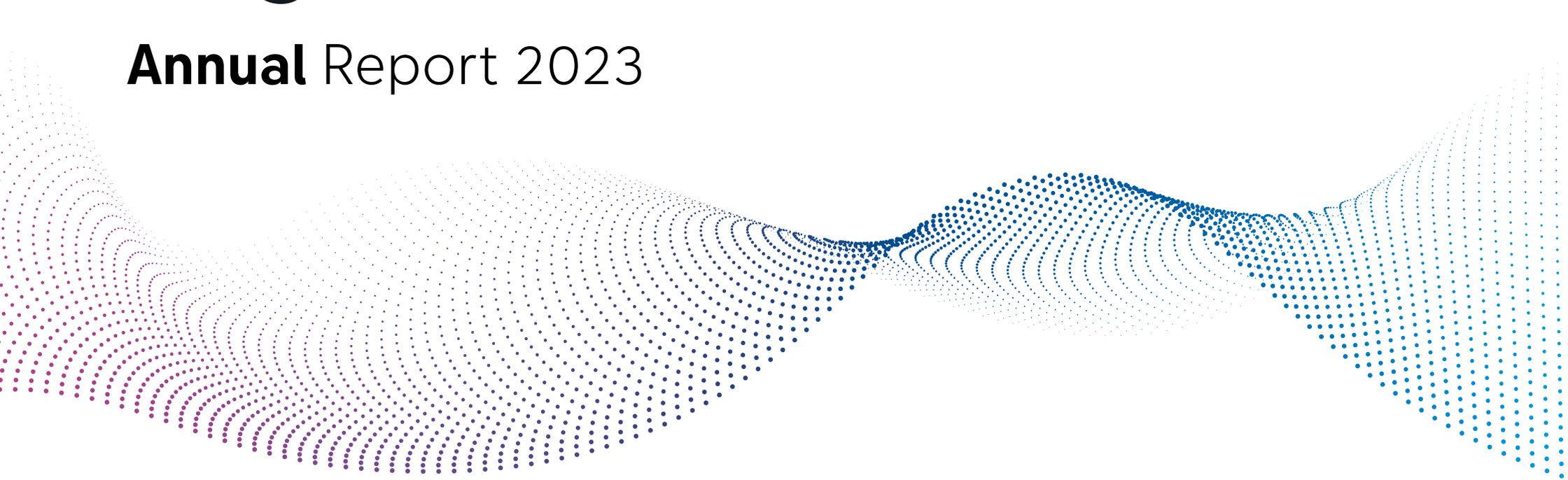


growing together

Annual Report 2023





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Foreword

Dear Shareholders,

Take a look at your company CEWE's figures:

Your company reached new highs in 2023

The key indicators paint a clear picture: whether it's the profit and loss account (e.g. EBIT of 83.9 million euros, +10.0%), free cash flow (82.3 million euros, +163% – although also influenced by one-off factors) or the balance sheet (equity ratio of 58.4%, +1.1%): your company once again had a very successful year in 2023. Or, as we like to say here at CEWE: "We are not entirely dissatisfied."

All of our business units have contributed to this success

In our main business unit, Photofinishing, turnover increased by 6.9% to 658.8 million euros and thus enabled EBIT growth of 8.6% to 80.0 million euros. It is notable that the CEWE Group once again achieved an increase in earnings in its critical Christmas business. All of our brands have contributed to this positive trend: CEWE of course, but also Cheerz, DeinDesign, Pixum and WhiteWall. They are all integral components of our innovative photofinishing product range. Turnover also increased in CEWE's second-largest business unit, Commercial Online Printing, by 6.6%. Earnings rose by 81% to 4.2 million euros. This means that not only has this business unit returned to the black, it has also delivered a highly respectable EBIT margin for this business unit of 4.5%.



Yvonne Rostock
Chairwoman of the Board of Management



The Board of Management



From left to right:
Patrick Berkhouwer, Christina Sontheim-Leven, Dr Reiner Fageth,
Yvonne Rostock, Carsten Heitkamp, Thomas Mehls, Dr Olaf Holzkämper



Many thanks to all of CEWE's 4,000-strong team!

I would like to wholeheartedly thank all 4,000 members of our workforce for this positive performance. In 2023, once again this success didn't materialise all on its own – it reflects the effort made by the employees of the CEWE Group, who really “put their back into it”. This is the only reason we are now seeing these presentable results. We would like to express our heartfelt thanks to them!

This marks the continuation of a long, successful track record

We are particularly pleased that many of these figures represent the continuation of long, successful track records. Leaving aside the pandemic-related upswing in 2020, since 2012 our EBIT figure has climbed in nice steady increments from 28.3 million euros to the above-mentioned 83.9 million euros in the past financial year. CEWE doesn't optimise things for a single year, and still less for a single quarter. CEWE is a long-distance runner and thinks in terms of long development cycles spanning a period of decades.

15th consecutive dividend increase planned

The same is true of the company's dividend. As you will have gathered from our annual report, over a period of many years now, our avowed dividend policy is to achieve continuous growth in our dividend per share if the company's results permit this. We are naturally able to compensate for minor operational fluctuations in our results. We are therefore pleased to be able to present you with a proposal for a further dividend increase to 2.60 euros per share at our general meeting, which will be held on June 5, 2024. Should you support our proposal, this would represent our 15th consecutive dividend increase. In this case, CEWE would remain one of the top three listed companies in Germany with the most consecutive dividend increases up to the present day. We are delighted with this and are pleased to be continuing on this path with you.

Dear shareholders, make the most of the spring! Use the time for trips and travel and take plenty of photos along the way. Your company is ready to help if you would like to turn these photos into CEWE Group photo products.

For us this naturally means, as a German football manager once remarked, “after the match is before the match”. Or more precisely: after Christmas is before Christmas. Your company had a very successful Christmas 2023 and is now building on this momentum as it prepares for the next peak season: Christmas 2024. We are already laying the foundations for the innovations we will be introducing over the course of the year, which will be available to you and our customers by Christmas at the latest.

On behalf of CEWE's Board of Management

Yvonne Rostock

The CEWE Group

Europe's leading photo service and online printing provider

The CEWE Group is Europe's leading photo service and online printing provider.

From its beginnings in 1912, CEWE has established itself as the first choice as a photo service for anyone looking to make more of their photos. The company's CEWE PHOTO-BOOK in particular stands for this, with multiple awards and around six million copies sold every year. Customers can obtain further personalised photo products through the brands CEWE, Cheerz, DeinDesign, Pixum and White-Wall, for instance – and from many leading European retailers. These brand worlds inspire customers to produce a wide range of creative designs with their personal photos, and customers entrust the company with over 2 billion photos every year.

In addition, for the online printing market the CEWE Group has established a highly efficient production system for printed advertising media and business stationery. Billions of high-quality printing products reliably reach their customers via the distribution platforms SAXOPRINT, LASERLINE and viaprinto every year.

The CEWE Group is committed to a sustainable corporate management philosophy which is also supported by the Neumüllers, the company's founding family, and has been recognised with multiple awards: a long-term business focus; fair, partnership-based relationships with customers, employees and suppliers; and assuming social responsibility while pursuing an environmentally friendly approach and conserving resources.

The CEWE Group is present in 21 countries with 4,000 employees. The CEWE share is listed in the SDAX index. More at company.cewe.de.





