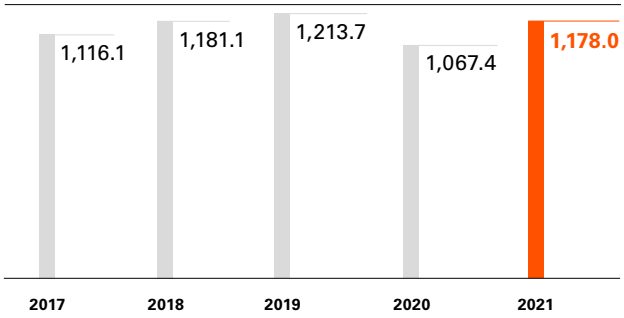
SALES AND EARNINGS REVIEW

In 2021, TAKKT increased sales by 10.4 percent. The Group benefited from the ongoing economic recovery and the associated dynamic development of demand. In organic terms (i.e., adjusted for the effects of acquisitions, disposals and exchange rates), sales growth came to 11.4 percent. The strong customer demand and high order intake could have generated even greater sales growth. However, TAKKT was not able to fully meet this demand due to limited product availability. The order backlog increased by a total of EUR 55 million in 2021. EBITDA rose significantly to EUR 112.6 million. The Group was able to increase earnings more significantly than sales.

STRONG ORGANIC SALES GROWTH

Compared to the previous year, which was severely affected by the coronavirus pandemic, sales at the TAKKT Group rose by 10.4 percent to EUR 1,178.0 (1,067.4) million. Currency effects had a negative impact on sales of minus 1.0 percentage point. In organic terms (i.e., adjusted for these effects), TAKKT realized growth of 11.4 percent, the strongest in the history of the company. In the past fiscal year, the easing of restrictions in many regions and ongoing economic recovery led to a noticeable boost in customer demand. Individual markets and product groups were still impacted by the effects of the pandemic in 2021. Despite this, all three segments contributed to organic growth.

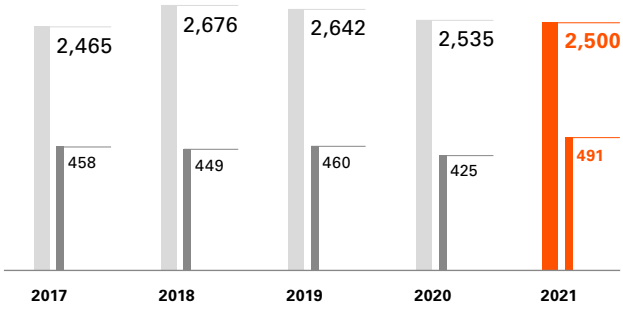
Sales *in EUR million*



SIGNIFICANT INCREASE IN ORDER INTAKE AND ORDER BACKLOG

Order intake at TAKKT was significantly higher than sales in the year under review and increased by 14.1 percent. The volume of order intake amounted to EUR 1,228.5 (1,076.5) million. In organic terms, order intake rose by 15.2 percent, putting it well above the previous year and also surpassing the pre-coronavirus level of 2019. The number of orders remained stable over the past year at 2.5 (2.5) million, while the average order value increased significantly to EUR 491 (425). Organically, the average order value increased by 16.7 percent. The different development between order values and order numbers is partly attributable to the significant drop in smaller orders for pandemic-related products for infection control and the home office. The price increases also had a positive effect on the average order value. In addition, structural effects from the different growth of the business units resulted in a higher average order value.

Number of orders *in thousands*
Average order value *in EUR*



In the past fiscal year, a surge in demand and bottlenecks in production and transport capacities resulted in the limited availability of many products worldwide, which also affected the TAKKT companies. As a result, not all customer orders could be fulfilled as quickly as usual. The delivery of equipment supplies from Central, NBF and KAISER+KRAFT was especially impacted by restrictions. Since the difficulties in product availability affected the entire market, cancellations remained at a low level. As a result, the order backlog of the TAKKT companies increased by around EUR 55 million over the course of the year. If there had not been delivery difficulties, the Group would have been able to achieve even stronger growth.

