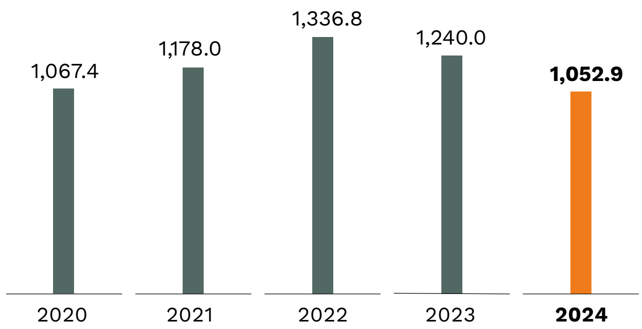
TAKKT

FORWARD

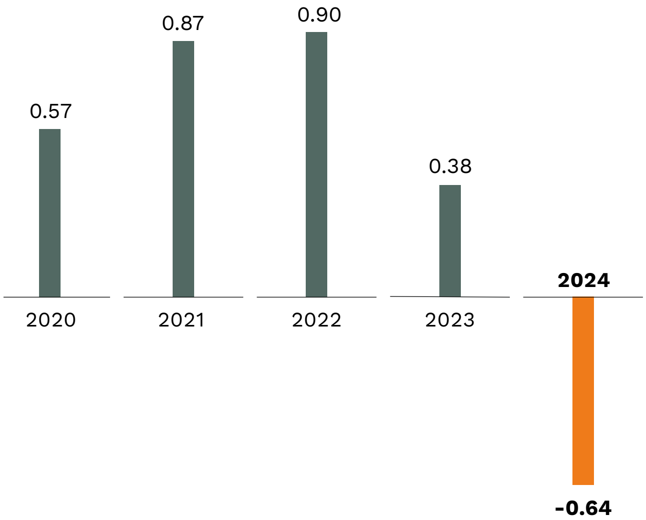
ANNUAL REPORT OF TAKKT GROUP 2024

Selected key figures

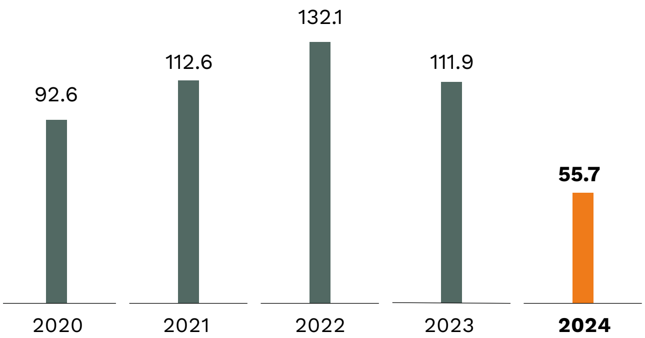
Sales in EUR million



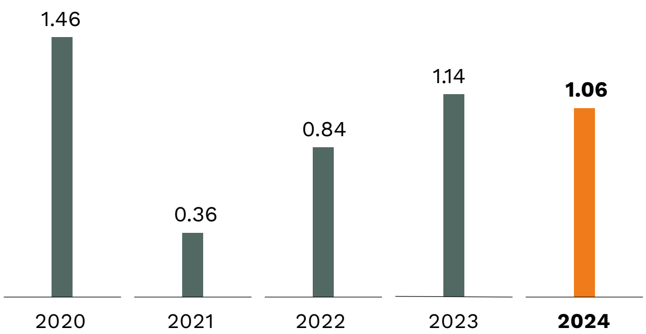
Earnings per share in EUR



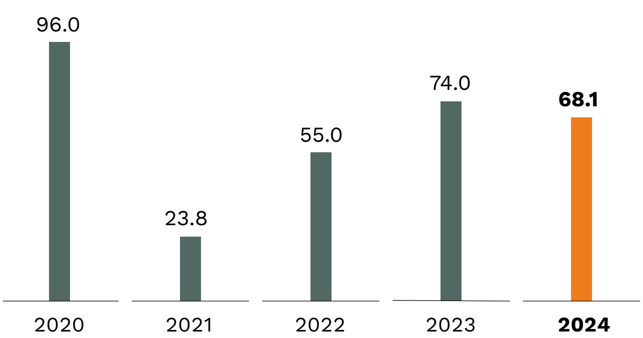
EBITDA in EUR million



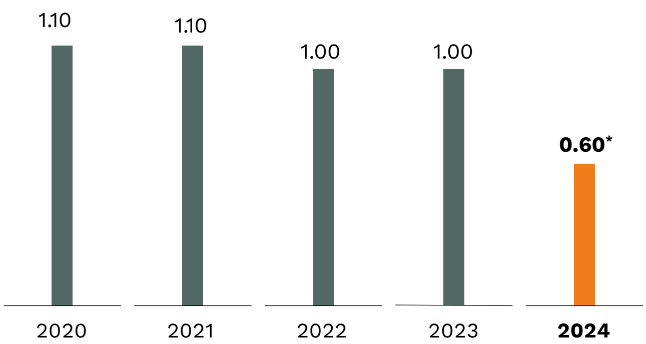
Cash flow per share in EUR



Free cash flow in EUR million



Dividend per share in EUR



* Dividend proposal for the financial year 2024.

Key figures of TAKKT Group

in EUR million	2020	2021	2,022	2,023	2,024
Sales	**1,067.4**	**1,178.0**	**1,336.8**	**1,240.0**	**1,052.9**
Change in %	– 12,0	10.4	13.5	– 7.2	– 15.1
Gross margin	**423.7**	**473.1**	**525.7**	**493.4**	**413.9**
in % of sales	39.7	40.2	39.3	39.8	39.3
EBITDA	**92.6**	**112.6**	**132.1**	**111.9**	**55.7**
in % of sales	8.7	9.6	9.9	9.0	5.3
EBIT	**52.4**	**73.9**	**80.8**	**38.9**	**– 40.5**
in % of sales	4.9	6.3	6.0	3.1	– 3.8
Profit before tax	**46.6**	**72.8**	**75.9**	**30.1**	**– 50.8**
in % of sales	4.4	6.2	5.7	2.4	– 4.8
Profit	**37.2**	**57.0**	**59.3**	**24.6**	**– 41.3**
in % of sales	3.5	4.8	4.4	2.0	– 3.9
Capital expenditure for investments	13.3	18.3	14.6	17.1	11.9
Free cash flow	96	23.8	55.0	74.0	68.0
Capital expenditure for acquisitions	0.0	0.0	0.0	0.0	0.0
Depreciation, amortization and impairment	40.2	38.7	51.3	73	96.2
Earnings per share in EUR	0.57	0.87	0.90	0.38	– 0.64
Free cash flow per share in EUR	1.46	0.36	0.84	1.14	1.06
Dividend per share in EUR	1.10	1.10	1.00	1.00	0.60*
Non-current assets	**781.1**	**812.2**	**781.5**	**730.3**	**669.4**
in % of total assets	77.8	72.8	69.7	72.5	72.5
Total equity	**649.6**	**694.0**	**699.8**	**642.7**	**542.6**
in % of total assets	64.7	62.2	62.4	63.8	58.8
Net financial liabilities	**75.4**	**105.0**	**116.7**	**106.0**	**114.0**
Total assets	**1,004.3**	**1,115.4**	**1,121.5**	**1,006.8**	**922.7**
ROCE (Return on Capital Employed) in %	5.6	8.0	8.4	4.2	– 4.9
TAKKT value added	– 23.2	– 3.1	– 1.5	– 30.6	– 90.0
Employees (full-time equivalent) at year-end	**2,327**	**2,496**	**2,437**	**2,385**	**2,154**

* The Management Board proposes a dividend payment of EUR 0.60 per share.

Content

TAKKT FORWARD

THREE PILLARS TO MOVE TAKKT FORWARD

FOCUS GROWTH PERFORMANCE

CLEAR FOCUS, CUSTOMER CENTRICITY, PROFITABLE GROWTH

With “TAKKT Forward”, we are consistently stearing our business model towards profitable growth and operational excellence. The focus is on three strategic pillars: **Focus, Growth and Performance.**

Focus: We are sharpening our profile through clear priorities in the portfolio. The core is our Industrial & Packaging division - our division with the highest sales and margins and attractive market opportunities for further development. We are therefore making targeted investments here in order to grow further. At the same time, we are continuing to develop the role of the other divisions in a differentiated manner in order to realize existing potential.

Growth: We create growth through consistent customer centricity. We serve large and medium-sized corporate customers with an expanded product range, tailored services and a targeted sales approach. We reach smaller customers even more efficiently via digital channels and self-service offerings. Our aim is to be a relevant and preferred partner for companies in all customer segments - with a broader offering, better services and a clear focus on sustainability.

Performance: We increase our operational performance through structural improvements in processes, systems and structures. This includes the increased use of automation and artificial intelligence as well as the optimization of the organizational structure and consistent working capital management to improve cash flow and return on capital.

This is how we translate our strategy into concrete measures - for a focused, fast-growing and profitable TAKKT.

DIVISIONS

INDUSTRIAL & PACKAGING | **OFFICE FURNITURE & DISPLAYS** | **FOODSERVICE**

WORLDS OF WORK



GROUP FUNCTIONS

Operations

Human Resources

IT & Digital

Finance

400,000 PRODUCTS

3 DIVISIONS

20 COUNTRIES

TAKKT AG is the leading omnichannel distributor for business equipment in Europe and North America. The Group is represented in more than 20 countries with its divisions Industrial & Packaging, Office Furniture & Displays and FoodService. The product range of the subsidiaries comprises more than 400,000 products for the areas of plant and warehouse equipment, office furniture, transport packaging, display articles and equipment for the food service industry, hotel market and retailers.

Our Divisions

INDUSTRIAL & PACKAGING

› **1,461**
Employees

› **170,000**
Products

› **7**
Brands

› **330 Years**
Brand experience

Disruptions in supply chains, increasing automation and the advance of digitalization are just some of the trends that are permanently changing the working environment in production and logistics.

Transport packaging should no longer just be functional and protect products, but also convey advertising messages and meet sustainability criteria. People, machines and workpieces are networked with each other, processes are becoming faster, more individual and more efficient. At the same time, documentation and occupational safety requirements are increasing.

With our products and consulting services in the Industrial & Packaging Division, we prepare our customers for these new challenges.

Our Divisions

INDUSTRIAL & PACKAGING

In Europe, the I&P division offers a focused product portfolio for the working environment of factory floors and warehouses in the manufacturing and logistics sectors. Typical customers include manufacturing companies such as mechanical engineering firms or automotive suppliers, as well as companies from the retail and service sectors and public institutions. I&P addresses the European market using a "house of brands" approach with several sales brands that are geared towards different product groups and regions:

kaiserkraft

kaiserkraft serves as an umbrella brand and sells a wide range of transport, factory, warehouse and office equipment. Products from kaiserkraft include pallet trucks, universal cabinets and swivel chairs, as well as special products such as environmental cabinets and containers for hazardous substances.

Gerdmans | Runelandhs

The **Gerdmans** brand distributes a similar product range to kaiserkraft to companies in Denmark, Norway, Sweden and Finland. TAKKT is also active in Sweden with **Runelandhs** as a second brand.

BiGDUG | Office Furniture Online

The two brands **BiGDUG** and **OfficeFurnitureOnline** sell office equipment and furniture such as desks, chairs, cabinets and workbenches, mainly in the UK.

ratioform | Davpack

As packaging specialists, **ratioform** and **Davpack** offer customized packaging solutions for companies in a wide range of industries based on a broad product range. Customers use folding cartons, packaging pads, shipping pallets or stretch films, for example, to ensure smooth logistics for their goods.

Our Divisions

OFFICE FURNITURE & DISPLAYS

› **478**
Employees

› **17,000**
Products

› **3**
Brands

› **112 Years**
Brand experience

Thanks to New Work, work in the office has changed significantly in recent years and will continue to do so. We can decide flexibly and individually when, where and how we want to work.

Employers with rigid guidelines will find it difficult to recruit and retain employees. And the office environments of tomorrow must be designed to be so attractive and versatile that they offer employees real advantages over working from home. This requires workstations with modern and ergonomic office furniture, but also areas for personal interaction, rooms with technology for real and virtual meetings and quiet work zones.

With our brands in the OF&D division, we help our customers to create these attractive working environments.

Our Divisions

OFFICE FURNITURE & DISPLAYS

In the OF&D division, we target the world of service providers with our diverse product range. On the one hand, this includes office equipment for everyday use in the company or for working at home. On the other hand, we also offer products for sales promotion at the point of sale or for attractive product presentations at events. Our customers include large industrial groups, smaller service providers such as law firms and architectural firms, as well as public institutions such as authorities and schools. The division‘s activities are focused on the USA, where we are present on the market with two sales brands:

nbf National Business Furniture

National Business Furniture (NBF) specializes in office furniture products. The product range includes office chairs and desks, conference tables and furniture for reception areas.

DISPLAYS2GO POST UP STAND

Displays2go and **PostUpStand** offer products for sales promotion. Exemplary products here are customized advertising banners, stands for digital displays, mobile exhibition stands and display stands.

Our Divisions

FOODSERVICE

› **379**
Employees

› **250,000**
Products

› **3**
Brands

› **135 Years**
Brand experience

The consequences of the pandemic have permanently changed the working environment in the catering industry. The growing importance of take-away, delivery services and self-service is placing new demands on restaurants, canteens and hotels. At the same time, it is becoming increasingly difficult to attract employees to work in this sector. On the one hand, automation and standardization of processes will therefore become more important, while on the other, companies must equip workplaces in such a way that they are as attractive as possible for applicants.

With the FoodService Division, we support our customers not only with products for the preparation and presentation of food, but also in the creation of sustainable working environments.

Our Divisions

FOODSERVICE

The FS division offers customers all products required for the preparation and presentation of meals and food. The product portfolio for the working world in the HoReCa sector (hotels, restaurants and catering) includes smaller products such as pots and pans as well as larger appliances such as an ice cube machine or a deep fryer. Customers include canteens in schools or universities, catering businesses in event locations such as sports venues, food retailers and small family-run restaurants. The division focuses on North America and is active with three brands:

HUBERT

Hubert offers equipment for the catering and food retail sectors as well as items for sales promotion. Exemplary for the range are products for buffet equipment such as serving trays and presentation baskets.

Central Restaurant Products

Central sells products in the restaurant equipment sector. The range includes all the equipment needed to run small to medium-sized restaurants. Exemplary products are kitchen ovens and freezers.

XXL HORECA

XXLhoreca is an e-commerce retailer based in the Netherlands that specializes in catering equipment and focuses on a range of large appliances such as refrigerators and freezers.

Our Core Behaviors

› Think customer first

We make it easy to do business with. Our customer is the center of everything we do.

› Empower others

We engage our employees through open feedback, collaboration, transparency and teamwork.

› Improve every day

We challenge the status quo and quickly embrace change. We keep it simple and impactful.

› Take ownership

We are accountable for our targets and always deliver on our commitments.

› Compete for success

We are determined to win with a clear drive to reach our goals. We have the courage to make difficult decisions.

Our Core Behaviors define and explain what is expected of each employee in their daily work. They drive the cultural change within the TAKKT Group and serve as a basis for regular performance reviews.

To the Shareholders

Letter from the Management Board

DEAR SHAREHOLDERS, LADIES AND GENTLEMEN,

Andreas Weishaar
CEO

I have been CEO of TAKKT AG for more than half a year, working together with the management team. The goal is clear: We want TAKKT to fulfill its full potential. Our strengths are a compelling business model, an attractive market position and a broad and loyal customer base. However, in recent years we have missed out on opportunities. This has been reflected in the development of sales and earnings, as well as in the performance of our share price. We want to change this and sustainably improve returns for our shareholders by increasing sales and profitability and ensuring long-term value creation.

2024 was a challenging year for TAKKT in many respects. The ongoing weakness of industry in Germany, low growth in Europe and subdued demand in our markets in the USA had a direct impact on our business performance. As a B2B omnichannel direct marketing specialist, we supply products that our customers need for their daily operations. However, their willingness to invest depends heavily on the overall economic situation, which was not particularly favorable in 2024. As has already been regularly reported, we also faced internal challenges. We have rigorously addressed the causes and eliminated them step by step. After a difficult first half of 2024, our stabilization measures increasingly took effect and we were able to continuously improve our growth rate in the following quarters. For 2024 as a whole, our organic growth rate of minus 15.4 percent and the adjusted EBITDA margin of 6.9 percent were at the upper end of the forecast range revised in October. In addition, structural improvements in the management of net working capital enabled us to generate significant free cash flow, which was much more stable than the EBITDA.

We want to build on this positive trend in 2025, and to this end we have continued to develop our strategy over the past few months. We have also realigned the management team below the Management Board and are entering the new year with a strong team. For example, we were able to bring Yonca Heyse on board as the new head of the OF&D division. Keith Kelly has been leading the FoodService division in the USA as its new head since May. With Carsten Rumpf, we were able to bring on board an experienced executive for the I&P division. Last but not least, Daniel Zapf joined TAKKT in September as Chief Information Officer to continue the development of systems and processes and to set up an infrastructure that reflects the demands of the new business strategy.

»

The foundation of our business success remains the precise and reliable procurement of the necessary business equipment for our customers, allowing them to focus on their core processes.

The foundation of our business success remains the precise and reliable procurement of the necessary business equipment for our customers, allowing them to focus on their core processes. With our strong, widely recognized brands, our omnichannel strategy and dedicated local teams, we stay directly connected to our customers and know exactly what they require. This positioning has enabled us to build a strong and loyal customer base. This applies to all our activities, but especially to our European Industrial & Packaging Division, where more than three-quarters of all companies listed in the Eurostoxx are our customers. Despite our broad customer base, the untapped potential in this area alone is immense: We are firmly established with these customers, but often only supply some parts of their organizations. We will change this by increasing our share of customers' procurement needs through more active sales. At the same time, we will harmonize and modernize the systems for our core processes, thus reducing costs per transaction and further increasing customer satisfaction.

»

Under the name "TAKKT Forward", we will concentrate in the future on a clearly focused portfolio, targeted growth initiatives and a sustained increase in our operational performance.

Under the name "TAKKT Forward", we will concentrate in the future on a clearly focused portfolio, targeted growth initiatives and a sustained increase in our operational performance. Our focus is on strengthening our core European business in the Industrial & Packaging Division, where we hold a leading position in a highly fragmented market. This is where we see the greatest opportunities in the long term despite the current challenging environment. Our goal is to expand our position as one of the market leaders in Europe. At the same time, we will continue to develop our American brands National Business Furniture, Hubert and Central with the aim of consolidating their market position and enabling profitable growth.

With our strategic focus, we are implementing various initiatives to strengthen our growth. We are working to further improve our range of products for corporate customers with complex procurement requirements. This includes expanding our range to include additional product categories, as well as expanding our services, particularly in the area of custom-made products and project consulting. We are also strengthening our position as a provider of sustainable products to capitalize on the growing demand for environmentally friendly solutions.

In addition to optimizing our portfolio and increasing growth, improving our performance is a key component of "TAKKT Forward". We are increasing the efficiency of our processes through targeted automation and the increased use of artificial intelligence. At the same time, we have established a central competence center to lay the foundation for greater economies of scale and even better control of our business processes. In addition, we have reorganized our project management to ensure that we implement our strategy consistently and efficiently. These measures will be supported by optimized capital allocation and cash generation, as we implement further structural improvements in the management of our net working capital.

The economy will remain challenging in 2025, due in part to the risks posed by higher import tariffs and increased political uncertainty. Despite this situation, we are confident that we will see an improvement in sales and earnings if we consistently implement the measures we have put in place. It is up to us to take advantage of the existing opportunities that will allow us to return to profitable growth. While sales and earnings at the beginning of the year are still impacted by the effects of the previous year, we expect our growth initiatives to have an increasingly positive effect as the year progresses. For the full year 2025, we expect our organic growth rate to be between minus four and plus six percent. One-time expenses for structural adjustments will be noticeably lower than in the previous year. We expect the adjusted EBITDA margin to be between 6.0 and 8.0 percent, depending on sales growth.

Last year also showed that TAKKT can maintain a high level of cash generation even in difficult times. This financial stability allows us to maintain our reliable dividend policy and to propose a base dividend of €0.60 per share for the 2024 fiscal year at the Shareholders' Meeting. I am firmly convinced that TAKKT offers significant potential for value appreciation in the years to come. The implementation of our "TAKKT Forward" strategy will not only result in a sustainable increase in earnings, but will also enable us to return to profitable growth. I underscored my personal confidence in this direction by buying shares in the company last year.

It is up to us to take advantage of the existing opportunities that will allow us to return to profitable growth.

I would like to thank you, our valued shareholders, for your trust in TAKKT AG and our management team. Our thanks also go to our employees, who are fully committed to the success of our company. Together we will lead TAKKT on a long-term path to success.

Thank you for your support

Andreas Weishaar

Members of the Management Board

Andreas Weishaar
CEO

Lars Bolscho
CFO

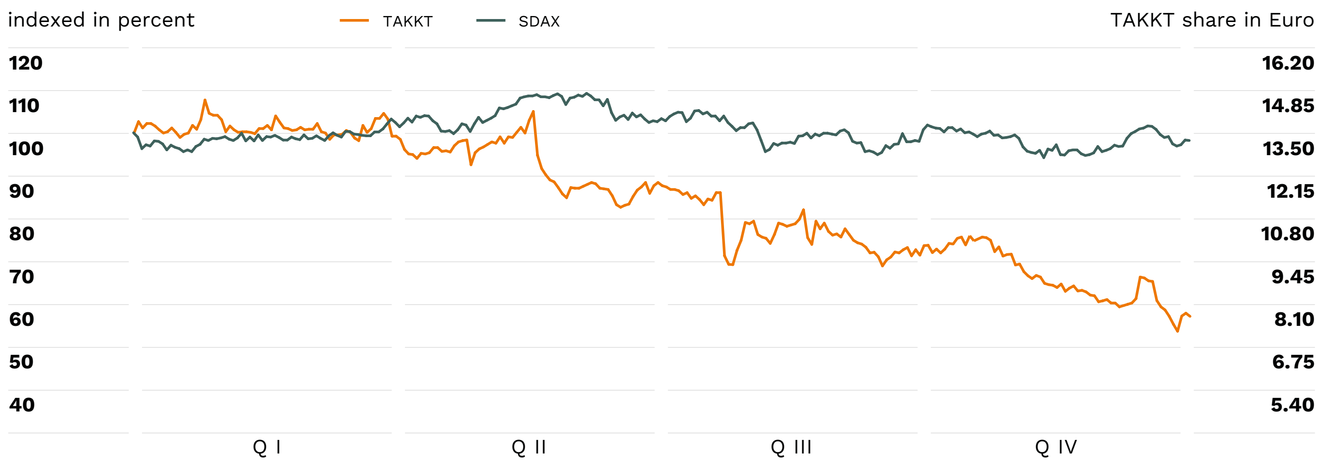
TAKKT Share and Investor Relations

WEAK YEAR FOR SMALL AND MID-CAPS

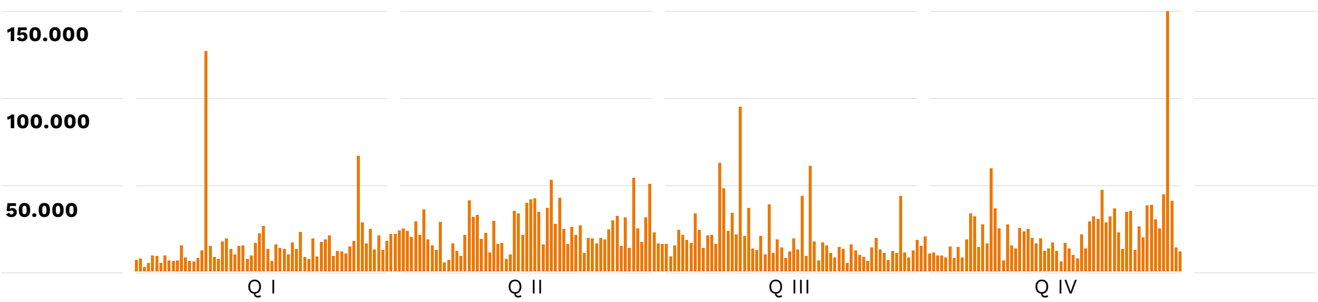
The leading German and international stock indices achieved very positive returns in 2024, continuing the trend of the previous year. In the eurozone, annual inflation declined and stood at around two percent at the end of the year. In addition, the strict interest rate policy was eased worldwide, which supported the stock markets. The European Central Bank (ECB) began the turnaround in the second quarter, while the Federal Reserve (Fed) initiated the interest rate reversal in the fall. Despite recession concerns in Germany, the country's leading index, the DAX, reached new record highs and rose by 18.8 percent for the year as a whole, while the small-cap SDAX declined by 1.8 percent.

After closing at EUR 13.50 on December 29, 2023, and the extraordinary inclusion in the SDAX at the end of January, the TAKKT share got off to a very positive start to the stock market year. On January 24, the share reached its annual high of EUR 14.52. The share price then moved sideways in line with the SDAX as a whole until May. Following the dividend deduction and in light of the forecast adjustment published in July, TAKKT's share entered a downward trend, which intensified toward the end of the year after another forecast revision in October. On December 30, 2024, the share closed at EUR 7.70, resulting in an overall decline of 43.0 percent for the 2024 fiscal year. Including the dividend, the return for TAKKT shareholders was minus 35.6 percent. Trading was at a slightly higher level throughout the year than in the previous year. On the most important

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



Trading volume of the TAKKT share (daily volume on Xetra in number of shares in 2024)

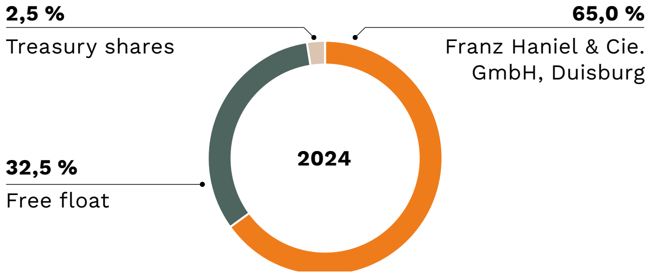


* On individual days, more than 150 thousand TAKKT shares were traded on Xetra.

trading platform, Xetra, an average of 22.0 (2023: 19.6) thousand TAKKT shares were traded on each trading day. All data is based on Xetra daily closing prices. Due to the lower free-float market capitalization and new additions to the stock market, TAKKT had to leave the SDAX again effective December 23.

The shareholder structure of TAKKT AG remained nearly unchanged in 2024. Franz Haniel & Cie. GmbH was still the majority shareholder with 65.0 percent of shares as of the end of the year. Within the free float, Fidelity Management and Research LLC, the largest shareholder, acquired additional shares and held a total of 9.8 percent of the shares according to the notification dated October 25, 2024. Apart from this, no significant changes in the free float have been reported. TAKKT AG held 2.5 percent of treasury shares as of the reporting date.

Shareholder structure as of December 31, 2024



End of share buy-back program

The share buy-back program launched in early October 2022 and extended at the end of June 2023 ended at the close of 2024. The total volume of shares acquired under the share buyback program was 1.6 million shares, acquired for a total of €19.4 million. This corresponds to a volume-weighted average price of EUR 12.02 per share. In the 2024 fiscal year, TAKKT acquired 0.8 million shares for a total of EUR 8.5 million.

Key figures relating to TAKKT share (five year perspective)

	Unit	2020	2021	2022	2023	**2024**
Trade data						
Year-end closing price	EUR	10.66	15.36	13.54	13.50	7.70
Highest price	EUR	12.78	15.36	16.40	15.00	14.52
Lowest price	EUR	5.80	10.02	9.05	12.00	7.23
Market value at year-end	EUR million	699.4	1,007.8	888.4	885.7	505.2
Average daily turnover	thousand shares	88.7	61.0	50.0	19.6	22.0
Issued shares at year-end	million shares	65.6	65.6	65.6	65.6	65.6
Dividend						
Dividend per share in EUR	EUR	1.10	1.10	1.00	1.00	0.60
Payout ratio	percent	193.8	126.6	110.7	264.2	– 93.0
Dividend yield	percent	10.3	7.2	7.4	7.0	7.5
Valuation ratios						
Earnings per share (EPS)	EUR	0.57	0.87	0.90	0.38	– 0.64
Free cash flow per share	EUR	1.46	0.36	0.84	1.14	1.06

* Dividend proposal: Payment of a base dividend of EUR 0.60 per share

Basic data of the TAKKT share

WKN (securities identification code)	744600
ISIN	DE0007446007
Ticker symbol	TTK
Reuters symbol	TTKG.F (Frankfurt)
Bloomberg symbol	TTK.GR
Number and type of shares	65,610,331 no-par-value bearer shares
Share capital	EUR 65,610,331
First listing	September 15, 1999
Market segment	Prime Standard
Designated sponsors	Hauck Aufhäuser Lampe ODDO BHF

Comprehensive information for the financial community

TAKKT's investor relations activities focus on providing information to shareholders, analysts and investors in a transparent and reliable manner. The company places great importance on timely, regular and transparent reporting. The range of information provided on the TAKKT website is designed to meet the information needs of all capital market operators and financing partners. Besides financial reports, ad hoc announcements, press releases and information about the share, interested persons can find roadshow and analyst presentations there. It also provides explanations regarding the company's strategy and Corporate Governance. In addition, conference calls are held when quarterly figures are published or for important corporate events.

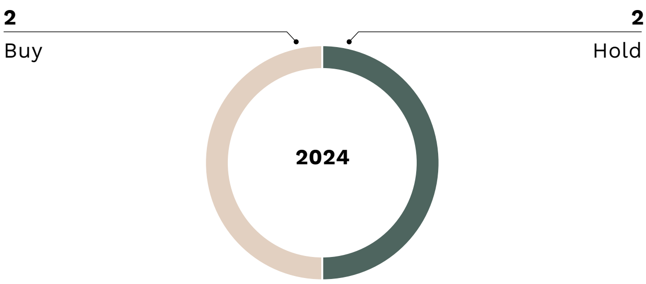
Close communication with investors and analysts

TAKKT maintains regular communication with capital market operators, such as institutional and private investors, financial analysts and financial journalists. At the analyst conference at the end of March 2024, TAKKT presented the consolidated financial statements and answered questions from analysts and investors about the company strategy, the progress of the transformation and the outlook for the fiscal year. During earnings calls, which take place approximately one month after the end of each quarter, the Management Board explained the interim results, provided updates on the progress in implementing the strategy, and was available for further inquiries. In addition to this, TAKKT regularly participates in capital market conferences. In 2024, these included the ODDO BHF Forum, Montega Hamburg Investor Days, the German Corporate Conference organized by Berenberg and Goldman Sachs, and the German Equity Forum. The company also conducted numerous investor meetings as part of digital roadshows and provides the materials presented at these events on its website.

In March 2025, four analysts provided active coverage of TAKKT. In January 2025 , there were two recommendations to hold and one to buy. The average target price set by the analysts was EUR 9.33.

Institution	Analyst
AlsterResearch	Thomas Wissler
Landesbank Baden-Württemberg	Thomas Hofmann
M.M. Warburg	Thilo Kleibauer
Montega	Christian Bruns

Analyst recommendations



Shareholders' Meeting and dividend

The ordinary Shareholders' Meeting in 2024 was held virtually on May 17. The shareholders were able to follow the live video and audio transmission of the Shareholders' Meeting online and exercise their voting rights via the shareholder portal.

During the meeting, CEO Maria Zesch reported on the past fiscal year, presented TAKKT's role in shaping the working worlds of tomorrow, and the progress in implementing its strategy with the three pillars of Growth, OneTAKKT and Caring. During the general debate, the Management Board and Supervisory Board answered all the shareholders' questions. All agenda items were approved by a large majority, including the proposal for the payment of a special dividend of EUR 0.40 in addition to the base dividend of EUR 0.60 per share.

For the past fiscal year, the Management Board in agreement with the Supervisory Board proposes a base dividend distribution of EUR 0.60 per share.

Financial Calendar 2025

The financial calendar for 2025 is shown on the last page of this annual report. It can also be found on the TAKKT website, where it is regularly updated.

Investor Relations contact

The investor relations team is available to answer any questions related to the TAKKT share and can be reached at:

Investor Relations
Benjamin Bühler/Nadine Gerach
Presselstraße 12, 70191 Stuttgart
Telephone: +49 711 3465-8223
Email: investor@takkt.de
Internet: http://www.takkt.com

Supervisory Board report

Hubertus Mühlhäuser
Chairman of the Supervisory Board

LADIES AND GENTLEMEN,

The 2024 fiscal year posed significant challenges for TAKKT AG. In addition to the difficult economic environment, the company also had to address a strategic realignment as well as internal matters related to processes, systems and personnel. This required the Supervisory Board to invest a great deal of time, working very closely with the Management Board. From the Supervisory Board's perspective, business performance was not satisfactory. At several meetings, the Supervisory Board therefore discussed fundamental strategic issues as well as operational issues such as the consequences of the ERP system migration and the integration of the ratioform brand into the kaiserkraft brand, which had a significant adverse effect on systems and processes. In the second half of the year, TAKKT made considerable progress in resolving these issues. Nevertheless, the impact of the internal challenges and weak market environment resulted in sales and earnings for 2024 falling significantly short of initial expectations. It is worth noting that free cash flow was significantly more stable than EBITDA due to the improved net working capital management. The Supervisory Board is confident that the strategic reorientation and the measures initiated by the Management Board will soon deliver tangible improvements in sales and earnings performance. TAKKT has strong brands and operates in attractive markets, and it will systematically seize existing opportunities through the implementation of its new strategy with a largely new management team.

Changes to the Management Board and management team

In June 2024, Maria Zesch informed the Supervisory Board of her decision to step down from her position as CEO for personal reasons in order to embark on a new career path. The Supervisory Board extends its sincere gratitude to Maria Zesch for her exceptional dedication and successful work. Effective August 1, 2024, Andreas Georg Weishaar assumed the role of CEO on an initial interim basis. Mr. Weishaar was confirmed as Chair of the Management Board and CEO by the Supervisory Board effective December 1, 2024, following a structured process for filling the position permanently. He brings many years of experience in leading international companies and will vigorously drive forward the implementation of the new strategy. We are very pleased to have him on board. The management team was also reorganized beyond the Management Board. During this process, we, the Supervisory Board, closely advised and supported the Management Board.

Work of the Supervisory Board

Throughout the 2024 fiscal year, the Supervisory Board supported and monitored the Management Board closely and extensively. This included frequent and timely discussions on current issues affecting sales and earnings performance, as well as the long-term strategic direction of the Group. Three additional meetings were held to discuss and further develop TAKKT's strategy. The Supervisory Board also sought during the past fiscal year to ensure greater consideration of geopolitical risks, including within the company's standard risk management process.

Key topics addressed by the Personnel Committee included the departure of Maria Zesch from the Management Board, the interim and permanent succession planning, and matters related to the Management Board remuneration system, as well as support for the Management Board in filling the aforementioned positions in the management team. In addition to other matters mandated by law and the rules of management, the audit committee was closely involved in overseeing the transition of the audit mandate to Deloitte GmbH Wirtschaftsprüfungsgesellschaft and the preparation of the CSRD report.

Close and constructive collaboration

There was constant communication between the Management Board and Supervisory Board during the 2024 fiscal year despite personnel changes. The meetings were focused and constructive. The Supervisory Board was involved in all decisions of fundamental importance to the company in a timely manner and passed formal resolutions where necessary.

Good corporate governance as part of our identity

As in previous years, the Management Board and Supervisory Board once again signed the declaration of conformity with the German Corporate Governance Code in December 2024. The declaration is published on the company's website. The Supervisory Board also updated the rules of management for the Management Board. In particular, it adjusted financial thresholds and introduced an immediate notification requirement in the event of potential significant compliance violations. In the area of professional development, various training sessions were carried out with Supervisory Board members, both internally at TAKKT and with the support of external consultants. Finally, the Supervisory Board initiated a review and further development of the diversity concept for the Supervisory Board and Management Board. The specific details can be found in the Declaration on Corporate Governance.

Consolidated financial statements and financial statements of TAKKT AG approved

The Shareholders' Meeting has followed the proposal of the Supervisory Board and appointed Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, as the auditors for the 2024 fiscal year. The auditors issued a declaration of independence to the Supervisory Board. The Supervisory Board, represented by the audit committee, reviewed the independence of the auditor as per section 107(3) sentence 2 of the German Stock Corporation Act (AktG).

The key audit topics for the 2024 fiscal year specified by the audit committee were the impairment of goodwill at the Group level and the impairment of shares in affiliated companies at the AG level. The auditors in charge from Deloitte GmbH Wirtschaftsprüfungsgesellschaft reviewed the financial statements of TAKKT AG in addition to the consolidated financial statements of the Group and the combined management report and issued an unqualified audit certificate.

The auditors in charge attended the audit committee's annual accounts meeting on March 20, 2025. They informed the members of the audit committee about the key findings of the audit and answered further questions. The audit committee discussed the auditors' findings at length and approved them. It reported to the Supervisory Board on the results of the annual accounts meeting at the meeting of March 26, 2025. At this meeting, the Supervisory Board approved the consolidated financial statements, the financial statements of TAKKT AG and the management report of TAKKT AG and the TAKKT Group, including the non-financial statement. The financial statements of TAKKT AG were thus adopted and the consolidated financial statements approved.

Personnel changes on the Supervisory Board

As planned, Thomas Schmidt and Dr. Florian Funck were bid farewell from the Supervisory Board with gratitude and appreciation at the 2024 Shareholders' Meeting. Stefan Räbsamen and Hubertus Mühlhäuser were welcomed as new members, and Mr. Mühlhäuser was subsequently elected Chairman of the Board. Stefan Räbsamen enriches the Board with his valuable expertise in financial reporting and auditing, as well as his experience in the Swiss corporate landscape, which is a relevant market for TAKKT. I have taken on the exciting and rewarding task of coordinating the work of the Supervisory Board as its Chairman. Based on my many years of working in the USA and as CEO of large, international industrial companies, I would like to provide perspectives for our activities in North America and for I&P in Europe.

In the fall of 2024, Dr. Johannes Haupt informed us that he planned to step down from his position at the 2025 Shareholders' Meeting after more than twelve years with TAKKT. Since 2012, Dr. Haupt has played a key role in shaping the work of the Supervisory Board. As deputy chair of the Board and the personnel committee, and founding member and chair of the audit committee established in early 2022, he held a prominent position and made a significant impact through his dedicated service and insightful contributions. We would like to express our heartfelt thanks – he will be greatly missed. His successor will be determined at the 2025 Shareholders' Meeting.

A word of thanks from the Supervisory Board

We would like to thank the TAKKT AG shareholders for the trust they placed in us in 2024 and are confident that it will once again be rewarded in the future. Together with the Management Board, we will propose a dividend payment of EUR 0.60 for the 2024 fiscal year. In 2024, the employees and Management Board demonstrated a high level of commitment and achieved significant success despite very challenging circumstances. We would also like to extend our sincere gratitude to them.

Stuttgart, March 2025

Hubertus Mühlhäuser
(Chairman of the Supervisory Board of TAKKT AG)

Members of the Supervisory Board

Hubertus Mühlhäuser, Chairman (since April 17, 2024)
Member of Supervisory Boards, Full-time

Thomas Schmidt, Chairman (until April 17, 2024)
Business consultant

Dr. Johannes Haupt, Deputy Chairman
Consultant and Chairman of the Advisory Board of Regionique Produktfabrik GmbH, Ettlingen

Stefan Räbsamen (since April 17, 2024)
Partner at PricewaterhouseCoopers AG (Schweiz) (until June 30, 2024)
Member of Supervisory Boards, Full-time

Dr. Florian Funck (until April 17, 2024)
Member of the Management Board of Franz Haniel & Cie GmbH, Duisburg (until January 31, 2024)
Member of the Management Board of Sartorius AG (since April 1, 2024)

Thomas Kniehl
Employee for customer support (detached works council) of KAISER+KRAFT GmbH, Stuttgart

Alyssa Jade McDonald-Bärtl
Managing Director, BLYSS GmbH, Berlin

Aliz Tepfenhart
Member of the Management Board of karriere tutor GmbH (since March 1, 2025)

Members of the personnel committee

Hubertus Mühlhäuser, Chairman (since May 17, 2024)

Thomas Schmidt, Chairman (until May 17, 2024)

Dr. Johannes Haupt, Deputy Chairman

Aliz Tepfenhart

Members of the audit committee

Dr. Johannes Haupt, Chairman

Stefan Räbsamen, Deputy Chairman (since May 17, 2024)

Dr. Florian Funck, Deputy Chairman (until May 17, 2024)

Thomas Kniehl

Board members' participation in Supervisory Board meetings in the fiscal year 2024[1]

	Supervisory Board		Personnel committee		Audit committee	
	Meetings	in %	Meetings	in %	Meetings	in %
Thomas Schmidt	2 / 2	100	2 / 2	100	–	–
Hubertus Mühlhäuser	8 / 8	100	4 / 4	100	–	–
Dr. Florian Funck	2 / 2	100	–	–	2 / 2	100
Stefan Räbsamen	8 / 8	100	–	–	4 / 4	100
Dr. Johannes Haupt	10 / 10	100	6 / 6	100	6 / 6	100
Thomas Kniehl	10 / 10	100	–	–	6 / 6	100
Alyssa Jade McDonald-Bärtl	10 / 10	100	–	–	–	–
Aliz Tepfenhart	9 / 10	90	6 / 6	100	–	–

[1] Note: Due to the personnel changes, the former and new members of the Supervisory Board naturally only attended those meetings at which they were still in office or had already been elected.

Combined management report

for TAKKT AG and the TAKKT Group

Unless stated otherwise, the following information applies to both the TAKKT Group and TAKKT AG. Statements that refer exclusively to TAKKT AG are indicated accordingly and can be found in the Management system, Corporate Governance and other legal information, Economic development of TAKKT AG and Forecast report sections.

Business activities

Fiscal year

Outlook

Business activities

ORGANIZATION AND BUSINESS AREAS

The TAKKT Group (hereinafter referred to as “TAKKT”) operates in Europe and North America, and specializes in B2B retail for business equipment. The Group is organized into three divisions, each of which sells products for a specific work environment through several independently positioned sales brands. The marketing and sales activities are mainly carried out within an omnichannel model, where the brands combine e-commerce channels such as web shops and e-procurement with print marketing, outreach by key account managers and telesales. The Group’s sales brands focus on selling to corporate customers in various industries and regions. The products they offer mainly consist of durable and less price-sensitive equipment as well as special items that are needed on a regular basis. The product ranges 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, adjustable-height desks to US government agencies, shipping cartons to European industrial companies and food service equipment to commercial kitchens in the US.

Organizational structure

The TAKKT Group is segmented into three divisions:

- Industrial & Packaging (I&P)
- Office Furniture & Displays (OF&D)
- FoodService (FS)

In addition to the divisions where the market-oriented functions are bundled, supporting Group functions such as operations (warehousing and logistics), IT & digital (IT infrastructure, security and data), finance and human resources are uniformly coordinated and managed across the entire Group through a matrix organization structure.

Three divisions for three specific work environments

Each division has a focused product portfolio that is primarily geared to a specific work environment. In I&P, the work environment is the factory floor or warehouse in the manufacturing and logistics industries. OF&D specializes in products for service providers. This includes equipment for working at the office or from home. The FS area offers products required for meal and food preparation and presentation in hotels, restaurants and catering establishments. The Group’s customers include small and medium-sized companies, international corporations, government institutions such as agencies and educational providers, and non-governmental organizations such as associations and clubs. Through its diverse portfolio of sales brands, TAKKT strives to provide comprehensive, efficient, reliable and tailored solutions for customers’ business equipment needs in order to help them minimize procurement process costs and save time.

One of the aims of the organizational alignment along product categories and work environments is to realize sales and purchasing potential such as by leveraging synergies and bundling product ranges and purchasing volumes. The activities of the divisions focus on market and customer-related functions such as sales, marketing, e-commerce and category management, which includes brand management and product range selection. Where appropriate, these tasks are coordinated across the individual sales brands within the divisions and managed centrally in some cases.

Bundling Group-wide functions to generate greater synergies

TAKKT integrates and bundles relevant support functions at the Group level. The focus is on Operations (warehousing and logistics), IT & Digital, Finance and Human Resources. TAKKT aims to realize greater synergies through a more integrated organization of these functions. The focus is on centralized planning and implementation of the logistics and IT infrastructure required by the various sales brands. In addition to more efficient use of resources, the integration of Group functions is also expected to result in more effective systems and processes compared to a decentralized organization.

The corporate structure with divisions and Group functions is shown on page 30.

Group structure

Overview of divisions and sales brands

The **I&P division**, by far the Group's largest segment, generated more than half of sales in 2024. Given its significant importance for the company's business success, I&P represents TAKKT's core business and will be a key investment priority in the coming years. I&P addresses the European market through a "house of brands" approach with multiple sales brands tailored to different product groups and regions:

- kaiserkraft operates as the umbrella brand, offering a broad range of transport, plant, warehouse and office equipment. Customers include industrial enterprises such as automotive suppliers, service and retail companies, and public institutions. Some examples of products are pallet-lifting trucks, universal cabinets and swivel chairs as well as special-purpose products such as environmental cabinets and containers for hazardous materials.
- The BiGDUG and OfficeFurnitureOnline brands, both based in the UK, sell business equipment and office furniture such as desks, chairs, cabinets and workbenches primarily to small and medium-sized companies.
- The Gerdmans brand offers a product range similar to that of kaiserkraft and caters to companies in Denmark, Norway, Sweden and Finland. In Sweden, TAKKT is also present with the secondary brand Runelandhs.
- Packaging specialists ratioform and Davpack offer a variety of products for companies in different industries as well as customer-specific packaging solutions. Their portfolio includes collapsible boxes, package padding, shipping pallets and stretch film. ratioform is part of the kaiserkraft umbrella brand, while Davpack operates in the UK together with BiGDUG.

The division's various activities are partially integrated at the organizational level. Market and customer-related functions such as sales, marketing and product portfolio management are largely coordinated and managed uniformly across the various sales brands. The respective responsibilities and services are carried out by individual teams for multiple brands.

The **OF&D division** is mainly active in the US and consisted of three independent sales brands until the end of 2024 and two independent sales brands from the beginning of 2025:

- National Business Furniture (NBF) offers office furniture products in the US. The customers include companies and service providers such as lawyers and architects as well as public institutions like government agencies and schools. Some examples of products are office chairs and desks, conference tables and furniture for reception areas.
- Displays2go offers sales promotion products in the US. Examples of products include customized advertising banners, digital display stands, mobile trade booths and fixtures. Due to the persistently low demand for traditional, non-digital displays and the fact that sales and earnings have been significantly below expectations for some time, TAKKT is exploring various strategic options for Displays2go, including a potential sale.
- Until the end of 2024, the Group also owned Mydisplays, a significantly smaller brand offering a similar product range to that of Displays2go in Germany. The company was sold at the end of 2024.

The **FS division** primarily focuses on North America, where it operates in the market with the three sales brands Hubert, Central and XXLhoreca. As in the I&P division, market and customer-related functions at the two American brands Hubert and Central are largely integrated to realize synergies. This mainly involves the areas of purchasing and product management as well as sales and marketing. The Group's aim is to benefit from improved purchasing conditions and generate additional growth momentum through cross-selling between the two brands.

- Hubert offers equipment for the food service industry and food retail sector as well as sales promotion. Customers mainly include operators of large cafeterias, food service businesses and food retailers. Products include buffet equipment such as serving platters and food baskets.
- Central sells products for restaurant equipment. The product range includes all the equipment and supplies required for the operation of small to mid-sized restaurants. Some examples of products include kitchen stoves and freezers. Unlike the other areas, Central has also engaged in project business acquired through bidding processes, which includes large-scale orders such as for the initial outfitting of cafeterias. At the end of 2024, TAKKT decided to discontinue this business.
- XXLhoreca is an e-commerce direct marketing specialist for food service equipment based in the Netherlands and therefore not integrated into the structures of Hubert and Central. The company primarily supplies hotels, restaurants, cafeterias and catering companies. The range focuses on large appliances such as refrigerators and freezers.

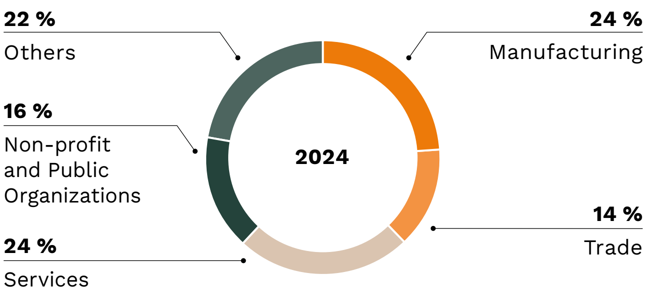
An overview of all the Group companies is provided by the share ownership list of the TAKKT Group, which can be found in the Notes to the consolidated financial statements under "Other notes" in section 5.

Diversified positioning

Due to its presence in different regions and the focus on different product and customer groups, the TAKKT Group is broadly positioned.

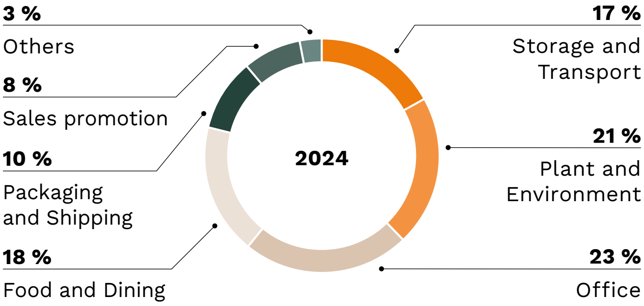
At the customer level, the divisions serve a broad customer base consisting of manufacturing businesses, retailers and service providers as well as nonprofit and public organizations to compensate for the cyclical fluctuations experienced by the individual
target groups. TAKKT wants to continue to generate a balanced share of sales with the manufacturing industry, the retail and service sectors, and nonprofit and government institutions.

Diversification of customer groups



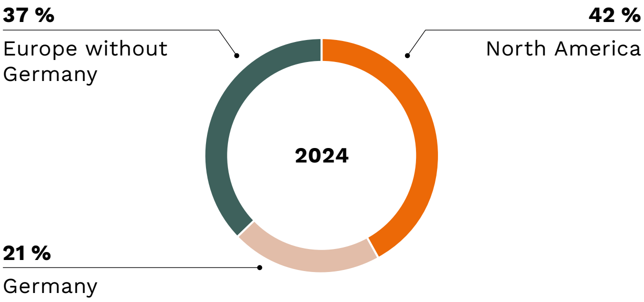
At the product level, TAKKT differentiates between products for operations & environment, warehouse & transportation, office, packaging & shipping, food service and sales promotion. The company has expanded its product portfolio in a targeted manner through acquisitions to new product groups in order to participate in industry trends.

Diversification of product ranges



At the regional level, TAKKT differentiates between Germany, Europe without Germany and North America. As a result, economic fluctuations in certain target markets could be partially offset by opposite developments in other regions.

Diversification of regions



MARKET POSITION AND COMPETITIVE ENVIRONMENT

TAKKT positions itself in the market as an omnichannel direct marketing specialist for business equipment with a comprehensive range of services. This positioning in fragmented markets allows the Group companies to create added value for customers and suppliers while generating gross profit margins of around 40 percent.

Market differentiation	Market attributes	TAKKT
...by customer	› B2B › B2C	› B2B
...by type of distribution	› Store-based retail › Omnichannel retail › Online-only retail	› Omnichannel retail
...by product range depth	› Generalists › Direct marketing specialists	› Direct marketing specialists
...by industry focus	› Horizontal alignment (product specialists) › Vertical alignment (industry specialists)	› Product specialists and industry specialists
...by service	› Pure distributors › Marketplaces › Distribution of goods and additional services	› Distribution of goods, advising, comprehensive service and in-house production

TAKKT's market environment can be defined using the criteria shown in the table above. The majority of the Group's brands position themselves as specialized omnichannel retailers (excluding store-based retail) of business equipment with a comprehensive range of services. TAKKT's main competitors in the medium-sized to large B2B customer market are other service-oriented retailers. For this customer group, important factors in addition to price include high product quality, a reliable procurement process, comprehensive product advice and complementary services.

In addition to the brands that prioritize high quality and comprehensive service, the Group also includes brands that target more transaction-oriented, price-sensitive and generally smaller corporate customers. These brands, which include BiGDUG in the UK, mainly use an e-commerce sales approach. TAKKT positions these brands as product experts. They are expected to possess relevant expertise with respect to their specific product range and provide customers with appropriate guidance in their selection and purchasing process. The aim is to offer customers an attractive price level, while standing out from marketplace models by providing advice and product expertise.

The TAKKT companies use a fragmented supplier pool of product specialists and maintain long-term relationships with suppliers that they work well with. The customer base is also broadly diversified, which means that the TAKKT companies cater to customers of various sizes and from different industries. As a result, they are not overly reliant on individual large orders or corporate customers.

Added value for customers

The majority of TAKKT Group companies cater primarily to service-oriented B2B customers. Based on TAKKT's experience, these customers not only prioritize price, but also quality, service, reliability and the breadth and relevance of the product range when making purchasing decisions. The services are listed in the table on page 34.

Added value for customers

One-stop shop with efficient ordering process	› Broad and carefully curated product range across very different categories that allows customers to select a significant portion of their plant and business equipment needs precisely and easily › Option for integration in customers' approval and purchasing processes (e.g., via e-procurement)
Partner for sustainable business activities	› Use and disclosure of a sustainability-focused product rating makes it easier to make conscious purchasing decisions for products with a low carbon footprint made from recycled materials and with short supply chains › Broad range of products with good sustainability ratings
Good availability and fast delivery	› Proprietary warehouses and broad regional coverage of storage locations ensure ready availability and quick delivery of many products to customers
Personalized advice and individual offers	› Sales employees and product experts advise customers on selecting the right products and provide tailored offers
Customized solutions and project order execution	› Special procurement and custom-made products are possible if there is no immediate solution available for the specific customer request › Option to plan and implement customer-specific procurement projects taking into consideration special service requirements (e.g., when equipping several locations) › Delivery to point of use, assembly service and mobile customer service (spare parts, repair, maintenance) for some sales brands
Long warranty periods	› Warranty periods for many products beyond the legal requirements and availability guarantee of several years

Added value for suppliers

In addition to focusing on service-oriented customers, supplier relationship management also plays an important role in the Group's positioning (see table on page 34). For many suppliers, inclusion in the product range of a TAKKT company offers advantages compared to selling their products independently. They gain direct access to a very large number of customers in different countries, enabling them to realize significantly greater sales potential. Particularly for smaller manufacturers in Europe, being included in TAKKT's product range offers advantages over establishing their own international sales operations and navigating the challenges arising from different currencies, languages and legal frameworks.

Added value for suppliers

Unlocking even greater customer potential	› Access to entire customer base of the sales company › Opportunity to benefit from cross-selling with product categories of other manufacturers › Consolidation of sales brands and supplier base allows selected suppliers to benefit from access to an even larger customer base and increasing sales volumes
Targeted marketing of sustainable products	› Targeted promotion of products with exceptional sustainability ratings through specialized web shops › Providing guidance and support to suppliers in improving the sustainability rating of their products
Presence in many different domestic markets	› Customers are reached through web shops and other sales channels in all countries where the TAKKT company operates
Greater efficiency	› One-time shipment of larger volumes to a central warehouse instead of many individual deliveries to customers

Fragmented competitive environment

Competitive environment[1] TAKKT is characterized by a high degree of fragmentation. In addition to the large number of providers in the market, there is also considerable diversity with regard to retail and sales models. Besides omnichannel direct marketing specialists like TAKKT, other models include store-based retail, online-only providers merely and online marketplaces. Even the largest providers have a market share of only a few percent points. The various brands of the TAKKT Group position themselves in the competitive landscape primarily as service and quality-oriented providers and have distinct market positions.

