

# AS CREATION

INTERIM REPORT FOR THE PERIOD  
ENDED MARCH 31, 2021

A.S. CRÉATION TAPETEN AG

		2017	2018	2019	2020	2021
Sales	€ '000	41,720	40,424	38,234	37,814	40,348
EBIT	€ '000	2,068	1,033	2,193	-1,453	4,021
Earnings after income taxes	€ '000	1,914	26	3,431	-2,255	2,755
Earnings per share	€/share	0.69	0.01	1.24	-0.82	1.00
Cash-flow from operating activities	€ '000	-3,178	-972	1,576	-2,742	4,192
Capital expenditures	€ '000	792	1,826	1,074	1,179	693
Depreciation	€ '000	1,857	1,523	1,530	1,533	1,476
Number of employees		757	742	749	764	777

# A.S. Création Tapeten AG, Gummersbach

## Interim Management Report

on the business performance for the three-month period ended March 31, 2021

### **Sales performance**

With the eurozone economy plunging into recession and the gross domestic product contracting by about 7% in 2020 due to the coronavirus crisis, noticeable growth of 5% was projected for the year 2021. As the third COVID-19 wave started, however, many EU countries again took far-reaching measures in the course of the first quarter of 2021 to contain the spread of the virus. These lockdowns sent the eurozone's gross domestic product falling by 1.3% year-on-year in the first quarter of 2021. While industry was supported by growing global demand, growth in the industrial sector alone was insufficient to offset the decline in the trade and services sectors. Meanwhile, the eurozone economy is not expected to recover before summer 2021. Accordingly, the growth forecasts for the eurozone for 2021 have been downgraded to 4%. In Germany, the largest output market of A.S. Création, the original economic growth forecast for 2021 has also been reduced from 4.5% to 3.5% in the meantime. This revision was made necessary by the sharp 4.1% drop in economic output in the first quarter of 2021 caused by the massive restrictions imposed in conjunction with the COVID-19 pandemic.

Having contracted by 3.1% in 2020, the Russian economy is projected to grow by 3.7% in 2021, stimulated primarily by growing demand for crude oil in connection with rising oil prices. In addition, the Russian government has launched a comprehensive economic stimulus programme to boost private consumption and capital spending in 2021. Against this background, the Russian rouble showed a relatively good performance in the first three months of 2021. While the Russian currency depreciated by about 31% in 2020, it appreciated slightly by around 2% in the first quarter of 2021 – from RUB 90.68/€ at the beginning of the year to RUB 88.88/€ at the end of March 2021.

Under these macroeconomic conditions in the first quarter of 2021, A.S. Création managed to increase its consolidated revenues by 6.7% or € 2.5 million from € 37.8 million in the previous year to € 40.3 million in the reporting period. Stronger revenue growth in the first quarter of 2021 was prevented by the COVID-19 situation in Germany.

A.S. Création's domestic gross revenues declined by 11.4% from € 20.0 million in the previous year to € 17.8 million in the first three months of the current fiscal year. This unpleasant development is due to the far-reaching lockdown that was in place in Germany throughout the first quarter of 2021 and also included the extensive closure of the main physical distribution channels. By contrast, the previous year's lockdown started only in March 2020 and thus had an adverse impact only on one month of the first quarter; also, DIY stores were not affected by the closures in the previous year, unlike in the first quarter of 2021.

The reduced revenues in Germany contrasted with clearly higher revenues in the rest of the EU plus Great Britain. In the first three months of 2021, gross revenues in this region increased by 27.2% from € 15.6 million in the previous year to € 19.9 million. This revenue growth is mainly attributable to France, the Benelux countries, Poland and the Southern European countries. This very pleasant performance reflects, on the one hand, the successful reorganisation and strengthening of the sales organisations/structures in France and Belgium. On the other hand, the region was affected by more comprehensive lockdowns in the first quarter of 2020 than in the first three months of the current fiscal year.

Revenues were also stimulated by Eastern European countries outside the EU, where gross revenues amounted to € 4.5 million in the first three months of 2021, up by 12.2% on the previous year's € 4.0 million. This positive trend is the result of two effects. Profistil, the Belarusian Group company, was able to utilise almost its full production capacity in the reporting period, which resulted in strong revenue growth. In addition, A.S. Création (RUS), the Russian distribution company, increased its sales of wallpapers made in Germany.

