TAKKT AG
BUSINESS EQUIPMENT SOLUTIONS

BRINGING NEW WORLDS OF WORK TO LIFE

HALF-YEAR FINANCIAL REPORT
OF TAKKT GROUP 2022

KEY FIGURES TAKKT GROUP AND DIVISIONS

	Q2/21	Q2/22	Change in %	H1/21	H1/22	Change in %
TAKKT						
Sales in EUR million	291.0	328.6	13.0 (6.8*)	557.3	657.0	17.9 (12.6*)
Gross profit margin in percent	40.4	40.2		40.7	39.9	
EBITDA in EUR million	25.4	34.6	36.2	51.8	67.3	29.8
EBITDA margin in percent	8.7	10.5		9.3	10.2	
EBIT in EUR million	16.0	13.3	–16.6	33.2	35.7	7.6
Profit before tax in EUR million	18.1	12.9	–28.7	33.9	34.2	0.9
Profit in EUR million	14.4	10.0	–30.6	26.3	26.4	0.4
Earnings per share in EUR	0.22	0.15	–30.6	0.40	0.40	0.4
TAKKT cash flow in EUR million	24.6	30.0	22.0	47.0	58.9	25.3
Free TAKKT cash flow in EUR million	28.0	–11.5	-	49.0	–1.3	-
Industrial & Packaging						
Sales in EUR million	167.4	178.5	6.6 (5.8*)	333.7	368.2	10.3 (9.2*)
EBITDA in EUR million	25.3	28.2	11.6	49.6	55.3	11.4
EBITDA margin in percent	15.1	15.8		14.9	15.0	
Office Furniture & Displays						
Sales in EUR million	64.6	81.4	26.1 (11.8*)	120.3	155.7	29.5 (17.6*)
EBITDA in EUR million	1.0	7.9	690.0	4.3	14.3	232.6
EBITDA margin in percent	1.5	9.7		3.6	9.2	
FoodService						
Sales in EUR million	59.0	68.8	16.5 (4.1*)	103.3	133.1	28.8 (17.6*)
EBITDA in EUR million	3.2	3.6	14.8	5.7	7.9	38.7
EBITDA margin in percent	5.3	5.3		5.5	5.9	

* *organic, i.e. adjusted for currency effects*

CONTENT

DEAR SHAREHOLDERS,

After the strong start to the 2022 fiscal year, TAKKT realized an organic sales growth of 6.8 percent in the second quarter. Despite the difficult environment and increased economic risks, TAKKT remained on course for growth. As expected, the pace of growth was below the figure for the first three months due to the higher previous year's basis. The demand behavior of customers weakened slightly during the first half of the year. The average order value was significantly above the previous year's level and also benefited from price increases. At the same time, the number of orders decreased, particularly in the second quarter.

For the first half of the year, TAKKT can report strong figures. Organic sales growth came to 12.6 percent. The figures reported in euros were positively impacted by currency effects, primarily relating to the rise in value of the US dollar. Sales increased by a total of 17.9 percent to EUR 657.0 (557.3) million.

Significant price increases for the purchase and transport of goods and limited product availability posed the greatest operational challenges for the Group. TAKKT was able to maintain the gross profit margin almost on par with the previous year's level by passing on the higher price level quickly and in full. In the first half of the year, the gross profit margin was 39.9 (40.7) percent, thus remaining close to the target of 40 percent despite inflationary pressures. In order to fulfill as many customer orders as possible, the Group has further expanded its inventory levels. Product availability did not change significantly in the reporting period, and the order backlog remains at a high level.

As a result of the high growth and more efficient cost structures, TAKKT was able to increase EBITDA more strongly than sales in the first half of the year. In total, it increased by 29.8 percent to EUR 67.3 (51.8) million. The EBITDA margin therefore improved to 10.2 (9.3) percent despite the lower gross profit margin. Contributing to this were the lower cost ratios for personnel and marketing. One-time costs amounted to just over EUR 2 million in the reporting period, which were partly attributable to the new set-up of the Industrial & Packaging division and the discontinuation of business in Russia. One-time costs of slightly over EUR 3 million were incurred in the previous year. The exceptional circumstances with high inflation and limited product availability also had a noticeable impact on the development of cash flows in the first half of the year. While the TAKKT cash flow grew at a similar pace to EBITDA, the free TAKKT cash flow was slightly negative mainly due to the buildup of inventories, putting it well below the level of the previous year. For the second half of the year, TAKKT expects significant cash inflows from the reduction of net working capital.

In the implementation of the new strategy comprising the three pillars of Growth, OneTAKKT and Caring, the focus in the first half of the year was on integrating the Industrial & Packaging division. The existing parallel structures in marketing and sales for the various brands were replaced by a single, integrated organization. This will enable stronger growth through the expansion of cross-selling in the future. As part of the new structure of the Industrial & Packaging division, TAKKT has decided to simplify and harmonize the brand landscape, which is expected to be implemented by early 2024. As a result of this decision, the Group recognized impairments of intangible assets of EUR 11.2 million. These relate primarily to brand rights, which were purchased and recognized as part of earlier acquisitions.

While TAKKT aims to continue its growth course in the second half of the year, it expects a more difficult overall environment than in the first half of the year. The possible limitation of gas supplies in Europe and more restrictive monetary policy have resulted in increased economic risks. At the same time, customer ordering behavior saw a decline in the second quarter. In view of this, TAKKT anticipates mid-single-digit organic growth for the rest of the year. The Group confirms its existing forecast for the year as a whole and wants to achieve high single-digit organic growth. TAKKT now expects EBITDA to be in the range of EUR 120 and 130 million (previously EUR 110 to 130 million).

Maria Zesch (CEO)
Claude Tomaszewski (CFO)

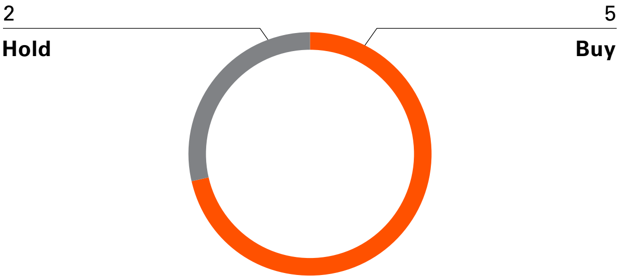
TAKKT SHARE AND INVESTOR RELATIONS

The Russian attack on Ukraine, persistently high inflation rates and the reaction of central banks had a negative impact on the capital market trend in the first six months of 2022. Compared to the levels close to the previous record highs, the German DAX and SDAX indexes suffered a considerable decline. The sharp decline in price after the Russian attack at the end of February was followed by a brief stabilization. Then, further losses came as a consequence of a tighter monetary policy and fears of recession. By mid-year, the DAX had lost 19.5 percent and the SDAX 27.6 percent. Despite the negative environment, the TAKKT share price remained stable in the first half of the year. Following publication of the annual report and announcement of growth targets for 2025, the share briefly ascended to its year-high of EUR 16.40 before dropping back to a level slightly above the EUR 15 mark. The reduction due to the dividend payment of EUR 1.10 was largely recovered in the weeks following the Shareholders' Meeting. Overall, the TAKKT share price remained virtually unchanged in the first six months, with the closing price of EUR 15.00 on June 30 only slightly below that of year-end 2021 (EUR 15.36). With the inclusion of the dividend, TAKKT shareholders achieved a return of 4.8 percent in the first half of 2022.

TAKKT's investor relations work focuses on providing information to shareholders, analysts and investors in a transparent and reliable manner. In the first half of the year, TAKKT participated in several capital market conferences. Included among them were the conferences of ODDO BHF, Kepler Cheuvreux and UniCredit in January. In June, TAKKT took part in the Consumer Conference of Erste Bank. In addition, the company held talks with investors during a virtual roadshow in April. At the virtual analysts' conference at the end of March, the Management Board discussed the business figures for the previous year as well as the new strategic positioning, the goals for 2025 and the outlook for 2022.