- The European market for plant and business equipment, which is relevant for I&P, is characterized by a highly fragmented competitive environment with a large number of different companies. In addition to smaller local providers, there are several larger B2B retailers, some of which also operate in multiple European countries. They differ in that some are specialists focused on a specific product group, while others are generalists with a broader product range. Furthermore, there are differences in the use of marketing and sales channels between market participants primarily focused on e-commerce and omnichannel providers.
- The US office furniture market is divided into different product segments (very affordable entry-level products, mid-range segment with quality products at reasonable prices, and high-end, design-oriented branded furniture at premium prices), each served by different providers. NBF's range focuses on the mid-range product segment. There are a few providers operating nationwide in this segment, though the environment is largely shaped by many smaller local retailers.
- The displays market in the US has undergone lasting changes due to the impact of the coronavirus pandemic. In TAKKT's view, the ability to quickly produce and provide customized displays is no longer a significant differentiating factor in competition because such products can be sourced from numerous providers, including many new competitors. In addition, a certain degree of market consolidation can be observed and demand is shifting more towards digital and exceptionally high-quality displays.
- The US market for food service equipment remains fragmented. Alongside providers that focus on specific customer groups such as larger restaurant chains or independent restaurants, there are also retailers with a broad market approach. TAKKT has observed increasing consolidation pressure in the market, which is reflected in periods of heightened acquisition activity among some competitors.

The table below gives an overview of the competitive environment of the TAKKT companies and lists examples of competitors.

1 Information regarding the competitive environment is based on TAKKT's market analyses and evaluations of the markets relevant to the divisions. The sources used for said market evaluations include reports from Grand View Research, Mordor Intelligence and Future Market Insights.

TAKKT market environment and exemplary competitors

		Competitors in Europe		Competitors in the US		
		Plant and warehouse equipment	Packaging solutions	Merchandising and food service equipment	Sales displays	Office equipment
Store-based retailers		Numerous store-based retailers				
Distance sellers	Omnichannel providers	› Manutan › Schäfer Shop › Jungheinrich Profishop	› Raja › Transpak › Hoffmann Verpackung	› Trimark › Edward Don › Wasserstrom	› Allen Display › Braeside › Displays	› Staples › Office Depot
Distance sellers	Online-only retailers	› Contorion › Rapid Racking › Profishop	› Karton.eu › Hilde24	› Webstaurant Store › Katom	› Ace Displays › DisplayIt	› BizChair › Cymax
	Online marketplaces	Various marketplaces such as Amazon Business and Mercateo				

CORPORATE GOALS AND STRATEGY

Starting in 2025, TAKKT will implement its new TAKKT Forward strategy. The aim is to place greater emphasis on customers with more frequent and complex procurement needs. Key components include focused positioning of the company portfolio, implementing growth initiatives and strengthening performance. Through this strategy, TAKKT aims to ensure achievement of its mid-term goals.

New strategic momentum starting in 2025

TAKKT is in an ongoing process of transforming from a decentralized company portfolio into an integrated, customer-focused group with profitable growth. In recent years, the company has made progress especially in strengthening integration through the development of Group-wide and divisional structures. Following the appointment of Andreas Weishaar as CEO, the Management Board, in close consultation with the Supervisory Board, developed a strategy update which will be implemented starting in 2025. This update aims to create new momentum to achieve optimal positioning, profitable growth and sustainable value creation.

The core of the strategy update consists of three key pillars:

- Portfolio focus – concentration on strategically attractive core businesses and further development of areas with potential while optimizing the company portfolio
- Growth – accelerating organic growth by consistently focusing on customers with complex procurement needs and implementing sales, product and service initiatives
- Performance – greater efficiency through the standardization and automation of processes and systems, as well as the increased use of artificial intelligence

These strategic measures aim to steer TAKKT into a new phase of corporate development, centered on accelerated growth, improved profitability and a stronger market position.

Strategic development for holistic value creation

The 2025 strategy update defines clear priorities for the coming years.

Portfolio focus

TAKKT is aligning its activities even more closely with the most profitable and strategically attractive areas. The long-term strategic positioning of the individual divisions is regularly reviewed to ensure that available capital is allocated to areas with the highest value creation potential. As a first step, the Group aims to strengthen its core business in the I&P division. The European activities under the kaiserkraft umbrella brand contribute more than half of the Group's sales and are significantly more profitable than the US business. TAKKT believes that the fragmented environment and its position in the European market for warehouse, plant and business equipment offer the greatest potential for sustainable sales and earnings growth. In addition to organic initiatives, TAKKT also plans to improve its positioning and offerings through acquisitions again in the future. The focus here is also on strengthening I&P. This will be accompanied by targeted further development of the attractive potential areas of the National Business Furniture sales brand in the OF&D division and Hubert and Central sales brands in the FS division. While TAKKT sees solid growth opportunities in these activities, it also recognizes that adjustments will be necessary to realize their full potential. Development of the Displays2Go sales brand is characterized by persistently weak demand for traditional, non-digital displays. TAKKT is currently exploring various strategic options in this area. Optimization of the company portfolio also involves discontinuing small and less profitable activities to reduce complexity within the Group. Accordingly, TAKKT sold MyDisplays GmbH in Germany at the end of the year and decided to discontinue the large-scale project business in the FS division.

Growth

A key goal of the strategic development is to accelerate organic growth by focusing on corporate customers with complex procurement needs. They typically include larger companies with multiple national or international locations and medium-sized companies with at least a mid-double-digit number of employees. For these customers, products for equipping their operations are considered C items, meaning they have a relatively low value compared to overall purchasing volume and are required less frequently and in small quantities. TAKKT aims to provide these customers with easy and reliable procurement of these products across the widest possible range of categories and at low process costs. In working towards this goal, the Group is implementing growth initiatives. This includes optimizing omnichannel sales through the user-friendly integration of various customer contact points, targeted expansion of the product range with additional categories, and broadening the service offerings as well as sustainable product options.

Performance

In addition to optimizing the company portfolio and strengthening growth, improving performance is a key component of the new strategy. To achieve this, TAKKT is further strengthening the Group functions for IT & Digital and Operations. The Group aims to standardize and improve systems and processes along the entire value chain. This applies to the systems for enterprise resource planning (ERP), customer relationship management (CRM), product management and web shops as well as processes for product portfolio management, quotation creation, product advice, delivery and after-sales. Here as well, TAKKT's initial focus is I&P, with a view to achieving faster and more reliable processes, a significant improvement in customer satisfaction and lower costs per transaction. Another aspect involves further development of the organization through the creation of a TAKKT Competence Center, which will consolidate standardized and repetitive processes in order to relieve and support key core functions. In addition to reducing costs, this is also expected to result in enhanced process optimization and easier scalability. Looking ahead, this will also entail allocating additional resources for the Group's increased digitalization. Furthermore, significantly greater process automation and the wider use of artificial intelligence are also expected to contribute to improved performance. In addition to measures for achieving higher operational efficiency and scalability, TAKKT also aims to further optimize capital allocation and cash generation by implementing structural improvements in net working capital management.

Strategic ambition

The overarching goal of the new strategy is to increase shareholder value through higher growth rates, operational improvements, greater profitability and attractive dividend payments. By implementing the strategy outlined above, TAKKT aims to achieve the following targets by 2028:

- Improve the customer experience and increase the cNPS to over 60 points (for a definition of the cNPS, see page 39 in the Management system section)
- Expand the share of sustainable product offerings to 50 percent of sales
- Accelerate organic sales growth to exceed market growth rates
- Increase the EBITDA margin to over 10 percent by 2028 and around 12 percent over the long term
- Achieve an average cash conversion (defined as the conversion of EBITDA into free cash flow) of 50 to 60 percent

The financial and non-financial targets are closely interwoven. Strict alignment with the needs of customers will provide the foundation for future growth. At the same time, TAKKT believes that the trend of growing demand for sustainable products among business customers will continue in the future and is expanding its product range accordingly. The Group aims to significantly increase sales and grow faster than the market. Over the long term, it expects the market to grow at a similar rate to nominal GDP growth. Through greater scalability with higher growth and the implementation of efficiency measures such as increased automation and organizational optimization, the Group aims to gradually improve profitability to over 10 percent by 2028. At a significantly higher sales level, the EBITDA margin is expected to reach around 12 percent over the long term. Along with increasing profitability, TAKKT is also working on structural improvements in cash generation, including the optimization of inventories and payment terms with customers and suppliers. Over the course of economic cycles, the Group aims to convert an average of 50 to 60 percent of EBITDA into free cash flow, which will then be available for dividend payments, share buy-backs and acquisitions.

Significant changes to the TAKKT Group's strategy and goals compared to the previous year primarily relate to the new portfolio focus and a stronger emphasis on improving performance with a view to optimizing efficiency, profitability, the organizational structure and capital allocation. The mid-term financial targets remain largely unchanged. In terms of profitability, the Group aims to increase the EBITDA margin to over 10 percent by 2028 and achieve a long-term profitability target of 12 percent. TAKKT's previous goal was to realize an EBITDA margin of 12 percent by 2028. TAKKT has confirmed its non-financial targets, with the exception of the target value for the share of women in management positions.

MANAGEMENT SYSTEM

The management system of the TAKKT Group comprises financial and other operational management indicators. The indicators are divided into different perspectives (organic growth, costs and earnings, cash, customer and employee perspective, and sustainability). The Group's three divisions are primarily managed based on the same key figures. The relevant key figure for TAKKT AG is the investment result.

Organisches Wachstum

- Organic sales development is the relevant key figure for the company's growth. The figure is adjusted for potential effects from acquisitions and disposals as well as the impact of fluctuating exchange rates. The short-term development of sales is influenced by economic cycles.
- Organic order intake growth via e-commerce (e-commerce growth) reflects the development of the online business adjusted for acquisitions, disposals and the effects of currency fluctuations. For this, TAKKT includes order intake via e-procurement systems, web shops, online marketplaces and orders placed through traditional channels that were initiated over the internet. TAKKT uses this key figure as a performance measure for the development of its e-commerce business.

Costs and income

- Gross profit is calculated by deducting the material costs (cost of sales and freight costs) from sales and adding changes in inventories of finished goods and work in progress and other own work capitalized. The relevant key figure is therefore the gross profit margin (gross profit in relation to sales).
- The EBITDA margin adjusted for one-time expenses serves as the relevant key figure for the short-term operating earning power of the individual Group companies. The advantage of using this key figure for controlling purposes is that it is not influenced by effects arising from country-specific differences in tax rates and financing structures. Since the figure does not include depreciation and amortization of non-current assets, it allows a direct comparison between existing and newly acquired companies.

Cash

- Cash generation is managed via free cash flow. The value is calculated from the cash flow generated from operating activities, which includes effects from changes in net working capital, less operating capital expenditures in non-current assets (capital expenditures in non-current assets excluding investments in shareholdings) and adding operating proceeds from disposals of non-current assets (excluding non-operating inflows from potential sales of shareholdings), and subtracting payments for the repayment of lease liabilities under IFRS 16. This provides information about the cash surplus that the company can use for the repayment of bank debts, dividend payments and financing acquisitions.
- The capital requirements for maintenance, expansion and modernization of the business operations are comparatively low for the companies of the TAKKT Group in the retail sector. At the same time, IT infrastructure is becoming more important, fueling a corresponding need for investment in areas like web shop technology and ERP. Increased investments in processes and systems are part of the new strategy and aim to deliver a higher degree of automation and greater efficiency. As a relevant key figure, the capital expenditure ratio (the ratio of payments for operating capital expenditures in non-current assets to sales) is slightly below the long-term average of two percent. In the coming years, the ratio could also be slightly above two percent due to capital expenditures related to the new strategy.

Customer and employee perspective

- TAKKT collects and analyzes the customer net promoter score (cNPS) in all business units as an indicator and key figure for customer satisfaction. For the survey, customers are asked how likely they would be to recommend the respective brand to others. The likelihood was rated using a scale from 0 to 10 and customers were then grouped into three categories (promoters, detractors and passives). Those with a score of less than seven are considered detractors, while customers with a nine or ten are labeled promoters. Customers scoring a seven or eight are classified as passives. The cNPS is calculated by subtracting the percentage of detractors from the percentage of promoters, and dividing the difference by the number of customer surveys. It can thus generate a score between -100 and +100.

- While the cNPS indicates a customer's willingness to recommend, the employee net promoter score (eNPS) provides information about the willingness of employees to recommend and is used as a key figure in this context. The method used to determine the eNPS is the same as that for the cNPS. In employee surveys, employees are classified as promoters, passives or detractors based on their willingness to recommend. The eNPS is calculated based on the responses. Since the eNPS measures the relationship between employee and employer rather than a single isolated transaction, eNPS values are generally lower than cNPS values. Employees can be dedicated and motivated top performers, even if they are dissatisfied with some working conditions and therefore not considered promoters based on their rating. A score of over 0 means that the majority of employees would recommend their employer to others.
- TAKKT believes in the benefits of having a high level of diversity among its employees. Diversity comprises different dimensions such as gender, background and age. The share of women in management positions is no longer used as a key figure.

Sustainability

- A sustainable product range is a growth driver for TAKKT and a key factor allowing it to set itself apart from its peers. The Group uses a corresponding product classification system for this purpose. It takes into account the criteria of profitability, circularity, climate change, biodiversity, innovation and technological progress. Once a defined score threshold has been reached, products that are deemed particularly beneficial are awarded a corresponding sustainability label. The relevant key figure is the share of these products in sales[1]. Targeted expansion of this share allows TAKKT to integrate economic aspects such as increasing sales and growth with environmental and social aspects, which are reflected by the use of recycled or recyclable materials and a sustainably certified supply chain.
- TAKKT continues to work on reducing its CO_2 emissions (Scope 1 and 2) and aims to build on the successes already achieved in this area. The corresponding key figure will continue to be collected and reported, however, it is no longer part of the management system.

Management of TAKKT AG

The relevant key figure for TAKKT AG is the investment result, which consists primarily of the investment income from subsidiaries and is therefore dependent on their performance and dividend policies. The dividend policy of the subsidiaries is geared towards ensuring a retained profit for TAKKT AG that is sufficient to pay dividends to its shareholders.

Overview of the management system

Reporting on the key performance figures for the past fiscal year includes the key figures from the management system presented in last year's management report. A presentation and analysis of the development of these key figures are included in the Sales and earnings review, Financial position, Assets position and Company performance sections. The key figures for the customer and employee perspective, together with the share of sustainable products, are relevant non-financial key figures for the management of the Group. The expected development of financial and non-financial key figures for 2025 is presented in the forecast report starting on page 83.

1 The calculation of the sales share is based on simplified revenue figures derived from the divisions' enterprise resource planning systems, which in aggregate differ moderately from the consolidated Group revenue figures.

Overview of relevant key figures

Organic growth	› Organic development of sales › Organic growth of order intake via e-commerce
Costs and income	› Gross profit margin › EBITDA margin adjusted for one-time expenses
Cash	› Free cash flow › Capital expenditure ratio
Customer and employee perspective	› cNPS › eNPS
Sustainability	› Share of sales from sustainable products

EMPLOYEES

With TAKKT's sales brands positioned as service-oriented providers, alongside high-quality products and efficient systems and processes, employees are an essential factor in the Group's success. Amid a very challenging environment marked by a sharp decline in sales and numerous internal changes, HR activities in 2024 focused on further developing the Group-wide HR function, aligning processes and integrating legal entities within the Group.

Due to the weak business performance, TAKKT implemented measures to reduce costs and increase efficiency in the past year. The organization and job responsibilities of employees were also affected by these changes. In particular, TAKKT reviewed and expanded the span of control of individual departments where feasible and appropriate. In view of the lower demand, departments such as purchasing and customer service were merged and downsized, and locations no longer in use were closed or consolidated.

In the coming years, TAKKT plans to continuously develop its HR function, with a focus on the following areas:

- Digitalization and automation: Expansion of the global human resources information system to enhance transparency, data analysis and decision-making in HR activities
- Talent management: Better identification and targeted development of talent through standardized potential assessments, performance appraisals, on-demand learning platforms and individual development plans
- Strengthening core processes: Enhancing employees' skills so that they can perform more complex and demanding tasks

Development of Group-wide HR structures

In 2024, TAKKT made significant progress in establishing and further developing its global HR structures. A key milestone was the introduction of a Group-wide human resources information system (HRIS). The goals of the system are the following:

- Standardized and efficient processes
- Improved data consistency and reporting
- Centralized management of employee information
- Faster, informed decision-making based on current data

Several business transfers and mergers were successfully implemented in 2024 as part of the stronger integration of functions in the I&P division to consolidate the individual locations and standardize works agreements, benefits and processes. The aim of these measures is to strengthen collaboration and create a more efficient organizational structure.

Culture and Diversity

Continuously improving and strengthening the shared corporate culture remains a core goal. TAKKT promotes diversity, equal opportunities and respectful collaboration, regardless of gender, religion, ethnicity, sexual orientation, disability or age. The company places particular emphasis on advancing women in management positions. At the end of 2024, the share of women in the TAKKT Group was 44.3 (43.7) percent and the share of female executives was 26.2 percent. Due to the change in allocation logic for the different management levels, this figure is not comparable with the share of 33.8 percent stated in last year's report for the end of 2023. TAKKT aims for 50 percent of the management positions to be held by women by 2028.

TAKKT continues to use the eNPS to measure employer attractiveness. A definition of this key figure can be found in the Management System section on page 39. In 2024, the average eNPS decreased from 6 to minus 5. This decline reflects the challenges of the current economic situation as well as the numerous internal change processes. TAKKT aims to improve the eNPS with a return to positive values. This entails deriving and implementing structured measures in the teams based on the results of employee surveys. In addition, there are clear responsibilities at the management level. For 2025, members of upper management have set a specific goal for improving the eNPS within their own organization as part of the annual individual target agreement.

Employee development

Employee development and talent promotion are an integral part of human resources and a crucial factor for TAKKT's further growth. This includes regular training for all employees in technical and soft skills, creating individual development plans and recruiting and training new employees. In the DACH region, TAKKT focuses on the continuous development and strengthening of its training concept. Through targeted investments in previously untapped professional areas, such as business economists for digital commerce management and dialogue marketing specialists, TAKKT aims to create attractive opportunities for young talent and secure the innovative strength of the company.

Number of employees

At the end of 2024, the number of employees (full-time equivalents) in the TAKKT Group was 2,154 (2,385). The decrease is primarily due to a restrictive personnel policy in response to the weak sales and earnings performance.

Number of employees

	12/31/2023	12/31/2024
in full-time equivalent	**2,385**	**2,154**
thereof Division Industrial & Packaging	1,461	1,358
thereof Division Office Furniture & Displays	478	399
thereof Division FoodService	379	347
thereof other	67	50
in headcount	2,569	2,299

CORPORATE GOVERNANCE AND FURTHER LEGAL INFORMATION

Good corporate governance increases the company's value in the long run. The Group views transparent communication with its interest groups as the foundation of corporate success. TAKKT expressly supports the aims and requirements of the German Corporate Governance Code (DCGK). Detailed information regarding corporate governance at TAKKT can be found in the Declaration on Corporate Governance on the company's website at www.takkt.de/en/investors/corporate-governance/declaration-on-corporate-governance. It also includes the current declaration of conformity with the German Corporate Governance Code.

Disclosures required under takeover law

Gemäß § 289a Abs. 1 Nr. 1-9 bzw. § 315a Abs. 1 Nr. 1–9 According to section 289a(1) no. 1–9 and section 315a(1) no. 1–9 of the German Commercial Code (HGB), the following details must be disclosed regarding TAKKT AG and the TAKKT Group:

TAKKT AG's share capital totaling EUR 65,610,331 is divided into 65,610,331 no-par-value bearer shares with voting rights, with a notional nominal value of EUR 1.00 per share. These are not subject to any restrictions regarding voting rights or the transfer of shares. The number of outstanding shares following the share buyback was 64,025,355 as of the balance sheet date (64,787,328).

As of December 31, 2024, TAKKT AG is a subsidiary of Franz Haniel & Cie. GmbH, Duisburg, which holds a stake of 65.0 percent. There are no other shareholders holding more than ten percent of voting rights.

Sections 84 and 85 of the German Stock Corporation Act (AktG) and section 5 of the company's articles of association apply for appointing and removing members of the Management Board, while sections 179, 133 and 119 AktG apply for changing the articles of association.

In accordance with the resolution passed at the Shareholders' Meeting of May 18, 2022, the Management Board of TAKKT is authorized to increase the share capital through the use of authorized capital, subject to the approval of the Supervisory Board, once or several times, by an amount of up to EUR 32,805,165 by issuing new no-par-value bearer shares by May 17, 2027, taking shareholders' subscription rights into account.

In addition, the Management Board is authorized, according to the resolution of the Shareholders' Meeting on May 18, 2022, subject to section 71(1) no. 8 AktG, to acquire treasury shares up to an amount of ten percent of share capital. There is no reverse subscription right or a right to tender in the case of purchasing, nor is there a subscription right for shareholders in the case of selling. The company can exercise this authorization in total or in smaller amounts, once or several times, in the pursuit of one or more objectives until May 17, 2027.

On October 4, 2022, the Management Board of TAKKT AG, exercising its authorization to purchase own shares, resolved a share buy-back program for up to three percent of the current share capital with a volume of up to EUR 25 million. The buy-back program started on October 6, 2022, and ended on December 20, 2024. In 2024, TAKKT bought back EUR 0.8 (0.3) million treasury shares for EUR 8.5 (4.4) million. Further information on the share buy-back can be found on the company's website at https://www.takkt.de/en/investors/share/share-buyback and on page 125 of the Notes to the consolidated financial statements.

At the end of the reporting period, an amount of EUR 39.9 million in liabilities from various financial institutions was subject to a change of control clause as per sections 289a(1) no. 8 and 315a(1) no. 8 HGB. If the majority shareholder's stake in TAKKT AG falls below 50 percent, the maturity of the relevant liabilities with a term of more than one year would be reduced to 364 days. In this event, new negotiations with the banks regarding the terms and maturity have already been agreed upon.

The additional disclosures as required by section 315a(1) no. 2 HGB (limitation of voting rights), no. 4 (shares with special rights), no. 5 (controlling voting rights of employees) and no. 9 (compensation agreement with the Management Board or employees in case of a takeover offer) are not relevant for TAKKT AG or the TAKKT Group.

Dependence report issued

Franz Haniel & Cie. GmbH, Duisburg is the majority shareholder of TAKKT AG. The Management Board has therefore provided the Supervisory Board with a report on relations with affiliated companies as stipulated in section 312 AktG. The dependence report comes to the following conclusion: “In summary, we can state that TAKKT AG has received adequate payment for every transaction, according to the circumstances known at the time when the transactions were undertaken. To the best of our knowledge and belief, no reportable actions have taken place between TAKKT AG and Franz Haniel & Cie. GmbH.”

Fiscal year

GENERAL CONDITIONS

The overall business environment in the markets that are relevant for TAKKT remained challenging in 2024. In Europe, GDP growth was very subdued and in the important German market even negative for the second consecutive year. In contrast, the US economy experienced higher growth than in the previous year and expanded more strongly than expected. However, the markets relevant to TAKKT for office furniture and food service equipment developed less favorably.

Overall economic conditions

As presented in the forecast report of last year's management report, at the beginning of 2024 TAKKT anticipated weak to moderate economic growth in its target markets compared to a long-term trend growth of around three percent per year. For Europe, this caution turned out to be justified. Private consumption and business investments remained muted due to the high level of uncertainty. In addition, global demand for capital goods declined. As a result, economic performance was only slightly higher than in the previous year. Germany, TAKKT's most important market for its European business, performed very poorly with a second straight year of recession. In addition to uncertainty and restrained consumption and investment, the German economy was particularly hampered by a weak construction industry and low exports. Despite the continued restrictive interest rate policy, the US economy proved very robust in 2024 and grew more strongly than TAKKT had anticipated at the start of the year. The positive development was mainly driven by private consumption.

GDP growth[1] for the eurozone, Germany and the US

	GDP growth in percent		
	Actual 2023	Forecast 2024	**Actual 2024**
Eurozone	0.5	0.5	0.8
Germany	– 0.3	0.2	– 0.2
USA	2.5	1.6	2.8

1 Sources GDP growth: Federal Statistical Office of Germany: https://www.destatis.de/DE/Home/_inhalt
European Commission: https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts_en
US Bureau of Economic Analysis: https://www.bea.gov/data/gdp/gross-domestic-product

Industry-specific conditions

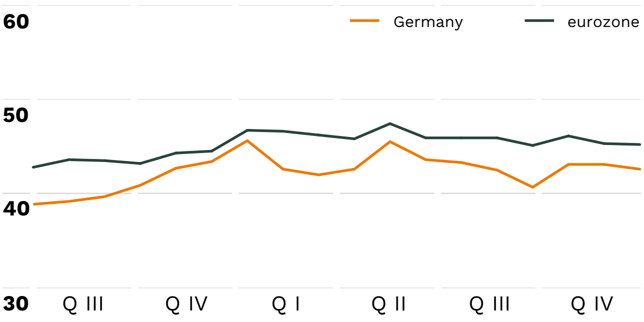
TAKKT uses different Purchasing Managers' Indexes (PMIs), as well as other tools, in order to better assess the anticipated development in the sales regions in the medium term. This refers to data from the manufacturing industry, which is compiled by different research institutes together with national associations and aggregated in an index. For TAKKT, Purchasing Manager Indexes are indicators for order intake from the manufacturing industry with a delay of three to six months. They are therefore particularly relevant for the activities of the European Industrial & Packaging division.

- Values below the reference level of 50 points indicate that market volumes are in decline and that sales potential is deteriorating.
- By contrast, values over 50 suggest increased market volume and a better business outlook.

In the 2024 fiscal year, the PMI values for the manufacturing industry[2] in the eurozone remained well below the expansion threshold of 50 points, reflecting the difficult situation in this sector. In contrast to the PMI values for the service industry and the slightly positive GDP development in the eurozone, the indicator values for TAKKT's relevant customer groups in the manufacturing and industrial sectors were firmly in negative territory. As in 2023, the PMI values for Germany were consistently lower than those of the eurozone. In Europe as well as Germany, the trend was slightly negative throughout the year. The PMI values thus pointed to a very weak environment and significantly subdued demand from relevant customer groups for 2024.

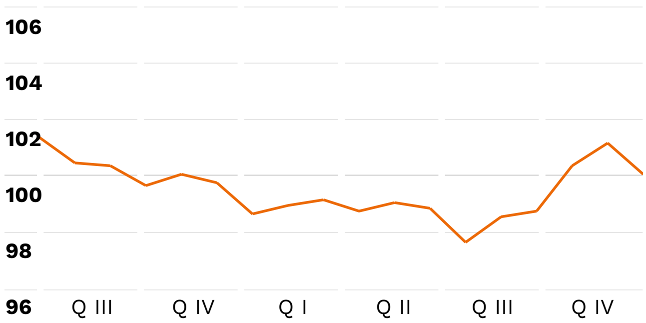
2 Source PMI values: S&P Global PMI Manufacturing: https://www.pmi.spglobal.com/Public/Release/PressReleases

Purchasing Managers' Indexes July 2023 to December 2024



For the US companies Hubert and Central in the FoodService division, the Restaurant Performance Index (RPI) is a relevant industry indicator. The RPI is based on a survey of restaurant operators in the United States and takes into consideration assessments of the future as well as the current situation. A value greater than 100 indicates market growth, whereas a value lower than 100 represents a downward trend. The RPI[3] remained below the 100-point threshold in the first nine months of the 2024 fiscal year, signaling a weak market environment for the FoodService division. From August onwards, the indicator improved gradually, surpassing the threshold of 100 points in October for the first time since November 2023. In 2024, TAKKT observed that the market environment and demand for office furniture in the US were subdued due in particular to a decline in ordering activity from government customers.

Restaurant Performance Index July 2023 to December 2024



3 Source RPI values: https://restaurant.org/research-and-media/research/restaurant-economic-insights/restaurant-performance-index/

SALES AND EARNINGS REVIEW

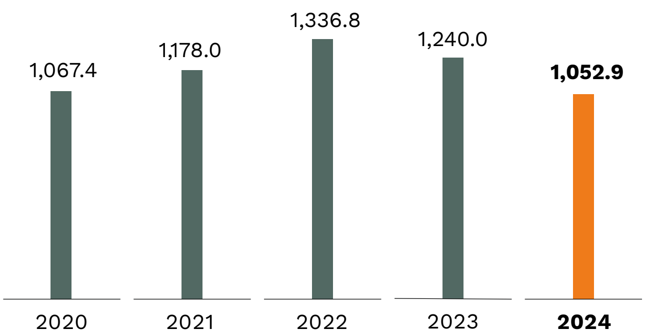
In the 2024 fiscal year, TAKKT's sales and earnings performance was significantly influenced by internal challenges and the persistently weak economic environment, particularly in Europe. Against this backdrop, the Group recorded an organic sales decline of 15.4 percent, reaching the upper end of the forecast adjusted in October for an organic growth rate between minus 15 and minus 17 percent. A detailed comparison of actual and forecast development can be found on page 63. The gross profit margin amounted to 39.3 (39.8) percent, slightly below the previous year's level. Due to the weak sales performance, TAKKT focused on the consistent implementation of cost management measures. Marketing and personnel costs as well as other expenses were significantly below the previous year's level. EBITDA amounted to EUR 55.7 (111.9) million. The EBITDA margin, adjusted for one-time expenses, was 6.9 (9.1) percent.

Sales development influenced by internal challenges and weak economic environment

In the 2024 fiscal year, customer demand in the markets that are relevant for TAKKT remained subdued due to the overall weak environment. This was particularly true for the business in Europe, where GDP growth and Purchasing Managers' Index figures consistently remained at very low levels. At the same time, TAKKT also experienced internal challenges. In the Industrial & Packaging division, this was due to the discontinuation of the ratioform brand during the year which has since been reversed, while in FoodService it resulted from less efficient call center sales activities caused by system integration problems at Hubert and Central. The Office Furniture & Displays division experienced negative effects due to ineffective positioning of the NBF brand and temporary limited product availability from a key supplier. Particularly during the second half of the year, TAKKT initiated and consistently implemented measures to address these challenges. Despite a gradual improvement in the third and fourth quarters following a sharp sales decline in the second quarter, the organic growth rate still remained negative.

In the year under review, TAKKT's sales totaled EUR 1,052.9 (1,240.0) million, representing a decline of 15.1 percent compared to the previous year. Fluctuations in exchange rates had a minor positive effect of 0.3 percentage points. Organically (i.e., adjusted for these effects), sales decreased by 15.4 percent. In addition, organic sales development in 2024 was impacted by discontinuation of the Certeo business in the previous year. In the first quarter of 2023, TAKKT decided to discontinue the Certeo sales brand due to its failure to meet growth and earnings expectations and profitability targets. The discontinuation of activities at Certeo had a negative impact on the Group's organic growth of 0.6 percentage points.

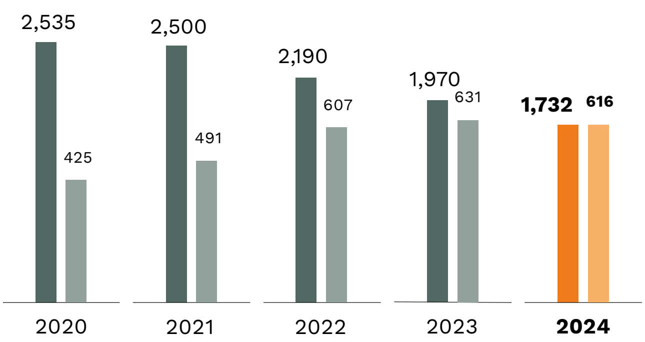
Sales in EUR million



Order intake with comparable development to sales

As in the previous year, order intake in 2024 was also at a very similar level to sales. Order intake decreased organically by 14.8 percent. The average order value declined to EUR 616 (631) in the year under review and the number of orders decreased to 1.7 (2.0) million. In I&P and OF&D, order values remained stable or experienced only a slight decline, meaning that the lower demand was mainly reflected in the reduced number of orders. At FS, however, the decline in order intake was driven equally by lower order values and fewer orders.

Number of orders in thousands
Average order value in EUR

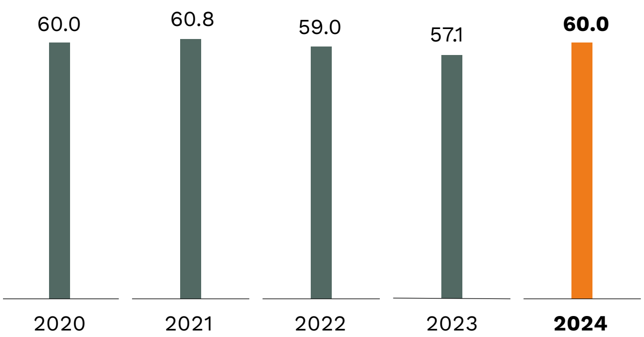


Increasing share of e-commerce orders

E-commerce, encompassing business conducted via web shops or e-procurement systems, is the most important sales channel for TAKKT. For this measurement, a distinction needs to be made between marketing and sales drivers and the order intake method. When allocating incoming orders, only the method by which the order was received can be determined directly.

In 2024, order intake via e-commerce was also influenced by internal and external challenges and saw an organic decline of 10.6 percent, slightly better than overall order intake. This was attributable in part to slight positive growth in the e-procurement business at I&P. As a result, the e-commerce share of order intake rose to 60.0 (57.1) percent following the decline of previous years. This also includes orders that were placed with TAKKT companies through traditional channels but initiated via the internet. The share of traditional sales channels in order intake decreased accordingly to 40.0 (42.9) percent.

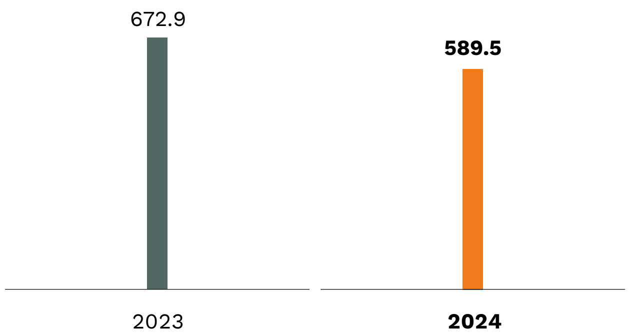
E-commerce share in order intake in %



Industrial & Packaging: Weak market environment leads to sales decline

In the year under review, sales in the Industrial & Packaging division decreased by 12.4 percent to EUR 589.5 (672.9) million and performed slightly better than the Group as a whole. As a result, the share of Group sales increased slightly to 56.0 (54.3) percent. Minor positive effects of 0.6 percentage points resulted from changes in exchange rates. Organic sales growth came to minus 13.0 percent. I&P's customers mainly include companies from the industrial and manufacturing sectors. In these sectors, TAKKT has observed that many businesses adopted a cautious approach in 2024 and in some cases downsized personnel, which contributed to weak demand. In addition, the temporary discontinuation of the ratioform brand and integration into kaiserkraft's structures had a negative impact. TAKKT had provided packaging products under the ratioform brand for many years before merging it with kaiserkraft in the first half of the year and discontinuing its independent brand presence. In addition to reduced visibility in packaging sales, the integration also had an impact on order service quality. During the second half of the year, TAKKT reactivated the ratioform brand and restored order service quality to its original level.

Industrial & Packaging sales in EUR million

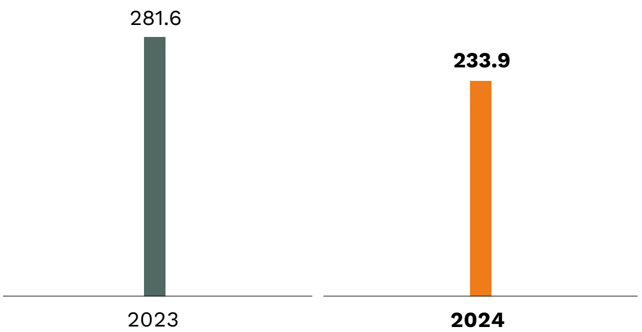


Office Furniture & Displays: Structural changes in display market and temporary limited product availability impact sales

In the Office Furniture & Displays division, sales decreased significantly by 17.0 percent to EUR 233.9 (281.6) million. The share of Group sales therefore declined to 22.2 (22.7) percent. Currency effects had a minor negative impact of 0.1 percentage points. Organic sales growth at OF&D was minus 16.9 percent, with similar levels for the NBF and Displays2go brands. In the reporting year, the office equipment business of NBF was negatively influenced by what TAKKT perceived as subdued market demand, particularly from government customers, and internal factors. These were partly due to lower lead generation as a result of the change in marketing strategy, which TAKKT reversed in the second half of the year. In addition, the availability of certain products was limited in the second half of the year due to the relocation of a key supplier's production.

Displays2go sells products such as advertising banners, portable trade fair stands and stand-up displays, which are frequently used at conferences or other events. In 2024, conditions in this market remained difficult due to the persistently low demand for traditional displays.

Office Furniture & Displays sales in EUR million



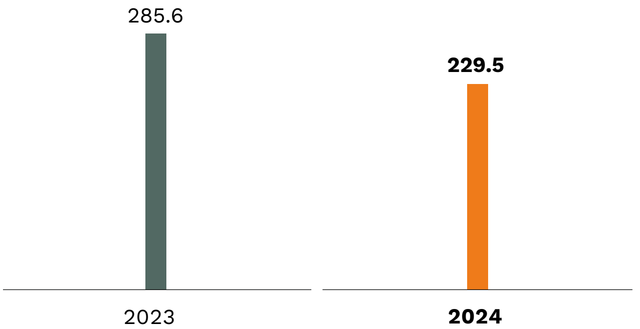
FoodService: System migration issues at Hubert and Central

At EUR 229.5 (285.6) million, sales in the FoodService division were 19.6 percent below the previous year. Currency effects were marginally negative at 0.1 percentage points. The division's share of Group sales decreased to 21.8 (23.0) percent. Adjusted for currency effects, the FoodService division recorded a sales decrease of 19.5 percent, marking the sharpest decline of the three divisions.

In the second quarter, Central's data and processes were migrated to Hubert's ERP system. Migration issues caused slowdowns in sales and order processing and decreased data reliability, thereby increasing the need for manual reviews and corrections. Call center sales were particularly affected, which resulted in process inefficiencies and personnel vacancies in the sales team.

During the second half of the year, the Group resolved the direct technical issues caused by the ERP migration, gradually increased the system's level of automation and functionality, and expanded the call center team.

FoodService sales in EUR million



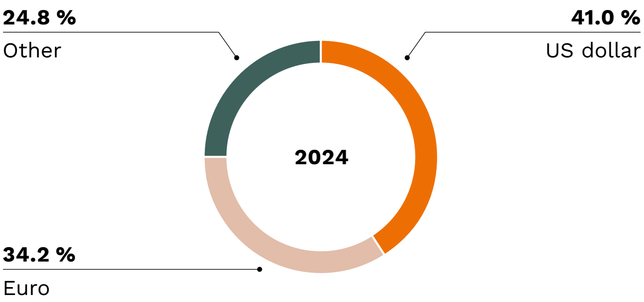
Sales share by region largely unchanged

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

- Sales of the business in Germany decreased to EUR 215.8 (258.3) million. Its share of Group sales therefore came to 20.5 (20.8) percent.
- Sales of the other European business decreased to EUR 393.7 (435.2) million. The share of Group sales increased to 37.4 (35.1) percent.
- In North America, sales decreased to EUR 443.3 (546.5) million due to the slower growth trend. Its share of Group sales therefore came to 42.1 (44.1) percent.

34.2 (34.6) percent of Group sales was realized in the reporting currency of euros. The US dollar share reached 41.0 (43.0) percent. Other currencies, such as the Swiss franc, British pound and Swedish krona, accounted for a total of 24.8 (22.4) percent.

Sales by currency



Gross profit margin slightly below previous year's level

In the 2024 fiscal year, TAKKT's gross profit margin was 39.3 (39.8) percent, slightly below that of the previous year. Particularly at the end of the year, the margin was negatively impacted by freight costs, earnings recognition from long-term, large-scale project orders and price adjustments. For the year as a whole, the I&P division was able to slightly improve its gross profit margin. However, the decline at the Group level was also attributable to weaker margins in the US activities.

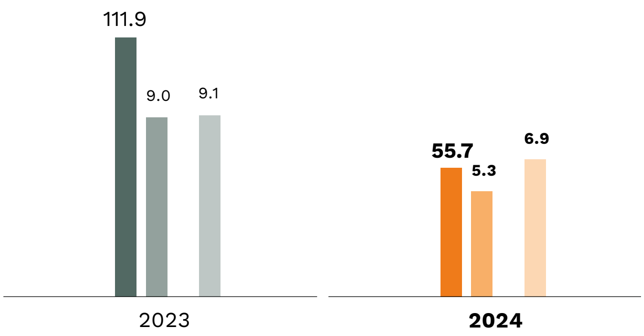
Cost management makes an impact

In anticipation of a difficult market environment and sharp decline in sales, TAKKT focused on stringent cost management from the beginning of the year and adjusted its structures to the reduced demand. This had a significant positive impact on the development of relevant cost items. Adjusted for one-time expenditures, personnel costs decreased by EUR 22.0 million and other operating expenses decreased by EUR 16.8 million. Particularly in the final quarter, TAKKT maintained a balanced approach between cost adjustments and reductions on the one hand and expenditures for improving processes, systems and growth on the other. Due to structural adjustments, one-time expenses in 2024 were high and amounted to EUR 17.1 (1.4) million.

Decline in adjusted EBITDA margin

Earnings before interest, taxes, depreciation and amortization (EBITDA) decreased significantly over the previous year to EUR 55.7 (111.9) million. In addition to the weak sales development, this was also due to considerably higher one-time expenses. Currency effects had a positive impact on EBITDA of EUR 0.7 million. The EBITDA margin was 5.3 (9.0) percent; adjusted for one-time effects, it came to 6.9 (9.1) percent. Consequently, profitability was significantly below the previous year's level, while still reaching the upper range of the forecast corridor of 6.3 to 7.1 percent adjusted in October. In addition to the slightly lower gross profit margin, the decline in adjusted EBITDA margin is mainly attributable to higher cost ratios resulting from the sharp decrease in sales.

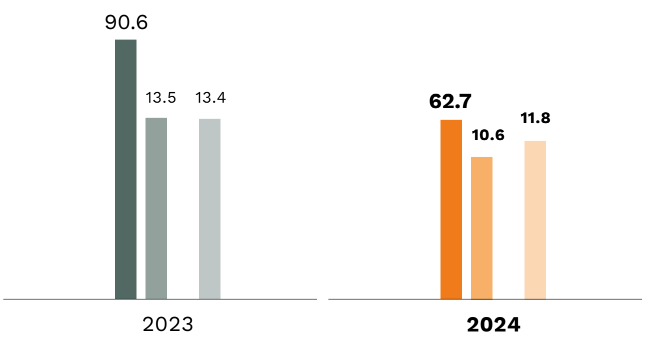
EBITDA in EUR million, **margin** in %, **adjusted margin** in %



Industrial & Packaging: EBITDA margin remains in double-digits

Due to the lower volume of sales, EBITDA for the Industrial & Packaging division in 2024 was significantly below the previous year's level at EUR 62.7 (90.6) million. TAKKT was able to partially offset the negative impact by slightly improving its gross profit margin and reducing personnel and marketing expenses. One-time expenses amounted to EUR 6.9 million compared to negligible effects in the previous year. In the year under review, the EBITDA margin came to 10.6 (13.5) percent and the adjusted EBITDA margin was 11.8 (13.4) percent.

Industrial & Packaging
EBITDA in EUR million, **margin** in %, **adjusted margin** in %

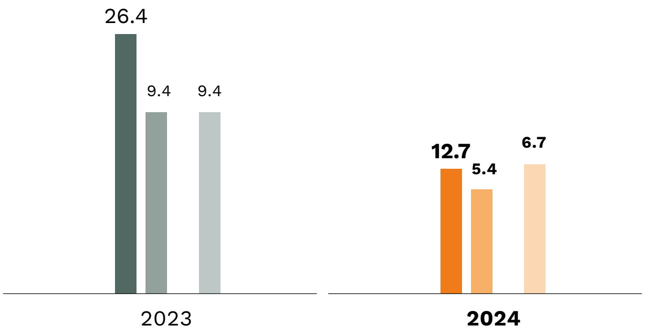


Office Furniture & Displays: Costs adjusted to lower sales

In 2024, EBITDA in the Office Furniture & Displays division came to EUR 12.7 (26.4) million. In addition to the significantly lower level of sales, this was also attributable to the decline in gross profit margin. TAKKT realized tangible savings in the relevant cost items. One-time expenses totaled EUR 2.8 million compared to negligible effects in the previous year. The EBITDA margin decreased to 5.4 (9.4) percent and the adjusted EBITDA margin came to 6.7 (9.4) percent.

Office Furniture & Displays

EBITDA in EUR million, **margin** in %, **adjusted margin** in %

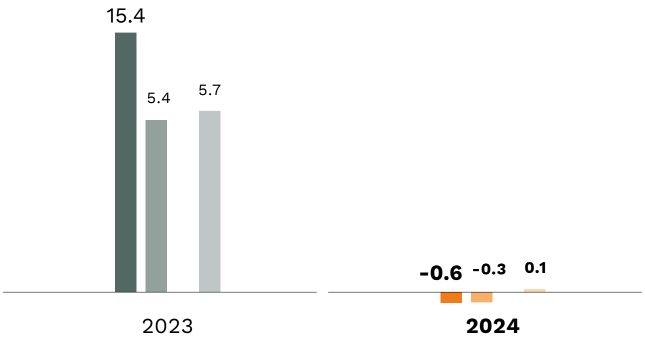


FoodService: Negative EBITDA due to system integration challenges

EBITDA in the FoodService division decreased significantly in the year under review and was slightly negative at minus EUR 0.6 (plus 15.4) million. In addition to the substantial sales decline resulting from the system migration problems, the lower gross profit margin was also a contributing factor. The margin was hampered by working through less profitable project orders and price adjustments. Marketing expenses were below the previous year, while personnel costs and other expenses were impacted by measures to resolve technical and procedural issues and remained at a very similar level to the previous year. One-time expenses totaled EUR 0.8 (0.8) million in the reporting period. The EBITDA margin was minus 0.3 (plus 5.4) percent and the adjusted EBITDA margin came to 0.1 (5.7) percent.

FoodService

EBITDA in EUR million, **margin** in %, **adjusted margin** in %



Significant increase in impairment write-downs in the FoodService division

In view of the negative business performance of the US FoodService activities, TAKKT recognized an impairment loss of EUR 62.9 (0.0) million for the CenBert cash-generating unit. In the previous year, the goodwill of Displays2go had been impaired by EUR 37.0 million. In the year under review, depreciation and amortization increased to EUR 96.2 (73.0) million due to the higher impairment. Adjusted for the impairment losses in both years, depreciation would have decreased slightly to EUR 33.3 (36.0) million.

Earnings before interest and tax (EBIT) were negative due to non-operating effects and came to EUR 40.5 (38.9) million. The EBIT margin decreased accordingly to minus 3.8 (plus 3.1) percent. The financial result was below the previous year at minus EUR 10.3 (minus 8.7) million and was significantly impacted by finance expenses amounting to minus EUR 9.1 (minus 8.6) million. Profit before tax amounted to minus EUR 50.8 (plus 30.1) million.

Tax gains due to impairments

Tax expense/income was significantly influenced by the impairments in 2023 and 2024. This resulted in deferred tax income in both years. Overall, this resulted in tax income of EUR 9.5 million for 2024, compared to an income tax expense of EUR 5.6 million in the previous year. Profit for the period came to minus EUR 41.3 (plus 24.6) million. Earnings per share decreased accordingly to minus EUR 0.64 (plus 0.38) based on the slightly lower weighted average number of shares issued after the share buy-back of 64,450,594 (64,984,761). This number decreased due to the share buy-back program in effect from October 2022 to December 2024.

FINANCIAL POSITION

TAKKT has a centralized financial management system whose primary goal is to ensure the creditworthiness, liquidity and financing capability of the Group for the long term. In addition to meeting payment obligations from the operating business, including capital expenditures, dividend payments and potential share buy-backs, it is also intended to provide the Group with sufficient financial flexibility to seize acquisition opportunities at short notice. Despite the challenging environment and considerably lower profit, TAKKT generated free cash flow of EUR 68.1 (74.0) million in 2024, demonstrating significantly greater stability than EBITDA.

Centralized financial management limits financial risks

The financial management of the TAKKT Group includes the management and allocation of all financial resources with the primary goal of ensuring that liquidity is available at all times. In addition, TAKKT pursues the following goals within the scope of financial management:

- Safeguarding the independence and flexibility of the Group and of all the Group companies through a diversified financing structure with sufficient available credit lines at all times.
- Limiting financial risks through the hedging of currency risks as well as limiting counterparty risks.
- Optimization of financing conditions through an appropriate mix of short and long-term financing instruments.
- Efficient use of the Group's internal liquidity through the use of cash pooling agreements, whereby liquidity surpluses of the individual companies are used for financing the liquidity requirements of other Group companies.

Free cash flow is significantly more stable than EBITDA

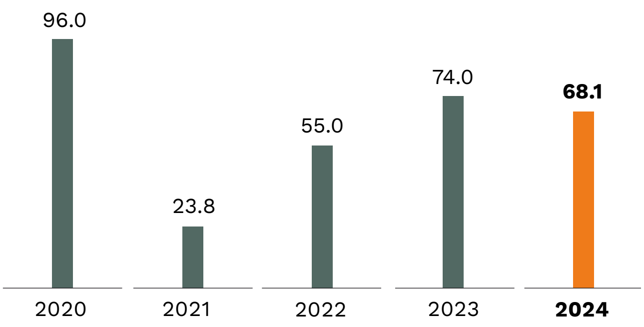
One of the key strengths of the TAKKT business model is its strong internal financing power. In 2023 and 2024, the Group generated significant additional liquidity inflows by reducing net working capital.

Cash flow before changes in net working capital was largely in line with the development of EBITDA and decreased significantly to EUR 40.3 (86.0) million in the year under review. In addition to the typical business model-related reduction in net working capital due to lower business volume, TAKKT focused on targeted measures to improve the cash conversion cycle by optimizing the various net working capital items, as in the previous year. TAKKT was able to achieve significant improvements in inventories, trade payables and receivables from customers by implementing a comprehensive approach and wide range of measures. The measures implemented included adjusting payment terms for suppliers and customers, accelerating and streamlining invoicing processes, issuing faster and more frequent reminders to overdue customers and the targeted sale of slow-moving inventory. As a result, the Group generated cash inflow in the amount of EUR 53.6 (20.4) million from changes in net working capital. Changes in trade payables resulted in EUR 27.3 million, the reduction in inventories generated EUR 18.8 million and the decrease in trade receivables contributed EUR 9.6 million. The higher release of net working capital partially offset the negative cash flow effect of the lower EBITDA. As a result, cash flow from operating activities came to EUR 93.9 (106.4) million.

In 2024, operating capital expenditures of EUR 11.9 (15.9) million were lower than in the previous year. Significant amounts were primarily allocated to the IT department to improve the web shops and other systems. The capital expenditure ratio (the ratio of capital expenditure for maintenance, expansion and modernization of the business operations to sales) decreased slightly to 1.1 (1.3) percent. Cash inflow from disposals came to EUR 0.7 (2.6) million. In the previous year, the Group sold an office building of a subsidiary in France that was no longer in use.

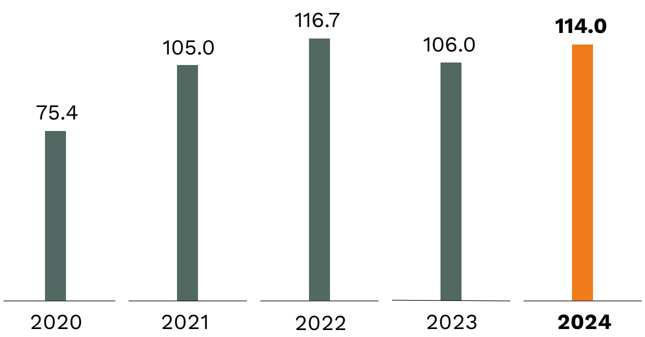
The repayment of lease liabilities resulting from rental payments for buildings amounted to EUR 14.7 (19.2) million. The repayment of finance leases was higher in the previous year due to the purchase of a previously leased warehouse. After deducting operating capital expenditures and lease payments from cash flow from operating activities and adding the inflows from disposals, the Group had free cash flow of EUR 68.1 (74.0) million in the year under review. Despite the sharp decline in sales and profit, TAKKT generated free cash flow that, while lower than the previous year, demonstrated considerably greater stability than EBITDA.

Free cash flow in EUR million



Payment for the dividend amounted to EUR 64.6 (65.1) million. In addition, TAKKT spent EUR 8.5 million (4.4) for the buy-back of treasury shares. Net financial liabilities (i.e., financial liabilities less cash and cash equivalents) increased slightly to EUR 114.0 (106.0) million at the end of 2024. Around half of the liabilities resulted from the leasing of buildings and vehicles, which are reported as lease liabilities in accordance with IFRS 16. Cash and cash equivalents came to EUR 8.1 (5.6) million as of December 31, 2024. For further details on the generation and use of cash flow, please refer to the statement of cash flows.

Development of net financial liabilities in EUR million



Managerial presentation of free cash flow in EUR million

	2020	2021	2022	2023	2024
Cash flow before change of net working capital	**82.0**	**94.3**	**115.1**	**86.0**	**40.3**
Change in net working capital as well as other adjustments	38.5	– 38.0	– 30.7	20.4	53.6
Cash flow from operating activities	**120.5**	**56.3**	**84.4**	**106.4**	**93.9**
Capital expenditure in non-current assets	– 12.2	– 18.3	– 14.6	– 15.9	– 11.9
Proceeds from disposal of non-current assets	0.7	0.4	0.6	2.6	0.7
Repayment of lease liabilities	– 13.0	– 14.6	– 15.4	– 19.2	– 14.7
Free cash flow	**96.0**	**23.8**	**55.0**	**74.0**	**68.1**

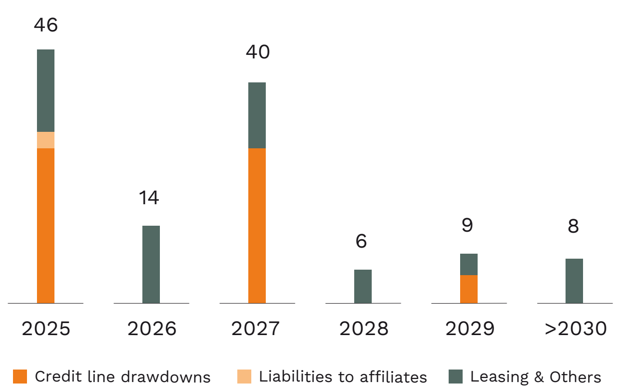
Diversified financing

TAKKT places great importance on the conservative, long-term oriented and diversified financing of the business. The financing activities of the Group are centrally managed, with funding currently limited to the EUR currency area. TAKKT primarily uses the following financing instruments:

- Dedicated bilateral credit lines with twelve financial institutions are the focus of the financing portfolio. For the most part, short-term (terms of less than 12 months) and long-term (terms of more than 12 months) credit lines are concluded. As a rule, both short-term and long-term credit lines are extended annually by an additional year and adjusted to new conditions if necessary. Long-term credit lines have a term of up to five years. The credit agreements are unsecured and do not include any financial covenants. At the end of 2024, there were liabilities to banks from financing activities in the amount of EUR 61.3 (45.9) million.
- Leased buildings and vehicles are reported as finance leases in accordance with IFRS 16. Lease liabilities as of the reporting date came to EUR 56.8 (57.7) million.

The maturity structure of the financial liabilities as of the end of the reporting period is as follows:

Maturity profile of financial liabilities in EUR million



In addition to the credit line drawdowns, the Group also had free committed credit lines of EUR 188.1 (212.7) million available, of which EUR 34.2 (47.7) million were short-term credit lines and EUR 153.9 (165.0) million long-term credit lines. TAKKT therefore has sufficient financial flexibility to seize investment opportunities, such as acquisitions, at short notice, regardless of the current situation in the capital market.

In TAKKT's view, the independence and entrepreneurial flexibility of the Group are ensured in the long term through the diversification of the financing portfolio with regard to financing sources and terms.