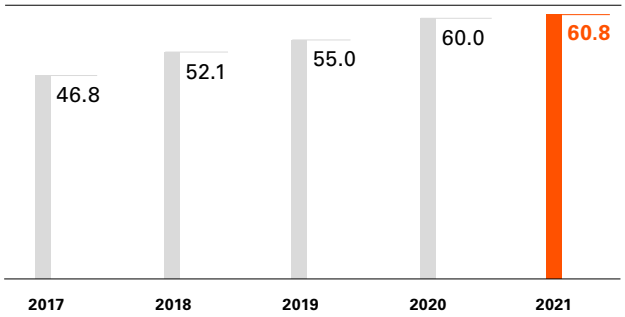
STRONG E-COMMERCE GROWTH

In TAKKT's business model, a differentiation is made 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. In the year under review, order intake via e-commerce performed slightly above average. Organic e-commerce growth came to 16.3 percent. E-commerce growth in the Omnichannel Commerce and Foodservice Equipment & Supplies segments was markedly stronger than in the Web-focused Segment, which was negatively affected by the weak display business.

The TAKKT Group's e-commerce share of total order intake increased once again and rose to 60.8 (60.0) percent. This also includes orders that were placed with TAKKT companies through

traditional channels but initiated via the internet. Orders generated through traditional sales activities such as print advertising, telephone sales and field sales also grew, although to a lesser extent than e-commerce. Traditional sales channels accounted for 39.2 (40.0) percent of order intake.

E-commerce share in order intake *in %*

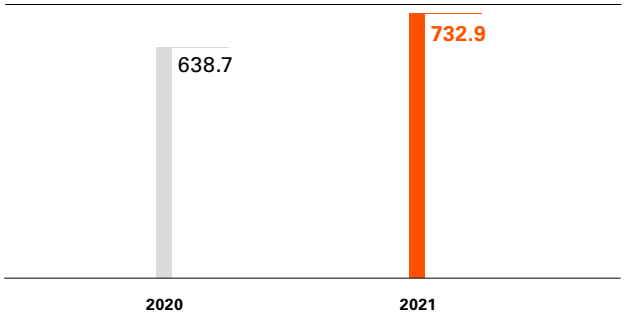


OMNICHANNEL COMMERCE: DOUBLE-DIGIT GROWTH IN ALL BUSINESS UNITS

Sales in the Omnichannel Commerce segment increased by 14.8 percent to EUR 732.9 (638.7) million in the year under review, corresponding to a share of 62.0 percent of Group sales. Currency effects had a negative impact of 0.8 percentage points on reported sales. All three business units of the segment significantly increased their business compared to the previous year. As a result, the Omnichannel segment generated by far the strongest growth within the Group with an increase of 15.6 percent.

ratioform benefited from the consistent growth in online retail and significantly increased its packaging solutions business. The strong growth is particularly remarkable because ratioform was able to maintain stable sales in the previous year. The increase therefore did not primarily reflect a recovery effect. After a difficult year in 2020, the plant, warehouse and office equipment of KAISER+KRAFT showed a strong recovery with double-digit organic growth. The office equipment business of NBF suffered the highest drop in sales within the segment in the previous year. By contrast, it achieved the strongest organic growth in 2021. Limited product availability prevented both KAISER+KRAFT and NBF from posting an even higher sales increase.

Sales Omnichannel Commerce *in EUR million*

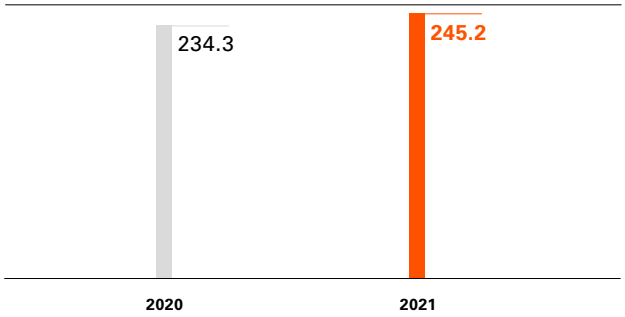


WEB-FOCUSED COMMERCE: SUSTAINED STRONG GROWTH AT NEWPORT

At EUR 245.2 (234.3) million, sales in the Web-focused Commerce segment were 4.7 percent above the previous year. Its share of Group sales therefore came to 20.7 percent. Changes in exchange rates had a slight overall positive effect of 0.5 percentage points. Organic sales growth came to 4.2 percent.