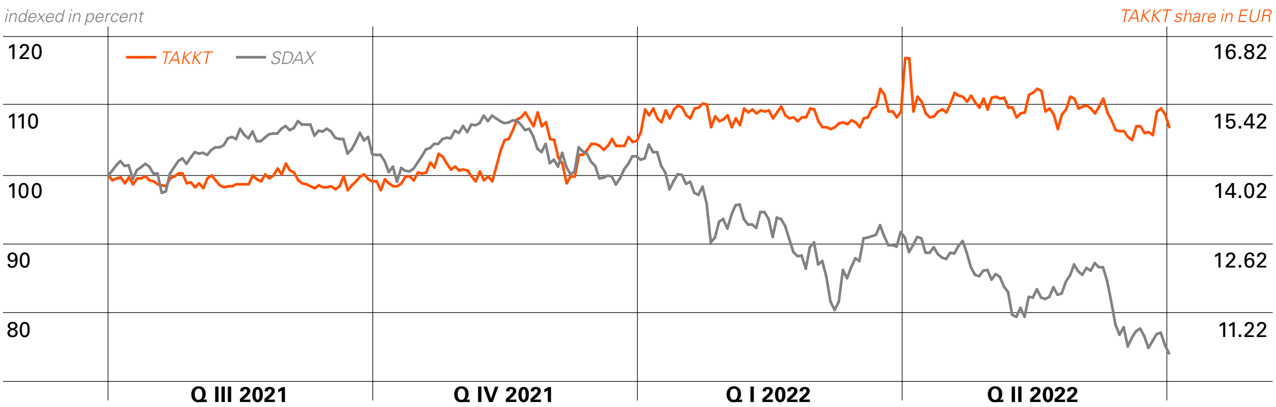
At present, there are current assessments on the TAKKT share by seven analysts. As of July 20, 2022, five analysts recommended buying TAKKT shares and two gave TAKKT a "hold" recommendation. The average share price was EUR 17.30.

Recommendations of the analysts as of July 20, 2022



Institution	Analyst	Recommendation	Target Price
AlsterResearch	Thomas Wissler	Hold	17.00
Bankhaus Metzler	Tom Diedrich	Buy	19.40
Berenberg Bank	Catharina Claes	Buy	19.00
Kepler Cheuvreux	Craig Abbott	Buy	16.00
LBBW	Thomas Hofmann	Hold	15.00
M.M. Warburg	Thilo Kleibauer	Buy	19.20
Pareto Securities	Mark Josefson	Buy	15.50

Performance of the TAKKT share *(52-week comparison, SDAX as benchmark)*



The Shareholders' Meeting of TAKKT AG was once again held virtually on May 18, 2022. The attendees were able to follow the meeting live via audio and video transmission and exercise their voting rights over the Internet on a shareholder portal. All questions submitted were answered by the Management Board and Supervisory Board.

The shareholders approved the payment of a dividend in the amount of EUR 1.10. In addition to a base dividend of EUR 0.60, a special dividend of EUR 0.50 per share was approved. All six members of the Supervisory Board were also newly elected. New members of the Supervisory Board include sustainability expert Alyssa Jade McDonald-Bärtl and Aliz Tepfenhart, who contributes extensive e-commerce expertise. Following the Shareholders' Meeting, Thomas Schmidt was re-elected chairman of the Supervisory Board.

In addition to the decision on profit appropriation and the election of all Supervisory Board members, items on the agenda included discharge of the Management Board and Supervisory Board, selection of an auditor, approval of the remuneration report, authorization to purchase treasury shares and authorization of capital. The Shareholders' Meeting ratified all of the items on the agenda by a large majority.

The detailed voting results from the Shareholders' Meeting 2022 can be viewed on the website of TAKKT AG in the Investor Relations section.

INTERIM MANAGEMENT REPORT OF THE TAKKT GROUP

BUSINESS ACTIVITIES OF THE GROUP

ORGANIZATION AND BUSINESS AREAS

The TAKKT Group specializes in B2B distance selling for business equipment. Sales are carried out mainly via e-commerce, and customers are also addressed through print marketing and key account managers. The divisions and brands operate in attractive markets and focus primarily on selling to corporate customers in various industries and regions, with the goods involved typically being durable and less price-sensitive equipment as well as special items that are needed on a regular basis.

The product ranges that are offered mostly encompass durables that companies use for their business activities. The TAKKT companies supply products such as pallet lifting trucks to German automobile suppliers, computer cabinets to Swiss mechanical engineering companies, custom-printed advertising banners for trade shows, shipping cartons to European industrial companies and food service equipment to commercial kitchens in the US.

Since the beginning of 2022, the Group has been addressing the market with its three divisions of Industrial & Packaging, Office Furniture & Displays and FoodService. The aim of the new organizational alignment along product categories and sales markets is to realize greater sales potential. The work of the divisions will focus on market and customer-related functions such as sales, marketing, e-commerce and category management. These tasks are being increasingly coordinated and consolidated within the divisions across the individual sales brands. This allows for better use of internal resources and skills, such as through the expansion of cross-selling.

In the future, TAKKT plans to further integrate supporting functions that are critical for success and to consolidate them on the Group level. The focus will be on Logistics, Technology & Data, Finance and HR. Integrating these functions offers greater synergies, and the larger areas of responsibility make it easier to recruit experts and develop core areas of expertise within the Group. Detailed information on the new organizational alignment can be found in the 2021 annual report beginning on page 34.

CORPORATE GOALS AND STRATEGY

The new organizational alignment is associated with new, ambitious strategic goals that TAKKT is aiming to achieve by 2025. As part of a comprehensive approach, these objectives include financial aspects such as a significant increase in sales, earnings and free cash flow as well as moves to address the concerns of key stakeholders by improving customer satisfaction and employee motivation and conserving natural resources. The strategy is based on the three pillars "Growth," "OneTAKKT" and "Caring." The table below gives an overview of TAKKT's strategic goals.

Strategic goals until 2025	
GROWTH	• Sales of EUR two billion
OneTAKKT	• EBITDA of EUR 240 million • TAKKT free cash flow of EUR 150 million
CARING	• Customer NPS of 60 • Employee NPS of 50 • Share of women in executive positions of 45 percent • Share of "enkelfähig" products of 40 percent • Complete reduction or compensation of CO_2 emissions

Growth

TAKKT is aiming to use its new strategic orientation and a clear customer focus to increase its business volume to EUR 2 billion by 2025. Slightly more than half of the additional sales is expected to come from organic growth, with the rest coming from acquisitions that create value. The aim is to increase the organic growth rate to an average of ten percent per year. In addition to increasing e-commerce, expanding cross-selling and an improved and intelligent pricing strategy, the Group believes that sustainable products and business models offer growth potential.

OneTAKKT

One key component of the new strategic orientation is a more integrated corporate structure. This includes both coordination and management of key Group functions such as Logistics and IT and much greater cooperation in the marketing activities of the various brands within a division. TAKKT expects this more compact line-up to bolster growth, but also to improve profitability through economies of scale and the more efficient use of resources. At Displays2go and Hubert, the pandemic brought about lasting changes in the market environment. TAKKT has therefore launched extensive repositioning projects at both companies in order to return them to their previous profitability level. Starting from an EBITDA margin in the high single digits last year, the Group aims to increase its profitability by two to three percentage points and lift its EBITDA to EUR 240 million by 2025.

Caring

The new strategy is not limited to improving the company's financial success. TAKKT is convinced that addressing the concerns of all important stakeholder groups is the prerequisite for sustainable commercial success. This is why TAKKT has also set itself goals for 2025 relating to customer satisfaction, employee engagement, and the environment and climate. More detailed information on the corporate goals and strategy can be found in the 2021 annual report beginning on page 39.

