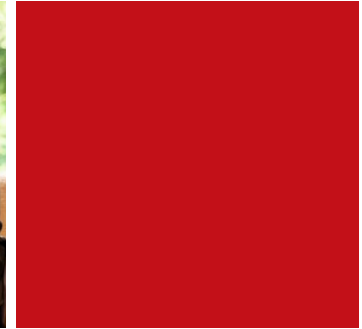


SEMI-ANNUAL REPORT 2021



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STATEMENT

“With CEWE PHOTOBOOK as the no. 1 on the market as well as photo calendars, wall art, greeting cards, CEWE instant photos and other photo products, CEWE is the leading omnichannel photo provider in Europe. In Commercial Online Printing, with our highly efficient production facilities we are a top provider of high-quality but low-cost printing products. Together with all of our employees, we are working on new products and innovations every day. Customer satisfaction is always the guiding principle which plays a key role in our activities.”

DR CHRISTIAN FRIEGE, CHAIRMAN OF THE BOARD OF MANAGEMENT OF NEUMÜLLER CEWE COLOR STIFTUNG

HIGHLIGHTS Q2 2021

PHOTOFINISHING BUSINESS UNIT

- » As expected, the one-off upswing seen during Q2 in the previous year, in the context of the first lockdown, has not been repeated – on the contrary, the current easing of coronavirus restrictions is reducing demand
- » CEWE PHOTOBOOK sales even more strongly reflect the change in the demand trend: 0.902 million copies (Q2 2020: 1.369 million copies)
- » Turnover per photo continues to increase in Q2: +6.2% to 25.25 euro cents per photo (Q2 2020: 23.78 euro cents)
- » At 93.6 million euros, partly due to easing of coronavirus restrictions Photofinishing turnover is – 15.4% lower than in the previous year, which had been buoyed by one-off upswing (Q2 2020: 110.6 million euros)
- » Coronavirus-related turnover decline results in Photofinishing EBIT figure of – 5.7 million euros (Q2 2020: 5.1 million euros)

COMMERCIAL ONLINE PRINTING BUSINESS UNIT

- » Easing of coronavirus restrictions delivers slight improvement in Commercial Online Printing business: turnover increases in Q2 by 25.8% to 13.7 million euros, following strong lockdown effect in 2020 (Q2 2020: 10.9 million euros)
- » Optimised production and cost structure delivers lasting improvement in income situation: Q2 EBIT improved by 2.6 million euros to – 0.2 million euros (Q2 2020: – 2.8 million euros).

RETAIL BUSINESS UNIT

- » CEWE RETAIL matches previous year's turnover level in Q2, despite significantly reduced number of branches: 7.6 million euros (Q2 2020: 7.6 million euros)
- » Strongly improved Q2 EBIT figure, mainly due to expenses in previous year for optimisation of branch structure: – 0.3 million euros (Q2 2020: – 3.2 million euros)

CONSOLIDATED PROFIT AND LOSS ACCOUNT

- » Easing of coronavirus restrictions, with clear decline in Photofinishing turnover and slight growth in Commercial Online Printing, results in Group turnover in Q2 of 116.7 million euros (Q2 2020: 130.6 million euros; – 10.6%)
- » Coronavirus-related Q2 decline in earnings in Photofinishing coupled with significant improvement in Commercial Online Printing and Retail earnings results in Q2 Group EBIT figure of – 6.4 million euros (Q2 2020: – 1.0 million euros)
- » After H1, CEWE enters H2 with earnings head start: Group EBIT for first six months of the year increases to 2.1 million euros (H1 2020: 1.0 million euros)

ASSET AND FINANCIAL POSITION

- » CEWE has strong equity ratio of 59.8%
- » Operating net working capital unchanged in the second quarter
- » Following end of coronavirus-related one-off upswing: normalisation of seasonal financing requirements

CASH FLOW

- » Coronavirus-related deferrals of income tax payments and loss of positive effects associated with coronavirus-triggered one-off upswing in Q2 2020 cause cash flow from operating activities to decline to – 24.8 million euros
- » 8.8 million euros decline in net cash used in investing activities
- » Free cash flow in second quarter falls by 34.1 million euros due to various coronavirus-related effects

RETURN ON CAPITAL EMPLOYED

- » Average capital employed increased to 399.0 million euros
- » Earnings trend causes ROCE to increase to relatively high level of 20.3%

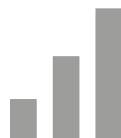
KEY INDICATORS

**21**

European countries

**27**

Distribution offices

**727.3** million euros
Turnover in 2020**6.5** millionCEWE
PHOTOBOOKS
in 2020**>20,000**

CEWE photostations

**3,600**

Employees

**14**

Production plants

**20,000**

Retailers supplied

**2.3** billionPhotos produced
in 2020



» *Our CEWE PHOTOBOOK is a really beautiful memory.* «

Julie and Moritz Löffler



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TO THE SHAREHOLDERS

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THE BOARD OF MANAGEMENT



From left to right: Dr Reiner Fageth, Carsten Heitkamp, Patrick Berkhouwer, Dr Christian Friege (Chairman of the Board of Management), Dr Olaf Holzkämper, Thomas Mehls, Frank Zweigle

LETTER TO THE SHAREHOLDERS

Dear Shareholders,

Let's get straight to the point: H1 2021 was better than 2020

Halfway through 2021, your company is well placed and is even faring slightly better than it was at the same point in 2020. Its EBIT figure is 2.1 million euros, which is 1.1 million euros stronger than in 2020. We are thus entering the second half of the year with a slight head start. This too has caused the equity ratio of 53.7% a year ago to increase to 59.8% as of June 30, 2021. Overall, this is a very strong position!

The detailed picture is complex, alas – above all, due to coronavirus

The above figures mask an unbelievable up-and-down pattern: firstly, each of the lockdowns has had a huge impact on the level of customer demand, and the same is true when a lockdown is then eased. Secondly, the impact in Photofinishing is different to the impact in Commercial Online Printing or Retail, and frequently even has the opposite effect. Thirdly, the lockdown situation in the first quarter of 2021 was entirely different to the situation in the second quarter ... and, fourthly, in each quarter of 2021 the situation is different from in the same quarter in the previous year; the latter factor has had a huge impact on the year-on-year comparison. And fifthly, there are the differences between the lockdown situations in CEWE's various regions ... but we will spare you those and leave them to the side.

Q1: coronavirus has further strengthened the typical upward trend

2021 started out with a lockdown quarter, which is being measured against the “pre-coronavirus quarter” Q1 2020. The “stay-at-home” effect of the lockdown had a positive impact on Photofinishing earnings and caused the EBIT figure for Photofinishing to rise by 6.5 million euros. On the other hand, demand and thus turnover in the Retail and Commercial Online Printing business units were greatly reduced due to the lockdown. Nonetheless, the cost-reduction measures implemented over the course of 2020 in both of these business units enabled an EBIT figure which almost precisely matched the previous year’s level. The Group’s EBIT has thus increased by the 6.5 million euros provided by Photofinishing to a total of 9.8 million euros. Over the past few years, we had frequently seen an increase in the level of earnings in the first quarter, which was partly due to the seasonal migration in our main business unit, Photofinishing – coronavirus has significantly reinforced this trend.

Q2 a huge contrast to the previous year: lockdown in 2020, easing of lockdown in 2021

The situation was entirely different in the second quarter. Following a very long lockdown, people once again enjoyed visiting restaurants, museums etc. This was certainly a good moment to snap photographs, but not to order photo products. On the other hand, business has improved somewhat in Commercial Online Printing and Retail – but “somewhat” is the key word here, since Q2 2021 certainly wasn’t a normal quarter. The same quarter in the previous year, Q2 2020, was entirely different. The initial, broad-based lockdowns very clearly increased the level of demand in Photofinishing, while it collapsed in Commercial Online Printing and Retail.

Q2: coronavirus has also strengthened this quarter, which is normally a difficult phase of the year

This very strong swerve year-on-year has caused turnover in Photofinishing to decline by 15%: this trend is significantly more negative by comparison with the +9% turnover growth in the first quarter of 2021, relative to 2020. This has also reduced the EBIT figure in Photofinishing by a strong 10.8 million euros. However, this Photofinishing decrease was partly made up for by the other business units: the significant cost-cutting measures in Commercial Online Printing have paid off, turnover has recovered slightly – following a decline in turnover of 14.1 million euros in Q2 2020, turnover has now increased a little, by 2.8 million euros – and this has improved the EBIT figure here by a strong 2.6 million euros. Retail has likewise contributed 2.9 million euros by way of an improvement in earnings, since restructuring costs had been posted in the previous year. The EBIT decrease at the Group level was thus reduced to –5.5 million euros, and this resulted overall in a Group EBIT figure of –6.4 million euros in Q2 2021. When the normal seasonal trend holds true, as a rule Q2 is a difficult quarter for CEWE. Coronavirus has reinforced this effect, for the reasons outlined above.

After the first six months of the year: an “earnings head start” of 1.1 or even 3.6 million euros by comparison with 2020 and 2019

The outcome of this prolonged up-and-down trend after the first six months of the year is a situation which is more or less unchanged on the previous year: with an EBIT figure of 2.1 million euros, the CEWE Group is 1.1 million euros ahead of where it was at the same point in the previous year... and is even 3.6 million euros stronger than it had been in the year before coronavirus struck. To be sure, all of these figures are merely interim results, and it is CEWE's performance in the fourth quarter which plays a decisive role in determining its performance over the year as a whole. The target for 2021 remains an EBIT figure of between 72 and 84 million euros.

The entire workforce continues to demonstrate great discipline

We cannot praise our workforce often enough. They have been undeterred by the tribulations of coronavirus, they have shown great discipline in complying with all of the necessary rules and they have demonstrated a strong and enthusiastic commitment to the development of your company. We would like to express our heartfelt thanks to them!

Vaccinations are now underway at CEWE

In addition to vaccination centres, family doctors and other facilities, CEWE employees can now also receive Covid-19 vaccinations at many of the company's plants. To date, almost 20% of our employees have taken up this additional CEWE offering. We are delighted to be able to assist with this.

Twelfth consecutive dividend increase resolved at the company's second online general meeting

Dear shareholders, you have delivered a nice return. At CEWE's second online general meeting, 99.99% of the participating shareholders voted in favour of a dividend of 2.30 euros per share and thus for a twelfth consecutive dividend increase. This twelfth consecutive increase means that CEWE is in fifth place among all of the 190 companies in Germany which are listed on a stock exchange index. We are proud of this, and you too can be proud of this. This is an outstanding position!

CEWE Group wins three TIPA Awards in 2021

While it almost appears as though we had taken out a subscription for this, a photography world champion title from the "Technical Image Press Association" (TIPA) does take some doing each time. In 2020, we celebrated two such awards, and in 2021 we have now even picked up three of them: for our CEWE CALENDAR "A2 Gold Edition" (our high-end calendar product), for CEWE Photo Centre (our expanded solution for CEWE PHOTOSTATIONS in retail stores) and for WhiteWall, for its RoomView function (which provides a visualisation of a WhiteWall wall art product at the desired location in your home). All of these new products and solutions are excellent examples of outstanding teamwork involving many different members of staff in various areas of our company.

CEWE Photo Award is once again the world's largest photography competition

With 448,152 submitted photos, the CEWE Photo Award 2019 was already the world's largest photography competition. The new iteration of this competition, which has just closed, attracted even more entrants and 606,289 photos were submitted. These images have thus not only once again made the CEWE Photo Award the world's largest photo competition by far, but have also – this much is already clear – raised the quality of the photos submitted to a fantastic level. The exhibition tied in with this competition is now off on its travels to inspire further first-class pictures.

Despite coronavirus: enjoy the summer

Once again, we have had a great deal to say about coronavirus. It is likely to continue to occupy us all over the coming months. Nonetheless, we will at least be able to manage something of a summer holiday. Please do take a holiday yourself and make the most of it. Capture your nicest moments on photos and use our Group's products, as many other people choose to do.

CEWE is limbering up for Q4

The entire CEWE team is at your service. Our production operations are naturally already active even now, but we are also very much limbering up for the important fourth quarter: we are preparing our marketing communications and getting our production machinery in gear for the approaching peak season. All of CEWE is hard at work to ensure that 2021 is another successful year.

Oldenburg, August 10, 2021



Dr Christian Friege

CEWE SHARE

CEWE share registers growth of around 44% in the first six months of 2021

In the first half of 2021, the CEWE share was one of the SDAX's top performers: from a level of 92.50 euros at the end of 2020, the company's share price had climbed to 130.60 euros by the end of the second quarter of 2021 – a growth rate of 43.7%. The CEWE share has thus clearly outperformed its benchmark indexes, the SDAX and the DAX, since the start of

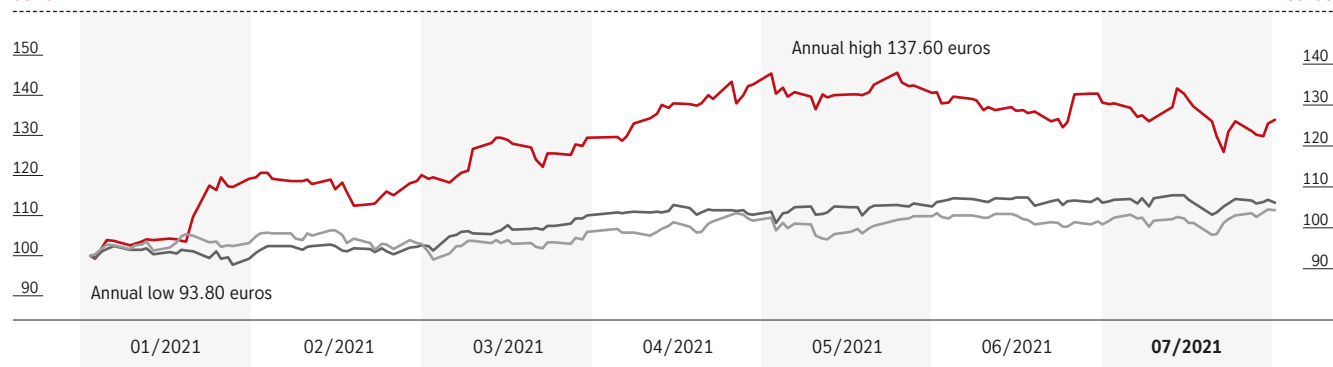
the year: the SDAX rose by 8.5% in the first six months of 2021, while the DAX registered a 13.2% increase over the same period. In the Q2 period from April to June 2021, the CEWE share achieved a 10.4% increase in value. It thus outperformed its benchmark indexes during this assessment period: The SDAX posted a 3.7% gain in Q2, while the DAX rose 3.5%.

CEWE share price in the period from Jan. 2, 2021 to July 30, 2021

as %

— CEWE share — DAX — SDAX

in euros

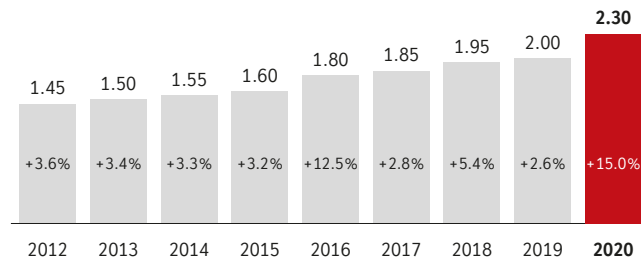


General meeting resolves twelfth consecutive dividend increase

Due to its responsibility to counter the spread of coronavirus where possible, CEWE has implemented an extensive range of measures so as to avoid the infection of employees and the outage of plants or business units. In line with this consistent strategy to prevent infections, this year CEWE was once again unable to hold its general meeting as a physical event. Instead, it took place as an online general meeting in a purely digital format for the second year running.