As in the previous year, the two business units of the segment developed very differently. The Newport companies benefited from the sustained high demand for office equipment products and saw double-digit organic growth once again despite the strong previous year. Displays2go sells products such as advertising banners, portable trade fair stands and stand-up displays, which are frequently used at conferences or other events. Since the number of events remained at a low level as a consequence of the pandemic, sales at Displays2go saw a decline in the low double-digit percentage range.

Sales Web-focused Commerce *in EUR million*

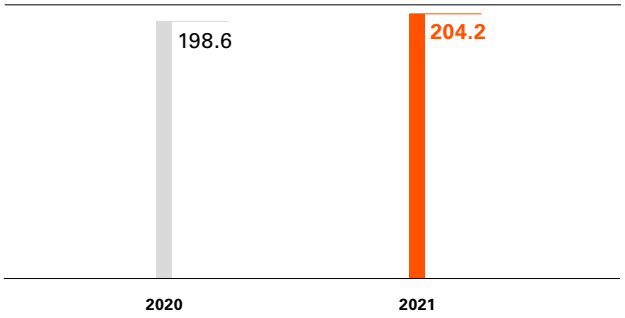


FOODSERVICE EQUIPMENT & SUPPLIES: STRONG CUSTOMER DEMAND AT CENTRAL

Sales in the Foodservice Equipment & Supplies segment increased by 2.8 percent to EUR 204.2 (198.6) million, corresponding to a share of 17.3 percent of Group sales. The weaker US dollar on average for the year lowered growth by 3.4 percentage points. Adjusted for this effect, organic growth came to 6.2 percent.

Hubert and Central provide equipment and supplies for the food service industry, but address different customer groups. Central mainly sells to smaller and often independent, family-run restaurants. Due to the easing of protective measures and return to in-person dining in the first half of the year, Central was able to benefit from the strong demand and realize double-digit organic growth. The kitchen equipment business was especially hard hit by the limited product availability. A large part of the increase in the TAKKT Group's order backlog in the 2021 fiscal year was attributable to Central. Hubert's customers are operators of canteens in educational institutions or sports facilities. Since demand in these sectors was also muted in the second year of the pandemic, organic sales at Hubert declined in the mid-single-digit percentage range.

Sales Foodservice Equipment & Supplies *in EUR million*



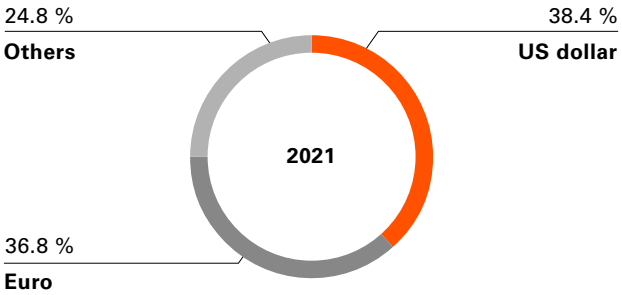
SALES GROWTH IN ALL REGIONS

Affected by the differing performance of business in the individual countries as well as currency effects, the regional sales split developed as follows

- Sales of the business in Germany increased to EUR 268.2 (235.1) million. Its share of Group sales therefore came to 22.8 (22.0) percent.
- Sales of the other European business increased to EUR 448.8 (387.3) million. Its share of consolidated sales increased to 38.1 (36.3) percent.
- In North America, sales rose only slightly to EUR 461.0 (445.0) million due to negative currency effects as well as the weak organic sales performance at Displays2go and Hubert. Its share of Group sales thus decreased to 39.1 (41.7) percent.

36.8 (35.6) percent of the consolidated turnover was realized in the reporting currency of euros. The portion in US dollars came to 38.4 (40.7) percent. Other currencies, such as the Swiss franc, the British pound and the Swedish krona, had a total share of 24.8 (23.7) percent.

Sales by currency



GROSS PROFIT MARGIN ABOVE 40 PERCENT

The gross profit margin increased to 40.2 (39.7) percent in the year under review. The margin was negatively impacted by effects of the pandemic in the year under review as well as in the previous year. In particular, additional range deductions were carried out on existing inventories in the previous year because stocked products were sold slower. This effect was partially reversed in 2021. In the year under review, TAKKT was confronted with significant price increases for products and shipping. TAKKT passed on the higher costs for products over the course of the year. As a result, the product margin was kept constant. In contrast, the unexpected sharp increase in freight costs had a negative impact on the gross profit margin in 2021.