MANAGEMENT SYSTEM

TAKKT's management system is linked to the Group's strategic objectives and includes financial and other operational key figures. These indicators are divided into different perspectives (growth, costs and income, cash, customer and employee perspective, and sustainability).

Organic sales development and organic e-commerce performance serve as benchmarks for the Group's growth. The key figures of gross profit margin and EBITDA are analyzed in terms of costs and earnings. The cash perspective includes the key figures TAKKT cash flow and free TAKKT cash flow as well as the capital expenditure ratio. The customer and employee perspectives are measured using the cNPs, eNPS and the share of women in executive positions. With regard to progress in the area of sustainability, TAKKT uses the indicators for share of sales attributable to sustainable products classified as "enkelfähig" and for reduction of CO_2 emissions. Further information on the management system can be found in the 2021 annual report starting on page 42.

BUSINESS SITUATION IN THE FIRST HALF-YEAR

GENERAL CONDITIONS

The economic environment in the markets that are relevant for TAKKT deteriorated during the first half of the year. After expecting to see high GDP growth for Europe and the US at the beginning of the year, Russia's attack on Ukraine had a dampening effect on the economy. Product availability was further restricted by the impact of China's zero-COVID policy as well as the ongoing war. Rising prices for raw materials and especially energy caused inflation to increase to an even higher level in the first six months of the year. As a result of the high inflation rate, the US Federal Reserve initiated an interest rate reversal in the first half of the year. The European Central Bank also announced its intent to transition to more restrictive monetary policy. These developments led to an overall slowdown in economic growth and an increased risk of recession in both regions.

In order to estimate industry-specific conditions, TAKKT uses various indicators which are described in detail in the 2021 annual report starting on page 49. The economic downturn was reflected in the purchasing managers' indexes, which are especially relevant for the European Industrial & Packaging division. Starting from values above 57 points, they saw a noticeable decline in the first half of the year while remaining above the expansion threshold of 50 points. In June, the value was 52.1 points for the eurozone and 52.0 points for Germany.

The Restaurant Performance Index (RPI), which is relevant for Central and – to a lesser extent – Hubert, was comparatively robust and most recently stood at 102.6 points following a slight decline during the year.

BUSINESS DEVELOPMENT

TAKKT's business development in the first half of the year was shaped by the Russian attack on Ukraine, high inflation rates and the ongoing limited availability of products. Still, the Group was able to continue the good growth trend of the previous year. After a strong start to the year, the pace of growth slowed down as expected due to the higher base of the previous year. Compared with the pre-crisis level of 2019, the rate of organic growth in both quarters was at a similarly good level.

In the first half of 2022, prices for the purchase and shipping of products increased further. In particular, energy costs rose significantly in the first six months. TAKKT's strategy is to pass on the higher prices to the customers in full in order to keep its gross profit margin stable. With the exception of minor temporary effects from the passing on of freight costs, this strategy was successful in the first half of the year.

The trend in the order intake numbers was influenced by several factors in the reporting period. Due to the limited availability of products in the previous year, TAKKT began the 2022 fiscal year with an extensive order backlog. There has also not been a significant improvement in product availability in the past six months. These restrictions, as well as larger orders in connection with project business, led to an increase in order backlog of around EUR 23 million in the course of the first half of the year. The average order value rose further and benefited from currency effects as well as price increases. At the same time, the number of orders decreased, especially in the second quarter.

In the Industrial & Packaging division, organic sales saw an increase of 12.6 percent in the first quarter. In the second quarter, growth slowed to 5.8 percent due to the higher basis from the previous year.

All regions reported a good start to the new year and generated organic growth in the first quarter. The regions in Eastern Europe and Scandinavia saw particularly strong growth. All regions experienced a slowdown in growth in the second quarter. While business in Southern and Eastern Europe still grew in the double digits, the UK saw a downturn.

In the Office Furniture & Displays division, business improved considerably in the first half of the year. After organic sales growth of 24.3 percent in the first quarter, the division also grew at a double-digit rate of 11.8 percent in the second quarter. Both business units contributed to organic sales development.

Office furniture sales at NBF began the new year with very good double-digit growth. In the second quarter, the pace declined slightly due to the higher basis but remained in the double-digit range. The Displays2go business, which is geared toward events such as conferences and trade shows, continued to recover during the first half of 2022. The company was able to achieve double-digit growth in both quarters.

The FoodService division had a strong start to the fiscal year and benefited from the ongoing recovery in the US market. The division achieved high double-digit growth in the first quarter, followed by a noticeable loss of momentum in the second quarter. Hubert and Central both contributed to growth.

Central's business, which is geared toward smaller, family-run restaurants, achieved strong growth especially at the beginning of the year, also because the previous year continued to suffer from the effects of the pandemic. Hubert's business with food retail, large canteens and cafeterias continued the recovery that had begun in 2021 and experienced more robust growth than Central in the first half of the year.

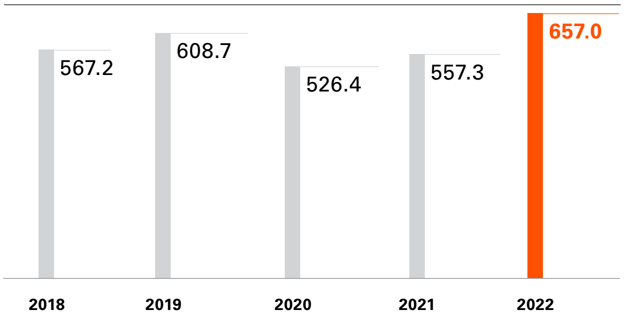
TAKKT's e-commerce business continued to grow in the first half of the year. However, the slowdown in e-commerce observed in all sectors so far this year has also affected TAKKT's activities. Order intake via other channels such as key account managers, telephone or print grew more strongly in this environment. The e-commerce share of order intake decreased to 58.8 (61.1) percent.

In the first half of the year, TAKKT further increased its sales with private labels and direct imports. The share of private label sales rose significantly to 29.0 (25.2) percent, and direct imports increased to 22.1 (20.5) percent. While all three divisions saw similar strong gains in private labels, the growth in direct imports was attributable to the Industrial & Packaging and FoodService divisions.

SALES REVIEW

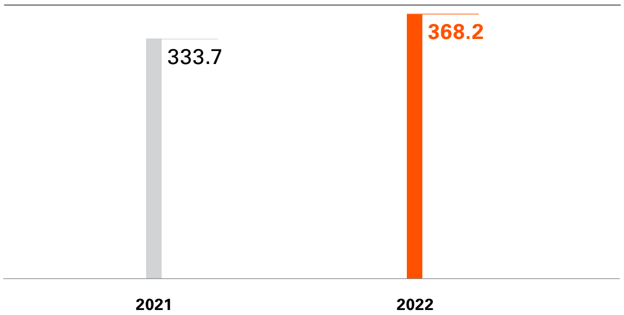
In the first half of 2022, TAKKT achieved sales growth of 17.9 percent, with sales increasing to EUR 657.0 (557.3) million. The Group benefited from positive currency effects, especially from the US dollar. Organic growth was in the double-digits at 12.6 percent. Both the Office Furniture & Displays and FoodService divisions achieved particularly good growth.