On June 9, 2021, the shareholders resolved at this meeting a dividend increase to 2.30 euros per share conferring a dividend entitlement for the financial year 2020 (dividend in the previous year: 2.00 euros). This increase is the twelfth consecutive dividend increase: since 2008, the dividend issued by CEWE has risen continuously, year-on-year, from 1.00 euros per share to the current figure of 2.30 euros.


Dividend in euros



In the first half of 2021, daily trading volume of CEWE shares amounts to around 940,000 euros

In the first half of 2021, on average 8,310 CEWE shares were traded every day on German stock markets. This was lower than the level in the same period in the previous year (H1 2020: 13,951 shares per day), which partly reflected the higher share price. The daily euro trading volume averaged approx. 940,000 euros. The daily volume of CEWE shares traded continues to consistently match the level of around 1 million euros per day.

All analysts continue to have positive view of the CEWE share

All of the analysts who follow CEWE continue to concur in their positive investment analysis. Five analysts are signalling “buy” for the CEWE share, while one analyst advises holding the share. For an overview of these analysts and their recommendations, please go to the Investor Relations section of CEWE’s website.  ir.cewe.de

Overview of current analysts’ assessments

	Analysts’ assessment	Date
Montega Research	Buy	July 8, 2021
Frankfurt Main Research AG	Buy	June 16, 2021
Warburg Research	Buy	June 15, 2021
GSC Research	Hold	May 21, 2021
Baader Bank	Buy	May 12, 2021
Kepler Cheuvreux	Buy	May 12, 2021

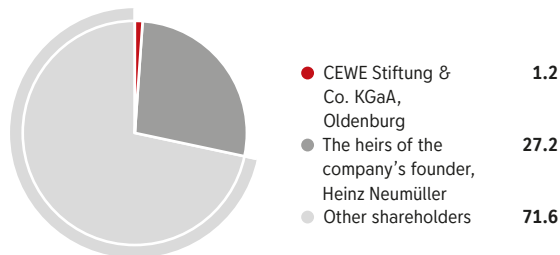
CEWE still solidly positioned in the SDAX

According to the “trading volume” criterion, in June 2021 CEWE was in 162nd position (June 2020: 144th position) while in terms of “market capitalisation” it was in 140th position (June 2020: 129th position) in Deutsche Börse’s ranking. The CEWE share thus remains a permanent fixture on the SDAX index, whose current structure normally features shares with a ranking of 165 or higher. The “trading volume” criterion was included in the review of the composition of this index for the last time. Due to the DAX reform, from July 2021 it will merely be checked whether a company fulfils a certain level of minimum liquidity. With immediate effect, only a company’s level of “market capitalisation” will determine whether it is featured in an index. This will further reinforce CEWE’s positioning in the SDAX, since CEWE significantly exceeds the minimum liquidity requirements.

Stable shareholder structure strengthens management's strategy

The heirs of the company's founder Heinz Neumüller – Alexander Neumüller (AN Assets GmbH & Co. KG, Oldenburg) and Dr Caroline Neumüller (CN Assets GmbH & Co. KG, Oldenburg) – are CEWE's largest shareholders, with a combined interest of 27.2%, and the company has thus enjoyed a high level of ownership stability for many years now. The group of notifiable investors also includes Union Investment Privatfonds GmbH. With its small and mid-cap orientation, it makes an ideal fit for CEWE.

Shareholder structure as %
(100 % = 7.4 million shares)



CEWE is there for its shareholders

The clear objective of investor relations activities at CEWE is to notify all market participants promptly, comprehensively and equally in line with the principles of "Fair Disclosure", while achieving a high level of overall transparency.

CEWE thus naturally also publishes all of its annual and interim reports and capital market information online at ir.cewe.de/publications. All analyst telephone conferences are made available as webcasts and audiocasts on CEWE's website. The current version of CEWE's company presentation is also available here.

The Board of Management and the Investor Relations team present the company at key capital market conferences and attend road shows in European and US financial centres. In view of the coronavirus situation, in the current year almost all of these events have thus far taken place virtually, as online conferences and road shows. For details of the dates currently scheduled for 2021, please refer to the financial calendar on [page 82](#) of this report or visit our IR website at ir.cewe.de.



» CEWE PHOTOBOOK
is a declaration of love. «

Sarah Bierau and Mehmet Cem Ates



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BASIC INFORMATION ON THE GROUP

BUSINESS MODEL

CEWE operates in three strategic business units: Photofinishing, Retail and Commercial Online Printing. Its segment reporting by business unit also reflects these strategic business units (together with a further business unit, Other Activities).

The core business unit: Photofinishing

Photofinishing is the name we give to our photo products business. CEWE is the European market leader in photofinishing, previously based on analogue film and now replaced by digital data. CEWE PHOTOBOOK has established itself as the key product in this field. CEWE has also rigorously expanded its product range, with other significant turnover and growth generators now including photo calendars, wall art, greeting cards and other photo gifts as well as direct printing business at the point of sale, with CEWE instant photos.



CEWE RETAIL: proprietary hardware retail business is also a distribution channel for photofinishing products

CEWE has multichannel retailing operations for photo hardware and photofinishing products in Poland, the Czech Republic, Slovakia and Scandinavia. In addition to selling photo hardware,

over-the-counter outlets and online shops are a key channel for distributing CEWE photo products directly to end-consumers. Turnover and income from photofinishing products are shown in the Photofinishing business unit.

Commercial Online Printing: printing products for the commercial sector

CEWE is active in its Commercial Online Printing business unit through the production and marketing of printed advertising media via the distribution platforms SAXOPRINT, viaprinto and LASERLINE. CEWE launched Commercial Online Printing for printed advertising media in Germany and has rolled out this business model in other European countries, where local websites are present and are increasingly generating business. The depth of added value in Commercial Online Printing is very similar to Photofinishing. However, CEWE provides less software here for the creation of printed products (unlike in the case of CEWE PHOTOBOOK, for instance).

For further details of CEWE's business model, please see  **pages 26 ff.** of its Annual Report 2020 or its website at  **ir.cewe.de** > Investor Relations > News & Publications > Business reports > Annual Report 2020.

ECONOMIC REPORT

PHOTOFINISHING BUSINESS UNIT

- » As expected, the one-off upswing seen during Q2 in the previous year, in the context of the first lockdown, has not been repeated – on the contrary, the current easing of coronavirus restrictions is reducing demand
- » CEWE PHOTOBOOK sales even more strongly reflect the change in the demand trend: 0.902 million copies (Q2 2020: 1.369 million copies)
- » Turnover per photo continues to increase in Q2: +6.2% to 25.25 euro cents per photo (Q2 2020: 23.78 euro cents)
- » At 93.6 million euros, partly due to easing of coronavirus restrictions Photofinishing turnover is –15.4% lower than in the previous year, which had been buoyed by one-off upswing (Q2 2020: 110.6 million euros)
- » Coronavirus-related turnover decline results in Photofinishing EBIT figure of –5.7 million euros (Q2 2020: 5.1 million euros)

Alternation of easing of coronavirus restrictions and imposition of lockdown results in changed demand trend

The level of demand for photo products in 2021 is quite different than in the previous year, 2020: while the first quarter of 2020 was a largely “normal” (non-coronavirus) quarter, the

first quarter of the current year was strongly shaped by the lockdown. This had a positive effect on the level of demand in Photofinishing, in much the same way as it did in the second quarter of 2020. Conversely, the second quarter of the current year was shaped by the easing of coronavirus restrictions. In line with expectations, the one-off upswing in the Photofinishing business unit seen in the previous year, during the first coronavirus lockdown, thus failed to repeat itself: on the contrary, the current easing of coronavirus restrictions after a long lockdown is actually reducing the level of Photofinishing demand. In the previous year, many CEWE customers used their time at home during the first lockdown in order to place orders for photo products, which also included older photos from previous years. CEWE had already described this as a positive impact of the “stay-at-home” effect in its Semi-Annual Report 2020: since people spent so much time at home, many of them dedicated this extra time to activities such as creating photo books and photo gifts. Particularly during difficult times subject to social distancing measures, photo memories and gifts also served as an important emotional anchor for many people. As expected, this one-off upswing has not been repeated during the second quarter of the current year.

Moreover, the current easing of coronavirus restrictions (following a long lockdown) has also reduced the level of demand: people are catching up on activities which were not possible during lockdown and have ordered fewer photo products during the current second quarter. Overall, the Photofinishing business unit has thus actually suffered a twofold negative impact year-on-year: on the one hand, this is due to the highly positive figure for the previous year which was shaped by the one-off upswing, while on the other this reflects the current reporting quarter which has been weakened by the easing of coronavirus-related restrictions – and is already weaker than a normal (non-coronavirus) year would be.

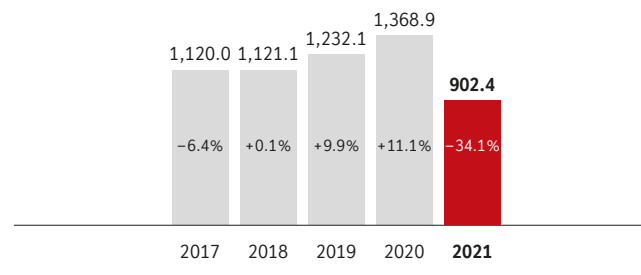
In addition, in the current year the (pre-)Easter business season already fell within the first quarter (March) rather than in Q2 as in the previous year (April). There has also been hardly any post-Easter business season this year, as people have simply had less photographic material due to their inability to travel or enjoy Easter holidays on account of coronavirus.

CEWE PHOTOBOOK sales even more strongly reflect the change in the demand trend

The coronavirus-related change in the demand trend in 2021 has also affected CEWE PHOTOBOOK sales. The one-off upswing seen in the context of the coronavirus lockdown during Q2 in the previous year – combined with people

catching up on creating a large number of photo books featuring older photographic material – has not been repeated. Moreover, the easing of coronavirus restrictions (after a long lockdown) has reduced the level of demand in the current Q2: with 0.902 million copies in the second quarter of 2021, as expected CEWE PHOTOBOOK sales were significantly lower than in the previous year (Q2 2020: 1.369 million copies). In the first six months of the year, CEWE thus sold 2.235 million books, which represents a decrease of 497,000 copies (H1 2020: 2.732 million copies).

Total number of CEWE PHOTOBOOKS in thousand units / change on previous year as %



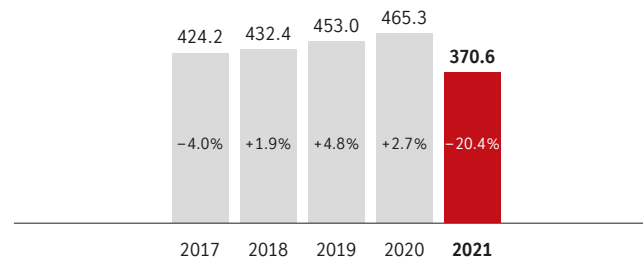
Volume of photo gifts also lower than in the previous year, as expected

As well as CEWE PHOTOBOOKS, other value-added products such as calendars, wall art and other individualised photo gifts likewise followed the coronavirus-related change in the demand trend and fell short of the levels witnessed in the same quarter in the previous year. Greeting cards were an exception: while only a few (birthday) celebrations, weddings or First Communion and Confirmation ceremonies took place during the lockdown in the previous year, the current easing of coronavirus restrictions has increased the number of occasions requiring orders of greeting cards.

Turnover per photo continues to rise in Q2: +6.2%

Turnover per photo continued to increase in the second quarter of 2021. The trend of higher-quality photo products thus continues to strengthen turnover and earnings – in the past quarter, this was once again underlined by the lower number of images due to the reduction of the multi-photo product CEWE PHOTOBOOK. For all of CEWE's photo products, turnover per photo has risen by 6.2%, from 23.78 euro cents per photo in the second quarter of 2020 to 25.25 euro cents per photo in the second quarter of 2021. The overall trend for the first half of 2021 looks similarly favourable: for this period, too, turnover per photo increased, by 6.0% from 23.15 euro cents in the same six-month period in the previous year to 24.54 euro cents.

Total volume of photos in million units / change on previous year as %

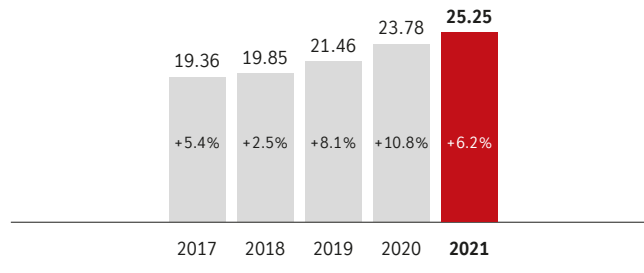


At 93.6 million euros, Photofinishing turnover in Q2 is –15.4% lower than in the previous year, which had been buoyed by one-off upswing

The above-mentioned change in the level of demand in the current year, due to the alternation between a coronavirus lockdown and the subsequent easing of related restrictions, resulted in Photofinishing turnover of 93.6 million euros in the second quarter of 2021: this represents a decline of –15.4% on the extremely high level of 110.6 million euros achieved in the previous year, as a result of the coronavirus-related one-off upswing.

Following a first quarter of the year defined by lockdown, with a strong 9.0% turnover growth rate, in the first six months of 2021 the Photofinishing business unit thus realised a turnover volume of 218.5 million euros – overall, this represented a decline of –3.0% by comparison with the level of turnover in the previous year (H1 2020: 225.3 million euros), but this trend was cushioned by the strong performance in Q1.

Photofinishing turnover per photo in euro cents /
change on previous year as %

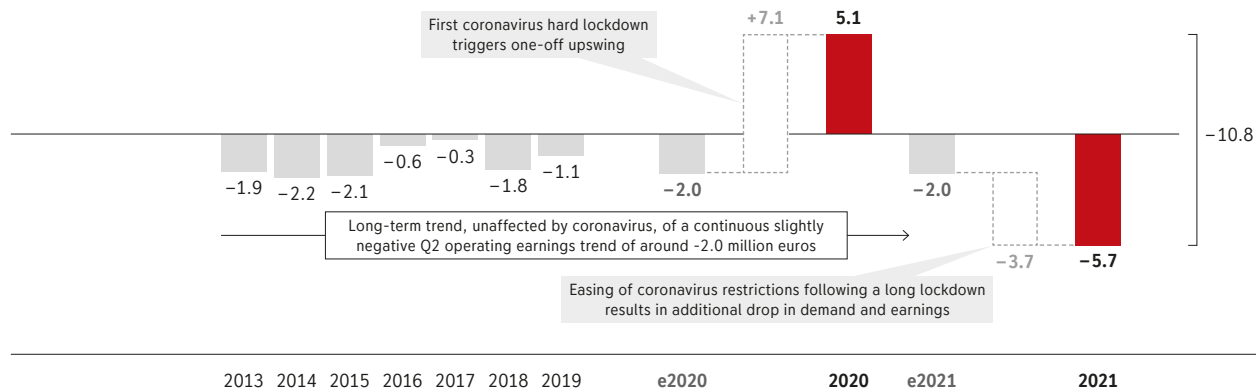


Photofinishing earnings also clearly affected by the coronavirus-related change in the demand trend

On the earnings side, the various impacts – from the coronavirus lockdown in the same quarter in the previous year to the easing of the coronavirus restrictions in the current quarter under review – are clearly reflected in the Photofinishing

business unit: if one assumes a long-term trend, unaffected by coronavirus, of a continuous slightly negative Q2 operating earnings trend of around –2 million euros in a normal “non-coronavirus” year (such as over the course of the past few years), the earnings effect resulting from the Q2 surge in demand during the lockdown in the previous year amounts to approx. 7.1 million euros. In line with expectations, this highly positive earnings effect has not been repeated in the second quarter of 2021. Moreover, the easing of coronavirus restrictions (following a long lockdown) during the current quarter under review has resulted in an additional drop in demand, with an earnings effect of approx. –3.7 million euros which exceeded the earnings level registered in a normal year of around –2 million euros. The graphic on the following page illustrates this earnings trend.