Use of derivative financial instruments only for hedging purposes

As a global player, TAKKT is exposed to risks arising from fluctuations in exchange rates and market interest rates. The purpose of financial risk management is to regularly monitor these financial risks and limit them insofar as it is economically advisable. In dealing with derivative financial instruments, harmonized regulations ensure that no financial transactions are conducted outside of an established framework without the prior approval of the Management Board. Derivative financial instruments are only used for hedging purposes in relation to the hedged item. In addition, financial transactions are carried out exclusively with business partners who have been approved for this purpose and meet a certain credit rating. In line with the hedging policy, TAKKT's goal for interest rate risks is generally a hedge ratio of 60 to 80 percent of the finance volume. In the fiscal year and previous year, no use was made of interest rate swaps for hedging purposes. Net foreign currency cash flows are hedged at an average rate of 50 percent for a rolling twelve-month period. Details on the use and evaluation of these financial instruments can be found in the risk report on page 80 as well as the notes to the consolidated financial statements on page 137.

Internal covenants largely within target values

TAKKT uses internal covenants to analyze its capital structure and has set internal limits for each of these key figures. The Group's total equity ratio target is between 30 and 60 percent. For gearing, the long-term target is below 1.5. The target for the debt repayment period is less than five years. For the interest cover ratio, another index for the company's financial stability, the aim is a figure above four. TAKKT aims to achieve a long-term balance between financial independence and return on total capital. The objective is to ensure sufficient financial scope for growth, dividends and acquisitions on the one hand as well as an appropriate return on total capital employed on the other. The Management Board is regularly informed of the development of these key figures.

As of the end of 2024, most internal covenants were within the internally set target corridor. However, they were impacted by the negative earnings performance.

The equity ratio was below the previous year at 58.8 (63.8) percent as of the reporting date, due in part to the recognized impairment, and reached the upper end of the target corridor. The debt repayment period increased to 2.0 (0.9) years due to the decline in EBITDA. The significantly lower operating result before amortization of goodwill led to a decrease in interest cover to 2.5 (8.9). This puts the current interest cover below the internal target value. TAKKT anticipates a significant improvement again for 2025. The gearing remained unchanged at 0.2 (0.2).

The calculation method for the debt repayment period was simplified and the previous year figure adjusted accordingly.

Internal covenants (in EUR million)

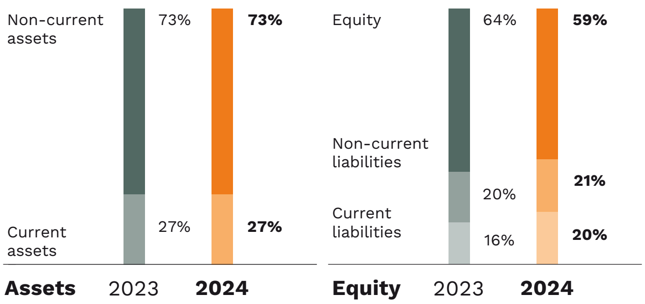
	2023	**2024**
Total equity	642.7	542.6
/ Total assets	1,006.8	922.7
Equity ratio (in percent)	**63.8**	**58.8**
Financial liabilities	111.6	122.2
./. Cash and cash equivalents	5.6	8.1
Net financial liabilities	106.0	114.0
/ Total equity	642.7	542.6
Gearing	**0.2**	**0.2**
Net financial liabilities	106.0	114.0
/ EBITDA	111.9	55.7
Debt repayment period (in years)	**0.9**	**2.0**
Operating result before Goodwill impairment	75.9	22.4
/ Net interest expense (= Finance expenses less Interest and similar income)	8.5	9.0
Interest cover	**8.9**	**2.5**

ASSETS POSITION

TAKKT's balance sheet structure remains very solid despite the challenging 2024 fiscal year. Total assets declined mainly due to the impairment loss and reduction in net working capital.

In the year under review, total assets decreased by around eight percent and amounted to EUR 922.7 (1,006.8) million as of the reporting date. This was mainly attributable to a decline in goodwill resulting from impairment of the CenBert cash-generating unit and the targeted reduction of inventories and trade receivables. In contrast, changes in exchange rates had a positive effect of around EUR 24.7 million on the assets reported in euros.

Balance sheet structure of the TAKKT Group



As of the reporting date, non-current assets amounted to EUR 669.4 (730.3) million, still accounting for 72.5 (72.5) percent of the assets. Property, plant and equipment decreased slightly to EUR 106.7 (112.8) million. The majority of non-current assets, amounting to EUR 508.1 million (557.8), still consists of goodwill from past company acquisitions. These assets account for over half of the total assets, representing 55.1 (55.4) percent. In view of the weak sales and earnings performance in the FS division, TAKKT recognized an impairment loss of EUR 62.8 million on the goodwill of the CenBert cash-generating unit. In contrast, exchange rates had a positive impact of EUR 13.2 million on the value of goodwill.

Customer and supplier relationships, brand names, web shops, domain names or internal expertise can, regardless of their significance for the TAKKT Group, only be recognized as intangible assets if they are in accordance with IAS 38. This is not generally the case with regard to the intangible assets generated within the TAKKT Group. Accordingly, these figures are not recognized. Where entire companies are acquired, some intangible assets are recorded in the consolidated financial statements as required by IFRS 3 for first-time consolidation as long as they are identifiable and can be measured independently. The corresponding

Key figures for net assets position (in EUR million)

	2020	2021	2022	2023	2024
Non-current assets	**781.1**	**812.2**	**781.5**	**730.3**	**669.4**
in % of Total assets	77.8	72.8	69.7	72.5	72.5
Current assets	**223.2**	**303.2**	**340.0**	**276.5**	**253.3**
in % of Total assets	22.2	27.2	30.3	27.5	27.5
Total assets	**1,004.3**	**1,115.4**	**1,121.5**	**1,006.8**	**922.7**
Total Equity	**649.6**	**694.0**	**699.8**	**642.7**	**542.6**
in % of Total equity and liabilities	64.7	62.2	62.4	63.8	58.8
Non-current liabilities	**215.8**	**226.3**	**213.6**	**198.7**	**191.4**
in % of Total equity and liabilities	21.5	20.3	19.0	19.8	20.7
Current liabilities	**138.9**	**195.0**	**208.1**	**165.4**	**188.8**
in % of Total equity and liabilities	13.8	17.5	18.6	16.4	20.5
Total equity and liabilities	**1,004.3**	**1,115.4**	**1,121.5**	**1,006.8**	**922.7**

recognition in the statement of financial position is a good indicator for the value potential of these assets. At TAKKT, this mainly applies to the internet domains, web shops, brand names and customer relationships. As of the reporting date, the total value of these assets came to EUR 21.2 (20.5) million.

Current assets decreased to EUR 253.3 (276.5) million. This was mainly attributable to the targeted reduction of net working capital, which led to a decline in inventories to EUR 112.5 (126.2) million and a decrease in trade receivables to EUR 106.9 (115.3) million. Both items accounted for 86.6 (87.3) percent of current assets. Changes in currency effects had a positive impact of EUR 8.8 million on current assets.

Customers' payment behavior remained stable with a low write-off rate of 0.1 (0.1) percent. Consequently, there was no significant impact on the development of trade receivables. The payment period for accounts receivable remained unchanged over the previous year at 34 (34) days.

The TAKKT Group does not use off-balance sheet financial instruments such as the sale of receivables or asset-backed securities.

Slight decline in equity ratio

Total equity decreased to EUR 542.6 (642.7) million, as a result of the dividend payout and impairment of goodwill. For this reason, the equity ratio decreased to 58.8 (63.8) percent at the end of the year. As of the reporting date, TAKKT AG held 2.4 (1.3) percent of the share capital as treasury shares. Further information on the acquisition of treasury shares as part of the share buy-back program can be found in the notes to the consolidated financial statements on page 125.

Accounting for 20.7 (19.8) percent of the equity and liabilities were non-current liabilities amounting to EUR 191.4 (198.7) million. The slight decline is largely attributable to lower deferred taxes of EUR 55.7 (70.4) million, while the increase in non-current financial liabilities to EUR 76.3 (64.9) million had an offsetting effect. Currency effects had a positive impact of EUR 4.0 million. Pension obligations remained nearly unchanged at EUR 53.6 (54.6) million.

Current liabilities increased to EUR 188.8 (165.4) million, corresponding to a share of 20.5 (16.4) percent of total assets as of December 31, 2024. This was primarily due to the significant increase in trade payables and similar liabilities to EUR 94.5 (65.1) million after TAKKT adjusted and optimized payment terms with suppliers.

COMPANY PERFORMANCE

TAKKT provides information on the long-term development of various key figures in the Company performance section. In addition to the key figures, TAKKT also provides information on the product range and value-based key figures. Development of the key figures and value-based key figures in 2024 was shaped by internal challenges and the weak economic environment, while product range key figures developed unevenly.

Financial key figures show downward trend

The year-on-year development of the key figures of organic sales development, organic growth of order intake via e-commerce, gross profit margin and EBITDA is explained in the Sales and earnings review section of this management report. Free cash flow and the capital expenditure ratio are described in the Financial position section.

In the long-term analysis, organic sales development was mainly shaped by the economic conditions of the individual fiscal years. In 2020, the coronavirus pandemic resulted in a significant decline in sales. In 2021 and 2022, TAKKT saw a significant increase in organic sales driven by the economic rebound and robust surge in demand. However, weak conditions in 2023 resulted in a subsequent decline in sales, which was further exacerbated in 2024 by additional internal challenges.

The organic growth in order intake via e-commerce has consistently surpassed the organic development of sales and order intake. After experiencing above-average growth during the pandemic, the e-commerce business underperformed in 2022 and 2023. In 2023, this was largely due to the discontinuation of activities at Certeo. In the past year, organic e-commerce growth once again slightly outperformed overall order intake.

Over the past five years, the gross profit margin has remained at or slightly below 40 percent. In some years, such as 2022 and 2024, the margin was also partly impacted by non-recurring effects resulting from high inflation, freight costs and the valuation of inventories.

The level of EBITDA is largely influenced by the development of sales and gross profit as well as one-time gains and expenses. In 2021 and 2022, earnings improved as a result of the positive growth trend following the pandemic-related decline. However, the sales downturn in 2023 and 2024 had a significant negative impact on earnings despite cost management efforts. In 2024, the negative sales trend was compounded by costs associated with resolving the internal challenges and high one-time expenses.

Development of financial key figures

	2020	2021	2022	2023	**2024**
Organic sales development	– 11.8%	11.4%	7.5%	– 5.9%	– 15.4%
Organic growth in order intake via e-commerce	– 3.6%	16.3%	1.1%	– 8.1%	– 10.6%
Gross profit margin	39.7%	40.2%	39.3%	39.8%	39.3%
EBITDA in EUR million	92.6	112.6	132.1	111.9	55.7
Free cashflow in EUR million	96.0	23.8	55.0	74.0	68.1
Capital expenditure ratio	1.1%	1.6%	1.1%	1.3%	1.1%

The development of free cash flow is influenced by the development of earnings and changes in net working capital. By implementing structural improvements in cash generation, TAKKT can realize additional liquidity through the reduction of net working capital, thereby generating robust positive free cash flow even during difficult economic times, as in the past two years. This demonstrates the strong internal financing capability of the Group. In 2021 and 2022, however, free cash flow was negatively impacted by the increase in trade receivables and inventories. Despite the significant decline in earnings in the year under review, TAKKT generated free cash flow in 2024, which exhibited much greater stability than EBITDA.

The investment requirement in the past five years – measured as the capital expenditure ratio as a percentage of sales – was between one and two percent. Consequently, investments declined in line with sales. In the coming years, TAKKT plans to invest more in improving systems and processes as part of implementing the new strategy.

Non-financial key figures show mixed performance

Since 2020, all of the business units have been gathering key figures, which provide information about the current development of the customer and employee perspective. For customers, it is the cNPS and for employees the eNPS. The definition and calculation method used for these key figures is described in detail in the Management system section starting on page 39. In recent years, the cNPS has remained relatively stable at around 60 points. In the year under review, it decreased slightly to 58 (59) points due to temporary disruptions in processing customer inquiries. In 2024, the eNPS was negatively impacted by internal changes and challenges, continuing the downward trend of previous years. It was last at minus 5 (plus 6) points and is expected to rise again in the future, as outlined in the Employees section on page 42.

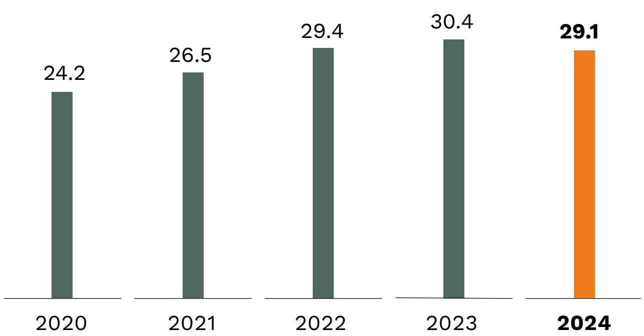
In 2024, TAKKT made further progress with regard to the sustainability key figures. In 2024, the Group significantly increased the share of sustainable products in sales to 30.9 (23.5) percent. This was mainly attributable to an improvement in the I&P division. The kaiserkraft brand sells sustainable products through specific marketing campaigns and a dedicated category in the web shop.

The TAKKT Group is publishing a sustainability report for the 2024 fiscal year, thereby meeting the requirements of sections 315b and 315c HGB. The sustainability report will be available on the company’s website no later than four months after the end of the reporting period at https://www.takkt.de/en/sustainability

Share of private brands and direct imports with contrasting trends for product range key figures

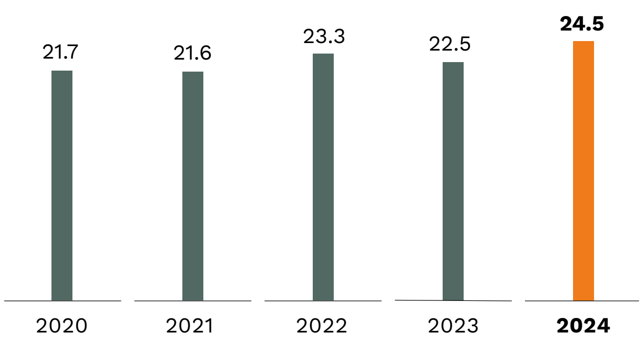
TAKKT wants to expand its business with private brands and direct imports (products that come from countries outside the home markets of the respective Group company) in the long term. In the year under review, the share of private brand sales was slightly below the previous year at 29.1 (30.4) percent. All three divisions contributed to this decline.

Share of private label in %



In the year under review, the share of direct imports in sales at the Group level rose compared with the previous year to 24.5 (22.5) percent. All three divisions recorded an increase, with the FS division showing the strongest growth.

Share of direct imports in %

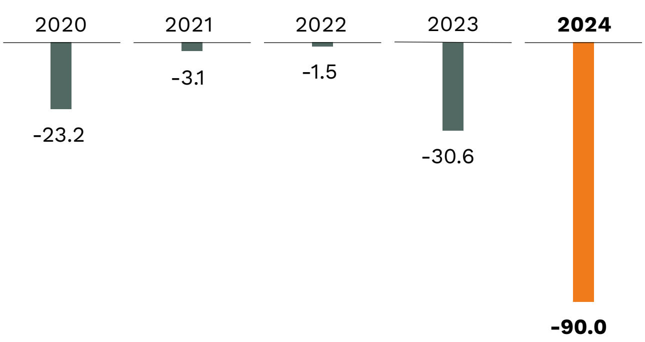


Value-based key figures: Decline in TAKKT Value Added and ROCE

TAKKT considers TAKKT Value Added and return on capital employed (ROCE) to be relevant value-based key figures. The TAKKT Value Added is defined as the difference between the operating profit after tax generated and the cost of capital on the average capital employed. The TAKKT Value Added has experienced a downward trend in recent years, which has been exacerbated in the past three years by impairments on intangible assets. Due to the high impairment loss and low EBITDA, the TAKKT Value Added decreased significantly to minus EUR 90.0 (minus 30.6) million in the past year. Adjusted for the impairment losses in the past two years, the TAKKT Value Added would have decreased to around EUR 43 million.

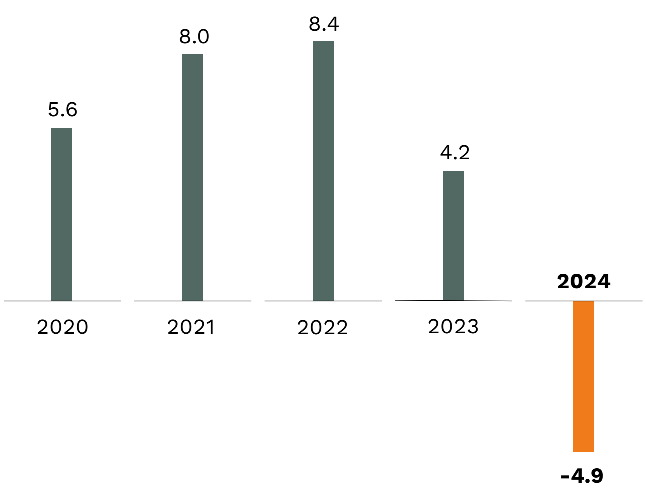
The operating result after tax generated for calculation of the TAKKT Value Added was considerably lower than in the previous year at minus EUR 32.2 (plus 33.2) million. The average capital employed also decreased. The weighted average cost of capital (WACC) used to calculate the total cost of capital remained unchanged at 7.5 (7.5) percent. TAKKT assumed a value-based capital structure of 70 percent equity and 30 percent debt capital for this. The cost of shareholders' equity was nine percent. An imputed cost of four percent was used for debt capital. Total cost of capital in 2024 thus came to EUR 57.8 (63.8) million.

TAKKT value added in EUR million



ROCE provides information about the profitability of capital employed before taxes. The key figure shows the EBIT in relation to capital employed, which is defined as total assets reduced by the non-interest-bearing current liabilities. ROCE therefore reflects the operational profitability of the capital employed and, due to the impact of the impairment of intangible assets, was in negative territory in the year under review at minus 4.9 (plus 4.2) percent. Adjusted for the impairment losses in the past two years, ROCE was 2.5 (8.0) percent.

ROCE in %



COMPARISON OF ACTUAL AND FORECAST DEVELOPMENT

For the 2024 fiscal year, TAKKT anticipated challenging conditions in the relevant markets. After a weak start to the year, the Group expected a trend reversal with gradual improvement over the course of 2024. However, persistently weak conditions and the effects of internal challenges resulted in very weak growth in the second quarter, followed by a somewhat more stable second half of the year. Overall, growth and profitability fell short of initial expectations. TAKKT adjusted the forecast downward in July for 2024 as a whole and refined it in October. In contrast, expectations regarding the performance of sustainability key figures were confirmed.

Due to the impact of internal challenges and the persistently weak demand in target markets, organic sales growth in 2024 was below the initial forecast of a decline in the high single-digit to low double-digit percentage range. At minus 15.4 percent, it was in the upper range of the adjusted forecast range of minus 15 to minus 17 percent revised in October for the year as a whole. Organic order intake via e-commerce performed slightly better than overall order intake and sales. This development was somewhat more positive than TAKKT expected.

Due to non-recurring effects, especially at the end of the year, the gross profit margin of 39.3 percent was slightly below the projected figure of around 40 percent. At 6.9 percent, the EBITDA margin adjusted for one-time expenses was considerably below the initially projected range of 8.0 to 9.5 percent due to weaker growth. In relation to the range of 6.3 to 7.1 percent announced in October, it was at the upper end of the adjusted forecast.

By implementing structural improvements to increase cash generation, TAKKT achieved significant capital inflows from the reduction of net working capital. As a result, the free cash flow generated by the Group declined significantly less than EBITDA compared to the previous year, thereby meeting the forecast announced at the beginning of 2024. Expectations regarding the capital expenditure ratio were also met.

In terms of the non-financial key figures, TAKKT's initial assessment of the eNPS as a relevant key figure for employee perspective at the beginning of the year was overly optimistic. In 2024, the average eNPS decreased from 6 to minus 5. This decline reflects the challenges of the current economic situation as well as the numerous internal change processes. The Group achieved the projected values for the key figures related to customer perspective and sustainability. With regard to sustainability, progress in expanding the corresponding product range was even at the upper end of expectations.

Comparison of actual and forecast development

	2023	Forecast for 2024	Actual development 2024
Organic growth			
Organic sales growth in percent	-5.9	Sales decline in high single-digit to low double-digit percentage range Adjustment in July: In the range of minus 12 to minus 17 percent Specification in October: In the range of minus 15 to minus 17 percent	-15.4
Organic growth of order intake via e-commerce in percent	-8.1	Expected to develop in line with sales	-10.6
Costs and income			
Gross profit margin in percent	39.8	Around 40 percent	39.3
EBITDA margin adjusted for one-time expenses in percent	9.1	Between 8.0 and 9.5 percent Adjustment in July: Between 7.3 and 8.3 percent Adjustment in October: Between 6.3 and 7.1 percent	6.9
Cash			
Free cash flow in EUR million	74.0	Good free cash flow, with significantly smaller decline than EBITDA compared to previous year	68.1
Capital expenditure ratio in percent	1.3	At a comparable level to the previous year and slightly less than two percent of sales	1.1
Customer and employee perspective			
cNPS	59	Very close to target value of 60 points	58
eNPS	6	Around same level as previous year	-5
Sustainability			
Share of sustainable products in sales in percent	23.5	Increase by a few percentage points	30.9

ECONOMIC DEVELOPMENT OF TAKKT AG

TAKKT AG directly and indirectly holds shares in the subsidiaries of the TAKKT Group and is responsible for functional activities that affect the entire Group. The financial statements of TAKKT AG have been prepared in accordance with the accounting regulations of the German Commercial Code and German Stock Corporation Act.

TAKKT AG is responsible for functional activities that apply to the entire Group, which is why they can best be implemented at this level. These include HR, Finance, Strategy, Legal, Audit and M&A. TAKKT AG also coordinates and oversees operating activities within the Group in the areas of operations (warehousing and logistics) and IT & Digital (IT infrastructure and data analysis) in order to bundle and strengthen tasks that are critical to success.

The operating business related to sales, marketing and product portfolio management is handled within the divisions. Consequently, their performance has a significant impact on TAKKT AG's sales and earnings review, financial position and assets position as well as the opportunities and risks for future development.

Earnings review

TAKKT AG's sales are generated from the services that the company provides to Group companies. Due to the broader functional activities stemming from expansion of the Group functions, sales were significantly higher than in the previous year at EUR 4.9 (4.2) million. As in the previous year, allocations from affiliated companies for rents amounting to EUR 2.3 (2.3) million represented the single largest item in sales.

Other operating income more than doubled to EUR 9.2 (4.0) million. It included income relating to other periods in the amount of EUR 3.3 (0.7) million resulting mainly from the release of personnel provisions. In addition, it included exchange rate gains of EUR 4.7 (2.3) million.

Personnel expenses increased in the year under review to EUR 12.9 (11.1) million, primarily due to severance payments of EUR 2.1 (0) million made to a member of TAKKT AG's Management Board following termination of their employment. Depreciation and amortization remained unchanged at EUR 0.6 (0.6) million.

Income statement for TAKKT AG (in EUR million)

	2023	2024
Revenue	4.2	4.9
Other operating income	4.0	9.2
Personnel expenses	11.1	12.9
Depreciation and amortization of intangible assets and property, plant and equipment	0.6	0.6
Operating taxes	0.2	0.0
Other operating expenses	16.9	23.7
	– 20.7	**– 23.1**
Investment result	67.5	102.9
Interest result	1.2	1.2
Income taxes	**48.1**	**81.0**
Income tax	0.0	1.9
Net income	**48.1**	**79.1**
Profit carried forward from previous year	40.4	23.8
Retained earnings	**88.5**	**102.9**

The significant increase in other operating expenses to EUR 23.7 (16.9) million was attributable to higher consulting fees as well as higher exchange rate losses in the current fiscal year. The latter are offset by slightly lower exchange rate gains under other operating income. This is attributable to the Group's foreign currency management activities.

The investment result stems from the income generated by the German subsidiaries through profit and loss transfer agreements in the fiscal year and dividends from the US companies. The net income of the German subsidiaries is mainly influenced by dividends from other European subsidiaries as well as write-downs and write-ups of financial assets. While the other European subsidiaries generally distribute their net profit in full in the first months of the following year, TAKKT AG adopts an opportunistic approach with the US companies, taking into account both exchange rates and its dividend policy. The investment result increased to EUR 102.9 (67.5) million in 2024. The significantly lower net profit of TAKKT Industrial & Packaging GmbH of EUR 7.2 (45.5) million was more than offset by the high payout from TAKKT America Holding Inc. in the amount of EUR 95.4 (27.3) million.

The interest result remained unchanged at EUR 1.2 (1.2) million and is mainly influenced by interest income from long-term loans on financial assets to two subsidiaries of TAKKT AG, short-term financing by Group companies, and interest expenses from financing obtained by TAKKT AG from Group companies and banks. As a result of the significantly higher investment result, earnings before taxes rose to EUR 81.0 (48.1) million.

TAKKT AG's balance sheet (in EUR million)

Assets	12/31/2023	**12/31/2024**
Intangible assets	0.2	0.1
Property, plant and equipment	1.5	1.3
Financial assets	613.5	618.7
Fixed assets	**615.2**	**620.1**
Receivables and other assets	106.4	63.0
Cash and bank balances	0.3	3.3
Current assets	**106.7**	**66.3**
Deferred income	**0.4**	**0.9**
Total assets	**722.3**	**687.3**
Equity and liabilities	12/31/2023	**12/31/2024**
Share capital	65.6	65.6
Nominal value of treasury shares	– 0.8	– 1.6
Issued capital	64.8	64.0
Capital reserves	215.6	215.6
Retained earnings	111.1	103.5
Retained earnings	88.5	102.9
Shareholders' equity	**479.9**	**486.0**
Provisions	**30.5**	**30.8**
Liabilities	**211.6**	**169.9**
Deferred income	**0.3**	**0.6**
Total assets	**722.3**	**687.3**

Assets and financial position

Total assets decreased by 4.9 percent in comparison to the previous year. The development of assets was mainly influenced by the decrease in receivables and other assets. The main reason for this was the significant decline in receivables from affiliated companies in the amount of EUR 62.2 (104.1) million. They primarily consist of short-term financing obtained by Group companies from TAKKT AG as well as receivables from profit and loss transfer agreements with Group companies. In particular, receivables from TAKKT Industrial & Packaging GmbH decreased significantly.

Apart from the significantly lower receivables from affiliated companies in current assets, the asset structure remained largely unchanged. The most significant item continued to be financial assets in the amount of EUR 618.7 (613.5) million, primarily consisting of shares in affiliated companies of EUR 543.7 (486.0) million. The increase resulted from the capital increase at TAKKT America Holding Inc. TAKKT Industrial & Packaging GmbH and TAKKT America Holding Inc. account for the largest shareholdings in affiliated companies. Loans to affiliated companies consist of a long-term intercompany loan to TAKKT Industrial & Packaging GmbH.

Receivables from affiliated companies primarily include short-term financing provided by TAKKT AG to Group companies as well as receivables from profit and loss transfer agreements with Group companies.

The development of liabilities was characterized by a reduction of liabilities to EUR 169.9 (211.6) million. The decline in liabilities to affiliated companies was only partially offset by the increase in liabilities to banks. The amount and structure of the other items remained virtually unchanged. Despite slightly lower general reserves, shareholders' equity rose slightly to EUR 486.0 (479.9) million due to higher retained earnings of EUR 102.9 (88.5). Together with the decrease in total assets, this resulted in a very high equity ratio of 70.7 (66.4) percent.

The increase in shareholders' equity by EUR 6.1 million resulted primarily from the contribution of net income for the 2024 fiscal year of EUR 79.1 million, as well as negative effects from the dividend payout of EUR 64.6 million and share buy-back of EUR 8.4 million.

Provisions remained largely unchanged compared to the previous year. The decrease in liabilities resulted primarily from a reduction in liabilities to affiliated companies of EUR 57.5 million, which was offset by an increase in liabilities to banks of EUR 15.2 million. Liabilities to affiliated companies mainly comprise short-term financing obtained by TAKKT AG from Group companies as well as liabilities from profit and loss transfer agreements with Group companies.

Cash flow from business activities was primarily influenced by the investment result and increased compared to the previous year to EUR 66.3 (34.7) million. The increase is mainly attributable to the higher payout of around EUR 68 million from TAKKT America Holding Inc. to TAKKT AG. In contrast, profit transfers from the German subsidiaries decreased by around EUR 37 million. Cash outflow from investing activities increased significantly to EUR 57.9 (0.4) million due to a capital increase in TAKKT America Holding Inc. As in the previous year, cash flow from financing activities was negative and came to minus EUR 5.3 (minus 34.1) million. Dividend payouts and share buy-backs totaling EUR 73.0 million exceeded loan repayments and bank borrowings of EUR 67.7 million. This resulted in an overall increase in cash and cash equivalents of EUR 3.3 million.

Statement of cash flows of TAKKT AG (in EUR million)

	2023	2024
Cash flow from operating activities	34.7	66.3
Cash flow from investing activities	– 0.4	– 57.9
Cash flow from financing activities	– 34.1	– 5.3
Change in cash and cash equivalents	0.3	3.0
Cash and cash equivalents as of January 1, 2024	0.0	0.3
Cash and cash equivalents as of December 31, 2024	0.3	3.3

Forecast, risks and opportunities

The expectations for TAKKT AG are largely shaped by the developments described in the Group's forecast report due to the close ties with the Group companies and their significance for the Group. Information on the expected amount of the investment result can also be found there.

The business development of TAKKT AG is also largely subject to the same risks and opportunities as the Group. Therefore, the statements made in the risk and opportunities report for the Group also apply to TAKKT AG.

Outlook

RISK AND OPPORTUNITIES REPORT

Through its business activities, TAKKT takes calculated risks with the aim of increasing the long-term value of the company and capitalizing on opportunities. The opportunities and risk management of the Group serve to detect and assess them early, and adopt appropriate control measures. The Management Board and Supervisory Board are regularly informed of the current risk situation of the Group and all of the major Group companies. At present, the Management Board is not aware of any risks that could jeopardize the continued existence of the company either individually or collectively.

Systematic management of risks and opportunities

TAKKT has an opportunity and risk management system that systematically identifies, quantifies, manages and monitors all material risks and opportunities. A risk is defined here as the danger of deviating from a company goal in an unfavorable manner, while an opportunity is defined as the possibility of exceeding these goals. TAKKT strives to achieve a balance of risks and opportunities in all activities for the purpose of sustainably increasing the value of the company.

In organizational terms, the opportunity and risk management system is structured as outlined below, with the risk management system based on the requirements of auditing standard IDW PS 981:

- The Management Board is responsible for establishing and overseeing the opportunities and risk management system.
- It is supported by the division presidents, the managing directors of the Group companies and the Group functions Operations, Technology & Data, Finance and HR. Internal Audit and Legal also support the process.
- Important components of the opportunities and risk management system are a uniform risk management directive, a process integrated into planning for the standardized recording, evaluation and reporting of risks and opportunities; the controlling of all companies, uniform rules of management and the principle of double-checking applied throughout the Group.
- The Supervisory Board, represented by the audit committee, deals with the effectiveness of the opportunities and risk management system within the scope of its monitoring function.
- Internal Audit continuously supervises the major processes of all Group companies to ensure that they perform well, are cost-effective and comply with internal directives.

Uniform steering and control systems

The TAKKT Group's management relies on a range of uniform steering and control systems to manage the various divisions along with their operating companies and Group functions. Each year, the Management Board meets with the subsidiaries and those responsible for the Group functions to discuss the operational planning for the coming year and results of the risk monitoring. It is also regularly informed about the current order intake levels. The analysis and discussion of the monthly reports between the Management Board and Controlling help to actively manage risks and opportunities, also with respect to gross profit, the operating result and cash flow. Special report formats that provide information on significant cost blocks such as personnel and marketing costs also provide a basis for the uniform management of cost risks. The basis for long-term management is a multi-year plan that is drawn up annually.

In principle, all control and reporting structures begin at the level of the subsidiaries and lead up to the Management Board and Supervisory Board. The Supervisory Board's approval is required for important decisions. Internal controls have been established at all levels and at every stage of the process.

In order to ensure secure essential commercial and operational processes, the TAKKT Group deploys an accounting-related and performance-related internal control system. Both are part of the entire internal control system of the TAKKT Group and are based on the internationally recognized "Internal Control – Integrated Framework" issued by COSO (the Committee of Sponsoring Organizations of the Treadway Commission).

The effectiveness of accounting processes and the effectiveness of controls in the operating processes are documented in a recurrent process comprising risk analysis, control analysis and an assessment of the effectiveness of these internal controls. In these processes, data is first collected, updated and reviewed in relation to key risk areas according to predefined qualitative and quantitative criteria in a risk control matrix. In addition, the individual risks are aggregated into an overall risk. Based on this process, existing controls are identified and new control measures that are designed to limit the risks are implemented. The effectiveness of the controls is reviewed and documented at regular intervals through a self-assessment of the control officers.

Internal control system for the accounting process in accordance with sections 289(4) and 315(4) of the German Commercial Code (HGB)

The internal accounting control system extends to the financial reporting of the entire TAKKT Group. Its purpose is to ensure the correctness and reliability of the internal and external accounting, including the necessary consolidation processes for the consolidated financial statements.

TAKKT ensures the Group-wide application of Generally Accepted Accounting Principles (GAAP) and the current IFRS® Accounting Standards (hereinafter “IFRS”) issued by the International Accounting Standards Board (IASB) by means of mandatory requirements, including accounting guidelines that are updated on an ongoing basis, a standardized chart of accounts for reporting purposes, a Group-wide schedule for the preparation of financial statements, and various manuals. If necessary, external experts or qualified consultants are called in, for example for the evaluation of pension obligations or to obtain an expert opinion on the purchase price allocation for company acquisitions. All employees who are responsible for accounting and financial reporting receive regular training.

The preparation of the financial statements of the individual companies as well as their consolidation for the consolidated financial statements are carried out using standard, modern software. Information for the preparation of the notes is recorded with a web-based application.

Extensive testing procedures are designed to ensure the completeness and reliability of the information contained in the consolidated financial statements. The IT systems in accounting are protected against unauthorized access. IT change management systems ensure that no data is lost when changes are made to the IT infrastructure. The internal control system is fundamentally based on the principle of cross-checking by a second person for all accounting-related processes. Within the scope of the audit of the consolidated financial statements, external auditors report on the most important audit results and weaknesses in the control system for the units audited in the context of the consolidated financial statements. The status of the internal control system is reported to the Management Board and the Supervisory Board represented by the audit committee.

Appropriateness and effectiveness

The statement of appropriateness and effectiveness described in this section with regard to German Corporate Governance Code A5 constitutes a disclosure unrelated to the management report and has not been subject to a substantive audit as part of the audit of the combined management report. The Management Board has no knowledge of any information that would lead to doubts regarding the appropriateness and effectiveness of the internal control and risk management system as a whole. However, even a system that is considered appropriate and effective cannot guarantee absolute security.

Continuous analysis and monitoring of opportunities and risks

The opportunities and risks relevant for the TAKKT Group are listed by topic in the table on page 71 and explained later in the risk report. The process for the evaluation of all opportunities and risks is as follows:

- The TAKKT Group continuously analyzes the market and competitive environment of the divisions and reviews its own potential to determine whether adjustments to the business model could lead to a better market position. This systematic observation enables it to identify opportunities and risks at an early stage. The goal of the risk and opportunities management system in place at the TAKKT Group is to recognize in good time significant opportunities and risks that are beneficial or detrimental to the Group’s strategy and objectives and to be able to initiate appropriate measures to manage them and achieve the objectives. The standardized risk management process for evaluating the overall risk inventory follows a half-yearly survey cycle as planned. The goal of evaluating

Overview of opportunities and risks

	Economy and competition	Corporate strategy and positioning	Operating processes	Finance and legal
Risks	› Economic downturn › More aggressive competition in omnichannel and online marketing	› Structural changes in demand › Implementation risk in relation to the strategy › Integration risks associated with acquisitions › Portfolio management risks › Loss of corporate customers › Dependence on e-commerce › Increasing sustainability requirements	› Cybercrime and data security › Limited product availability and rising purchasing prices › Increase in freight costs › Staff shortages and the battle for talent › Limited availability and performance of the IT and communications systems › Disruption of operational business › Introduction of new IT systems › Quality problems related to direct imports	› Risks from tax and tariff changes › Compliance risks › Exchange rate risks: Transaction risks and translation risks › Increased loss of receivables › Certifications for deliveries to government agencies
opportunities	› Economic upswing	› Positive impact of strategic initiatives › A return to greater presence in the workplace › Value-creating acquisitions › Sustainability as a competitive advantage › Expansion and modernization of product range	› Improvement of systems and processes	› Good access to capital

the individual opportunities and risks as part of the half-yearly review is to identify the anticipated negative or positive effect on TAKKT. The evaluation is carried out based on the criteria of the extent of the loss or opportunity and probability of occurrence. The assessment of the probability of occurrence is based on a time horizon of several years. The extent of the loss or opportunity is quantified for the duration of a fiscal year. Measures already taken by the company to manage opportunity or risk are taken into account in the quantification. Internal monitoring of the risk management system is carried out by the Group's Internal Audit department. The purpose of these audits is to ensure the correctness, reliability, effectiveness and compliance of all risk management processes.

Risk matrix

Earnings risk in EUR million	below 5	over 5 to 35	over 35 to 65	over 65 to 95	over 95
over 50					
over 20 to 50			› Economic downturn › More aggressive competition in omnichannel and online marketing › Structural changes in demand › Implementation risk in relation to the strategy		
over 10 to 20	› Compliance risks › Limited availability and performance of the IT and communications systems	› Portfolio management risks	› Cybercrime and data security		
over 5 to 10		› Increasing sustainability requirements › Disruption of operational business › Quality problems related to direct imports › Increase in freight costs	› Limited product availability and rising purchasing prices › Integration risks associated with acquisitions › Staff shortages and the battle for talent › Exchange rate risks: Transaction risks and translation risks	› Risks from tax and tariff changes	
1 to 5	› Introduction of new IT systems	› Certifications for deliveries to government agencies › Increased loss of receivables	› Loss of corporate customers › Dependence on e-commerce		

Probability of occurrence in percent

- TAKKT also assesses its own risk-bearing capacity every six months. Once the risk evaluation described above has been completed and all risks have been quantified in terms of potential amount of damages and probability of occurrence, various scenarios are used to check whether the two internal covenants, equity ratio and gearing, remain within the defined target corridors even if certain scenarios occur. The risk-bearing capacity analysis carried out at the end of the 2024 fiscal year shows that relevant TAKKT key figures such as equity ratio and gearing remain within the target corridor even under different risk scenarios.

The risks of the Group are explained in the following; the opportunities are discussed starting on page 81. The risks are presented in the structure of the four topics listed in the table on page 71. Within the topic areas, risks with higher levels of loss and probability of occurrence are mentioned first. TAKKT classifies risks as significant if the potential loss is assumed to be more than EUR 20 million and the probability of occurrence is estimated to be more than 35 percent. As part of the ongoing development of the risk management system, the probability of occurrence in this risk report is presented quantitatively, unlike in previous years. The risks categorized as “unlikely” in the previous year have now been subdivided into risks with a probability of less than 5 percent and risks with a probability of between 5 and 35 percent. The risks previously described as “possible” now correspond to those with a probability of occurrence of over 35 to 65 percent, and the risks described as “very likely” in the previous year are now divided into risks with a probability of occurrence of over 65 to 95 percent and over 95 percent.

Economy and competition

Economic downturn

The B2B omnichannel for business equipment is generally dependent on economic conditions and is cyclical. TAKKT’s business model is therefore subject to general economic risk. By diversifying its positioning, TAKKT aims to cushion the impact of economic downturns in individual countries and industries on the Group as a whole.

- TAKKT addresses customers of all sizes from various industries with its three divisions, Industrial & Packaging, Office Furniture & Displays and FoodService.
- The TAKKT companies have a wide range of products in different categories.
- Through its presence in over 20 countries in Europe and North America, TAKKT reduces its dependence on individual country markets.

In particularly severe economic crises such as the months following the outbreak of the coronavirus pandemic in 2020, TAKKT is only able to benefit from the diversification of its business to a limited extent because most customer groups in nearly all industries and regions refrain from making investments in these circumstances. A crisis triggered by a pandemic, war or conflict is particularly challenging because customer demand can decline much faster and more sharply than in the case of economic crises attributable purely to financial factors.

In the past, TAKKT was able to react quickly to economic crises and flexibly adjust a large part of the costs and capital expenditures to new conditions. Accordingly, in 2020 the Group responded to the economic consequences of the coronavirus pandemic with cost-saving measures, particularly in the area of marketing costs and personnel expenses. TAKKT has also significantly reduced other expenses. The aforementioned savings helped TAKKT to offset the pandemic-related decline in gross profit by around a quarter for 2020 as a whole. Overall, EBITDA before one-time effects decreased by around one-third year-on-year. Compensating for the effects of lower sales on earnings by cutting costs can cushion the blow of a temporary economic downturn, as described above. However, this compensation reaches its limits in times of recession that last significantly longer than a year. Nevertheless, TAKKT was able to significantly reduce its cost base again in 2024, even though considerable savings had already been made in 2023. Adjusted for one-time effects, expenses for marketing, personnel and other costs were around ten percent lower.

In order to assess macroeconomic developments, the TAKKT Group uses the forecasts of various widely recognized institutions such as the International Monetary Fund and banks. At the beginning of 2025, the economic conditions and expectations for Europe and for Germany in particular were very subdued. The USA is expected to perform better, although the new US administration’s change in trade policy also poses relevant risks here. Due to the still uncertain economic environment, TAKKT classifies the probability of occurrence of a stronger than expected economic downturn as possible. In addition to trade policy and tariffs, risk factors for 2025 include the interest rate policy of central banks, the potential impact of increased political uncertainty and the economic consequences of military conflicts. The loss amount and probability of occurrence remained unchanged compared to the previous year.

More aggressive competition in omnichannel and online marketing

The activities of the TAKKT Group compete with other providers in their respective markets. An overview of the competitive environment can be found on page 35 of this management report. As a result of more aggressive competition from new or established suppliers, TAKKT could lose market share, generate a lower gross profit margin or be confronted with rising costs. This applies both to more aggressive pricing and discounting by competitors and to competition for keywords for specific products in online marketing, which can increase the cost of customer acquisition.

In order to be able to react quickly to these risks, TAKKT has set up a regular market and price monitoring system in the relevant markets. In addition, the sales brands are working to continuously improve the customer and shopping experience, focusing on the needs of business customers who require service and advice. This also includes setting the company apart from many competitors by adding particularly sustainable products to the product range. When choosing a supplier of business equipment, these customers consider not only the direct product costs but also the process costs. By ensuring efficient, simple, customizable and reliable procurement processes, the TAKKT companies aim to differentiate themselves positively from the competition.

Overall, TAKKT still considers pricing transparency and price competition to be limited in most of the relevant markets. For many customers, factors such as service and reliability are just as important as price when making purchasing decisions. In addition, the TAKKT companies sell a considerable volume of private brands, for which a meaningful price comparison is difficult. They also use smart pricing to some extent, i.e. data-driven, partly automated and more differentiated pricing. For more price-sensitive product categories, a more competitive pricing strategy is adopted. For categories that are less sensitive to price, however, the focus is on achieving higher gross profit margins.

The loss amount and probability of occurrence remained unchanged compared to the previous year.

Corporate strategy and positioning

Structural changes in demand

As a result of trends such as the digitalization of the working world, there may be structural changes in the demand for certain product groups that TAKKT sells. As a result of the established use and further development of technological options, more flexible forms of working, for example, are increasing and remote working is becoming more widespread. This results in the risk that the use of traditional office space and thus corporate demand for traditional office equipment will decline.

Similar to the growing prevalence of flexible formats in daily collaboration, the changes brought about by the coronavirus pandemic are also having an impact on conferences, trade shows and other event formats. In-person events no longer have the same importance as they did before the pandemic. Instead, conferences and trade fairs will continue to be held virtually in some cases or in a hybrid format with both on-site and virtual participation possible. A long-term decline in the number and importance of in-person events could mean permanently lower demand for advertising banners and displays.

TAKKT is observing these trends and the demand behavior of customers and continuously adapting the product ranges to the new circumstances. Consequently, the TAKKT companies offer products for new office concepts, remote work and to facilitate working from home. In addition, they are placing a stronger emphasis on digital solutions for displays in different contexts. TAKKT also has diversified positioning both internationally and in terms of its products. This reduces dependence on individual product groups such as office equipment or displays. The loss amount and probability of occurrence remained unchanged compared to the previous year.

Implementation risk in relation to the strategy
There are risks involved in implementing the company strategy, for example if projects are delayed, causing goals or partial goals to be achieved late or results to be unsatisfactory. For example, the implementation could incur higher costs than expected or not have the desired effect on sales and earnings figures. During the past fiscal year, the internal challenges described in the section on revenue and earnings were partly related to the implementation of the strategy pursued in the first half of 2024. In the Industrial & Packaging Division, the harmonization of the brand portfolio and the temporary discontinuation of the ratioform brand resulted in a significantly larger than expected loss of customers and lower revenues.

To counter implementation risks, the strategy is planned and managed centrally. The Group relies on experts within the company. At the same time, it also receives support from external specialists. For planning and controlling, TAKKT uses project management methods to ensure that the various aspects and components of the strategy are managed across the entire hierarchy. The objective is to keep a close eye on the implementation and success and take early countermeasures if there are impending deviations from the target.

The loss amount and probability of occurrence remained unchanged compared to the previous year.

Integration risks associated with acquisitions
TAKKT looks for acquisition targets with the goal of strengthening the existing businesses or expanding the Group by adding another division. On the one hand, this is associated with a host of opportunities. These are covered further on in this section. On the other hand, there are also acquisition and integration risks, such as

- The integration of acquired companies or their products and services into TAKKT's business activities takes longer or incur higher costs than expected,
- The development of growth and earnings that was assumed would take place with the acquisition does not occur,
- Goodwill and other intangible assets need to be written down due to business performance being worse than originally predicted.

TAKKT has decades of experience with acquisitions. Acquisitions are carefully prepared and reviewed, and carried out only if there is a sufficient likelihood of the acquired company contributing to the success of the Group in the long run. In view of this, the Group imposes stringent requirements and conducts thorough due diligence before the acquisition. Furthermore, new companies are integrated into the Group according to clearly defined processes.

The risk of impairment is determined by the operating performance of the units and future expectations in terms of growth, earnings and cash flow, and external factors, in particular the interest rate level, also play a role in the assessment.

At the end of December 2024, TAKKT recognized an impairment of EUR 62.8 million for the CenBert cash-generating unit (essentially corresponds to the FoodService division). This impairment does not affect cash flow, but reduces the amount of net income. In relation to the other activities, the impairment test showed a sufficient level of coverage.

The loss amount and probability of occurrence remained unchanged compared to the previous year.

Portfolio management risks
Another risk could arise if a company in the Group does not develop satisfactorily and TAKKT recognizes this too late and therefore fails to take timely countermeasures. As a result of delays in the sale or discontinuation of activities, the Group may realize lower sales proceeds or incur higher costs. In order to prevent this, the development of the existing activities is continuously monitored and analyzed as part of various standard processes. In principle, all operational and strategic options are open in the event of difficulties in a Group company. These range from additional investments or changing the strategy to repositioning, or selling or phasing out the brand, i.e., the gradual discontinuation of marketing activities.

The loss amount and probability of occurrence remained unchanged compared to the previous year.

Loss of corporate customers

The customer structure of the business models in the TAKKT Group is diversified fairly broadly. This includes companies and institutions of various sizes and from diverse industries, such as the service sector, public authorities and the manufacturing industry. Contributions to sales are also generated in part within the scope of larger project orders. TAKKT generates a low single-digit percentage of its sales in relation to Group sales with a very small number of corporate customers, which are each spread across different locations. Negative effects from the loss of individual corporate customers are therefore limited for TAKKT as a whole. On the level of the individual business units, and especially at Hubert or NBF, the loss of a single corporate customer can nevertheless have a noticeable effect on business performance. To minimize the probability of occurrence of this risk, large customers are given intensive and individual support and the company's own range of products is tailored to their needs.

The loss amount and probability of occurrence remained unchanged compared to the previous year.

Dependence on e-commerce

As part of its omnichannel marketing, TAKKT also uses e-commerce channels to a considerable extent for the distribution of products and is continuously working on improving its web shops for this purpose. Due to changing conditions, new demands are constantly being placed on the online presence. In online marketing, a change in the algorithms of search engine operators can result in a loss of sales. The TAKKT companies address this risk by continuously adapting the content and structure of the web shops to the changing algorithms so that the company's website does not fall behind in the search engine rankings and cause the shops to lose potential customers. Online marketing is continuously optimized in response to changing conditions and technological trends. In addition, the company is in dialogue with search engine operators.

The loss amount and probability of occurrence remained unchanged compared to the previous year.

Increasing sustainability requirements

TAKKT views the growing importance of sustainability as a major growth opportunity for the Group. Further information can be found in the description of opportunities on page 82 of this report. At the same time, this development poses new risks for companies like TAKKT. This includes potential extensive requirements for both internal and sustainability reporting, especially driven by the implementation or expected implementation of the Corporate Sustainability Reporting Directive (CSRD) in the European Union. Further regulations, such as the European Supply Chain Act, also create new obligations for retailers like the TAKKT companies. Problems with implementation or compliance violations regarding the new regulations could result in penalties and loss of reputation related to TAKKT's sustainable positioning.

In addition to the regulatory requirements for sustainability, the perspectives of important stakeholders such as customers, employees and investors are also relevant. In TAKKT's view, these stakeholders are increasingly expecting the company to take sustainable principles into account and pursue corresponding goals. Insufficient fulfillment of these expectations carries the risk of stakeholders being disappointed, thereby damaging the Group's image as a sustainable and environmentally aware company and undermining its efforts to stand out from the competition in a positive way. This could weaken customer relations and ultimately lead to a loss of market share.

In order to address the critical importance of this issue, TAKKT has set specific sustainability goals and implemented an internal reporting and control system to achieve them and fulfill the future CSRD reporting requirement. Key sustainability indicators are compiled and analyzed on a monthly basis. The responsibilities for achieving the short- and medium-term sustainability goals are also clearly defined in the three divisions.

The loss amount and probability of occurrence remained unchanged compared to the previous year.

Operating processes

Cybercrime and data security

Since TAKKT is an e-commerce company with digital business processes, it is at risk of falling victim to cybercrime. Risks can arise from fraud attempts initiated via emails and social media. One particular example of this is the risk of fraudsters who use identity theft in an attempt to trigger unauthorized payments to third-party accounts. Cyberattacks could also lead to the disruption of business operations, thereby resulting in financial loss and reputational damage. The high number of different IT systems used increases the relevance of this risk for TAKKT.

The IT systems are continually monitored and improved in order to limit the risks and ensure smooth operation. TAKKT also addresses the cybercrime risk by establishing defined processes such as cross-checking by a second person and individually verifying any changes in the payment data of the recipient. Furthermore, employees receive fraud awareness training on a regular basis through guidelines and courses. This also includes conducting routine internal phishing tests. TAKKT counters potential unauthorized access to IT systems with technical preventive measures, which include the detection and prevention of attacks. In terms of the organizational structure, information and IT security is embedded at the Group level and supported by a global team that provides guidance to the Group companies across all regions. In the event of a successful attack, the Group has created emergency response plans that serve as a guideline for a quick and structured approach to minimize the damage and restore the systems to the fullest extent possible.

Compared to the previous year, the loss amount was raised from EUR 5 to EUR 10 million to EUR 10 to EUR 20 million, while the probability of occurrence was downgraded from 65 to 95 percent to 35 to 65 percent.

Limited product availability and rising purchasing prices
In the event of limited availability of products over a longer period of time as a result of fully utilized transport or manufacturing capacities or potential production disruptions, TAKKT would not be able to meet existing customer demand and incoming orders with the usual speed. Disruptions in international trade routes, for example due to accidents or attacks on shipping lanes, can also result in longer delivery times. This particularly affects products that TAKKT imports directly from China or other Asian countries, or where the primary products come from these regions. This would lead to an increase in order backlogs as well as delayed recognition of sales and earnings. In addition, there is an increased risk of order cancellations and a decline in future orders. In order to limit this risk, TAKKT continuously monitors the order backlog and also adjusts its own purchasing behavior and inventories if necessary. This may also include switching to alternative or additional suppliers.

In addition to product availability, a risk could also arise in the event of an exceptionally rapid increase in purchasing prices. In general, the TAKKT companies pass on price increases for products in full to customers in order to keep their gross profit margin stable. Particularly high or unexpected price increases, such as a rise in inflation, may only be passed on to customers with a time delay or not in full.

In order to counter this risk, TAKKT adjusts its prices if necessary. In the past fiscal year, TAKKT was able to maintain the gross profit margin almost on par with the previous year's level by passing on the higher costs quickly and in full. In addition, the Group starts price negotiations with suppliers and corporate customers early in such cases.

The loss amount and probability of occurrence remained unchanged compared to the previous year.

Increase in freight costs
Similar to the cost of product purchases, rising transportation costs also pose a risk for TAKKT. The Group contracts external logistics companies for shipping. If transportation capacity for ship freight or trucking becomes scarce or prices rise due to higher energy costs, this can have a negative impact on the gross profit margin. The Group therefore continuously monitors capacities and prices on the freight markets and is in close contact with logistics companies. Generally, TAKKT also passes on rising freight costs to the end customer by adjusting prices.

The loss amount and probability of occurrence remained unchanged compared to the previous year.

Staff shortages and the battle for talent
Due to factors such as demographic changes, companies are finding it more difficult to find suitable candidates to fill their job vacancies quickly. The intense competition for talent means that open positions within the TAKKT Group may remain unfilled for a long period of time or require temporary staffing. In addition

to higher costs, this increases the risk of overburdening existing staff and the likelihood of errors. In addition, there are personnel risks when functions and areas of responsibility are reorganized. This could mean that employees may have to give up their previous roles, while elsewhere employees may be needed for newly established functions.

TAKKT addresses personnel risk by conducting regular employee surveys and using the results to derive measures for increasing motivation, identification and satisfaction. In addition, the Group is strengthening its positioning and visibility in the job market by using a common employer brand and collaborating with headhunters for recruiting if necessary. TAKKT is also committed to the continuous development of its employees.

The loss amount and probability of occurrence remained unchanged compared to the previous year.

Limited availability and performance of the IT and communications systems
TAKKT depends on powerful and reliable IT systems, such as communication systems, ERP system software, product management systems and web shops. Failure or impaired operation of the IT systems could result in significant risks for the TAKKT Group because business processes would be affected or interrupted. Due to the decentralized organization that the Group had in the past, its IT infrastructure is still fragmented. This means that the various units use very different systems, which increases the relevance of this risk for TAKKT. In order to address this risk, TAKKT has back-up solutions in place that can take over in the event of problems in the primary system. TAKKT is also increasingly using cloud solutions on an external infrastructure. Cloud solutions offer better scalability and central backups as protection against failure of individual servers in the cloud. TAKKT aims to significantly reduce infrastructure complexity and improve performance by increasing standardization and investing more in the IT systems it uses, for example for enterprise resource planning and web shops.

Compared to the previous year, the loss amount was raised from EUR 5 to EUR 10 million to EUR 10 to EUR 20 million. The probability of occurrence remained unchanged at less than 5 percent.

Disruption of operational business
TAKKT generally stores products in large warehouses and therefore there is less need to build up inventory or reorder products than would be necessary with several smaller warehouses. In addition, TAKKT can benefit from better pricing by bundling product purchases. The business units only set up smaller regional warehouses to provide optimum delivery services if necessary. Due to the focus on a small number of central warehouses, this could result in temporary restrictions or even a breakdown of operations in the event of a severe disruption in one of the warehouses. Such a disruption could occur in the case of a fire, natural disaster or due to a temporary closure of the location during a pandemic.

TAKKT covers these risks wherever possible with insurance against fire, theft or business disruptions. In addition, each business unit regularly reviews its warehouse concepts, thereby ensuring consistently high standards of security, delivery quality, speed and efficiency. Should a temporary disruption at a warehouse result in bottlenecks, the companies can also deliver the majority of their goods by drop shipment.