→ Presence in Europe

Presence in Europe

● PRODUCTION PLANTS

WITH DISTRIBUTION OFFICES

Oldenburg (Headquarters ) , Bad Kreuznach, Dresden, Freiburg (Eschbach), Frechen, Munich (Germering), Budapest (HU), Koźle (PL), Paris (FR), Prague (CZ), Warwick (UK)

● PRODUCTION PLANTS

Mönchengladbach, Montpellier (Fabrègues (FR)), Rennes (Vern-sur-Seiche (FR))

● DISTRIBUTION OFFICES

Aarhus (Åbyhøj (DK)), Berlin, Bratislava (SK), Bucharest (RO), Gothenburg (SE), Cologne, Ljubljana (SI), Madrid (ES), Mechelen (BE), Münster, Nunspeet (NL), Oslo (NO), Warsaw (PL), Vienna (AT), Zagreb (HR), Zurich (Dübendorf (CH))

DELIVERY AREA FOR CEWE PRODUCTS

Austria, Belgium, Croatia, Czech Republic, Denmark, France, Germany, Hungary, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom

 see [Production plants and distribution offices, page 216](#)





cewe group

Photofinishing



Retail



Commercial Online Printing



Key indicators CEWE Group 2023

6.1 million

CEWE PHOTOBOOKS in 2023

27

Distribution offices

780.2 million euros

Turnover in 2023

> 22,000

CEWE photostations

2.39 billion

Photos produced in 2023

21

European countries

20,000

Retailers supplied

14

Production plants

4,000

Employees



Results 2023

Group earnings

- Reported Group turnover increases by 47.5 million euros in 2023 to 780.2 million euros (2022: 732.7 million euros): a growth rate of 6.5%
- Reported Group EBIT increases to 83.9 million euros (2022: 75.6 million euros)
- Group turnover incl. futalis which was sold in December 2023 increases by +6.5% or 47.8 million euros to 788.8 million euros (2022: 741.0 million euros). The CEWE Group's EBIT, thus calculated, rises to 81.6 million euros (2022: 75.6 million euros)
- All goals for 2023 thus achieved at the upper end of the planned ranges or even exceeded
- Tax rate at expected normal level of 32.2%
- Earnings per share increase to 8.10 euros (2022: 7.20 euros)

Photofinishing

- Photofinishing turnover increases by +6.9% in 2023: 658.8 million euros (2022: 616.1 million euros)
- CEWE successfully converts a heightened level of holiday travel – leading consumers to take a lot of new photos – into its own business growth
- Photofinishing EBIT improves by 6.3 million euros to 80.0 million euros (2022: 73.7 million euros)
- Price increases compensate for the inflation-driven higher prices from the point of view of costs and the cost of sales
- Trend of a continuous improvement in the operating earnings margin remains intact: following 12.7% in 2022, now 12.8% in 2023

Retail

- At 31.3 million euros, in line with CEWE's strategy turnover with photo hardware and accessories in 2023 was slightly lower than in the previous year (2022: 32.4 million euros)
- Retail remains well positioned and improved its EBIT by a significant 0.3 million euros to 0.5 million euros (2022: 0.2 million euros), despite a slight decrease in turnover.

Commercial Online Printing

- With its "best-price guarantee" for its customers, Commercial Online Printing increases its turnover by +6.6% to 92.2 million euros (2022: 86.5 million euros)
- Optimised cost structure provides further sustained improvement in income situation, COP increases its EBIT to 4.2 million euros (2022: 2.3 million euros) and achieves an EBIT margin of 4.5%

Balance sheet and financing

- Total assets increase by 33.3 million euros to 666.0 million euros (+5.3%)
- CEWE has strong equity ratio of 58.4% (previous year: 57.3%)
- Capital employed rises by 26.7 million euros, mainly due to increased cash and cash equivalents

Cash flow

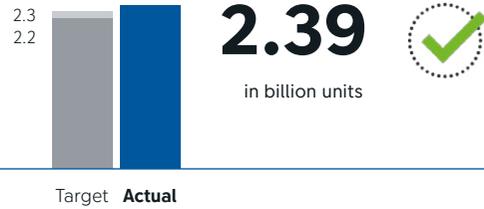
- Operating cash flow increases by 37.4 million euros to 130.8 million euros and thus exceeds pre-coronavirus level
- Operating cash flow in particular results in 51.4 million euros increase in free cash flow
- Normalised free cash flow of 69.7 million euros is 8.3 million euros higher than the normalised previous year's level of 61.4 million euros

Return on capital employed

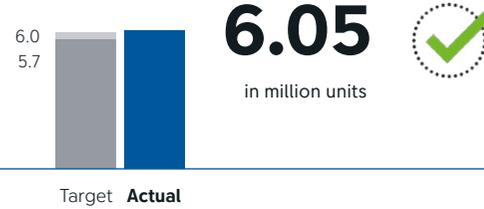
- At 18.8% ROCE remains significantly higher than the 14.8% level seen in the last year prior to the coronavirus pandemic, 2019

Development of financial indicators 2023

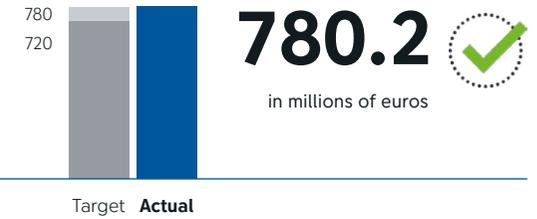
Photos



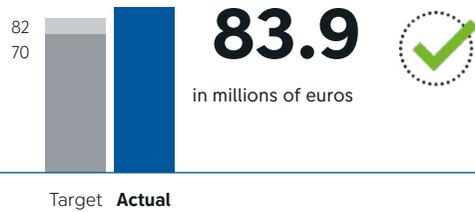
CEWE PHOTOBOOK



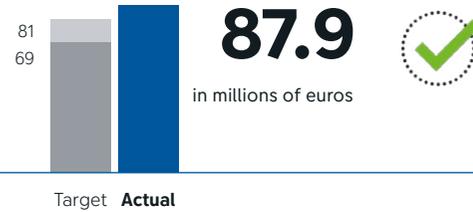
Turnover



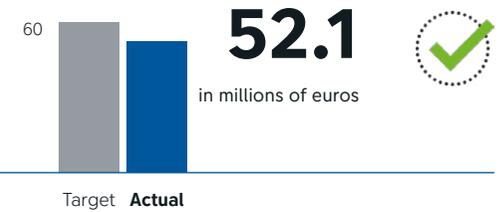
EBIT



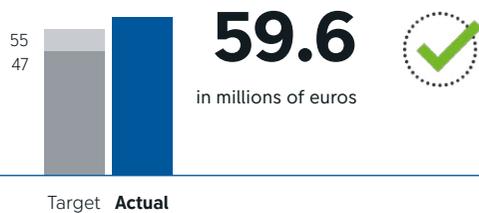
EBT



Operational Investments



Earnings after taxes



Earnings per share (undiluted)





CEWE Photo Award 2023: Our world is beautiful, Gewimmel
Michael Kemter, Austria – winner of the Architecture & Technology category