Sales revenues in the remaining countries outside Western and Eastern Europe also increased in the first quarter of 2021, namely by 12.5% from € 2.3 million to € 2.6 million. In summary, A.S. Création was thus able to significantly grow its sales revenues in all regions except Germany in the period under review.

As the Furnishing Fabrics Division generates around 80% of its revenues in Germany, it was hit particularly hard by the far-reaching lockdown that was in place in Germany in the first quarter of 2021. Consequently, the Furnishing Fabrics Division's first-quarter revenues dropped by 19.5%, whereas the Wallpaper Division grew its revenues by 9.0% due to the higher share of revenues generated outside Germany.

At € 40.3 million, consolidated revenues generated in the first quarter of 2021 were slightly below the plans for the fiscal year 2021, which projected revenues of between € 41 million and € 44 million for the first quarter of 2021. As this moderate deviation from the plan is exclusively attributable to the adverse effects of the lockdown in Germany, the Managing Board is satisfied with the revenue trend in the first quarter of 2021.

## **Earnings performance**

For the first quarter of 2021, A.S. Création posted an operating profit of € 4.0 million, compared to an operating loss of € -1.5 million in the same period of the previous year. The operating loss in the previous year is exclusively due to exchange losses resulting from the massive depreciation of the Russian and Belarusian rouble against the euro in the course of the first three months of 2020. As the Eastern European subsidiary is financed in euros, this depreciation resulted in a translation-related exchange loss of € 3.5 million. In the reporting period, the two Eastern European currencies appreciated slightly against the euro, resulting in a translation-related exchange gain of € 0.3 million in the first three months of the fiscal year. Adjusted for these currency effects, the operating result in the first quarter of 2021 amounted to € 3.7 million, up € 1.7 million on the € 2.0 million generated in the same period of the previous year. This higher result is also reflected in an improved adjusted EBIT margin, which

stood at a gratifying 9.1% in the first quarter of 2021 (previous year: 5.4%). This improvement in EBIT is in line with A.S. Création's plans for the fiscal year 2021, which project EBIT adjusted for currency effects of between € 3.5 million and € 4.3 million for the first quarter of 2021.

A.S. Création's improved EBIT are essentially attributable to the revenue growth realised by the company and the simultaneous increase in the gross profit margin. At € 22.1 million, gross profit in the first quarter of 2021 thus exceeded the previous year's € 20.3 million by € 1.8 million. The gross profit margin improved by 1.5 percentage points from 53.0% in the previous year to 54.5% in the year under review. This improvement was achieved, among other things, thanks to the increased share of higher-quality and higher-priced products in the overall product range, which reflects the success of the product policy of the past years. In the reporting period, the gross profit margin was adversely affected by significant price increases in the procurement markets, especially for crude oil-based raw materials. As these supplier price increases, some of which were in the double-digit range, did not begin before late February / early March, the adverse effects are only partly reflected in the gross profit margin of the first quarter of 2021. However, the comparison of the gross profit margin of 51.9% in the single month of March 2021 with the gross profit margin of 55.9% achieved by A.S. Création in January and February 2021 clearly reflects the price trend in the commodity markets.

At € 10.3 million, personnel expenses in the first three months of 2021 were up by € 0.5 million or 5.2% on the previous year's € 9.8 million, which was essentially attributable to higher performance-linked compensation due to the improved earnings position. As the increase in personnel expenses was lower than the rise in total output, the personnel expense ratio (personnel expenses as a percentage of total output) improved slightly to 25.3% in the reporting period (previous year: 25.5%). Due to the expansion of production in Belarus and the increase in sales capacities in France, the number of employees increased by 1.7% to 777 people in the first quarter of 2021 (previous year: 764 people). As this rise in the headcount contrasts with higher revenue growth, employee productivity increased. Revenues per employee stood at € 0.052 million in the first quarter of 2021, compared to € 0.049 million in the prior year period.

At € 1.5 million, depreciation/amortisation in the first three months of 2021 was exactly on a par with the previous year.

Other operating expenses declined from € 10.8 million in the previous year to € 7.0 million in the reporting year. Of this decline, € 3.5 million is attributable to the above-mentioned exchange losses in the prior year period. Adjusted for the prior year exchange losses, other operating expenses amounted to € 7.0 million, € 0.3 million below the previous year's adjusted € 7.3 million; as a result, the ratio of other operating expenses to total output improved noticeably to 17.3% (previous year: 19.0%). Apart from the increased total output, this positive trend is essentially attributable to savings and reduced expenses, e.g. travel expenses and bad debt allowances.