Sales TAKKT Group first half-year
in EUR million



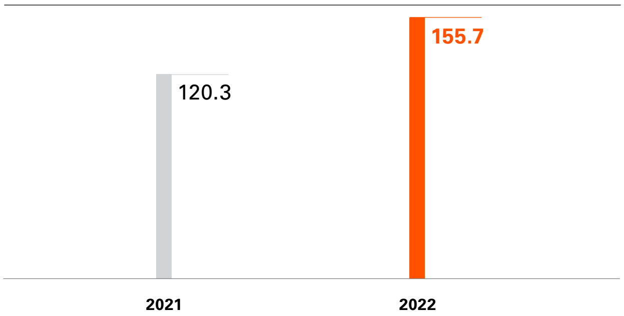
Sales in the Industrial & Packaging division increased by 10.3 percent to EUR 368.2 (333.7) million. A positive effect of 1.1 percentage points resulted from changes in exchange rates, and organic growth amounted to 9.2 percent. With the exception of activities in the UK, all regions contributed to growth, with Eastern Europe posting a strong increase in sales.

Sales Industrial & Packaging first half-year
in EUR million



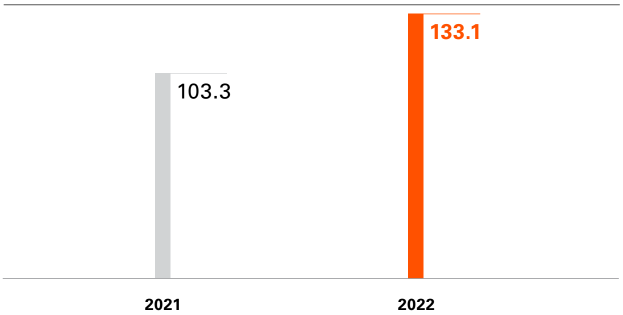
In the first half of the year, sales in the Office Furniture & Displays division improved significantly by 29.5 percent to EUR 155.7 (120.3) million. The higher exchange rate of the US dollar contributed 11.9 percentage points to the sales increase. Organic growth in the division reached 17.6 percent. Both NBF and Displays2go recorded a double-digit percentage increase. The office equipment business saw slightly stronger growth but the display business also continued its good recovery after the decline caused by the pandemic.

Sales Office Furniture & Displays first half-year
in EUR million



In the FoodService division, sales at the end of June increased by 28.8 percent to EUR 133.1 (103.3) million. Also contributing to this was the higher exchange rate of the US dollar, which boosted growth by 11.2 percentage points. At 17.6 percent, organic growth was at the same high level as for Office Furniture & Displays. After the activities of Hubert were still impacted by the pandemic in the first six months of the previous year, business has now noticeably recovered. Central benefited from solid demand, particularly at the beginning of the year, and continued on its path of growth.

Sales FoodService first half-year
in EUR million



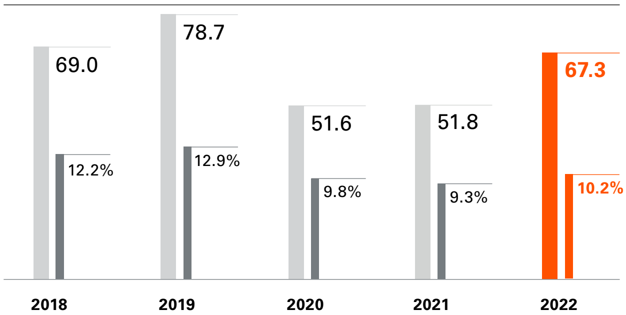
EARNINGS REVIEW

One of the top priorities for TAKKT in the current fiscal year has been inflation management. The Group's goal is to pass on all price increases to the customers quickly and comprehensively in order to keep its gross profit margin stable. Overall, this was successful in the first half of the year. After a temporary negative impact on the gross profit margin at the beginning of the year due to greater inbound freight, in the second quarter the gross profit margin remained almost on par with the previous year's level. In the first half of the year, the gross profit margin was 39.9 (40.7) percent.

Due to the strong growth, the Group was able to better utilize existing capacities and improve efficiency. The cost ratios for personnel and marketing declined accordingly.

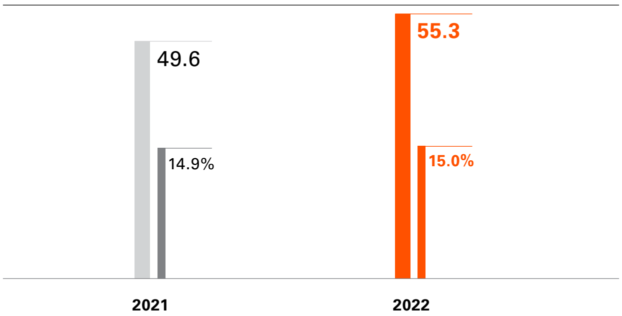
TAKKT was able to increase earnings before interest, taxes, depreciation and amortization (EBITDA) noticeably more than sales. It rose by 29.8 percent to EUR 67.3 (51.8) million and benefited from the changes in exchange rates in the amount of EUR 3 million. The EBITDA margin rose to 10.2 (9.3) percent. Compared with the previous year, EBITDA was somewhat less impacted by one-time costs. In the first half of the year, the new set-up of the Industrial & Packaging division, the discontinuation of the Russian business and other factors had a negative impact on earnings of just over EUR 2 million. In the previous year, one-time expenses for a risk provision at Displays2go due to a specification of sales tax regulations reduced EBITDA by slightly more than EUR 3 million.

EBITDA TAKKT Group first half-year
in EUR million/margin *in %*



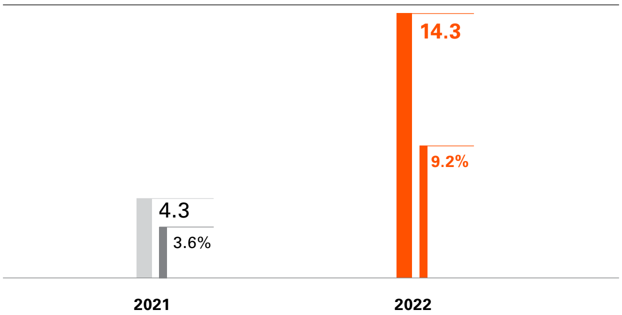
In the Industrial & Packaging division, EBITDA increased to EUR 55.3 (49.6) million and the margin improved slightly to 15.0 (14.9) percent. One-time expenses had a negative impact on EBITDA of just over EUR 2 million due to the new set-up of the division and the discontinuation of business in Russia. Without one-time costs, profitability would have improved even more.

EBITDA Industrial & Packaging first half-year
in EUR million/margin *in %*



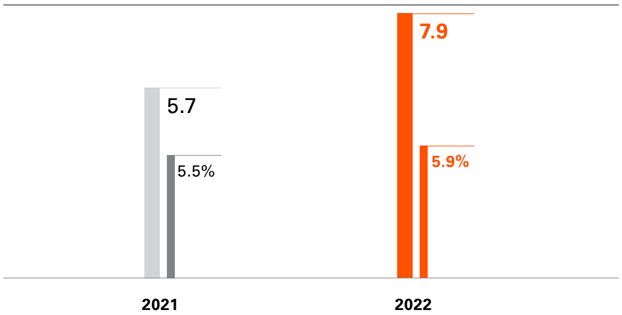
The Office Furniture & Displays division increased EBITDA significantly to EUR 14.3 (4.3) million. The recovery in the display business in particular contributed to the earnings increase. In addition, currency effects and the absence of one-time expenses contributed to the increase. In the previous year, earnings were negatively impacted by a risk provision amounting to slightly more than EUR 3 million. The EBITDA margin improved to 9.2 (3.6) percent.

EBITDA Office Furniture & Displays first half-year
in EUR million/margin *in %*



EBITDA in the FoodService division increased to EUR 7.9 (5.7) million. The margin improved slightly to 5.9 (5.5) percent. The earnings increase is attributable to the favorable business performance at Hubert, while at Central earnings remained around the same level as in the previous year.