The loss amount and probability of occurrence remained unchanged compared to the previous year.

Introduction of new IT systems
Increased risks can arise in relation to the introduction of new IT systems, especially ERP and web shop systems, if the smooth continuation of business processes is affected as a result of complications during integration of a new IT system. There were corresponding negative effects from problems with system integration in the FoodService division in the past fiscal year. In order to address the risks associated with the introduction of new IT systems, TAKKT carries out extensive test runs and quality assurance measures. New systems will gradually be introduced within the scope of pilot projects so that only a limited region or individual work flows are affected in the event of problems.

Compared to the previous year, the loss amount remained unchanged at EUR 1 to EUR 5 million. The probability of occurrence has been downgraded from 5 to 35 percent to below 5 percent.

Quality problems related to direct imports

TAKKT is increasingly sourcing products via direct imports, i.e., products that come from countries outside the home markets of the respective Group company. For products that are procured from direct import countries in Asia or other third countries, there is a greater risk that these goods have quality defects and thus do not meet the standards of the sales markets in Europe and North America. Besides product quality, this also applies to potential problems with regard to certifications or test seals. The products concerned can either not be offered or only offered at a greatly reduced price. In order to address this risk, TAKKT carries out standardized checks of suppliers and product sample testing through official testing bodies.

The loss amount and probability of occurrence remained unchanged compared to the previous year.

Finance and legal

Risks from tax and tariff changes

Political developments are increasing the risk of a rise in global trade conflicts and, in particular, rising import duties on imported goods. In particular, direct imports could become less attractive as a result of such trade barriers. In addition, at a minimum, imported intermediate products could also be affected when purchasing from local suppliers. TAKKT is taking various countermeasures to limit the risk, such as developing alternative local procurement channels. In addition, TAKKT assumes that competitors would also be affected by such a development to a similar extent. In general, import duties are largely passed on to customers through price adjustments.

Due to the international nature of its business activities, TAKKT is also subject to a variety of tax laws. The regulations on sales tax and corporate income tax are particularly relevant. In certain countries, there may be changes in tax regulations and a greater number of tax audits, which could result in back tax payments. TAKKT monitors the tax environment closely in order to be prepared for possible changes and also draws on external support if necessary.

Compared to the previous year, the loss amount was raised from EUR 1 to EUR 5 million to EUR 5 to EUR 10 million. The probability of occurrence has been raised from 5 to 35 percent to 65 to 95 percent.

Compliance risks

TAKKT is subject to various compliance requirements such as in the areas of antitrust law, anti-corruption, sanctions, supply chain, product liability and capital markets. Non-compliance can lead to legal consequences and sanctions and ultimately have a negative impact on earnings. To counter this risk, TAKKT uses a comprehensive compliance management system that includes training and education, frequent and intensive internal communication on this topic, a code of ethics and compliance regulations. Hotlines have been set up for reporting possible violations. In order to ensure compliance regarding products and the supply chain, standardized contracts that address such matters are concluded with external suppliers and codes of conduct are agreed upon.

The loss amount and probability of occurrence remained unchanged compared to the previous year.

Exchange rate risks: Transaction risks and translation risks

Currency risks arise from transactions not processed in euros, which is the reporting currency. When it comes to volatility in exchange rates, a distinction should be made between transaction risks and translation risks.

- Transaction risks result primarily from buying and selling goods and services in different currencies. The Group protects itself against these risks by generally buying and selling products in the same currency. Transaction risks from fluctuating exchange rates remain for less than ten percent of consolidated sales – mainly from intercompany transactions. The open net items are identified based on the sales forecasts of the individual companies. The resulting currency risks are generally assumed by the respective service provider and hedged through derivative financial instruments, preferably with forward foreign exchange contracts, at around 50 percent, rolling over the next twelve months.
- Translation risks arise for the TAKKT Group's statement of financial position and income statement when the individual financial statements of foreign subsidiaries are translated into euros, the reporting currency. The fluctuations of the US dollar in particular therefore influence the absolute value of the financial key figures reported in euros (see also the explanations on page 84). TAKKT does not hedge against these risks as there are no economic grounds to justify putting proper hedging mechanisms in place.

The loss amount and probability of occurrence remained unchanged compared to the previous year.

Increased loss of receivables

In the course of TAKKT's business activities, receivables from customers may not be collectible and therefore have to be written off. Systematic management of receivables and regular checks on the creditworthiness of customers prior to transactions mean that TAKKT has a very low loss rate of well below half a percent in relation to sales. Economic crises pose the risk of heightened losses on receivables due to the insolvency or financial difficulties of customers. In such cases, TAKKT may demand advance or installment payments or block customers with a negative payment history.

The loss amount and probability of occurrence remained unchanged compared to the previous year.

Certifications for deliveries to government agencies

TAKKT companies in the USA also sell their products to a relevant extent to government agencies, such as public authorities, universities and the armed forces. A requirement for these deliveries is that the respective companies are certified by the US General Services Administration (GSA), the central procurement office of the US federal government. Changes to the requirements and restrictions for GSA certification would result in a loss of revenue in business with the customer groups mentioned. To ensure successful certification, TAKKT companies are members of supporting interest groups and are in regular contact with the certification bodies. They are also adapting their own product range and pricing to meet the requirements for certification. In addition to the lack of certification, there is also a risk that measures taken by the US government's newly established Department of Government Efficiency (DOGE) will have a negative effect on demand from government customers and on the profitability of this business.

The loss amount and probability of occurrence remained unchanged compared to the previous year.

Overall assessment of the Management Board

Based on the information currently available, the Management Board does not believe that there are any risks at present or in the forecast period that may be a risk to the Group as a going concern. The business model generates strong cash flow and the Group also has sufficient free and committed credit lines, which means there are no relevant liquidity risks. The company has solid financing, ensuring that the combined effect of individual risks or a global recession would not threaten the viability of the Group as a going concern. The probability of occurrence and severity of the aforementioned risks are shown in the matrix on page 72. The most significant risk for the TAKKT Group, which is also a noteworthy opportunity, continues to be the economic trend.

In addition, there is a significant risk that relevant competitors will behave more aggressively, which could have a negative impact on sales and earnings.

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.

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

The possibility of a cyberattack also poses a significant risk for TAKKT due to the fragmented IT infrastructure, for example, if systems are not functioning properly and this has a negative impact on core processes in marketing, order entry or customer delivery.

As a whole, TAKKT places the highest priority on the monitoring and limitation of controllable risks and has therefore taken precautionary measures to detect and limit these early. Risks from economic and currency fluctuations due to external factors can only be controlled by TAKKT to a limited extent.

Opportunities for the TAKKT Group

Attractive growth opportunities continue to arise for TAKKT. Within the scope of the integrated opportunities and risk management system, the TAKKT Group has identified a series of opportunities for the development of the company for the years to come. TAKKT is actively working towards realizing existing potential, though these individual opportunities are not incorporated into the Group's management system.

Economy and competition

Economic upswing

TAKKT once again expects an overall difficult economic environment for 2025, with economic growth in Europe in particular likely to be very modest. Positive economic developments beyond the planning assumption, for example from an easing of geopolitical conflicts or an increase in demand due to changes in monetary policy, represent an opportunity for the TAKKT Group.

Corporate strategy and positioning

Positive impact of strategic initiatives

As part of the new strategy, the TAKKT companies are working on the implementation of various initiatives and projects that, among other things, aim to improve growth and efficiency and should thus have a positive impact on earnings. There is a significant chance for these measures to have a faster and stronger positive impact than assumed in the current plans. Examples of such projects include a stronger focus on larger customers with multiple locations through service-oriented offerings and project business, or a more active sales approach in field marketing. Further information can be found in the section "Corporate goals and strategy" starting on page 36.

A return to greater presence in the workplace

The coronavirus pandemic led to a decline in office space utilization in many of TAKKT's core regions due to the increase in working from home. In recent months, many companies have once again advocated or even made it mandatory for their employees to be present at the workplace. If this trend intensifies, the I&P and OF&D divisions may see rising demand for office equipment in the medium term, leading to higher earnings.

Value-creating acquisitions

Further opportunities for increasing Group sales and earnings arise from corporate acquisitions. TAKKT places high demands on the growth prospects and business model of the target company. TAKKT has long-standing experience with integrating new companies into the Group. In the future, a close integration of newly acquired companies will be pursued by integrating supporting functions such as IT and logistics. Consequently, TAKKT will be able to leverage the advantages of greater scalability with future company acquisitions.

Sustainability as a competitive advantage

Sustainability has been an integral part of the corporate strategy at TAKKT for many years. TAKKT is convinced that providers who focus on sustainability will be better able to compete better in the long run. B2B customers are increasingly demanding responsible and sustainable action from their suppliers and partners as well as products that meet sustainable criteria. In order to meet this need, TAKKT uses a product classification system for sustainable products. It takes into account the criteria of profitability, circularity, climate change, biodiversity, innovation and technological progress. TAKKT sees great opportunity for growth in marketing these products and wants to increase their share of sales further over the coming years.

Expansion and modernization of the product range

TAKKT sees great potential in adding further product groups to its range and modernizing its existing product offering. The divisions and sales companies set different priorities for this. In the future, I&P aims to offer a significantly larger range of products that are suitable for use in changing and modern working environments. These include battery-powered devices for use in storage and transportation or flexible and modular construction kit systems for designing workplaces. The FoodService division is focusing on expanding its range of spare parts for foodservice equipment and furnishings, while the Displays2go brand is seeking to further expand its range of digital displays. National Business Furniture is also working to close gaps in its product range and modernize its existing product offering. The Group aims to realize additional growth potential from the step-by-step implementation of the various measures.

Operating processes

Improvement of processes and systems

TAKKT plans to standardize and improve systems and processes along the entire value chain in numerous group companies. This applies to the systems for enterprise resource planning (ERP), CRM, product management and web shops as well as to processes for product range design, quotation creation, product advice, delivery and after-sales. The Group expects this to result in faster and more reliable processes, a significant improvement in customer satisfaction and lower costs per transaction.

Finance and legal

Good access to capital

TAKKT has good access to capital due to a diversified financing structure that is geared towards the long term. Sufficient credit lines are available for short-term acquisition opportunities. As a stock-listed company, TAKKT can also use the equity market for raising capital in the event that the opportunity arises for the Group to make an acquisition that cannot be solely financed with borrowed capital.

FORECAST REPORT

Economic development characterized by high degree of uncertainty and volatility

Economic trends in Europe and the US, combined with industry-specific conditions, are decisive factors for customer demand in the markets relevant to TAKKT. Current economic expectations[1] for Europe and Germany anticipate a continuation of the weak development from the previous year, with no substantial increase in growth rates. In addition to general adverse factors such as weak global demand and high energy prices, the German economy is further burdened by its stronger export orientation, greater dependence on manufacturing and industry, and more restrictive fiscal policy. Supported by a more expansive fiscal policy and lower taxes, economic growth in the US is once again expected to be higher than in Europe. Relevant risk factors for economic development are the introduction and increase of tariffs and consequent global trade conflicts. In the US, there is also the risk of rising inflation. Furthermore, high political uncertainty could have a negative impact on economic development. At the time this forecast was prepared, it was still unclear what impact the anticipated significant reduction in US security commitment in Europe will have on the expected economic growth.

- The consensus estimates compiled by Bloomberg for the eurozone at the end of February project GDP growth of 0.9 percent for the current year. In Germany, the economy is expected to stagnate with an increase of only 0.3 percent, indicating continued below-average performance.
- According to current Bloomberg estimates, the average GDP growth projected for the US in the current year is 2.2 percent, representing a slight decrease compared to 2024.

Challenging industry-specific conditions

The statements regarding the fundamental business prospects are complemented by the performance of relevant industry indicators. For example, Purchasing Manager Indexes are indicators of the order trend of the Industrial & Packaging division with a time delay of three to six months. Values under 50 points generally signal a decline, while levels above 50 indicate an increase in order intake. As described in the section on the economic environment, the values[2] 2024 remained consistently below 50 points. A slightly positive trend was observed towards the end of the year and the beginning of the new year, with the indicator reaching 46.5 points for Germany and 47.6 points for the eurozone in February. Values remaining well below 50 points indicate persistent challenging conditions for the Industrial & Packaging division.

The RPI[3] provides information about the situation of the US restaurant industry and is a relevant indicator for the FoodService division. Following slight improvements in recent months, pushing the indicator to over 100 points, the figure for January 2025 was 101.1 points, signaling a slightly better business trend for US restaurant operators. According to TAKKT's observations, demand in the US office furniture market remained sluggish in 2024 and may be further impacted in the current year by US government initiatives to curtail public spending.

Further stabilization and a return to positive growth rates

TAKKT expects the positive trend in improved organic growth rates to continue in 2025. The basis for this improvement is the elimination of negative effects from internal challenges in the first half of the year and the increasingly positive impact of additional growth initiatives. Following continued stabilization of the organic growth rate, which was still markedly negative at the beginning of the year, TAKKT anticipates a further increase in subsequent quarters and a return to positive growth during the course of the year. Depending on the development of overall conditions and progress in implementing growth initiatives, TAKKT expects organic sales to develop in the range of minus four to plus six percent for 2025 as a whole. The growth rate for the e-commerce business is expected to be at a similar level to that of sales.

1 Source: https://research.berenberg.com/economics

2 Source: S&P Global PMI Manufacturing: https://www.pmi.spglobal.com/Public/Release/PressReleasesfor

3 Source: https://restaurant.org/research-and-media/research/restaurant-economic-insights/restaurant-performance-index/

Potential effects on sales and earnings from acquisitions and disposals

TAKKT aims to tap into additional growth potential through acquisitions in the future as well. These would contribute to sales from the acquisition date. In addition, changes in the composition of the Group through disposals are not ruled out if individual companies do not develop as expected or if strategic changes make sense. TAKKT presents the effects of acquisitions and disposals on sales and earnings in the financial reporting in a transparent manner. In 2025, the sale of MyDisplays activities will result in a negative impact of 0.4 percentage points on the reported growth rate, while the impact on EBITDA and cash flow will be negligible.

US dollar affects key figures

In addition to the acquisitions and disposals, fluctuations in exchange rates also have an impact on reported sales and earnings. TAKKT generates slightly more than 40 percent of its sales in North America. Fluctuations in the exchange rate of the US dollar therefore have a significant impact on the Group's key figures reported in euros (translation risk). When translated into the reporting currency of euros, a strong US dollar leads to higher sales. When the US dollar is weaker compared to the euro, Group sales are diminished. This can be illustrated using the following scenarios:

- If the EUR/USD exchange rate increases by five percent against the previous year (i.e., the US dollar becomes weaker), the increase in reported sales (in euros) will be around two percentage points below the currency-adjusted growth.
- If the EUR/USD exchange rate decreases by five percent against the previous year (i.e., the US dollar becomes stronger), the increase in reported sales (in euros) will be around two percentage points higher than the currency-adjusted growth.

In addition to the fluctuation effects from the US dollar mentioned above, fluctuations in other currencies can also have an impact on the reported Group key figures.

Gross profit margin remains high

TAKKT strives to maintain the right balance between ensuring a high gross profit margin and more flexible pricing, with the aim of realizing existing growth opportunities. The negative effects on the gross profit margin from the end of 2024 will still be partially apparent in the first quarter. The Group will continue to pass on potential cost increases, such as from higher import tariffs, to customers in the form of price increases. For the year as a whole, TAKKT expects a figure of between 39 and 40 percent.

Improvement of processes, systems and growth

Part of the new strategy is the comprehensive improvement and updating of processes and systems. This includes systems for enterprise resource planning (ERP), CRM, product management and web shops as well as processes for product portfolio management, quotation creation, product advice, delivery and after-sales. TAKKT believes that the implementation will contribute to more efficient and faster processes, greater reliability and optimized sales activities, resulting in a tangible positive experience for customers. The measures initiated are expected to deliver a significant improvement in profitability over the next few years through greater scalability, higher efficiency and increased growth. However, the positive effects will not be sufficient to fully offset the implementation costs in 2025. In the 2025 fiscal year, TAKKT is benefiting from the cost structure adjustments made in the previous year and is expected to carry out further structural optimizations in 2025, which will involve one-time expenses. Adjusted for one-time expenditure, personnel expenses and other costs resulting from the implementation of projects and cost inflation are expected to be higher than in 2024. In 2025, TAKKT expects personnel costs to be adversely affected by long-term variable remuneration, whereas in the previous year income from the release of provisions reduced the costs. Compared to the previous year, this results in a negative impact on personnel costs in the mid-single-digit million euro range.

Adjusted EBITDA margin in the range of 6.0 to 8.0 Percent

One-time expenses, such as those from earnings effects or severance costs related to structural adjustments, are expected to decrease from the high level of EUR 17.1 million in the financial year 2024 and be in the high single-digit to low double-digit million euro range. In addition to the development of cost items, organic growth will be crucial for the Group's profitability in the current fiscal year. Overall, the Group expects the EBITDA margin adjusted for one-time expenditure to be between 6.0 and 8.0 percent. One-time expenses from structural adjustments are expected to impact the reported margin by around one percentage point. Similar to organic growth, profitability in the first quarter is expected to be significantly below the anticipated annual average and then improve over the course of the year.

Continuation of structural improvements to strengthen free cash flow

The improvement of processes and systems also entails increasing capital expenditures. This primarily involves investments in IT systems as part of a comprehensive upgrade and standardization of the system landscape. The capital expenditure rate, defined as payments for operating capital expenditures in relation to sales, is expected to rise to up to two percent. In 2025, TAKKT will continue to work on structural improvements in cash generation. This includes the optimization of inventories and payment terms with suppliers and customers. As in the previous year, the Group expects these measures to result in similarly positive contributions to free cash flow. At the same time and in contrast to the previous year, a growth-related expansion of net working capital will be necessary, which will offset the positive effects from the measures. Combined with the effects of higher capital expenditures and the slight improvement in profitability, TAKKT expects good free cash flow again in the current year, although significantly below the level of the previous year.

Continued good cNPS values and slight improvement in eNPS

As part of its new strategy, TAKKT is focusing on customers with complex and specific procurement needs, where optimizing procurement process costs is as crucial as product and price. The Group aims to align its processes, procedures and systems even more closely with the needs of these customers and thereby improve their experience. The cNPS, which indicates a customer's willingness to recommend, is expected to increase slightly in the current year. For the eNPS, which provides information on the attractiveness of the Group as an employer, TAKKT also aims to achieve an improvement. The value for 2025 is expected to be slightly above the level of the previous year.

Sustainability as a growth driver

Particularly in Europe, TAKKT aims to strengthen its position as a sustainable provider in the market and sees this as a differentiating factor from competitors. This positioning includes expanding the product range with items classified as sustainable based on the company's internal rating system. In 2025, the share of sales with these products is expected to increase from 30.9 percent to a value approaching 40 percent.

Economic development of TAKKT AG

The economic development of TAKKT AG in 2025 will be significantly shaped by the business activity of the operating subsidiaries. With regard to the investment result, TAKKT expects a significantly lower amount than the previous year's figure of EUR 102.9 million, which was influenced by opportunistic, very high dividend payments from the US activities to TAKKT AG.

Dividend proposal

TAKKT has a business model that generates strong cash flow and wants shareholders to participate in the company's success in the form of dividend payments. For the past fiscal year, the Management Board proposes a base dividend payment of EUR 0.60 per share.

General statement on anticipated development of the Group

Business performance in 2025 will depend on economic conditions and the success in implementing growth initiatives. Assuming further improvement in growth rates, the Management Board anticipates organic growth for the year as a whole to be between minus four and plus six percent. Adjusted for one-time expenditure, the EBITDA margin is expected to be in the range of 6.0 to 8.0 percent. One-time expenses are expected to be in the high single-digit to low double-digit million euro range. Free cash flow will be considerably lower than in the previous year due to necessary growth-related investments in net working capital during the year as well as higher investments in processes and systems. TAKKT expects a stable or slightly positive development in the willingness to recommend of customers and employees as well as the sustainability indicators.

Guarantee

This management report and particularly the forecast report include forward-looking statements and information. These statements are estimates made by TAKKT Management based on all the information available to them when the management report went to press in March 2025. Should the basic assumptions not be realized, or other opportunities and risks arise, the actual results may differ from those expected. The TAKKT Management Board therefore cannot accept any liability for these statements.

Stuttgart, Germany, 26. March 2025

Consolidated financial statements

Consolidated statement of income of the TAKKT Group in EUR thousand

	Notes	2024	2023
Sales	(1)	**1,052,890**	**1,240,018**
Changes in inventories of finished goods and work in progress		– 426	– 469
Own work capitalized		825	937
Gross performance		**1,053,289**	**1,240,486**
Cost of sales		639,416	747,072
Gross profit		**413,873**	**493,414**
Other operating income	(2)	5,182	6,569
Personnel expenses	(3)	200,354	211,977
Other operating expenses	(4)	163,011	176,142
EBITDA		**55,690**	**111,864**
Depreciation, amortization and impairment of property, plant and equipment and other intangible assets	(5)	33,333	35,983
Impairment of goodwill	(6)	62,852	37,003
EBIT		**– 40,495**	**38,878**
Finance expenses	(7)	9,112	8,635
Other finance result	(8)	– 1,207	– 109
Financial result		**– 10,319**	**– 8,744**
Profit before tax		**– 50,814**	**30,134**
Income tax expense (+) / income (-)	(9)	– 9,529	5,580
Profit		**– 41,285**	**24,554**
attributable to owners of TAKKT AG		– 41,285	24,554
attributable to non-controlling interests		0	0
Weighted average number of issued shares in million		64.5	65.0
Basic earnings per share (in EUR)	(10)	– 0.64	0.38
Diluted earnings per share (in EUR)	(10)	– 0.64	0.38

Consolidated statement of comprehensive income of the TAKKT Group in EUR thousand

	2024	2023
Profit	**– 41,285**	**24,554**
Actuarial gains and losses resulting from pension provisions recognized in equity	2,473	– 3,274
Tax on actuarial gains and losses resulting from pension provisions	– 881	906
Gains and losses resulting from the subsequent measurement of investment in equity instruments recognized in equity	– 1,386	– 1,050
Tax on subsequent measurement of investment in equity instruments	1	0
Other comprehensive income after tax for items that will not be reclassified to profit and loss in future	**207**	**– 3,418**
Income and expenses from the subsequent measurement of cash flow hedges recognized in equity	645	– 772
Income recognized in the income statement	774	– 138
Tax on subsequent measurement of cash flow hedges	– 421	261
Other comprehensive income after tax resulting from the subsequent measurement of cash flow hedges	**998**	**– 649**
Income and expenses from the adjustment of foreign currency reserves recognized in equity	12,980	– 8,059
Income recognized in the statement of income	0	– 284
Other comprehensive income after tax resulting from the adjustment of foreign currency reserves	**12,980**	**– 8,343**
Other comprehensive income after tax for items that will be reclassified to profit and loss	**13,978**	**– 8,992**
Other comprehensive income (Changes to other components of equity)	**14,185**	**– 12,410**
attributable to owners of TAKKT AG	14,185	– 12,410
attributable to non-controlling interests	0	0
Total comprehensive income	**– 27,100**	**12,144**
attributable to owners of TAKKT AG	– 27,100	12,144
attributable to non-controlling interests	0	0

Consolidated statement of financial position of the TAKKT Group in EUR thousand

Assets	Notes	12/31/2024	12/31/2023
Property, plant and equipment	(11)	106,710	112,820
Goodwill	(12)	508,132	557,805
Other intangible assets	(13)	35,142	38,335
Other financial assets	(14)	11,834	13,615
Deferred tax	(15)	7,612	7,710
Non-current assets		**669,430**	**730,285**
Inventories	(16)	112,468	126,170
Trade receivables	(17)	106,926	115,289
Other financial assets *)	(18)	13,858	17,980
Other receivables and assets *)	(19)	7,109	7,836
Income tax receivables		4,811	3,675
Cash and cash equivalents	(20)	8,131	5,587
Current assets		**253,303**	**276,537**
Total assets		**922,733**	**1,006,822**

Equity and liabilities	Notes	12/31/2024	12/31/2023
Share capital		65,610	65,610
Treasury shares		– 19,153	– 10,781
Retained earnings		460,538	567,347
Other components of equity		35,577	20,496
Total equity	(21)	**542,572**	**642,672**
Financial liabilities	(22)	76,347	64,904
Pension provisions and similar obligations	(23)	53,561	54,553
Other provisions	(24)	5,727	8,872
Deferred tax	(15)	55,735	70,416
Non-current liabilities		**191,370**	**198,745**
Financial liabilities	(22)	45,822	46,695
Trade payables and similar liabilities	(25)	94,512	65,146
Other financial liabilities *)	(26)	14,454	15,342
Other liabilities *)	(27)	18,576	19,449
Provisions	(24)	9,318	15,111
Income tax payables		6,109	3,662
Current liabilities		**188,791**	**165,405**
Total equity and liabilities		**922,733**	**1,006,822**

*) Changed presentation compared to previous year. Previous year's figures have been adjusted. See respective text item in the notes too.

Consolidated statement of changes in total equity of the TAKKT Group in EUR thousand

	Share capital	Treasury shares	Retained earnings	Other components of equity	Total equity
Balance at 01/01/2024	**65,610**	**– 10,781**	**567,347**	**20,496**	**642,672**
Transactions with owners	0	– 8,372	– 64,628	0	– 73,000
thereof acquisition / issuance of treasury shares	0	– 8,372	0	0	– 8,372
thereof dividends paid	0	0	– 64,628	0	– 64,628
Total comprehensive income	0	0	– 41,285	14,185	– 27,100
thereof Profit	0	0	– 41,285	0	– 41,285
thereof Other comprehensive income (Changes to other components of equity)	0	0	0	14,185	14,185
Transfer to retained earnings	0	0	– 896	896	0
Balance at 12/31/2024	**65,610**	**– 19,153**	**460,538**	**35,577**	**542,572**

	Share capital	Treasury shares	Retained earnings	Other components of equity	Total equity
Balance at 01/01/2023	**65,610**	**– 6,524**	**607,852**	**32,906**	**699,844**
Transactions with owners	0	– 4,257	– 65,059	0	– 69,316
thereof acquisition / issuance of treasury shares	0	– 4,257	0	0	– 4,257
thereof dividends paid	0	0	– 65,059	0	– 65,059
Total comprehensive income	0	0	24,554	– 12,410	12,144
thereof Profit	0	0	24,554	0	24,554
thereof Other comprehensive income (Changes to other components of equity)	0	0	0	– 12,410	– 12,410
Balance at 12/31/2023	**65,610**	**– 10,781**	**567,347**	**20,496**	**642,672**

Consolidated statement of cash flows of the TAKKT Group in EUR thousand

	Notes	2024	2023
Profit		– 41,285	24,554
Depreciation, amortization and impairment of Non-current assets	(5)/(6)	96,185	72,986
Deferred tax income	(9)	– 18,533	– 9,061
Other non-cash expenses and income		2,484	– 758
Result from disposal of Non-current assets		1,444	– 1,720
Change in Inventories		18,790	35,196
Change in Trade receivables		9,635	19,028
Change in Trade payables and similar liabilities		27,333	– 30,214
Change in Provisions		– 7,655	– 4,059
Change in other assets / liabilities		5,465	489
Cash flow from operating activities		**93,863**	**106,441**
Proceeds from disposal of Property, plant and equipment and intangible assets		700	2,612
Capital expenditure on Property, plant and equipment and intangible assets	(11)/(13)	– 11,851	– 15,902
Proceeds from the disposal of consolidated companies		109	0
Cash outflows for the acquisition of minority interests		0	– 1,227
Cash flow from investing activities		**– 11,042**	**– 14,517**
Proceeds from Financial liabilities		111,017	86,069
Repayments of Financial liabilities		– 103,595	– 91,700
Repayments of Lease liabilities		– 14,655	– 19,195
Dividend payments to owners of TAKKT AG		– 64,628	– 65,059
Payments to owners of TAKKT AG (share buy-back)		– 8,516	– 4,403
Proceeds from owners of TAKKT AG (Employee shares)		139	137
Cash flow from financing activities		**– 80,238**	**– 94,151**
Cash and cash equivalents at 01/01/		5,587	7,566
Increase / decrease in Cash and cash equivalents		2,583	– 2,227
Non-cash increase / decrease in Cash and cash equivalents		– 39	248
Cash and cash equivalents at 12/31/	(20)	**8,131**	**5,587**

Notes to the consolidated financial statements

1. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

General Information

The consolidated financial statements of TAKKT AG, Stuttgart, were prepared in accordance with the IFRS® Accounting Standards (hereinafter "IFRS") issued by the International Accounting Standards Board (IASB), as adopted by the EU, and the additional requirements of German law pursuant to section 315e (1) of the German Commercial Code (HGB). The interpretations (IFRIC - International Financial Reporting Interpretations Committee and SIC - Standards Interpretations Committee) of the IFRS Interpretations Committee (IFRS IC) were observed. All IFRS valid at the closing date and approved by the Commission of the European Union (EU) have been applied.

The TAKKT Group specializes in B2B omnichannel retail for business equipment. The parent company is TAKKT AG, Presselstr. 12, 70191 Stuttgart / Germany, registered under HRB 19962 with the German Commercial Register of the Stuttgart local court.

The consolidated financial statements have been prepared in euros as of December 31, 2024. Unless specified differently, figures are rounded on the nearest thousand. In order to improve clarity, various items are grouped in the statement of financial position and statement of income. A breakdown of the individual amounts is provided separately in the notes in accordance with IAS 1.54 and IAS 1.81A et seq. The balance sheet has been divided into current and non-current items in accordance with IAS 1. Assets and liabilities are classified as current if they are due within twelve months. The statement of income was prepared in accordance with the nature of expense method.

The TAKKT Group has prepared its financial statements under the assumption that it is able to continue as a going concern.

The consolidated financial statements and the combined management report of TAKKT AG and the Group were approved by the Management Board for submission to the Supervisory Board on March 26, 2025 and are expected to be published on March 27 with the 2024 annual report.

New Reporting Standards

The following reporting standards and interpretations, having been passed or amended by IASB and IFRS IC and endorsed by the EU, were mandatory for the first time in the 2024 financial year for TAKKT:

Standard		Status	Applicable from
Amendments IAS 1	Classification of Liabilities as Current or Non-current	amended	1/1/2024
Amendments IAS 1	Non-current Liabilities with Covenants	amended	1/1/2024
Amendments IAS 16	Lease liability for sale- and leaseback-transactions	amended	1/1/2024
Amendments to IAS 7 and IFRS 7	Cash flow statement and financial instruments: Disclosures - Supplier financing agreements	amended	1/1/2024

All amended IFRS requiring first-time application in the current financial year has a significant impact on the net assets, financial position and results of operations at TAKKT.

The IASB and IFRS IC have passed new and revised standards which TAKKT must only apply starting January 01, 2025 or later. Some of these standards still have to be approved by the EU prior to their application.

Specifically, these include the following reporting standards and interpretations:

Endorsed by EU-commission

Standard		Status	Applicable from
Amendments IAS 21	The Effects of Changes in Foreign Exchange Rates:Lack of exchangeability	amended	1/1/2025

Not yet endorsed by EU-commission

Standard		Status	Applicable from
Annual Improvements	Volume 11	amended	1/1/2026 *
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	amended	1/1/2026 *
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	amended	1/1/2026 *
IFRS 18	Presentation and Disclosure in Financial Statements	amended	1/1/2027 *
IFRS 19	Subsidiaries without Public Accountability: Disclosures	amended	1/1/2027 *

* expected

The option of applying standards already approved by the IASB early is not utilized. According to current estimates, an earlier application would have had no material effects on net assets, financial position and results of operations. According to current estimates, the other new or amended standards will not have material effects on net assets, financial position and results of operations.

The consolidated financial statements have been prepared using the same accounting and valuation principles as in the previous year.

Scope of consolidation

The consolidated financial statements include all companies that are controlled by TAKKT according to IFRS 10. The fully consolidated subsidiaries are direct and indirect 100 percent investments. Thus, besides TAKKT AG, 7 (12) domestic and 35 (37) foreign companies are included in the consolidated financial statements.

The number of fully consolidated companies has changed as follows in comparison to December 31, 2023.

Event	Subsidiary	Segment
Foundation	TAKKT Fulfillment GmbH, Pliening / Germany	Industrial & Packaging
Merger	Hubert Europa Service GmbH, Pfungstadt / Germany	Industrial & Packaging
Merger	UBEN Unternehmensberatung Enzinger GmbH,Waldkirchen / Germany	Industrial & Packaging
Merger	newport.takkt GmbH, Stuttgart / Germany	Industrial & Packaging
Merger	VHZ Versandhandelszentrum Pfungstadt GmbH, Pfungstadt / Germany	Industrial & Packaging
Merger	Ratioform Verpackungen GmbH, Pliening / Germany	Industrial & Packaging
Merger	Ratioform Verpackungen AG, Steinhausen / Switzerland	Industrial & Packaging
Merger	R.F. Verpackungsmittel-Versand G.m.b.H., Salzburg / Austria	Industrial & Packaging
Disposal	Mydisplays GmbH, Burscheid / Germany	Office Furniture & Displays

On December 31, 2024, the Group's parent company, Franz Haniel & Cie. GmbH, Duisburg / Germany, which is registered in the German Commercial Register of the local court of Duisburg under the number HRB 25, holds 65.0 (65.0) percent of the issued shares in the share capital of its subsidiary TAKKT AG. TAKKT AG, Stuttgart, is a subsidiary of Franz Haniel & Cie. GmbH, Duisburg, and is included in its consolidated financial statements. These consolidated financial statements, which simultaneously represent the consolidated financial statements for the largest and smallest group of companies, are published in the Company Register.

Principles of consolidation

Subsidiaries are fully consolidated from the date TAKKT AG has obtained control over theinvestee according to IFRS 10 Consolidated Financial Statements either directly or indirectly. Control exists if TAKKT has power over another company, is exposed to variable returns from its involvement, such as interest or profit participation, and can use its power to influence these returns. A subsidiary is deconsolidated at the date TAKKT has lost control of the subsidiary.

The consolidated financial statements and all separate financial statements have the same balance sheet date, December 31, 2024. The separate financial statements of the domestic and foreign subsidiaries included in the financial statements were prepared using uniform accounting and valuation principles.

Capital consolidation was carried out by offsetting the book values of the investments against the proportionate equity of the subsidiaries.

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 Business Combinations. This is based on the fair value at the time the TAKKT Group obtains control over the acquired company. For each business combination, there is an option to recognize goodwill in proportion to the share of the investment or including the portion attributable to non-controlling interests.

Intercompany profits and losses, sales, expenses and income, guarantees and warranties, intercompany profits as well as all receivables and liabilities between the Group subsidiaries were eliminated.

Deferred taxes were recognized for consolidation transactions in accordance with IAS 12 Income Taxes, provided that the tax differences are expected to reverse in future financial years.

Currency translation

TAKKT AG's reporting currency is euro. In accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates, currency is translated at the level of the individual Group companies using the functional currency method. Since all consolidated companies manage their businesses economically, organizationally and financially autonomously, the respective local currency is identical to the functional currency.

As a result, assets and liabilities are translated at the year-end rates on the balance sheet date and income and expenses are translated at the average rates. Equity is translated at the historical exchange rates. Any resulting translation differences are recognized in other comprehensive income.

If a foreign business operation is disposed of, currency differences, which until then were recorded in Other comprehensive income without any effect on profit, are recorded in the statement of income.

Goodwill arising from the acquisition of a foreign operation, as well as any fair value adjustments to the carrying amounts of assets and liabilities resulting from this acquisition, are treated as assets and liabilities of the foreign operation and translated at the closing rate. Translation differences are recognized in other comprehensive income.

The TAKKT Group does not operate subsidiaries in high-inflation countries.

In the separate financial statements of the TAKKT Group companies, transactions in foreign currencies are translated at the rate prevailing at the date of the transaction. Monetary items in foreign currencies are translated at the rate prevailing at the reporting date. Exchange differences are primarily recognized under Other operating expenses in the statement of income of the separate financial statements. Non-monetary items in foreign currency are carried at historical rates.

Material exchange rates for TAKKT Group

		Year-end rates		Average rates	
Currency	**Country**	**2024**	2023	**2024**	2023
USD	USA	1.0389	1.1050	1.0819	1.0810
CHF	Switzerland	0.9412	0.9260	0.9524	0.9715
GBP	UK	0.8292	0.8691	0.8466	0.8697
SEK	Sweden	11.4590	11.0960	11.4313	11.4728
CAD	Canada	1.4948	1.4642	1.4818	1.4593

Accounting and valuation principles

Sales include sales of products and services less cash discounts, rebates and accruals from customer loyalty programs. In principle, sales are recognized when the control over the products or services is transferred to the customer. This occurs either at a certain point in time or over a certain period of time. TAKKT fulfills the performance obligations essentially at a certain point in time, the time when the goods are handed over to the transport service provider. The sale of the various products and services generally takes place at customary payment terms and does not include a financing component. Return rights of customers are accounted for by capitalizing a refund asset and recording a refund liability. The estimated variable consideration is only included, in whole or in part, in the transaction price if it is highly probable that there will be no significant reversal of the recognized cumulative revenue.

Material guarantees above and beyond the legal requirements are not granted. Loyalty award credits which are granted as part of a customer loyalty program are deferred in sales by forming a contractual liability measured at fair value under Trade payables and similar liabilities.

Advertising costs are expensed as soon as the company has the right to access the advertising material and / or has received the service associated with the advertising activities.

Impairments are carried out if the asset's recoverable amount has fallen below the book value (amortized cost).

Interest income and interest expenses not requiring capitalization in accordance with IAS 23 are recognized in the proper period using the effective interest method.

Tax expense / income includes both income taxes and deferred taxes recognized in profit or loss. The income tax for the year is determined based on the taxable income according to the tax regulations of the specific countries and taking the respective applicable tax rate into account. The exemption from the recognition and disclosure of deferred tax assets and deferred tax liabilities in connection with Pillar TWO income taxes in accordance with IAS 12.4A is applied.

Property, plant and equipment is capitalized at acquisition or manufacturing costs less scheduled depreciation and any impairments. The costs of self-constructed property, plant and equipment include direct costs as well as those portions of overhead costs directly attributable to the construction.

Property, plant and equipment is generally depreciated using the straight-line method over its useful economic life, which in the case of leasehold improvements maximally equals the term of the underlying lease agreements. Depreciation is based on the following useful lives in the Group:

	Useful life in years	
	2024	2023
Buildings (incl. leasehold improvements)	1 – 50	1 – 50
Plant, machinery and equipment	3 – 16	3 – 16

Net book values and useful lives are reviewed at each reporting date and adjusted, if necessary.

In accordance with IFRS 16, TAKKT as lessee generally recognizes a right-of-use asset and a corresponding lease liability for all leases. TAKKT makes use of practical expedients for leased assets of low value as well as for short-term leases (12 months or less, excluding real estate). TAKKT does not apply the standard to leases involving intangible assets. The lease payments for which TAKKT makes use of practical expedients are recognized as lease expenses in accordance with the practical expedients.

If possible, the interest rate underlying the lease contracts is used to determine the present value of future lease payments. Usually this rate is not available at TAKKT thus the lessee's incremental borrowing rate is used in these cases. The incremental borrowing rate is determined using the build-up approach in which the risk-free interest rate represents the basis which is adjusted for the credit risk of the lessee, the lease term as well as the underlying currency of the lease.

At the commencement date of the lease term, the amount of the right-of-use asset generally corresponds to the amount of the lease liability. Deviations may result from the consideration of initial costs incurred in connection with obtaining the lease, any advance payments made and lease incentives received prior to the commencement date as well as any costs of vacating and demolition. The right-of-use assets are recognized at acquisition costs less scheduled depreciation and any impairments. The right-of-use assets are depreciated on a straight-line basis over the expected useful economic life or throughout the shorter lease term of the lease contract. If the exercise of a purchase option is assessed reasonably certain and if the transfer of ownership is expected at the end of the lease term, the right-of-use asset is depreciated throughout the useful economic life of the underlying asset.

Contracts can contain both lease and non-lease components. TAKKT assigns the transaction price to these components on the basis of their relative stand-alone selling prices. Leases for vehicles constitute an exception. In these cases, TAKKT makes use of the option not to split lease and non-lease components but to account the whole contract as a lease contract.

TAKKT is exposed to possible future increases in variable lease payments that may result from a change in index or (interest) rate. These possible changes to the lease payments are not considered in the lease liability until they take effect. Accordingly lease liabilities are adjusted as soon as changes in an index or (interest) rate affect the lease payments.

When determining the lease term, extension and termination options are taken into consideration if the exercise of these options is considered reasonably certain. When determining the lease term at the date of availability, TAKKT considers all facts and circumstances that provide an economic incentive to exercise extension options or non-exercise termination options. A reassessment of the original estimate is carried out when a significant event or change in circumstances occurs and this possibly affects the previous assessment if the significant event or change in circumstances is within the lessee's control. The assessment is reviewed at the latest when an extension or termination option is in fact being exercised (or not exercised).

TAKKT acts as lessor for a small number of leases. These are classified as operating leases. In these cases the underlying asset (or in the case of subleases the right-of-use asset from the main lease) continues to be recognized in the balance sheet. The lease payments received are recognized as lease income.

Where there is a transfer of control according to IFRS 15 in sale and leaseback transactions, TAKKT, as seller and lessee, recognizes the right-of-use asset associated with the leaseback in accordance with IFRS 16 as the portion of the previous carrying amount of the underlying asset that relates to the right-of-use asset retained by the seller. The gain or loss on the sale transaction is recognized in profit or loss on a pro rata basis to the extent of the rights transferred to the lessor. If there is no transfer of control, the transaction is accounted for as a financing transaction. The asset legally underlying the lease is not derecognized but depreciated in accordance with the previous rules. It is not recognized as a lease.

For **goodwill** and **intangible assets with an indefinite useful life**, as these do not generate any independent cash flows, recoverability of the capitalized book value is reviewed once a year or, if indicated by triggering events also during the year, at the level of cash generating units in accordance with IAS 36 Impairment of Assets. In the year under review, the TAKKT Group had a total of 5 (5) cash generating units.

The impairment test is based on a detailed plan of the future cash flows before interest and taxes less capital expenditure on maintenance and replacements less changes in the net working capital for a period of five years and perpetuity following the detailed planning period. This detailed planning is based on financial plans approved by the responsible management, which are also used for internal purposes. The main assumptions for planning relate to the underlying sales growth and operational margin in the detailed planning period as well as the growth in perpetuity for the years following it. When detailed plans are produced, past developments and expectations regarding future market trends are taken into account. The influence of TAKKT's sustainability goals is also implicitly included. The growth in perpetuity is determined that it lies below the long-term average organic growth and below the long-term average expected future market growth.

The determined cash flows are discounted individually with the weighted average cost of capital (WACC) before tax calculated for every cash generating unit in order to determine the value in use of the cash generating unit. Based on a WACC rate after taxes derived from the Capital Asset Pricing Model, the WACC rate before tax is calculated using an iterative procedure for which the value in use before tax equals the value in use after tax. Cost of equity was determined using a risk-free interest rate as well as a risk markup per cash generating unit resulting from a market risk premium and an average relevered beta factor of the peer group. Cost of debt consists of a risk-free interest rate plus a risk markup (credit spread).

The recoverable amount – i.e. the higher of value in use or fair value less costs to sell, which may be calculated subsequently – is then compared with the respective book value. If this amount is below the book value of the cash generating unit, an impairment is recognized on goodwill and, if required, on the other assets of the cash generating unit concerned.

Brands are entered with an indeterminate useful life as long as the right of use for the brands can be utilized indefinitely and the level of awareness is permanently maintained by advertising.

Purchased **intangible assets with a determinable useful life** are valued at acquisition cost plus incidental acquisition costs less amortization using the straight-line method and any impairment. The net book values and useful lives are reviewed at every reporting date and adjusted if necessary.

Amortization within the Group was based on the following basic useful lives:

	Useful life in years	
	2024	2023
Goodwill	indefinite	indefinite
Brands	indefinite	indefinite
Customer relationships	3 – 10	3 – 10
Domain names	5 – 10	5 – 10
Catalog- / web design	3	3
Software, licenses and similar rights	2 – 7	2 – 7

If not subject to capitalization according to IAS 38 Intangible Assets, r**esearch and development costs** are recognized in the statement of income when incurred. Development costs are capitalized when the recognition criteria of IAS 38 are met. **Internally generated intangible assets** are recognized at manufacturing costs less scheduled amortization and impairment. Capitalized development costs include all directly attributable costs and proportionate overhead costs and are amortized over the expected useful life of 3-7 years using the straight-line method.

Financial assets and financial liabilities are divided into the following measurement categories:

Financial assets
- Debt instruments measured at amortized cost
- Debt instruments measured at fair value through other comprehensive income
- Debt instruments, derivatives and equity instruments measured at fair value through profit and loss
- Equity instruments measured at fair value through other comprehensive income

Financial liabilities
- Financial liabilities measured at amortized cost
- Financial liabilities measured at fair value through profit and loss

The classification of financial assets into the different categories is based on the way in which they are managed (the so-called business model condition in accordance with IFRS 9) and on the characteristics of the asset´s contractual cash flows (so-called cash flow condition according to IFRS 9).

The classification is determined at the date of acquisition and reviewed as of each reporting date. Financial assets, with the exception of trade receivables, are initially recognized at fair value and, provided they are not subsequently measured at fair value through profit or loss, plus transaction costs.

Depending on the underlying “business model”, debt instruments whose cash flow characteristics consist exclusively of interest and repayments of outstanding principal are classified as subsequently measured either at amortized cost (“hold”) or at fair value through other comprehensive income (“hold and sell”). All remaining debt instruments are measured at fair value through profit or loss. Debt instruments valued at amortized cost are generally accounted for using the effective interest method and are subject to the impairment requirements of IFRS 9.

For equity instruments, a valuation at fair value through profit or loss is required. This does not apply to equity instruments that are not held for trading and for which the option to measure at fair value through other comprehensive income is irrevocably exercised upon initial recognition. This option, which is exercisable on a case-by-case basis, is used in the TAKKT Group exclusively for investments in unlisted corporate entities. Gains and losses from changes in fair value are recognized in other comprehensive income with no effect on income. Such changes in value recognized in other comprehensive income are never reclassified to the income statement. Dividend payments, on the other hand, are recognized in profit or loss. The equity instruments are not subject to any impairment requirements.

For debt instruments, derivatives and equity instruments of the category at fair value through profit or loss, directly attributable transaction costs and changes in fair value are to be recognized in profit or loss in the income statement. They are not subject to any impairment requirements. In the TAKKT Group, only shares in venture capital funds and derivatives for which no formal hedge accounting is applied are within this measurement category.

IFRS 9 uses the expected credit losses model as the impairment model for financial assets. In principle, expected credit losses must be taken into account when the financial asset is recognized for the first time. In order to determine the expected credit losses on debt instruments, which are measured subsequently at amortized cost. At TAKKT, mainly the trade receivables are in the scope of application of this model. Further information on credit risk can be found in Section 4 Risk Management and Financial Instruments.

Financial liabilities, with the exception of derivative financial instruments, are initially measured at fair value plus transaction costs and subsequently at amortized cost using the effective interest method.

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading. At TAKKT, this includes only derivatives classified as held for trading that are not included in hedge accounting.

Purchases and sales of financial assets or securities of all categories are accounted for on the Settlement Date.

Financial assets and liabilities are reported net in the balance sheet if there is currently a legally enforceable right to offset. In addition, there must be an intention to settle on a net basis or to settle the associated liability and realize the financial asset simultaneously. Otherwise, the financial asset and liability are shown without offsetting in the balance sheet. Accordingly, related expenses and income are reported net to a limited extent.

Fair values for every financial instrument category according to IFRS 7 generally correspond to book values. This applies directly to financial instruments that are shown in the balance sheet at fair value. For financial assets and liabilities measured at amortized cost, the book value generally represents a sufficient approximation of the fair value. If this is not the case, additional details are provided. The other receivables and payables are either current or subject to a variable market interest rate.

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.

Sometimes, the input factors used to measure the fair value of an asset or liability might be categorized within different levels of the valuation hierarchy. In such cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Financial instruments at TAKKT recognized at fair value relate to investments and derivative financial instruments. They are subject to a recurring fair value measurement. Derivative financial instruments are included in current Other financial assets as well as in current Other financial liabilities and relate to level 2. The investments relate to level 3.

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.

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 on the basis of recognized valuation methods, are aggregated and adjusted for appropriate illiquidity discounts for the overall fund. In the 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).

Inventories are recognized at the lower of acquisition respectively manufacturing costs or net realizable value. In general, a value based on the FIFO method (first in, first out) is applied. The manufacturing costs include not only the directly attributable materials used for production and wages but also appropriate portions of the indirect material and production overhead costs. There are no relevant borrowing costs due to the nature of the company's business. The net realizable value represents the estimated selling price of the inventories less all estimated expenses still necessary for completion and sale. Obsolescence reserves were made, taking into account the expected sell-down period of the inventories. If the reasons for the write-downs no longer apply, the original reserves are released.

Trade receivables are initially recognized at the transaction price, which corresponds to the consideration paid in exchange for the transfer of goods or services to a customer. They are subsequently measured at amortized cost in accordance with the effective interest method. IFRS 9 provides for a three-stage procedure for determining expected credit losses. A loss allowance is recognized either on the basis of the 12-month expected credit losses (Stage I) or on the basis of the lifetime expected credit losses if the credit risk has increased significantly since initial recognition (Stage II) or if credit impairment is identified (Stage III). Trade receivables are derecognized if they are no longer realizable according to a reasonable assessment.

The Group applies the simplified approach under IFRS 9 to measure expected credit losses; accordingly, over the term expected credit losses are used for all trade receivables and contract assets.

The investments (equity and debt instruments) and derivatives included in **Other financial assets** are measured at fair value, while Other financial assets and **Other receivables and assets** are measured at amortized cost.

Income tax or other tax receivables and income tax or other tax payables are measured using the amount expected to be received from or paid to the tax authorities. Calculation of the amount is based on the tax rates and laws applicable as of the closing date in the countries in which the taxable income is generated or the underlying transaction takes place.

Derivative financial instruments are generally used for hedging purposes. Forward foreign exchange contracts, for example, are used to reduce currency risks from operating activities. At TAKKT, derivative financial instruments are used to either hedge the fair value of a balance sheet asset or liability or to hedge a future cash flow from a firm commitment or forecast transaction (cash flow hedge). They are made exclusively to reduce risk, not for speculative purposes.

The fair value of a forward foreign exchange contract corresponds to the difference in the present values of the nominal amount at the fixed forward rate and the nominal amount at the forward rate at the reporting date. The cash flows are discounted using rating- and maturity-matched interest rates in line with the interest rate curves of the respective currency.

Accounting for derivative financial instruments occurs in Other financial assets or in Other financial liabilities as soon as purchase or sales contracts are made.

According to IFRS 9, all derivative financial instruments are to be recognized at fair value, irrespective of their purpose or intention. Fair value changes in derivative financial instruments are recognized either in the income statement or, if it is a cash flow hedge and hedge accounting is applied, in other comprehensive income, taking into account deferred taxes. Derivative financial instruments for which no formal hedge accounting is used are to be classified into the category financial instruments measured at fair value through profit or loss.

Derivative financial instruments are used to hedge balance sheet items. The results from the fair value measurement of the hedging instruments and the underlying transactions are recognized in profit or loss.

As part of a cash flow hedge, derivatives are used to hedge future cash flow risks from existing underlying transactions or planned transactions. The hedge-effective portion of the fair value changes in derivatives is initially recognized in Other comprehensive income.

The treatment of amounts recognized in Other comprehensive income depends on the nature of the underlying transaction. If the hedged transaction results in the recognition of a non-financial asset or a non-financial liability, the amount recognized in Other comprehensive income is taken into account when determining the initial cost or other carrying amount. For all other types of hedged underlying transactions, reclassifications to profit and loss are made at the same time as the underlying transaction has an impact on profit and loss. The hedge-ineffective portion of the fair value changes in derivatives is recognized directly in the income statement. Changes in the fair value of derivative financial instruments are recognized immediately in profit or loss in cases where hedge accounting is not applied. No fair value hedge accounting is applied at TAKKT.

Deferred taxes are recognized for all temporary differences between the relevant tax balance sheet and the IFRS balance sheet – with the exception of goodwill, if it is not tax deductible – as well as for loss carry forwards. Deferred tax assets are impaired if their realization cannot be expected with a significant degree of confidence. For the probable use of losses, the five-year budget of the individual company and its loss history are considered. Deferred taxes were calculated using the respective local tax rates. Tax rate changes determined at the reporting date have been taken into account for the calculation of deferred taxes. The netting of deferred taxes is carried out according to the rules of IAS 12 if they relate to the same tax authority and the right to offset current tax refund claims and liabilities is legally enforceable. Provided that items were entered in Other comprehensive income with no effect on profits and loss and imply a change in deferred taxes, these deferred taxes were also recognized in Other comprehensive income with no effect on profit and loss. All other changes in deferred taxes are recognized in the statement of income.

In accordance with IAS 19 Employee Benefits, **pension provisions and similar obligations** are calculated using the actuarial projected unit credit method. Determination of the defined benefit obligations is carried out by independent actuaries on an annual basis. In calculating these contractual obligations, prevailing long-term capital market interest rates as well as current assumptions about future salary and pension increases are considered in addition to biometric calculation bases. The actuarial interest rate is determined using a yield curve approach per currency area on the basis of yields on fixed-rate corporate bonds rated at least by one well-known rating agency with a rating of at least AA. For the eurozone, the corporate bonds of the iBoxx™ Corporates AA are applied. The probability of employee fluctuation was considered, depending on the job tenure in the company and the age of the beneficiaries. Direct pension commitments in Germany are derived using the biometric calculation tables from Heubeck-Richttafeln-GmbH. The fair value of plan assets is deducted from the defined benefit obligation.

Actuarial gains and losses resulting from changes in actuarial assumptions and / or from deviations between previous actuarial assumptions and actual developments are recognized immediately in Other comprehensive income as soon as they are incurred with no effect on profits and taking deferred taxes into account. The actuarial gains and losses immediately recorded in Other comprehensive income and associated deferred taxes are not reclassified to profit and loss in subsequent periods. The actuarial gains and losses recorded in a given reporting period and the applicable deferred taxes are presented separately in the statement of comprehensive income.

Net interest expense is determined by applying the actuarial interest rate determined at the end of the prior financial year to the pension provisions calculated at this point. The same interest rate is used for pension obligations and plan assets. Net interest expense is reported in Finance expenses. Current and past service costs are reported in Personnel expenses. Past service costs arising from plan amendments and curtailments are recognized in profit and loss in the period in which they occur.

With the exception of other personnel-related provisions calculated in accordance with IAS 19 Employee Benefits respectively IFRS 2 Share-based Payment, **Other provisions** are made on the basis of IAS 37 Provisions, Contingent Liabilities and Contingent Assets at the best estimate of the amount to be paid if a current legal or factual external obligation exists which is based on transactions or incidents in the past. The outflow of resources must be probable and calculable. Other provisions with a maturity of over one year are discounted using maturity-matched interest rates. Provisions are reviewed on a regular basis and adjusted to the best estimate currently available if new insights are obtained or circumstances have changed. If it is not probable any more that fulfilling the obligation is connected to the outflow of resources, a provision is released.

Classified as cash-settled share-based payment in accordance with IFRS 2 Share-based Payment, the yearly reissued long-term performance cash plans of the Management Board are exclusively dependent on the development of total shareholder return (TSR) from 2020 onwards. The development of the share price and the dividend payment is taken into account in the calculation of the TSR. The expense for the benefits received or liability to settle these benefits is recorded after the claims are earned. The liability is reassessed on each reporting date and on the settlement date. Changes in fair value are recorded in the respective year under review through profit and loss.

In the case of a buy-back of **treasury shares**, the consideration paid, which includes directly attributable costs less any tax effects, is presented as a reduction of equity.

The short-term portions of non-current assets and liabilities whose remaining terms are less than one year are generally disclosed under the current balance sheet items.

If IFRS 3 Business Combinations is not applicable, **contingent liabilities and assets** are generally not recognized in the balance sheet but stated and explained in the notes.