In this context, the Photofinishing business unit achieved an EBIT figure of –5.7 million euros in the second quarter of 2021 – this represents a coronavirus-related significant decrease of –10.8 million euros by comparison with the same quarter in the previous year which was clearly characterised by an above-average level of profitability, partly due to coronavirus (EBIT Q2 2010: 5.1 million euros). Only 437 thousand euros of social security benefits were provided through the short-term allowance scheme. These benefits partly compensated for the personnel costs which CEWE incurred without any work being performed (Q2 2020: 716 thousand euros).

Photofinishing EBIT Q2 in millions of euros

In the second quarter of 2021, non-operating depreciation resulting from the purchase price allocations of Cheerz and WhiteWall was recognised as a special item, in each case in the amount of -0.5 million euros. Adjusted for these one-off

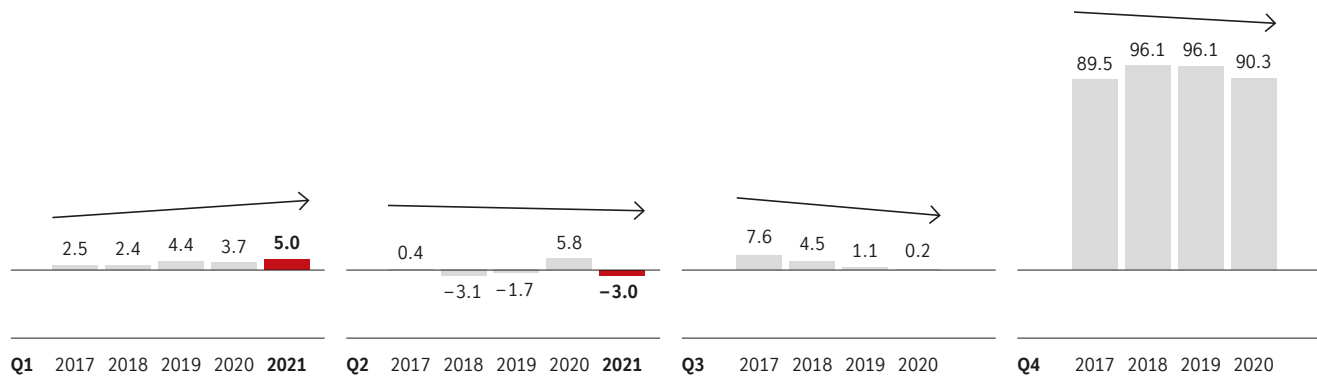
factors, Photofinishing's Q2 operating EBIT in the second quarter of 2021 amounted to -4.6 million euros (comparable, adjusted EBIT figure for Q2 2020: 6.2 million euros).

Photofinishing business unit delivers EBIT of 4.1 million euros in first six months of the year

Following a first quarter of the year with strong earnings and in the context of the above-mentioned second-quarter earnings trend, in the first half of 2021 the Photofinishing business unit has contributed an EBIT figure of 4.1 million euros to the Group's earnings (Photofinishing EBIT in H1 2020: 8.4 million euros). Only 566 thousand euros of social security benefits were provided through the short-term allowance scheme. These benefits partly compensated for the personnel costs which CEWE incurred without any work being performed (H1 2020: 716 thousand euros).

In the first half of 2021, non-operating depreciation resulting from purchase price allocations was recognised through special items with a total volume of –2.1 million euros (H1 2020: –2.2 million euros). Adjusted for these one-off factors in the first half of the year, the operating EBIT figure for the first six months of 2021 amounts to 6.2 million euros, compared to an (adjusted) previous-year EBIT figure of 10.6 million euros.

Development of EBIT – seasonal breakdown in %



COMMERCIAL ONLINE PRINTING BUSINESS UNIT

- » Easing of coronavirus restrictions delivers slight improvement in Commercial Online Printing business: turnover increases in Q2 by 25.8% to 13.7 million euros, following strong lockdown effect in 2020 (Q2 2020: 10.9 million euros)
- » Optimised production and cost structure delivers lasting improvement in income situation: Q2 EBIT improved by 2.6 million euros to –0.2 million euros (Q2 2020: –2.8 million euros).

Commercial Online Printing with target group-oriented B2B marketing

With its online printing brands SAXOPRINT, viaprinto and LASERLINE, CEWE is positioned on the European market for printed advertising media and business stationery ordered online and has a particularly strong presence in the DACH region: SAXOPRINT provides reasonably priced services for customers in Germany as well as the Group's other international markets, primarily in the offset printing segment; viaprinto is positioned in the digital printing segment as a provider of high-quality printed products with small print runs; and LASERLINE has a particularly strong presence in Berlin and Brandenburg and serves customers based in this region.

The lockdowns caused by the Covid-19 pandemic significantly reduced the volume of business and thus advertising activity in many countries in Europe. In particular, Commercial Online

Printing struggled due to significant turnover fluctuations in 2020 on account of the weakness of the event, tourism and travel industries. It lost around 34% of its turnover by comparison with the non-coronavirus year 2019.

Commercial Online Printing benefits from the easing of coronavirus restrictions in Q2 and posts turnover growth

The easing of coronavirus restrictions is now prompting a slight increase in the level of demand for printed advertising media in the second quarter, due to the recovery of business activities: Commercial Online Printing has achieved a 25.8% turnover increase in its B2B print segment by comparison with the same quarter in the previous year – which had been weakened by the coronavirus lockdown – and has registered a turnover volume of 13.7 million euros in Q2 2021 (Q2 2020: 10.9 million euros).

Since the first quarter of 2021 has suffered a 43.2% decline in turnover – while the first quarter of 2020 was virtually free of coronavirus – with a volume of 26.5 million euros in the first half of the year Commercial Online Printing has achieved a level of turnover which is 20.8% weaker than in the first half of 2020 (H1 2020: 33.4 million euros).

The optimised production and cost structure has resulted in a long-term improvement in the income situation for COP

While it is still some way off the turnover volume achieved prior to the pandemic, on the basis of its Q2 turnover Commercial

Online Printing has improved its quarterly earnings by a strong 2.6 million euros to –0.2 million euros (Q2 2020: –2.8 million euros). Only 255 thousand euros of social security benefits were provided through the short-term allowance scheme. These benefits partly compensated for the personnel costs which CEWE incurred without any work being performed (Q2 2020: 821 thousand euros). Continuing stringent cost management with cost savings encompassing every P&L item, together with a more efficient overall production and cost structure, are providing long-term support for this improvement in earnings. In 2020, CEWE had merged LASERLINE's old production plant in Berlin with SAXOPRINT's larger production facilities in Dresden and thus increased the overall level of production efficiency.

The non-operating expenses resulting from the purchase price allocation of LASERLINE were a one-off factor in the second quarter of 2021, in the amount of –0.1 million euros (Q2 2020: –0.1 million euros) In particular, this comprises amortisation on identified intangible assets. Adjusted for this one-off factor, Commercial Online Printing's EBIT in the second quarter of 2021 amounts to –0.1 million euros (adjusted EBIT in the same quarter in the previous year, Q2 2020: –2.7 million euros).

Overall in the first six months of the year 2021, Commercial Online Printing has achieved an EBIT figure of –0.8 million euros, compared to –3.4 million euros in the same period in the previous

year. Only 867 thousand euros of social security benefits were provided through the short-term allowance scheme. These benefits partly compensated for the personnel costs which CEWE incurred without any work being performed (Q2 2020: 912 thousand euros). Adjusted for the one-off factors resulting from the purchase price allocations (H1 2021: –0.1 million euros; H1 2020: –0.2 million euros), the volume of earnings amounts to –0.7 million euros (adjusted EBIT H1 2020: –3.2 million euros).

RETAIL BUSINESS UNIT

- » CEWE RETAIL matches previous year's turnover level in Q2, despite significantly reduced number of branches: 7.6 million euros (Q2 2020: 7.6 million euros)
- » Strongly improved Q2 EBIT figure, mainly due to expenses in previous year for optimisation of branch structure: –0.3 million euros (Q2 2020: –3.2 million euros)

CEWE RETAIL is the distribution channel for photofinishing products

CEWE operates multichannel retailing in Poland, the Czech Republic, Slovakia, Norway and Sweden in the form of retail outlets and online shops. CEWE RETAIL offers its customers an attractive selection of cameras, lenses, accessories and services as well as CEWE's entire Photofinishing range.

CEWE RETAIL clearly focuses on generating photofinishing and online business, i.e. the marketing of CEWE PHOTOBOOKS,

calendars, greeting cards, wall art and other photo gifts. The turnover and earnings contribution provided by this photo-finishing product range is reported in the Photofinishing business unit. The Retail business unit only reports turnover and earnings from photo hardware business generated e.g. with cameras and photo equipment. In future, CEWE will continue to develop this merchandise business with optimal margins, while deliberately avoiding unprofitable turnover.

CEWE RETAIL: Q2 turnover matches previous year's level despite fewer branches

Hardware retail benefited from the easing of coronavirus restrictions in the second quarter and has achieved a turnover volume of 7.6 million euros, which is in line with the previous year's level (Q2 2020: 7.6 million euros). This is despite the fact that it has around 40 fewer branches than in the previous year (this represents more than 1/4 of the roughly 140 branches at that time).

As envisaged, the photo hardware turnover reported in the Retail business unit has been declining for some years now, by between –10% and –15%, due to the deliberate abandonment of low-margin business and the focus on photofinishing and online business. Moreover, since the second quarter of 2020 this decline has been significantly more pronounced, as a result of the effects of the pandemic on the entire retail sector. In this context, CEWE had resolved in the same quarter in the previous year to close overall slightly more than 40 branches in all of the countries where CEWE's Retail business

unit operates. Restructuring accruals with a volume of around 1.7 million euros were already established in the second quarter of 2020, and valuation adjustments with a volume of approx. 1.5 million euros were recognised on inventories. Moreover, in the fourth quarter of 2020 an additional 1.2 million euros in restructuring expenses was set aside for store closures.

In the first six months of the year, Retail achieved a turnover volume of 13.8 million euros, which was –8.3% lower than in the same period in the previous year (H1 2020: 15.1 million euros). While in the first quarter turnover had fallen by –16.8% (whereas the first quarter of 2020 was virtually unaffected by coronavirus), the stable turnover level in the second quarter of 2021 has at least slightly moderated this decrease from the point of view of the first six months of the year.

Hardware retail improves earnings in Q2 with optimised branch structure

The EBIT figure reported for the Retail business unit has improved significantly, by 2.9 million euros to –0.3 million euros (Q2 2020: –3.2 million euros). In the previous year, around 1.7 million euros of restructuring accruals and 1.5 million euros of valuation adjustments on inventories were recognised in Q2 due to the announced branch structure optimisation. Only 209 thousand euros of social security benefits were provided through the short-term allowance scheme. These benefits partly compensated for the personnel costs which CEWE incurred without any work being performed (Q2 2020:

816 thousand euros). With its optimised branch structure, the Retail business unit improved operating earnings (before one-off factors and the short-time allowance) to –0.5 million euros in the second quarter (Q2 2020: –0.8 million euros)

In the first half of 2021, the Retail business unit likewise improved its EBIT figure, by 2.9 million euros to –0.7 million euros (H1 2020: –3.7 million euros). Only 669 thousand euros of social security benefits were provided through the short-term allowance scheme. These benefits partly compensated for the personnel costs which CEWE incurred without any work being performed (H1 2020: 860 thousand euros).

OTHER ACTIVITIES BUSINESS UNIT

Structural and company expenses, real estate and equity investments summarised in the Other Activities business unit

CEWE reports its structural and company costs as well as the result of its real estate holdings and equity investments in its Other Activities business unit. Structural and company costs mainly comprise the costs associated with the company's committees as well as the costs of its general meetings and the costs of investor relations activities for all of the company's business units.

The earnings generated by the Group company futalis are also reported in this business unit, since its business activities

cannot be allocated to CEWE's other business units. As a premium brand, online at  www.futalis.de, futalis produces and markets highly personalised pet food which is tailored to each animal's specific veterinary requirements.

In the second quarter of 2021, CEWE realised turnover in the amount of 1.9 million euros (Q2 2020: 1.5 million euros) in its Other Activities business unit. This turnover is entirely attributable to futalis, which is continuing to perform strongly with 28.5% growth.

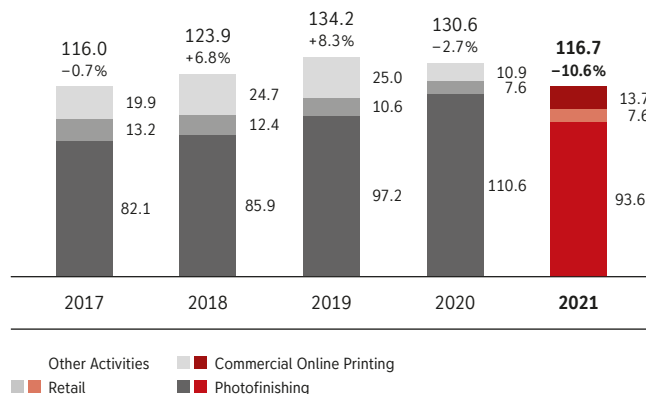
In the second quarter of 2021, the EBIT contribution to consolidated income deriving from the expense items for structural and company costs and the result of real estate holdings and equity investments amounted to –0.3 million euros (Q2 2020: –0.1 million euros). The slightly weaker earnings figure mainly reflects the higher IR costs by comparison with the same quarter in the previous year, due to the holding of the general meeting in June 2021. In the previous year, the general meeting took place in October and thus in the fourth quarter.

In the first six months of 2021, CEWE therefore realised revenues in the amount of 3.7 million euros (H1 2020: 3.1 million euros) in its Other Activities business unit, all of which were generated by futalis. The Other Activities business unit provided a –0.4 million euros earnings contribution to Group EBIT in this period (H1 2020: –0.3 million euros).