At € -0.1 million, the financial result was at a normal level in the first quarter of 2021 (previous year: € -0.2 million).

EBIT and the financial result lead to earnings before taxes of € 3.9 million in the reporting period, compared to a negative result of € -1.6 million in the previous year. Adjusted for the

above-mentioned currency effects included in EBIT, earnings before taxes amounted to € 3.6 million, which is € 1.7 million higher than the previous year's € 1.9 million.

Earnings after taxes stood at a positive € 2.8 million in the first quarter of 2021, compared to a loss of € -2.3 million in the prior year period. Adjusted for the currency effects explained above, earnings after taxes amounted to € 2.5 million (previous year: € 0.9 million). With this noticeable improvement, earnings after taxes (adjusted for currency effects) are in line with the plans for the fiscal year 2021, which project earnings after taxes adjusted for currency effects of between € 2.3 million and € 2.9 million for the first quarter of 2021.

On balance, the Managing Board is very satisfied with the performance in the first quarter of 2021. Uncertainties exist, however, in view of currently sharply rising commodity prices.

### **Financial and net assets position**

At € 4.2 million, operating cash flow in the first quarter of 2021 was up by a noticeable € 6.9 million on the previous year's € -2.7 million. A.S. Création's increased internal financial resources are attributable to improved earnings and to the fact that less capital is tied up in current assets. In this context, it is positive to see that the imputed inventory turnover improved noticeably to 4.7x per year in the first quarter of 2021 (previous year: 4.3x). This is the result of the increase in revenues and the simultaneous reduction in stocks of finished goods and merchandise.

At € 0.7 million, financing requirements for investments were below the previous year's € 1.2 million in the reporting period. Capital expenditures in the first quarter primarily comprised investments in printing tools for new wallpaper collections as well as replacement investments and were easily financed from operating cash flow. Consequently, A.S. Création's financial position improved further, with the net credit position (difference between cash and cash equivalents as well as current financial assets and interest-bearing financial liabilities) rising by € 3.4 million in the first three months from € 11.4 million as of December 31, 2020 to € 14.8 million as of March 31, 2021. It is composed of cash and cash equivalents in the amount of € 24.6 million and interest-bearing financial liabilities of € 9.8 million, which means that very high liquidity is still guaranteed. Besides the net credit position, the high equity ratio of 60.7% on the balance sheet date (March 31, 2020: 61.1%) also underlines the very solid and robust financial structure of A.S. Création.

In the opinion of the Managing Board, A.S. Création also has a solid net worth position. As of March 31, 2021, the A.S. Création Group's total assets amounted to € 135.7 million (previous year: € 128.6 million), of which 87.7% (previous year: 88.9%), i.e. by far the biggest portion, was composed of property, plant and equipment, inventories, trade receivables as well as cash and cash equivalents. By contrast, intangible assets (including goodwill) carried in the consolidated balance sheet as at the reporting date played a minor role and represented only 6.4% (previous year: 6.5%) of the Group's total assets and 10.5% (previous year: 10.7%) of its equity capital.

## Forecast

In the 2020 Annual Report, the Managing Board published the following forecasts regarding the key performance indicators for the fiscal year 2021:

- Group sales revenues are projected to amount to between € 147 million and € 157 million in the fiscal year 2021, compared to € 144,9 million in the past fiscal year.
- Earnings before interest and taxes are expected to come in at between € 9 million and € 11 million in 2021. This figure does not include any extraordinary effects such as exchange gains or losses. This means that A.S. Création's operating performance would improve even further compared to 2020, when EBIT amounted to € 8.8 million (excl. currency effects).
- Earnings after taxes from continuing operations – excluding extraordinary factors such as currency effects – could reach between € 6 million and € 7.5 million in 2021, compared to € 5.5 million in 2020.

As outlined above, revenue growth in the first quarter of 2021 was slightly below plan, while earnings figures were in line with the plan. As regards developments until the end of the year, there is still considerable uncertainty, as described in the forecast in the 2020 Annual Report.

The future sales performance of A.S. Création will depend on how long the existing restrictions in connection with the COVID-19 pandemic will remain in place and whether renewed restrictions will be imposed in the main output markets in the further course of the year. The Managing Board remains convinced that there is a structural increase in demand for wallpapers and furnishing fabrics resulting from the fact that people attach growing importance to their own home.