2 To the Shareholders

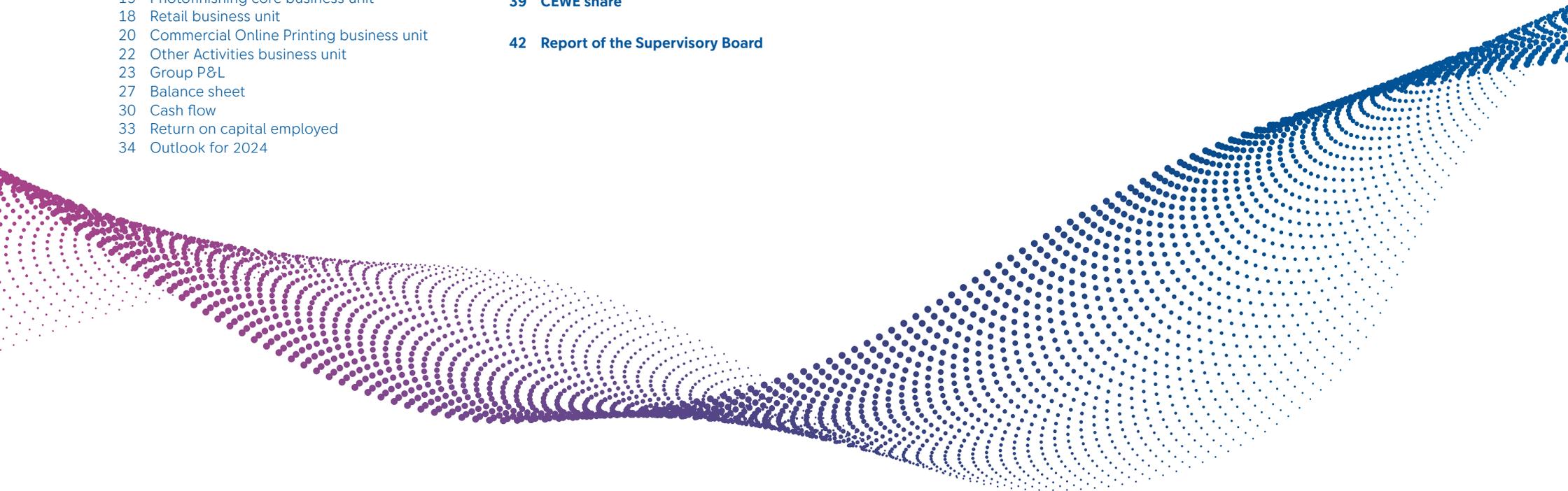
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Review of 2023 and outlook for 2024

Long-term trend

CEWE's long-term turnover trend can be broken down into three different phases: following its stock market flotation in the early 1990s, in the purely analogue photofinishing market CEWE becomes the European market leader through regional expansion. The decade of the analogue/digital transformation follows from 2000 onwards: digital cameras become a mass market phenomenon and CEWE consolidates its market leadership in the digital photofinishing segment by making early adjustments to its production technology, its marketing activities and its product range and by developing the CEWE PHOTOBOOK brand. From 2010, CEWE achieved growth above all thanks to the consistent ongoing development and expansion of its Photofinishing core business unit. It also developed a new business unit, Commercial Online Printing, in this period.

Alongside Photofinishing, CEWE currently has around 100 of its own photo retail stores and directly markets photofinishing products in particular via this distribution channel. Besides this main activity which is reported in the Photofinishing business unit, CEWE's retail operations also generate earnings from photo hardware (cameras, lenses etc.) which are separately reported in the Retail business unit.

On the basis of the digital print capabilities which have been developed in its Photofinishing business unit through this process of transformation and by acquiring expertise in online offset printing, from 2009/2010 CEWE then turned its Commercial Online Printing business unit into a modern online printing service for business stationery. This additional business unit achieved rapid growth in subsequent years to reach a turnover volume of around 100 million euros.

In 2020 and 2021, the coronavirus pandemic had a particularly pronounced impact on the demand trend and the development of turnover in all of CEWE's business units: the "stay-at-home" effect back then had an especially positive effect on sales of photo products in Photofinishing, while the coronavirus restrictions and shuttering of businesses adversely affected the level of demand in the Commercial Online Printing and Retail business units. 2022 was shaped by things continuing to get back to normal in the context of coronavirus; above all, people increasingly travelled again, which also meant new photos. The recovery of business life also led to a significant rise in the level of demand for printed advertising media. Now that the coronavirus pandemic had been fully overcome, people once again travelled a great deal in 2023: the strong level of holiday travel led consumers to take a lot of new photos.



→ Review of 2023 and outlook for 2024

CEWE was able to convert this into its own business growth, thanks to the positioning of its brands as well as its marketing activities. In the financial year 2023 which has just ended, turnover reported according to the IFRS once again registered strong growth to 780.2 million euros: an increase of 47.5 million euros or 6.5% (2022: 732.7 million euros). Including the turnover of futalis which was sold in late December and thus removed from the profit and loss account in accordance with IFRS 5, Group turnover thus calculated even increased to 788.8 million euros (Group turnover in 2022 incl. futalis: 741.0 million euros). For 2023, CEWE had envisaged Group turnover in a target range of between 720 and 780 million euros.

A change in the product mix already occurred during the analogue/digital transformation in the Photofinishing core business unit, and to some extent this continues right up to the present day: at the start of the digitalisation

780.2 million euros

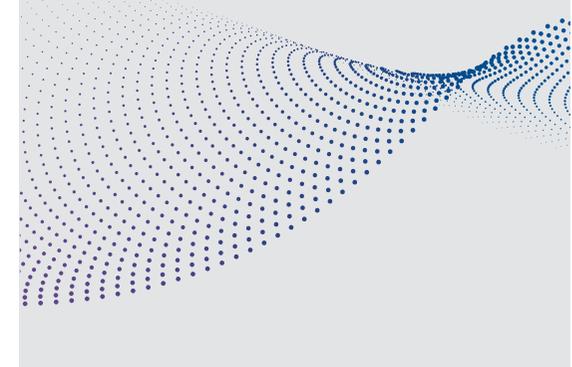
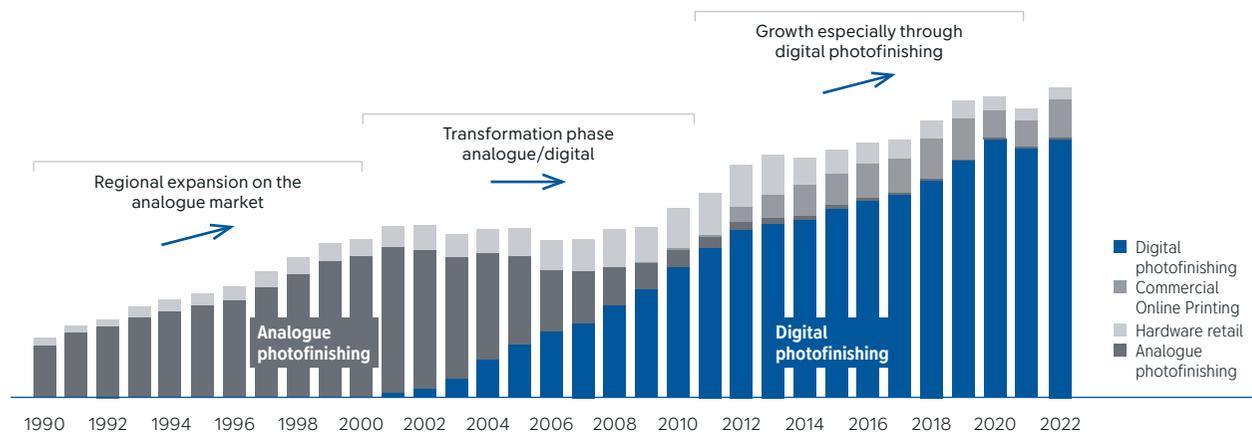
Turnover volume in 2023

process, consumers continued to request individual photo prints. While they had previously done so for analogue film, they now did so for digital image formats. With these digital product innovations, demand then shifted away from these simple (low-margin) photo prints to higher-margin “added-value products” such as CEWE PHOTO-BOOK, photo calendars, wall art, greeting cards and many other photo gifts. Above all, this change in the Photofinishing product mix resulted in a constantly rising



- Strong EBIT in 2023: at 83.9 million euros, CEWE achieves the highest earnings figure in the company’s history
- CEWE successfully converts a heightened level of holiday travel in 2023 – leading consumers to take a lot of new photos – into its own business growth
- The Commercial Online Printing and Retail business units clearly improve and also make a positive contribution to Group EBIT