INCREASE IN PERSONNEL EXPENSES

In the previous year, TAKKT used short-time labor and similar tools to manage costs during the pandemic. In addition, the performance-based variable remuneration components were significantly below the usual level. Compared with this lower baseline, personnel expenses were considerably higher in 2021. They increased by 6.6 percent to EUR 196.6 (184.4) million. The amount of one-time effects related to personnel expenses decreased significantly. In the year under review, these were partly attributable to structural adjustments in the Omnichannel Commerce segment.

Adjusted for one-time expenditures, personnel expenses increased by 13.0 percent compared to the previous year and thus somewhat stronger than sales. Product availability issues and the resulting lower level of sales and earnings had a negative effect on the personnel expense ratio. The personnel expenses associated with the acquisition and processing of these orders have not yet been offset by corresponding contributions to earnings.

FURTHER EXPANSION OF ONLINE MARKETING

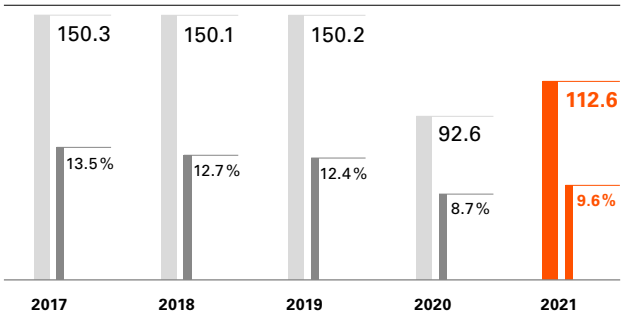
In order to capitalize on growth opportunities and increase market share, TAKKT expanded marketing expenses considerably again in 2021 following the decline in the previous year. This included the continuous shift of the marketing budget from print advertising toward more online marketing. Expenditures for online advertising saw a double-digit percentage increase. Due to the limited product availability and the not yet realized sales, the marketing cost ratio has not improved significantly over the previous year. It remained virtually unchanged.

EARNINGS INCREASE OF OVER 20 PERCENT

Compared to the weak previous year, TAKKT was able to increase its earnings significantly. EBITDA increased by 21.7 percent to EUR 112.6 (92.6) million. Changes in exchange rates had a negative effect of around one million euros. In addition to higher sales and the increase in gross profit margin, the growth in earnings was also driven by slightly lower negative one-time effects. These had an overall negative impact on earnings of EUR 6.1 (8.6) million in the year under review. These were mainly attributable to one-time personnel expenses as well as the creation of a risk provision due to a specification of sales tax regulations in the US.

Adjusted for the aforementioned one-time effects, EBITDA increased by around 17 percent in the year under review. TAKKT increased the EBITDA margin to 9.6 (8.7) percent. Without the one-time effects, the Group would have achieved double-digit profitability of 10.1 percent.

EBITDA *in EUR million/* **margin** *in %*

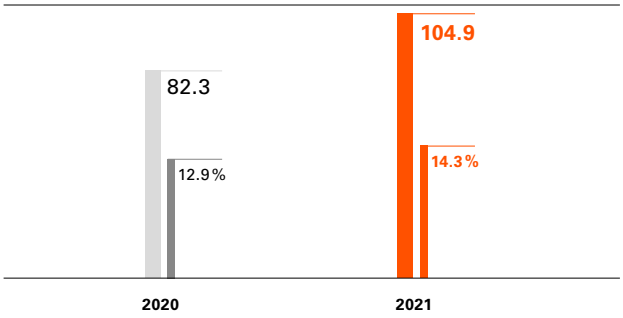


OMNICHANNEL COMMERCE: EBITDA SIGNIFICANTLY ABOVE EUR 100 MILLION

In the Omnichannel Commerce segment, EBITDA increased by 27.3 percent to EUR 104.9 (82.3) million in the reporting period. The strong increase is attributable to the dynamic development of the business and the related positive economies of scale as well as significantly lower one-time expenses. One-time effects totaled EUR 1.9 (7.3) million and resulted from the structural adjustments mainly at KAISER+KRAFT in the year under review. Adjusted for one-time effects in both years, EBITDA increased by around 19 percent. The EBITDA margin rose to 14.3 (12.9) percent in 2021.