EBITDA FoodService first half-year
in EUR million/margin *in %*



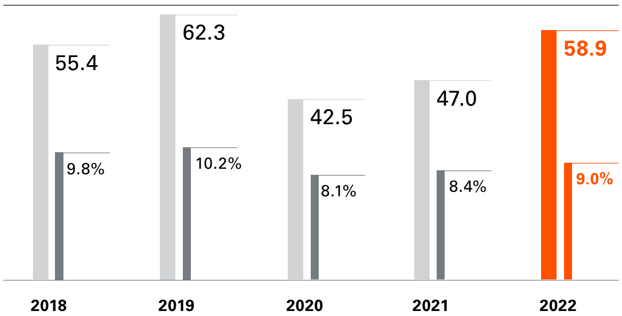
Depreciation and amortization increased by around EUR 2 million compared to the previous year due to currency effects and higher software depreciation. The Group also recognized impairments on intangible assets of EUR 11.2 million as a result of the harmonization of the brand landscape in the Industrial & Packaging division. These relate mainly to brand rights acquired and recognized as part of previous acquisitions. As a result, depreciation, amortization and impairment totaling EUR 31.6 (18.6) million were significantly higher than in the previous year.

Consequently, EBIT rose only slightly to EUR 35.7 (33.2) million, and the EBIT margin came to 5.4 (6.0) percent. In the previous year, the financial result benefited from the sale of an investment. Due to the absence of the resulting income and slightly higher interest expenses, the financial result decreased to EUR minus 1.5 (plus 0.7) million. Profit before tax remained nearly unchanged from the previous year at EUR 34.2 (33.9) million. The tax ratio stood at 22.8 (22.4) percent and, as in the previous year, benefited from one-time effects by around one percentage point. Profit for the period remained virtually unchanged at EUR 26.4 (26.3) million. This corresponds to earnings per share of EUR 0.40 (0.40) in the first half of the year.

FINANCIAL POSITION

The exceptional circumstances with high inflation and limited product availability also had a noticeable impact on the development of cash flows in the first half of the year. TAKKT cash flow rose at a similar rate to EBITDA and increased to EUR 58.9 (47.0) million. The Group was able to improve its cash flow margin to 9.0 (8.4) percent. The TAKKT cash flow per share was EUR 0.90 (0.72).

TAKKT cash flow first half-year
in EUR million and cash flow margin *in %*



The increase in net working capital was considerably greater in the first half of the year compared to the previous year. In expectation of further price increases and to improve product availability, TAKKT placed larger orders and further expanded its inventory levels. This resulted in a cash outflow of around EUR 40 million in the reporting period. In addition, trade receivables rose by slightly more than EUR 10 million as a result of the good growth trend. Cash flow from operating activities of EUR 5.4 (42.6) million was significantly lower than in the first half of 2021. For the second half of the year, TAKKT expects significant cash inflows from the reduction of net working capital, especially from inventories.

Capital expenditure of EUR 6.9 (7.2) million was at a similar level to the previous year. In the previous year, TAKKT received a one-time payment of EUR 13.4 million from the sale of investments. At EUR minus 1.3 (plus 49.0) million, the TAKKT free cash flow was slightly negative in the first half of the year due to the increase in net working capital.

As in the previous year, TAKKT paid out a total dividend of EUR 72.2 million. Net financial liabilities increased from EUR 105.0 million at the end of 2021 to EUR 180.9 million in the first half of the year.

More detailed information about the generation and use of cash flow can be found in the cash flow statement of this half-year financial report.

ASSETS POSITION

Total assets increased in the first half of the year to EUR 1,176.8 million (December 31, 2021: 1,115.4 million). Currency effects, especially from the stronger exchange rate of the US dollar, had a sizeable positive impact on assets reported in euros of around EUR 39 million as of the end of the reporting period.

Non-current assets remained virtually unchanged at EUR 815.8 (812.2) million. Positive currency effects of around EUR 26 million and capital expenditure of around EUR 7 million were almost offset by scheduled depreciation and amortization of around EUR 20 million and impairments on brand rights of around EUR 11 million.

Current assets increased significantly to EUR 361.0 (303.2) million. Currency effects contributed EUR 13.0 million. In addition, TAKKT significantly increased its inventories by around EUR 40 million in expectation of further price increases and to improve product availability. Customers' payment behavior was stable. The loss of receivables remained at a consistently low level with a write-off rate of less than 0.2 percent of sales. The payment period for accounts receivable of 33 (31) days was slightly over the previous year's figure. The structure of total assets changed slightly as a result of the increase in current assets in the first half of the year. Non-current assets still accounted for the majority of assets at 69.3 (72.8) percent. Goodwill remained the largest item, making up 52.0 (52.9) percent of total assets.

Shareholders' equity increased by EUR 6.6 million in the first half of the year, amounting to EUR 700.6 (694.0) million at mid-year. Despite the high dividend payment of EUR 72.2 million, shareholders' equity increased slightly due to profit for the period of EUR 26.4 million, positive currency effects of EUR 25.6 million and positive effects recognized directly in equity of EUR 26.8 million resulting mainly from the measurement of retirement pensions and investments. The equity ratio decreased slightly to 59.5 (62.2) percent.

Liabilities increased in the first half of the year by EUR 54.8 million to EUR 476.2 (421.4) million. While financial liabilities increased by around EUR 77 million, pension provisions declined by around EUR 33 million mainly due to the significantly higher actuarial interest rate.

OUTLOOK

RISK AND OPPORTUNITIES REPORT

The risks and opportunities for the TAKKT Group explained in the 2021 annual report starting on page 68 did not change materially in the first half of the year. The Management Board does not believe that there are any material individual risks to the Group as a going concern.

The most significant risk for the TAKKT Group, which is also a noteworthy opportunity, continues to be the economic trend. The Russian attack on Ukraine, persistently high inflation and the effects of China's zero-COVID strategy had a noticeable adverse effect on the business environment in the first half of 2022. The Group suspended its operations in Russia in the first quarter due to the war.

The further course of the war and its economic impact still cannot be reliably predicted. In addition to the consequences of the sanctions, potential shipping issues, rising prices for energy and raw materials, and a severe restriction or disruption of gas supplies from Russia could lead to major economic problems. If this is the case, negative effects on the TAKKT Group's sales and earnings can be expected. Besides economic risk, the consequences of the conflict can also affect risks in the areas of energy and purchasing prices, reliance on e-commerce and cybercrime, which are described in detail in the annual report.

In addition, the entry of new market participants or more aggressive competitive behavior by established providers could pose a risk for TAKKT of losing market shares or falling short of its growth ambitions. TAKKT addresses this risk through focused positioning of its own activities.

In addition, there are significant risks in connection with the implementation of TAKKT's transformation. Goals or measures may be achieved later or results may not be satisfactory. The implementation could incur higher costs than expected or not have the desired effect on sales and earnings trends.

TAKKT also deems the risk from structural changes in demand to be significant. The trend towards new forms of collaboration and virtual or hybrid event formats has been accelerated by the consequences of the coronavirus pandemic. This could result in long-term market changes. As a result, there is the risk of decreased demand for office equipment and displays in the medium term. However, there is also the potential to profit from increased demand for products for new office concepts, remote work and facilitating working from home. TAKKT is observing and analyzing these trends and, if necessary, will take measures to meet these challenges, such as adapting its product ranges.

Limited product availability and rising purchasing prices also represent a significant risk for TAKKT. For example, if sales and earnings are delayed due to limited product availability and/or cannot be fully recognized or rising purchasing prices cannot be passed on in full. In order to minimize this risk, TAKKT continuously monitors the order backlog and also adjusts its purchasing behavior with regard to suppliers and inventories if necessary. In addition, TAKKT will adjust its prices at shorter intervals than usual if necessary.

Targeted exploitation of vulnerabilities in information and communications technology by external parties represents another risk. This can lead to significant cash outflows and financial loss resulting from the disruption of business operations and reputational damage. As a result of the war in Ukraine and the sanctions against Russia, the number of such fraud attempts has risen, thereby increasing the likelihood of occurrence of the risk. TAKKT counters this risk with technical defense measures, regular employee training and the specification of defined processes.