CONSOLIDATED PROFIT AND LOSS ACCOUNT

- » Easing of coronavirus restrictions, with clear decline in Photofinishing turnover and slight growth in Commercial Online Printing, results in Group turnover in Q2 of 116.7 million euros (Q2 2020: 130.6 million euros; –10.6%)
- » Coronavirus-related Q2 decline in earnings in Photofinishing coupled with significant improvement in Commercial Online Printing and Retail earnings results in Q2 Group EBIT figure of –6.4 million euros (Q2 2020: –1.0 million euros)
- » After H1, CEWE enters H2 with earnings head start: Group EBIT for first six months of the year increases to 2.1 million euros (H1 2020: 1.0 million euros)

Turnover Q2 in millions of euros /
change on previous year as %



EBIT by business unit in millions of euros

	Q2 2017	Q2 2018	Q2 2019	Q2 2020	Q2 2021
Photofinishing	0.2	-1.8	-1.1	5.1	-5.7
Commercial Online Printing	-0.3	-1.5	-1.1	-2.8	-0.2
Retail	-0.1	-0.2	-0.3	-3.2	-0.3
Other Activities	-0.9	-0.6	-0.9	-0.1	-0.3
Group	-1.0	-4.1	-3.4	-1.0	-6.4

Group turnover reaches 116.7 million euros in the second quarter

In the second quarter of 2021, the coronavirus-related turnover decline in the Photofinishing business unit together with the slight growth in the Commercial Online Printing business unit resulted in **Group turnover (1)** of 116.7 million euros (Q2 2020: 130.6 million euros; –10.6%).

In the first six months of 2021, Group turnover amounted to 262.6 million euros, compared to 277.0 million euros in the previous year (–5.2%). Here too, the picture is similar to the trend in the second quarter of the year: the Photofinishing business unit in particular was the core factor which shaped the CEWE Group's turnover trend: this reflected, on the one hand, the decline in the level of demand on account of the easing of coronavirus restrictions and, on the other, the one-off Q2 upswing during lockdown in the previous year.

Consolidated profit and loss account in millions of euros

	Q2 2020	% of turnover	Q2 2021	% of turnover	Change as %	Change in millions of euros
Revenues (1)	130.6	100	116.7	100	-10.6	-13.8
Change in inventories	0.1	0.1	0.0	0.0	-62.2	-0.1
Other own work capitalised	0.4	0.3	0.3	0.2	-32.9	-0.1
Other operating income	4.2	3.2	6.3	5.4	+48.7	+2.1
Cost of materials	-33.5	-25.7	-31.5	-27.0	+6.1	+2.0
Gross profit	101.7	77.9	91.8	78.7	-9.7	-9.9
Personnel expenses	-43.4	-33.3	-45.0	-38.5	-3.5	-1.5
Other operating expenses	-45.4	-34.8	-40.4	-34.6	+11.1	+5.0
EBITDA	12.9	9.9	6.5	5.5	-49.8	-6.4
Depreciation	-13.8	-10.6	-12.9	-11.1	+6.8	+0.9
EBIT	-1.0	-0.7	-6.4	-5.5	-560	-5.5
Financial income	0.0	0.0	0.0	0.0	+500	+0.0
Financial expenses	-0.3	-0.2	-0.3	-0.3	-23.6	-0.1
EBT	-1.2	-0.9	-6.8	-5.8	-446	-5.5
Income taxes	0.6	0.4	2.4	2.0	+303	+1.8
Earnings after taxes	-0.7	-0.5	-4.4	-3.8	-575	-3.7

Changes in individual P&L items largely reflect (coronavirus-influenced) business trend

The increase in **other operating income** (2) is due to factors including the reversal of accruals for valuation adjustments

which are no longer required, increased income resulting from the sale of fixed assets due to the continuous renewal of machinery as well as increased income from recyclable residual materials arising during the production process, in the

consumables segment. The **cost of materials (3)** has decreased due to business trends in absolute terms, while the material expense ratio as a percentage of turnover has increased slightly, from 25.7% in the same quarter in the previous year to 27.0% in the quarter under review: the decline in turnover in the Photofinishing business unit in particular, with relatively low cost of sales ratios, has resulted in an increased cost of sales ratio for the Group as a whole, since the turnover situation for Retail is unchanged, with high cost of sales ratios by comparison with the Photofinishing business. Moreover, in the previous year valuation adjustments on inventories in the Retail business unit had increased the cost of sales from an accounting point of view. The slightly higher **personnel expenses (4)** in absolute terms reflect, on the one hand, the exercise of a 2016 stock option plan in the second quarter of 2021. On the other hand, this item has increased due to pay scale adjustments and hirings made for CEWE's central functions in Oldenburg. In addition, the social security benefits which were provided through the short-term allowance scheme during the pandemic and partly compensated for the personnel costs which CEWE incurred without any work being performed were lower than in the same quarter in the previous year. Reductions of personnel costs due to the optimisation of production operations in Commercial Online Printing and the adjustment of the Retail business unit's branch structure – for which an appropriate restructuring accrual had been made in the personnel costs item in the previous year – have had the opposite effect.

Other operating expenses (5) have declined in absolute terms and are thus entirely consistent with the business trend, which is also reflected in relative terms in a virtually unchanged turnover percentage of 34.6% (Q2 2020: 34.8%). In particular, the mail-order shipping costs included in this item have decreased in line with the weaker Photofinishing turnover volume. In regard to the **depreciation figure (6)** which has decreased in absolute terms, at 11.1% of turnover the depreciation ratio is slightly higher than in the previous year in purely numerical terms (Q2 2020: 10.6%). This is mainly due to the decline in Photofinishing turnover. The absolute decrease in this item is attributable, on the one hand, to the lower level of depreciation in the Photofinishing business unit, given that investments in new assets here were, since last year, already below the previous depreciation level. On the other hand, the volume of depreciation had also increased in the same quarter in the previous year due to the restructuring accruals recognised in the Retail business unit for the optimisation of its branch structure.

Weaker Q2 Group EBIT figure, as expected

Overall, on the basis of this turnover and cost trend the Group EBIT figure in the second quarter amounts to –6.4 million euros (Q2 2020: –1.0 million euros). The Commercial Online Printing and Retail business units have registered improved earnings trends. However, overall these have not been able to compensate for the coronavirus-related demand trend and thus the earnings trend (these trends picked up in the previous year,

before falling in the current year) in the Photofinishing business unit.

After H1, CEWE maintains earnings head start: Group EBIT for first six months of the year rises to 2.1 million euros

Group EBIT increased year-on-year to 2.1 million euros in the first half of 2021 (EBIT H1 2020: 1.0 million euros). The first six months of the year were shaped, in particular, by the changes in the demand trend for Photofinishing, due to the coronavirus lockdown and the subsequent easing of related restrictions: Q1 experienced strong turnover and earnings growth, followed by declining turnover and earnings in Q2. Overall, this is a strong first half of the year – despite all of the coronavirus issues – with an earnings head start of 1.1 million euros relative to the same period in the previous year.

Normalised Group tax rate of 32.0%

Overall, tax expense has resulted in the first half of 2021, in terms of the tax result reported. On the one hand, tax expenses have arisen in the amount of approx. 0.5 million euros, due to the positive EBT in the first half of the year. On the other hand, this contrasts in particular with the reversal of an accrual for deferred tax liabilities, which has mainly resulted from the purchase price allocations recognised due to acquisitions. Adjusted for these effects, a normalised tax rate of 32.0% applies (normalised tax rate for H1 2020: 32.8%).

EMPLOYEES

Volume of employees declines to 3,680

At the end of June 2021, the number of employees of the CEWE Group was at 3,680 lower than in the previous year (3,798 employees).

The difference year-on-year is mainly attributable to the pooling and further optimisation of production infrastructure in the Commercial Online Printing business unit at SAXOPRINT in Dresden. Moreover, due to the optimisation of its branch structure, with the goal of around 100 shops, the Retail business unit also had fewer employees in late June than at the end of the same quarter in the previous year. The slight increase in the volume of personnel in the Photofinishing business unit is attributable, in particular, to hirings made for CEWE's central functions in Oldenburg.

Employees by business unit number of

	H1 2020	H1 2021
Photofinishing	2,650	2,745
Commercial Online Printing	616	454
Retail	479	423
Other Activities	53	58
Total employees	3,798	3,680

ASSET AND FINANCIAL POSITION

- » CEWE has strong equity ratio of 59.8%
- » Operating net working capital unchanged in the second quarter
- » Following end of coronavirus-related one-off upswing: normalisation of seasonal financing requirements

The following comments on the balance sheet mainly refer to the development of the management balance sheet during the second quarter of 2021. They are preceded by a section

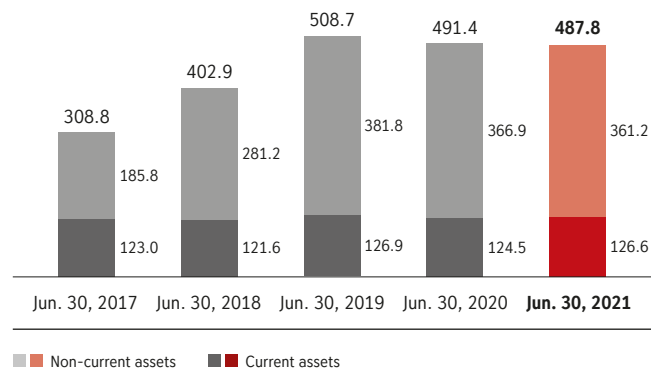
detailing general balance sheet trends by comparison with June 30, 2020.

Decline in total assets due to depreciation and amortisation

As of June 30, 2021, total assets have decreased by 3.6 million euros to 487.8 million euros by comparison with the same date in the previous year. The assets side of the balance sheet has been shaped, in particular, by non-current assets, which have declined by –5.7 million euros, above all due to scheduled amortisation of intangible assets purchased through previous acquisitions as well as scheduled depreciation of IFRS 16 leasing rights of use and the sale of property, plant and equipment.

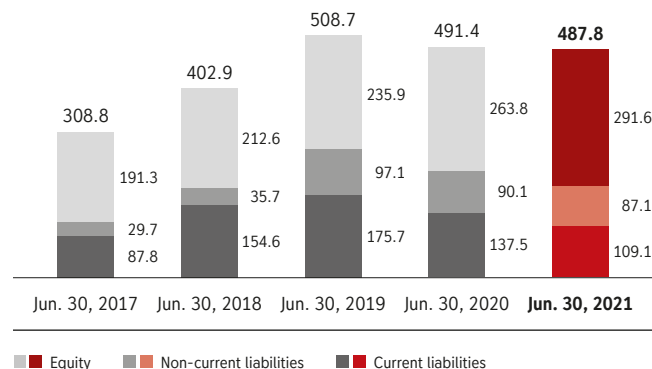
Balance sheet figures – Assets

in millions of euros



Balance sheet figures – Equity and liabilities

in millions of euros

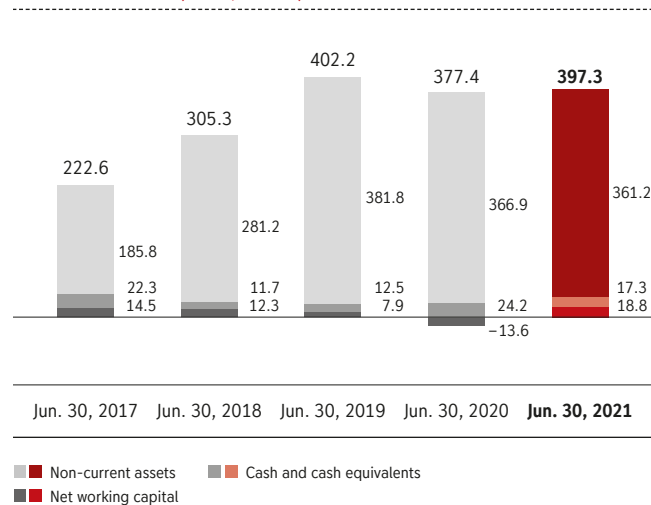


CEWE has strong equity ratio of 59.8%

Equity has increased by a total of 27.8 million euros by comparison with June 30, 2020 and amounts to 291.6 million euros. This mainly reflects positive comprehensive income for the past four quarters, in the amount of 58.6 million euros, less owner-related equity changes in the amount of –30.8 million euros. This includes two dividend distributions with a total value of 31.1 million euros, since on coronavirus-related grounds in the previous year the dividend distribution which normally occurs in the second quarter was delayed until the second half of 2020. Overall, due to the favourable earnings figure CEWE's equity ratio is a strong 59.8%, compared to 53.7% after the first six months of the previous year. The Group's debt has decreased by 31.4 million euros to 196.2 million euros, by comparison with June 30, 2020. The purchase of the remaining shares in Cheerz for a price of 9.8 million euros reduced the volume of financial liabilities. In addition, trade payables decreased by 9.5 million euros and thus reflect the coronavirus-related decrease in the volume of business on the sales and supply sides. Also due to coronavirus, current other liabilities have decreased by 5.4 million euros, since CEWE had made use of the option to defer social security contributions and value-added tax payments in some countries in the previous year. Accordingly, non-current liabilities have declined by 3.1 million euros to 87.1 million euros, while current liabilities have decreased by 28.3 million euros to 109.1 million euros. The further effects of the coronavirus crisis are presented in the following management balance sheet.

Management balance-sheet figures – Capital employed

in millions of euros (as of June 30)



Capital employed increases by 19.9 million euros year-on-year

Since the start of the quarter, the volume of **capital employed** (1) has decreased by 13.1 million euros: **cash and cash equivalents** (2) have been reduced by 43.7 million euros to 17.3 million euros, while **non-current assets** (3) have decreased by 4.4 million euros. On the other hand, **net working capital** (4) has increased by 35.1 million euros.

Capital employed in millions of euros

	March 31, 2021	% of capital employed	June 30, 2021	% of capital employed	Change as %	Change in millions of euros
Non-current assets (3)	365.6	89.1	361.2	90.9	-1.2	-4.4
+ Net working capital (4)	-16.2	-4.0	18.8	4.7	+216	+35.1
+ Cash and cash equivalents (2)	61.0	14.9	17.3	4.4	-71.7	-43.7
Capital employed (1)	410.4	100	397.3	100	-3.2	-13.1

Non-current assets in millions of euros

	March 31, 2021	% of capital employed	June 30, 2021	% of capital employed	Change as %	Change in millions of euros
Property, plant and equipment (6)	211.8	51.6	207.3	52.2	-2.1	-4.4
Investment properties	17.4	4.2	17.3	4.4	-0.6	-0.1
Goodwill	77.8	18.9	77.8	19.6	+0.0	+0.0
Intangible assets (7)	29.8	7.3	28.3	7.1	-5.0	-1.5
Financial assets (8)	7.3	1.8	9.8	2.5	+35.0	+2.5
Non-current financial assets	1.6	0.4	1.6	0.4	-1.8	-0.0
Non-current other receivables and assets	1.0	0.3	1.0	0.3	-3.2	-0.0
Deferred tax assets	18.9	4.6	18.1	4.5	-4.5	-0.8
Non-current assets (5)	365.6	89.1	361.2	90.9	-1.2	-4.4

Non-current assets (5) were reduced by 4.4 million euros in the past quarter, as described above. Overall, CEWE invested 7.8 million euros, of which 3.2 million euros in point-of-sale presences, 2.3 million euros in digital printing and finishing, 1.0 million euros in IT infrastructure, 0.3 million euros in offset printing and finishing and 1.0 million euros in various items of **property, plant and equipment (6)**. Investments in **intangible**

assets (7) amounted to 0.9 million euros and mainly related to software. Depreciation and amortisation have had an opposite effect, with a total volume of 12.9 million euros. The volume of non-current assets was increased by the measurement of equity investments directly in equity. These equity investments were reported under **financial assets (8)**.