With regard to the results from operation, the Managing Board outlined in the forecast in the 2020 Annual Report that rising commodity and energy prices are expected for the fiscal year 2021. Since late February / early March, A.S. Création has been facing massive price increases in almost all areas of procurement, from raw materials to packaging materials to freight costs. Crude oil-based raw materials are most affected. To partly offset these effects on gross profit, A.S. Création will focus on achieving significant productivity gains and a further reduction in the reject rate. Moreover, the company's product and pricing policy will continue to aim at increasing the share of high-margin products in the overall product range.

The Managing Board is of the opinion that its plans for the fiscal year 2021 as published in the 2020 Annual Report have generally been confirmed and therefore sticks to these plans although the coming months will remain subject to a high level of uncertainty.

The risk and opportunity profile of A.S. Création Tapeten AG has not changed materially as compared to the presentation in the 2020 Annual Report.

**Statement pursuant to Article 315 paragraph 1 sentence 5 of the German Commercial Code (Handelsgesetzbuch – HGB)**

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review 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 for the remaining months of the fiscal year.

Gummersbach, May 3, 2021

**A.S. Création Tapeten AG**

The Managing Board

Barth

Krämer

Suskas

# A.S. Création Tapeten AG, Gummersbach

## Consolidated balance sheet

as per March 31, 2021

<b>Assets</b>			
	Notes No.	31.03.2021 € '000	31.12.2020 € '000
Tangible fixed assets		29,057	29,541
Intangible fixed assets		8,646	8,549
Other assets		907	965
Deferred tax assets		2,510	2,809
<b>Non-current assets</b>		<b>41,120</b>	<b>41,864</b>
Inventories		34,512	33,540
Trade receivables		30,856	25,372
Securities		30	0
Other assets		4,398	4,653
Income tax receivables		136	147
Cash and cash equivalents		24,638	21,916
<b>Current assets</b>		<b>94,570</b>	<b>85,628</b>
<b>Total assets</b>		<b>135,690</b>	<b>127,492</b>
<b>Equity and liabilities</b>			
	Notes No.	31.03.2021 € '000	31.12.2020 € '000
Capital stock		9,000	9,000
Capital reserves		13,757	13,757
Revenue reserves		60,925	60,177
Profit / loss carried forward		-2,979	-4,432
Earnings after taxes		2,755	1,453
Adjustment for own shares		-4,021	-4,021
Currency translation differences		2,953	2,947
<b>Equity</b>		<b>82,390</b>	<b>78,881</b>
Financial liabilities (interest-bearing)		7,429	7,936
Other liabilities		460	451
Provisions	(1)	14,625	15,702
<b>Non-current liabilities</b>		<b>22,514</b>	<b>24,089</b>
Financial liabilities (interest-bearing)		2,392	2,534
Other liabilities		16,826	13,486
Trade payables		8,011	5,712
Provisions	(1)	242	319
Tax liabilities		3,314	2,471
<b>Current liabilities</b>		<b>30,786</b>	<b>24,522</b>
<b>Total equity and liabilities</b>		<b>135,690</b>	<b>127,492</b>



# A.S. Création Tapeten AG, Gummersbach

## Consolidated income statement

for the three-month period ended March 31, 2021

	Notes No.	2021 € '000	2020 € '000
<b>Sales</b>	(2)	<b>40,348</b>	<b>37,814</b>
Increase or decrease in unfinished and finished goods		227	455
<b>Total output</b>		<b>40,575</b>	<b>38,269</b>
Cost of materials		18,467	17,982
<b>Gross profit</b>		<b>22,108</b>	<b>20,287</b>
<b>Other income</b>		<b>676</b>	<b>346</b>
		<b>22,784</b>	<b>20,633</b>
Personnel expenses		10,268	9,756
Depreciation		1,476	1,533
Other operating expenses		7,019	10,797
<b>Operating expenses</b>		<b>18,763</b>	<b>22,086</b>
<b>Earnings before interest and taxes (EBIT)</b>		<b>4,021</b>	<b>-1,453</b>
Interest and similar income		1	7
Interest and similar expenses		148	176
<b>Financial result</b>		<b>-147</b>	<b>-169</b>
<b>Earnings before income taxes</b>		<b>3,874</b>	<b>-1,622</b>
Income taxes	(3)	1,119	633
<b>Earnings after taxes</b>		<b>2,755</b>	<b>-2,255</b>
<b>Earnings per share (basic/diluted)</b>	(4)	<b>1.00 €</b>	<b>-0.82 €</b>