Long-term development of turnover



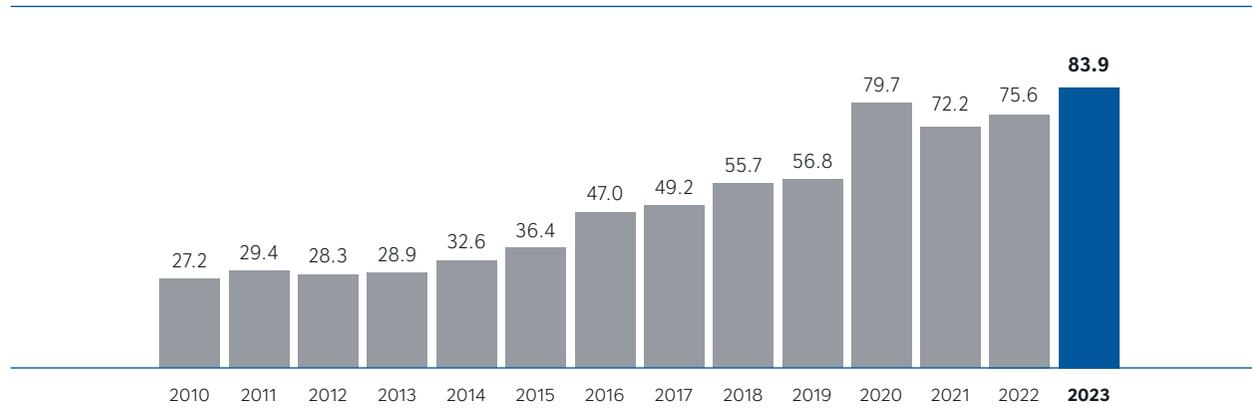
operating EBIT margin for Photofinishing and thus also continuously improved the overall earnings situation of the CEWE Group.

In the past financial year 2023, EBIT reported according to the IFRS (excluding futalis) rose by 11.0% or 8.3 million euros year-on-year to 83.9 million euros (2022: 75.6 million euros) and thus reached a new high. In late December 2023, CEWE sold futalis – which had previously been reported in the “Other Activities” business unit – as announced. Including futalis, the operating earnings (EBIT) of the CEWE Group thus calculated increased to 81.6 million euros in 2023 (2022: 75.6 million euros). For 2023, CEWE had envisaged an EBIT figure of between 70 and 82 million euros.

83.9

million euros EBIT in 2023

EBIT development (EBIT in millions of euros)





Photofinishing core business unit

Return to normal level of demand

In the coronavirus years, demand for photofinishing products was strongly influenced by the succession of lockdowns followed by easing of coronavirus measures (many CEWE customers had used the time spent at home during lockdown to order photo products, including those featuring older photos which they had taken in previous years). In 2023, the usual seasonal nature of business once again loomed large in terms of consumers' placement of orders: the first quarter picks up, the second and third quarters are somewhat flat or even register a slight decline, while the fourth quarter with the key Christmas business season is then generally stronger. The simple explanation for this is that in the spring and the summer, when the weather is nice, people spend a lot of time traveling and attending parties and events – this time of the year offers a good deal of opportunities to take a lot of new photos. During the six months of the year when the weather is less good, many people then spend more time at home and place orders for photo products – and naturally do so particularly often when it comes to choosing gifts for Christmas. In the past financial year 2023, a CEWE PHOTOBOOK, a photo calendar, wall art and many other personal photo gifts once again served as permanent mementos of a wide range of experiences.

Further growth in volume of photos and CEWE PHOTOBOOK sales

Photo products especially have a very high emotional value for many people and demand for them is increasing, largely independently of the overall economic trend. In the past financial year, due to factors including the strong positioning of its brands and its marketing activities CEWE has thus above all successfully converted the resurgence

of holiday travel in 2023 – which led consumers to take a large number of new photos – into its own business growth: the total number of photos across the entire CEWE product range increased by +4.8% in the year under review to 2.39 billion photos (2022: 2.28 billion photos). It thus reached a level at the upper end of the target range envisaged for 2023 of between 2.2 and 2.3 billion photos, or even slightly exceeded this. CEWE PHOTOBOOK also developed positively, with growth of 3.4% to a sales volume of 6.1 million CEWE PHOTOBOOKS (2022: 5.8 million PHOTOBOOKS) and also exceeded its target for 2023 of up to 6.0 million PHOTOBOOKS. CEWE has thus produced over 86 million CEWE PHOTOBOOKS for its customers since 2005: CEWE PHOTOBOOK remains Europe's most popular photo book.

Photofinishing turnover rises by 6.9% to 658.8 million euros

In Photofinishing, 2023 started out with a very strong Q1 and turnover growth of +12.0%. This was followed by Q2 and Q3, with turnover increases of +9.0% and +7.1% respectively, while the fourth quarter achieved further growth of +4.1%, relative to the high level in the previous year. In overall terms, in the year 2023 as a whole Photofinishing turnover thus increased by a strong +6.9% to 658.8 million euros: growth of 42.7 million euros (Photofinishing turnover 2022: 616.1 million euros). On the one hand, customers have increased their orders of photo products. On the other hand, the price increases implemented for almost all product groups are supporting this turnover growth. These price increases were necessary in order to compensate for inflation-driven higher costs affecting virtually all of the P&L items, such as the cost of sales, personnel expenses and other operating expenses (including logistics and energy costs).



- Photofinishing turnover increases by +6.9% in 2023: 658.8 million euros (2022: 616.1 million euros)
- CEWE successfully converts a heightened level of holiday travel – leading consumers to take a lot of new photos – into its own business growth
- Photofinishing EBIT improves by 6.3 million euros to 80.0 million euros (2022: 73.7 million euros)
- Price increases compensate for the inflation-driven higher prices from the point of view of costs and the cost of sales
- Trend of a continuous improvement in the operating earnings margin remains intact: following 12.7% in 2022, now 12.8% in 2023

more than

86 million euros

CEWE PHOTOBOOKS
since 2005

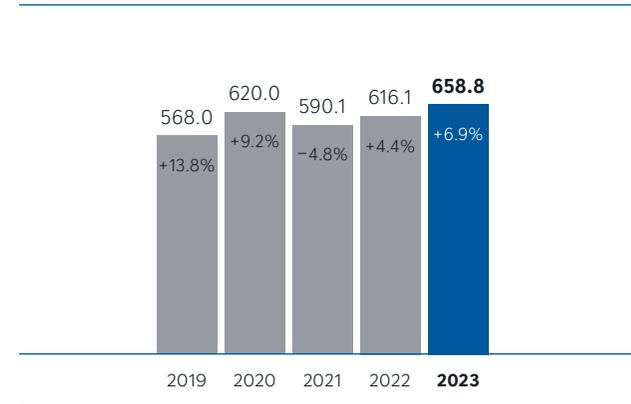


→ Review of 2023 and outlook for 2024

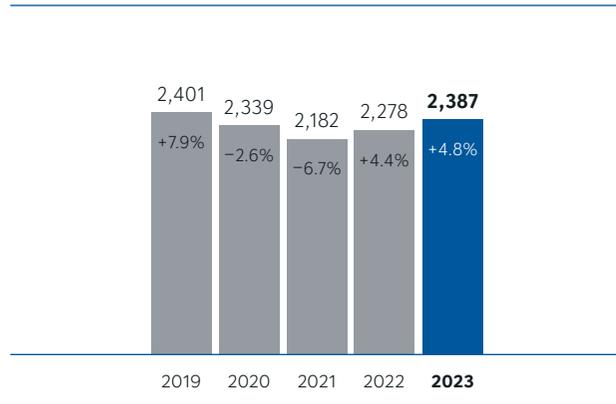
CEWE successfully converts a heightened level of holiday travel in 2023, and a lot of new photos, into its own business growth.

The level of consumer demand for photo products once again rises in 2023, and price increases necessitated by inflation also increase the level of turnover.