The consolidated financial statements are prepared on the basis of certain **assumptions** and **estimates** which have an effect on the amount and presentation of the reported assets, liabilities, income, expenses and contingent liabilities and assets. The premises underlying these assumptions and estimates are based on the management knowledge available at that given time. The assumptions and estimates primarily concern the items set forth below.

During the acquisition of companies all identifiable assets, liabilities and contingent liabilities are measured at fair value within the scope of the purchase price allocation. The fair value is determined by recognized valuation methods depending on the type of asset. These valuations are closely related to the management's assumptions concerning the future development of the assets and the applied discount rates. The recognized fair values represent key estimates as well as the goodwill derived from the purchase price allocation.

Impairment tests of goodwill and other intangible assets with indefinite useful lives are based on forward-looking assumptions. These assumptions consider past developments and assumptions concerning the future development of markets. The main assumptions are the future sales growth and operational margin in the detailed planning period, estimated growth rates after the detailed planning period, weighted average cost of capital and tax rates.

The premises above and the underlying calculation model can significantly influence the individual values and ultimately the amount of a possible impairment.

In the case of trade receivables, the determination of the allowance for expected credit losses relies to a large extent on estimates and assessments. At every reporting date an impairment analysis is conducted to measure the expected credit losses. The impairment rates are based on the aging structure of the receivables, past experience and the assessment of the current and forecast creditworthiness of customers.

The actual payments received may differ from the carrying amounts. Valuation allowances for inventories are mainly based on the experienced sell-down period of the single products.

The key assumptions and estimates for the measurement of provisions, especially those for pensions, litigations and onerous contracts, concern the probability of the provisions being used, the amount of the obligation and, in the case of non-current provisions, the interest rates applied. In addition, pension obligations under defined benefit plans require actuarial assumptions regarding salary and pension trends, life expectancies and employee turnover. Obligations from expected customer credit notes need to be assessed based on the experience in regard to customer credit notes issued in the past. The actual development, and hence actual payments due in the future, may deviate from the expected development and the recognized provisions.

Deferred tax assets and liabilities are measured on the basis of management's assumptions and estimates. In addition to the interpretation of the tax regulations applicable to the taxable entity concerned, the key factor in the calculation of deferred tax assets in respect of temporary differences and tax loss carry forwards is an assessment of the likelihood that adequate taxable income will be generated in future or that appropriate tax planning opportunities for utilizing tax loss carry forwards will be implemented.

All assumptions and estimates are based on the circumstances prevailing on the reporting date and are examined on an ongoing basis. Although the assumptions and estimates are made with management's best knowledge, future events and changes in general circumstances often give rise to differences between the actual amounts and the estimates. This applies in particular to obligations where existence, amount and timing of occurrence are uncertain. In case of differences, the assumptions and, if necessary, the carrying amounts of the assets and liabilities affected are adjusted accordingly.

Climate change, fluctuations in energy costs, geopolitical tensions and the associated material uncertainties were taken into account, where relevant, in estimates and judgments. In addition, the effects of persistently high inflation expectations, if relevant, were taken into account in the measurement of pension provisions and in the impairment tests for goodwill. In addition, the effects of persistently high inflation expectations, if relevant, were taken into account in the measurement of pension provisions and in the impairment tests for goodwill.

2. NOTES TO THE INCOME STATEMENT

(1) Sales in EUR thousand

	2024	2023
Sales with third parties *)	1,052,575	1,239,661
Sales with affiliated companies *)	315	357
	1,052,890	**1,240,018**

*) In the previous year's figures, an amount of EUR 956 thousand had to be reclassified from sales with affiliated companies to sales with external customers.

Sales are generated mainly by selling goods and associated transport services. Sales resulting from the provision of services of EUR 11,593 thousand (EUR 12,497 thousand) are of minor significance.

Sales with affiliated companies related to majority shareholder Franz Haniel & Cie. GmbH, Duisburg / Germany, as well as to subsidiaries of the majority shareholder that are not included in the consolidated financial statements of TAKKT AG.

In the financial year, revenues of EUR 11.2 million (EUR (12.4 million) were generated which had been recognized at the beginning of the financial year under liabilities from contracts with customers.

Sales from a distribution perspective are as follows:

Sales according to regions in EUR thousand

	Industrial & Packaging	**Office Furniture & Displays**	**Food Service**	**2024**
Germany	207,612	4,183	4,048	215,843
Europe without Germany	381,532	367	11,842	393,741
USA	18	225,918	201,852	427,788
Other	342	3,373	11,803	15,518
	589,504	**233,841**	**229,545**	**1,052,890**

	Industrial & Packaging	**Office Furniture & Displays**	**Food Service**	**2023**
Germany	250,697	3,719	3,892	258,308
Europe without Germany	421,902	413	12,862	435,177
USA	15	273,775	255,962	529,752
Other	269	3,618	12,894	16,781
	672,883	**281,525**	**285,610**	**1,240,018**

(2) Other operating income in EUR thousand

	2024	2023
Income from the disposal of non-current assets	306	2,284
Rental income	288	252
Other income	4,588	4,033
	5,182	**6,569**

Other income includes, in particular, prior year income.

(3) Personnel expenses in EUR thousand

	2024	2023
Wages and salaries	167,826	176,488
Social security costs	29,542	30,375
Retirement costs	5,027	4,644
Release of personnel-related provisions	– 3,944	– 1,378
Other	1,903	1,848
	200,354	**211,977**

(4) Other operating expenses in EUR thousand

	2024	2023
Operating expenses	124,593	135,071
Administrative expenses	32,608	35,596
Operating taxes	2,829	3,641
Leasing	1,749	2,508
Impairment on financial assets	1,206	831
Release of provisions	– 365	– 289
Foreign exchange differences	– 1,037	– 1,216
Loss on deconsolidation	1,428	0
	163,011	**176,142**

A major part of operating expenses is print and online advertising costs. Operating taxes include real estate tax, car tax and taxes on capital and assets for example. The foreign exchange differences include income of EUR 1,950 thousand (EUR 2,232 thousand) and expenses of EUR 913 thousand (EUR 1,016 thousand).

Impairment on financial assets mainly relates to the change in valuation allowances on trade receivables and full write-offs of trade receivables where they cannot be recovered. Write-offs amounted to EUR 1,536 thousand (EUR 1,841 thousand). Subsequent payments received on written-off receivables are included with EUR 205 thousand (EUR 119 thousand).

(5) Depreciation, amortization and impairment of property, plant and equipment and other intangible assets in EUR thousand

	2024	2023
Property, plant and equipment	22,827	22,511
Other intangible assets	10,506	13,472
	33,333	**35,983**

Depreciation and amortization comprise scheduled amortization amounting to EUR 430 thousand (EUR 1,804 thousand) relating to intangible assets recorded in conjunction with purchase price allocations.

In the current financial year, impairments were made in accordance with IAS 36 Impairment of property, plant and equipment amounting to EUR 63 thousand (EUR 414 thousand). In 2024, EUR 63 thousand (EUR 414 thousand) result from impairment losses on right-of-use assets that according to IFRS 16 are subject to the regulations of IAS 36. The underlying assets of the impaired right-of-use assets mainly relate to rented office buildings that have already been terminated at the next possible date, or for which the search for a new tenant is already underway, but which are no longer used during the remaining term of the lease.

Impairment losses of EUR 588 thousand (EUR 433 thousand) were recognized on intangible assets in accordance with IAS 36 in 2024. In the current financial year, the impairment relates to the advance payment for the discontinued development of an ERP module. In the previous year, it related to an ERP system that was no longer used and an impaired web shop.

The recoverability of the capitalized book value of intangible assets with an indefinite useful life, as these do not generate any independent cash flows, is reviewed together with the goodwill at the level of cash generating units.

(6) Impairment of goodwill

The following table shows the book values of the goodwill as well as the key assumptions used for the purpose of impairment testing:

	Book values of goodwill (in EUR thousand)		**WACC (before taxes)** (in percent)		**Growth of Perpetuity rate** (in percent)	
Cash generating units	**2024**	2023	**2024**	2023	**2024**	2023
Industrial & Packaging	327,050	325,753	11.5	11.8	1.0	1.0
NBF	44,881	42,197	11.9	12.1	1.7	2.0
D2G	51,784	48,830	11.9	11.5	1.7	2.0
CenBert	82,417	139,025	11.9	12.0	1.7	2.0
XXLhoreca	2,000	2,000	10.8	10.6	1.0	2.0

The compound annual growth rate in external sales in the detailed planning period is between 5.6 (3.8) percent and 15.5 (13.5) percent for the cash generating units. For all cash-generating units, the impairment assessment is based on detailed cash flow forecasts for a period of five years, which were approved by the Management Board as part of the company-wide budget planning process, taking into account the current business situation. The valuation model uses the cash flows from the approved medium-term planning of the respective cash-generating unit. This takes into account general market growth, market share development, and individual growth initiatives. The planned gross profit margins are based on the values determined in previous financial years, taking into account expected price and cost developments. The planned wage and salary costs are derived from the usual past growth rates, taking into account the planned inflation trend. Due to the comparable business model of each cash-generating unit, cost increases and economies of scale were taken into account in the overall cost planning. In all cash-generating units, growth is to be realized with existing and new customers, for example, by improving the customer experience in the web shops. In addition, direct sales will be strengthened in the CenBert cash-generating unit.

The evidence of impairment for all cash-generating units is based on the value in use, as it exceeded the fair value less costs to sell.

The impairment tests of the cash-generating units revealed a need for impairment in the 2024 financial year. Impairment losses of EUR 62.9 million were recognized on goodwill in the financial year 2024. These related to the goodwill of the cash-generating unit CenBert reported in the FoodService segment. Goodwill before impairment totalled EUR 147.9 million the carrying amount of the net assets was EUR 204.6 million and the recoverable amount, which corresponded to the value in use of the cash-generating unit, was EUR 139.0 million. The reasons for the impairment were worsened earnings forecasts based on the sharp decline in sales in 2024.

In the previous year, impairment losses of USD 37.0 million were recognized on goodwill. These related to the goodwill of the cash-generating unit D2G reported in the Office Furniture & Displays segment. Goodwill before impairment totalled EUR 85.1 million, carrying amount of the net assets was EUR 116.7 million and the recoverable amount, which corresponded to the value in use of the cash-generating unit, was EUR 80.5 million. The reasons for the impairment were worsened earnings forecasts due to the recession.

Sensitivity analyses were carried out when performing the other impairment tests. A half a percentage point increase in the weighted average cost of capital before taxes or a half a percentage point reduction in the growth rate of the perpetuity would not have led to an impairment of goodwill. This also applies to a five percent reduction in cash flow before interest and taxes.

(7) Finance expenses in EUR thousand

	2024	2023
Interest portion of lease liabilities	– 2,911	– 1,892
Interest portion of pension provisions	– 1,714	– 1,745
Interest on financial liabilities	– 4,487	– 4,998
	– 9,112	**– 8,635**

(8) Other finance result in EUR thousand

	2024	2023
Valuation of financial instruments	– 1,319	– 475
Other financial expenses	0	243
Interest and similar income	112	123
	– 1,207	**– 109**

(9) Income tax expense (+) / income (-)

Income tax expense / income includes current tax paid respectively due in the individual countries as well as deferred taxes recognized in the income statement. The income tax rates applied for the individual countries range between 9.0 (9.0) percent and 30.7 (30.7) percent, taking into account minimum taxation (Pillar TWO).

Breakdown of income tax expense (+) / income (-) in EUR thousand

	2024	2023
Current tax	9,004	14,641
Deferred tax	– 18,533	– 9,061
	– 9,529	**5,580**

Current tax includes expense of EUR 4 thousand (EUR 99 thousand) relating to prior periods. Deferred tax expense of EUR 6,090 thousand (prior year income of EUR 95 thousand) results from the changes of allowances on deferred tax assets. Deferred tax income of EUR 2,045 thousand (prior year expense of EUR 56 thousand) results from tax rate changes.

The difference between the actual income tax expense / income and the income tax expense/ income calculated at a rate of 30.7 (30.7) percent for TAKKT AG is made up as follows:

Tax rate reconciliation in EUR thousand

	2024	2023
Profit before tax	**– 50,814**	**30,134**
Expected average tax expense (+) / income (-)	– 15,600	9,251
Changes in tax rates	– 2,045	56
Differences between local and Group tax rates	– 1,359	– 5,755
Non-deductible expenses	2,451	1,509
Non-taxable income	– 96	– 108
Allowance for deferred tax assets	6,090	– 95
Taxes relating to prior years	4	99
Other differences	552	623
Income tax expense (+) / income (-) per the consolidated income statement	**– 9,529**	**5,580**
Tax ratio (in percent)	18.8	18.5

The calculated tax rate of 30.7 percent is based on the tax rates applicable in Germany in 2024. A corporation tax of 15.0 percent, the solidarity surcharge of 5.5 percent percent and the average municipal trade tax rate for the German Group companies were taken into account. The Group’s current tax expense (income) in connection with income taxes under the Pillar TWO rules amounts to EUR 0 thousand (EUR 0 thousand).

Several years in the Group have not yet been finally assessed for tax purposes. TAKKT believes it has made sufficient provisions for these open assessment years. However, it cannot be ruled out that tax payments may exceed the provisions recognized in the financial statements.

(10) Earnings per share

	2024	2023
Number of shares issued (in thousand)	65,610	65,610
Weighted average number of shares issued after share buy-back (in thousand)	64,451	64,985
Profit (in EUR thousand)	– 41,285	24,554
Basic earnings per share (in EUR)	– 0.64	0.38
Diluted earnings per share (in EUR)	– 0.64	0.38

Basic and diluted earnings per share are calculated by dividing the profit by the weighted average number of shares issued. As potential shares (mainly stock options and convertible bonds), which could dilute the earnings per share, were not issued, basic and diluted earnings per share are identical.

3. NOTES TO THE BALANCE SHEET

(11) Property, plant and equipment in EUR thousand

	Land, buildings and similar assets	Plant, machinery and equipment	Payments on account	Total
Acquisition costs				
Balance at 01/01/2024	204,787	97,711	1,721	304,219
Currency translation	2,875	1,910	17	4,802
Changes in scope of consolidation	– 909	– 1,629	0	– 2,538
Additions	15,122	3,764	1,371	20,257
Transfers	– 5	1,912	– 1,907	0
Disposals	– 12,612	– 3,645	– 92	– 16,349
Balance at 12/31/2024	**209,258**	**100,023**	**1,110**	**310,391**
Cumulative depreciation and impairment				
Balance at 01/01/2024	113,708	77,691	0	191,399
Currency translation	1,914	1,723	0	3,637
Changes in scope of consolidation	– 650	– 905	0	– 1,555
Additions	16,210	6,554	0	22,764
Impairment	63	0	0	63
Transfers	0	0	0	0
Disposals	– 9,579	– 3,048	0	– 12,627
Balance at 12/31/2024	**121,666**	**82,015**	**0**	**203,681**
Net book values				
Balance at 12/31/2024	**87,592**	**18,008**	**1,110**	**106,710**

Property, plant and equipment of EUR 106,710 thousand (EUR 112,820 thousand) at reporting date includes EUR 60,375 thousand (EUR 63,221 thousand) property, plant and equipment legally owned by TAKKT as well as advance payments made and EUR 46,335 thousand (EUR 49,599 thousand) right-of-use assets for leased assets.

As in the previous year, tangible assets legally and economically owned by the Group, with the exception of the capitalized right-of-use assets, were not subject to any restraints on disposal rights.

Purchase commitments for Property, plant and equipment amount to EUR 342 thousand (EUR 1,615 thousand).

	Land, buildings and similar assets	Plant, machinery and equipment	Payments on account	Total
Acquisition costs				
Balance at 01/01/2023	200,200	100,038	531	300,769
Currency translation	– 776	– 895	– 3	– 1,674
Additions	14,888	6,084	2,526	23,498
Transfers	184	1,148	– 1,332	0
Disposals	– 9,709	– 8,664	– 1	– 18,374
Balance at 12/31/2023	**204,787**	**97,711**	**1,721**	**304,219**
Cumulative depreciation and impairment				
Balance at 01/01/2023	107,768	79,110	0	186,878
Currency translation	– 577	– 817	0	– 1,394
Additions	14,921	7,590	0	22,511
Disposals	– 8,404	– 8,192	0	– 16,596
Balance at 12/31/2023	**113,708**	**77,691**	**0**	**191,399**
Net book values				
Balance at 12/31/2023	**91,079**	**20,020**	**1,721**	**112,820**

(12) Goodwill in EUR thousand

	2024	2023
Acquisition costs		
Balance at 01/01/	594,004	615,682
Currency translation	18,084	– 8,779
Additions	0	0
Disposals	0	– 12,899
Balance at 12/31/	**612,088**	**594,004**
Cumulative impairment		
Balance at 01/01 /	36,199	12,860
Currency translation	4,905	– 804
Additions	62,852	37,003
Disposals	0	– 12,860
Balance at 12/31	**103,956**	**36,199**
Net book values		
Balance at 12/31/	**508,132**	**557,805**

In the current financial year, goodwill impairments of EUR 62.9 million were recognized on the goodwill of the cash-generating unit CenBert. In the previous year, the impairment of EUR 37.0 million related to the cash-generating unit D2G.

Book value of goodwill in EUR thousand

	2024	2023
Cash generating units		
Industrial & Packaging	327,050	325,753
NBF	44,881	42,197
D2G	51,784	48,830
CenBert	82,417	139,025
XXLhoreca	2,000	2,000
	508,132	**557,805**

(13) Other intangible assets in EUR thousand

	Brands with undefined useful life	Customer lists	Other (purchase price allocation)	Software, licenses and similar rights	Payments on account	Total
Acquisition costs						
Balance at 01/01/2024	18,172	47,423	45,811	79,124	1,343	191,873
Currency translation	1,156	24	1,486	1,213	76	3,955
Changes in scope of consolidation	0	– 150	– 760	– 544	0	– 1,454
Additions	0	0	0	3,409	2,678	6,087
Transfers	0	0	0	1,284	– 1,284	0
Disposals	0	– 1,284	0	– 1,653	– 15	– 2,952
Balance at 12/31/2024	**19,328**	**46,013**	**46,537**	**82,833**	**2,798**	**197,509**
Cumulative amortization and impairment						
Balance at 01/01/2024	0	47,423	43,518	62,597	0	153,538
Currency translation	0	24	1,485	1,012	0	2,521
Changes in scope of consolidation	0	– 150	– 760	– 388	0	– 1,298
Additions	0	0	431	9,487	0	9,918
Impairment	0	0	0	0	588	588
Transfers	0	0	0	0	0	0
Disposals	0	– 1,284	0	– 1,616	0	– 2,900
Balance at 12/31/2024	**0**	**46,013**	**44,674**	**71,092**	**588**	**162,367**
Net book values						
Balance at 12/31/2024	**19,328**	**0**	**1,863**	**11,741**	**2,210**	**35,142**

As in the previous year, intangible assets were not subject to any restraints on disposal.

The acquired brands are reported at their book value as intangible assets with an indefinite useful life.

	Brands with undefined useful life	Customer lists	Other (purchase price allocation)	Software, licenses and similar rights	Payments on account	Total
Acquisition costs						
Balance at 01/01/2023	18,826	47,383	45,845	82,524	631	195,209
Currency translation	– 654	40	– 34	– 650	– 13	– 1,311
Additions	0	0	0	5,945	1,335	7,280
Transfers	0	0	0	610	– 610	0
Disposals	0	0	0	– 9,305	0	– 9,305
Balance at 12/31/2023	**18,172**	**47,423**	**45,811**	**79,124**	**1,343**	**191,873**
Cumulative amortization and impairment						
Balance at 01/01/2023	0	47,220	41,909	60,680	0	149,809
Currency translation	0	45	– 37	– 516	0	– 508
Additions	0	158	1,646	11,235	0	13,039
Impairment	0	0	0	433	0	433
Transfers	0	0	0	0	0	0
Disposals	0	0	0	– 9,235	0	– 9,235
Balance at 12/31/2023	**0**	**47,423**	**43,518**	**62,597**	**0**	**153,538**
Net book values						
Balance at 12/31/2023	**18,172**	**0**	**2,293**	**16,527**	**1,343**	**38,335**

The distribution on business units is as follows:

	Book values of brands with undefined useful life (in EUR thousand)	
	2024	2023
Business Unit		
NBF	7,200	6,769
Central	12,128	11,403
	19,328	**18,172**

Purchase commitments for intangible assets amount to EUR 460 thousand (EUR 196 thousand).

(14) Other financial assets in EUR thousand

	2024	2023
Investments in corporate entities	10,004	11,391
Investment in venture capital funds	1,492	1,942
Other	338	282
	11,834	**13,615**

(15) Deferred tax

Deferred tax on loss carry forwards in EUR thousand

	2024	2023
Deferred tax on loss carry forwards (gross)	13,035	7,169
Allowance	– 6,533	– 449
Deferred tax on loss carry forwards (net)	**6,502**	**6,720**

Expiration of impaired loss carry forwards in EUR thousand

	up to 1 year	1 to 5 years	over 5 years	unlimited	Total
2024	290	162	420	20,684	21,556
2023	1,281	730	310	0	2,321

In accordance with IAS 12.39, no deferred tax liabilities are recognized for retained earnings of subsidiaries, as TAKKT is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

No deferred tax liabilities have been calculated for retained earnings of foreign subsidiaries not intended for distribution of EUR 263,591 thousand (EUR 304,104 thousand). In the event of distribution, 5% of the profits would be subject to German taxation; foreign withholding taxes would apply if applicable. In addition, further income tax consequences would have to be taken into account when distributing the profits of a foreign subsidiary. Distributions would therefore generally result in additional tax expenses. Determining the taxable temporary differences would involve a disproportionate amount of effort.

Deferred tax assets and liabilities result from recognition and valuation differences for the following balance sheet positions:

Deferred tax assets and liabilities in EUR thousand

	Assets		Liabilities	
	2024	2023	**2024**	2023
Property, plant and equipment and other intangible assets	2,925	3,264	17,830	22,376
Goodwill	0	0	66,136	78,041
Other non-current assets	0	0	662	560
Inventories	3,563	4,027	16	159
Trade receivables and other assets	1,544	524	565	1,015
Non-current provisions	5,053	4,844	0	0
Current provisions	431	997	224	223
Financial liabilities	13,146	14,122	0	0
Other liabilities	4,342	4,975	11	26
Fair value of derivative financial instruments	110	259	295	38
Loss carry forwards	6,502	6,720	0	0
Subtotal	**37,616**	**39,732**	**85,739**	**102,438**
Netting	– 30,004	– 32,022	– 30,004	– 32,022
Consolidated balance sheet	**7,612**	**7,710**	**55,735**	**70,416**

Deferred taxes of EUR 101 thousand (EUR 101 thousand) were recognized on the fair value changes of investments recognized directly in equity. Deferred tax liabilities of EUR 185 thousand (deferred tax assets of EUR 235 thousand) on the market value of derivative financial instruments classified as cash flow hedges as well as deferred taxes of EUR 2,639 thousand (EUR 3,523 thousand) on actuarial gains and losses for the evaluation of pension provisions were recorded with no effect on profit and loss.

Of the deferred tax assets in the amount of EUR 7,612 thousand (EUR 7,710 thousand), EUR 1,309 thousand (EUR 761 thousand) relate to companies which generated losses in the year under review or the previous year. The recognition of deferred tax assets is based on the positive results of the rolling five-year budget of the respective company taking into account the future expectations as well as the specific business development respectively on the loss history in the past.

(16) Inventories in EUR thousand

	2024	2023
Raw materials and supplies	2,423	5,885
Work in progress	1,516	1,568
Finished goods and purchased merchandise	105,802	116,936
Assets for rights from customer returns	1,156	751
Payments on account	1,571	1,030
	112,468	**126,170**

An obsolescence reserve of EUR 10,972 thousand (EUR 11,521 thousand) has been made on finished goods and purchased merchandise, taking the expected sell-down period of the inventories into consideration. Intercompany profits of EUR 22 thousand (EUR 77 thousand) were eliminated. The valuation allowance changes included in the cost of materials resulted in income of EUR 947 thousand (EUR 1,518 thousand) due to the reduction in inventories.

(17) Trade receivables

Development of allowances on trade receivables in EUR thousand

	2024	2023
Balance at 01/01/	3,388	4,290
Additions	675	586
Release	– 783	– 1,477
Currency translation and other changes	56	– 11
Balance at 12/31/	**3,336**	**3,388**

TAKKT has not capitalized any overdue receivables that are not impaired. Further information on credit risk can be found in Section 4 Risk Management and Financial Instruments.

(18) Current other financial assets in EUR thousand

	2024	2023
Market value of derivative financial instruments	796	605
Bonus claims against suppliers	9,685	14,442
Other	3,377	2,933
	13,858	**17,980**

For better presentation, current other financial and non-financial assets are disclosed separately for the first time in the financial year. The previous year's figures have been adjusted accordingly.

(19) Current other receivables and assets in EUR thousand

	2024	2023
Other tax receivables	868	549
Deferred expenses	6,241	7,287
	7,109	**7,836**

For better presentation, current other financial and non-financial assets are disclosed separately for the first time in the financial year. The previous year's figures have been adjusted accordingly.

(20) Cash and cash equivalents in EUR thousand

	2024	2023
Checks, cash balances	27	356
Bank balances	8,104	5,231
	8,131	**5,587**

Bank balances comprises funds with a maturity of up to three months.

(21) Total equity

The fully paid-in share capital of TAKKT AG amounts to EUR 65,610,331 (EUR 65,610,331) as of December 31, 2024, and is divided into 65,610,331 (65,610,331) no-par-value bearer shares with a nominal value of EUR 1.00. The authorization granted by the Annual General Meeting on May 18, 2022 to acquire treasury shares until May 17, 2027 was used in the financial year.

On October 4, 2022, the Management Board passed a resolution on a share buy-back program of up to 1,968,309 shares for a total purchase price of up to EUR 25 million (excluding incidental costs) and a term from October 6, 2022 to June 30, 2023. On June 27, 2023, the buy-back program was extended until December 31, 2024.

From 1 January to December 31, 2024, 775,953 (327,187) shares were purchased on the stock exchange at an average price of 10.95 (13.36). The costs of the share buyback amounting to 12(21) after tax were offset against equity. The company may use the repurchased shares for all purposes in accordance with the authorization granted. In the financial year 2024, 13,980 (13,965) shares were issued to employees from treasury shares.

In accordance with the resolution of the Shareholders' Meeting amending the statutes on May 18, 2022, the Management Board is authorized until May 17, 2027, to increase the issued capital by an amount of up to EUR 32,805,165 (authorized capital) once or several times by issuing new no-par-value bearer shares, taking the subscription rights of the shareholders into account. With the approval of the Supervisory Board, the Management Board is, however, entitled to exclude residual amounts from the shareholders' statutory subscription right. No use was made of this authorization in 2024.

Retained earnings include earnings contributed by the Group, the consolidation adjustments and related deferred taxes affecting profit as well as the capital reserve of EUR 215,600 thousand (EUR 215,600 thousand), which is shown in the retained earnings with the offset goodwill from the capital consolidation from the spin-off balance sheet in 1999.

Other components of equity in EUR thousand

	Pension provisions	Equity instruments	Cash flow hedges	Tax	Foreign currency reserves	Total
Balance at 01/01/2023	**– 9,060**	**3,580**	**4,246**	**1,261**	**32,879**	**32,906**
Other comprehensive income	– 3,322	– 1,050	– 909	1,174	– 8,303	– 12,410
thereof currency translation effects	– 48	0	1	7	– 8,303	– 8,343
Transfer to retained earnings	0	0	0	0	0	0
Balance at 12/31/2023 / 01/01/2024	**– 12,382**	**2,530**	**3,337**	**2,435**	**24,576**	**20,496**
Other comprehensive income	2,498	– 1,386	1,418	– 1,304	12,959	14,185
thereof currency translation effects	25	0	– 1	– 3	12,959	12,980
Transfer to retained earnings	0	896	0	0	0	896
Balance at 12/31/2024	**– 9,884**	**2,040**	**4,755**	**1,131**	**37,535**	**35,577**

The shareholders have a claim to the unappropriated profits of TAKKT AG, provided that the latter is not excluded from distribution to the shareholders by law or the statutes of the company, by way of a shareholders' resolution, by a restriction on distribution or as additional charge to the retained earnings.

On the balance sheet date, TAKKT AG held 1,584,976 (823,003) treasury shares, which corresponds to an arithmetical share of EUR 1,585 thousand (EUR 823 thousand) in the share capital and 2.4 (1.3) percent of the share capital.

The Management Board and the Supervisory Board proposes to the Annual General Meeting to distribute a dividend of EUR 0.60 (EUR 1.00) per dividend-bearing share be distributed from the unappropriated profits of EUR 102,935 thousand for the 2024 financial year and that the remaining amount be carried forward to new account.

(22) Non-current and current financial liabilities in EUR thousand

	Remaining term			
	up to 1 year	**1 to 5 years**	**over 5 years**	**12/31/2024**
Liabilities to banks	28,344	33,000	0	61,344
Lease liabilities	14,640	34,433	7,740	56,813
Finance liabilities to affiliated companies	2,725	0	0	2,725
Other	113	1,174	0	1,287
	45,822	**68,607**	**7,740**	**122,169**
thereof long-term (maturity > 1 year)				76,347

	Remaining term			
	up to 1 year	**1 to 5 years**	**over 5 years**	**12/31/2023**
Liabilities to banks	25,906	20,000	0	45,906
Lease liabilities	14,199	32,732	10,738	57,669
Finance liabilities to affiliated companies	6,154	0	0	6,154
Other	436	1,434	0	1,870
	46,695	**54,166**	**10,738**	**111,599**
thereof long-term (maturity > 1 year)				64,904

The remaining terms of the liabilities to banks are equivalent to the terms of the respective utilized financing commitments. Additionally, TAKKT has unused credit lines amounting to EUR 188.2 million (EUR 212.7 million). Average net financial liabilities for the financial year amounted to EUR 125,165 thousand (EUR 126,551 thousand). Debt was weighted by months.

The liabilities to banks are unsecured. Lease liabilities primarily relate to office and warehouse buildings as well as vehicles. At the reporting date, the item Other includes TAKKT Performance Bonds issued to TAKKT Group executives.

(23) Pension provisions and similar obligations

For many employees of the TAKKT Group, different pension commitments are in place depending on the legal, economic and tax situation of the particular country, which usually take the length of service as well as salary or final salary of the employee into consideration. These include defined benefit as well as defined contribution pension plans that cover retirement, disability and surviving dependents. The pension provisions include obligations from current pensions as well as the present value of obligations for employee benefits payable in the future.

The key defined benefit pension plans that apply to the TAKKT Group relate to German companies and are in place for active and former members of the Management Board, executives and other employees. The resulting obligation is financed mostly through provisions.

Management Board members receive an entitlement for pension and survivors‘ benefits, with an annual contribution amounting to ten percent of the sum of the basic salary and the target bonus (with target achievement of 100 percent) under the Short Term Incentive Plan. Contributions are only granted as long as the individual is appointed to the Management Board. Interest of five percent p.a. is granted for the contributions set aside in the reporting year until the occurrence of the insured event, and six percent p.a. for older contributions. An entitlement to retirement benefits commences on the date of retirement, but not before reaching the age of 62. In the case of disability and death, the amount from the pension plan paid out or annuitized is equivalent to what would have been paid if contributions had been made up to the age of 63. Part of this commitment is hedged against insolvency using standard market products on the basis of a contractual trust agreement. The assets held by the trustee are plan assets.

For certain executives, pension commitments are in place that cover benefits upon reaching the age of 65, disability and widow’s / widower’s or orphan´s pension. The annual contribution to the pension plan is eight percent of the annual fixed income of the respective executive. The German Commercial Code (HGB) reference interest rate of the German Federal Bank is used for the annual interest yield of the respective capital account. Payments are made generally in installments or on request as an annuity. Pension payments are still being made to former members of the Management Board and executives based on a plan that has been discontinued.

For many of the other employees of the German Group companies, there is a pension plan in place that regulates retirement pension upon reaching the age of 65, disability as well as widow’s / widower’s and orphan’s pension. Depending on the completed years of service and the average remuneration of the last three work years subject to pension contributions and in accordance with the current valid works agreement, monthly fixed amounts in euros for each year of service will become due at the time of pension payout. In addition, specific employees have the option of converting salary into pension contributions. These amounts, which are referred to as deferred compensation, are converted into benefit components and paid out as pension benefits.

In Switzerland, in accordance with the BVG (Bundesgesetz über die berufliche Vorsorge; Swiss Federal Act on Occupational Retirement, Survivors´ and Disability Pension Plans), there are defined benefit pension plans for employees and executives, that cover retirement, disability and surviving dependents. The pension plans are financed by contributions from employees and the employer to a pension fund (collective foundation), that represent plan assets. Contributions as a percentage of the pensionable salary vary depending on salary and age. Payments are made annuitized or as a lump sum. To cover the pension claims, the plans are subject to minimum funding requirements from which future additional contribution obligations may arise.

In one Dutch company, there is a defined benefit pension plan in place for 3 (3) employees that covers retirement pension after the age of 65 as well as disability and widow's / widower's and orphan's pension. The amount of the pension is based on the employee's remuneration less the state pension plan. These pension commitments have been financed through contributions paid to an insurance company. Plan assets created in this process solely involve qualifying insurance policies. With effect on January 01, 2011, the underlying plan was discontinued. Claims arising afterwards are covered by a defined contribution plan.

The value of the pension provisions reported in the balance sheet is derived as follows:

Development of pension provisions in EUR thousand

	2024	2023
Present value of funded obligations	19,259	19,246
Present value of unfunded obligations	50,899	51,805
Total present value of obligations	**70,158**	**71,051**
Fair value of plan assets	– 16,597	– 16,498
Pension provision at 31.12.	**53,561**	**54,553**

For the pension plans described above, the following parameters classified as material are applied for the calculation of the present value of obligations:

Parameters in percent

	2024		2023	
	EUR	**CHF**	**EUR**	**CHF**
Actuarial interest rate	3.40	0.80	3.20	1.60
Salary trend	2.75	1.50	2.75	1.50
Pension trend	2.00	0.00	2.00	0.00

The actuarial interest rate is based on high-quality fixed-rate corporate bonds with a rating of at least AA from a recognized rating agency.

The weighted duration of the pension provisions as of December 31, 2024, is 16.2 (16.3) years.

All other commitments are not material and are determined using specific local accounting principles and parameters.

Development of pension provisions in EUR thousand

	Present value of obligation	Fair value of plan assets	Pension provisions
Balance at 01/01/2024	**71,051**	**16,498**	**54,553**
Current service cost	2,099	0	2,099
Past service costs and gains and losses on settlements and curtailments	0	0	0
Personnel expenses	**2,099**	**0**	**2,099**
Net interest expense	**2,047**	**333**	**1,714**
Actuarial gains (-) / losses (+) arising from changes in demographic assumptions	– 6	0	– 6
Actuarial gains (-) / losses (+) arising from changes in financial assumptions	– 414	0	– 414
Experience gains / losses	684	2,737	– 2,053
Changes to other components of equity	**264**	**2,737**	**– 2,473**
Effect of changes in foreign exchange rates	– 126	– 104	– 22
Contributions of plan participants	302	302	0
Contributions of employer	0	501	– 501
Benefit payments	– 5,479	– 3,670	– 1,809
Other effects	**– 5,303**	**– 2,971**	**– 2,332**
Balance at 12/31/2024	**70,158**	**16,597**	**53,561**

	Present value of obligation	Fair value of plan assets	Pension provisions
Balance at 01/01/2023	**65,024**	**14,000**	**51,024**
Current service cost	1,880	0	1,880
Past service costs and gains and losses on settlements and curtailments	651	948	– 297
Personnel expenses	**2,531**	**948**	**1,583**
Net interest expense	**2,142**	**397**	**1,745**
Actuarial gains (-) / losses (+) arising from changes in demographic assumptions	– 52	0	– 52
Actuarial gains (-) / losses (+) arising from changes in financial assumptions	3,703	0	3,703
Experience gains / losses	– 1,205	– 828	– 377
Changes to other components of equity	**2,446**	**– 828**	**3,274**
Effect of changes in foreign exchange rates	745	651	94
Contributions of plan participants	377	377	0
Contributions of employer	0	1,596	– 1,596
Benefit payments	– 2,214	– 643	– 1,571
Other effects	**– 1,092**	**1,981**	**– 3,073**
Balance at 12/31/2023	**71,051**	**16,498**	**54,553**

In addition to qualified insurance contracts (EUR 9,486 thousand, prior year EUR 10,287 thousand, without underlying active market), the plan assets contain securities funds (EUR 7,084 thousand, prior year EUR 6,205 thousand, with underlying active market) as well as cash (EUR 27 thousand, prior year EUR 6 thousand, with underlying active market). The plan assets do not include any of the Group's financial instruments or assets used by the Group. Employer contributions to plan assets are expected to come to EUR 520 thousand in 2025.

The following table shows the effect of changes in the parameters classified as significant, which are considered reasonably possible based on historical observations, on the present value of the defined benefit obligations. All other assumptions regarding the original calculation remain unchanged, i.e., possible interactions between the individual assumptions are not taken into account.
From the stated sensitivities, no linear development for the defined benefit obligation can be derived in the event of a change in the parameters.

Sensitivity analysis of present value of obligation in EUR thousand

	Present value of obligation	
	2024	2023
Actuarial interest rate		
Increase of 0.5 percentage points	65,063	66,001
Decrease of 0.5 percentage points	76,082	77,020
Salary trend		
Increase of 0.5 percentage points	70,472	71,376
Decrease of 0.5 percentage points	69,969	70,957
Pension trend		
Increase of 0.5 percentage points	72,820	73,474
Decrease of 0.5 percentage points	67,855	69,044
Mortality / Life expectancy		
Increase of 1 year	71,733	72,636
Decrease of 1 year	68,685	69,676

The following table shows the expected future pension benefit payments:

Expected maturity of pension benefits 2024 in EUR thousand

	2025	**2026 – 2029**	**2030 – 2034**
Expected payments	1,695	9,287	17,339

Expected maturity of pension benefits 2023 in EUR thousand

	2024	**2025 – 2028**	**2029 – 2033**
Expected payments	1,748	8,522	16,881

The risks associated with the defined benefit obligations relate to actuarial risks such as longevity as well as financial risks such as market price risks which influence the actuarial interest rate or inflation risks which could have an effect on the development of salary and pension trend. There is no intention to hedge these risks.

Defined Contribution Plans
Statutory pension insurance is an important component of retirement pension planning for most employees, especially in Germany. The employer contributions made to such insurance and recorded under Personnel expenses amounted to EUR 9,567 thousand (EUR 9,806 thousand) during the reporting period. The future level of such expenses largely depends on how the underlying pension insurance systems develop.

Some foreign companies, especially in the United States, have voluntary defined contribution plans for the payment of benefits after termination of employment. Affected US companies pay a pension contribution for their staff to an external fund after a certain time of service. Employer contributions depend on voluntary employee contributions and are limited to up to 4.0 (5.0) percent of the employee's salary. Moreover, there are plans for certain US companies, that can lead to further employer contributions to an external fund depending on the sales development of the respective company. The companies cannot derive any claims from their contribution payments; accordingly there are no plan assets to be capitalized by these companies. Expenses for defined contribution plans amounted to EUR 2,928 thousand (EUR 3,061 thousand) in the year under review.

(24) Non-current other and Current provisions

Development of Non-current other and Current provisions in EUR thousand

	01/01/	Currency translation	Changes in scope of conso-lidation	Usage	Transfers	Release	Additions	12/31/2024
Personnel obligations	7,247	9	0	– 1,050	– 11	– 3,338	1,161	4,018
Other	1,626	73	– 11	– 51	0	0	72	1,709
Long-term other provisions	**8,873**	**82**	**– 11**	**– 1,101**	**– 11**	**– 3,338**	**1,233**	**5,727**
Staff bonuses	11,136	210	– 37	– 10,434	11	– 570	5,335	5,651
Personnel obligations	1,841	72	– 127	– 1,167	0	– 36	1,796	2,379
Other	2,134	60	0	– 1,043	0	– 365	502	1,288
Short-term provisions	**15,111**	**342**	**– 164**	**– 12,644**	**11**	**– 971**	**7,633**	**9,318**

Non-current personnel obligations include obligations for early retirement part-time working arrangements amounting to EUR 2,266 thousand (EUR 2,347 thousand) and jubilee amounting to EUR 1,513 thousand (EUR 1,105 thousand).

Current personnel obligations exclusively include obligations from severance agreements.

(25) Trade payables and similar liabilities in EUR thousand

	2024	2023
Trade Payables	56,444	37,559
Liabilities from contracts with customers	14,451	10,875
Uninvoiced goods and services	23,617	16,712
	94,512	**65,146**

With regard to trade payables, most of the goods delivered are subject to customary ownership retention rights. Liabilities from contracts with customers contain customer payments on account and obligations from customer loyalty programs. The increase in liabilities from contracts with customers is due to the increased requirement for customers to pay in advance.

Liabilities from contracts with customers mainly include customer advance payments of EUR 13,775 thousand (EUR 10,406 thousand). These will result in sales in the following year. Obligations from customer loyalty programs are included at EUR 676 thousand (EUR 469 thousand). These are recognized as sales when the bonus points collected are redeemed by customers, which is expected over the next two years.

(26) Current other financial liabilities in EUR thousand

	2024	2023
Expected customer credit notes	2,531	3,264
Bonus liabilities to customers	2,880	2,460
Audit fees	889	927
Fair value of derivative financial instruments	404	844
Other	7,750	7,847
	14,454	**15,342**

For better presentation, current other financial and non-financial liabilities are disclosed separately for the first time in the financial year. The previous year's figures have been adjusted accordingly.

The item Other mainly includes debtors with credit balances.

Obligations from expected customer credit notes mainly result from refund liabilities.

(27) Current Other liabilities in EUR thousand

	2024	2023
Other tax payables	9,708	9,448
Personnel liabilities	4,771	5,940
Social security contributions	892	1,187
Other	3,205	2,874
	18,576	**19,449**

For better presentation, current other financial and non-financial liabilities are disclosed separately for the first time in the financial year. The previous year's figures have been adjusted accordingly.

The liabilities from other taxes mainly consist of VAT liabilities amounting to EUR 5,812 thousand (EUR 6,977 thousand).

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

In addition to the liquidity and credit risks, in the area of financial risks TAKKT is also exposed to both opportunities and risks from fluctuations in exchange rates and interest rates on international capital markets due to its international presence. The Group's risk management system covers the uncertainties of future development of financial markets accordingly. Derivatives are used to reduce these risks. With this strategy, the risk management system supports the Group's financial performance.

Financial instruments held by TAKKT are assigned to the IFRS 9 categories as follows:

Reconciliation of financial instruments to IFRS 9-categories as of December 31, 2024 in EUR thousand

	Financial instrument category				No IFRS 9 category	Reconciliation to balance sheet	Balance sheet item total
	Debt instruments and derivatives measured at fair value through profit and loss	Equity instruments measured at fair value through other comprehensive income	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost			
Non-current assets							
Debt instruments	1,492	0	0	0	-	-	
Equity instruments	0	10,005	0	0	-	-	
Other	0	0	337	0	-	-	
Other financial assets	1,492	10,005	337	0	0	0	11,834
Current assets							
Trade receivables	0	0	106,926	0	0	0	106,926
Other financial assets	18	0	13,062	0	778	0	13,858
Cash and cash equivalents	0	0	8,131	0	0	0	8,131
Assets	**1,510**	**10,005**	**128,456**	**0**			
Non-current liabilities							
Financial liabilities	0	0	0	34,174	42,173	0	76,347
Current liabilities							
Financial liabilities	0	0	0	31,182	14,640	0	45,822
Trade payables and similar liabilities	0	0	0	80,061	0	14,451	94,512
Other financial liabilities	271	0	0	14,050	133	0	14,454
Liabilities	**271**	**0**	**0**	**159,467**			

Reconciliation of financial instruments to IFRS 9-categories as of December 31, 2023 in EUR thousand

	Financial instrument category				No IFRS 9 category	Reconciliation to balance sheet	Balance sheet item total
	Debt instruments and derivatives measured at fair value through profit and loss	Equity instruments measured at fair value through other comprehensive income	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost			
Non-current assets							
Debt instruments	1,942	0	0	0	-	-	
Equity instruments	0	11,391	0	0	-	-	
Other	0	0	282	0	-	-	
Other assets	1,942	11,391	282	0	0	0	13,615
Current assets							
Trade receivables	0	0	115,289	0	0	0	115,289
Other financial assets	539	0	17,375	0	66	0	17,980
Cash and cash equivalents	0	0	5,587	0	0	0	5,587
Assets	**2,481**	**11,391**	**138,533**	**0**			
Non-current liabilities							
Financial liabilities	0	0	0	21,434	43,470	0	64,904
Current liabilities							
Financial liabilities	0	0	0	32,496	14,199	0	46,695
Trade payables and similar liabilities	0	0	0	54,271	0	10,875	65,146
Other financial liabilities	6	0	0	14,498	838	0	15,342
Liabilities	**6**	**0**	**0**	**122,699**			

The category Debt instruments and derivatives measured at fair value through profit and loss within non-current assets relates to an investment classified as debt instrument and within current assets and liabilities relates to derivatives which are to be classified as held for trading in accordance with IFRS 9. These derivatives are used exclusively for hedging purposes.

The equity instruments included in the category Equity instruments measured at fair value through other comprehensive income relate to investments in unlisted companies. They were designated as at fair value through Other comprehensive income as they are held strategically and not for trading.

The column 'No IFRS 9 category' includes mainly lease liabilities with a book value of EUR 56,813 thousand (EUR 57,669 thousand) as well as derivatives (cash flow hedges).

The calculation method used for all financial instruments measured at fair value relates to level 3 for the reporting year and the previous year, except for the valuation of derivatives, which is attributable to level 2.

The previous year's figures for Other financial assets and Other financial liabilities have been adjusted to reflect the change in balance sheet presentation.

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 thousand. The type and price indication of the last financing round are the main unobservable parameters for the investments in unlisted companies included here. The estimated fair value would generally increase (decrease) if the price of the last financing round were higher (lower).

	2024	2023
Balance at 01/01/	**13,333**	**13,666**
Addition	0	1,227
Fair value change recognized in profit or loss*)	– 450	– 510
Fair value change recognized in other comprehensive income	– 1,386	– 1,050
Disposals	0	0
Balance at 12/31/	**11,497**	**13,333**
*) Reported under other financial result, of which unrealized profit or loss relating to those financial instruments held at the reporting date	– 450	– 510

The negative fair value change recognized in Other comprehensive income results from the revaluation of two investment following a financing round. TAKKT no longer participated in these as an investor. In the previous year, the negative change in fair value recognized in Other comprehensive income also resulted from a financing round for one of these investments.

In the year under review, no reclassifications were made between the individual levels.

The book values of all financial instruments not carried at fair value in the balance sheet represent appropriate approximate values for fair values as of the closing date of the reporting period. Significant deviations between book values and fair values can arise with regard to financial liabilities from TAKKT performance bonds.

In this regard, the disclosures for these financial liabilities as of the closing date are as follows:

Financial liabilities by book value and fair value in EUR thousand

	Book Value 12/31/2024	Fair Value 12/31/2024	Book Value 12/31/2023	Fair Value 12/31/2023
Other liabilities	1,287	1,355	1,870	2,035

The 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 cash flow-method.

The net result of the financial instrument categories recognized in the income statement is broken down as follows:

Net result of the financial instruments categories in EUR thousand

	From interest	At fair value	Currency translation	Valuation allowance	2024
Debt instruments and derivatives measured at fair value through profit and loss	0	– 1,167	0	0	– 1,167
Financial assets measured at amortized cost	112	0	1,811	– 1,206	717
Financial liabilities measured at amortized cost	– 4,395	0	– 151	0	– 4,546
	– 4,283	**– 1,167**	**1,660**	**– 1,206**	**– 4,996**

	From interest	At fair value	Currency translation	Valuation allowance	2023
Debt instruments and derivatives measured at fair value through profit and loss	0	– 38	0	0	– 38
Financial assets measured at amortized cost	123	0	1,078	– 831	370
Financial liabilities measured at amortized cost	– 4,934	0	– 191	0	– 5,125
	– 4,811	**– 38**	**887**	**– 831**	**– 4,793**

Credit risk

TAKKT is exposed to credit risk both from operating business as well as from financial instruments. Credit risk in the operating business results from possible write-offs due to customer default. The possible loss cannot exceed the book value of the receivable from an individual customer. Given the high number of existing customer relationships, the risk can generally be seen as being comparatively low. As a result of the strong diversification of the customer structure, there is no exceptional concentration of risk in the operating business.

TAKKT uses a two-stage model to determine the expected credit losses on trade receivables. Classification is based on days overdue and the debtor's creditworthiness.

- Receivables with a maturity of up to six months are assigned to level 2 of the impairment model in accordance with IFRS 9. The impairment is calculated using a flat-rate impairment rate derived from the historical default rates of recent years. This method is based on the assumption that there is no significant deterioration in credit quality within this period.
- Receivables that are more than six months overdue or are already in debt collection or insolvency proceedings are allocated to level 3. Increased impairment rates are applied to these receivables, which are calculated on the basis of historical experience. These higher rates reflect the increased default risk of such receivables.

The model is based on a combination of historical data, current economic conditions and forward-looking estimates. The applied historical default rates and impairment rates are regularly reviewed and adjusted as needed to ensure they adequately reflect not only past developments, but also current and future macroeconomic developments. This regular review ensures that the impairment model provides a realistic assessment of current credit risks and does not only take past-oriented values into account.

However, a possible prolonged weakening of economic dynamics and high inflationary pressure may lead to higher default risks for TAKKT's receivables. Due to an intensive receivables management with consistent creditworthiness assessments prior to transactions as well as a stringent dunning process, in the financial year write-offs on trade receivables are very low at 0.1 (0.1) percent of sales and have remained at this level in the past regardless of economic developments.

Risks of write-offs are accounted for by customary ownership retention rights for goods delivered and by creating allowances. Derecognized receivables may still be subject to enforcement measures in individual cases.

A forecast on the development of customers' creditworthiness is associated with high uncertainties. For the financial year 2025, a deterioration in the payment behaviour of 5customers is generally not expected.

Trade receivables in EUR thousand

	01/01/2024	Currency translation	Changes in scope of consolidation	Other changes	12/31/2024
Nominal value of receivables	118,677	2,603	– 69	– 10,949	110,262
Valuation allowances	– 3,388	– 56	0	108	– 3,336
Book value of receivables	**115,289**	**2,547**	**– 69**	**– 10,841**	**106,926**

	01/01/2023	Currency translation	Changes in scope of consolidation	Other changes	12/31/2023
Nominal value of receivables	140,185	– 783	0	– 20,725	118,677
Valuation allowances	– 4,290	11	0	891	– 3,388
Book value of receivables	**135,895**	**– 772**	**0**	**– 19,834**	**115,289**

The following table shows information on the estimated default risk and the expected credit losses for trade receivables, taking into account the two-stage model applied:

Estimate of expected credit losses as at December 31, 2024 in EUR thousand

	Nominal value of receivables	Expected Credit Loss-Allowance	Book value of receivables	Allowance rate
Receivables with portfolio-based impairment	103,912	1,362	102,550	1.3%
Receivables with objective evidence of impairment	6,350	1,974	4,376	31.1%
	110,262	**3,336**	**106,926**	**3.0%**

Estimate of expected credit losses as at December 31, 2023 in EUR thousand

	Nominal value of receivables	Expected Credit Loss-Allowance	Book value of receivables	Allowance rate
Receivables with portfolio-based impairment	112,108	1,419	110,689	1.3%
Receivables with objective evidence of impairment	6,569	1,969	4,600	30.0%
	118,677	**3,388**	**115,289**	**2.9%**

A credit risk also exists for other financial receivables, derivative financial instruments and bank balances. It consists of the risk of default of a contractual partner. For derivative financial instruments, the maximum risk is therefore the amount of the recognized positive fair values less the negative fair values with the same contractual partner.

Since financial transactions are only concluded and maintained with counterparties with good creditworthiness, the actual risk of default can be considered as rather low. Risk concentrations in the finance area are avoided by broadly spreading transactions and deals among a number of banks with good ratings. The banks' creditworthiness is checked continuously.

The risk of default for bonus receivables from suppliers is also considered low, as there is a possibility of recourse to the company's own liabilities to suppliers.

Liquidity risk

Liquidity risk is understood as the risk of not being able to meet payment obligations at any time. The following table lists the contractually agreed interest payments and repayments from original financial liabilities as well as incoming and outgoing payments from derivative financial liabilities and assets at December 31, 2024. There were no financial guarantees. Foreign currency amounts were translated into the reporting currency euro at the respective closing rate at the reporting date.

Maturity analysis as of December 31, 2024 in EUR thousand

	Cash flow 2025	Cash flow 2026	Cash flow 2027 – 2029	Cash flow 2030 – 2034	Cash flow 2035...
Original financial liabilities					
Liabilities to banks	– 28,344	0	– 33,108	0	0
Lease liabilities	– 16,359	– 14,497	– 22,982	– 6,331	– 2,431
Finance liabilities to affiliated companies	– 2,725	0	0	0	0
Trade payables and similar liabilities	– 80,061	0	0	0	0
Other liabilities	– 14,163	– 618	– 720	0	0
Derivative financial liabilities					
Outgoing payments	– 70,254	0	0	0	0
Connected incoming payments	69,850	0	0	0	0

Maturity analysis as of December 31, 2023 in EUR thousand

	Cash flow 2024	Cash flow 2025	Cash flow 2026 – 2028	Cash flow 2029 – 2033	Cash flow 2034...
Original financial liabilities					
Liabilities to banks	– 26,034	0	– 20,000	0	0
Lease liabilities	– 15,760	– 11,834	– 24,468	– 8,499	– 3,597
Finance liabilities to affiliated companies	– 6,154	0	0	0	0
Trade payables and similar liabilities	– 54,271	0	0	0	0
Other liabilities	– 14,939	0	– 1,781	0	0
Derivative financial liabilities					
Outgoing payments	– 41,351	0	0	0	0
Connected incoming payments	40,507	0	0	0	0

TAKKT has considerable unused short- and long-term credit lines with a number of German and international banks amounting to EUR 188.2 million (EUR 212.7 million). Thus, the liquidity risk resulting from the maturities is largely negligible.

Market price risk

The term ‘market price risk’ relates to the risk that the fair value or the future cash flows of a financial instrument change due to fluctuations in market prices. In the case of TAKKT, market price risk mainly comprises currency and interest rate risks. In the following paragraphs, for each type of risk, the financial instruments on the books at the reporting date will be described in detail.

The following sensitivity analyses of market price risks show which effects on profits and equity there would have been if financial instruments recorded at the closing date had been affected by hypothetical changes in different relevant risk variables. The assumption is that the volume of financial instruments at the closing date was representative for the full year and that the assumed changes in risk variables at the closing date were reasonable.

Currency risk

The table below shows the hedged nominal volumes and the market values of the respective currency hedges. As in the previous year, contracts have maturities of up to one year. No netting of currency derivatives was undertaken. Global netting agreements, which provide for the offsetting of mutual receivables and liabilities existing at that time in the event of default, existed for derivative financial instruments with a market value of EUR 152 thousand (EUR 133 thousand).

Currency hedging in EUR thousand

	Nominal value		Market value	
	2024	2023	**2024**	2023
Assets				
Currency derivatives designated as cash flow hedges	33,699	9,785	778	66
Currency derivatives without hedge accounting	4,630	53,244	18	539
Liabilities				
Currency derivatives designated as cash flow hedges	8,609	38,344	– 133	– 838
Currency derivatives without hedge accounting	61,218	2,658	– 271	– 6
	108,156	**104,031**	**392**	**– 239**

Currency derivatives designated as cash flow hedges

TAKKT is exposed to currency risks because a limited volume of purchases and sales of products and services (less than ten percent of consolidated sales) is in different currencies. The expected net foreign currency cash flows within the TAKKT Group are hedged using forward foreign exchange contracts for a period of 12 months at an average of 50% on a rolling basis. The existence of an economic hedging relationship is documented and the effectiveness of the hedging relationship is assessed prospectively. The critical terms match method is used for currency hedges, as the currencies, terms and amounts for the planned transactions and forward exchange transactions are closely aligned. The currency instruments can be designated as effective cash flow hedges and were not associated with any significant ineffectiveness until the balance sheet date. Exchange rate differences of the underlying currencies impact other components of equity through changes in the fair value of the hedge instruments. They are therefore considered in equity-related sensitivity calculations.