# A.S. Création Tapeten AG, Gummersbach

## Consolidated statement of comprehensive income

for the three-month period ended March 31, 2021

	2021 € '000	2020 € '000
<b>Earnings after taxes</b>	<b>2,755</b>	<b>-2,255</b>
Items, that will never be reclassified to profit or loss:		
Actuarial gains/losses from pension provisions	1,091	-329
Deferred taxes on other comprehensive income	-336	101
	<b>755</b>	<b>-228</b>
Items, that are or may be reclassified to profit or loss:		
Foreign currency translation differences for fully consolidated companies	6	932
Change in fair value of an interest rate hedge	-10	1,041
Deferred taxes on other comprehensive income	3	-323
	<b>-1</b>	<b>1,650</b>
<b>Other comprehensive income (outside profit or loss)</b>	<b>754</b>	<b>1,422</b>
<b>Total comprehensive income</b>	<b>3,509</b>	<b>-833</b>

# A.S. Création Tapeten AG, Gummersbach

## Consolidated statement of changes in equity

for the three-month period ended March 31, 2021

	Capital stock	Capital reserves	Revenue reserves	Profit/ loss carried forward	Earnings after taxes	Adjust- ment for own shares	Currency trans- lation diffe- rences	Total
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
<b>January 1, 2020</b>	<b>9,000</b>	<b>13,757</b>	<b>59,188</b>	<b>-15,030</b>	<b>14,133</b>	<b>-4,021</b>	<b>2,400</b>	<b>79,427</b>
Earnings after taxes 2019	0	0	0	14,133	-14,133	0	0	0
Dividend payments	0	0	0	0	0	0	0	0
Allocation to revenue reserves	0	0	-355	355	0	0	0	0
Total comprehensive income 2020	0	0	490	0	-2,255	0	932	-833
<b>March 31, 2020</b>	<b>9,000</b>	<b>13,757</b>	<b>59,323</b>	<b>-542</b>	<b>-2,255</b>	<b>-4,021</b>	<b>3,332</b>	<b>78,594</b>

	Capital stock	Capital reserves	Revenue reserves	Profit/ loss carried forward	Earnings after taxes	Adjust- ment for own shares	Currency trans- lation diffe- rences	Total
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
<b>January 1, 2021</b>	<b>9,000</b>	<b>13,757</b>	<b>60,177</b>	<b>-4,432</b>	<b>1,453</b>	<b>-4,021</b>	<b>2,947</b>	<b>78,881</b>
Earnings after taxes 2020	0	0	0	1,453	-1,453	0	0	0
Dividend payments	0	0	0	0	0	0	0	0
Allocation to revenue reserves	0	0	0	0	0	0	0	0
Total comprehensive income 2021	0	0	748	0	2,755	0	6	3,509
<b>March 31, 2021</b>	<b>9,000</b>	<b>13,757</b>	<b>60,925</b>	<b>-2,979</b>	<b>2,755</b>	<b>-4,021</b>	<b>2,953</b>	<b>82,390</b>

# A.S. Création Tapeten AG, Gummersbach

## Consolidated cash-flow statement

for the three-month period ended March 31, 2021

	2021 € '000	2020 € '000
<b>Operating activities</b>		
Earnings after taxes	2,755	-2,255
+ Depreciation on tangible and intangible fixed assets	1,476	1,533
+/- Increase/decrease in long-term provisions	13	-18
- Non-cash decrease in financial liabilities	-371	-36
-/+ Income/expenses from changes in deferred taxes	-23	-152
-/+ Profit/losses from disposal of tangible and intangible fixed assets	57	28
-/+ Increase/decrease in inventories	-864	-788
-/+ Increase/decrease in trade receivables	-5,327	-8,633
+/- Increase/decrease in trade payables	2,072	830
-/+ Increase/decrease in other net working capital	4,404	6,749
<b>Cash-flow from operating activities</b>	<b>4,192</b>	<b>-2,742</b>
<b>Investing activities</b>		
- Cash outflows for capital expenditures on tangible and intangible fixed assets	-803	-1,179
- Cash outflows for acquisition of consolidated companies (less liquid funds acquired)	110	0
<b>Capital expenditures</b>	<b>-693</b>	<b>-1,179</b>
+ Proceeds from the disposal of tangible and intangible fixed assets	13	10
<b>Cash-flow from investing activities</b>	<b>-680</b>	<b>-1,169</b>
<b>Financing activities</b>		
+/- Raising/repayment of financial liabilities (interest-bearing)	-660	-819
<b>Cash-flow from financing activities</b>	<b>-660</b>	<b>-819</b>
<b>Net change in cash and cash equivalents</b>	<b>2,852</b>	<b>-4,730</b>
+/- Change in cash and cash equivalents due to exchange rate fluctuations	-130	1,409
+ Cash and cash equivalents at January 1	21,916	20,649
<b>Cash and cash equivalents at March 31</b>	<b>24,638</b>	<b>17,328</b>