EBITDA Omnichannel Commerce

in EUR million/ **margin** *in %*

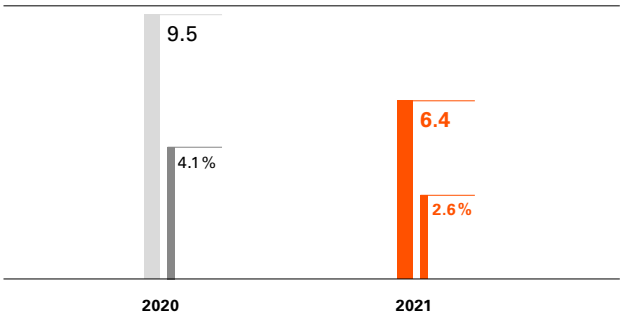


WEB-FOCUSED COMMERCE: CHALLENGING ENVIRONMENT

EBITDA in the Web-focused Commerce segment was EUR 6.4 (9.5) million, corresponding to 32.7 percent below the previous year. The reasons for the decline in earnings despite positive sales growth were the aforementioned one-time expense of EUR 2.7 million for a risk provision at Displays2go due to a specification of sales tax regulations as well as supply chain disruptions. The latter mainly impacted earnings in the UK as a result of higher costs for warehousing and logistics. The EBITDA margin was 2.6 (4.1) percent.

EBITDA Web-focused Commerce

*in EUR million/***margin** *in %*

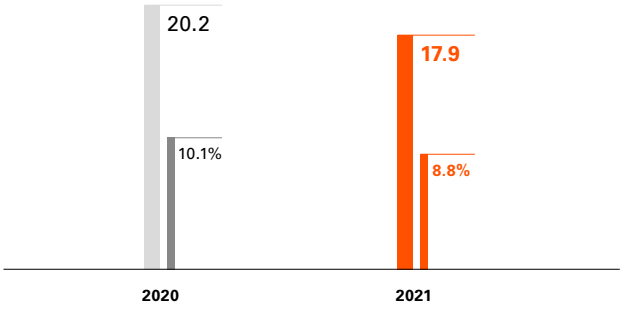


FOODSERVICE EQUIPMENT & SUPPLIES: ADJUSTED EARNINGS UP BY AROUND 10 PERCENT

The Foodservice Equipment & Supplies segment generated EBITDA of EUR 17.9 (20.2) million in 2021. The decline of 11.2 percent was attributable to non-recurring earnings contributions in the previous year totaling EUR 4.0 million from the sale of real estate. Adjusted for the one-time gain in the previous year, EBITDA increased by around ten percent. The EBITDA margin reached 8.8 (10.1) percent.

EBITDA Foodservice Equipment & Supplies

*in EUR million/***margin** *in %*



DEPRECIATION AND AMORTIZATION ONCE AGAIN BELOW PREVIOUS YEAR

Depreciation and amortization decreased slightly to EUR 38.7 (40.2) million in the year under review. This was mainly attributable to the lower amortization of intangible assets from acquisitions. It decreased to EUR 4.2 (6.5) million. Extraordinary expenses such as the impairment of recognized goodwill were not incurred in 2021 or in the previous year. Earnings before interest and tax (EBIT) of EUR 73.9 (52.4) million rose sharply, representing an increase of 41.1 percent over the previous-year figure. The EBIT margin rose to 6.3 (4.9) percent.

LOWER FINANCE COSTS

There was a positive contribution to the financial result of EUR 2.5 million as a result of the sale of an investment. As a result of this income and lower interest expenses, the financial result improved significantly to minus EUR 1.1 million (minus EUR 5.7 million). Earnings before tax increased to EUR 72.8 (46.6) million.

TAX RATIO STILL AT A LOW LEVEL

Income tax expense increased significantly to EUR 15.8 (9.4) million as a result of the higher income. Although the tax ratio rose to 21.7 (20.2) percent, it remained at a low level. The profit for the period increased by 53.2 percent to EUR 57.0 (37.2) million. Earnings per share increased accordingly to EUR 0.87 (0.57) based on the unchanged number of shares of 65,610,331.