In the 2024 financial year, gains after deferred taxes totaling EUR 460 thousand (losses of EUR 538 thousand) resulting from changes in the fair values of foreign exchange derivatives were recorded in Other comprehensive income without affecting profit. These changes in valuation represent the effective part of the hedge relationship. In addition, losses of EUR 538 thousand (gains of EUR 112 thousand) recorded in Other comprehensive income were transferred to the statement of income (under Other operating expenses). With the payments taking place within the next twelve months, TAKKT expects that losses recorded in Other comprehensive income amounting to EUR 460 thousand after deferred taxes will be transferred to the statement of income.

Broken down by currency, the designated transactions underlying the cash flow hedges have the following maturities:

Nominal volume of hedging instruments in EUR thousand

	2024		2023	
	Cash flow 2025	**Cash flow 2026…**	**Cash flow 2024**	**Cash flow 2025…**
CAD	5,452	0	6,195	0
CHF	15,544	0	18,877	0
CZK	1,243	0	1,174	0
DKK	555	0	845	0
GBP	8,840	0	7,740	0
HUF	1,331	0	1,295	0
NOK	786	0	1,030	0
PLN	800	0	376	0
RON	832	0	669	0
SEK	909	0	3,197	0
USD	– 6,016	0	– 6,732	0

The average hedging rates are 0.9219 EUR/CHF, 1.0913 EUR/USD and 0.8471 EUR/GBP.

Currency derivatives without hedge accounting

Intercompany loans involving more than one currency are hedged with forward foreign exchange contracts. This locks in prices for intercompany financing transactions. Accordingly, the Group is not exposed to any risk from exchange rate movements. While the individual company can establish a relationship between the derivative instrument and the underlying transaction, the underlying transaction is eliminated in the context of the Group's debt consolidation. From the Group's perspective, the derivative is therefore no longer used for hedging purposes. Fluctuations in exchange rates in the underlying currencies trigger changes in market values with regard to the derivatives and the related intercompany loans causing counteracting changes in Other finance result and are therefore included in the profit-based sensitivity calculation.

As operating transactions at the level of the individual companies are generally carried out in the respective functional currency, there are only a small number of foreign currency receivables or liabilities against third parties. These may be hedged economically in the form of forward foreign exchange transactions. The resulting foreign currency risk is correspondingly low.

Fluctuations in exchange rates of the underlying currencies lead in receivables or payables as well as in any associated derivatives to counteracting fluctuations in profit through changes in market value and are included in the profit-based sensitivity calculation.

No fair value hedge accounting is applied for these economic hedges.

The following table lists the effects of a theoretical change in the EUR / CHF, EUR / USD and EUR / GBP exchange rates on the profit before tax as well as on equity at the reporting date. Other exchange rate fluctuations have no material effect on profit or equity. Influences on the balance sheet and consolidated statement of comprehensive income resulting from the translation of separate financial statements into the reporting currency euro (known as translation risks) are not included.

Sensitivity analysis for currency fluctuations in EUR thousand

12/31/2024	Increase / decrease	Effect on profit before tax	Effect on shareholders' equity without impact on profits
EUR / CHF	+10%	-1.886	+1.548
EUR / CHF	-10%	+1.886	-1.548
EUR / USD	+10%	+112	-591
EUR / USD	-10%	-112	+591
EUR / GBP	+10%	+298	+865
EUR / GBP	-10%	-298	-865

12/31/2023	Increase / decrease	Effect on profit before tax	Effect on shareholders' equity without impact on profits
EUR / CHF	+10%	– 244	+1.874
EUR / CHF	-10%	+244	– 1,874
EUR / USD	+10%	+19	– 571
EUR / USD	-10%	– 19	+571
EUR / GBP	+10%	– 28	+713
EUR / GBP	-10%	+28	– 713

Interest rate risk

As part of its hedging policy, TAKKT generally aims for a hedging ratio of 60 to 80 per cent of the total financing volume for interest rate risks.

In addition to financing via lease liabilities, which are not subject to interest rate risk, the TAKKT Group finances itself primarily via bilateral credit lines, which are generally utilised on a revolving basis with a short-term fixed interest rates and are therefore subject to interest rate risk.

Due to the short-term utilisations, TAKKT has the flexibility to use the free cash flow to reduce these bank liabilities and thus also to reduce the interest rate risks.

As a result, these utilisations were not hedged using interest rate swaps in the financial year and in the previous year.

Floating rate financial instruments are included in the profit-related sensitivity calculation since interest rate changes affect the financial result.

Non-interest-bearing financial instruments (e. g. trade receivables and payables) are generally not subject to interest rate risks. Only if changes in market interest rates have an influence on financial instruments recognized at fair value they are considered in the sensitivity calculation.

The following table lists the sensitivity of the profit before tax and equity in case of a theoretical change in the level of market interest rates relating to the financial instruments at the closing date which would have been exposed to such a change in the interest rate level. Fluctuations in interest rates in currency areas other than those shown do not have a significant impact on the profit or equity. Financial instruments with a fixed interest rate and a remaining term of less than one year are included in the analysis. It is assumed, that the level is representative for the whole year and that the assumed change of the market interest level was possible.

Sensitivity analysis for interest rate fluctuations in EUR thousand

12/31/2024	Increase / decrease in basis points	Effect on profit before tax	Effect on shareholders' equity without impact on profits
EUR	+100/–100	-544/+544	-107/+107
CHF	+100/–100	-15/-15	+68/-68
USD	+100/–100	-3 / +3	-43/+44
GBP	+100/–100	-34/+34	+35/-35

12/31/2023	Increase / decrease in basis points	Effect on profit before tax	Effect on shareholders' equity without impact on profits
EUR	+100/–100	-63/+63	-83/+84
CHF	+100/–100	+5 / -5	+36/-36
USD	+100/–100	-20/+19	-26/+26
GBP	+100/–100	-13/13	+17/-17

5. OTHER NOTES

Notes to the statement of cash flows

The statement of cash flows has been derived from the consolidated financial statements of the TAKKT Group and prepared in accordance with IAS 7 Statement of Cash Flows. It shows changes in cash and cash equivalents during the financial year on the basis of cash transactions. Cash flows are reported separately according to source and application of funds into operating, investing, and financing activities. The Cash flow from operating activities is presented using the indirect method, while the cash flow from investing and financing activities is presented using the direct method. To adjust for exchange rate effects, the individual items of the opening balance were translated at the respective exchange rates at the closing date. These figures were compared with the closing statement of the financial position.

Capital expenditure relates mainly to maintenance, expansion and modernization of the business. The cash inflows from the disposal of property, plant and equipment and intangible non-current assets in the previous year mainly resulted from the sale of an office property of a subsidiary in France.

Cash flow from operating activities declined slightly to EUR 93,863 thousand (EUR 106,441 thousand). As in the previous year, TAKKT focused on targeted measures to improve the cash conversion cycle by optimizing various net working capital items. As a result, the cash inflow in net working capital increased to EUR 53,567 thousand (EUR 20,440 thousand). Through a comprehensive approach and a broad package of measures, TAKKT was able to achieve relevant improvements in the reduction of inventories amounting to EUR 18,790 thousand, the decrease in trade receivables by EUR 9,635 thousand and the increase in trade payables and similar liabilities by EUR 27,333 thousand. In the previous year, the cash inflow from inventories (EUR 35,196 thousand) and trade receivables (EUR 19,028 thousand) was offset by a cash outflow from the reduction of trade payables and similar liabilities (EUR 30,214 thousand). The higher release of net working capital thus compensated for part of the negative cash flow effect from the lower EBITDA.

The cash flow from operating activities includes interest receipts of EUR 112 thousand (EUR 123 thousand) and interest payments of EUR 6,325 thousand (EUR 6,754 thousand). In 2024, income taxes of EUR 7,598 thousand (EUR 16,566 thousand) were paid.

Cash flow from financing activities includes payments from transactions with owners as well as payments from changes in financial liabilities. The transactions with owners are related to the distribution of dividends to the shareholders of the TAKKT AG in the amount of EUR 64,628 thousand (EUR 65,059 thousand), the share buy-back with EUR 8,516 thousand (EUR 4,403 thousand) and the issue of employee shares totalling to EUR 139 thousand (EUR 137 thousand). The cash-effective changes of the financial liabilities concern the incoming and outgoing payments in order to borrow or repay financial liabilities.

The following table shows both the cash and non-cash changes in financial liabilities in EUR thousand:

	01/01/2024	Payment effective change	Non-cash change				12/31/2024
			Currency translation	Additions leasing	Changes in scope of consolidation	Other	
Liabilities to banks	45,906	11,484	3,954	0	0	0	61,344
Lease liabilities	57,669	– 14,655	1,638	14,681	– 260	– 2,260	56,813
Finance liabilities to affiliated companies	6,154	– 3,429	0	0	0	0	2,725
Other	1,870	– 633	0	0	0	50	1,287
	111,599	**– 7,233**	**5,592**	**14,681**	**– 260**	**– 2,210**	**122,169**

	01/01/2023	Payment effective change	Non-cash change			12/31/2023
			Currency translation	Additions leasing	Other	
Liabilities to banks	55,083	– 7,773	– 1,404	0	0	45,906
Lease liabilities	63,437	– 19,195	– 493	14,786	– 866	57,669
Finance liabilities to affiliated companies	3,762	2,339	53	0	0	6,154
Other	1,967	– 197	0	0	100	1,870
	124,249	**– 24,826**	**– 1,844**	**14,786**	**– 766**	**111,599**

Cash and cash equivalents include checks, cash on hand and bank balances with a term of up to three months and comprise the balance sheet item Cash and cash equivalents. These were not netted off against short-term financial liabilities. The cash and cash equivalents are not subject to any restrictions on disposal.

Notes to the segment reporting

Segment reporting 2024 of the TAKKT Group in EUR thousand

	Industrial & Packaging	Office Furniture & Displays	Food Service	Segments total	Others	Consoli-dation	Group total
Sales to third parties	589,504	233,841	229,545	1,052,890	0	0	1,052,890
Inter-segment sales	14	15	0	29	0	– 29	0
Segment sales	589,518	233,856	229,545	1,052,919	0	– 29	1,052,890
Gross margin	252,656	100,666	60,551	413,873	0	0	413,873
in % of sales	42.9%	43.0%	26.4%	39.3%			39.3%
EBITDA	62,686	12,739	– 617	74,808	– 19,118	0	55,690
in % of sales	10.6%	5.4%	– 0.3%	7.1%			5.3%
Adjustments	6,847	2,843	763	10,453	6,624	0	17,077
EBITDA adjusted	69,533	15,582	146	85,261	– 12,494	0	72,767
in % of sales	11.8%	6.7%	0.1%	8.1%			6.9%
Free Cashflow	61,697	14,786	17,871	94,354	– 26,297	0	68,057
Segment assets	620,987	183,834	260,300	1,065,121	309,134	– 451,522	922,733
investment in non-current assets	8,391	1,939	1,092	11,422	429	0	11,851

The most important management indicators for the TAKKT Group are the key financial figures of sales, gross profit margin, adjusted EBITDA margin and free cash flow.

The adjustments line item includes one-time expenses resulting in 2024 from severance payments as a result of structural adjustments (EUR 12,129 thousand), an effect from the sale of Mydisplays GmbH (EUR 1,428 thousand) and other non-operating effects (EUR 3,520 thousand). In the previous year, this item included costs for severance payments (EUR 1,705 thousand) and other non-operating effects (EUR 1,342 thousand), which were partially offset by a one-time income from the sale of a property (EUR 1,612 thousand).

Free cash flow is calculated as follows (in EUR thousand):

	2024	2023
Cash flow from operating activities	**93,863**	**106,441**
Capital expenditure on Property, plant and equipment and intangible assets	– 11,851	– 15,902
Proceeds from disposal of Property, plant and equipment and intangible assets	700	2,612
Repayments of Lease liabilities	– 14,655	– 19,195
Free Cashflow	**68,057**	**73,956**

Segment reporting 2023 of the TAKKT Group in EUR thousand

	Industrial & Packaging	Office Furniture & Displays	Food Service	Segments total	Others	Consoli-dation	Group total
Sales to third parties	672,883	281,525	285,610	1,240,018	0	0	1,240,018
Inter-segment sales	26	108	0	134	0	– 134	0
Segment sales	672,909	281,633	285,610	1,240,152	0	– 134	1,240,018
Gross margin	286,804	126,185	80,425	493,414	0	0	493,414
in % of sales	42.6%	44.8%	28.2%	39.8%			39.8%
EBITDA	90,629	26,401	15,399	132,429	– 20,565	0	111,864
in % of sales	13.5%	9.4%	5.4%	10.7%			9.0%
Adjustments	– 225	211	849	835	600	0	1,435
EBITDA adjusted	90,404	26,612	16,248	133,264	– 19,965	0	113,299
in % of sales	13.4%	9.4%	5.7%	10.7%			9.1%
Free Cashflow	63,998	26,800	14,688	105,486	– 31,530	0	73,956
Segment assets	646,790	178,091	247,541	1,072,422	329,030	– 394,630	1,006,822
Investment in non-current assets	10,625	2,600	2,207	15,432	470	0	15,902

Segment reporting by geographical region 2024 of the TAKKT Group in EUR thousand

	Germany	Europe without Germany	USA	Other	Group total
Sales to third parties	215,843	393,741	427,788	15,518	1,052,890
Non-current assets*	347,720	70,962	231,264	38	649,984

* Non-current assets excluding financial instruments and deferred tax assets.

Segment reporting by geographical region 2023 of the TAKKT Group in EUR thousand

	Germany	Europe without Germany	USA	Other	Group total
Sales to third parties	258,308	435,177	529,752	16,781	1,240,018
Non-current assets*	362,083	70,712	276,135	30	708,960

* Non-current assets excluding financial instruments and deferred tax assets.

Within the scope of segment reporting under IFRS 8 Operating Segments, the activities of the TAKKT Group are broken down according to the organizational structure. The breakdown is carried out according to the management approach. Correspondingly, segment reporting is presented on the basis of internal reporting to the Management Board of TAKKT AG as the chief operating decision maker. The reportable segments follow the organizational structure and correspond to the focus on three business models for three product categories and sales markets. The fundamental segment result for controlling purposes is the EBITDA.

The Group addresses the market through the following three segments: Industrial & Packaging, Office Furniture & Displays and FoodService. Each segment has a focused product portfolio that is primarily focused on a specific working environment. TAKKT AG coordinates and is responsible for supporting group functions such as IT, logistics, HR and finance.

Segment reporting uses the same accounting standards as the consolidated financial statements. Intra-group transfers are valued at internal prices calculated on the basis of the cost-plus method and checked for plausibility using an arm's-length comparison wherever possible. This cost-plus method complies with OECD (Organization for Economic Co-operation and Development) principles. The same system was used in the previous year.

Investment in non-current segment assets comprises additions to Property, plant and equipment, to Other intangible assets and to long-term financial assets.

The product portfolio of the **Industrial & Packaging** segment is focused on the working environment of the factory floor or warehouse in the manufacturing industry and logistics. This includes the following mainly European sales brands:

Kaiser+Kraft, Gerdmans and Runelandhs, which offer products for transportation, plant, warehouse and office equipment in more than twenty countries in Europe. Customers include industrial enterprises as well as companies from the areas of service and retail and public bodies.

As packaging specialists, Ratioform and Davpack offer different articles in six European countries for companies in different industries.

OfficeFurnitureOnline and BiGDUG offer office furniture and equipment such as desks, chairs, cabinets or workbenches to small and medium-sized companies, especially in Great Britain.

The product portfolio of the **Office Furniture & Displays** segment is geared towards the working world of service providers. This includes, for example, office equipment for everyday use in the company or for work at home. This includes the following brands, which are mainly active in the USA:

National Business Furniture and OfficeFurniture.com offer products in the area of office equipment. In addition to companies, its customers include government agencies, the health care sector, schools and churches.

Displays2go offers approximately 13,000 merchandising products in the US, including advertising banners, digital display stands, mobile trade booths and stand-up displays. Mydisplays, which offered a similar range in Germany, was sold on December 31, 2024.

The product portfolio of the **FoodService** segment is geared towards the working world of hotels, restaurants and catering. The segment offers, among other things, products that are required for the preparation and presentation of food and groceries. This includes the following brands with a focus on North America:

Hubert, Retail Resource and Central Restaurant Products sell equipment for the food service sector and food retailers. The customers include large canteens, catering businesses and restaurant operators.

XXLhoreca, based in the Netherlands, is a specialized e-commerce retailer in catering equipment and mainly supplies hotels, restaurants, canteens and catering companies.

The segment reporting´s column **Others** discloses TAKKT AG, in which the key functions of the Group are concentrated, TAKKT America Holding, TAKKT CC and TAKKT Beteiligungsgesellschaft with its investments in start-ups, which do not satisfy the definition of a reportable segment according to IFRS 8 Operating Segments.

Geographical information
Sales to third parties are allocated according to customer location; non-current assets are allocated according to where the owning unit is located.

No single external customer contributed 10 percent or more to sales in financial year 2024 or the previous year.

Leasing

Book values in connection with leases in EUR thousand

	12/31/2024	12/31/2023
Recognized under property, plant and equipment		
Land, buildings and similar assets	45,805	48,782
Plant, machinery and equipment	530	817
	46,335	**49,599**
Recognized under financial liabilities		
Non-current lease liabilities	42,173	43,470
Current lease liabilities	14,640	14,199
	56,813	**57,669**

Additions to right-of-use assets for financial year 2024 amounted to EUR 14,566 thousand (EUR 14,789 thousand). Of this amount, EUR 14,420 thousand (EUR 14,191 thousand) related to additions to right-of-use assets for buildings and EUR 146 thousand (EUR 598 thousand) to additions to right-of-use assets for vehicles.

Income and Expenses in connection with leases in EUR thousand

	2024	2023
Scheduled depreciation of right-of-use assets for land, buildings and similar assets	13,036	12,747
Scheduled depreciation of right-of-use assets for plant, machinery and equipment	387	485
Impairment of right-of-use assets	63	414
Interest expenses of lease liabilities	2,911	1,890
Expenses for variable lease payments not included in lease liabilities	35	124
Expenses for short-term leases (12 months or less, other than real estate)	636	842
Expenses for leases of low-value assets, excluding short-term leases	217	284
Expenses	**17,285**	**16,786**
Income from sub-leasing of rights of use	273	194
Income	**273**	**194**

Total lease payments in 2024 amounted to EUR 18,454 thousand (EUR 22,335 thousand).

Payments for variable lease liabilities as well as payments for short term and low value leases of EUR 888 thousand (EUR 1,250 thousand) and interest payments on lease liabilities of EUR 2,911 thousand (EUR 1,890 thousand) are recognized in cash flow from operating activities. The repayment of lease liabilities of EUR 14,655 thousand (EUR 19,195 thousand) is recognized in cash flow from financing activities.

TAKKT leases various office and warehouse buildings as well as vehicles. Lease agreements are generally concluded for fixed periods of between 12 months and 10 years but may include extension and termination options. As of December 31, 2024, possible future cash outflows of EUR 48,522 thousand (EUR 58,671 thousand) were not taken into consideration for the measurement of lease liabilities as it is not reasonably certain that these leases will be extended respectively termination options will not be exercised. The future obligations arising from leases already concluded but not commenced as of December 31, 2024, amounts to EUR 3,948 thousand (EUR 288 thousand).

Contingent liabilities and receivables

As in prior year, material contingent liabilities and receivables do not exist.

Capital management

The overriding goal of the TAKKT Group's capital management is to optimize and maintain a solid capital structure in order to secure the necessary flexibility and scope for value-adding investments. Total equity and net financial liabilities constitute the basic values for the capital management. Capital management methods generally include instruments such as dividend payments and measures relating to equity and debt financing. TAKKT is not subject to any external minimum capital requirements.

The capital structure is assessed using internally established covenants. TAKKT has set internal limits for each of these key figures. For each of these key figures, TAKKT has internally determined thresholds. The Group's total equity ratio target is between 30 and 60 percent. For gearing, the long-term target is below 1.5. The target for the debt repayment period is less than five years. For the interest cover ratio, another index for the company's financial stability, the aim is a figure above four. The Management Board is regularly informed about the development of these key figures.

Sale of subsidiary

The sale of 100% of the shares in the German Group company Mydisplays GmbH, Burscheid, in the Office Furniture & Displays segment to Towergroup GmbH, Würzburg, was completed on December 31, 2024. Including the cash and cash equivalents of EUR 6 thousand held by the sold company, the cash amount for the sale was EUR 109 thousand. As a result of the sale, assets of EUR 2,474 thousand and liabilities of EUR 931 thousand were removed from the balance sheet as at December 31, 2024. The deconsolidation expense recognized in other operating expenses amounted to EUR 1,428 thousand.

Events after the reporting period

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

Staff participation model

Executives of the TAKKT Group have the option of subscribing for TAKKT Performance Bonds. The term of the TAKKT Performance Bonds is five years. Premature termination is only permitted in specific cases. The interest rate of the subordinated TAKKT Performance Bonds is calculated annually. It includes a basic interest yield plus a subordination premium, plus a positive respectively minus a negative TAKKT value added spread. The minimum yield is zero percent per annum. The maximum yearly yield is capped at 12%. The TAKKT value added is defined as the difference between the operating profit after tax generated by the company and the cost of capital on the average capital employed. The profit after taxes is defined as EBIT (adjusted for amortization and impairment of intangible assets from the acquisition of companies), reduced or increased by the Income tax expense / income and increased by the Other financial result.

The TAKKT Performance Bonds amount to EUR 1,287 thousand (EUR 1,870 thousand) and are disclosed as Other under Financial liabilities. An interest expense of EUR 50 thousand (EUR 100 thousand) was posted in the year under review. In the reporting year 2020, the subscription option was suspended once.

Additionally, German employees had again the opportunity to purchase employee shares in the year under review. Shares were sold to employees for this purpose in spring 2024.

In total, 13,980 (13,965) shares were acquired by 305 (298) employees. This corresponds to a participation of 24.1 (24.3) percent of all eligible persons.

German corporate governance code

The declaration on the recommendations made by the Government Commission of the German Corporate Governance Code required under section 161 AktG was issued as of December 31, 2024, and made available to the shareholders on the website of TAKKT AG (https://www.takkt.de/investoren/corporate-governance).

Related entities transactions

Related entities in the sense of IAS 24 include the TAKKT Group's associated companies and the majority shareholder Franz Haniel & Cie. GmbH, Duisburg / Germany (including its subsidiaries and associated companies). 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 entities are contractually agreed and performed on terms that are customary for transactions with third parties.

Related entity transactions in EUR thousand

	Franz Haniel & Cie. GmbH		Group companies of Haniel Group		Associated companies Haniel Group		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Turnover / Other income *)	0	1	315	355 *)	0	3	315	359
Cost of Sales / Other expenses	773	671	437	490	0	0	1,210	1,161
Finance expense	0	0	109	234	0	0	109	234
Short-term receivables	0	0	24	24	0	0	24	24
Short-term payables	0	247	3,652	6,165	0	0	3,652	6,412

*) An amount of EUR 956 thousand was reclassified in the previous year's figure.

TAKKT has relationships in the normal course of the business with numerous entities that are also customers and / or suppliers.

Related persons transactions

Related persons in the sense of IAS 24 include the Management and Supervisory Boards of TAKKT AG (including any and all persons related to these Boards) and the Management Board members of the majority shareholder Franz Haniel & Cie. GmbH, Duisburg / Germany, (including any and all persons related to these Boards). Related-party transactions mainly relate to service contracts with the members of TAKKT AG's Management Board. All transactions with related persons are contractually agreed and performed on terms that are customary for transactions with third parties.

Management Board

The remuneration of the members of the Management Board of TAKKT AG serving during the financial year, pursuant to Section 314 of the German Commercial Code (HGB), totaled to EUR 1,682 thousand (EUR 1,488 thousand). Of this amount, EUR 873 thousand (EUR 782 thousand) is attributable to non-performance-related components, i.e. short-term fixed remuneration. EUR 809 thousand (EUR 706 thousand) is attributable to performance-related components. Of the performance-related components, EUR 523 thousand (EUR 333 thousand) is attributable to short-term variable performance-related remuneration. EUR 286 thousand (EUR 373 thousand) relates to the LTIP (Long Term Incentive Plan). The LTIP is a performance cash plan that is taken into account as share-based remuneration with cash settlement at the value of the performance cash plan set up in the respective financial year at the time it is granted. The members of the Executive Board are granted a long-term incentive plan in the form of a performance cash plan each year and paid out in cash after a period of four years, depending on target achievement. The amount of the payment depends exclusively on the development of the total shareholder return (TSR) over the term of the four-year plan. The performance cash plans are classified and accounted for as cash-settled share-based payment transactions in accordance with IFRS 2.

In accordance with IFRS 2, the total expense or income for the performance cash plans comprises the fair value of the entitlement earned in the respective financial year of issuance plus the change in value of entitlements already earned under the performance cash plans of previous years. The performance cash plan liability is remeasured at each reporting date and at the settlement date. The measurement is based on the expected development of the relevant performance factors. The expense from the valuation of the performance cash plans amounted in the reporting year to EUR 969 thousand (in the previous year income of EUR 720 thousand). The fair value of the 2021, 2022, 2023 and 2024 performance cash plans (2020, 2021, 2022 and 2023) as well as the corresponding provision amounted to EUR 0 thousand (EUR 969 thousand) as of the reporting date.

Expenses of EUR 165 thousand (EUR 191 thousand) relate to post-employment benefits. As of the reporting date, the defined benefit obligation from their work on the Management Board amounted for the members of the Management Board to EUR 154 thousand (EUR 373 thousand).

For termination benefits, EUR 2,131 thousand (EUR 0 thousand) were recognized in the income statement.

As of December 31, 2024, the Management Board members held 41,477 (345) shares in TAKKT AG at a fair value of EUR 319 thousand (EUR 5 thousand). There are liabilities to the members of the Management Board from TAKKT Performance Bonds of EUR 47 thousand (EUR 179 thousand). In addition, there are pension obligations to the members of the Management Board from the voluntary conversion of part of the target achievement into a pension plan (i.e., deferred compensation) in the amount of EUR 255 thousand (EUR 0 thousand). In the financial year, the Management Board members voluntarily contributed EUR 0 thousand (EUR 0 thousand) from the STIP target achievement to this plan.

Remuneration granted to former members of the Management Board of TAKKT AG and their surviving dependents in 2024 amounted to EUR 391 thousand (EUR 397 thousand). Pension provisions for former members of the Management Board and their surviving dependents totaled to EUR 20,789 thousand (EUR 20,316 thousand) as of December 31, 2024.

Supervisory Board

Remuneration paid to the TAKKT AG Supervisory Board amounted to EUR 490 thousand (EUR 449 thousand), of which EUR 431 thousand (EUR 410 thousand) were for activities in relation to the Supervisory Board, EUR 59 thousand (EUR 27 thousand) for activities in relation to the committees as well as EUR 0 thousand (EUR 12 thousand) for attendance fees. The member of the works council on the Supervisory Board is also entitled to a regular salary as set out in his employment contract which represents an appropriate remuneration for his function respectively work in the Company. The compensation of the Supervisory Board is purely a fixed compensation. Of the claims granted, EUR 490 thousand (EUR 437 thousand) were still recorded as liabilities as of the end of the reporting period. As of December 31, 2024, the Supervisory Board members held 0 (140) shares in TAKKT AG.

Number of employees

During the financial year, TAKKT Group employed an average of 2,365 (2,603) people.

Fees for Group Auditor in EUR thousand

	2024	2023
Audit services	1,370	442
Other assurance services	146	6
Tax advisory services	0	0
Other services	15	60
	1,531	**508**

The previous year's fees relate to the previous year's group auditor RSM Ebner Stolz GmbH & Co. KG, which did not carry out any audits of foreign entities.

The following fees were recognized as expenses for the services provided by the global network of Deloitte and Deloitte GmbH Wirtschaftsprüfungsgesellschaft (in EUR thousand):

	Deloitte	davon Deloitte GmbH WPG
	2024	2024
Audit services	1,370	522
Other assurance services	146	146
Tax advisory services	0	0
Other services	15	15
	1,531	**683**

The fees for audit services mainly include fees for the audit of the consolidated financial statements and the audit of the financial statements of TAKKT AG and its subsidiaries. It also includes the fee for the formal audit of the remuneration report in accordance with section 162 AktG.

The other assurance services primarily included services in connection with the EMIR Regulation and sustainability reporting.

Declaration of shareholders' holdings

Outside the reporting requirements of the German Securities Trading Act (WpHG), Franz Haniel & Cie. GmbH, Duisburg, voluntarily notified us in January 2025 that it owned 65.0 (65.0) percent of the no-par-value bearer shares with voting rights in the share capital of TAKKT AG as of December 31, 2024.

Utilization of simplification provisions

The simplification provisions pursuant to section 264(3) of the German Commercial Code (HGB) were applied to the following companies included in the consolidated financial statements:

TAKKT Industrial & Packaging GmbH, Stuttgart
KAISER+KRAFT GmbH, Stuttgart
TAKKT Fulfillment GmbH, Pliening
BEG GmbH, Stuttgart
TAKKT Beteiligungsgesellschaft mbH, Stuttgart
TAKKT CC GmbH, Stuttgart
TAKKT WFC GmbH, Stuttgart

Subsidiaries within TAKKT AG, Stuttgart, as of December 31, 2024

TAKKT AG, Stuttgart, described as number 1 in the following overview, holds interests in the following companies:

No.	Group companies	held by no.	interest %
2	TAKKT CC GmbH, Stuttgart / Germany	1	100.00
3	TAKKT WFC GmbH, Stuttgart / Germany	1	100.00
4	TAKKT Industrial & Packaging GmbH, Stuttgart / Germany	1	100.00
5	KAISER+KRAFT GmbH, Stuttgart / Germany	4	100.00
6	KAISER+KRAFT Gesellschaft m.b.H., Salzburg / Austria	4	100.00
7	KAISER+KRAFT N.V., Brüssel / Belgium	4/15	50,00/50,00
8	KAISER+KRAFT AG, Steinhausen / Switzerland	4	100.00
9	KAISER+KRAFT s.r.o., Prague / Czech Republic	4	100.00
10	KAISER+KRAFT S.A., Barcelona / Spain	4	100.00
11	FRANKEL S.A.S., Massy / France	4	100.00
12	KAISER+KRAFT Ltd., Hemel Hempstead / Great Britain	4	100.00
13	KAISER+KRAFT Kft., Budaörs / Hungary	4	100.00
14	KAISER+KRAFT S.r.l., Fenegrò / Italy	4	100.00
15	Vink Lisse B.V., Lisse / The Netherlands	4	100.00
16	KAISER+KRAFT S.A., Lisbon / Portugal	4	100.00
17	KAISER+KRAFT Sp. z o.o., Warsaw / Poland	4	100.00
18	KAISER+KRAFT s.r.o., Nitra / Slovakia	4/5	99,90/0,10
19	Gerdmans Inredningar AB, Markaryd / Sweden	4	100.00
20	Gerdmans Kontor-og Lagerudstyr A / S, Nivaa / Denmark	19	100.00
21	Gerdmans Innredninger AS, Sandvika / Norway	19	100.00
22	Gerdmans OY, Espoo / Finland	19	100.00
23	Runelandhs Försäljnings AB, Kalmar / Sweden	19	100.00
24	KAISER+KRAFT Logistics East s.r.o., Syrovice / Czech Republic	4	100.00
25	KAISER+KRAFT s.r.l., Ramnicu Valcea / Romania	24	100.00
26	BEG GmbH, Stuttgart / Germany	4	100.00
27	TAKKT Fulfillment GmbH, Pliening / Germany	4	100.00
28	Ratioform Imballaggi S.r.l., Calvignasco / Italy	4	100.00
29	Ratioform Embalajes, S.A., Sant Esteve Sesrovires / Spain	4	100.00
30	Davenport Paper Co. Ltd., Derby / Geat Britain	4	100.00
31	TAKKT Beteiligungsgesellschaft mbH, Stuttgart / Germany	4	100.00
32	BiGDUG Ltd., Gloucester / Great Britain	4	100.00
33	Equip4work Ltd., Dumfries / Great Britain	4	100.00

No.	Group companies	held by no.	interest %
34	Juma International B.V., Wormerveer / The Netherlands	4	100.00
35	TAKKT America Holding, Inc., Milwaukee / USA	1	100.00
36	TAKKT Foodservices LLC, Harrison / USA	35	100.00
37	Hubert Company LLC, Harrison / USA	35	100.00
38	Hubert Hong Kong Ltd., Hong Kong / China	36	100.00
39	SPG U.S. Retail Resource LLC, Harrison / USA	35	100.00
40	Hubert Distributing Company, Inc., Markham / Canada	35	100.00
41	Central Products LLC, Indianapolis / USA	35	100.00
42	D2G Group LLC., Fall River / USA	35	100.00
43	National Business Furniture LLC, Milwaukee / USA	35	100.00

REPRESENTATIVE BODIES

Supervisory Board

Thomas Schmidt, Düsseldorf, born November 10, 1971 (until May 17, 2024)
Chairman
Management consultant
Member of the Advisory Board of Innovation City Management GmbH, Bottrop

Hubertus Mühlhäuser, Hurden, Switzerland, born October 10, 1969 (since 17. Mai 2024)
Chairman
Full-time Supervisory Board and Board of Directors
Member of the Supervisory Board of Ballard Power Systems Inc., Burnaby, Canada
Chairman of the Supervisory Board of Kelvion Group GmbH, Herne, Germany
Chairman of the Supervisory Board of FläktGroup GmbH, Herne
Member of the Supervisory Board of BlackBruin Oy, Jyväskyla, Finland

Dr. Johannes Haupt, Ettlingen, born June 29, 1961
Deputy Chairman
Management consultant
Chairman of the Supervisory Board and Chairman of the Board of Lenze SE, Aerzen
Member of the Advisory Board of ACO Group SE, Büdelsdorf
Chairman of the Board of Regionique Produkte GmbH, Ettlingen
Member of the Advisory Board of init innovation in traffic systems SE, Karlsruhe
Chairman of the Advisory Board of Baumann Maschinenbau Solms GmbH & Co. KG, Solms

Dr. Florian Funck, Essen, born March 23, 1971 (until May 17, 2024)
Member of the Management Board of Franz Haniel & Cie. GmbH, Duisburg
(until January 31, 2024)
Member of the Management Board of Sartorius AG (since April 01, 2024)
Member of the Supervisory Board of CECONOMY AG, Düsseldorf
Member of the Supervisory Board of Vonovia SE, Bochum

Stefan Räbsamen, Freienbach, Switzerland, born July 25, 1965 (since May 17, 2024)
Full-time Supervisory Board and Board of Directors
Partner at PricewaterhouseCoopers AG (Switzerland) (until June 30, 2024)
Member of the Board of Directors of Georg Fischer AG, Schaffhausen, Switzerland
(since July 2024)

Alyssa Jade McDonald-Bärtl, Waldetzenberg, born August 14, 1979
Managing Director of BLYSS GmbH, Berlin

Aliz Tepfenhart, Grünwald, geb. am 04. November 1974
Member of the Management Board of karriere tutor GmbH, Königstein (since March 1, 2025)
Managing Director of Tepfenhart Digital UG, Wolfratshausen (since September 12, 2024)
Managing Director of Burda Digital SE, Munich (until February 29, 2024)
CEO of business unit Burda Commerce, München (until February 29, 2024)
Chairwoman of the Board of Directors of Cyberport SE, Dresden (formerly Cyberport GmbH) (until February 29, 2024)
Member of the Management Board of GEFRO Stiftung GmbH, Memmingen

Thomas Kniehl, Stuttgart, born June 11, 1965
Full-time chairman Works Council
Chairman of the Joint Works Council of KAISER+KRAFT GmbH, Stuttgart, and TAKKT Industrial & Packaging GmbH, Stuttgart
Chairman of the General Works Council of Franz Haniel & Cie. GmbH, Duisburg
Member (employee representative) of the Advisory Board of Franz Haniel & Cie. GmbH

Mangament Board

Maria Zesch, Klosterneuburg/Austria, born April 9, 1973 (until July 31, 2024)
Chairman of the Management Board, CEO
Member of the Supervisory Board of Ottakringer Getränke AG, Vienna/Austria (until July 11, 2024)
Member of the Supervisory Board of Österreichische Post AG, Wien, Österreich (since April 18, 2024)

Andreas Weishaar, Wiesbaden, born September 14, 1973 (since August 01, 2024)
Chairman of the Management Board, CEO
Member of the Board of Directors of Halton Group, Helsinki, Finland (since June 1, 2024)

Lars Bolscho, Stuttgart, born November 06, 1978
Member of the Management Board, CFO

Stuttgart, March 26, 2025
TAKKT AG
The Management Board

Andreas Weishaar   Lars Bolscho

Further disclosures

RESPONSIBILITY STATEMENT BY THE MANAGEMENT BOARD

To the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined Management report for TAKKT AG and 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.

Stuttgart, March 26, 2025
TAKKT AG
The Management Board

Andreas Weishaar | Lars Bolscho

INDEPENDENT AUDITORS' REPORT

To the **TAKKT AG, Stuttgart**

Report on the audit of the consolidated financial statements and the combined management report

Audit Opinions

We have audited the consolidated financial statements of TAKKT AG, Stuttgart, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2024, and the notes to the consolidated financial statements, including significant information on accounting policies. In addition, we have audited the combined management report of TAKKT AG, Stuttgart, for the fiscal year from January 1 to December 31, 2024, which is combined with the management report of the parent company. In accordance with German legal requirements, we have not audited the content of the Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code (HGB), to which reference is made in the "Corporate Governance" section of the combined management report, or the separate non-financial consolidated report pursuant to Section 315b of the HGB as part of the sustainability report, to which reference is made in the "Corporate Performance" section of the combined management report. Furthermore, we did not audit the statements on the appropriateness and effectiveness of the internal control and risk management system pursuant to recommendation A.5 of the German Corporate Governance Code (AktG) (version dated April 28, 2022), which are presented in the section "Risk and opportunity report" of the combined management report and marked as unaudited, as well as the sustainability report referred to in the management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the the IFRS® Accounting Standards (hereinafter "IFRS Accounting Standards") issued by the International Accounting Standards Board (IASB), as adopted by the European Union (EU), and the additional requirements of German commercial law pursuant to section 315e(1) of the German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2024, and of its financial performance for the financial year from January 1 to December 31, 2024, and

- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the contents of the sustainability report, including the non-financial group report, the corporate governance statement and the unaudited statements of the legal representatives on the appropriateness and effectiveness of the internal control and risk management system, as mentioned above.

Pursuant to section 322(3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and the combined management report in accordance with section 317 HGB and the EU Audit Regulation (No. 537 / 2014; referred to subsequently as ‚EU Audit Regulation') and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (IDW). Our responsibilities under those requirements and principles are further described in the ‚Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report' section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10(2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5(1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Key audit matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate audit opinion on these matters.

In the following paragraphs, we describe the key audit matter of the recoverability of goodwill, which we consider to be of particular importance.

Our presentation of this key audit matter is structured as follows:

a) Description of the matter (includ-ing reference to related disclosures in the consolidated financial statements)
b) Audit approach

Impairment of goodwill

a) The consolidated financial statements of TAKKT AG as of December 31, 2024, include goodwill amounting to EUR 508.1 million (55.1% of the consolidated balance sheet total).

The legal representatives of TAKKT AG review capitalized goodwill for impairment at least once a year and event related. The recoverable amount of the cash-generating unit is compared with its carrying amount.

The recoverable amount is determined based on the value in use using a discounted cash flow valuation model. This is based on the present values of the expected future cash flows, which are based on the medium-term planning prepared by legal representatives, which in turn is extrapolated using assumptions about long-term growth rates. Discounting is performed using discount rates determined based on the weighted average cost of capital of the respective cash-generating unit.

The result of this valuation is highly dependent on the assessment of future cash flows by the legal representatives, the discount rate used, and the long-term growth rates applied, and is therefore subject to uncertainties. Given this background and the complexity of the valuation model used, as well as the significant importance for the Group's financial position and performance, this matter was of particular importance in our audit.

The information provided by the legal representatives regarding the impairment of goodwill are included in the sections "Accounting and valuation policies", "Notes to the Income Statement" under the headline "Impairment of goodwill" and "Notes to the balance sheet" under the headline "Goodwill".

b) As part of our audit, we reviewed the process of the legal representatives for conducting the impairment tests with the involvement of our internal valuation specialists and assessed the design of the controls identified as relevant to the audit and determined whether they were implemented appropriately

In the case of estimates made by the legal representatives, we assessed the methods applied, the assumptions made, and the data used for their reasonableness. In this context, we reviewed the entire valuation model, particularly its methodological and mathematical accuracy.

Furthermore, we verified whether the planning for the respective cash-generating unit underlying the impairment tests was derived from the medium-term planning prepared by the legal representatives for the Group and whether the data included in the valuation model was correctly taken from the planning. To assess the quality and plausibility of the medium-term planning, we interviewed the legal representatives or persons designated by them regarding the key assumptions of the medium-term planning and validated these against external macroeconomic and industry-specific market data. Additionally, we examined whether the planning was consistent with the strategy and forecast reporting in the combined management report.

Since a significant portion of the respective value in use results from projected cash flows for the period after the medium-term planning period, we critically assessed the sustainable growth rates applied for this phase based on general and industry-specific market data. Furthermore, we validated the parameters used to determine the discount rates, questioned the appropriateness of the peer group used, and compared the market data used with external evidence. Our internal valuation specialists supported us in this process.

We also reviewed the completeness and accuracy of the disclosures required by IAS 36 in the notes to the consolidated financial statements.

Other Information

The Management Board respectively the Supervisory Board is responsible for the other information. The other information comprises:

- the report of the supervisory board,
- the sustainability report, which contains the separate non-financial group report with the disclosures pursuant to §§ 315b and 315c HGB,
- the corporate governance statement,
- the remuneration report pursuant to section 162 of the German Stock Corporation Act (AktG),
- the statements of the legal representatives on the appropriateness and effectiveness of the internal control and risk management system in the combined management report,
- the declarations of the legal representatives pursuant to Sections 297 (2) Sentence 4 and 315 (1) Sentence 5 of the German Commercial Code (HGB) regarding the consolidated financial statements and the combined management report and
- all other parts of the annual report,
- but not the consolidated financial statements, not the audited information in the combined management report and not our related auditor's report.

The Supervisory Board is responsible for the report of the Supervisory Board. The Management Board and Supervisory Board are responsible for the declaration pursuant to Section 161 AktG on the German Corporate Governance Code, which is part of the corporate governance statement, and for the remuneration report. Otherwise, management is responsible for other information.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report audited by us with regard to factual accuracy or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the Management Board and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report
The Management Board is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e(1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the Management Board is responsible for such internal control, as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatements due to fraud (i.e. manipulation of the accounting and financial loss) or errors.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Management Board is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with the German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Management Board is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the statements made in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinion on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and the EU Audit Regulation and in compliance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the IDW will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatements of the consolidated financial statements and of the combined management report due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error because fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls.

- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of the arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the Group's internal control or of those arrangements and measures.

- evaluate the appropriateness of the accounting policies used by the Management Board and the reasonableness of estimates made by the Management Board and related disclosures.

- conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditors' report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- evaluate presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e(1) HGB.

- plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinions.

- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- perform audit procedures on the prospective information presented by the Management Board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Management Board as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where relevant, the Actions taken or safeguards taken to eliminate threats to independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS

Report on the Audit in Accordance with 317(3a) HGB on the Electronic Reproduction of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes

Audit Opinion

We have performed the audit in accordance with section 317(3a) of the German Commercial Code (HGB) to obtain reasonable assurance about whether the reproductions of the consolidated financial statements and the combined management report (hereinafter also referred to as ‚ESEF documents‘) contained in the attached electronic file with the SHA-256 value 0eb97ee0e024cde0b3df181b859cc6ed56bac0685762581f3597bcbc965fc4f9 and prepared for publication purposes complies in all material respects with the requirements of section 328(1) HGB for the electronic reporting format (‚ESEF format‘). In accordance with German legal requirements, this audit only extends to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor to any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file and prepared for publication purposes complies in all material respects with the requirements of Section 328(1) HGB for the electronic reporting format. Except for this opinion and our opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the fiscal year from January 1 to December 31, 2024, contained in the preceding ‚Report on the Audit of the Consolidated Financial Statements and Combined Management Report‘, we do not express any opinion on the information given in these statements or on the other disclosures made in the above-mentioned electronic file.

Basis for the Audit Opinion

We conducted our audit of the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file in accordance with Section 317(3a) HGB and the IDW Assurance Standard: Assurance in Accordance with section 317(3a) HGB on the Electronic Reproduction of Financial Statements and Management Reports prepared for Publication Purposes (IDW PS 410 (06.2022)). Accordingly, our responsibilities are further described in the section ‚Group Auditor‘s Responsibility for the Audit of the ESEF Documents‘. In our audit, we applied the requirements of the IDW Quality Management Standards.

Responsibilities of the Management Board and the Supervisory Board for the ESEF Documents

The Management Board is responsible for the preparation of the ESEF documents containing the electronic reproductions of the consolidated financial statements and the combined management report in accordance with section 328(1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements in accordance with section 328(1) sentence 4 no. 2 HGB.

Furthermore, the Management Board is responsible for such internal control as they have considered necessary to enable the preparation of the ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Group Auditor‘s Responsibilities for the Audit of the ESEF Documents
Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of section 328(1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work.

Furthermore, we:

- identify and assess the risks of material intentional and unintentional non-compliance with the requirements of section 328(1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.

- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those controls.

- evaluate the technical validity of the ESEF documents, i. e. whether the electronic file containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815 on the technical specification for this electronic file.

- evaluate whether the ESEF documents enables a XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited combined management report.

- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815 as applicable at the reporting date enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation
We were elected as auditors of the consolidated financial statements by the annual general meeting on May 17, 2024. We were engaged by the Supervisory Board on July 23, 2024. We have been the group auditor of the TAKKT AG, Stuttgart, since the 2024 financial year.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the Supervisory Board pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTERS – USE OF THE AUDITOR’S REPORT

Our audit opinion should always be read in conjunction with the audited consolidated financial statements and the audited combined management report as well as the audited ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format report – including the versions to be published in the Company Register – are only electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not replace them. In particular, the ESEF opinion and our audit opinion contained therein are only to be used in conjunction with the audited ESEF documents provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the audit is Michael Sturm.

Stuttgart, March 26, 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Michael Sturm	Constantin Fuchs
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Remuneration report

REMUNERATION REPORT

The remuneration report explains the principles of the remuneration system for the members of the Management Board and Supervisory Board of TAKKT AG and describes the structure and amount of the Management Board remuneration. In addition, it describes the structure and amount of the remuneration of the Supervisory Board. It meets the requirements of the German Stock Corporation Act (section 162 AktG) and follows the recommendations of the German Corporate Governance Code.

A LOOK BACK AT THE 2024 REMUNERATION YEAR

Approval of the remuneration report and the remuneration system by the Shareholders

Pursuant to section 120a(1) sentence 1 AktG, the Shareholders' Meeting of a listed company shall resolve on the approval of the remuneration system for Board Members submitted by the Supervisory Board whenever there is a significant change in the remuneration system, but at least every four years. In order to align the remuneration system of the Management Board with a successful transformation, changes to the remuneration system approved by the Shareholders' Meeting on May 11, 2021, were resolved by the Supervisory Board on March 27, 2024. The changes pertain to the further development of the performance-related short-term remuneration (STI). Due to these changes the remuneration system for members of the Management Board was resubmitted to the Annual General Meeting for approval. On May 17, 2024, the new remuneration system was approved with 84.7% under agenda item 7 and the remuneration report for 2023 was approved with 84.7% under agenda item 6 by the Shareholders' Meeting.

Business development in 2024

In 2024, TAKKT realized sales of EUR 1,052.9 million (EUR 1,240.0 million), corresponding to 15.1% less than in the previous year. Adjusted for the slightly positive exchange rate effects, organic growth was minus 15.4%. In addition to the overall weak environment and subdued demand in the markets relevant for TAKKT, business development in 2024 was also influenced by internal challenges.

Despite cost structure adjustments and cost savings, earnings were significantly below the previous year's level due to the sharp decline in sales. EBITDA decreased to EUR 55.7 (111.9) million. In addition to the weak sales development, this was also due to considerably higher one-time expenses. Due to positive effects from targeted measures to release net working capital, free cash flow was significantly more stable than EBITDA and reached EUR 68.1 (74.0) million.

Changes in the management board

CEO Maria Zesch stepped down from the Management Board as of July 31, 2024. Andreas Weishaar assumed the role of CEO on an interim basis effective August 1, 2024. On November 27, 2024, the Supervisory Board resolved to make his temporary appointment permanent.

REMUNERATION SYSTEM AT A GLANCE

Principles of the remuneration system

The Management Board remuneration system is closely linked to TAKKT's corporate strategy and makes a key contribution to achieving the corporate goals. The remuneration paid is based on the company's size, its financial position, and the structure and amount of the remuneration paid to Board Members at comparable companies. The remuneration paid to Board Members is made up of non-performance-related and performance-related components.

Non-performance-related remuneration comprises a fixed remuneration, the occupational pension scheme and fringe benefits. Fringe benefits include in particular the use of a company car or a corresponding compensation payment. The amount of the non-performance-related remuneration is based on the Board Member's experience and the relevant standard market remuneration paid, based on the horizontal comparison, for the function/responsibility concerned. The components of the performance-related payments consist of the Short Term Incentive Plan (STIP), a remuneration component with a short- and long-term incentive, and the Long Term Incentive Plan (LTIP) in the form of a performance cash plan, a rolling remuneration component that acts as a long-term incentive.

In addition, a one-time take-off bonus with an incentive for the years 2023 and 2024 was awarded in the 2023 fiscal year.

With particular regard to the performance-related components with a long-term incentive, Management Board remuneration is clearly oriented to a sustainable increase in the external value of the company through its direct connection to earnings per share. The STIP is based on the operating result of the respective fiscal year before interest, taxes, depreciation and amortization or impairments from purchase price allocations (EBITA) as a performance criterion. Starting from the 2024 fiscal year, the basis of valuation was expanded to include the annual free cash flow. By including free cash flow, greater emphasis will be placed on the management of inventories, receivables, trade payables and capital expenditures.

The LTIP has been based exclusively on the development of TAKKT's total shareholder return (TSR), i.e., on the performance of TAKKT shares as well as the dividend. The one-time take-off bonus from 2023, structured as a performance cash plan, is based on the cumulative EBITA for 2023 and 2024. The performance-related remuneration components are subject to an overall cap with regard to the STIP, LTIP and take-off bonus.

Appropriateness of remuneration

The remuneration system was developed by the Personnel Committee and was based in part on an expert report. The expert opinion on the system was part of an appropriateness opinion prepared by independent remuneration experts. The Personnel Committee is responsible for preparing the resolutions to be passed by the Supervisory Board on the remuneration system and for reviewing the system on a regular basis. The Personnel Committee and Supervisory Board take the requirements set out in the German Stock Corporation Act (AktG) into account in all of their remuneration decisions and are guided by the recommendations made in the German Corporate Governance Code and the following guidelines:

- Performance-based focus of the remuneration system (Pay for Performance)
- Promotion of the company's long-term sustainable development and value generation
- Ensuring remuneration that is in line with market standards
- Conformity with stock corporation law and governance requirements

The Personnel Committee regularly reviews on the basis of appropriateness reports whether the Management Board remuneration and the individual components are in line with market standards, are competitive as well as appropriate and makes proposals for adjustments to the Supervisory Board if required.

The assessment whether the remuneration is in line with market standards, competitive and appropriate is based on a comparison with similar companies (peer group), the company's economic position and future prospects, and the responsibilities and performance of the respective Board Member. The Supervisory Board conducts regular horizontal and vertical comparisons for this purpose. The horizontal comparison looks at comparable companies, while the vertical comparison assesses the remuneration paid to the Management Board in relation to the remuneration paid to top executives within the company and the company's workforce as a whole.

Following its review in 2024, the Supervisory Board came to the conclusion that the level of Management Board remuneration and pensions are appropriate from a legal point of view in accordance with section 87(1) AktG.

Peer-Group

Company	Index
Amadeus FiRe AG	SDAX
Cancom SE	SDAX
Carl Zeiss Meditec AG	MDAX
CEWE Stiftung & Co. KGaA	SDAX
CTS Eventim AG & Co. KGaA	MDAX
DEUTZ AG	SDAX
Drägerwerk AG & Co. KGaA	SDAX
Elring Klinger AG	–
Fielmann AG	SDAX
GFT Technologies SE	SDAX
Grenke AG	SDAX
Hamburger Hafen und Logistik AG	–
Heidelberger Druckmaschinen AG	SDAX
HORNBACH Holding AG & Co. KGaA	SDAX
Jenoptik AG	MDAX
Klöckner & Co SE	SDAX
Koenig & Bauer AG	–
Nemetschek SE	MDAX
NORMA Group SE	SDAX
Pfeiffer Vacuum Technology AG	SDAX
Redcare Pharmacy NV	MDAX
Scout24 SE	MDAX
SGL Carbon SE	SDAX
SMA Solar technology AG	MDAX
Ströer SE & Co. KGaA	MDAX
Vossloh AG	SDAX

Target remuneration and maximum remuneration

Target remuneration for 2024

The total target remuneration is defined as the total of non-performance-related remuneration (fixed remuneration, occupational pension scheme and fringe benefits) and performance-related remuneration in the event of a target achievement of 100%. The fixed remuneration makes up between 27% and 40% of the target total remuneration for the Board Members.

Fringe benefits account for between 1% and 6% and the contribution to the occupational pension scheme makes up between 0% and 7% of the total target remuneration. The portion of the STIP with a short-term incentive (STIP without deferral) corresponds to between 18% and 29% of the total target remuneration; the performance-related remuneration with a long-term incentive (LTIP and STIP deferral) corresponds to between 7% and 24%. In line with the focus on performance, the share of performance-related target remuneration generally exceeds the share of non-performance-related remuneration. In addition, the long-term performance-related remuneration components generally outweigh the short-term ones. An exception was made in the case of Andreas Weishaar's interim appointment as CEO in 2024. The LTIP was replaced by a completion bonus with a short-term incentive. The equivalent value of the occupational pension scheme was paid out as a fringe benefit.

In the 2023/2024 fiscal year, the total target remuneration was increased on a one-time basis by the share of the variable (performance-related) take-off bonus. For 2024, the take-off bonus ranges from 0% to 12% of the total target remuneration.

The following table shows the individual target remuneration of each Management Board member and the relative share of total target remuneration represented by each of the individual remuneration components.

Target remuneration

	Andreas Weishaar (since 08/01/2024)				Lars Bolscho				Maria Zesch (until 07/31/2024)			
	2023		2024		2023		2024		2023		2024	
	kEUR	in %	kEUR	in %	kEUR	in %	kEUR	in %	kEUR	in %	kEUR	in %
Fixed salary	-	-	188	27%	300	39%	350	40%	450	34%	263	32%
Fringe benefits	-	-	45	6%	6	1%	6	1%	26	2%	22	3%
Company pensions	-	-	0	0%	50	6%	58	7%	85	6%	50	6%
Non-performance-related target remuneration	**-**	**-**	**233**	**33%**	**356**	**46%**	**414**	**47%**	**561**	**43%**	**335**	**41%**
STIP without deferral	-	-	118	17%	138	18%	161	18%	280	21%	233	29%
STIP deferral	-	-	51	7%	59	8%	69	8%	120	9%	0	0%
LTIP	-	-	0	0%	123	16%	140	16%	250	19%	146	18%
Take-Off Bonus	-	-	0	0%	100	13%	100	11%	100	8%	100	12%
Premium bonus	-	-	300	43%	-	-	-	-	-	-	-	-
Performance-related target remuneration	**-**	**-**	**469**	**67%**	**420**	**54%**	**470**	**53%**	**750**	**57%**	**479**	**59%**
Total target remuneration	**-**	**-**	**702**	**100%**	**776**	**100%**	**884**	**100%**	**1,311**	**100%**	**814**	**100%**

Maximum remuneration

Both the individual variable remuneration components and the total amount of all Management Board remuneration components, including fringe benefits and the occupational pension scheme (total remuneration), are capped. Payout of the STIP and LTIP as well as the take-off bonus are capped at 300% of the target value per plan.