Photofinishing turnover in millions of euros / change on previous year as %



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



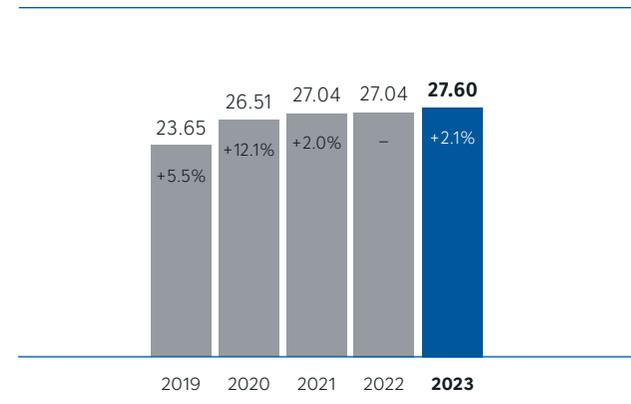
With its Christmas business, the fourth quarter continues to have the largest impact on Photofinishing’s performance: with a turnover share amounting to 44.6% of overall turnover for the year, this trend remains intact (2017: 42.5%, 2018: 43.7%, 2019: 44.2%, 2020: 45.9%, 2021: 44.9%, 2022: 45.8%). Photofinishing turnover in the quarter under review thus reached a volume of 293.6 million euros (Q4 2022: 282.1 million euros).

Turnover per photo rises to 27.60 cents

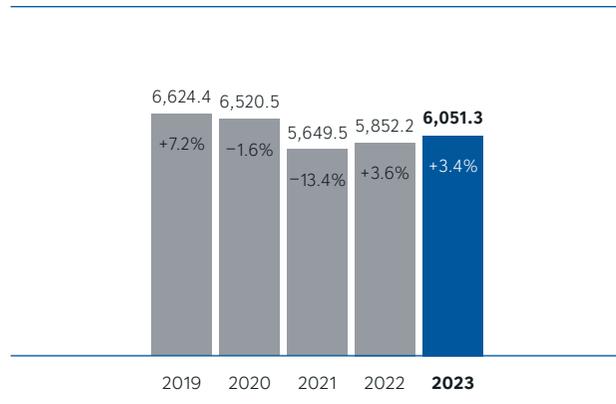
For some years now, the trend of higher-quality photo products has strengthened the turnover and earnings trends in the Photofinishing core business unit. Following 27.04 cents in 2022, turnover per photo once again increased in the year under review: 27.60 cents per photo. This turnover figure per photo actually exceeds the high figures achieved during the coronavirus year, when wall art – which provides an especially high volume of turnover per photo – was in particularly strong demand during the lockdowns and accelerated this indicator’s growth.

Turnover per photo continues to increase, by +2.1%.

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



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



In 2023 customers once again produce an increased number of CEWE PHOTOBOOKS, which pick up by 3.4%.



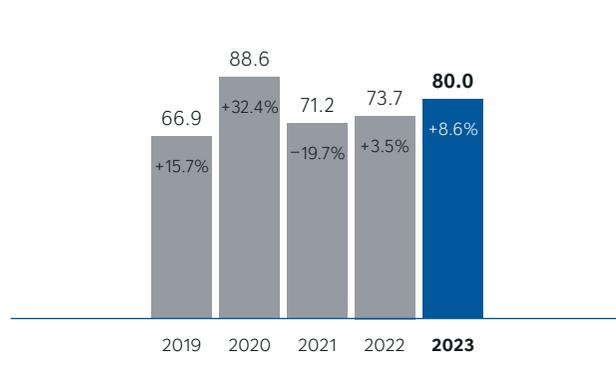
Photofinishing EBIT increases to 80.0 million euros in 2023, as Christmas business season once again gathers steam

With a Christmas business season which once again gathered steam, in 2023 the Photofinishing business unit achieved an EBIT figure of 80.0 million euros: this represents growth of 6.3 million euros (Photofinishing EBIT 2022: 73.7 million euros). As in every year, in 2023 CEWE once again realised most of its annual profits in the fourth calendar quarter. Thanks to strong economies of scale in CEWE’s production operations, which operated at full capacity during the Christmas business season, this high earnings share in the fourth quarter is entirely typical. With a weaker level of capacity utilisation and due to the high residual fixed costs, Q1, Q2 and Q3 generally only provide a lower share of earnings.

The fourth quarter of 2023 also gained ground, considered in isolation: following an EBIT figure of 74.6 million euros in Q4 in the previous year, in the quarter under review EBIT improved by 3.6 million euros to 78.2 million euros.

The Christmas business season once again gathers steam, providing Photofinishing with a strong result for the year: EBIT of 80.0 million euros in 2023.

Photofinishing EBIT in millions of euros / change on previous year as %

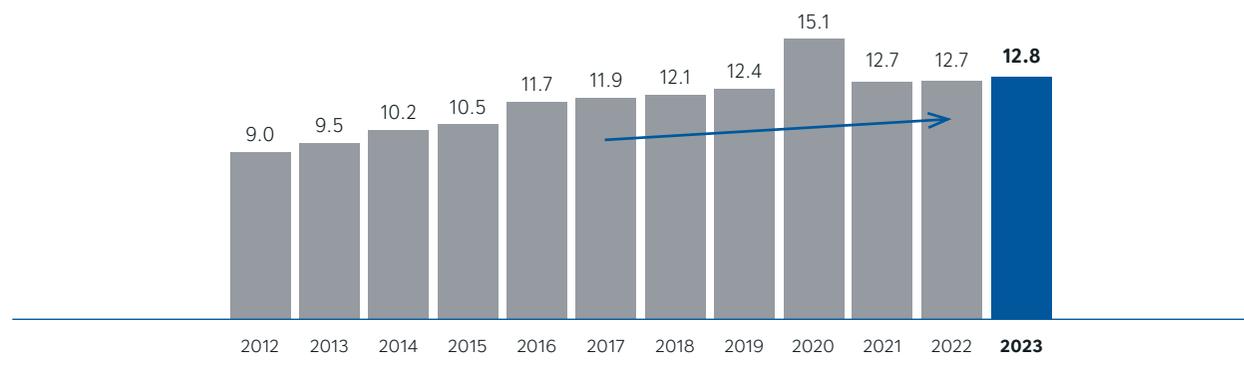


In the past financial year 2023, one-off factors accounted for a total of approx. –4.0 million euros due to amortisation on the purchase price allocations for Cheerz (–0.9 million euros), WhiteWall (–2.1 million euros) and Hertz (0.5 million euros) as well as a writedown on software licences no longer required (–0.5 million euros). In the previous year, 2022, a combined figure of –4.2 million euros was recognised as extraordinary expenses, for amortisation on purchase price allocations (Cheerz –1.7 million euros, WhiteWall –2.1 million euros and Hertz –0.4 million euros). Adjusted for these one-off factors, the operating EBIT figure for the Photofinishing business unit reached a level of 84.0 million euros in the financial year 2023 (adjusted operating EBIT in 2022: 77.9 million euros).

Photofinishing’s operating EBIT margin registers further slight increase and reaches a strong 12.8%

In 2023, the operating earnings margin (before the extraordinary expenses described above) in the Photofinishing core business unit maintains the trend of a continuous long-term increase in profitability: following

Photofinishing’s operating EBIT margin¹ continues to increase in %



¹ excluding reported one-off factors (mainly PPA effects)

12.8%

operating EBIT margin for Photofinishing in 2023

12.7% in 2022, Photofinishing’s EBIT margin amounted to 12.8% and thus once again increased slightly. Over the past few years, the ongoing change in the product mix and the additional contribution margins arising from the long-term increase in turnover have resulted in a steady rise in the operating EBIT margin in the Photofinishing business unit. The year 2020 provided particularly impressive proof of the sort of margin which is possible with corresponding volume growth: the strong, coronavirus-shaped increase in demand caused CEWE’s operating EBIT margin to temporarily jump to an extraordinarily high 15.1%.