Along with an improvement in economic conditions, opportunities for TAKKT will also arise from the new strategic and organizational structure, increasing market share for distance selling and the growth potential in e-commerce, as shown in the 2021 annual report. Furthermore, the Group should continue to be able to benefit from further acquisitions or start-ups. The area of sustainability, including expanding the range of products that add value for future generations, will also provide additional opportunities. In addition, the Group wants to benefit from the further development of IT applications, increased use of new technologies and good access to capital. A more in-depth presentation of the opportunities and risks relevant to TAKKT can be found in the 2021 annual report starting on page 68.

FORECAST REPORT

The Russian attack on Ukraine shaped economic developments in the first half of the year and will most likely remain a crucial factor for economic trends in the second half of 2022. Great uncertainty and large price increases for energy and raw materials are slowing down economic growth. In a recent study, the International Monetary Fund (IMF) forecasts growth of just 2.6 percent for the eurozone and 1.2 percent in Germany. In addition, there is the risk of an even sharper economic slowdown and possible recession if Russian gas supplies decline significantly or come to a complete halt in the coming months. This would especially impact the Germany economy. The outlook for the US has also deteriorated. The IMF now expects growth of 2.3 percent for 2022 compared to its previous forecast of 3.7 percent in April.

In addition to economic forecasts, market and industry indexes also give an indication of the further development of individual business units. They include the purchasing managers' indexes for the Industrial & Packaging division and the Restaurant Performance Index (RPI) for Central and – to a lesser extent – Hubert. Both indicators have declined since Russia's attack on Ukraine. The purchasing managers' indexes figures are still above the expansion threshold of 50 points, but they do show a negative trend. The RPI relevant to the US restaurant market has signaled an overall friendly market environment this year so far with values consistently above 102 points. However, expectations for the future also point to a worsening market environment.

Despite the difficult environment overall, TAKKT aims to continue its growth path in the second half of the year. However, customer ordering behavior slowed down in the second quarter. In view of this, TAKKT anticipates mid-single-digit organic growth for the rest of the year. The Group confirms its existing forecast for the year as a whole and wants to achieve high single-digit organic growth. In the first half of the year, organic growth in the e-commerce business lagged behind the total order intake trend. Organic e-commerce growth is not expected to reach the originally forecast figure of over ten percent for the year as a whole.

Inflation will also probably remain at a high level during the rest of the year. TAKKT remains committed to its strategy of passing on higher price levels in full to customers in order to keep its margin stable. From today's perspective, the Group anticipates a gross profit margin of around 40 percent for the full year. TAKKT now expects EBITDA to be in the range of EUR 120 to 130 million (previously EUR 110 to 130 million).

The TAKKT cash flow develops overall in line with EBITDA and should therefore reach a value in the upper half of the expected range of EUR 90 to 110 million in 2022. Even though the TAKKT free cash flow was significantly below the previous year's level in the first half of 2022, TAKKT still anticipates an improvement compared to 2021 for the year as a whole. The improvement should be stronger than the increase in EBITDA and TAKKT cash flow. For the capital expenditure ratio, the Group continues to expect a value of slightly less than two percent of sales.

The statements in the annual report regarding the willingness of customers and employees to recommend the company (cNPS and eNPS) as well as on the share of women in executive positions still apply. Expectations have also not changed for the reduction of CO_2 and in regard to the share of sustainable products classified as "enkelfähig."

TAKKT will publish the figures for the first nine months on October 25, 2022.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated statement of income of the TAKKT Group *in EUR million*

	4/1/2022 – 6/30/2022	4/1/2021 – 6/30/2021	1/1/2022 – 6/30/2022	1/1/2021 – 6/30/2021
Sales	**328.6**	**291.0**	**657.0**	**557.3**
Changes in inventories of finished goods and work in progress	0.4	0.1	0.5	0.1
Own work capitalized	0.5	0.6	0.8	0.9
Gross performance	**329.5**	**291.7**	**658.3**	**558.3**
Cost of sales	–197.4	–174.1	–395.9	–331.6
Gross profit	**132.1**	**117.6**	**262.4**	**226.7**
Other operating income	1.2	0.9	2.0	2.1
Personnel expenses	–52.9	–47.7	–104.1	–91.8
Other operating expenses	–45.8	–45.4	–93.0	–85.2
EBITDA	**34.6**	**25.4**	**67.3**	**51.8**
Depreciation, amortization and impairment of property, plant and equipment and other intangible assets	–21.3	–9.4	–31.6	–18.6
EBIT	**13.3**	**16.0**	**35.7**	**33.2**
Income from associated companies	0.0	2.7	0.0	2.5
Finance expenses	–1.1	–0.9	–2.2	–2.0
Other finance result	0.7	0.3	0.7	0.2
Financial result	**–0.4**	**2.1**	**–1.5**	**0.7**
Profit before tax	**12.9**	**18.1**	**34.2**	**33.9**
Income tax expense	–2.9	–3.7	–7.8	–7.6
Profit	**10.0**	**14.4**	**26.4**	**26.3**
attributable to owners of TAKKT AG	10.0	14.4	26.4	26.3
attributable to non-controlling interests	0.0	0.0	0.0	0.0
Weighted average number of issued shares in million	65.6	65.6	65.6	65.6
Basic earnings per share (in EUR)	0.15	0.22	0.40	0.40
Diluted earnings per share (in EUR)	0.15	0.22	0.40	0.40

Consolidated statement of comprehensive income of the TAKKT Group *in EUR million*

	4/1/2022 – 6/30/2022	4/1/2021 – 6/30/2021	1/1/2022 – 6/30/2022	1/1/2021 – 6/30/2021
Profit	**10.0**	**14.4**	**26.4**	**26.3**
Actuarial gains and losses resulting from pension provisions recognized in equity	23.2	2.0	34.2	8.9
Tax on actuarial gains and losses resulting from pension provisions	–6.4	–0.7	–9.3	–2.7
Gains and losses resulting from the subsequent measurement of investment in equity instruments recognized in equity	1.3	9.2	1.3	9.2
Tax on subsequent measurement of investment in equity instruments	0.0	–0.1	0.0	–0.1
Other comprehensive income after tax for items that will not be reclassified to profit and loss in future	**18.1**	**10.4**	**26.2**	**15.3**
Income and expenses from the subsequent measurement of cash flow hedges recognized in equity	0.6	0.1	0.2	–0.6
Income recognized in the income statement	0.0	0.0	0.6	0.8
Tax on subsequent measurement of cash flow hedges	–0.2	–0.1	–0.2	0.0
Other comprehensive income after tax resulting from the subsequent measurement of cash flow hedges	**0.4**	**0.0**	**0.6**	**0.2**
Income and expenses from the adjustment of foreign currency reserves recognized in equity	19.6	–3.8	25.6	10.7
Income recognized in the income statement	0.0	0.0	0.0	0.0
Other comprehensive income after tax resulting from the adjustment of foreign currency reserves	**19.6**	**–3.8**	**25.6**	**10.7**
Other comprehensive income after tax for items that are reclassified to profit and loss	**20.0**	**–3.8**	**26.2**	**10.9**
Other comprehensive income (Changes to other components of equity)	**38.1**	**6.6**	**52.4**	**26.2**
attributable to owners of TAKKT AG	38.1	6.6	52.4	26.2
attributable to non-controlling interests	0.0	0.0	0.0	0.0
Total comprehensive income	**48.1**	**21.0**	**78.8**	**52.5**
attributable to owners of TAKKT AG	48.1	21.0	78.8	52.5
attributable to non-controlling interests	0.0	0.0	0.0	0.0