Further information on the cash-flow statement is presented in the notes to the consolidated financial statement (see No. 5).

# A.S. Création Tapeten AG, Gummersbach

## Notes to the consolidated financial statements

for the three-month period ended March 31, 2021

### General

A.S. Création Tapeten AG is a joint stock company registered under HRB 39357 with the Register Court of Cologne in the Federal Republic of Germany. The address of the headquarters is Südstrasse 47, D-51645 Gummersbach.

The present consolidated interim financial statements for the period ended March 31, 2021 were prepared by A.S. Création Tapeten AG in a condensed form in accordance with the provisions of IAS 34 “Interim Financial Reporting”. The accounting and valuation methods used are the same as those used for the consolidated financial statements for the period ended December 31, 2020. The latter was prepared on the basis of the International Financial Reporting Standards (IFRS) that were applicable on the reporting date and had been adopted by the European Union as well as the additional requirements pursuant to section 315e (1) of the German Commercial Code (Handelsgesetzbuch HGB). A detailed description of the accounting and valuation methods was published in the notes to the consolidated financial statements for the period ended December 31, 2020.

A.S. Création Tapeten AG has a policy of applying new IFRS as soon as they become effective. The IFRS that were first adopted in the period under review did not have a material impact on the consolidated financial statements of A.S. Création as of March 31, 2021:

- Amendments to IAS 39 “Financial Instruments: Recognition and Measurement”, IFRS 7 “Financial Instruments: Disclosures”, IFRS 9 “Financial Instruments”, IFRS 4 “Insurance Contracts” and IFRS 16 “Leases” - Interest Rate Benchmark Reform (Phase 2); first-time adoption for fiscal years beginning on or after January 1, 2021.

The following standards have been published but have not yet become effective or been endorsed by the EU in fiscal 2021:

- Amendments to IFRS 16 “Leases”; apply from April 1, 2021 for lease concessions that reduce lease.
- Annual improvements to IFRS (2018-2020); first-time adoption for fiscal years beginning on or after January 1, 2022.
- Amendments to IAS 1 “Presentation of Financial Statements”; first-time adoption for fiscal years beginning on or after January 1, 2023.
- Amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”; first-time adoption for fiscal years beginning on or after January 1, 2023.

No material impact on the consolidated financial statements of A.S. Création are expected.

The preparation of the interim financial statements in accordance with IFRS requires the Managing Board to make estimates and assumptions that affect the presentation of assets and liabilities as well as income and expenses. All estimates and assumptions are made to the best of our knowledge and belief in order to provide a true and fair view of the net assets, financial and earnings position of the Group. The actual values may nevertheless differ from the estimated values. The results achieved in the fiscal year 2021 to date do not necessarily allow predictions to be made about the further course of business.

The present interim financial statements have neither been audited nor reviewed by an auditor.

## Notes on the basis of consolidation

The basis of consolidation changed in the first quarter of 2021 compared to the consolidated financial statements for 2020. First, the two Belarusian companies, OOO A.S. Création Belrus and OOO Profistil, were merged. Second, CEALIS S.A.S. took over French online retailer Papierspeintsdirect.com with effect from January 1, 2021. At seven, the number of subsidiaries consolidated together with A.S. Création Tapeten AG remained unchanged from the previous year.

## Currency translation

A.S. Création Tapeten AG's reporting currency is the euro (€).

