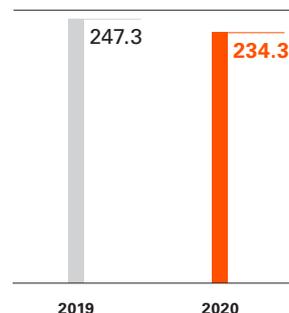
Sales Omnichannel Commerce

in EUR million



Sales Web-focused Commerce

in EUR million



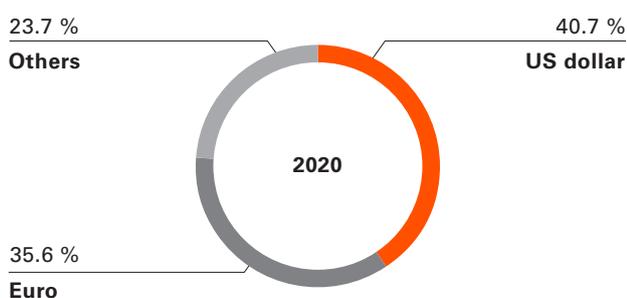
SALES BY REGION: EUROPE PERFORMS BETTER THAN THE USA

Affected by the differing performance of business in the individual countries as well as acquisition and currency effects, the regional sales spread developed as follows:

- Sales of the business in Germany decreased to EUR 235.1 (260.6) million. Its share of Group sales therefore came to 22.0 (21.5) percent.
- Sales of the other European business decreased to EUR 387.3 (407.7) million. Its share of consolidated sales increased to 36.3 (33.6) percent.
- Sales in North America decreased significantly to EUR 445.0 (545.4) million and accounted for a 41.7 (44.9) percent share of Group sales.

35.6 (34.9) percent of the consolidated turnover was realized in the reporting currency of euros. The portion in US dollars came to 40.7 (44.1) percent. Other currencies, such as the Swiss franc, the British pound and the Swedish krona, had a total share of 23.7 (21.0) percent.

Sales by currency



LOWER SUPPLIER DISCOUNTS AND VALUATION OF INVENTORIES HAVE NEGATIVE IMPACT ON GROSS PROFIT MARGIN

The gross profit margin decreased to 39.7 (41.3) percent in the year under review. The decrease resulted from three effects. Particularly in the second half of the year, the freight margin was slightly lower than in the previous year. In addition, the supplier discounts granted to the TAKKT companies were significantly lower than in the previous year because of the lower purchase volume. And thirdly, there were negative effects from the

valuation of inventories. Due to the significantly lower sales level, stocked products are being sold later than originally anticipated. In order to take this into account, additional range deductions were carried out on existing inventories.

PERSONNEL COSTS REDUCED

In 2020, TAKKT responded quickly to the new circumstances created by the pandemic and implemented comprehensive cost-saving measures. For personnel costs, these measures included the use of short-time labor and comparable tools as well as capacity adjustments in some units. There was an offsetting effect from one-time costs, which in 2020 were largely a result of structural changes due to the realignment of KAISER+KRAFT and the early termination of employment contracts. One-time costs were also incurred in the previous year, although on a slightly lower level. Overall, personnel expenses decreased by 3.4 percent to EUR 184.4 (190.8) million. Adjusted for the one-time costs in both years, TAKKT was able to reduce personnel expenses by over five percent. Acquisition and currency effects had a slight overall lessening effect on personnel expenses. The personnel expenses ratio in percent of sales increased slightly to 17.3 (15.7) percent due to the above-average decline in sales.

MARKETING COSTS FLEXIBLY ADJUSTED

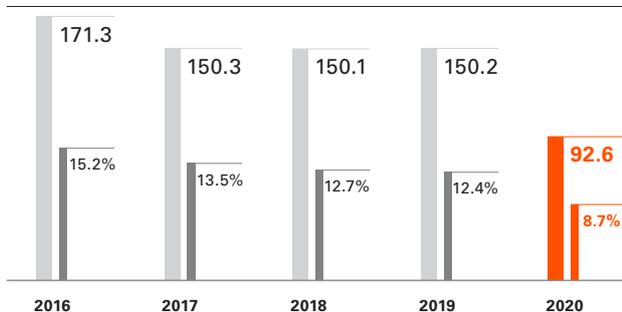
As with personnel expenses, the Group also adjusted marketing costs to the pandemic over the course of the year and reduced them by over ten percent. Overall, costs decreased by the same amount as sales, therefore the advertising cost rate remained almost constant. Organically, expenditures for marketing were also on a comparable level as in the previous year in relation to sales. During the crisis, TAKKT reduced its budget for print advertising far more than for its online marketing. This accelerated the structural shift in advertising costs from print to online.

LOWER EARNINGS DUE TO THE PANDEMIC

The main key performance indicator for the TAKKT Group for operational profitability is EBITDA (earnings before interest, taxes, depreciation and amortization). The savings in personnel expenses, the marketing budget and other costs enabled TAKKT to offset the decline in gross profit by around 25 percent. However, the substantial sales decline resulted in a significant drop in earnings in 2020. EBITDA was at EUR 92.6 (150.2) million, which was 38.3 percent below the figure of the previous year. Negative effects from changes in exchange rates and the positive effect from the additional contribution of acquisitions largely offset each other.