Net working capital in millions of euros

	March 31, 2021	% of capital employed	June 30, 2021	% of capital employed	Change as %	Change in millions of euros
Operating net working capital (11)	29.9	7.3	30.0	7.5	+0.1	+0.0
– Other net working capital (10)	–46.2	–11.2	–11.1	–2.8	+75.9	+35.1
Net working capital (9)	–16.2	–4.0	18.8	4.7	+216	+35.1

The increase in **net working capital (9)** results from a significant increase in **other net working capital (10)** as well as the virtually unchanged **operating net working capital item (11)**.

Operating net working capital in millions of euros

	March 31, 2021	% of capital employed	June 30, 2021	% of capital employed	Change as %	Change in millions of euros
Inventories	47.9	11.7	51.0	12.8	+6.5	+3.1
+ Current trade receivables	35.8	8.7	29.4	7.4	-18.1	-6.5
Operating gross working capital	83.7	20.4	80.4	20.2	-4.0	-3.4
- Current trade payables	53.8	13.1	50.4	12.7	-6.3	-3.4
Operating net working capital (11)	29.9	7.3	30.0	7.5	+0.1	+0.0

Operating net working capital unchanged in the second quarter

Since March 31, 2021, **operating net working capital** (11) has remained unchanged overall, but has increased by 11.8 million euros by comparison with June 30, 2020.

Scope of working capital in relation to the previous quarter's turnover in days

	March 31, 2021	June 30, 2021
Inventories (13)	30	39
Current trade receivables (15)	22	23
Current trade payables (14)	33	39
Operating net working capital (12)	18	23

The scope of **operating net working capital** (12) was at 23 days higher than the level of 18 days as of March 31, 2021 and

clearly reflects the effects of the coronavirus crisis. The **scope of inventories** (13) increased significantly from 30 days to 39 days – in particular, this was due to the decline in Photofinishing turnover in the second quarter, on account of the easing of the coronavirus restrictions and the end of the one-off upswing seen in the same quarter of the previous year, together with a build-up in inventories for CEWE instant photos in order to ensure supply capability. **Trade payables** (14) were reduced by 3.4 million euros to 50.4 million euros in the second quarter. Due to the disproportionately strong decline in turnover, the accounts payable collection period amounted to 39 days (previous quarter: 33 days). On account of the increased proportion of Internet business for Photofinishing, with its shorter than average payment periods and the decline in turnover, trade accounts receivable have decreased by 6.5 million euros. The average **payment period** (15) thus rose in the second quarter by one day to 23 days.

Other net working capital in millions of euros

	March 31, 2021	% of capital employed	June 30, 2021	% of capital employed	Change as %	Change in millions of euros
+ Current receivables from income tax refunds (17)	1.9	0.5	13.6	3.4	+612	+11.7
+ Current financial assets	3.2	0.8	2.8	0.7	–11.7	–0.4
+ Other current receivables and assets	12.9	3.1	12.5	3.1	–3.2	–0.4
Other gross working capital	18.0	4.4	29.0	7.3	+60.7	+10.9
– Current tax liabilities (18)	21.0	5.1	6.8	1.7	–67.9	–14.3
– Current other accruals (20)	7.2	1.8	5.0	1.3	–30.7	–2.2
– Current financial liabilities	0.6	0.1	0.1	0.0	–86.2	–0.5
– Current other liabilities (19)	35.4	8.6	28.2	7.1	–20.2	–7.2
Other current liabilities	64.2	15.6	40.1	10.1	–37.6	–24.1
Other net working capital (16)	–46.2	–11.2	–11.1	–2.8	+75.9	+35.1

Other net working capital continues to contribute to financing

Since March 31, 2021, **other net working capital (16)** has increased by 35.1 million euros on coronavirus-related grounds in particular and has provided a –11.1 million euros contribution to the company's financing as of June 30, 2021. Income tax payments were partially deferred or reduced on account of coronavirus in the same quarter in the previous year and are

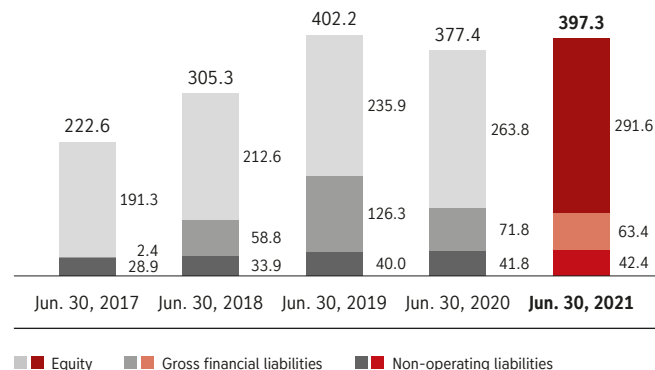
capitalised as **current receivables from income tax refunds (17)** as of the quarterly reporting dates. Since the start of the year, CEWE has once again made regular prepayments as well as payments for **tax liabilities (18)** relating to the previous year. Due to these opposite tax effects, other net working capital increased by 26.0 million euros **(17)(18)**.

The 7.2 million euros decrease in **current other liabilities (19)** is mainly attributable to the reduced value-added tax liabilities as a result of the company's business development. The use of the restructuring accruals gave rise to a 2.2 million euros decrease in current other accruals **(20)**.

Equity results in increase in volume of capital invested

On June 30, 2021, the **capital invested (21)** – identical with the capital employed – totalled 397.3 million euros and was thus 19.9 million euros higher than in the previous year. This increase was primarily attributable to the 27.8 million euros increase in **equity (22)** to 291.6 million euros, somewhat reduced by the 8.4 million euros decrease in **gross financial liabilities (23)** to 63.4 million euros and minimally supplemented by **non-operating liabilities (24)**, which have increased by 0.5 million euros to 42.4 million euros.

Management balance-sheet figures – Capital invested in millions of euros (as of June 30)



Capital invested in millions of euros

	March 31, 2021	% of capital invested	June 30, 2021	% of capital invested	Change as %	Change in millions of euros
Equity (22)	307.3	74.9	291.6	73.4	-5.1	-15.7
Non-current accruals for pensions (25)	40.4	9.9	38.2	9.6	-5.6	-2.3
+ Non-current deferred tax liabilities	2.7	0.6	3.0	0.8	+13.6	+0.4
+ Non-current other accruals	0.4	0.1	0.4	0.1	+0.0	+0.0
+ Non-current financial liabilities	0.2	0.0	0.1	0.0	-27.9	-0.0
+ Non-current other liabilities	0.6	0.2	0.6	0.2	+0.0	+0.0
Non-operating liabilities (24)	44.3	10.8	42.4	10.7	-4.4	-1.9
Non-current interest-bearing financial liabilities	0.6	0.2	0.5	0.1	-20.7	-0.1
+ Non-current liabilities from leasing (26)	47.3	11.5	44.2	11.1	-6.5	-3.1
+ Current interest-bearing financial liabilities (27)	0.4	0.1	8.6	2.2	+ >1,000	+8.2
+ Current liabilities from leasing (26)	10.4	2.5	10.1	2.5	-3.4	-0.4
Gross financial liabilities (23)	58.8	14.3	63.4	15.9	+7.8	+4.6
Capital invested (21)	410.4	100	397.3	100	-3.2	-13.1

The seasonal dividend payment in particular caused the **capital invested** (21) to decline by 13.1 million euros in the second quarter of 2021. This dividend payment has reduced **equity** (22) by 15.7 million euros. Due to rising market interest rates, **pension accruals** (25) have declined by 2.3 million euros, so that **non-operating liabilities** (24) have dropped by 1.9 million

euros to 42.4 million euros. **Lease liabilities** (25) have decreased overall by 3.5 million euros. To finance its operating activities, CEWE entered into new **current interest-bearing financial liabilities** (27) with a net volume of 8.2 million euros. **Gross financial liabilities** (23) thus amount to 63.4 million euros (+4.6 million euros).

Net cash position in millions of euros

	March 31, 2021	% of capital invested	June 30, 2021	% of capital invested	Change as %	Change in millions of euros
Gross financial liabilities (29)	58.8	14.3	63.4	15.9	+7.8	+4.6
– Cash and cash equivalents (30)	61.0	14.9	17.3	4.4	–71.7	–43.7
Net cash position (–)/Net financial liabilities (+) (28)	–2.3	–0.6	46.1	11.6	–2,121	+48.3

**Following end of coronavirus-related one-off upswing:
normalisation of seasonal financing requirements**

In line with the seasonal nature of CEWE's business, in the second quarter a **net cash position** of –2.3 million euros was converted into a **net financial liability** (28) of 46.1 million euros. This normally rises in the second quarter of the year, since the dividend payment to shareholders occurs then. This year, the general meeting was held in the second quarter as usual and resulted in a cash outflow of 16.6 million euros. In addition, as already outlined above tax payments were made

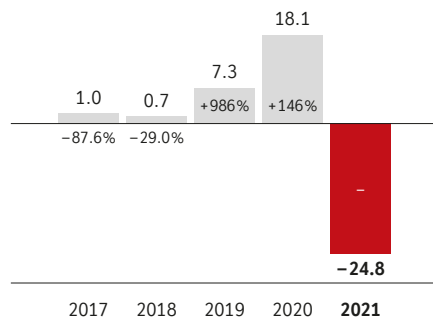
in the amount of 23.3 million euros. **Gross financial liabilities** (29) were reduced by 8.4 million euros by comparison with June 30, 2020. Moreover, **cash and cash equivalents** (30) were reduced by 6.9 million euros. The effects which were already described a year ago – such as deferred income tax prepayments and social security contributions as well as the postponed dividend payment – have now resulted in cash outflows. Overall, the **net financial liability** (28) has decreased by 1.6 million euros by comparison with June 30, 2020.

CASH FLOW

- » Coronavirus-related deferrals of income tax payments and loss of positive effects associated with coronavirus-triggered one-off upswing in Q2 2020 cause cash flow from operating activities to decline to –24.8 million euros
- » 8.8 million euros decline in net cash used in investing activities
- » Free cash flow in second quarter falls by 34.1 million euros due to various coronavirus-related effects

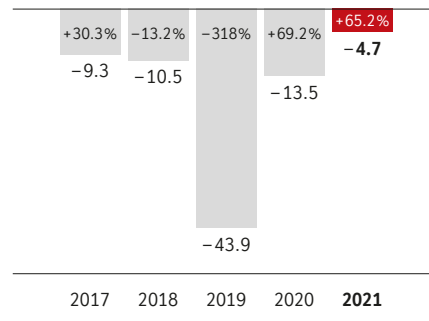
Cash flow from operating activities Q2

in millions of euros / change on previous year as %



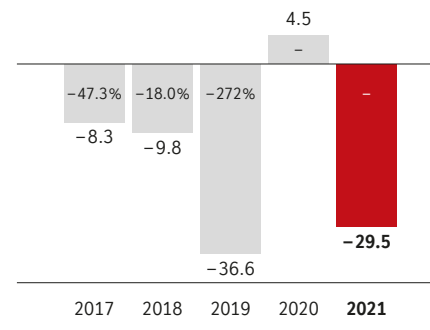
Net cash used in investing activities Q2

in millions of euros / change on previous year as %



Free cash flow Q2

in millions of euros / change on previous year as %



Cash flow from operating activities in millions of euros

		Q2 2020	Q2 2021	Change as %	Change in millions of euros
EBITDA	(4)	12.9	6.5	-49.8	-6.4
+/- Non-cash factors		-1.2	1.1	-	2.3
+ Decrease in operating net working capital	(5)	5.8	0.0	-	-5.8
+/- Decrease (+)/Increase (-) in other net working capital	(3)	2.3	-9.1	-	-11.4
+ Taxes paid	(2)	-1.7	-23.3	> -1,000	-21.6
+ Interest received		0.0	0.0	-	-0.0
= Cash flow from operating activities	(1)	18.1	-24.8	-	-42.9

Coronavirus-related deferrals of income tax payments and loss of positive effects associated with coronavirus-triggered one-off upswing in Q2 2020 cause cash flow from operating activities to decline to -24.8 million euros

In the second quarter of 2021, on coronavirus-related grounds at -24.8 million euros the **cash flow from operating activities (1)** was 42.9 million euros lower than in the same period in the previous year (18.1 million euros). This is mainly attributable to **increased income tax prepayments (2)**, which had been deferred or reduced in the same quarter in the previous year due to coronavirus. The same effect is apparent in the **other**

net working capital item (3), which is characterised by a cash outflow of 9.1 million euros, in particular due to a reduced build-up of value-added tax liabilities in line with the lower volume of turnover. In the same quarter in the previous year, positive coronavirus-related effects were registered due to the deferral of social security payments in France. In addition, the **operating result (4)** has decreased. While **operating net working capital (5)** had provided a positive contribution in the previous year, due to the coronavirus-related decrease in trade receivables, this item was unchanged in the second quarter of 2021.

Cash flow from investing activities in millions of euros

		Q2 2020	Q2 2021	Change as %	Change in millions of euros
– Outflows from investments in fixed assets	(7)	–13.8	–8.9	35.4	4.9
– Outflows from purchases of consolidated interests/acquisitions	(8)	–1.5	0.0	–	1.5
– Outflows from investments in financial assets	(9)	–0.1	1.2	–	1.3
+ / – Inflows (+) / outflows (–) from investments in non-current financial instruments		–0.1	0.0	–	0.1
+ Inflows from the sale of property, plant and equipment and intangible assets	(10)	1.9	3.0	55.4	1.1
= Cash flow from investing activities	(6)	–13.5	–4.7	65.2	8.8

8.8 million euros decline in net cash used in investing activities

In the second quarter, **net cash used in investing activities (6)** was reduced by 8.8 million euros to –4.7 million euros due to a lower volume of **operational investments (7)**, the lack of **cash outflows for consolidated interests (8)** as well as **increased inflows from non-consolidated equity investments (9)** and the **sale of property, plant and equipment (10)**.

Free cash flow in second quarter falls by 34.1 million euros due to operating cash flow

Due to the –42.9 million euros decrease in cash flow from operating activities and the decline in cash outflows from investments to 4.7 million euros, free cash flow decreased by –34.1 million euros to –29.5 million euros and thus reflects various coronavirus effects: the end of the coronavirus-related one-off upswing in Q2 2021 and the reversal of positive coronavirus-induced financing effects, on account of the end of government support measures in the form of temporary tax deferrals and reductions.

Free cash flow in the first half of the year declines due to operating cash flow in particular

The free cash flow in the first half of 2021 decreased by 56.3 million euros to –66.9 million euros. In particular, cash flow from operating activities declined by 58.9 million euros to –48.0 million euros in the first six months of the year. As outlined above, this includes a coronavirus-related 42.9 million euros decrease in the second quarter. In the first quarter of the year, this item declined by 16.0 million euros. This mainly reflected higher cash outflows for trade payables, due to the handover of customer payments from mail-order business via business partners as well as payments made to mail-order service providers and lower payment inflows from business partners on account of payments via their points of sale which were reduced due to coronavirus. The net cash used in investing activities was reduced slightly by 2.6 million euros to –18.9 million euros in the first six months of the year. The increased cash outflows for purchases of consolidated interests have been offset by reduced operational investments. The notional reduction in the volume of investment payments is thus attributable to increased cash-ins from asset sales and financial assets.