The maximum remuneration amount for Management Board members pursuant to section 87a (1) no. 1 AktG (including fringe benefits and occupational pension scheme) amounts to EUR 3,435 thousand per year for the CEO and EUR 2,437 thousand per year for the CFO. Pursuant to § 162 section 1 AktG, the remuneration granted and owed to the CEO and CFO for the financial years 2023 and 2024 did not exceed EUR 865 thousand and EUR 425 thousand per year, respectively, and therefore remained within the legally permissible maximum remuneration limits.

STRUCTURE OF THE REMUNERATION SYSTEM IN DETAIL

Non-performance-related remuneration

Fixed remuneration

All Management Board members receive an agreed basic annual salary. This is paid out in twelve equal monthly installments. The amount of the annual basic salary is based on the Board Member's experience and the relevant standard market remuneration paid, based on the horizontal comparison, for the function respectively responsibility concerned.

Fringe benefits

The fringe benefits mainly comprise the use of company cars or similar benefits. Board Members are also reimbursed for expenses incurred in the interests of the company (travel, representation and hospitality expenses). In addition, accident, luggage and D&O insurance is taken out for the Management Board members, the latter with a deductible of 10% to be borne by the Board Member. In accordance with section 93(2) sentence 3 AktG, this deductible corresponds to no more than one and a half times the fixed remuneration.

Occupational pension scheme

The Board Members receive entitlements for pensions and survivors' benefits in the form of a direct defined contribution commitment to which an annual contribution corresponding to 10% of the total basic salary plus the contractually agreed STIP target amount (100% target achievement) is made. Contributions are only granted as long as the individual is appointed to the Management Board. An interest rate of 5% per year is granted for annual contributions until the occurrence of the insured event. For all commitments, Board Members are entitled to pension payments upon leaving the company but not before reaching the age of 62. In the case of disability or death, the amount from the pension plan paid out or annuitized is equivalent to what would have been paid if contributions had been made up to the age of 63. The part of this commitment that exceeds the protection ceiling of the statutory agency providing insolvency protection for occupational pension schemes is hedged against insolvency with commercially available products based on a contractual trust agreement.

Other fixed remuneration components

The Supervisory Board can grant further payments to new appointments on a case-by-case basis at its own discretion. These payments can be one-time payments (e.g. to compensate for other remuneration the individual would have been entitled to) or the assumption of costs associated with the move to the company (e.g. relocation costs).

Performance-related remuneration

Short Term Incentive Plan (STIP)

For the 2024 payout year, EBITA was used as the basis of valuation for the STIP. Starting from the 2024 fiscal year, the basis of valuation will be expanded to include free cash flow. The aim is to place greater emphasis on the management of inventories, receivables, trade payables and capital expenditure. In determining target achievement, EBITA will be weighted at 60% and free cash flow at 40%.

The target achievement is determined by means of linear interpolation based on the respective target values within a corridor of minus 30% (0% of the target value) to plus 30% (200% of the target value). The target values used to calculate the STI are based on the EBITA or EBITA and cash flow agreed upon between the Management Board and the Supervisory Board for the respective calendar year. The target values are set by the Supervisory Board by December 31 prior to the beginning of the fiscal year to which they apply on the basis of the annual operating plan in line with the multi-year planning. The actual figures are taken directly from TAKKT's audited consolidated financial statements. These financial statements are prepared in accordance with the IFRS regulations that apply at the time, taking into account the latest version of the accounting guidelines.

The value, which is determined in accordance with the target corridor, is multiplied by a modifier of zero to two based on the assessment of individual targets (results) as well as individual conduct (behavior). The results and behaviors are assessed to determine whether a Board Member meets, falls short of, or exceeds expectations. Depending on the assessment of the two aspects, each Board Member is positioned in a "9-box grid." Each field in the grid is assigned a modifier/modifier range. For the fields that include a range, the Supervisory Board decides on the final individual modifier at its due discretion based on a recommendation made by the Personnel Committee.

Results	C below expectations	B meets expectations	A exceeds expectations
1 exceeds expectations	0	1,1 – 1,3	1,5 – 2,0
2 meets expectations	0	1,0	1,2 – 1,4
3 below expectations	0	0,4 – 0,6	0,7 – 0,9

Behavior

The individual goals are agreed between the Chairman of the Supervisory Board and the members of the Management Board for each fiscal year. They can be quantitative or qualitative goals. The quantitative targets include revenue, profit and cash flow targets. The qualitative goals are divided into:

- Strategic goals (e.g. an elaboration of growth strategies for individual divisions derived from the corporate strategy or functional strategies, such as in the area of sustainability),
- Execution goals (e.g., improvements in processes or defined control KPIs such as the cash conversion cycle) and
- Talent targets (e.g. building and expanding leadership teams, cultural changes).

Each individual target is assessed separately at the end of the year according to the scale described above. The assessment is made on a summary basis, taking into account the relevance of the individual targets for the success of the company. They are monitored on an ongoing basis and can be adjusted if necessary.

Individual behavior is assessed based on the five TAKKT Core Behaviors:

- Think customer first: We make it easy to do business with us. Our customer is the center of everything we do.
- Empower others: We engage our employees through open feedback, collaboration, transparency and teamwork.
- Improve every day: We challenge the status quo and quickly embrace change. We keep it simple and impactful.
- Take ownership: We are accountable for our targets and always deliver on our commitments.
- Compete for success: We are determined to win with a clear drive to reach our goals. We have the courage to make difficult decisions.

70% of the remuneration linked to target achievement is paid out in the following year, 30% is retained for a period of three years after the end of the respective fiscal year (deferral). Interest on the deferral is subject to the total shareholder return (TSR), with both positive and negative interest possible. The TSR reflects the development of the share taking into account the share price development and reinvested dividends.

This involves comparing the average closing prices of TAKKT's shares in the XETRA trading system of Deutsche Börse AG over the last 60 stock exchange trading days before the start of the waiting period ("opening share price") with the average XETRA closing prices of the last 60 stock exchange trading days before the end of the waiting period ("closing share price"). The dividends paid by TAKKT during the waiting period are taken into account via a reinvestment assumption (pro rata acquisition of TAKKT shares at the XETRA closing price on the day of distribution in the amount of the dividend per share).

In the 2023 fiscal year, EBITA was above the defined EBITA target value, resulting in a target achievement of 42% for the financial component of the STIP. The individual target achievement for Maria Zesch and Lars Bolscho, based on the individual targets ("results") and individual behavior ("behavior"), was rated as "meets expectations" and "exceeds expectations," respectively, resulting in a modifier of 1.2.

The STIP target achievement based on the multiplicative linking of the financial and individual components can be seen in the following overview. The STIP 2023 was paid out in its entirety as a result of Maria Zesch's departure.

STIP 2022 payout in financial year 2023

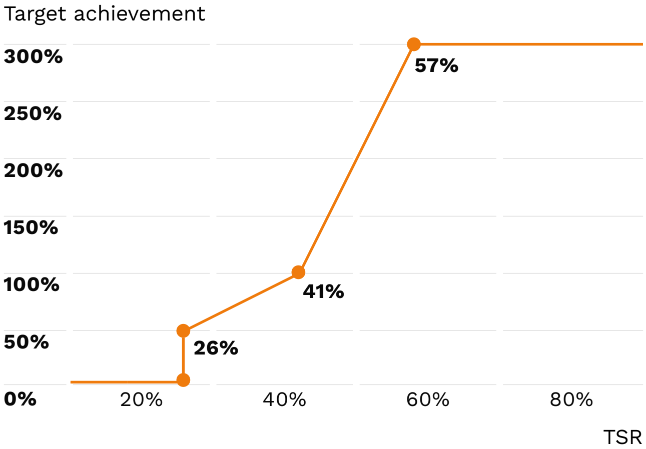
	Targetvalue (100%) in EUR thousand	Financial target achievement in %	Modifier for individual target achievement	Total target achievement in %	STIP incl. Deferral in EUR thousand	STIP-Payout in EUR thousand
Maria Zesch (until 07/31/2024)	400	42%	1.2	50%	202	202
Lars Bolscho	197	42%	1.2	50%	99	69

Long Term Incentive Plan (LTIP)

The LTIPs are launched each year in the form of performance cash plans and paid out in cash after a period of four years depending on whether the relevant targets are met. For 2021, 2022, 2023 and 2024, performance cash plans were granted which are due at the end of 2024, 2025, 2026 and 2027, respectively. The amount to be paid out depends solely on the development of total shareholder return (TSR) over the term of the four-year plan. The TSR is defined in the STIP in line with the calculation of interest on the deferral.

The target value is achieved when the TSR is 9% per year. The lower threshold that needs to be reached for a payout to be made is 6% TSR per year. The upper threshold at which the payout is capped is 12% TSR per year.

Total Shareholder Return (TSR)



If the lower threshold is reached, the target achievement is 50% of the contractually agreed LTIP target amount. If the upper threshold is reached, the target achievement is 300%.

Linear interpolation is used between 6% and 9% TSR per year and between 9% and 12% TSR per year.

With a total shareholder return just below the target value of 9%, the target achievement and payout for 2024 of the LTIP tranche 2020–2023 were as follows:

Calculation of the target achievement level of LTIP 2019 – 2022

	Target	Weighting	Total
TSR	**97%**	**100%**	**97%**

Calculation of LTIP 2019 – 2022 payout in fiscal year 2023
in EUR thousand

	Target value	Target	Total
Felix Zimmermann	276	97%	267
Heiko Hegwein	132	97%	128
Claude Tomaszewski	176	97%	171
Tobias Flaitz	88	97%	85
Sum			**651**

TAKKT Take-Off Bonus

The target amount of the take-off bonus allocated on a one-time basis in the 2023 fiscal year was EUR 200 thousand (gross) per Board Member. The performance target for the take-off bonus is the cumulative EBITA for the 2023 and 2024 fiscal years, and will not result in a payout in 2025. The take-off bonus is structured as a performance cash plan.

Malus / Clawback

TAKKT may, in justified cases, demand the partial or full reimbursement of an already paid out STIP or LTIP amount over a period of three years from the due date. Justified cases refer, in particular, to the materialization of one of the following scenarios involving a Board Member:

- The Board Member was significantly involved in or responsible for conduct that resulted in considerable losses or a significant governmental sanction for TAKKT AG, meaning that they breached their duties intentionally or by gross negligence.
- The Board Member committed a serious breach of relevant external or internal regulations relating to their conduct and acted intentionally or by gross negligence in this regard.

TAKKT has the burden of proving that one of the aforementioned scenarios has materialized involving the Board Member. The reversal of the burden of proof set out in section 93c(2) sentence 2 AktG does not apply in this respect.

In the 2024 fiscal year, TAKKT AG did not claw back or reduce any variable remuneration.

BENEFITS IN THE EVENT OF TERMINATION OF SERVICES

Occupational pension scheme

The following table lists the contributions made during their board activity to pension plans, current service costs for the year under review and the present values of obligations for the members of the Management Board in accordance with IAS 19.

Payments in the event of early termination

In the current contracts of the Management Board Members, the limit of possible severance payments corresponds to the recommendations of the German Corporate Governance Code. According to the Code, the payments that could be paid in the event of a premature termination of the membership of the Management Board without cause may at most remunerate the remaining term and also may not exceed the amount of two annual salaries. Other sources of income are not taken into account. The right to a severance payment will not apply in the event of extraordinary termination of the contract of employment by the company for good cause.

Maria Zesch resigned from the Management Board of TAKKT AG of her own accord on July 31, 2024. In connection with the premature termination of her Board position, a severance payment in the amount of EUR 2,131 thousand was paid out in 2024.

"REMUNERATION GRANTED AND OWED" IN ACCORDANCE WITH SECTION 162(1) SENTENCE 1 AKTG

Pursuant to section 162(1) sentence 1, sentence 2 no. 1 AktG, all fixed and variable remuneration components "granted and owed" to the individual members of the Management Board in the 2024 fiscal year must be disclosed. The values stated for both the STIP and LTIP for the 2024 fiscal year therefore include all benefits actually received in the respective fiscal year, regardless of the fiscal year for which they were received by the members of the Management Board. Accordingly, the 2024 STIP corresponds to the amount of the STIP from the 2023 fiscal year, which was disbursed in the 2024 fiscal year in accordance with the contractual agreement. The 2020 LTIP therefore corresponds to the amount for the LTIP whose four-year term ended on December 31, 2023 and which was disbursed in the 2024 fiscal year in accordance with the contractual agreement.

In accordance with section 162(5) AktG, the personal information of former Management Board members is no longer included if they left before December 31, 2014.

Pension commitments in EUR thousand

	Contribution to company pension plan		Service cost according to IAS 19		Pension obligation according to IAS 19	
	2023	**2024**	2023	**2024**	2023	**2024**
Andreas Weishaar (since 08/01/2024)	-	-	-	-	-	-
Lars Bolscho	50	58	70	89	76	154
Maria Zesch (until 07/31/2024)	85	50	121	76	297	-
Total	**50**	**58**	**70**	**89**	**76**	**154**

Remuneration granted and owed in accordance with section 162(1) sentence 1 AktG of the current members of the Management Board in EUR thousand

	Andreas Weishaar (since 08/01/2024)				Lars Bolscho				Maria Zesch (until 07/31/2024)			
	2023		2024		2023		2024		2023		2024	
	kEUR	in %	kEUR	in %	kEUR	in %	kEUR	in %	kEUR	in %	kEUR	in %
Fixed salary	-	-	188	81%	300	98%	350	82%	450	52%	263	54%
Fringe benefits	-	-	45	19%	6	2%	6	1%	26	3%	22	5%
Non-performance-related remuneration	**-**	**-**	**233**	**100%**	**306**	**100%**	**356**	**84%**	**476**	**55%**	**285**	**59%**
STIP 2022/2023	-	-	-	-	-	-	69	16%	389	45%	202	41%
LTIP 2018/2019	-	-	-	-	-	-	-	-	-	-	-	0%
Performance-related remuneration	**-**	**-**	**-**	**-**	**-**	**-**	**69**	**0**	**389**	**45%**	**202**	**41%**
Total remuneration (section 162(1) sentence 1 AktG)	**-**	**-**	**233**	**100%**	**306**	**100%**	**425**	**100%**	**865**	**100%**	**487**	**100%**

Remuneration granted and owed in accordance with section 162(1) sentence 1 AktG of the former members of the Management Board in EUR thousand

	Claude Tomaszewski (until 12/31/2022)		Tobias Flaitz (until 12/20/2021)		Felix Zimmermann (until 05/11/2021)	
	2023	2024	2023	2024	2023	2024
STIP	15	-	-	-	-	-
LTIP	3	171	-	85	4	267
Other 1	1,742	-	-	-	-	-
Total remuneration	**1,760**	**171**	**-**	**85**	**4**	**267**

1 Severance payment in relation to premature termination of Board position

	Heiko Hegwein (until 09/30/2020)		Dirk Lessing (until 10/31/2019)	
	2023	2024	2023	2024
STIP	-	-	-	-
LTIP	3	128	2	-
Other	-	-	-	-
Total remuneration	**3**	**128**	**2**	**-**

REMUNERATION OF THE SUPERVISORY BOARD

Each member of the Supervisory Board of TAKKT AG generally receives a fixed annual salary of EUR 55 thousand. The Chairman of the Supervisory Board receives double that amount; the Deputy Chairman receives EUR 25 thousand in addition to his fixed annual salary. Members of a Supervisory Board committee generally receive an additional fixed salary of EUR 3 thousand. The Chairman of the Supervisory Board committee receives double that amount; the Deputy Chairman receives one and a half times that amount. In addition, for each meeting of the Supervisory Board or a committee that they attend, each member receives an attendance fee of EUR 500 per day in attendance.

In addition, TAKKT AG offers the members of the Supervisory Board compensation for expenses. Remuneration related to activities on the Supervisory Board and committees is not paid out until the following fiscal year. Attendance fees are paid at the end of the month in the respective fiscal year.

Remuneration granted and owed of the current and former members of the Supervisory Board

2024	Fixed payments		Committee remuneration		Attendance fees		Total
	EUR thousand	in %	EUR thousand	in %	EUR thousand	in %	EUR thousand
Hubertus M. Mühlhäuser (since 05/17/2024)	-	-	-	-	-	-	-
Thomas Schmidt (until 05/17/2024)	110.0	95%	6.0	5%	-	-	116.0
Johannes Haupt	80.0	88%	10.5	12%	-	-	90.5
Stefan Räbsamen (since 05/17/2024)	-	-	-	-	-	-	-
Florian Funck (until 05/17/2024)	55.0	92%	4.5	8%	-	-	59.5
Thomas Kniehl	55.0	95%	3.0	5%	-	-	58.0
Alyssa Jade McDonald-Bärtl	55.0	100%	-	-	-	-	55.0
Aliz Tepfenhart	55.0	95%	3.0	5%	-	-	58.0

2023	Fixed payments		Committee remuneration		Attendance fees		Total
	EUR thousand	in %	EUR thousand	in %	EUR thousand	in %	EUR thousand
Thomas Schmidt	110.0	93%	6.0	5%	2.5	2%	118.5
Johannes Haupt	80.0	86%	10.5	11%	2.5	3%	93.0
Florian Funck	55.0	89%	4.0	7%	2.5	4%	61.5
Thomas Kniehl	55.0	91%	3.0	5%	2.5	4%	60.5
Alyssa Jade McDonald-Bärtl (since 05/18/2022)	34.2	97%	-	-	1.0	3%	35.2
Aliz Tepfenhart (since 05/18/2022)	34.2	92%	1.9	5%	1.0	3%	37.1
Dorothee Ritz (until 05/18/2022)	20.8	93%	-	-	1.5	7%	22.3
Christian Wendler (until 05/18/2022)	20.8	91%	1.1	5%	1.0	4%	22.9

The fixed remuneration, remuneration for additional committee activities, attendance fees and the lack of performance-related Supervisory Board remuneration are specifically intended to reinforce the independence of the Supervisory Board members.

COMPARATIVE PRESENTATION OF THE DEVELOPMENT OF REMUNERATION OF MANAGEMENT BOARD MEMBERS, SUPERVISORY BOARD MEMBERS AS WELL AS THE REMAINING WORKFORCE AND THE EARNINGS DEVELOPMENT OF THE COMPANY

In order to comply with the requirements of section 162 (1) sentence 2 no. 2 AktG, the following table shows the percentage change in the remuneration of the Management Board members, the Supervisory Board members and average remuneration of employees (full-time equivalents) as well as the earnings development of the company compared with the previous year.

The remuneration of the Management Board members included in the table reflects the amounts actually received in the respective fiscal year. These values correspond to the values stated in the tables on remuneration “granted and owed” in accordance with section 162 (1) sentence 1 AktG. For better comparability of the remuneration, payments in the event of early termination of Board membership are not taken into account. Where members of the Management Board only received pro rata remuneration in the individual fiscal years (e.g., due to joining the company during the year), the remuneration for this fiscal year was projected for the full year in order to ensure comparability.

In accordance with section 162 (1) sentence 2 no. 2 AktG, the comparative presentation also includes the annual change in the “earnings development of the company.” “Company” in the meaning of section 162 (1) sentence 2 no. 2 AktG is understood to be the legally independent, listed individual company (TAKKT AG). Since the remuneration of the Management Board members is also largely dependent on the development of Group key figures, the development of EBITA in the TAKKT Group is also included.

Since the employee and remuneration structures in the subsidiaries are diverse, particularly in the case of employees abroad, comparison of the development of average remuneration of the employees is based on the average remuneration of the workforce of the German subsidiaries of the TAKKT Group. In order to ensure comparability, the remuneration of part-time employees was extrapolated to full-time equivalents.

Comparative presentation of the annual change in the compensation of Management Board members and the Supervisory Board members as well as the average employee compensation and earnings development

	Change 2024 vs. 2023 in %	Change 2023 vs. 2022 in %	Change 2022 vs. 2021 in %	Change 2021 vs. 2020 in %	Change 2020 vs. 2019 in %
Current members of the Management Board in 2024 fiscal year					
Andreas Weishaar (since 08/01/2024)	-	-	–	–	–
Lars Bolscho (since 01/01/2023)	39%	–	–	–	–
Former members of the Management Board					
Maria Zesch (until 07/31/24)	– 44%	5%	81%	-	-
Claude Tomaszewski (until 12/31/2022)	-	– 98%	35%	– 24%	– 14%
Tobias Flaitz (06/01/2020 until 12/20/2021)	-	– 100%	– 31%	57%	–
Felix Zimmermann (until 05/11/2021)	-	–	– 100%	3%	– 11%
Heiko Hegwein (until 09/30/2020)	-	–	– 100%	– 70%	– 11%
Dirk Lessing (until 10/31/2019)	-	–	– 100%	– 60%	– 84%
Current members of the Supervisory Board in 2024 fiscal year					
Hubertus M. Mühlhäuser (since 05/17/2024)	-	-	-	-	-
Stefan Räbsamen (since 05/17/2024)	-	-	-	-	-
Alyssa Jade McDonald-Bärtl (since 05/18/2022)	– 3%	–	–	–	–
Aliz Tepfenhart (since 05/18/2022)	– 3%	–	–	–	–
Johannes Haupt	– 3%	7%	24%	– 20%	8%
Thomas Kniehl	– 4%	5%	24%	– 20%	10%
Former members of the Supervisory Board					
Thomas Schmidt (until 05/17/2024)	– 2%	23%	108%	– 20%	–
Florian Funck (until 05/17/2024)	– 3%	– 23%	– 17%	– 1%	83%
Dorothee Ritz (until 05/18/2022)	– 100%	3%	24%	– 20%	13%
Christian Wendler (until 05/18/2022)	– 100%	0%	24%	– 19%	10%
Stephan Gemkow (until 05/15/2019)	-	-	-	-	-
Employees					
Average employee compensation	3%	– 3%	6%	6%	6%
Performance					
Annual profit / loss TAKKT AG	64%	– 47%	86%	30%	– 4%
EBITA TAKKT Group	– 71%	– 18%	22%	33%	– 50%

OTHER DISCLOSURES

Deferred compensation

Management Board members may convert parts of their STIP payments into additional pension components on a graduated basis according to age group (deferred compensation). By opting to do without gross STIP payment amounts, the Board Members acquire benefit component entitlements vis-à-vis the company. The pension benefits are granted as entitlements for pensions and survivors' benefits and in the event of disability. Amounts converted from 2021 onwards bear interest at a rate of 4% per year until pension payments begin; and at 5% or 6% per year for older contributions.

From their board activity, there are pension obligations to the members of the Management Board from deferred compensation in the amount of EUR 255 thousand (EUR 262 thousand). In the fiscal year, EUR 0 thousand (EUR 0 thousand) was contributed to this plan.

TAKKT performance bonds

Stock options are not part of the Management Board remuneration at TAKKT. A voluntary participation offer is made to TAKKT executives allowing them to take part in the economic development of the TAKKT Group through bonds.

The return of this instrument results from a basic interest rate plus a premium or discount determined according to the performance of the TAKKT Group (TAKKT value added). The subscription amount as well as the attainable return have an upper limit. There are liabilities of EUR 47 (179) thousand to members of the Management Board from TAKKT Performance Bonds.

Remuneration for supervisory board mandates

Remuneration for activities associated with supervisory board mandates or activities performed as a member of the management in companies in which TAKKT holds a direct or indirect stake, or for which the Board Member is acting in TAKKT's interests, is offset against the STIP. The amounts are offset such that the remuneration received in the course of a fiscal year is offset against the STIP payable by the company for that year.

Miscellaneous

With respect to the members of the Management Board, there are the usual receivables and liabilities from appointment and employment contracts.

The members of the Management Board did not receive any benefits from third parties in the 2024 or 2023 fiscal years, which were either promised or granted to them in connection with their service on the Management Board.

As of December 31, 2024, the members of the Management Board held 41,477 (345) shares in TAKKT AG.

INDEPENDENT AUDITORS' REPORT ON THE AUDIT OF THE REMUNERATION REPORT PURSUANT TO SECTION 162(3) OF THE GERMAN STOCK CORPORATION ACT (AKTG)

To **TAKKT AG, Stuttgart**

Audit opinion

We have formally audited the remuneration report of Takkt AG, Stuttgart, for the fiscal year from January 1 to December 31, 2023, to verify whether the disclosures pursuant to section 162(1) and (2) AktG have been made. In accordance with section 162(3) AktG, we have not audited the factual accuracy of the remuneration report.

In our judgment, the disclosures pursuant to section 162(1) and (2) have been made in the enclosed remuneration report in respect of all material matters. Our audit opinion does not extend to the factual accuracy of the remuneration report.

Basis for the audit opinion

We carried out our audit of the remuneration report in accordance with section 162(3) AktG, paying due regard to the Audit Standard of the Institute of Public Auditors in Germany (IDW) "Auditing the Remuneration Report pursuant to Section 162(3) AktG" (IDW AuS 870 (08.2021)). Our responsibility pursuant to this regulation and this standard is described in more detail in the "Auditor's responsibilities" chapter of our report. We applied the requirements of the IDW Standard on Quality Management "Requirements for Quality Management in Audit Firms" (IDW QMS 1 (09.2022)) as our audit practice. We complied with the professional obligations pursuant to the German Public Accountant Act (WPO) and the Professional Code of Conduct for Auditors/Certified Accountants, including the independence requirements.

Responsibilities of the management board and the supervisory board

The Management Board and the Supervisory Board are responsible for the preparation of the remuneration report, including the corresponding disclosures, that meets the requirements of section 162 AktG. In addition, they are responsible for the internal control that they deem necessary to enable the preparation of a remuneration report, including the corresponding disclosures, that is free from material misstatement due to fraud (i.e. manipulation of financial reporting and misappropriation of assets) or error.

Auditor's responsibilities

Our objective is to obtain reasonable assurance about whether the disclosures pursuant to section 162(1) and (2) AktG have been provided in respect of all material matters in the remuneration report and to issue an audit opinion in this regard in a report.

We planned and conducted our audit in such a way that we were able to determine the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by section 162(1) and (2) AktG. In accordance with section 162(3) AktG, we did not verify the factual accuracy of the disclosures, the factual completeness of individual disclosures or the appropriate presentation of the remuneration report.

Stuttgart, March 26, 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Michael Sturm Wirtschaftsprüfer (German Public Auditor)	Constantin Fuchs Wirtschaftsprüfer (German Public Auditor)

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Sustainability Report

OF TAKKT GROUP 2024

Sustainability Report

FOREWORD

TAKKT is a B2B direct marketing specialist for business equipment. The Group's sales brands allow customers to quickly find the right product solutions for their individual needs. In addition to product quality and service requirements, this also increasingly includes meeting sustainability criteria, such as providing the carbon footprint of products or ensuring a sustainable and resilient supply chain. TAKKT works closely with manufacturers and suppliers to continuously improve its sustainability performance. The Group sees that it has a relevant impact on certain market trends, such as through product portfolio selection and by providing information to customers. In recent years, the company has observed the steadily growing importance of sustainability for customers and partners. Sustainability has become a key factor in our customers' purchasing decisions. As part of its new strategic direction, the Group aims to further leverage its position, especially in Europe, with the combination of high supply chain transparency and comprehensive certifications serving as a competitive differentiator and growth driver.

The sustainable development goals (SDGs) of the United Nations are the foundation of TAKKT's sustainability strategy, with a focus on SDG 12 (responsible consumption and production), SDG 13 (climate action), SDG 7 (affordable and clean energy), SDG 5 (gender equality) and SDG 10 (reduced inequalities). These five goals cover the three impact areas of the sustainability strategy: product, climate and social. TAKKT's focus is on continuously improving the sustainability of its product portfolio and reducing emissions along the value chain. At the same time, the company promotes equality as well as safe and fair working conditions for employees and workers along the value chain.

Until now, sustainability reporting was conducted in accordance with the widely used Global Reporting Initiative (GRI) standards. Due to increasing regulatory requirements, non-financial reporting will align more closely with legal standards and guidelines in the future. In the European Union, the Corporate Sustainability Reporting Directive (CSRD) aims to ensure standardized reporting and better comparability between companies. Unlike other European countries, Germany has not yet transposed the CSRD into national law. With this sustainability report, TAKKT has already begun aligning and structuring individual aspects of its reporting with CSRD requirements and standards.

In line with the structure outlined by the CSRD, this report begins with an introductory section and general information about the company's sustainability approach, mission statement, governance structures and sustainability goals. The first section concludes with a discussion of the methodology and results of the double materiality assessment, which serves to identify relevant sustainability topics. This is followed by comprehensive sections on climate change and own workforce, with the final sections covering the corporate policy, non-financial Group statement and EU Taxonomy.

GENERAL DISCLOSURES

The TAKKT sustainability approach

Mission statement
TAKKT's sustainability vision underscores its focus on customer needs, the Group's identity, and its commitment to the collective transformation process towards sustainable business practices:

"We place our customers' success at the heart of all our sustainability efforts. Our mission is to deliver maximum value to our customers by providing sustainable products and solutions that best meet their needs. Through guidance and support, we empower our customers to make informed decisions, closely partnering with them in their transformation towards sustainability. We ensure a responsible supply chain, enabling our customers to benefit from a fully sustainable partnership."

As an omnichannel direct marketing specialist for business equipment, the goal is to help customers be optimally equipped and assist them in selecting the right products and solutions. The Group aims to make a meaningful contribution to the sustainable success of its customers through a holistic approach that offers high-quality, durable products while ensuring efficient and sustainable processes throughout the supply and value chain. This encompasses not only quality, functionality and reliability, but also includes providing customers with comprehensive information about relevant sustainability matters.

TAKKT has developed a special product classification system in order to make product sustainability measurable and increase transparency across its entire product range. It enables the systematic evaluation of sustainable products and serves as the basis for targeted further development of the portfolio. Through the transparent disclosure of product evaluations, TAKKT provides customers with information about products and the upstream and downstream value chain, including details on the materials used, their recyclability and other sustainability matters. This allows the Group to help customers reduce their carbon footprint in a targeted manner while also meeting the growing legal requirements.

Together with suppliers, TAKKT is working on continuously enhancing the sustainability of its product portfolio and achieve a sales share of 50 percent with sustainably rated products by 2028.

Governance
Sustainability is firmly established at the executive level at TAKKT as a key strategic issue and responsibility lies with the Chief Financial Officer. The Group-wide SCORE (Sustainable Corporate Responsibility) governance system was rolled out throughout the company in 2022 and has been fully in effect since then. The SCORE officers at the individual companies are appointed by management, along with the designated technical contacts.

The Group Sustainability team develops and communicates sustainability strategies, goals and priorities in coordination with the divisions and marketing companies. Together with the SCORE officers, it also drives initiatives and measures throughout the Group, promotes the implementation of the sustainability road map, and provides recommendations for action to the management team.

In particular, Group Sustainability supports the individual TAKKT companies in translating the Group-wide objectives into specific projects and implementing them. The team actively manages sustainability KPIs, supports on-site implementation, promotes knowledge exchange and ensures the consolidation and analysis of sustainability key figures throughout the Group. Regular reporting of relevant sustainability topics takes place at the Management Board level, during the Executive Meeting and to the Supervisory Board in order to ensure transparency and accountability.

TAKKT ensures compliance with all applicable legal requirements. Regulations are continuously reviewed in order to ensure compliance with due diligence obligations in the future as well. TAKKT conducted a double materiality assessment in line with the requirements of the ESRS for the first time in 2024.

Sustainability strategy and road map
Responsible corporate action, a collaborative partnership with customers and employees, and protection of the climate and natural resources are at the core of TAKKT's sustainability goals.

WE SUPPORT UN GLOBAL COMPACT

As a longstanding member of the UN Global Compact, TAKKT is committed to sustainable business practices and aligns its actions with the SDGs of the United Nations.

TAKKT pursues a clear and future-oriented sustainability strategy that gives equal consideration to environmental, social and economic aspects. Through targeted actions in the three impact areas of climate, sustainable product development and social, the company plans to make further progress towards achieving its 2028 sustainability goals.

Potential energy-efficient measures are being explored in order to reduce CO_2 emissions, such as using renewable energy and optimizing logistics processes.

Close collaboration with customers and suppliers enables the development of sustainable product solutions for the portfolio that not only support measurable business success but also ensure responsible supply chains.

TAKKT'S 2028 SUSTAINABILITY GOALS

Impact Areas	SDGs	Sustainability KPI	Goals 2028	Results 2024
Circularity and Eco-Efficiency	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Share of sustainability-assessed products of order intake (in %)	**50 %**	**30.9 %**
Climate-Actions	13 CLIMATE ACTION 7 AFFORDABLE AND CLEAN ENERGY	Scope 1 & 2 emissions (in t CO_2e)	**40 %** reduction in comparison to base year 2021	**7,006 t CO_2e** (25 % reduction in comparison to base year 2021)
Social	10 REDUCED INEQUALITIES	Purchasing volume from sustainability-assessed suppliers (in %)	Assessment obtained in 2028: **50 %**	Assessment obtained in 2024: **37.2 %**

In 2024, TAKKT recorded further progress in the development of its sustainability key figures. Sales with sustainably rated products as well as the share of suppliers rated as sustainable grew further and are expected to increase again with the measures planned for 2025.

With regard to the climate impact area, the Group aims to further reduce its emissions. To achieve this, site-specific projects are being driven forward together with an external energy consultant to identify potential savings and derive actions.

In addition to the focus areas of product, climate, employees and society, TAKKT has defined mandatory requirements that are of strategic importance. This includes the expansion of sustainability reporting structures in order to ensure compliance with evolving legal requirements and regulations. Another key aspect is the plan to join the Science Based Targets Initiative (SBTi) in 2025. By aligning with SBTi criteria, TAKKT creates transparency in its climate goals and gives customers the assurance of working with a partner who shares and supports their requirements for a climate-friendly value chain.

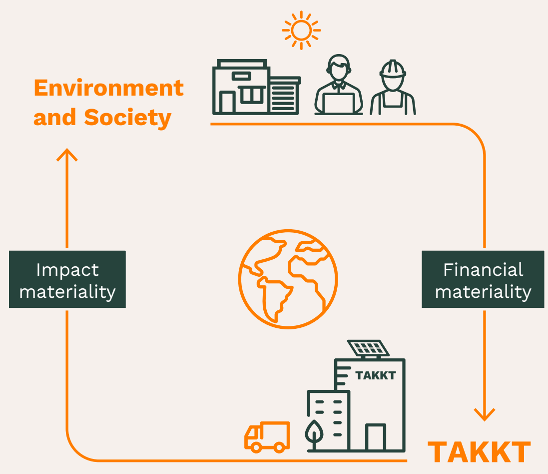
This commitment underscores the company's responsibility towards society, the environment and its stakeholders, while strengthening confidence in the company's sustainability strategy.

At the same time, TAKKT will place greater emphasis on clear, targeted internal and external communication to ensure transparency as they keep employees, customers, partners and other stakeholders informed about initiatives, goals and successes.

Double materiality assessment

The double materiality assessment (DMA) serves as the basis for identifying relevant sustainability topics and future sustainability reporting. It takes into account both the impact of TAKKT's business activities and strategy on the environment and society, as well as the impacts that environmental and societal factors may have on TAKKT's financial position, development and market position. A key feature of the DMA is that it classifies as material not only topics that are highly relevant both financially for TAKKT and in terms of their environmental impact, but also those where only one of these two aspects is deemed material. This enables a comprehensive view of both the challenges and opportunities associated with sustainability.

Double materiality assessment



The DMA conducted by TAKKT in 2024 supports the Group in complying with due diligence obligations. This includes systematically involving affected stakeholders and carefully assessing impacts and risks, which may also be influenced by external factors. The result of the DMA also provides the framework for reporting in accordance with the European Sustainability Reporting Standards (ESRS). The impacts, risks and opportunities assessed as material determine the sustainability topics on which TAKKT reports.

Double materiality according to ESRS

E1 Climate change
1 Climate change adaptation
2 Climate change mitigation
3 Energy

E2 Pollution
4 Pollution of air
5 Pollution of water
6 Pollution of soil
7 Pollution of living organisms and food resources
8 Substances of concern
9 Substances of very high concern
10 Microplastics

E3 Water and marine resources
11 Water
12 Marine resources

E4 Biodiversity and ecosystems
13 Direct impact drivers of biodiversity loss
14 Impacts on the state of species
15 Impacts on the extent and condition of ecosystems
16 Impacts and dependencies on ecosystem services

E5 Circular economy
17 Resource inflow, including resource use
18 Resource outflow related to products and services
19 Waste

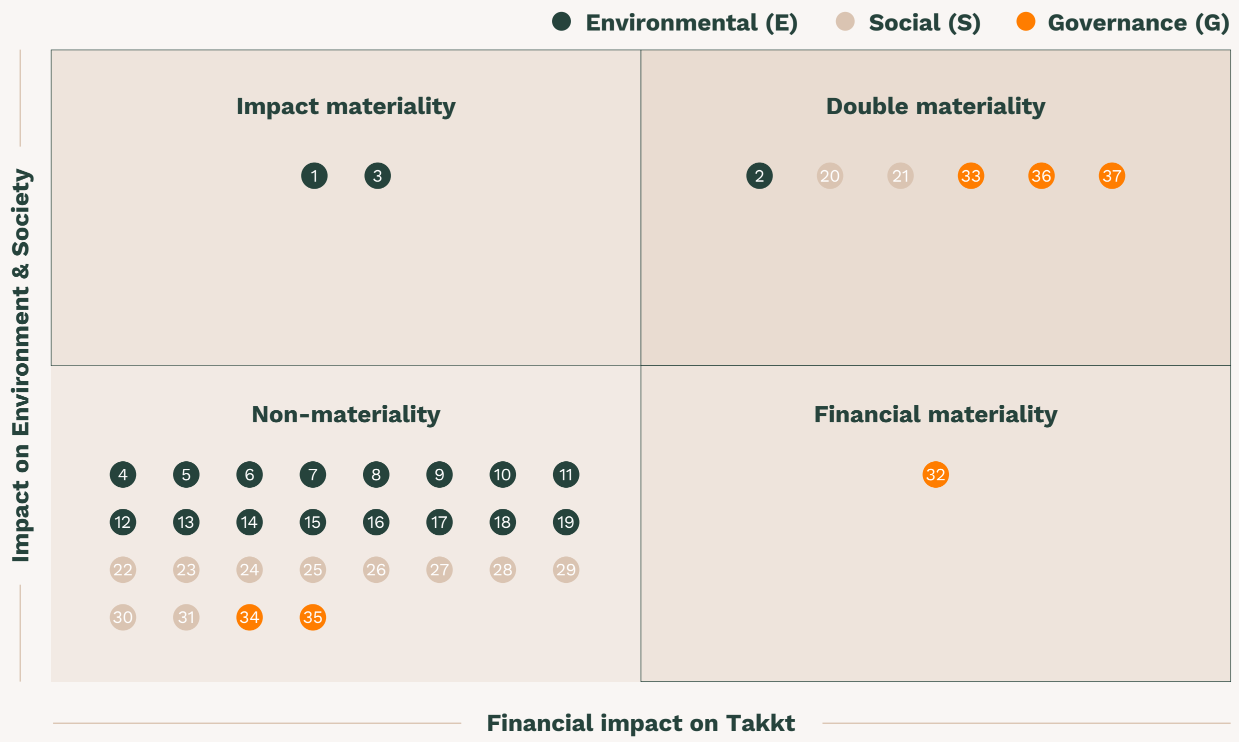
S1 Own workforce
20 Working conditions
21 Equal treatment and opportunities for all
22 Other work-related rights

S2 Workers in the value chain
23 Working conditions
24 Equal treatment and opportunities for all
25 Other work-related rights

S3 Affected communities
26 Communities' economic, social and cultural rights
27 Communities' civil and political rights
28 Rights of indigenous peoples

S4 Consumers and end users
29 Information-related impacts for consumers and/or end users
30 Personal safety of consumers and/or end users
31 Social inclusion of consumers and/or end users

G1 Business Conduct
32 Corporate culture
33 Protection of whistle blowers
34 Animal welfare
35 Political engagement
36 Management of relationships with suppliers including payment practices
37 Corruption and bribery



Result
Specifically, the environmental area covers the topics of climate change adaptation, climate change mitigation and energy from ESRS E1 (Climate Change). In the social domain, the focus is on working conditions, equal treatment and opportunities for all from ESRS S1 (Own Workforce). In the area of corporate policy, the topics of corporate culture, whistleblower protection, management of relationships with suppliers, and corruption and bribery from ESRS G1 (Governance) were identified as material for TAKKT. The nine topics classified as material are shown in the figure.

The structure of TAKKT's current non-financial statement is based on the topics assessed as material.

Methodology
TAKKT conducted the DMA in accordance with the requirements of ESRS 2 (General Disclosures) in its current version of July 2023. The process began with a systematic identification and evaluation of the impacts, risks and opportunities (IROs) that are relevant for the TAKKT Group. The overarching framework was made up of all topics and subtopics from Table AR 16 of ESRS 1 (General Requirements). The goal was to derive specific impacts, risks and opportunities arising from the respective topics for the TAKKT Group. Special attention was given to the interplay between impacts and financial risks and opportunities (IRO). The identification of IROs was carried out on an aggregated level for the entire TAKKT Group to ensure a comprehensive and coherent perspective.

For impacts, the following dimensions were assessed: scale, scope, probability of occurrence of potential impacts and the irremediable character of negative impacts. For risks and opportunities, only the criteria of scale and probability of occurrence of potential risks and opportunities were used. Based on the assessment of the criteria, an overall value was determined for each IRO, which indicates whether an IRO exceeds the materiality threshold defined by TAKKT and is therefore classified as material.

Involving stakeholders and their representatives through workshops and interviews was an important component in identifying and evaluating the IROs. The views of the following stakeholder groups were taken into consideration:

- Employees
- Suppliers
- Customers
- Environment
- Society

The interests and priorities of the stakeholder groups "Environment" and "Society" were derived indirectly. To ensure adequate representation of both groups, TAKKT used the assessments of a CO_2 specialist as well as publicly available data and statistics. The aim was to ensure the most representative perspective of these groups. The final results of the DMA were reviewed and approved by TAKKT's Management Board and Supervisory Board. Following a project-related double materiality audit with limited assurance pertaining to compliance with the requirements outlined in ESRS 2, the external auditing agency found no indications of material violations of the requirements.

CLIMATE CHANGE

Climate strategy

Climate change is one of the greatest global challenges and is also of central importance to TAKKT. As an international B2B company involved in procurement and sales, TAKKT takes responsibility for its environmental and climate impacts. The company has therefore identified climate change as material in its DMA and is implementing targeted actions to reduce greenhouse gas emissions throughout the entire value chain.

The majority of TAKKT's greenhouse gas emissions are generated in the upstream and downstream value chain, particularly in the procurement and distribution of products (Scope 3). In contrast, the direct emissions resulting from its business activities (Scope 1 and 2) are less significant.

Its climate strategy, which includes both operational actions and close collaboration with suppliers, puts TAKKT in a resilient position to navigate climate-related challenges. Climate change mitigation and adaptation actions are continuously being developed to actively shape the transition to a lower-emission economy.

TAKKT is aware of its responsibility to employees, customers and partners and remains committed to open and transparent communication. In the current Carbon Disclosure Project (CDP) report, the company received a rating of C. By disclosing relevant data, TAKKT enables investors, customers and other stakeholders to understand the company's environmental impact. Furthermore, the company plans to join the SBTi in 2025. The main objective of the SBTi is to define sound targets and standards that enable companies to take effective actions to limit global warming to 1.5°C.

In moving toward this goal, TAKKT has set a target to reduce greenhouse gas emissions at its sites (Scope 1 & 2) by 50 percent by 2030, compared to 2021 levels. A reduction of 25 percent was already achieved in 2024. The Group-wide climate strategy for reducing emissions introduced in 2023, which is based on marginal abatement cost curves (MACCs), was further developed in 2024 to enable informed decision-making and the prioritization of actions. The new methodology ensures that the transformation is not only ambitious but also economically viable.

In the next step, TAKKT plans to develop a comprehensive net-zero plan based on the precise collection and analysis of Scope 3 emissions completed in 2024. Looking ahead, this assessment enables TAKKT to also define reduction targets for these emissions and incorporate them into its reduction strategy.

Climate risk analysis

Climate-related risks and opportunities are becoming increasingly significant worldwide and influencing business strategies and long-term planning. TAKKT also recognizes the importance of systematically assessing climate risks and opportunities and factoring them into business decisions. A climate risk analysis was conducted to assess and classify the relevant risks. The analysis is based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and distinguishes between physical risks and transition risks. Physical risks arise from the direct impacts of climate change, such as temperature changes, extreme weather events or changes in precipitation patterns. On the other hand, transition risks result from the shift to a lower-carbon economy and include regulatory changes, technological developments and changing customer requirements regarding more sustainable business models. For the assessment of physical risks in the US business, the Living Atlas assessment tool was used, while the European Climate Risk Assessment was used for activities in Europe. Transition risks were analyzed based on the International Energy Agency's (IEA) net-zero scenario. These tools provide robust and reliable data sources for making sound assessments of key climate risks. The results of the climate risk analysis serve as the basis for deriving measures to minimize risks or strengthen the company's resilience.

Physical risks
A highly detailed geographical physical risk analysis was performed in the US (county level) and EU (NUTS 3) to capture regional differences as accurately as possible. For the US, the time period extends from 2035 to 2064 and for the EU from 2036 to 2065, with the focus of the analyses on the period up to 2050.

The analysis methodology is based on the RCP 8.5 worst-case scenario, representing a high level of emissions. Within this framework, various physical risks were examined, including temperature changes, heat waves, cold waves/frost, forest and wildfires, changes in precipitation patterns, heavy precipitation, water scarcity and variability, drought, flooding, landslides and the rising sea level. Due to a lack of modeling capability and data availability, the following risks could not be taking into account: temperature variability, permafrost thawing, changes in wind conditions, ocean acidification, saltwater intrusion, coastal erosion, soil degradation, soil erosion, solifluction, cyclones, hurricanes, typhoons, storms, tornadoes, glacial lake outbursts, avalanches and soil subsidence.

The following table provides an overview of the climate-related risks identified at various TAKKT locations and possible adaptation measures to mitigate risks.

Region	Risiken	Mögliche Anpassungsmaßnahmen
USA, Finnland, Norwegen	Hohe Temperaturveränderungen	Anpassungsmaßnahmen an extreme Temperaturen
Ungarn, Italien, Teile der USA	Hitzewellen	Zusätzliche Kühlmaßnahmen, flexible Arbeitszeiten
Spanien, Italien, bestimmte Regionen der USA	Wald- und Flächenbrände	Verstärkte Brandschutzmaßnahmen, regelmäßige Notfallübungen
Schweiz, Polen	Änderungen der Niederschlagsmuster	Optimierung von Drainagesystemen, Wassermanagementstrategien
Großbritannien, Niederlande	Steigender Meeresspiegel	Schutzmaßnahmen, mögliche Standortanpassungen
Portugal, Rumänien	Wasserknappheit	Strategien zur effizienten Wassernutzung, Notfallpläne
Österreich, Schweiz	Hochwasser, Erdrutsche	Verbesserte Hochwasserschutzmaßnahmen, Prüfungen der Hangstabilität

Transition risks
The methodology for analyzing transition risks is based on the International Energy Agency's net-zero scenario and the RCP 2.6 scenario, which is based on a low emission level. As part of the analysis, developments associated with this scenario (e.g., in the areas of regulation and market/demand) were assessed for their risk content. The analysis shows that rising raw material costs and higher emissions pricing can lead to higher procurement prices for TAKKT. In addition, changes in consumer behavior, such as increased use of second-hand goods or the substitution of existing products, can result in decreased demand for TAKKT's product range. Both risks ("rising procurement prices" and "structural changes in demand") are described and evaluated in TAKKT's risk and opportunities report, which includes not only considerations related to transition risks but also all conceivable factors that could lead to the occurrence of these risks.

Corporate Carbon Footprint

The corporate carbon footprint records all greenhouse gas emissions generated in a company within a defined time period. This includes direct emissions (Scope 1), indirect emissions from purchased energy (Scope 2) and other indirect emissions along the value chain (Scope 3). Calculation of the corporate carbon footprint helps identify emission drivers and derive reduction potentials. In addition, regularly calculating the corporate carbon footprint enables the strategic management of climate objectives and measurable tracking of progress. In 2024, TAKKT calculated and systematically documented the Scope 1 and Scope 2 emissions, as well as the Scope 3 emissions, utilising the external sustainability software provided by Global Changer.

Methodology

Calculation of Scope 1 and Scope 2 emissions

In 2024, TAKKT calculated and documented Scope 1 and Scope 2 emissions using the Global Changer sustainability software. The location-based approach was used again as in previous years. Close collaboration with the individual TAKKT locations helped to further improve the accuracy of the carbon footprint compared to prior years.

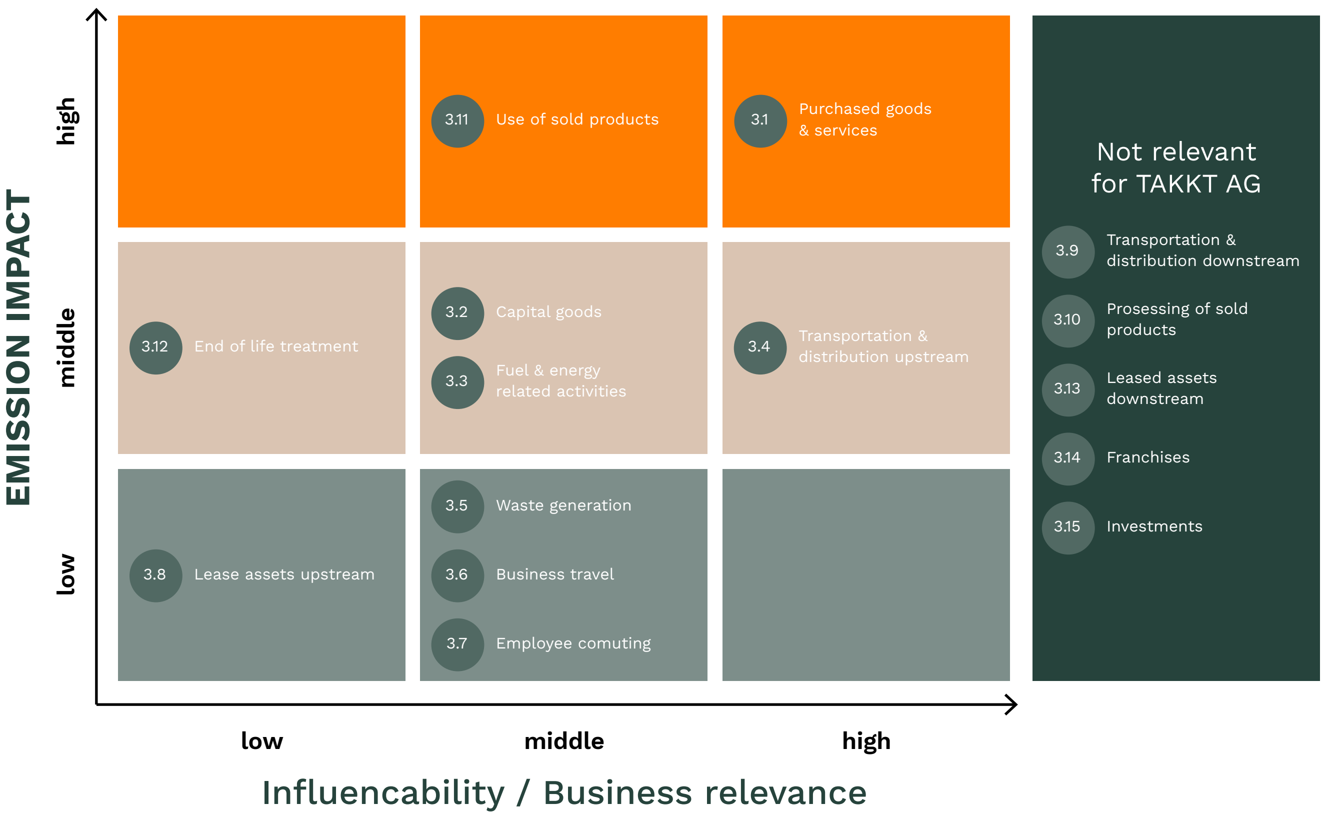
Since many final annual statements were not yet available at the time of the emissions calculation, estimates had to be used in some cases. Nevertheless, the use of software for the decentralized collection of emissions enabled more precise data capture than in previous years.

The calculated emissions are based primarily on activity-based data, which significantly improved the quality and accuracy of the calculations. TAKKT heavily relies on this methodology to ensure the accurate recording of emissions. Spend-based data is only used in cases where activity-based tracking is not possible.

Calculation of Scope 3 emissions

Significance analysis

To calculate Scope 3 emissions, TAKKT first performed a significance analysis. This ensures targeted emissions reporting that appropriately reflects the role of an omni-channel direct marketing specialist. In order to



do this, the relevance of all Greenhouse Gas Protocol emission categories is assessed in the various areas of business activity and throughout the value chain. Only categories that contribute significantly to TAKKT's emissions balance are considered. The following tables show the categories assessed as not significant in the significance analysis and the significant categories along with the calculation method for measuring emissions.

Non-significant emissions

Kategorie	Grund für Nichtberücksichtigung
Transport und Distribution downstream (3.9)	TAKKT konsolidiert alle transportbezogenen Emissionen unter Scope 3.4, da der gesamte Transportprozess von TAKKT organisiert und kontrolliert wird.
Verarbeitung von verkauften Produkten (3.10)	TAKKT vertreibt ausschließlich fertig produzierte Waren. Die Verarbeitung (z. B. Montage, Schweißen) erfolgt vor der Beteiligung von TAKKT durch Lieferanten.
Leasing von Vermögenswerten downstream (3.13)	TAKKT verleiht keine Vermögenswerte an Dritte.
Franchises (3.14)	TAKKT betreibt keine Franchises.
Investitionen (3.15)	2024 wurden keine Investitionen in Minderheitsbeteiligungen getätigt.

Significant emissions

Kategorie	Beschreibung	Ermittlungsansatz	Emissionen 2024 [t CO_2e]
Eingekaufte Güter und Dienstleistungen (3.1)	Emissionen aus Herstellung von Waren und Dienstleistungen, die TAKKT im Berichtsjahr erworben hat	• Ausgabenbezogen für Gesellschaften >5 % des Gesamtbeschaffungsvolumens • Rest durch Extrapolation innerhalb der Division	
Investitionsgüter (3.2)	Emissionen aus Herstellung von Anlagevermögen und Vermögenswerten >€1.000	• Ausgabenbezogen basierend auf Bilanz 2024 • Multiplikation mit sektorspezifischen Emissionsfaktoren	
Brennstoff- und energiebezogene Aktivitäten (3.3)	Emissionen aus Herstellung, Verarbeitung und Transport von Brennstoffen und Energie	• Berechnung basierend auf Verbrauchsdaten und Erzeugungstechnologie • Nutzung von Scope-1- und Scope-2-Erhebungen	
Vorgelagerter Transport und Distribution (3.4)	Emissionen aus Transportaktivitäten, die TAKKT in Auftrag gibt und bezahlt [ist das gemeint?]	• Entfernungsbasiert für Gesellschaften >10 % des Auftragseingangs • Extrapolation für kleinere Gesellschaften • Berechnung basierend auf Masse, Entfernung, Verkehrsträger mittels EcoTransIT	
Betriebsbedingte Abfälle (3.5)	Emissionen aus Entsorgung und Behandlung von Abfällen der TAKKT	• Multiplikation der Abfallmengen mit spezifischen Emissionsfaktoren je Behandlungsverfahren	

Geschäftsreisen (3.6)	Emissionen aus dienstlichen Reisen mit verschiedenen Verkehrsmitteln	• Entfernungsbasiert oder ausgabenbezogen je nach Datenlage • Entfernungsbasiert: Berechnung über zurückgelegte Distanzen und Emissionsfaktoren • Ausgabenbezogen: Berechnung über Reiseausgaben und spezifische Emissionsfaktoren	
Mitarbeiterpendeln (3.7)	Emissionen aus Arbeitswegen der Mitarbeitenden	• Berechnung über regionale Distanzdaten und interne HR-Metriken • Nutzung von Pendeldistanzen und Modal-Split der Verkehrsmittel	
Angemietete oder geleaste Sachanlagen (Upstream) (3.8)	Emissionen aus zwei nicht operativ kontrollierten Standorten (Tsuen Wan, Markham)	• Berechnung des Energieverbrauchs basierend auf Gebäudefläche und lokalen Verbrauchsdaten	
Nutzung von verkauften Produkten (3.11)	Direkte Emissionen aus Energieverbrauch während der Nutzungsdauer verkaufter Produkte	• Gruppierung in Produktfamilien • Berechnung basierend auf Energieverbrauch, täglicher Nutzung und Lebensdauer • Nutzung von AfA-Tabellen und B2B-Nutzungsmustern • Berücksichtigung des regionalen Energiemixes	
End-of-Life-Behandlung (3.12)	Emissionen aus Entsorgung verkaufter Produkte und Verpackungen	• Klassifikation nach Abfallmenge und Entsorgungsmethode (Deponie, Verbrennung, Recycling) • Falls unbekannt: Nutzung von Markt-Faktoren aus Ecoinvent-Datenbank • Unternehmen <10 % Auftragseingang: Extrapolation innerhalb der Division	

Results

In 2024, the emissions shown include the direct emissions generated by TAKKT's activities at the locations (Scope 1) as well as the indirect emissions resulting from the production of externally sourced energy (Scope 2) or emissions incurred through the activities of third parties along the value chain of the company (Scope 3). This enabled TAKKT to create a complete emissions calculation along the entire value chain for the first time in 2024.