Consolidated statement of financial position of the TAKKT Group *in EUR million*

Assets	6/30/2022	12/31/2021
Property, plant and equipment	121.6	126.4
Goodwill	611.7	589.7
Other intangible assets	51.7	65.9
Investment in associated companies	0.0	0.0
Other assets	26.9	24.9
Deferred tax	3.9	5.3
Non-current assets	**815.8**	**812.2**
Inventories	191.3	146.2
Trade receivables	135.1	119.4
Other receivables and assets	28.1	26.5
Income tax receivables	2.6	8.3
Cash and cash equivalents	3.9	2.8
Current assets	**361.0**	**303.2**
Total assets	**1,176.8**	**1,115.4**

Equity and liabilities	6/30/2022	12/31/2021
Share capital	65.6	65.6
Retained earnings	575.7	621.5
Other components of equity	59.3	6.9
Total equity	**700.6**	**694.0**
Financial liabilities	87.8	71.7
Pension provisions and similar obligations	44.1	77.0
Other provisions	10.1	9.5
Deferred tax	80.2	68.1
Non-current liabilities	**222.2**	**226.3**
Financial liabilities	97.0	36.1
Trade payables	55.6	47.1
Other liabilities	81.2	82.4
Provisions	16.8	25.4
Income tax payables	3.4	4.1
Current liabilities	**254.0**	**195.1**
Total equity and liabilities	**1,176.8**	**1,115.4**

Consolidated statement of changes in total equity of the TAKKT Group *in EUR million*

	Share capital	Retained earnings	Other components of equity	**Total equity**
Balance at 1/1/2022	**65.6**	**621.5**	**6.9**	**694.0**
Transactions with owners	0.0	–72.2	0.0	–72.2
thereof dividends paid	0.0	–72.2	0.0	–72.2
Total comprehensive income	0.0	26.4	52.4	78.8
thereof Profit	0.0	26.4	0.0	26.4
thereof Other comprehensive income (Changes to other components of equity)	0.0	0.0	52.4	52.4
Transfer to retained earnings	0.0	0.0	0.0	0.0
Balance at 6/30/2022	**65.6**	**575.7**	**59.3**	**700.6**

	Share capital	Retained earnings	Other components of equity	Total equity
Balance at 1/1/2021	**65.6**	**627.1**	**–43.1**	**649.6**
Transactions with owners	0.0	–72.2	0.0	–72.2
thereof dividends paid	0.0	–72.2	0.0	–72.2
Total comprehensive income	0.0	26.3	26.2	52.5
thereof Profit	0.0	26.3	0.0	26.3
thereof Other comprehensive income (Changes to other components of equity)	0.0	0.0	26.2	26.2
Transfer to retained earnings	0.0	9.5	–9.5	0.0
Balance at 6/30/2021	**65.6**	**590.7**	**–26.4**	**629.9**

Consolidated statement of cash flows of the TAKKT Group *in EUR million*

	1/1/2022 – 6/30/2022	1/1/2021 – 6/30/2021
Profit	26.4	26.3
Depreciation, amortization and impairment of non-current assets	31.6	18.6
Deferred tax income / expense	–1.1	1.0
Other non-cash expenses and income	2.1	3.8
Result from disposal of non-current assets	–0.1	–2.7
TAKKT cash flow	**58.9**	**47.0**
Change in inventories	–40.2	–6.9
Change in trade receivables	–12.6	–11.1
Change in trade payables and similar liabilities	2.6	17.9
Change in provisions	–7.5	–4.6
Change in other assets/liabilities	4.2	0.3
Cash flow from operating activities	**5.4**	**42.6**
Proceeds from disposal of non-current assets	0.2	13.6
Capital expenditure on non-current assets	–6.9	–7.2
Cash outflows for the acquisition of consolidated companies	0.0	0.0
Cash flow from investing activities	**–6.7**	**6.4**
Proceeds from Financial liabilities	99.6	27.4
Repayments of Financial liabilities	–25.1	–4.8
Dividend payments to owners of TAKKT AG	–72.2	–72.2
Cash flow from financing activities	**2.3**	**–49.6**
Cash and cash equivalents at 1/1	2.8	4.3
Increase/decrease in Cash and cash equivalents	1.0	–0.6
Non-cash increase/decrease in Cash and cash equivalents	0.1	0.1
Cash and cash equivalents at 6/30	**3.9**	**3.8**

EXPLANATORY NOTES

Reporting principles

The condensed interim consolidated financial statements of TAKKT Group as of June 30, 2022 were prepared in accordance with section 115 of the German Securities Trading Act (WpHG) as well as IAS 34 "Interim Financial Reporting" and German Accounting Standard DRS 16 "Interim Financial Reporting". All International Financial Reporting Standards (IFRS) and related interpretations of the IFRS Interpretations Committee (IFRS IC) adopted by the European Union (EU) were considered. The interim financial statements and management report have not been audited in accordance with section 317 of the German Commercial Code (HGB) nor been subject to an audit review.

Accounting and valuation principles

The same accounting and valuation principles have been applied as for the consolidated financial statements for the 2021 financial year. The interim financial statements should be read in conjunction with the 2021 annual report, page 89 et seqq.

All new and amended standards to be applied for the first time in the current financial year do not have a material effect on the net assets, financial position and results of operations or the presentation of the interim financial statements.

Segment information by division of the TAKKT Group *in EUR million*

1/1/2022 – 6/30/2022	Industrial & Packaging	Office Furniture & Displays	FoodService	Segments total	Others	Consolidation	Group total
Sales to third parties	368.2	155.7	133.1	**657.0**	0.0	0.0	**657.0**
Inter-segment sales	0.0	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Segment sales	368.2	155.7	133.1	**657.0**	0.0	0.0	**657.0**
EBITDA	55.3	14.3	7.9	**77.5**	–10.2	0.0	**67.3**
EBIT	30.4	10.3	5.8	**46.5**	–10.8	0.0	**35.7**
Profit before tax	28.4	9.3	5.0	**42.7**	–8.5	0.0	**34.2**
Profit	22.2	6.8	3.6	**32.6**	–6.2	0.0	**26.4**
Average no. of employees (full-time equivalent)	1,553	508	384	**2,445**	56	0	**2,501**
Employees at the closing date (full-time equivalent)	1,526	516	392	**2,434**	58	0	**2,492**

1/1/2021 – 6/30/2021	Industrial & Packaging	Office Furniture & Displays	FoodService	Segments total	Others	Consolidation	Group total
Sales to third parties	333.7	120.3	103.3	557.3	0.0	0.0	557.3
Inter-segment sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Segment sales	333.7	120.3	103.3	557.3	0.0	0.0	557.3
EBITDA	49.6	4.3	5.7	59.6	–7.8	0.0	51.8
EBIT	37.6	0.4	3.5	41.5	–8.3	0.0	33.2
Profit before tax	38.2	–0.6	3.0	40.6	–6.7	0.0	33.9
Profit	29.3	–0.5	2.2	31.0	–4.7	0.0	26.3
Average no. of employees (full-time equivalent)	1,494	469	362	2,325	47	0	2,372
Employees at the closing date (full-time equivalent)	1,534	481	367	2,382	46	0	2,428

Until the end of 2021, TAKKT was divided into three divisions along different sales channels. Since the beginning of 2022, the Group has addressed the market through the following three segments: Industrial & Packaging, Office Furniture & Displays and FoodService. Supporting Group functions such as IT, logistics, HR and finance are coordinated and managed at the level of TAKKT AG.

Scope of consolidation
Compared to the scope of consolidation at December 31, 2021, the subsidiaries gaerner GmbH, Duisburg/Germany, gaerner Gesellschaft m.b.H., Elixhausen/Austria, and gaerner AG, Zug/Switzerland, have been disposed of in the course of mergers.