RETURN ON CAPITAL EMPLOYED

- » Average capital employed increased to 399.0 million euros
- » Earnings trend causes ROCE to increase to relatively high level of 20.3%

Average capital employed increased to 399.0 million euros

On June 30, 2021, at 399.0 million euros the average capital employed – calculated on the basis of the four quarterly reporting dates within a given 12-month period – was 15.9 million euros higher than in the previous year.

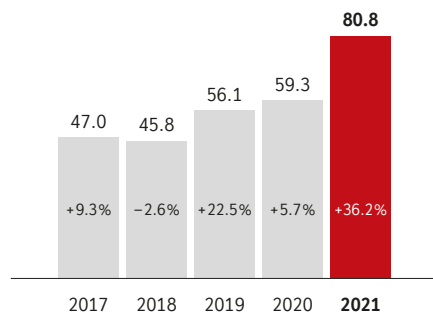
Earnings trend causes ROCE to increase to relatively high level of 20.3%

The return on capital employed (ROCE) – a ratio indicating the return on capital – has increased from 15.5% to 20.3% since June 30, 2020. The value of 20.3% reflects a twelve-month EBIT figure of 80.8 million euros as a value driver and an

average volume of capital employed of 399.0 million euros. The figure for the past twelve months includes the strong earnings growth in Q4 2020. The ROCE has thus increased by almost 5 percentage points.

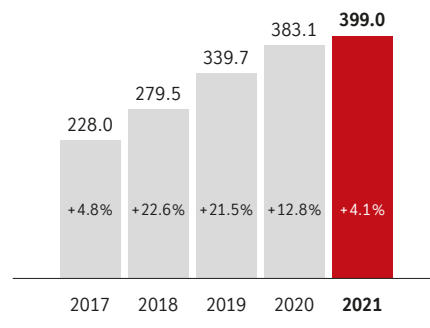
12-month EBIT Q3 2020 – H1 2021

in millions of euros /
change on previous year as %

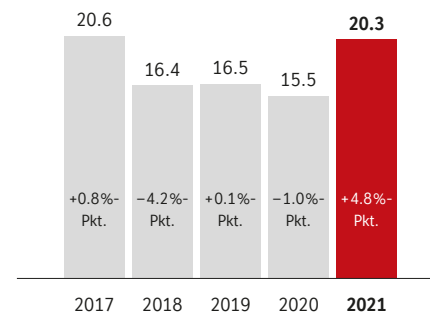


Average capital employed over the past 4 quarters Q3 2020 – H1 2021

in millions of euros / change on previous year as %



ROCE Q3 2020 – H1 2021 as % / change on previous year in percentage points



FORECAST, OPPORTUNITIES AND RISK REPORT

Risks and opportunities

The consolidated management report in the Annual Report 2020 outlines the key risks and opportunities associated with the envisaged development of the CEWE Group. The regular risk assessment has established that it remains the case that, despite the impact of the coronavirus pandemic, individual risks – or risks arising in conjunction with others – do not point to any impairment of the net assets, financial position and results of operations of the CEWE Group such as would jeopardise its existence.

The coronavirus pandemic represents a major event. It may mean that individual risks are amplified through their combination or interaction with one another or their impact on one another. CEWE has given particular consideration to this in its risk assessment and evaluation.

You will find further information in the report on risks and opportunities on  **pages 62 ff. of the Annual Report 2020.**

The financial year 2021 is likewise being shaped by the coronavirus pandemic

At the start of the pandemic in March 2020, CEWE very rapidly implemented extensive measures in order to provide all of its employees with the best possible protection and to ensure that its products could be ordered and delivered. With 13 Photofinishing production plants, CEWE has a strong presence throughout Europe. Even if one plant were unable to produce or were unable to do so in full, customer orders can be directly rerouted electronically to other production plants, and orders can be produced and sent from there. Even in case of potential restrictions affecting the business partners served by CEWE, customers will still be able to place online orders with these partners or else with CEWE directly. CEWE delivers directly to customers' homes through its shipping partners.

EBIT earnings target range in 2021: 72 million euros to 84 million euros

On average, Group turnover will increase slightly in 2021, from 727.3 million euros in the previous year, 2020, to between 710 million euros and 770 million euros. The turnover trend for the core Photofinishing business unit will improve slightly, on average. The Retail business unit is expected to once again register a decline in turnover generated by photo hardware, while Commercial Online Printing will achieve slight turnover growth in most markets once the lockdown situation is eased. In 2021, Group EBIT will fall within a range of between 72 million euros and 84 million euros, the EBT figure will amount to between 70 million euros and 82 million euros, while earnings

after tax will amount to between 48 million euros and 56 million euros. Due to the increased volume of business and, in particular, the continuing pandemic-related uncertainty, the traditional 6 million euros EBIT target range was increased to 12 million euros.

The operational investments planned for 2021 (i. e. outflows from investments in property, plant and equipment and intangible assets less inflows from the sale of property, plant and equipment and intangible assets; excluding business and company acquisitions) are expected to amount to approx. 48 million euros.

Goal for 2021 CEWE Group


		2021	Change as %
Photos	billion units	~2.3 to ~2.4	-2 to +3
CEWE PHOTOBOOK	million units	~6.4 to ~6.7	-2 to +3
Operational investments ¹	millions of euros	~48	
Turnover	millions of euros	710 to 770	-2 to +6
EBIT	millions of euros	72 to 84	-10 to +5
Earnings before taxes (EBT)	millions of euros	70 to 82	-8 to +7
Earnings after taxes	millions of euros	48 to 56	-8 to +7
Earnings per share	euros/share	6.60 to 7.73	-8 to +7

¹ Outflows from investments in property, plant and equipment and intangible assets less inflows from the sale of property, plant and equipment and intangible assets; excl. business and company acquisitions

The ranges for these targets for the financial year 2021 represent approximate target figures and reflect the current level of uncertainty associated with the general coronavirus situation and the potential impact on CEWE's course of business. At the time of preparation of this semi-annual report, it is not possible to provide a reliable prediction as to when and how rapidly the end of the pandemic will emerge or even whether it is likely to get worse, e.g. due to the spread of virus mutations.

Minimum goal of dividend continuity

In general, CEWE pursues the goal of dividend continuity. Where this appears possible in view of the company's economic situation, the available investment opportunities as well as the current coronavirus pandemic, this entails at least constant dividends and, ideally, absolute dividend growth. This policy clearly focuses on the absolute dividend value, with the payout ratio as a secondary element.

You will find further information in the report on expected developments on  **pages 64 ff. of the Annual Report 2020.**

DESCRIPTION OF KEY INDICATORS

Definition of key indicators used in this report

Borrowed capital

The total value reported as non-current and current liabilities under equity and liabilities

Capital employed (CE)

Net working capital plus non-current assets and cash and cash equivalents

Capital invested (CI)

Equity plus non-operating liabilities and gross financial liabilities

Days working capital

Term of net working capital in days, measured in relation to turnover in the past quarter

EBIT

Earnings before interest and taxes

EBITDA

Earnings before interest, taxes, depreciation and amortisation

EBT

Earnings before taxes

Equity

The residual claim to the net assets remaining after deduction of liabilities according to IAS 32

Equity ratio

Equity as a share of total capital; the ratio of equity to the balance sheet total

Fixed assets

Property, plant and equipment plus investment properties, goodwill, intangible assets and financial assets

Free cash flow

Cash flow from operating activities less cash flow from investing activities (both according to the cash flow statement)

Free float

The proportion of the company's freely tradable shares on the market

Gross cash flow

Earnings after taxes plus amortisation on intangible assets and depreciation on property, plant and equipment

Gross financial liabilities

Total of non-current interest-bearing financial liabilities and current interest-bearing financial liabilities; cf. interest-bearing financial liabilities

Gross working capital

Current assets without cash and cash equivalents

Interest-bearing financial liabilities

Non-current and current interest-bearing financial liabilities shown as such, without rights to repayment subject to interest shown in the balance sheet under other credit lines

Liquidity ratio

Ratio of cash and cash equivalents versus the balance sheet total

Net cash flow

Gross cash flow less investments

Net cash position/net financial liabilities

Non-current interest-bearing financial liabilities plus current interest-bearing financial liabilities less cash and cash equivalents; this represents a net cash position in case of a negative difference, and otherwise net financial liabilities

Net working capital

Current assets excl. cash and cash equivalents less current liabilities excl. current special items for investment grants and excl. current interest-bearing financial liabilities

Non-operating liabilities

Current and non-current special items for investment grants, non-current provisions for pensions, non-current deferred tax liabilities, other non-current provisions, non-current financial liabilities and other non-current liabilities

NOPAT

EBIT less income taxes and other taxes

Operational investments

Outflows from investments in property, plant and equipment and intangible assets less inflows from the sale of property, plant and equipment and intangible assets; excluding business and company acquisitions

Operating net working capital

Inventories plus current trade receivables less current trade payables

Other current liabilities

Current provisions for taxes, other current provisions, other current financial liabilities and other current liabilities

Other gross working capital

Assets held for sale, current receivables from income tax refunds, other current financial assets and other current receivables and assets

Other net working capital

Other gross working capital less other current liabilities

Other operating cash flows

Changes resulting from taxes paid as well as proceeds from interest received

P&L

Profit and loss account

POS

The points of sale are the retail outlets of the company's business partners and also its own retail branches

Return on capital employed (ROCE)

The ratio of earnings before interest and taxes (EBIT) versus the capital employed; in general, the 12 month perspective is chosen for the calculation of a rolling annual return on investment

**Return on capital employed (ROCE)
before restructuring**

The ratio of earnings before interest and taxes (EBIT) – adjusted for restructuring expenses – versus the capital employed

Working-capital-induced cash flow

Changes resulting from net working capital

Please note:

Where digital photos are referred to in this interim report, figures always also include CEWE PHOTOBOOK prints and the images featured in photo gifts.

As a rule, all figures are calculated as precisely as possible and are rounded off in the tables in line with applicable commercial procedures. This rounding-off may give rise to discrepancies, e.g. particularly for totals.



» It is important to keep all of your memories together in one place. «

Julia Kahlke and Philipp Brüggemann



4

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR H1 2021 OF CEWE STIFTUNG & CO. KGAA

	Q2 2020 in € thsd.	Q2 2021 in € thsd.	Change as %	H1 2020 in € thsd.	H1 2021 in € thsd.	Change as %
Revenues	130,558	116,725	-10.6	276,963	262,586	-5.2
Increase/decrease in finished and unfinished goods	98	37	-62.2	-596	-320	46.3
Other own work capitalised	377	253	-32.9	607	511	-15.8
Other operating income	4,232	6,294	48.7	10,083	11,969	18.7
Cost of materials	-33,527	-31,480	6.1	-70,568	-64,585	8.5
Gross profit	101,738	91,829	-9.7	216,489	210,161	-2.9
Personnel expenses	-43,444	-44,965	-3.5	-91,630	-91,991	-0.4
Other operating expenses	-45,426	-40,403	11.1	-96,468	-90,111	6.6
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	12,868	6,461	-49.8	28,391	28,059	-1.2
Amortisation of intangible assets, depreciation of property, plant and equipment	-13,845	-12,905	6.8	-27,367	-25,924	5.3
Earnings before interest and taxes (EBIT)	-977	-6,444	-560	1,024	2,135	108
Financial income	1	6	500	11	60	445
Financial expenses	-263	-325	-23.6	-526	-691	-31.4
Financial result	-262	-319	-21.8	-515	-631	-22.5
Earnings before taxes (EBT)	-1,239	-6,763	-446	509	1,504	195
Income taxes	587	2,365	303	582	-154	-
Group earnings after taxes	-652	-4,398	-575	1,091	1,350	23.7
Group earnings per share (in euros)						
Undiluted	-0.09	-0.61	-573	0.15	0.19	23.6
Diluted	-0.09	-0.60	-572	0.15	0.18	23.8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR H1 2021 OF CEWE STIFTUNG & CO. KGAA

	Q2 2020 in € thsd.	Q2 2021 in € thsd.	Change as %	H1 2020 in € thsd.	H1 2021 in € thsd.	Change as %
Earnings after taxes	-652	-4,398	-575	1,091	1,350	23.7
Difference resulting from currency translation	585	550	-6.0	-2,690	1,244	-
Amounts which may be reclassified to the profit and loss account in future periods	585	550	-6.0	-2,690	1,244	-
Actuarial losses		2,730	-		2,730	-
Income taxes on income and expenses not affecting net income		-873	-		-873	-
Other comprehensive income from equity instruments measured at fair value		3,727	-	396	3,888	882
Other comprehensive income not subsequently reclassified to the profit and loss account	0	5,584	-	396	5,745	>1,000
Other comprehensive income	585	6,134	949	-2,294	6,989	-
Comprehensive income	-67	1,736	-	-1,203	8,339	-

CONSOLIDATED BALANCE SHEET

AS OF JUNE 30, 2021 OF CEWE STIFTUNG & CO. KGAA

	Dec. 31, 2020 in € thsd.	June 30, 2020 in € thsd.	March 31, 2021 in € thsd.	30.06.2021 in € thsd.	Change as of March 31, 2021	Change as of March 31, 2020
ASSETS						
Property, plant and equipment	216,654	214,569	211,775	207,343	-2.1	-3.4
Investment properties	17,368	17,452	17,439	17,332	-0.6	-0.7
Goodwill	77,758	77,758	77,758	77,758	-	-
Intangible assets	31,532	34,963	29,778	28,284	-5.0	-19.1
Financial assets	7,038	6,256	7,276	9,819	35.0	57.0
Non-current financial assets	1,540	1,383	1,611	1,582	-1.8	14.4
Non-current other receivables and assets	1,175	501	1,041	1,008	-3.2	101
Deferred tax assets	18,875	13,971	18,892	18,050	-4.5	29.2
Non-current assets	371,940	366,853	365,570	361,176	-1.2	-1.5
Inventories	50,885	48,436	47,905	51,019	6.5	5.3
Current trade receivables	85,342	29,624	35,843	29,353	-18.1	-0.9
Current receivables from income tax refunds	1,034	6,892	1,915	13,643	612	98.0
Current financial assets	3,153	4,487	3,210	2,833	-11.7	-36.9
Other current receivables and assets	10,300	10,927	12,889	12,474	-3.2	14.2
Cash and cash equivalents	102,809	24,177	61,042	17,304	-71.7	-28.4
Current assets	253,523	124,543	162,804	126,626	-22.2	1.7
Assets	625,463	491,396	528,374	487,802	-7.7	-0.7