In accordance with IAS 21, foreign currencies of subsidiaries in non-EMU countries are translated according to the functional currency concept using the modified closing rate method. Besides, the following exchange rates come to the use:

	Closing rate of the period		Average rate of the period	
	31.03.2021	31.12.2020	2021	2020
Pound Sterling (GBP/€)	0.85209	0.89903	0.87393	0.86225
Russian Rouble (RUB/€)	88.88210	90.68240	89.55502	73.41285
Belarus Rouble (BYN/€)	3.08090	3.16800	3.13013	2.46999

## Notes to the balance sheet

### (1) Provisions

Long-term provisions refer to pension provisions, while short-term provisions mainly refer to potential losses from current contracts and warranties.

## Notes to the income statement

### (2) Sales

A breakdown of Group sales by region is provided below:

	Wallpaper Division		Fabrics Division		Consolidation		Group	
	2021 € '000	2020 € '000	2021 € '000	2020 € '000	2021 € '000	2020 € '000	2021 € '000	2020 € '000
Germany	15,877	17,431	1,917	2,630	-26	-18	17,768	20,043
EU (excl. Germany) and UK	19,348	15,116	549	535	-4	-8	19,893	15,643
European Union (EU) and UK	35,225	32,547	2,466	3,165	-30	-26	37,661	35,686
Other Eastern Europe	4,515	4,019	13	17	0	0	4,528	4,036
Other countries	2,450	2,236	158	83	0	0	2,608	2,319
<b>Sales (gross)</b>	<b>42,190</b>	<b>38,802</b>	<b>2,637</b>	<b>3,265</b>	<b>-30</b>	<b>-26</b>	<b>44,797</b>	<b>42,041</b>
Reduction in revenues	-4,284	-4,032	-165	-195	0	0	-4,449	-4,227
<b>Sales (net)</b>	<b>37,906</b>	<b>34,770</b>	<b>2,472</b>	<b>3,070</b>	<b>-30</b>	<b>-26</b>	<b>40,348</b>	<b>37,814</b>

### (3) Income taxes

Income taxes recognised comprise the income taxes paid or due in the individual countries as well as deferred tax assets and liabilities. Income taxes break down as follows:

	2021 € '000	2020 € '000
Income taxes	1,142	785
Deferred income taxes	-23	-152
	<b>1,119</b>	<b>633</b>

### (4) Earnings per share (basic/diluted)

Earnings per share are calculated as follows:

		2021	2020
Number of shares outstanding (weighted average)	shares	2,756,351	2,756,351
Earnings after taxes	€	2,755,312	-2,254,910
<b>Earnings per share</b>	<b>€/share</b>	<b>1.00</b>	<b>-0.82</b>

Given that no stock options or similar equity instruments exist that may lead to a change in the number of shares (so-called "capital dilution"), earnings per share represent both basic and diluted earnings per share.

## Complementary information

### (5) Cash-flow statement

Cash-flow from operating activities includes the following payments:

	2021 € '000	2020 € '000
Interest received	2	6
Interest paid	128	148
Income tax received	7	73
Income tax paid	340	1,432

Interest paid primarily relates to investment financing.

The changes in financial liabilities shown under cash-flow from financing activities are composed as follows:

	2021 € '000	2020 € '000
Raising of financial liabilities	108	59
Repayment of financial liabilities	-768	-878
thereof from financial lease contracts	(-135)	(-108)
	<b>-660</b>	<b>-819</b>

### (6) Contract fulfilment costs

In the reporting period, contract fulfilment costs as defined in IFRS 15 amounted to € 0.435 million (previous year: € 0.452 million); these are provided continuously over the term of the underlying contract. As the performance for the contract fulfilment costs capitalised in the contractual period, these costs were immediately written off in full in the reporting period.



## (7) Segment reporting

According to IFRS 8, segment reporting must reflect the Group's internal organisational and reporting structures. Based on A.S. Création's products and services, the corporate structure comprises two segments, i.e. the Wallpaper Division and the Furnishing Fabrics Division. Prices charged for intragroup deliveries and services are set in line with general market prices.