Following 12.7% in 2022, in 2023 Photofinishing’s EBIT margin was once again at a strong level and registered a further slight increase to 12.8%.



Retail business unit

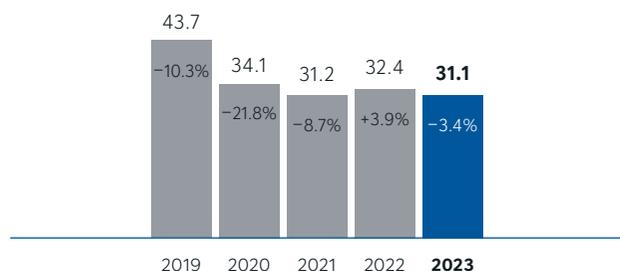
CEWE operates multichannel retailing in Poland, the Czech Republic, Slovakia, Norway and Sweden in the form of retail outlets and online shops. CEWE RETAIL clearly focuses on generating photofinishing business, i.e. the marketing of CEWE PHOTOBOOKS, calendars, greeting cards, wall art and other photo gifts. The turnover and earnings contribution provided by this photofinishing 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 accessories. In future, CEWE will continue to develop this merchandise business with optimal margins, while deliberately avoiding unprofitable turnover.

Retail realises turnover volume of 31.3 million euros in 2023

With its 100 or so branches in Scandinavia and Central and Eastern Europe, hardware retail achieved an annual turnover volume of 31.3 million euros in 2023 (2022: 32.4 million euros; -3.4%). Adjusted for currency effects, this turnover even increased slightly by 1.4%. For Retail, too, the fourth quarter with the Christmas business season and a turnover share in excess of 30% is the most important quarter of the year: following 10.2 million euros of Q4 turnover last year, in the quarter under review which has now ended CEWE Retail achieved a turnover volume of 9.5 million euros (-7.1%). Adjusted for currency effects, hardware retail achieved a Q4 turnover volume which was 3.0% weaker.

In its Retail business unit, CEWE is continuing to focus on its business with photofinishing products (which is reported in its Photofinishing business unit) and uses its retail activities as a B2C sales channel for CEWE PHOTOBOOK, photo calendars, wall art and many other photo products.

Retail turnover in millions of euros / change on previous year as %



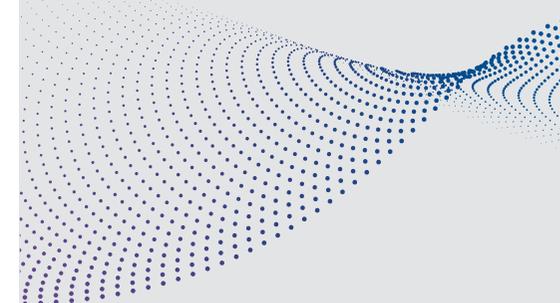
Through its deliberate abandonment of low-margin photo hardware business and its focus on photofinishing products, CEWE has been actively reducing its photo hardware turnover for some years now.



- At 31.3 million euros, in line with CEWE's strategy turnover with photo hardware and accessories in 2023 was slightly lower than in the previous year (2022: 32.4 million euros)
- Retail remains well positioned and improved its EBIT by a significant 0.3 million euros to 0.5 million euros (2022: 0.2 million euros), despite a slight decrease in turnover

100

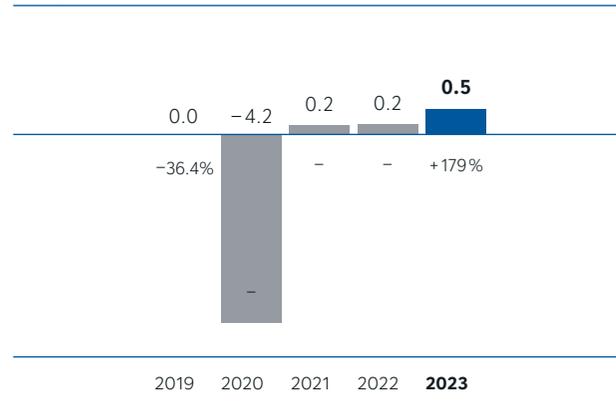
retail branches focusing on sales of photofinishing products





→ Review of 2023 and outlook for 2024

Retail EBIT in millions of euros /
change on previous year as %



Retail remains well positioned in 2023: despite the slight decrease in turnover, its EBIT figure improves by a significant 0.3 million euros to 0.5 million euros.

In the photo hardware segment (cameras and accessories), CEWE is continuing to deliberately make do without low-margin retail business. In previous years, the active reduction in turnover in the Retail business unit was normally around -10%.

Hardware retail improves EBIT figure despite slight decline in turnover

The earnings trend reflects Retail's strong position: despite the slight fall in turnover, in 2023 the Retail business unit strongly improved its contribution to Group EBIT, by 0.3 million euros to 0.5 million euros (2022: 0.2 million euros). In view of typically relatively low merchandise margins, this is a top-rate performance. In the first year of the pandemic, 2020, CEWE had already resolved to close overall slightly more than 40 branches in all of the countries where CEWE's Retail business unit operates. CEWE Retail continued to benefit from this accelerated optimisation of its branch structure in the financial year 2023 now ended.

In the Retail business unit too, Christmas business – and thus the fourth quarter – plays a key role in the earnings trend for the year as a whole. With a Q4 EBIT figure of 0.9 million euros which was achieved above all in December, during the Christmas business season, the earnings shortfall up to the end of the third quarter was once again fully made up for in the past year, and Retail made a positive contribution to Group earnings (EBIT Q4 2022: 0.7 million euros).



→ Review of 2023 and outlook for 2024



- With its “best-price guarantee” for its customers, Commercial Online Printing increases its turnover by +6.6% to 92.2 million euros (2022: 86.5 million euros)
- Optimised cost structure provides further sustained improvement in income situation, COP increases its EBIT to 4.2 million euros (2022: 2.3 million euros) and achieves an EBIT margin of 4.5%

+6.6%

turnover growth in Commercial Online Printing in 2023

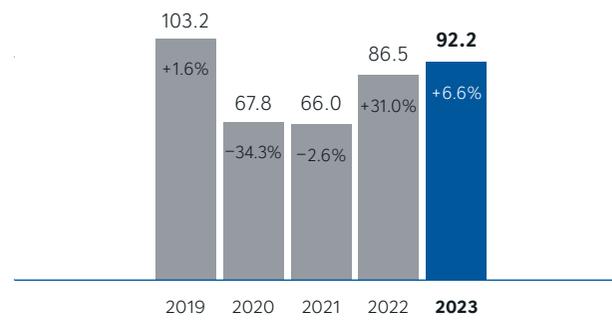
Commercial Online Printing business unit

With its online printing brands SAXOPRINT, viaprinto and LASERLINE, CEWE is ideally positioned on the European market for printed advertising media and business stationery ordered online and has a particularly strong presence in Germany, Austria and Switzerland (the “DACH” region): SAXOPRINT serves customers primarily in the offset printing segment, in Germany and in the Group’s other international markets, and offers a best-price guarantee; viaprinto is primarily positioned in the digital printing segment as a provider of high-quality printed products with small print runs; LASERLINE has a particularly strong presence in Berlin and Brandenburg and serves customers based in this region.