	Dec. 31, 2020 in € thsd.	June 30, 2020 in € thsd.	March 31, 2021 in € thsd.	30.06.2021 in € thsd.	Change as of March 31, 2021	Change as of March 31, 2020
EQUITY AND LIABILITIES						
Subscribed capital	19,302	19,279	19,302	19,302	–	0.1
Capital reserve	75,065	73,491	74,908	73,439	–2.0	–0.1
Treasury shares at acquisition cost	–8,491	–8,305	–8,606	–7,990	7.2	3.8
Retained earnings and unappropriated profits	215,127	179,327	221,730	206,852	–6.7	15.3
Total equity attributable to the shareholders of CEWE KGaA	301,003	263,792	307,334	291,603	–5.1	10.5
Non-current accruals for pensions	40,051	36,306	40,428	38,168	–5.6	5.1
Non-current deferred tax liabilities	2,779	2,734	2,661	3,024	13.6	10.6
Non-current other accruals	464	452	413	413	0.0	–8.6
Non-current interest-bearing financial liabilities	771	978	642	509	–20.7	–48.0
Non-current lease liabilities	48,769	47,350	47,271	44,211	–6.5	–6.6
Non-current financial liabilities	293	1,858	165	119	–27.9	–93.6
Non-current other liabilities	626	451	626	626	0.0	38.8
Non-current liabilities	93,753	90,129	92,206	87,070	–5.6	–3.4
Current tax liabilities	23,945	6,481	21,004	6,751	–67.9	4.2
Current other accruals	6,015	7,226	7,235	5,014	–30.7	–30.6
Current interest-bearing financial liabilities	407	12,620	434	8,588	>1,000	–31.9
Current lease liabilities	10,442	10,871	10,416	10,064	–3.4	–7.4
Current trade payables	122,099	59,910	53,802	50,411	–6.3	–15.9
Current financial liabilities	10,933	6,757	565	78	–86.2	–98.8
Current other liabilities	56,866	33,610	35,378	28,223	–20.2	–16.0
Current liabilities	230,707	137,475	128,834	109,129	–15.3	–20.6
Equity and liabilities	625,463	491,396	528,374	487,802	–7.7	–0.7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR H1 2021 OF CEWE STIFTUNG & CO. KGAA

Figures in thousands of euros

	Subscribed capital	Capital reserve	Generated Group equity	Special item for stock option plans	
As of Jan. 1, 2020	19,279	76,491	195,922	-16,183	
Comprehensive income	-	-	1,487	-	
Dividend paid out	-	138	-	-	
Sale of treasury shares	-	-	-	-	
Stock option plans	-	-3,138	-	-	
Owner-related equity changes	-	-3,000	-	-	
As of June 30, 2020	19,279	73,491	197,409	-16,183	
As of Jan. 1, 2021	19,302	75,065	234,910	-19,128	
Comprehensive income	-	-	5,238	2,730	
Sale of treasury shares	-	-	-16,614	-	
Purchase of treasury shares	-	-	-	-	
Stock option plans	-	-1,626	-	-	
Owner-related equity changes	-	-1,626	-16,614	-	
As of June 30, 2021	19,302	73,439	223,534	-16,398	

	Compensating item from currency translation	Income taxes not affecting net income	Retained earnings and unappropriated profits	Total	Treasury shares at acquisition cost	Total equity attributable to the shareholders of CEWE KGaA
	-4,487	5,278	180,530	276,300	-6,655	269,645
	-2,690	-	-1,203	-1,203	-	-1,203
	-	-	-	138	496	634
	-	-	-	-	-2,146	-2,146
	-	-	-	-3,138	-	-3,138
	-	-	-	-3,000	-1,650	-4,650
	-7,177	5,278	179,327	272,097	-8,305	263,792
	-6,826	6,171	215,127	309,494	-8,491	301,003
	1,244	-873	8,339	8,339	-	8,339
	-	-	-16,614	-16,614	-	-16,614
	-	-	-	-	-328	-328
	-	-	-	-1,626	829	-797
	-	-	-16,614	-18,240	501	-17,739
	-5,582	5,298	206,852	299,593	-7,990	291,603

CONSOLIDATED CASH FLOW STATEMENT

FOR H1 2021 OF CEWE STIFTUNG & CO. KGAA

	Q2 2020 in € thsd.	Q2 2021 in € thsd.	Change as %
EBITDA	12,868	6,461	-49.8
+/- Non-cash factors	-1,196	1,118	-
+/- Decrease (+)/increase (-) in operating net working capital	5,770	-7	-
+/- Decrease (+)/increase (-) in other net working capital (excl. income tax items)	2,289	-9,070	-
- Taxes paid	-1,685	-23,321	>-1,000
+ Interest received	4	0	-
= Cash flow from operating activities	18,050	-24,819	-
- Outflows from investments in property, plant and equipment and intangible assets	-13,752	-8,877	35.4
- Outflows from purchases of consolidated interests/acquisitions	-1,480	0	-
- Inflows from investments in financial assets	-101	1,184	-
+/- Inflows (+)/outflows (-) from investments in non-current financial instruments	-79	29	-
+ Inflows from the sale of property, plant and equipment and intangible assets	1,906	2,962	55.4
= Cash flow from investing activities	-13,506	-4,702	65.2
= Free cash flow	4,544	-29,521	-
- Dividends paid	0	-16,614	-
- Purchase of treasury shares	-192	0	-
+ Sale of treasury shares	116	829	715
+/- Stock option plans	491	-2,763	-
= Outflows to shareholders	415	-18,548	-
+/- Inflows (+)/outflows (-) from change in financial liabilities	-944	4,418	-
- Interest paid	330	-586	-
+/- Other financial transactions	-2	0	-
= Cash flow from financing activities	-201	-14,716	>-1,000
Cash and cash equivalents at the start of the reporting period	19,697	61,042	210
+/- Exchange-rate-related changes in cash and cash equivalents	137	499	264
+/- Cash flow from operating activities	18,050	-24,819	-
+/- Cash flow from investing activities	-13,506	-4,702	65.2
+/- Cash flow from financing activities	-201	-14,716	>-1,000
= Cash and cash equivalents at the end of the reporting period	24,177	17,304	-28.4

H1 2020 in € thsd.	H1 2021 in € thsd.	Change as %
28,391	28,059	-1.2
311	2,039	556
8,136	-15,825	-
-19,630	-32,525	-65.7
-6,300	-29,759	-372
11	54	391
10,919	-47,957	-
-19,932	-13,465	32.4
-3,453	-9,779	-183
-281	1,107	-
85	-43	-
2,044	3,240	58.5
-21,537	-18,940	12.1
-10,618	-66,897	-530
0	-16,614	-
-2,146	-328	-84.7
634	829	30.8
-3,138	-3,490	-11.2
-4,650	-19,603	-322
6,751	1,929	-71.4
-129	-1,233	-856
0	0	-
1,972	-18,907	-
32,958	102,809	212
-135	299	-
10,919	-47,957	-
-21,537	-18,940	12.1
1,972	-18,907	-
24,177	17,304	-28.4

SEGMENT REPORTING BY BUSINESS UNIT¹

FOR Q2 2021 OF CEWE STIFTUNG & CO. KGAA

Figures in thousands of euros

		Photofinishing	Retail	Commercial Online Printing	Other Activities	CEWE Group
External revenues	2021	93,557	7,571	13,668	1,929	116,725
	2020	110,635	7,557	10,865	1,501	130,558
External revenues, adjusted for currency effects	2021	93,729	7,405	13,684	1,929	116,747
	2020	110,635	7,557	10,865	1,501	130,558
EBIT prior to restructuring	2021	-5,660	-295	-190	-299	-6,444
	2020	5,124	-1,456	-2,766	-148	754
Restructuring	2021	0	0	0	0	0
	2020	0	-1,731	0	0	-1,731
EBIT	2021	-5,660	-295	-190	-299	-6,444
	2020	5,124	-3,187	-2,766	-148	-977

1 Segment reporting by business unit is an integral part of the selected notes.

Comments on the segments

- » Photofinishing includes turnover and earnings from CEWE photo products from own retail activities.
- » Retail only consists of merchandise business, excl. CEWE's photography products.
- » Other Activities comprises holding/structural costs (mainly Supervisory Board and IR costs), real estate, futalis.

SEGMENT REPORTING BY BUSINESS UNIT¹

FOR H1 2021 OF CEWE STIFTUNG & CO. KGAA

Figures in thousands of euros

		Photofinishing	Retail	Commercial Online Printing	Other Activities	CEWE Group
External revenues	2021	218,547	13,830	26,500	3,709	262,586
	2020	225,336	15,083	33,449	3,095	276,963
External revenues, adjusted for currency effects	2021	219,233	13,697	26,533	3,709	263,172
	2020	225,336	15,083	33,449	3,095	276,963
EBIT prior to restructuring	2021	4,140	-737	-824	-444	2,135
	2020	8,399	-1,954	-3,387	-303	2,755
Restructuring	2021	0	0	0	0	0
	2020	0	-1,731	0	0	-1,731
EBIT	2021	4,140	-737	-824	-444	2,135
	2020	8,399	-3,685	-3,387	-303	1,024

1 Segment reporting by business unit is an integral part of the selected notes.

Comments on the segments

- » Photofinishing includes turnover and earnings from CEWE photo products from own retail activities.
- » Retail only consists of merchandise business, excl. CEWE's photography products.
- » Other Activities comprises holding/structural costs (mainly Supervisory Board and IR costs), real estate, futalis.

SELECTED NOTES

Corporate information

CEWE Stiftung & Co. KGaA (hereinafter: CEWE KGaA), is a stock-market-listed partnership limited by shares (Kommanditgesellschaft auf Aktien – KGaA) under German law and is seated in Germany (26133 Oldenburg).

CEWE KGaA is the parent company of the CEWE Group (hereinafter: CEWE). CEWE is an internationally active group which focuses on photofinishing, commercial online printing and photo retail business as a technology and market leader.

Principles for the preparation of the interim consolidated financial statements as of June 30, 2021

The interim consolidated financial statements of CEWE KGaA as of June 30, 2021 have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable on the reporting date and the interpretations of the

International Accounting Standards Board (IASB) to be applied in the European Union. These interim financial statements contain all data and information required according to IAS 34 for condensed interim financial statements.

In preparing the condensed interim financial statements, the Board of Management is obliged to make estimates and assumptions in compliance with the applicable accounting principles regarding the presentation of assets and liabilities as well as income and expenses and the disclosure of contingent liabilities and assets. The actual future amounts may deviate from these estimates.

IFRS applied for the first time in the financial year

The following standards and interpretations and amendments of existing IFRS which have been issued by the IASB are applicable for the first time in the interim financial statements as of June 30, 2021, since they have been endorsed in European law within the scope of the EU's IFRS endorsement process:

Amendment/standard

	Date of publication	Date of endorsement within the scope of EU law	Date of adoption (EU)
Amendment to IFRS: 4 Insurance Contracts: Extension of the Temporary Exemption from Applying IFRS 9	Jun. 25, 2020	Dec. 15, 2020	Jan. 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2	Aug. 27, 2020	Jan. 13, 2021	Jan. 1, 2021

These standards are mandatorily applicable for the first time in the year under review.

The following standards and interpretations and amendments of existing IFRS which have also been issued by the IASB are – with the exception of the amendment of IFRS 16 – not yet applicable in the interim financial statements as of June 30,

2021. They will become applicable once they have been endorsed in European law within the scope of the EU's IFRS endorsement process:

Amendment/standard

	Date of publication	Date of endorsement within the scope of EU law ¹	Date of adoption (EU)
IFRS 17 Insurance Contracts (incl. Amendments to IFRS 17 as of Jun. 25, 2020)	May 18, 2017/ Jun. 25, 2020	Q4/2021	Jan. 1, 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current (incl. Amendments to IAS 1: Classification of Liabilities as Current or Non-current – Deferral of Effective Date, as of July 15, 2020)	Jan. 23, 2020/ Jul. 15, 2020	open	Jan. 1, 2023
Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies	Feb. 12, 2021	open	Jan. 1, 2023
Amendments to IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	Feb. 12, 2021	open	Jan. 1, 2023
Amendment to IFRS 16: Covid-19-Related Rent Concessions after June 30, 2020	Feb. 11, 2021	open	Apr. 1, 2021
Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	May 7, 2021	open	Jan. 1, 2023

¹ Standards and amendments which had already been resolved as of the balance sheet date are listed here.

However, they have not yet come into force, and their effects will only become apparent in a subsequent reporting year.

² On March 31, 2021, the IASB announced an extension of its temporary IFRS 16 amendment on Covid-19-related rent concessions and thus extended by one year the temporary practical expedient to help lessees accounting for rent concessions. The amendment is applicable for reporting periods beginning on or after April 1, 2021. Earlier adoption is permitted, including for financial statements which had not yet been approved for publication on March 31, 2021 (IFRS 16.C1C). Endorsement by the EU is required for EU reporting entities.

Amendment/standard

	Date of publication	Date of endorsement within the scope of EU law	Date of adoption (EU)
Annual Improvements, Zyklus 2018 – 2020	May 14, 2020	Jun. 28, 2021	Jan. 1, 2022
Amendments to			
» IFRS 3: Business Combinations: Reference to the Conceptual Framework			
» IAS 16: Property, Plant and Equipment: Proceeds before Intended Use			
» IAS 37: Provisions, Contingent Liabilities and Contingent Assets:			
Onerous Contracts – Costs of Fulfilling a Contract	May 14, 2020	Jun. 28, 2021	Jan. 1, 2022

Standards and amendments which had already been resolved as of the balance sheet date are listed here. However, they have not yet come into force, and their effects will only become apparent in a subsequent reporting year.

The practical relief granted by the IASB within the scope of its amendment of IFRS 16 “Covid-19 Related Rent Concessions” has been adopted for the reporting of all Covid-19-related rent concessions which lessors have granted CEWE as a lessee. Covid-19-related rent concessions are thus treated as though no change had occurred in the respective lease.

These accounting, valuation and recognition policies and consolidation methods were applied to the semi-annual financial report as of June 30, 2021, without any significant changes in relation to December 31, 2020. These policies and methods are detailed in the consolidated financial statements as of December 31, 2020. Nor have the fundamental principles and methods of estimation for the semi-annual financial report changed in comparison to previous periods.

Scope of consolidation

Apart from CEWE KGaA, the interim consolidated financial statements as of June 30, 2021 include domestic and foreign companies over which CEWE KGaA has a direct or indirect controlling interest.

As of June 30, 2021, apart from CEWE KGaA as the parent company, the scope of consolidation includes 11 German and 20 foreign companies. The pension commitments transferred to the pension fund CEWE COLOR Versorgungskasse e.V., Wiesbaden, according to IAS 19 are also included in the scope of consolidation. Insofar as this pension fund is unable to meet its obligations on the basis of its own resources, resources are provided by CEWE KGaA.

cewe-print GmbH, as an affiliate seated in Oldenburg, was merged with CEWE Stiftung & Co. KGaA under the merger agreement of November 27, 2020 with effect as of January 1, 2020. This company's assets and liabilities have been transferred and carried forward at book values.

Bilderplanet.de GmbH, Cologne, is not operationally active. As in the previous year, it has not been included in the scope of consolidation due to its economic insignificance.

Seasonal effects on business activities

Please see the notes in the interim consolidated management report, [page 19 ff.](#), regarding **seasonal and economic effects on the condensed interim consolidated financial statements** as of June 30, 2021.

Key business transactions

No events affecting the balance sheet, the profit and loss account or the cash flow which are significant on account of their nature, size or frequency have occurred in the period to June 30 of the current financial year.

Events following the reporting date

No events which are significant on account of their nature, size or frequency have occurred since June 30, 2021.

Notes on the profit and loss account, balance sheet, cash flow statement

CEWE considers the risk of default to be a key risk associated with the coronavirus pandemic. So far, no significant defaults have arisen during the coronavirus crisis. The default risk as of June 30, 2021 has been taken into consideration by means of an adequate valuation adjustment, albeit not to the extent expected at the end of 2020.