Sales *in EUR million*
In the following table, sales according to regions are further broken down:

	Industrial & Packaging	Office Furniture & Displays	FoodService	1/1/2022 – 6/30/2022
Germany	135.9	2.2	2.2	140.3
Europe without Germany	232.2	0.0	6.5	238.7
USA	0.0	151.9	118.3	270.2
Other	0.1	1.6	6.1	7.8
Sales by Region	**368.2**	**155.7**	**133.1**	**657.0**

	Industrial & Packaging	Office Furniture & Displays	FoodService	1/1/2021 – 6/30/2021
Germany	122.0	1.6	2.7	126.3
Europe without Germany	211.6	0.0	8.3	219.9
USA	0.0	117.1	88.1	205.2
Other	0.1	1.6	4.2	5.9
Sales by Region	**333.7**	**120.3**	**103.3**	**557.3**

Leases
As of June 30, 2022 the book value of right-of-use assets from leasing totaled EUR 61.8 million (EUR 65.7 million as of December 31, 2021). The leased assets are shown in land and buildings with an amount of EUR 60.8 million (EUR 64.5 million as of December 31, 2021) and in plant, machinery and equipment with an amount of EUR 1.0 million (EUR 1.2 million as of December 31, 2021).

Non-current Financial liabilities include non-current lease liabilities with an amount of EUR 56.2 million (EUR 60.7 million as of December 31, 2021) at the balance sheet date. Current Financial liabilities include current lease liabilities with an amount of EUR 15.5 million (EUR 14.8 million as of December 31, 2021) at the reporting date.

Total Equity
On May 18, 2022, the Annual General Meeting approved the proposed dividend of EUR 1.10 (EUR 1.10) per share for the 2021 financial year. Thus, a total dividend for the 65.6 million no-par value shares in the amount of EUR 72,171 thousand (previous year: EUR 72,171 thousand) was distributed.

Financial instruments – Fair value measurement
For a detailed overview of financial risks and their management along with the financial instruments held by TAKKT, please refer to the consolidated financial statements 2021. This section provides information about the fair value of financial instruments, the respective input factors and valuation methods. It also explains the classification of financial instruments into the levels within the fair value hierarchy of IFRS 13.

The input factors used for the valuation techniques to measure fair value are divided into the following levels:

Level 1: Quoted prices in active markets accessible to the company for the identical asset or liability.

Level 2: Input factors other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Input factors for the asset or liability that are unobservable.

Financial instruments at TAKKT recognized at fair value relate to investments, derivative financial instruments and contingent considerations. They are subject to a recurring fair value measurement. Derivative financial instruments included in current Other receivables and assets as well as in current Other liabilities relate to level 2. The investments, included in non-current Other assets, as well as the contingent considerations, included in current Other liabilities, relate to level 3. All other financial instruments are recognized at amortized cost.

Should it prove necessary to reclassify assets and liabilities carried at fair value on a recurring basis into a different level – for example because an asset is no longer traded on an active market or is being traded for the first time – they are reclassified at the end of the reporting period. There were no reclassifications during the reporting period.

The fair value of financial instruments traded on an active market is based on the prices quoted on the reporting date. When level 2 assets and liabilities are measured at fair value on a recurring basis, the discounted cash flow method is used. This means that the future cash flows which the financial instruments are expected to generate are discounted using maturity-matched market interest rates. The creditworthiness of the respective debtor is taken into account by considering risk premiums depending on rating and term in the discount factors. The risk premiums are determined using prices for fixed-income securities observable on markets.

The valuation of venture capital funds is based on the so-called Adjusted Net Asset Method. Under this method, the fair values of the individual investments, determined by the fund based on recognized valuation methods, are aggregated and adjusted for appropriate illiquidity discounts for the overall fund. In case of investments in unlisted corporate entities, the valuation is derived from additional capital contributions by the investors or from the share price a third and new party has to pay in the course of another round of financing (Price of Recent Investment Valuation Method).

On the reporting date, the fair value of investments listed under non-current Other assets stood at EUR 26.7 million (EUR 24.6 million as of December 31, 2021). Thereof EUR 2.4 million (EUR 1.5 million as of December 31, 2021) relate to debt instruments measured at fair value through profit and loss and EUR 24.3 million (EUR 23.1 million as of December 31, 2021) to equity instruments measured at fair value through other comprehensive income. The fair value of derivative financial instruments within current Other receivables and assets totaled EUR 1.3 million (EUR 0.5 million as of December 31, 2021) and within current Other liabilities EUR 0.9 million (EUR 1.0 million as of December 31, 2021).

The following overview shows a detailed reconciliation of the financial instruments that are measured at fair value within level 3 on a recurring basis without contingent considerations from acquisitions *in EUR million:*

	2022	2021
Balance at 01/01	**24.6**	**7.1**
Addition	0.0	0.0
Fair value change recognized in profit or loss	0.8	0.7
Fair value change recognized in other comprehensive income	1.3	27.2
Disposals	0.0	– 10.4
Balance at 06/30 / 12/31	**26.7**	**24.6**
Unrealized gains or losses recognized in profit or loss relating to those financial instruments held at the reporting date	0.8	0.7

The positive fair value change recognized in Other comprehensive income in the amount of EUR 1.3 million resulted from the revaluation of an investment following another financing round. TAKKT no longer participated in this round as an investor. There are currently no indications of a change in fair value for the other investments.

The book values of all financial instruments not carried at fair value in the balance sheet represent appropriate approximate values for the fair values as of the closing date of the reporting period. Significant deviations between book values and fair values could arise regarding the lease and other financial liabilities, which exclusively include TAKKT performance bonds issued to TAKKT Group executives.

Regarding the Other financial liabilities, the book value amounts to EUR 2.9 million (EUR 2.6 million as of December 31, 2021) and their fair value to EUR 3.1 million (EUR 2.9 million as of December 31, 2021).

Fair value is determined using the same method assigned to level 2 as for assets and liabilities that are measured at fair value on a recurring basis applying the discounted cashflow-method.

Assumptions and estimates
All assumptions and estimates were reviewed and are based on the circumstances on the balance sheet date.

Earnings per share
Basic and diluted earnings per share are calculated by dividing the profit by the weighted average number of shares issued. So-called potential shares (mainly stock options and convertible bonds), which could dilute the earnings per share, were not issued. The diluted and undiluted earnings per share are therefore identical.

Related party disclosures
Related parties in the sense of IAS 24 include the Management and Supervisory Boards of TAKKT AG (including any and all persons related to these Boards), TAKKT Group's associated companies and the majority shareholder Franz Haniel & Cie. GmbH, Duisburg/Germany (including its subsidiaries, associated companies, Management and Supervisory Board members). Related-party transactions mainly relate to the cash management system, ongoing delivery and settlement transactions and service contracts. By participating in Haniel Group's cash management system, TAKKT Group benefits from potential economies of scale. All transactions with related parties are contractually agreed and performed on terms that are customary for transactions with third parties.

Significant business transactions in the first half of 2022
As part of the new positioning of the Industrial & Packaging division, TAKKT has decided to simplify and harmonize the brand landscape, which is expected to be implemented by the beginning of 2024. As a result of this decision, the Group recognized impairment losses of EUR 11.2 million on intangible assets. These mainly relate to brand rights acquired and accounted for in the course of previous acquisitions.

Events after the reporting period

There were no significant events which had any meaningful impact on the net assets, financial position and results of operations after the reporting date.

Other disclosures

As at the last balance sheet date there were no material contingent liabilities and receivables. There have been no exceptional transactions pursuant to IAS 34.16A(c) or other matters requiring disclosures.

Responsibility statement by the Management Board

To the best of our knowledge and in accordance with the applicable accounting principles for interim financial reporting, the condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The interim management report of the Group includes a fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining financial year.

Stuttgart, July 28, 2022

TAKKT AG
Management Board

Maria Zesch (CEO) Claude Tomaszewski (CFO)

ADDITIONAL INFORMATION

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