Commercial Online Printing achieves further growth in 2023

In the year under review 2023 now ended, with its “best-price guarantee” for its customers Commercial Online Printing once again achieved an increase in turnover: at

Commercial Online Printing turnover in millions of euros / change on previous year as %



92.2 million euros and with a growth rate of 6.6%, its turnover volume exceeded the previous year’s level by 5.7 million euros (2022: 86.5 million euros). The turnover contribution provided by the fourth quarter amounted to 25.9 million euros (turnover in Q4 2022: 26.5 million euros). This “best-price guarantee” stands for the promise that SAXOPRINT’s printing products will always be offered at the lowest price on the market. Should a SAXOPRINT customer find that a similar product is available from competitors at a lower price, SAXOPRINT will reimburse the price difference. This best-price guarantee is made possible by the level of cost efficiency achieved in SAXOPRINT’s production operations: SAXOPRINT’s highly automated production plant is considered one of the most modern technology parks for online offset printing in Europe. In order to further increase its depth of added value, at the start of the financial year 2024 SAXOPRINT acquired assets of Eastprint GmbH, Dresden. SAXOPRINT had previously outsourced large-format printing to Eastprint. This has now been brought in house through this acquisition.

With the “best-price guarantee” which it offers its customers, Commercial Online Printing achieves further growth in the financial year 2023: +6.6% increase in turnover.



COP earnings significantly increased to 4.2 million euros

While it is still some way off its pre-pandemic turnover volume seen in 2019 (103.2 million euros), Commercial Online Printing has improved its EBIT contribution to Group earnings by 1.9 million euros to 4.2 million euros and has thus once again achieved a strong improvement by comparison with the level which it realised in the previous year (COP EBIT 2022: 2.3 million euros). With an optimised cost structure, the Commercial Online Printing business unit has thus once again achieved its breakeven target, which it has successfully lowered: thanks to the level of cost efficiency achieved in production operations and the “best-price guarantee” for its customers which this enables, the COP business unit continues to post profitable growth. In the fourth quarter of 2023 considered in isolation, COP realised an EBIT figure of 2.7 million euros, which represented an 18.3% improvement on the same quarter in the previous year (COP EBIT for Q4 2022: 2.3 million euros).



4.2

million euros EBIT in Commercial Online Printing in 2023

Commercial Online Printing EBIT in millions of euros / change on previous year as %



With a highly efficient production and cost structure, COP once again significantly improves its earnings, with a figure of 4.2 million euros.



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. In particular, the costs associated with the company's supervisory bodies, its general meeting and its investor relations activities are structural and company costs which are incurred for all of the company's business units. Moreover, the earnings generated by the Group company futalis were previously reported in this business unit, since the business activities of futalis, as a producer of pet food, could not be allocated to CEWE's other business units. In the past financial year, CEWE sold futalis in late December 2023 and thus removed futalis from its Group profit and loss account in accordance with IFRS 5.

Including futalis, in the financial year 2023 CEWE realised revenues in the amount of 8.6 million euros (2022: 8.3 million euros) in its Other Activities business unit, all of which are attributable to futalis. If futalis is included in the EBIT calculation, as it has been previously, then in the past financial year the Other Activities business unit registered a loss of –3.1 million euros (2022: –0.6 million euros). Of this amount, –2.3 million euros related to futalis. This consists of a –1.0 million euros operating loss, a –0.8 million euros writedown on a production plant and a –0.5 million euros deconsolidation loss.

If futalis is excluded, no revenues were realised in the Other Activities business unit in 2023 (2022: 0.0 million euros). The contribution to this business unit's Group EBIT, thus calculated, amounted to –0.8 million euros (2022: –0.6 million euros).

Group P&L

Group turnover increases to 780.2 million euros

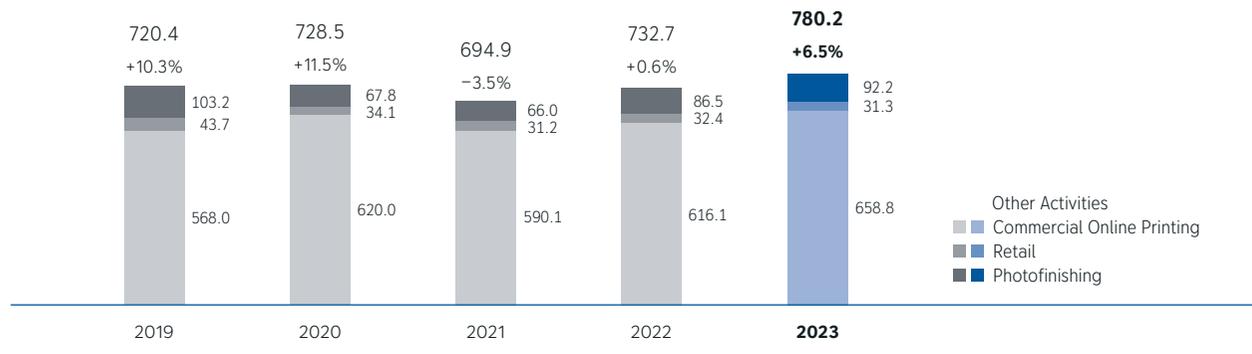
In the year 2023 as a whole, turnover growth in the Photofinishing and Commercial Online Printing business units resulted in Group turnover (reported according to the IFRS) of 780.2 million euros (2022: 732.7 million euros; +6.5%). This figure does not include the turnover of futalis which was sold in December 2023, since IFRS 5 requires its removal from the individual P&L items as a “discontinued operation or operation disposed of” (see also the comments in the “Other Activities business unit” section). Group turnover including the revenues provided by futalis increased by +6.5% or 47.8 million euros to 788.8 million euros (2022: 741.0 million euros). With both of these figures, CEWE has exceeded its envisaged turnover target range for 2023 of between 720 and 780 million euros.

Group EBIT increases to 83.9 million euros

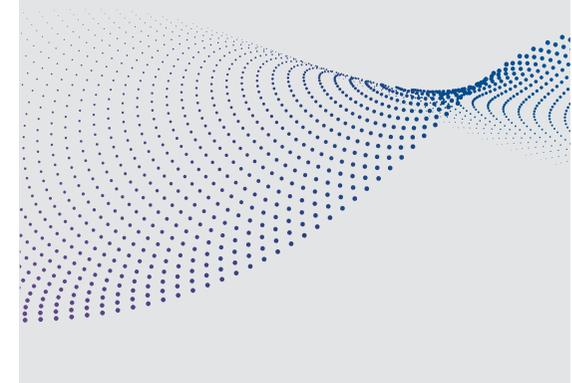
The CEWE Group’s reported EBIT increases to 83.9 million euros in 2023 and thus reaches a new peak (EBIT in 2022: 75.6 million euros). The EBIT figure calculated including futalis’ earnings rises to 81.6 million euros and is thus at the upper end of the EBIT target for 2023 (which is based on the same logic) of between 70 and 82 million euros. CEWE was able to compensate for the cost increases which affected all of its P&L items (and were mainly inflation-driven) by raising its own prices. Photofinishing, Retail and Commercial Online Printing have all contributed to this improvement in earnings. This is a very nice trend in all three of CEWE’s business units in 2023.

With growth in its Photofinishing and Commercial Online Printing business units, CEWE’s turnover increased by 47.5 million euros or 6.5% in 2023. This is once again an impressive trend.