40 retail branches have been closed throughout Europe in the current financial year, within the scope of the restructuring of the Retail business unit. The costs for the optimisation of the branch structure were fully reflected in the 2020 annual financial statements. The disposals of rights of use for property, plant and equipment resulting from terminations which are already legally valid, at the residual book value of 1,522 thousand euros, correspond to the reduction made to lease liabilities.

Temporary rent reductions have been agreed with some landlords due to the coronavirus pandemic. These have been treated as variable payments in line with the IFRS 16 rules and have been recognised in profit or loss. The cumulative effect in the amount of 192 thousand euros (previous year: 314 thousand euros) has been reported under other operating income and is not significant, either individually or overall.

In the first six months of the current financial year, CEWE received government grants in the amount of 753 thousand euros (Slovakia and Czech Republic). All grants were made due to the coronavirus pandemic and comprised government grants for personnel costs in the amount of 590 thousand euros and lease subsidies in the amount of 163 thousand euros.

Detailed notes concerning the profit and loss account are set down in the interim consolidated management report in the chapters for the individual business units as well as the “Consolidated profit and loss account”; the notes on the balance sheet and the cash flow statement are provided in the chapters “Asset and financial position” and “Cash flow”. The development of equity is shown separately in the statement of changes in equity.

Equity

On December 31, 2020, CEWE KGaA held 101,969 no-par value shares as treasury shares. In addition, CEWE COLOR Versorgungskasse e.V., Wiesbaden, held 112,752 no-par value shares of the company on the same date. The latter were required to be included in the consolidated financial statements by way of adjustment, so that as of the reporting date December 31, 2020 a total of 214,721 no-par value shares were reportable as treasury shares in the consolidated financial statements of CEWE KGaA.

On June 30, 2021, CEWE KGaA's treasury shares portfolio pursuant to § 71 of the German Stock Corporation Act (AktG) amounted to 87,641 no-par shares (total amount: 4,218 thousand euros, average purchase price: 48.13 euros/share; previous year: 101,001 no-par shares, 4,534 thousand euros, 44.89 euros/share) and for the Group a total of 200,393 no-par shares (total amount: 7,990 thousand euros, average purchase price: 39.87 euros/share, previous year: 213,753 no-par shares, 8,305 thousand euros, 38.86 euros/share).


As of June 30, 2021, the share capital of CEWE KGaA was unchanged on December 31, 2020 at 19,302 thousand euros, divided up into 7,423,919 shares. Changes in equity are described in the consolidated statement of changes in equity and relevant explanations are provided in the **“Asset and financial position” chapter of the interim consolidated management report, ☞ page 34.**

Financial instruments

With the exception of the derivatives carried in the balance sheet at fair value, all assets and liabilities are measured at amortised cost. For assets and liabilities carried at amortised cost, the book values of the financial assets and liabilities in the balance sheet represent a reasonable approximation of the fair value.

Derivatives reported in the balance sheet are carried at fair value.

Notes on the segment reporting

Detailed notes on the segment reporting can be found in the **“Economic report” section of the interim consolidated management report**,  **page 19 ff.**

Contingent liabilities

Contingent liabilities resulted from the grant of suretyships and guarantees for third parties, possible litigation risks and other issues and amounted to 1,259 thousand euros (end of the same quarter in the previous year: 1,100 thousand euros).

Transactions with related parties

The members of the Board of Management and the Board of Trustees of Neumüller CEWE COLOR Stiftung and the Super-

visory Board are defined as related parties of the CEWE Group. Close family members and related parties of this group of persons are also related parties of the CEWE Group. Transactions with related parties have been entered into on normal market terms, in line with the arm's length principle. There has not been any significant change in the nature or scope of these transactions by comparison with the consolidated financial statements as of December 31, 2020. Detailed information on the remuneration received by the members of CEWE's executive bodies may be found in the remuneration report included in the Annual Report 2020. As in the previous year, there were no further significant transactions between the company and the members of the Board of Management, the Supervisory Board and the Board of Trustees.

Group earnings per share

	Q2 2020	Q2 2021	H1 2020	H1 2021
Earnings after taxes	-652	-4,398	1,091	1,350
Weighted average number of shares, undiluted (in units)	7,196,860	7,218,684	7,204,921	7,214,548
Undiluted earnings per share (in euros)	-0.09	-0.61	0.15	0.19
Consolidated profits after minority interests	-652	-4,398	1,091	1,350
Weighted average number of shares, diluted (in units)	7,196,860	7,218,684	7,204,921	7,214,548
Diluting effect of stock options issued	87,429	96,691	97,212	85,487
Diluted earnings per share (in euros)	-0.09	-0.60	0.15	0.18

STATEMENT FROM THE COMPANY'S LEGAL REPRESENTATIVES

To the best of our knowledge, we hereby confirm that the condensed interim consolidated financial statements provide a true and fair view of the Group's net assets, financial position and results of operations in line with applicable accounting principles for interim reporting and that the interim

consolidated management report presents a fair review of the development and performance of the business and the position of the Group, while describing the key risks and opportunities associated with the Group's envisaged development in the remainder of the financial year.

Oldenburg, August 10, 2021

CEWE Stiftung & Co. KGaA
For the general partner
Neumüller CEWE COLOR Stiftung
– The Board of Management –



Dr Christian Friege
(Chairman of the
Board of Management)



Patrick Berkhouwer



Dr Reiner Fageth



Carsten Heitkamp



Dr Olaf Holzkämper



Thomas Mehls



Frank Zweigle

AUDITOR'S REVIEW REPORT

CEWE Stiftung & Co. KGaA

We have reviewed the condensed interim consolidated financial statements – comprising the balance sheet, the profit and loss account, the statement of comprehensive income, the cash flow statement, the statement of changes in equity and selected explanatory notes – together with the interim consolidated management report of CEWE Stiftung & Co. KGaA, Oldenburg, for the period from January 1, 2021 to June 30, 2021, that are part of the semi-annual financial report pursuant to § 115 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the

interim consolidated management report in accordance with the requirements of the WpHG applicable to interim consolidated management reports, is the responsibility of the company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim consolidated management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim consolidated management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institute of Public Auditors in Germany

(Institut der Wirtschaftsprüfer – IDW). Those standards require that we plan and perform the review such that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and that the interim consolidated management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim consolidated management reports. A review is limited primarily to questioning of company employees and analytical assessments and therefore does not provide the level of assurance attainable in an audit of financial statements.

Since, in accordance with our engagement, we have not performed an audit of financial statements, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, or that the interim consolidated management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim consolidated management reports.

Hamburg, August 6, 2021
BDO AG
Wirtschaftsprüfungsgesellschaft

Sabath	Hyckel
Auditor	Auditor



» CEWE PHOTO-
BOOK is a great
help in bridging the
distance. «

Sophie and Benjamin Willoughby



5

FURTHER INFORMATION

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MULTI-YEAR OVERVIEW

KEY INDICATORS

Volumes and employees

		Q2 2015	Q2 2016	Q2 2017	Q2 2018	Q2 2019	Q2 2020	Q2 2021
Digital photos	in millions of units	418.4	427.2	412.2	421.9	444.0	460.4	363.9
Photos from film	in millions of units	18.7	14.7	12.0	10.5	9.0	4.9	6.7
Total volume of photos	in millions of units	437	442	424	432	453	465	371
CEWE PHOTOBOOKS	in thousands of units	1,120.2	1,196.7	1,120.0	1,121.1	1,232.1	1,368.9	902.4
Employees (average)	converted to full-time equivalent	3,213	3,305	3,421	3,745	3,801	3,842	3,681
Employees (as of the reporting date)	converted to full-time equivalent	3,199	3,301	3,411	3,762	3,907	3,798	3,680

Income

		Q2 2015	Q2 2016	Q2 2017	Q2 2018	Q2 2019	Q2 2020	Q2 2021
Turnover	in millions of euros	106.1	116.8	116.0	123.9	134.2	130.6	116.7
EBITDA	in millions of euros	5.0	8.4	7.6	5.8	10.0	12.9	6.5
EBITDA margin	as % of turnover	4.7	7.2	6.5	4.7	7.5	9.9	5.5
EBIT	in millions of euros	-3.6	-1.1	-1.0	-4.1	-3.4	-1.0	-6.4
EBIT margin	as % of turnover	-3.4	-0.9	-0.9	-3.3	-2.5	-0.7	-5.5
Restructuring expenses	in millions of euros	0.0	0.2	0.0	0.0	0.0	1.7	0.0
EBIT prior to restructuring	in millions of euros	-3.6	-0.9	-1.0	-4.1	-3.4	0.8	-6.4
EBT	in millions of euros	-3.7	-1.2	-1.1	-3.7	-3.5	-1.2	-6.8
Earnings after taxes	in millions of euros	-2.4	-0.8	-0.8	-2.6	-2.1	-0.7	-4.4

Volumes and employees

		H1 2015	H1 2016	H1 2017	H1 2018	H1 2019	H1 2020	H1 2021
Digital photos	in millions of units	868.9	898.8	840.6	879.8	943.0	961.7	877.9
Photos from film	in millions of units	32.8	25.5	21.2	18.5	16.4	11.7	12.7
Total volume of photos	in millions of units	902	924	862	898	959	973	891
CEWE PHOTOBOOKS	in thousands of units	2,279.9	2,474.4	2,279.1	2,369.1	2,567.7	2,732.3	2,235.1
Employees (average)	converted to full-time equivalent	3,251	3,319	3,446	3,757	3,806	3,930	3,726
Employees (as of the reporting date)	converted to full-time equivalent	3,199	3,301	3,411	3,762	3,907	3,798	3,680

Income

		H1 2015	H1 2016	H1 2017	H1 2018	H1 2019	H1 2020	H1 2021
Turnover	in millions of euros	212.9	236.0	234.6	254.5	274.6	277.0	262.6
EBITDA	in millions of euros	9.8	18.0	16.7	15.8	24.7	28.4	28.1
EBITDA margin	as % of turnover	4.6	7.6	7.1	6.2	9.0	10.3	10.7
EBIT	in millions of euros	-7.1	-0.5	-0.4	-3.8	-1.5	1.0	2.1
EBIT margin	as % of turnover	-3.3	-0.2	-0.2	-1.5	-0.5	0.4	0.8
Restructuring expenses	in millions of euros	1.0	0.2	0.0	0.0	0.0	1.7	0.0
EBIT prior to restructuring	in millions of euros	-6.1	-0.3	-0.4	-3.8	-1.5	2.8	2.1
EBT	in millions of euros	-7.4	-0.6	-0.4	-3.9	-1.8	0.5	1.5
Earnings after taxes	in millions of euros	-6.1	-0.4	-0.3	-2.7	-1.0	1.1	1.4

Capital

		Q2 2015	Q2 2016	Q2 2017	Q2 2018	Q2 2019	Q2 2020	Q2 2021
Total assets	in millions of euros	286.7	300.2	308.8	402.8	508.7	491.4	487.8
Capital employed (CE)	in millions of euros	203.1	209.9	222.6	305.3	402.2	377.4	397.3
Equity	in millions of euros	158.0	170.5	192.7	212.6	235.9	263.8	291.6
Equity ratio	as % of the balance sheet total	55.1	56.8	62.4	52.8	46.4	53.7	59.8
Net financial liabilities	in millions of euros	7.1	-6.6	-19.9	47.0	113.8	47.6	46.1
ROCE (previous 12 months)	as % of average capital employed	16.6	19.8	20.6	16.4	16.5	15.5	20.3

Cash flow

		Q2 2015	Q2 2016	Q2 2017	Q2 2018	Q2 2019	Q2 2020	Q2 2021
Cash flow from operating activities	in millions of euros	5.2	7.7	1.0	0.7	7.3	18.1	-24.8
Cash flow from investing activities	in millions of euros	-11.9	-13.3	-9.3	-10.5	-43.9	-13.5	-4.7
Free cash flow	in millions of euros	-6.7	-5.6	-8.3	-9.8	-36.6	4.5	-29.5
Cash flow from financing activities	in millions of euros	4.2	-6.9	-13.3	6.2	35.3	-0.2	-14.7
Change in cash and cash equivalents	in millions of euros	-2.4	-12.6	-21.7	-3.6	-1.2	4.3	-44.2

Share

		Q2 2015	Q2 2016	Q2 2017	Q2 2018	Q2 2019	Q2 2020	Q2 2021
Number of shares (nominal value: 2.60 euros)	in units	7,400,020	7,400,020	7,400,020	7,400,020	7,400,020	7,414,939	7,423,919
Group earnings per share								
Undiluted	in euros	-0.34	-0.11	-0.11	-0.37	-0.29	-0.09	-0.61
Diluted	in euros	-0.34	-0.11	-0.11	-0.36	-0.29	-0.09	-0.60

Capital

		H1 2015	H1 2016	H1 2017	H1 2018	H1 2019	H1 2020	H1 2021
Total assets	in millions of euros	–	–	–	–	–	–	–
Capital employed (CE)	in millions of euros	–	–	–	–	–	–	–
Equity	in millions of euros	–	–	–	–	–	–	–
Equity ratio	as % of the balance sheet total	–	–	–	–	–	–	–
Net financial liabilities	in millions of euros	–	–	–	–	–	–	–
ROCE (previous 12 months)	as % of average capital employed	–	–	–	–	–	–	–

Cash flow

		H1 2015	H1 2016	H1 2017	H1 2018	H1 2019	H1 2020	H1 2021
Cash flow from operating activities	in millions of euros	4.2	23.8	–0.6	–9.2	–3.3	10.9	–48.0
Cash flow from investing activities	in millions of euros	–23.4	–19.5	–14.8	–59.5	–47.9	–21.5	–18.9
Free cash flow	in millions of euros	–19.1	4.3	–15.4	–68.7	–51.2	–10.6	–66.9
Cash flow from financing activities	in millions of euros	3.8	–10.9	–10.7	41.6	35.0	2.0	–18.9
Change in cash and cash equivalents	in millions of euros	–15.4	–6.6	–26.0	–27.1	–16.2	–8.6	–85.8

Share

		H1 2015	H1 2016	H1 2017	H1 2018	H1 2019	H1 2020	H1 2021
Number of shares (nominal value: 2.60 euros)	in units	7,400,020	7,400,020	7,400,020	7,400,020	7,400,020	7,414,939	7,423,919
Group earnings per share								
Undiluted	in euros	–0.85	–0.05	–0.05	–0.38	–0.13	0.15	0.19
Diluted	in euros	–0.85	–0.05	–0.05	–0.37	–0.13	0.15	0.18

FINANCIAL CALENDAR

(DATES CURRENTLY SCHEDULED)

**September 9,
2021** Dr. Kalliwoda Conference
Madrid 2021

**September 10,
2021** Dr. Kalliwoda Conference
Barcelona 2021

**September 21,
2021** Berenberg & Goldman Sachs
German Corporate Conference 2021

**September 23,
2021** Baader Investment Conference 2021

**November 12,
2021** Publication of the Q3 2021
Interim Report

**November 12,
2021** Q3 2021 press release

**November 22,
2021** German Equity Forum 2021

**January 6,
2022** ODDO BHF Forum Lyon 2022

You will also find upcoming dates and events
on the Internet at

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