In 2024, the total Scope 1 and 2 emissions amounted to 7,006 t CO_2e, representing a reduction of 1,342 t CO_2e or 16 percent compared to the previous year (8,348 t CO_2e). The total Scope 3 emissions were 1,503,945 t CO_2e.

Scope 1

Direct emissions from stationary combustion (Scope 1.1) amounted to 2,196 t CO_2e in 2024, representing a reduction of 34 t CO_2e or 2 percent compared to the previous year (2,231 t CO_2e). This reduction was primarily attributable to the ongoing energy-saving measures as well as the introduction of energy-efficient technologies. In addition, the lower business volume also had an impact.

In the area of mobile combustion (Scope 1.2), emissions amounted to 1,196 t CO_2e, corresponding to a decrease of 31 t CO_2e or 3 percent compared to the previous year (1,227 t CO_2e). This reduction was achieved through partial electrification of the vehicle fleet.

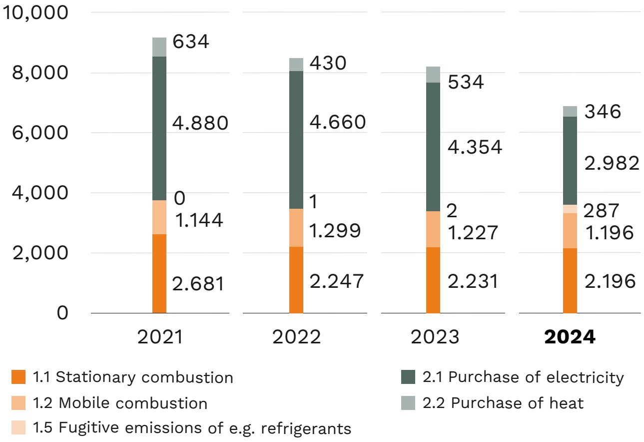
In addition, 287 t CO_2e were released from fugitive emissions, such as refrigerant losses, representing a significant increase of 284 t CO_2e compared to the previous year (2 t CO_2e). The increase in fugitive emissions was due to various operational and technical factors, including changes in maintenance processes and the installation of new systems.

Total direct emissions (Scope 1) decreased from 3,460 t CO_2e to 3,392 t CO_2e, corresponding to a reduction of 68 t CO_2e or 2 percent.

Scope 2
Indirect emissions from purchased electricity (Scope 2.1) amounted to 2,982 t CO_2e in 2024, corresponding to a reduction of 1,372 t CO_2e or 32 percent compared to the previous year (4,354 t CO_2e). This reduction was primarily attributable to specific actions such as the commissioning of a photovoltaic system in Haan, the closure of locations and changes in consumption behavior at several major sites. Furthermore, in 2024 the calculation method was changed from the previous spend-based approach to an activity-based approach. Due to the more precise data collection possible this year, the previously deliberately conservative spend-based approach was replaced. This results in a more accurate representation of consumption, which is reflected in lower emissions.

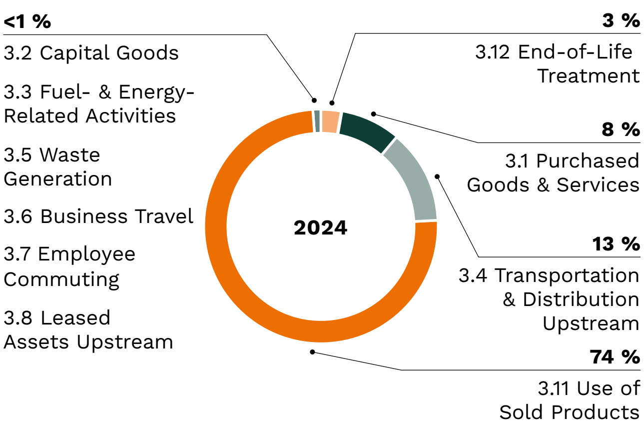
Indirect emissions from purchased heat (Scope 2.2) amounted to 346 t CO_2e, representing a reduction of 188 t CO_2e or 35 percent compared to the previous year (534 t CO_2e). This decline was primarily due to lower heating requirements combined with milder winter conditions.

TAKKT Scope-1- and Scope-2-emissionen in t CO_2e



Scope 3
Based on the initial collection, Scope 3 emissions primarily relate to the following categories: 3.11 Use of sold products (74 percent), 3.4 Upstream transportation and distribution (13 percent), 3.1 Purchased goods and services (8 percent), and 3.12 End-of-life treatment of sold products (3 percent). These results show that product use accounts for the largest share of emissions, followed by transportation and manufacturing. These initial comprehensive assessments provide the basis for developing targeted reduction strategies and actions, which TAKKT aims to implement in the coming years to achieve significant reduction targets in Scope 3 as well.

Percentage share of Scope-3 categories

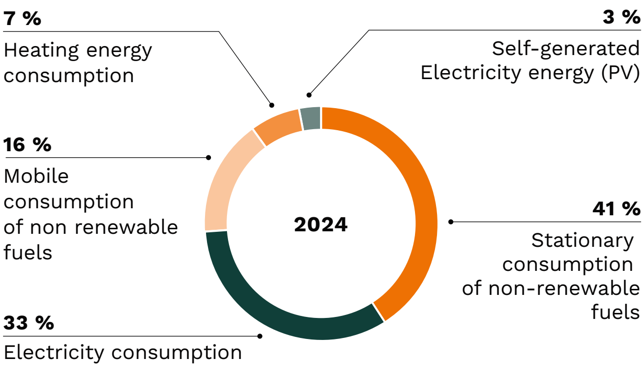


Energy consumption & energy mix

A detailed presentation of TAKKT's energy mix was created based on the analyzed data. This is visualized in the TAKKT Energy Mix 2024 diagram and provides an overview of the various energy sources used by TAKKT. This overview serves as the basis for planning and evaluating the company's energy supply and continuous development of the sustainability strategy.

The largest share of energy consumption is attributable to thermal energy and gas combustion, which together account for more than 50 percent of the total energy consumption of 211.2 million MJ.

TAKKT energy mix in percent



Reduction road map (climate objectives)

In 2024, TAKKT's Group-wide emissions reduction strategy was developed further and the corresponding investment planning optimized based on MACCs. This methodology is a valuable tool for assessing decarbonization projects. It enables weighing and visualizing the potential CO_2e savings in relation to the associated costs. Based on this, informed decisions can be made about which projects offer the most cost-efficient method for achieving decarbonization.

The identified actions for reducing CO_2 emissions are based on an internal analysis of the main sources of Scope 1 and Scope 2 emissions over the past few years. This analysis revealed that around half of the emissions stem from electricity consumption. In this area, the use of renewable electricity is seen as a promising driver, particularly through the expansion of photovoltaic systems and the increased self-supply of electricity. Ultimately, the decision to implement potential actions depends on the company's strategic priorities and economic conditions. Nearly a quarter of the emissions are attributable to stationary combustion, particularly diesel and gas consumption. In this area, a gradual transition to electric alternatives is being explored, with availability and technical feasibility playing a crucial

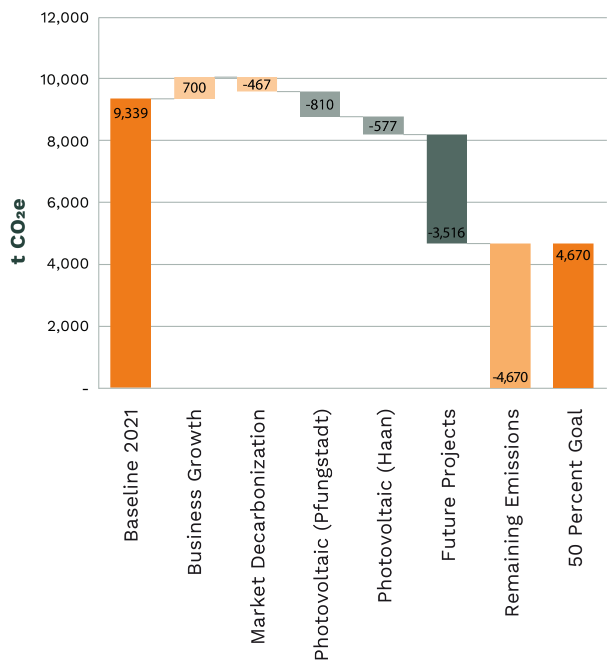
Photovoltaic system in Haan, Germany

role. For mobile emissions, the continued electrification of the vehicle fleet is being considered, with external factors such as market developments and investment cycles also playing a decisive role in the progress of implementing these actions.

In 2023 and 2024, TAKKT invested in two significant photovoltaic projects in Germany. These projects use the rooftop area at warehouse locations for green electricity production and are being gradually commissioned, with the aim of achieving annual savings of more than 1,300 t CO_2e. As such, they make a significant contribution to promoting the energy transition at TAKKT and realizing a more sustainable energy mix for the company and regions where its sites are located. By using self-produced electricity, TAKKT not only reduces emissions but also lowers energy costs.

In 2024, the company's reduction activities focused heavily on commissioning of the photovoltaic systems.

Plan for achievement of the 50 percent goal



Outlook

For 2025, TAKKT will examine further actions specifically aimed at achieving the climate objectives by 2030. The identification of further actions and projects will take place in close collaboration between the sustainability department, subsidiaries and relevant functional areas. This will include a detailed analysis of the progress made to date and the evaluation of new initiatives to ensure the effective and targeted implementation of all planned activities.

Initially, the reduction strategy will focus on the Industrial & Packaging division, with particular emphasis on hotspot locations, which are responsible for a large portion of the division's emissions. In the coming year, the plan is to have these locations evaluated by external energy consultants in order to identify and implement specific energy-saving measures. These actions are a key component of the road map for achieving the climate objectives and ensuring that resources are used efficiently to meet the defined reduction goals.

In addition, an adjustment of the sourcing strategy is planned in the Industrial & Packaging division in order to realize synergies between product optimization and emissions reduction. To best meet customer demands, the Group aims to develop customer-oriented solutions that offer both environmental as well as economic benefits.

In addition, TAKKT plans to certify as many of its subsidiaries as possible according to recognized sustainability standards such as ISO 50001 and EMAS in order to ensure and demonstrate continuous improvement in energy efficiency and emissions reduction.

The newly developed calculation tool for determining the greenhouse gas emissions of in-house manufactured products will enable TAKKT to calculate and disclose the product carbon footprint (PCF) for these products in the future. TAKKT's business customers can use this information in their purchasing decisions and reliably calculate the emissions associated with their own operations. By disclosing the PCF, TAKKT not only creates greater transparency about the climate impact of its products, but also strengthens trust in its commitment to sustainable solutions.

Calculating the PCF also allows the identification of emission hotspots along the value chain. For both TAKKT and its business customers, this information provides the basis for the targeted development and implementation of emissions reduction actions. This enables the environmental impact of their products to be minimized in a sustainable way.

At the same time, TAKKT can set an example for its suppliers by disclosing PCFs and supporting them in calculating their own PCFs. This promotes collaborative partnerships and strengthens the shared responsibility for creating a more environmentally friendly supply chain.

Transparency for more environmentally friendly products

As a retail company, TAKKT places great emphasis on working together with suppliers to steer the product portfolio towards sustainability in a targeted manner. In order to achieve this, an innovative product sustainability rating was introduced in 2021. This classification system makes it possible to systematically measure the sustainability of products based on clear and transparent criteria. At the same time, it increases transparency across the entire product range. It helps customers make conscious and sustainable purchasing decisions.

The product rating system is based on clearly defined must-have criteria that are aligned with the ten principles of the UN Global Compact. TAKKT does not allow the sale of products that do not meet these fundamental requirements. In addition, the products are assessed in five categories: circular economy, climate change, cost-effectiveness, biodiversity and innovation.

In order to ensure that all relevant aspects are adequately taken into consideration, the system includes detailed subcategories which are based on objective master data and the evaluation of supplier questionnaires. This approach ensures an unbiased and transparent assessment. The sum of the individual evaluations determines the final sustainability score of the product. The rating scale ranges from 1.0 to 5.0. Products with a rating of 3.0 or higher qualify as sustainable.

In 2024, TAKKT continued to actively market sustainably rated products and harmonize its portfolio in a targeted manner. Sustainability remains an important element in the product range in order to meet customer requirements and give greater consideration to environmental and social criteria. Greater customer transparency and a solid foundation for informed decision-making were achieved through more precise, comprehensive product information and improved data quality. An example of the success of sustainably rated products is evident in the fact that corporate customers include these products as preferred items in their electronic catalogs, thereby aligning their product selection with more sustainable solutions. This underscores the growing importance of sustainability criteria in procurement processes.

At the same time, the product range was systematically optimized with regard to sustainability by including products with better environmental and social attributes. Throughout this process, the needs and requirements of customers remained the top priority. TAKKT used feedback from its customers to align the product range to meet the growing demand for sustainable products as well as high expectations regarding quality and performance.

These activities are also reflected in the results: Sustainably rated products account for over 30 percent of TAKKT's total sales, once again exceeding the target for the year.

OWN WORKFORCE

TAKKT places great importance on strong values regarding motivation, engagement and employee satisfaction, and considers them key pillars of the company's success. As an employer, TAKKT promotes an open and collaborative work environment, where each employee is encouraged to actively contribute to shared success. By continually developing its employer brand, TAKKT strengthens employee identification with the company and supports their long-term retention. In 2024, this was reflected in a voluntary employee turnover rate of 8.6 percent. A positive work environment, equal opportunities and the health and safety of employees are key priorities for TAKKT as an employer.

TAKKT uses modern human resources management processes to address these issues. In 2024, significant progress was made in this area with the Group-wide implementation of the Workday human resources management system. The new system replaces the previous tools and enables more efficient data collection and analysis. Particularly with regard to the requirements of the CSRD, Workday supports the delivery of important key figures. The resulting transparency enables informed decision-making, improved progress tracking and easier implementation of targeted actions.

Diversity, equal opportunities & inclusion

Diversity at TAKKT is understood as the appreciation and advancement of individual differences. This encompasses aspects such as ethnicity, gender, religion, age, sexual orientation, educational background and personality types. Equal opportunity at TAKKT means systematically eliminating barriers of any kind in order to ensure the same opportunities for all employees. The aim of inclusion is to give everyone a voice, respect opinions and create a sense of belonging.

TAKKT is committed to an appreciative, unprejudiced and inclusive work environment, where employee diversity is recognized as a valuable resource. As a signatory of the Diversity Charter and in accordance with the Labor and Human Rights Policy, the goal is to firmly anchor diversity, equality and inclusion in the corporate culture. This commitment contributes to creating a positive work environment and ensures that human rights are respected and upheld within the workforce. There were no cases of human rights violations reported in 2024. Furthermore, TAKKT firmly believes in the value of a diverse workforce when it comes to fostering innovation and better addressing the needs of employees, customers and business partners.

Advancing women in management positions

A key aspect of TAKKT's diversity strategy is increasing the share of women in management positions. In 2024, the share of female executives was 26.2 percent. In the future, TAKKT aims to take a more comprehensive approach to diversity in leadership and focus on additional aspects alongside the percentage of women. In addition to the continued advancement of women in leadership and ensuring equitable gender participation, the goal is to develop an even broader understanding of diversity and define clear criteria for diversity in leadership positions. This involves giving greater consideration to different perspectives, backgrounds and experiences in order to promote a more inclusive and effective leadership culture.

Management level	Share of female employees
Executive personnel	26.2 %
All employees	44.3 % of the 2,299 TAKKT employees

Dealing with discrimination and promoting equal opportunity

TAKKT is committed to combating all forms of discrimination and harassment. The equal treatment of all employees regardless of age, gender, ethnic origin, sexual orientation, religion or disability is a fundamental principle of the corporate culture. The mandate to prevent discrimination and harassment is an integral part of the company's internal code of ethics. Code of conduct training is mandatory for all employees in order to ensure the ongoing prevention of discrimination and harassment. This training promotes awareness of mutual respect and provides clear standards of conduct.

Promoting equal opportunity includes the targeted removal of barriers as well as supporting employees with special needs. For example, in the Industrial & Packaging division, the representative body for severely disabled employees in Germany plays an important role by acting as an advisory and advocacy body and supporting the integration of the employees concerned.

In 2024, one case of discrimination was reported, which was carefully investigated and appropriately handled by the legal department.

Training and skills development

Employee development opportunities

The continuous development of employees' skills is essential in order to meet the challenges of a dynamic work environment. TAKKT implements a wide range of training and development measures to promote the individual skills of its employees and strengthen the organization as a whole.

A key component of this is the annual performance review with all employees to help identify and promote individual development needs. These reviews provide the basis for the individual planning of training measures and contribute to long-term employability.

TAKKT offers employees a wide range of opportunities for further development. In the area of language training, digital courses are available to employees through an external provider. This enables flexible continuing education regardless of location. In addition, mandatory and voluntary training on various topics are offered and conducted via internal portals. This includes individual documentation of completed courses to ensure the transparent tracking of development progress.

In addition to digital training and courses, TAKKT also offers employees training on the efficient use of AI tools. These courses are conducted in an interactive format by internal experts with a focus on providing support for specific use cases. The aim is to prepare employees for the use of new technologies and accelerate repetitive systematic tasks in order to free up time for more challenging and fulfilling activities.

Further development opportunities for employees include workshops on leadership and change management, mentoring programs and international assignments.

Promoting young talent and training

Fostering young talent in a targeted manner is an important part of TAKKT's human resources strategy. The company offers a wide range of opportunities for training and further development across all divisions, with the goal of retaining young talent for the long term and preparing them for future challenges. TAKKT's global talent programs and structured development processes create an environment where young professionals can develop their full potential. The programs are designed to align individual career opportunities with the strategic direction of the company, specifically aimed at preparing talent for specialized roles. In Germany, particular focus is given to the expansion and further development of the training structure. Through targeted investments in promising professional areas such as digital commerce management and dialogue marketing, attractive opportunities are created for young professionals.

TAKKT currently employs over 50 trainees and dual study students in Germany. The trainee ratio is between six and twelve percent, depending on location.
By introducing a revised training framework plan for each apprenticeship program starting in 2025, TAKKT is focusing on clear structures and high training standards. This plan provides the foundation for a modern, future-oriented training program designed to meet the needs of an ever-changing work environment. A structured transition process for placing trainees in permanent positions also ensures that valuable talent stays with TAKKT, while providing young professionals with a clear vision for the future.

Occupational health and safety

The safety and health of employees are TAKKT's highest priority. Through a comprehensive safety management system and regular safety audits, the company ensures that legal requirements and internal standards are consistently met and continuously improved. The goal is to create a safe and healthy work environment, prevent workplace accidents and actively promote the well-being of employees. Particular importance is given to ergonomic workplace design to minimize physical strain as well as to accident prevention through clear safety standards and regular training.

Occupational safety measures

TAKKT provides annual mandatory safety training for all employees in the form of online courses. The key areas covered include workplace ergonomics, accident prevention and the handling of equipment. In addition, there are specific guidelines on occupational health and safety tailored to the respective requirements of the locations in Europe and the US.

Furthermore, additional actions are being carried out to continuously improve workplace safety:

- Safety instructions for operating special machines and equipment
- Training and instruction on workplace-related risks
- Regular on-site audits to check implementation and initiate corrective actions or additional training
- Operational guidelines for safety-related activities
- Multilingual, easily understandable notices and documents, ensuring accessibility for everyone

Safety standards

In Germany, an occupational health and safety directive regulates the mandatory compliance and implementation of safety regulations. Regular inspections and maintenance of work equipment by internal and external safety specialists ensure the safe operation of facilities. Employees who work with machines or hazardous materials receive targeted training and are equipped with personal protective equipment.

Health promotion

In addition to security measures for accident prevention, TAKKT actively promotes employee health. A range of measures are available, including ergonomic workplace design, mobile massage services, an annual vaccination program and health promotion programs via the internal benefits portal.

In addition to physical health, TAKKT also places importance on the mental health of its employees. Stress management programs, counseling services and targeted health promotion measures, such as fitness programs and health check-ups, contribute to long-term well-being.

These initiatives not only help to reduce health risks but also improve job satisfaction and productivity.

The effectiveness of the management system is reviewed regularly using various indicators:

Number of fatalities in 2024 due to work-related injuries and occupational diseases	0
Number and rate of reportable workplace accidents in 2024	Number: 13 Rate: 5.8*
Number of cases of reportable occupational diseases in 2024	0

*Accidents per 1,000 FTE

At a rate of 5.8 reportable accidents per 1,000 employees per year, TAKKT is within the benchmark of comparable, lower risk sectors, demonstrating satisfactory occupational safety performance. TAKKT continues to pursue the goal of creating a workplace that ensures both workplace safety and employee health.

Grievance mechanisms

Respect for human rights is a fundamental aspect of corporate responsibility. An effective grievance management system enables early identification of risks related to potential violations of human rights or environmental regulations, the remediation of negative impacts and providing redress to those affected. Easily accessible grievance procedures can help prevent escalations, minimize legal risks and ensure compliance with standards.

TAKKT has established a systematic grievance procedure to appropriately document, investigate and resolve human rights-related grievances. The reporting of such information is integrated in a comprehensive whistleblower system which, in addition to recording grievances related to human rights and environmental regulations, also includes reports of potential fraud, allegations of corruption and conflicts of interest. The grievance mechanism is set out in the rules of procedure for whistleblowers, which give all employees and external parties the opportunity to report indications of misconduct and violations of due diligence obligations. The protected positions include:

- Respect for human dignity and humane treatment
- Anti-discrimination and diversity
- Ensuring safety and health in the workplace
- Freedom of association and the right to collective bargaining
- Fair working conditions and wages
- Equal opportunities for career development

TAKKT provides multiple channels for submitting grievances or information. The aim is to ensure that the reporting process is easily accessible to all employees and external partners. This includes the compliance helpline, an anonymous multilingual electronic whistleblower system that is available around the clock. Alternatively, complaints may be submitted by mail through the internal mail system or by email. In addition, there is the option to report concerns directly and in person to executive personnel or the compliance department. TAKKT expressly encourages all employees, trainees, interns and working students to report potential violations even if they are not personally affected.

All received complaints and reports are reviewed by trained independent TAKKT compliance experts. In the event of a reasonable suspicion, an appropriate investigation follows, during which the next steps and responsibilities are determined. A corrective action plan to address the identified deficiencies is developed in close consultation with the person who provided the information based on clarification of the facts. The agreed actions are systematically implemented and monitored to ensure that violations are rectified and future risks minimized. In 2024, 13 reports and grievances were received. These were processed and closed by compliance experts.

The effectiveness of the grievance mechanism is reviewed annually and as needed. Lessons learned from the previous year as well as case-related adjustments are incorporated into the further development of the procedure. The objective is to continuously improve the procedure and ensure the protection of employees.

CORPORATE POLICY

Corporate culture

In order to meet the requirements of all internal and external stakeholders, TAKKT pursues a policy of good business conduct that promotes a healthy corporate culture with a high level of integrity. In doing so, TAKKT provides all employees with clear guidelines for expected behavior within the company and when dealing with stakeholders.

The TAKKT code of ethics serves as a central guide and sets clear standards for responsible action. It comprises eight fundamental principles:

1. Respect for the law: Strict compliance with all applicable laws and regulations.
2. Fair employment practices, diversity & inclusion: Promotion of safe and fair workplaces free of any form of discrimination.
3. Dealing with conflicts of interest: Ensuring that business decisions are made solely in the interest of TAKKT.
4. No corruption: Clear rejection of bribery and inappropriate gifts or benefits.
5. Antitrust & competition law: Commitment to fair competition and compliance with antitrust regulations.
6. Protection of assets & information: Responsible handling of company assets and confidentiality.
7. IT & data security, digital media: Ensuring secure and effective handling of IT systems and data.
8. Responsibility towards the environment & society: Commitment to sustainability and social responsibility.

Compliance with and continuous development of this code are ensured by Group Legal & Compliance and the compliance committee, which is led by the CEO. The CEO also has overall responsibility for monitoring and promoting compliant behavior.

Through this clear governance structure, TAKKT reaffirms its commitment to transparency, ethical business practices and responsible entrepreneurship, both internally and in its interactions with customers, partners and society.

Protection of whistleblowers

TAKKT places great importance on the comprehensive protection of internal and external whistleblowers in order to promote an open corporate culture and effectively address potential misconduct. Whistleblowers are explicitly protected against retaliation of any kind. This includes actions such as pressure, coercion or workplace disadvantages that may be connected to a report. TAKKT does not tolerate retaliation against whistleblowers or anyone who contributes to promoting compliant behavior.

The foundation for this is the Group-wide whistleblowing policy, which comprehensively governs the protection of whistleblowers and clearly defines their rights. The identity of whistleblowers and any information that could reveal their identity are handled with strict confidentiality. Throughout the entire process, the number of individuals with access to sensitive information is kept to a minimum. Anonymously submitted tips are also accepted and processed. In these cases, TAKKT does not take any steps to determine the identity of the whistleblower.

In addition, TAKKT ensures that all employees are informed about the protection mechanisms and reporting process. Training on the whistleblower system and corresponding data protection guidelines is mandatory for all employees. Employees who are entrusted with processing reports receive special training to ensure thorough, independent and objective investigation of the information.

In accordance with applicable legal regulations, TAKKT has established procedures to investigate incidents such as corruption and bribery promptly and independently. This ensures the professional handling of reports and systematic follow-up of potential grievances.

With these measures in place, TAKKT creates an environment in which whistleblowers feel safe in reporting misconduct. This contributes to strengthening integrity and transparency within the company.

Combating bribery and corruption

TAKKT's values are the foundation for trusting and responsible collaboration, both within the company and with external business partners. Responsible corporate governance is firmly anchored in the corporate culture. TAKKT expressly supports the aims of the German Corporate Governance Code and places the highest priority on compliance with legal and contractual requirements.

In order to prevent, detect and combat corruption and bribery, TAKKT follows a systematic approach supported by comprehensive guidelines and training programs. In addition to the self-commitment outlined in the code of ethics, which clearly rejects any tolerance of corruption, the TAKKT "Fair Competition" policy establishes specific requirements for corruption prevention and fair competition.

TAKKT places great importance on training and raising awareness among employees. All employees are required to complete mandatory training programs to ensure they understand the applicable compliance rules and policies. In particular, employees in high-risk functions receive comprehensive training.

To promote the prevention and detection of corruption and bribery, TAKKT has established a compliance management system, which is regularly monitored and developed further by corporate department and the compliance officer. This system includes processes for the systematic investigation of allegations or incidents related to corruption or bribery. TAKKT undertakes to examine all reports in a thorough, independent and objective manner in order to identify potential risks early and take appropriate measures. No cases of corruption were reported in 2024.

Through this approach, TAKKT strengthens integrity and transparency, minimizes risks and contributes to responsible and sustainable business practices.

Management of relationships with suppliers

TAKKT places great importance on trusting collaborative partnerships with suppliers and firmly believes that sustainable improvements along the supply chain can only be achieved by working closely with manufacturers and suppliers.

In addition to ensuring compliance with relevant standards, this also creates the foundation for shared growth and long-term mutually successful business relationships. TAKKT consistently implements these principles. Accordingly, there were no legal proceedings against Group companies in 2024 for payment delays.
Through transparent communication with suppliers and specific requirements, TAKKT promotes compliance with ethical and environmental standards, such as the prohibition of child and forced labor, ensuring fair wages and the resource-efficient use of water and energy. The supplier code of conduct is the binding basis for ensuring that all partners along the supply chain meet these requirements. This fulfills customer expectations regarding supply chain sustainability while taking into account regulatory requirements.

In 2024, the Industrial & Packaging division introduced a procurement policy in order to further improve the accuracy and reliability of supply chain information. The objective of this policy is to further standardize procurement activities while giving greater consideration to environmental and ethical issues.

The significant role of sustainability in TAKKT's supplier strategy is reflected in the growing share of purchasing volume from suppliers certified by the independent rating agency EcoVadis. The Group-wide share currently exceeds 37 percent, slightly below the target of 40 percent set for 2025.

NON-FINANCIAL GROUP STATEMENT AND EU TAXONOMY

Non-financial Group statement

Parts of this sustainability report also constitute the non-financial statement and thereby fulfill the legal requirements for TAKKT AG as a listed company (sections 315b and 289b in conjunction with 264d and 290 of the German Commercial Code [HGB]). In accordance with section 289c(3) sentences 3 and 4 HGB, there are no reportable risks for TAKKT AG. An overview of the components and their detailed coverage within the sustainability report can be found in the following table:

NFS components	Section and page(s) Sustainability report
Environmental issues	Climate change, p. 206-216
Employee issues	Diversity, equal opportunities & inclusion, p. 215-16 Training and skills development, p. 216
Social issues	Management of relationships with suppliers, p. 220
Respect for human rights	Grievance mechanisms, p. 217-218
Combating corruption and bribery	Combating bribery and corruption, p. 219-220

The remaining parts of the sustainability report contain additional information which is not part of the non-financial statement.

EU Taxonomy

Introduction

Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020, (hereinafter: Taxonomy Regulation) requires companies to report on the environmental sustainability of their economic activities using a uniform classification system described in the regulation. In this system, an economic activity that is potentially or actually environmentally sustainable is referred to as taxonomy-eligible or taxonomy-aligned. The conditions that an economic activity must meet in order to be considered taxonomy-eligible or taxonomy-aligned are specified in the Taxonomy Regulation and supplementary EU regulations (2021/2139, 2022/1214, 2023/2485, 2023/2486). These conditions are based on the following six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

Reference values

The reporting requirements under the Taxonomy Regulation stipulate that for sales, capital expenditure (CapEx), and operating expenditure (OpEx), the share attributable to taxonomy-eligible and taxonomy-aligned economic activities must be disclosed in relation to a reference value. The reference values are defined in EU Regulation 2021/2178. For sales, the reference value is net sales, for CapEx it is additions to property, plant and equipment as well as intangible assets, and for OpEx it is the sum of expenses for renovation, maintenance or repair of property, plant and equipment, expenses for short-term leasing, and expenses for research and development. In 2024, TAKKT's reference values were EUR 1,052,890 thousand for sales, EUR 26,344 thousand for CapEx and EUR 7,813 thousand for OpEx.

Taxonomy eligibility

An economic activity is considered taxonomy-eligible if it has the potential to contribute to (at least) one of the six environmental objectives. The supplementary EU regulations provide a comprehensive numbered list of economic activities that qualify as taxonomy-eligible for each environmental objective. The shares of these economic activities in relation to the reference values above are presented in the following sections. For the calculation, various control measures such as plausibility checks and reconciliations were carried out in order to avoid double counting when allocating amounts across the economic activities.

Revenue

TAKKT generates its net sales through the sale of business equipment. The product range is diverse. It also includes spare parts for furniture, lifting equipment and conveyors. The sale of these spare parts qualifies as a taxonomy-eligible economic activity (number 5.2) for the environmental objective “transition to a circular economy”. There were no other sales-relevant taxonomy-eligible economic activities at TAKKT in 2024. Consequently, the share of sales from taxonomy-eligible economic activities corresponded to the share of sales from spare parts for furniture, lifting equipment and conveyors. This amounted to 0.1 percent (EUR 1,200 thousand/EUR 1,052,890 thousand).

Capital expenditure (CapEx)

In 2024, additions to property, plant and equipment and intangible assets at TAKKT resulted from a variety of business transactions. Some of these business transactions are associated with taxonomy-eligible economic activities for the environmental objective “climate change mitigation.” These include the acquisition and long-term leasing of buildings in the amount of EUR 14,877 thousand (economic activity “7.7 Acquisition and ownership of buildings”), passenger vehicle purchases of EUR 1,715 thousand (economic activity “6.5 Transport by motorbikes, passenger cars and light commercial vehicles”) and the installation of photovoltaic systems of EUR 1,081 thousand (economic activity “4.1 Electricity generation using photovoltaic technology”). The share of CapEx from taxonomy-eligible economic activities resulting from these amounts came to 67.1 percent.

Operating expenditure (OpEx)

The OpEx reference value for TAKKT in 2024 was very small at EUR 7,813 thousand. It accounted for only 4.8 percent of other operating expenses amounting to EUR 163,011 thousand. The OpEx reference value was therefore considered insignificant. Given this insignificance and with reference to Article 8 of the Taxonomy Regulation in conjunction with EU Regulation 2021/2178, the determination of the share of OpEx from taxonomy-eligible economic activities was dispensed with and reported as zero.

Taxonomy alignment

A taxonomy-eligible economic activity is taxonomy-aligned if it meets three conditions:

1. The company performing the activity complies with minimum safeguards relating to human rights (including labor rights), bribery/corruption, taxation and fair competition
2. The activity makes a substantial contribution to (at least) one of the six environmental objectives
3. The activity does not cause significant harm to any of the other environmental objectives

Compliance with minimum safeguards is assessed based on the report of the Platform on Sustainable Finance on this topic as well as the FAQ notice of the European Commission (2023/C 211/01). TAKKT’s compliance with the minimum safeguards was confirmed for 2024. The assessment of substantial contribution to an environmental objective without significantly harming the other environmental objectives is carried out based on the technical assessment criteria specified in the supplementary EU regulations. Generally, this requires a large amount of data and evidence, some of which must be obtained from suppliers. For example, the examination of the technical assessment criteria for the economic activity “6.5. Transport by motorcycles, passenger cars and light commercial vehicles” requires, among other things, information on the emissions and recyclability/reusability of the vehicles as well as the rolling noise/rolling resistance of the tires. In 2024, TAKKT did not have all the required data and evidence for any of the four taxonomy-eligible economic activities. Consequently, the shares of taxonomy-aligned economic activities in the reference values were each reported as zero.

Tables

The following tables show the EU Taxonomy disclosures in the structure specified by EU Regulation 2021/2178 (and revised by EU Regulation 2023/2486). Minor differences in the previous-year figures compared to those in the 2023 annual report result from the fact that the share of revenue from taxonomy-eligible economic activities resulting from the sale of spare parts was not reported in the 2023 annual report.

Proportion of Sales from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (‚Does Not Significantly Harm‘)									
Economic Activities (1)	Code (2)	Sales (3)	Proportion of Sales (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) Sales, 2023 (18)	Category enabling activity (19)	Category transitional activitiy (20)
TEXT		k Euro	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Sales of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**														**0%**		
Of which enabling																			
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Sale of spare parts	CE 5.2.	1,200	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.1%		
Sales of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,200**	**0.1%**	**0%**	**0%**	**0%**	**0%**	**0.1%**	**0%**								**0.1%**		
A. Sales of Taxonomy-eligible activities (A.1 + A.2)		**1,200**	**0.1%**	**0%**	**0%**	**0%**	**0%**	**0.1%**	**0%**								**0.1%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Sales of Taxonomy-non-eligible activites		**1,051,690**	**99.9%**																
TOTAL		**1,052,890**	**100%**																

Y = ‚Yes‘, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N = ‚No‘, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
EL = ‚Eligible‘, Taxonomy-eligible activity for the relevant environmental objective
N/EL = ‚Not Eligible‘, Taxonomy-non-eligible activity for the relevant environmental objective

	Proportion of Sales/Total-Sales	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0.1%
PPC	0%	0%
BIO	0%	0%

CCM: Climate Change Mitigation
CCA: Climate Change Adaptation
WTR: Water and Marine Resources
CE: Circular Economy
PPC: Pollution Prevention and Control
BIO: Biodiversity and Ecosystems

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (‚Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
TEXT		k Euro	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**														**0%**		
Of which enabling																			
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Electricity generation using solar photovoltaic technology	CCM 4.1.	1,081	4.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4.6%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	1,715	6.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6.0%		
Acquisition and ownership of buildings	CCM 7.7.	14,877	56.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								46.3%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**17,673**	**67.1%**	**67.1%**	**0%**	**0%**	**0%**	**0%**	**0%**								**56.9%**		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		**17,673**	**67.1%**	**67.1%**	**0%**	**0%**	**0%**	**0%**	**0%**								**56.9%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activites		**8,671**	**32.9%**																
TOTAL		**26,344**	**100%**																

Y = ‚Yes', Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N = ‚No', Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
EL = ‚Eligible', Taxonomy-eligible activity for the relevant environmental objective
N/EL = ‚Not Eligible', Taxonomy-non-eligible activity for the relevant environmental objective

	Proportion of CapEx/Total-CapEx	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0%	67.1%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

CCM: Climate Change Mitigation
CCA: Climate Change Adaptation
WTR: Water and Marine Resources
CE: Circular Economy
PPC: Pollution Prevention and Control
BIO: Biodiversity and Ecosystems

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (‚Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
TEXT		k Euro	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**														**0%**		
Of which enabling																			
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0**	**0%**														**0%**		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		**0**	**0%**														**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activites		**7,813**	**100%**																
TOTAL		**7,813**	**100%**																

Y = ‚Yes', Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N = ‚No', Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
EL = ‚Eligible', Taxonomy-eligible activity for the relevant environmental objective
N/EL = ‚Not Eligible', Taxonomy-non-eligible activity for the relevant environmental objective

	Proportion of OpEx/Total-OpEx	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

CCM: Climate Change Mitigation
CCA: Climate Change Adaptation
WTR: Water and Marine Resources
CE: Circular Economy
PPC: Pollution Prevention and Control
BIO: Biodiversity and Ecosystems

GLOSSARY

B2B or Business-to-Business
Supplier and customer relationships between corporate customers.

Cash Conversion
TAKKT uses cash conversion to express the ratio of free cash flow to EBITDA. This key figure thus provides information on the portion of the operating result that is available for dividends, repayments and acquisitions.

Cash Conversion Cycle
The cash conversion cycle provides information on capital efficiency and is calculated by adding the days of sales outstanding with the days of inventory outstanding subtracting the days payables outstanding.

Circular economy
The circular economy is a production and consumption model in which the life cycle of existing materials and products is extended. This minimizes resource consumption, waste generation and emissions. The circularity of products is also an essential criterion for sustainable (“enkelfähig”) products.

cNPS
The customer Net Promoter Score, or cNPS, indicates the willingness of customers to recommend a company. Collecting the value is a common way to capture the likelihood to recommend a certain brand or company using a standardized survey.

CO_2-equivalents (CO_2e)
CO_2e is a unit of measurement used to standardize the climate impact of different greenhouse gases. It indicates how much a fixed amount of a greenhouse gas contributes to climate change. Carbon dioxide (CO_2) serves as the reference value.

Cross-Selling
Sale of complementary products or services from different product groups or by different brands.

Corporate Social Responsibility (CSR)
CSR encompasses social, ecological and economic aspects of responsible corporate behavior.

Corporate Sustainability Reporting Directive (CSRD)
The CSRD is the EU directive on corporate sustainability reporting and will be applied by TAKKT AG from the 2024 financial year.

Debt repayment period
This figure defines the arithmetical duration of debt repayment in years. TAKKT defines this as average net financial liabilities divided by the TAKKT cash flow.

Direct imports
Direct imports at TAKKT are products that come from countries outside the home market of the respective Group company. At TAKKT, these are in particular countries in Asia and Eastern Europe as well as Turkey.

EBITDA
Earnings before interest, taxes, depreciation and amortization.

eNPS
The employee Net Promoter Score, or eNPS, is a measure that provides information about the willingness of employees to recommend it to others. The method used to determine the eNPS is the same as that for the cNPS. Since the relationship between employee and employer is much more multifaceted and complex than the one between customer and brand, eNPS values are generally lower than cNPS values.

E-Procurement
The electronic catalog available on the internet is edited for the sourcing system or intranet of the customer or for electronic marketplaces. This procurement approach allows the customer to save on transaction costs.

Equity ratio
The equity ratio is determined by dividing total equity by the total assets.

ERP
Enterprise Resource Planning, ERP, refers to a software solution for business planning and monitoring in the various areas of a company.

ESG (Environmental, Social and Governance)
ESG refers to various aspects within the three pillars of environment, social affairs and corporate governance, for which companies assume independent responsibility.

EU Taxonomy
The EU Taxonomy is a classification system of the EU Commission for defining environmentally sustainable economic activities. It contains a set of rules with binding standards for sustainable business activities on the corporate side. The aim is to create more transparency for financial decisions at EU level.

FoodService (FS)
The FS division offers products required for meal and food preparation and presentation in hotels, restaurants and catering establishments. A broad product portfolio serves customers such as large canteens, catering companies, food retailers, as well as small to mediumsized restaurants. The FS division's main focus is North America.

Free cash flow
Free cash flow is calculated from the cash flow generated from operating activities, which includes effects from changes in net working capital, less operating capital expenditures in non-current assets and adding operating proceeds from disposals of non-current assets, and subtracting lease payments for the repayment of lease liabilities.

Gearing
Gearing measures the ratio between total equity and net financial liabilities. This ratio is calculated by dividing net financial liabilities by total equity.

Global Reporting Initiative (GRI)
The GRI provides an internationally recognized standard for the preparation of sustainability reports. The requirements/guidelines set out therein serve to ensure transparency, quality and comparability within sustainability reporting.

Greenhouse Gas Protocol (GHG Protocol)
The GHG Protocol is the world's leading standard for the accounting and management of greenhouse gas emissions in companies.

Group functions
An essential part of the new strategic positioning is the central coordination and management of the Group functions. The focus is on Operations, Technology & Data, Finance and HR. Integrating these functions at Group level offers greater advantages than operating parallel structures in the divisions.

Industrial & Packaging (I&P)
The I&P division offers a focused product portfolio for the work environment on the factory floor and in the warehouse in the manufacturing or logistics industries. Typical customers include manufacturing facilities such as mechanical engineering companies or automotive suppliers, but also service and retail companies and public institutions. The division‘s activities are based in Europe.

Interest cover
This figure shows the relation between the EBITA and net finance expense.

ISO 9001, 14001, 50001
These are international standards that define globally recognized requirements in various business areas (ISO 9001 = quality management system, ISO 14001 = environmental management system, ISO 50001 = energy management system).

Materiality assessment
As part of the materiality assessment, companies identify their key areas for action in the areas of environment, society and governance. On this basis, they can adapt and optimize their sustainability strategy.

Net financial liabilities
Net financial liabilities are the balance of all financial liabilities and liquid funds reported in the balance sheet.

Office Furniture & Displays (OF&D)
OF&D specializes in products for service providers. This positioning gives OF&D a very broad range of customers that includes both office operators as well as companies that are seeking to present themselves or their products in an attractive way. They include large industrial corporations, smaller service providers such

as lawyers and architects, but also public institutions like government agencies and schools. The division's activities focus on the American market.

Omnichannel retail

TAKKT sells its products exclusively via omnichannel retail. Depending on the segment, TAKKT's business units use the webshop, print, telesales, and key account manager sales channels.

Private labels

Private labels are product brands that are internally developed and managed by the TAKKT companies. Individual TAKKT companies are thus introducing new products at the best value for money, for example, to also meet the lesser needs of the entry-level segment. Using performance brands, other Group companies offer products that at least meet the industry standard or even satisfy higher quality standards. These brands improve customer loyalty and usually generate above-average margins.

ROCE

The Return on Capital Employed (ROCE) measures the profitability before tax of the capital employed. This key figure shows the EBIT in relation to capital employed, which is defined as total assets reduced by the non-interest-bearing current liabilities. The ROCE therefore expresses the operating earning power of the capital employed.

Scope 1, 2, 3

According to the GHG Protocol logic, greenhouse gas emissions are divided into three areas of origin – known as "scopes." Scope 1: Direct emissions generated by the company's on-site activities (gas consumption, vehicle fleet). Scope 2: Indirect emissions caused by externally sourced energy (electricity, heating, cooling). Scope 3: Indirect emissions resulting from upstream and downstream supply chain.

Supply Chain Due Diligence Act

The Supply Chain Due Diligence Act is a law on corporate responsibility to prevent human rights violations in global supply chains. This includes, for example, protection against child labor, the right to fair wages, and protection of the environment.

Sustainable Development Goals (SDGs)

The SDGs comprise 17 United Nations Sustainable Development Goals. They cover economic, environmental and social aspects.

Sustainable ("enkelfähig") Products

A sustainable product range is a growth driver for TAKKT and a key factor allowing it to set itself apart from its peers. The Group applies an adequate product classification system with this in mind. It takes into account the criteria of profitability, circularity, climate change, biodiversity, innovation and technological progress. Particularly sustainable products are awarded the "enkelfähig" label – testimony to their ability to add value for the generations to come – once a defined score threshold has been reached.

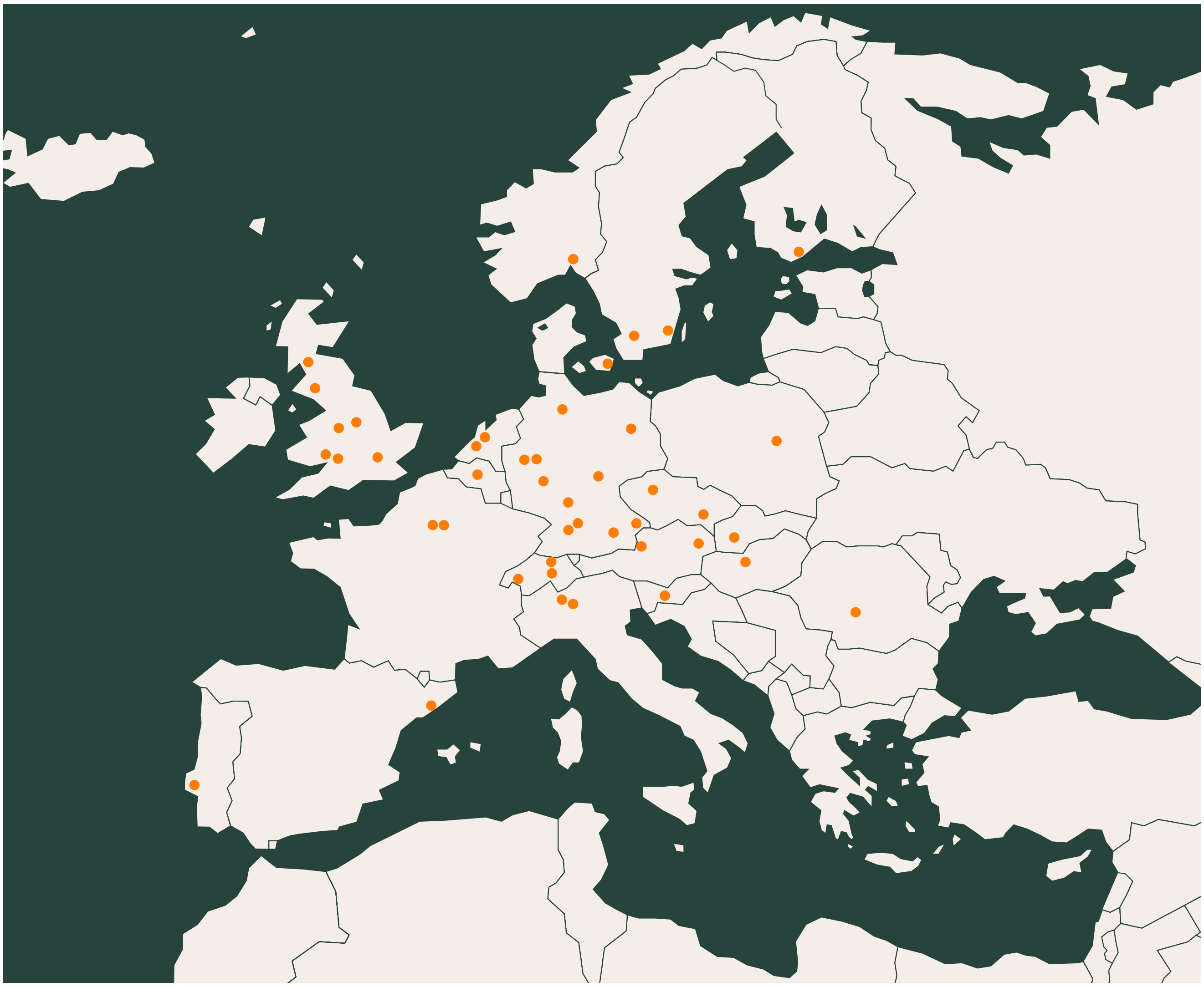
TAKKT Value Added

TAKKT value added serves as an important key figure for a longer term, value-oriented controlling. It is defined as the difference between the profit generated and the cost of capital on the average capital employed.

Total Shareholder Return (TSR)

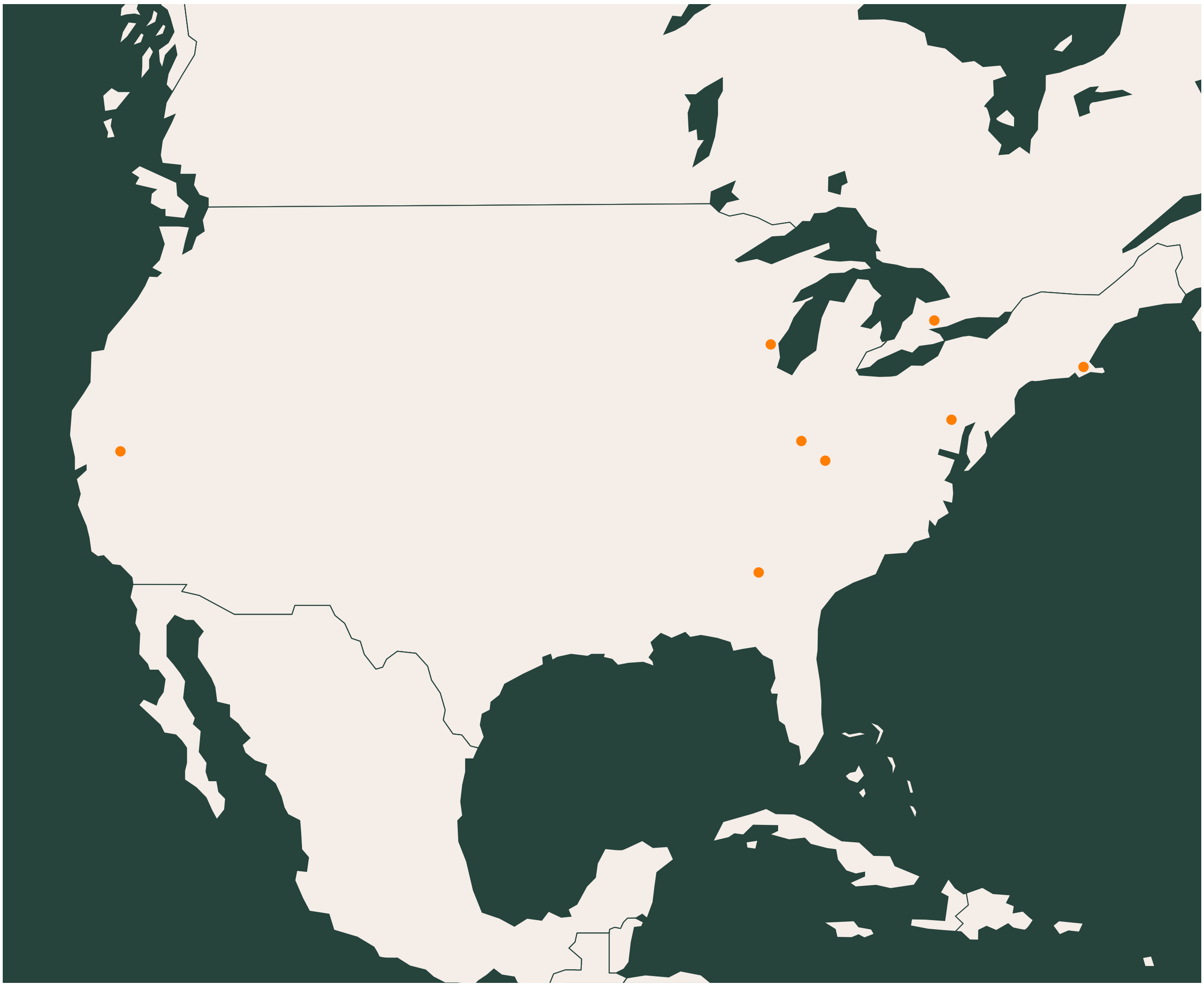
This is also referred to as yield on shares. TSR corresponds to the total return of a share, taking into account share price changes and any dividends distributed.

LOCATIONS IN EUROPE



AUSTRIA Salzburg, Vienna
BELGIUM Diegem
CZECH REPUBLIC Prague, Syrovice
DENMARK Nivå
FINLAND Espoo
FRANCE Massy, Morangis
GERMANY Berlin, Duisburg, Haan, Hamburg, Kamp-Lintfort, Pfungstadt, Pliening, Rudolstadt, Sindelfingen, Stuttgart, Waldkirchen
GREAT BRITAIN Derby, Dumfries, Gloucester, Hemel Hempstead, Mitcheldean, Paisley, Stafford
HUNGARY Budaörs
ITALY Fenegrò, Tribiano
NETHERLANDS Lisse, Wormerveer
NORWAY Sandvika
POLAND Warsaw
PORTUGAL Lisbon
ROMANIA Râmnicu Vâlcea
SLOVAKIA Nitra
SLOVENIA Ljubljana
SPAIN Barcelona
SWEDEN Kalmar, Markaryd
SWITZERLAND Regensdorf, Steinhausen, St. Sulpice

LOCATIONS IN NORTH AMERICA



CANADA Markham (ON)
USA Austell (GA), Carlisle (PA), Fall River (MA), Harrison (OH), Indianapolis (IN), Milwaukee (WI), Reno (NV)

FINANCIAL CALENDAR 2025

February 6	Hamburg Investors Days, Hamburg
February 13	Publication of preliminary results 2024
March 27	Publication of annual report 2024 Capital Markets Update (virtual event)
April 29	Quarterly statement 1 / 2025
May 12	Equityforum Spring conference, Frankfurt
May 21	Shareholders' meeting 2025 (virtual event)
July 29	Half-year financial report 2025
September 22-24	Berenberg und Goldman Sachs GCC, Munich
October 28	Quarterly statement 3 / 2025
November 24-26	German Equity Forum, Frankfurt

All information is subject to change at short notice.

IMPRINT

The annual report is published in German and English.
In case of doubt the German version is authoritative.

TAKKT AG is member of

TAKKT AG is listed in

Conception and design: Synchronschwimmer GmbH, Frankfurt am Main
Finalization and realization: KOMMINFORM GmbH & Co. KG, Frankfurt am Main

Print:	This annual report will not be printed. This saves resources and is a further contribution to climate protection.
Photos:	Timo Lutz Team für Industriefotografie, Frank Teuber, TAKKT AG
Publishing system:	Neidhart + Schön AG, Zürich
Translation:	EnglishBusiness AG, Hamburg

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