A breakdown of key figures by segments is provided below:

	Wallpaper Division		Fabrics Division		Consolidation		Group	
	2021 € '000	2020 € '000	2021 € '000	2020 € '000	2021 € '000	2020 € '000	2021 € '000	2020 € '000
External sales	37,890	34,753	2,458	3,061	0	0	40,348	37,814
Intra-Group sales	16	17	14	9	-30	-26	0	0
Total sales	37,906	34,770	2,472	3,070	-30	-26	40,348	37,814
EBITDA <sup>1</sup>	5,475	-42	22	122	0	0	5,497	80
EBITDA-margin	14.4 %	-0.1 %	0.9 %	4.0 %			13.6 %	0.2 %
EBIT <sup>2</sup>	4,053	-1,523	-32	70	0	0	4,021	-1,453
EBIT-margin	10.7 %	-4.4 %	-1.3 %	2.3 %			10.0 %	-3.8 %
Interest income <sup>3</sup>	4	11	0	0	-2	-4	2	7
Interest expenses	135	164	16	16	-2	-4	149	176
Earnings before taxes <sup>3</sup>	3,922	-1,676	-48	54	0	0	3,874	-1,622
Return on sales (before taxes) <sup>3</sup>	10.3 %	-4.8 %	-1.9 %	1.8 %			9.6 %	-4.3 %
Income taxes <sup>3</sup>	1,135	616	-16	17	0	0	1,119	633
Capital expenditures <sup>4</sup>	690	1,174	3	5	0	0	693	1,179
Depreciation	1,422	1,481	54	52	0	0	1,476	1,533
Cash-flow <sup>3</sup>								
from operating activities	4,599	-2,741	-407	-1	0	0	4,192	-2,742
from investing activities	-677	-1,170	-3	1	0	0	-680	-1,169
from financing activities	-675	-745	15	-74	0	0	-660	-819
Segment assets (closing date) <sup>5</sup>	102,590	102,770	5,853	6,520	-36	-34	108,407	109,256
thereof non-current assets	(37,418)	(39,362)	(1,192)	(1,259)	(0)	(0)	(38,610)	(40,621)
Segment liabilities (closing date) <sup>6</sup>	24,061	19,594	1,515	1,655	-36	-34	25,540	21,215
Employees (average)	715	699	62	65	0	0	777	764

<sup>1</sup> **EBITDA** is the common international abbreviation of earnings before interest, taxes, depreciation and amortisation.

<sup>2</sup> **EBIT** is the common international abbreviation of earnings before interest and taxes. It is equivalent to the segment result.

<sup>3</sup> These values refer to continued operations.

<sup>4</sup> **Capital expenditures** correspond to the cash-flow statement.

<sup>5</sup> **Segment assets** are the total assets of the segment less interest-bearing intercompany loans, cash and cash equivalents, deferred tax assets and income tax receivables.

<sup>6</sup> **Segment liabilities** are the business segment's total liabilities less shareholders' equity, long-term provisions, tax liabilities, deferred tax liabilities and financial liabilities.

A breakdown of Group sales by geographical regions is provided in the notes on sales (see No. 2).

The table below shows a breakdown of the Group's assets by regions and maturities:

	Total		Remaining term of up to 1 year		Remaining term of over 1 year	
	31.03.2021 € '000	31.12.2020 € '000	31.03.2021 € '000	31.12.2020 € '000	31.03.2021 € '000	31.12.2020 € '000
Germany	69,319	66,389	47,711	44,063	21,608	22,326
EU (excl. Germany) and UK	23,572	21,934	14,392	12,721	9,180	9,213
Other Eastern Europe	15,516	14,298	7,826	6,782	7,690	7,516
	<b>108,407</b>	<b>102,621</b>	<b>69,929</b>	<b>63,566</b>	<b>38,478</b>	<b>39,055</b>

## (8) Managing Board

The Managing Board had the following members in the reporting period:

- Daniel Barth (Chairman), Corporate Strategy, Marketing and Sales
- Maik Krämer, Finance and Controlling
- Antonios Suskas, Production and Logistics

## (9) Related party transactions

All business relations with related parties are contractually agreed and conducted on an arm's length basis.

The relationship of the company with A.S. Création Tapeten Stiftung, a charitable foundation, mentioned in the consolidated financial statement 2020, as well as the relationship with Mr Schneider, continued to exist in the period under review. No expenses incurred in this context in the reporting period as well as in the previous year.

**(10) Post balance sheet events**

No events that require reporting occurred.

Gummersbach, May 3, 2021

**A.S. Création Tapeten AG**

The Managing Board

Barth

Krämer

Suskas

**Investor Relations**

Maik Krämer, Director of Finance  
Südstraße 47, D-51645 Gummersbach-Derschlag  
Phone: +49-2261-542 387  
fax: +49-2261-542 304  
e-mail: m.kraemer@as-creation.de