In the year under review, one-time costs and earnings of minus EUR 8.6 million (minus EUR 8.5 million) had a nearly identical negative effect on EBITDA as in the previous year. The one-time costs of EUR 15.1 million in 2020 resulted mainly from the realignment of KAISER+KRAFT and the early termination of employment contracts. This was countered by a one-time gain of EUR 4.5 million from the sale of a property in the US and a one-time reduction in pension expenses of EUR 2.0 million due to adjustment of the pension plan conditions. In the previous year, one-time costs of EUR 11.2 million were incurred for the adjustment of cost structures and the initial steps in the implementation of TAKKT 4.0. At the same time, TAKKT generated a one-time gain of EUR 2.8 million in 2019 from the release of a purchase price liability for XXLhoreca recognized in profit and loss. Adjusted for the aforementioned one-time effects in both years, EBITDA declined by around 36 percent in the year under review. The EBITDA margin was 8.7 (12.4) percent in the year under review. Without the one-time effects, TAKKT would have achieved close to double-digit profitability of 9.5 percent in the crisis year of 2020.

EBITDA in EUR million/margin in %



**OMNICHANNEL COMMERCE:
CLEAR DOUBLE-DIGIT EBITDA MARGIN
DESPITE DIFFICULT ENVIRONMENT**

The Omnichannel Commerce segment generated EBITDA of EUR 102.5 (141.7) million in 2020. The decline of 27.7 percent compared to the previous year was a consequence of the significant decrease in sales during the pandemic. One-time effects amounting to minus EUR 3.3 (minus 7.3) million had a smaller negative impact than in 2019. In the year under review, the negative effect on earnings was mainly related to the costs for the realignment of KAISER+KRAFT, while positive one-time effects were recorded from the sale of real estate and the reduction in pension expenses. In the previous year, one-time expenses for structural adjustments resulted in reduced earnings. Adjusted for one-time effects in both

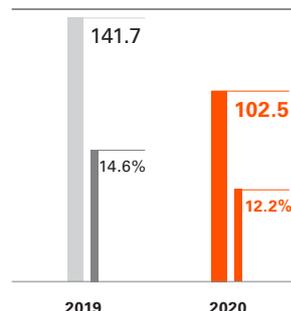
years, EBITDA decreased by around 30 percent. In 2020, the EBITDA margin of 12.2 (14.6) remained well within the double-digit percentage range.

**WEB-FOCUSED COMMERCE:
WEAK BUSINESS AT DISPLAYS2GO
NEGATIVELY IMPACTS EARNINGS**

EBITDA in the Web-focused Commerce segment was EUR 9.5 (28.5) million in 2020. The significant decline of 66.5 percent was mainly due to the very weak sales development at Displays2go. In the previous year, the business unit contributed the major share of the segment's earnings. In addition, the previous year's earnings of EUR 2.5 million were influenced by positive one-time effects. Adjusted for these one-time effects in both years, EBITDA decreased by around 63 percent. The EBITDA margin reached 4.1 (11.5) percent.

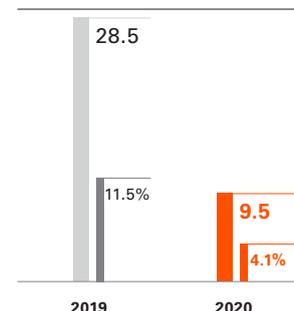
EBITDA Omnichannel Commerce

in EUR million/margin in %



EBITDA Web-focused Commerce

in EUR million/margin in %



SLIGHTLY LOWER DEPRECIATION AND AMORTIZATION

In 2020, depreciation and amortization decreased to EUR 40.2 (41.4) million. This was mainly attributable to the lower amortization of intangible assets from the acquisitions, which came to EUR 6.5 (8.9) million. Conversely, depreciation of ERP systems and web shops increased slightly. Extraordinary expenses such as the impairment of recognized goodwill were not incurred in 2020 or in the previous year. EBIT (earnings before interest and taxes) came to EUR 52.4 (108.8) million, corresponding to a 51.9 percent decrease over the previous year. The EBIT margin fell to 4.9 (9.0) percent.

LOWER FINANCE EXPENSES

Due to the significant decline in debt and thus lower finance costs, the financial result improved to EUR minus 5.7 (minus 8.2) million. Profit before tax amounted to EUR 46.6 (100.6) million.

SIGNIFICANT DECREASE IN TAX RATIO

Tax expenses decreased significantly in the year under review to EUR 9.4 (25.9) million. The tax ratio was only 20.2 (25.7) percent. This decline of the tax ratio was mainly attributable to a structural effect. In 2020, a significantly larger portion of profit before tax related to countries with comparatively low tax rates, such as Switzerland.

The profit for the period decreased by 50.1 percent to EUR 37.2 (74.7) million. Earnings per share decreased accordingly to EUR 0.57 (1.14) based on the unchanged weighted average number of shares of 65,610,331.