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



- Reported Group turnover increases by 47.5 million euros in 2023 to 780.2 million euros (2022: 732.7 million euros): a growth rate of 6.5%
- Reported Group EBIT increases to 83.9 million euros (2022: 75.6 million euros)
- Group turnover incl. futalis which was sold in December 2023 increases by +6.5% or 47.8 million euros to 788.8 million euros (2022: 741.0 million euros). The CEWE Group’s EBIT, thus calculated, rises to 81.6 million euros (2022: 75.6 million euros)
- All goals for 2023 thus achieved at the upper end of the planned ranges or even exceeded
- Tax rate at expected normal level of 32.2%
- Earnings per share increase to 8.10 euros (2022: 7.20 euros)





Further fourth-quarter growth in 2023

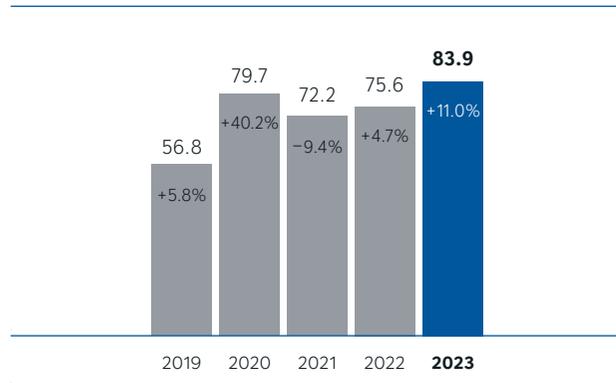
The traditional seasonal peak in the fourth quarter of 2023 once again made a decisive contribution to CEWE's successful performance in the past financial year and provided almost 100% of the profit for the year: turnover rose by 3.3% year-on-year to 327.0 million euros (Q4 2022: 316.7 million euros) and the EBIT figure by 5.9% to 81.6 million euros (EBIT Q4 2022: 77.0 million euros). In general, CEWE is continuing to benefit strongly from the company's early transformation resulting in its adoption of an online business model: growth is being driven by the trend of smartphone-based photography as well as photo products which can be ordered conveniently online or via smartphone apps. Together with its strong business partners which, with more than 20,000 retail stores in Europe, provide an additional guarantee of customer-oriented service, with its innovations CEWE is continuously driving the evolution of the photography market. The past year once again demonstrated that photo products in particular have

a very high emotional value for many people – especially as a Christmas present – and that demand for them is on the rise, largely independently of the overall economic trend.

Inflation-influenced changes in P&L items strongly reflect business trend

The contributions which the various business units provide to the profit and loss account varies in structural terms: in the Photofinishing business unit, the trend towards value-added products generally means a lower volume of material expenditure but an increasing volume of personnel expenses and other operating expenses. Commercial Online Printing is generally characterised by a higher cost of materials and slightly lower personnel expenses and other operating expenses than in the Photofinishing business unit. On the other hand, Retail entails a significantly higher cost of materials but lower personnel expenses and other operating expenses than in the other two business units.

Operating result (EBIT) in millions of euros / change on previous year as %



CEWE achieves a new all-time high for its EBIT figure in 2023: strong growth of +8.3 million euros to 83.9 million euros.

On average, the CEWE Group had 3,903 employees in 2023.

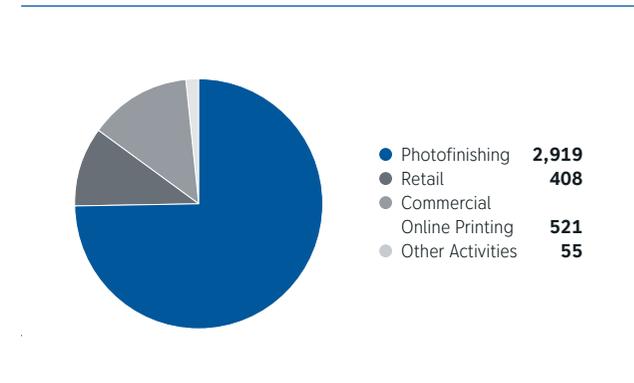
83.9

million euros EBIT in 2023 – a new high

On average, the CEWE Group had 3,903 employees in 2023 (2022: 3,816). Of this number, 2,615 employees or approx. 67.0% (2022: 2,537 employees or 66.5%) worked at the CEWE Group's German plants and 1,288 employees or 33.0% (2022: 1,279 employees or 33.5%) at the CEWE Group's foreign plants.

This slight change year-on-year is partially attributable to new hirings for central functions in Oldenburg, at White-Wall and, in Commercial Online Printing, at our Dresden production plant. Moreover, for the purpose of calculating

Average workforce of the CEWE Group in 2023 by business unit





the average number of employees of Hertz GmbH, the system supplier of CEWE Photostations which was acquired in the previous year, this company has now been included for a full twelve months. On the other hand, CEWE has slightly reduced its Retail workforce.

Group's tax rate at normal level

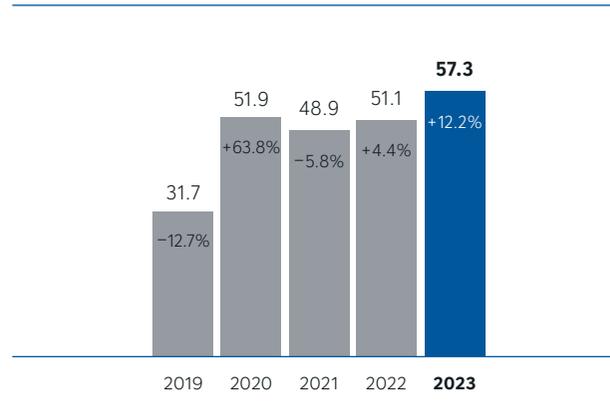
At 32.2%, the Group's tax rate for the reported EBT is at the expected, normal level (Group's tax rate for 2021: 31.7%).

Earnings after tax of 57.3 million euros result in earnings per share of 8.10 euros

The CEWE Group realised earnings after tax of 57.3 million euros in the financial year 2023, an increase of 6.2 million euros (2022: 51.1 million euros). On this basis, (undiluted) earnings per share amount to 8.10 euros (2022: 7.20 euros).

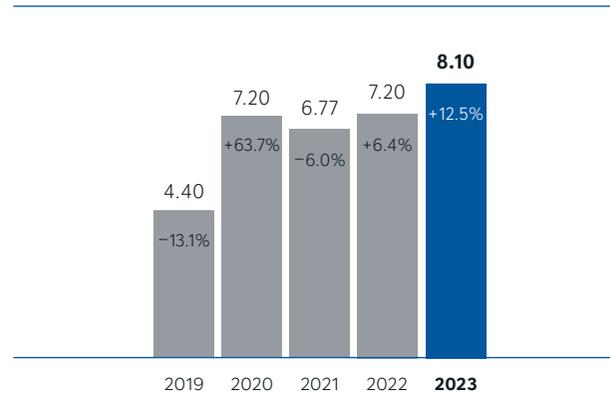
Earnings per share reach a new high of 8.10 euros in 2023.

Earnings after taxes in millions of euros / change on previous year as %



The Group's tax rate for the reported EBT amounts to 32.2% for the financial year 2023 and is thus at the expected, normal level.

Earnings per share in euros / change on previous year as %





Group profit and loss account

	2022	2023	Change as %
Revenues	732,730	780,198	6.5
Increase in finished and unfinished goods	-48	234	-
Other own work capitalised	2,881	4,161	44.4
Other operating income	29,157	25,494	-12.6
Cost of materials	-180,540	-187,380	-3.8
Gross profit	584,180	622,707	6.6
Personnel expenses	-202,536	-218,861	-8.1
Other operating expenses	-252,802	-266,106	-5.3
EBITDA	128,842	137,740	6.9
Amortisation of intangible assets, depreciation of property, plant and equipment	-53,234	-53,830	-1.1
EBIT	75,608	83,910	11.0
Financial income	738	5,953	707
Financial expenses	-1,542	-1,946	-26.2
Financial result	-804	4,007	-
EBT	74,804	87,917	17.5
Income taxes	-23,748	-28,302	-19.2
Earnings after tax from continuing operations	51,056	59,615	16.8
Post-tax profit/loss for discontinued operation	9	-2,302	-
Group earnings after taxes	51,056	57,313	12.2

Higher income in the previous year from the reversal of accruals that were no longer required; also decrease due to year-on-year decline in income from recyclable residual materials arising during the production process in the consumables segment.

Pay scale adjustments, the payment of an inflation bonus and the employees hired for Photofinishing central functions and Commercial Online Printing due to the level of business growth increase this item. In addition, in the previous year the exercise of a stock option program at a favourable share price had slightly reduced personnel expenses.

Slight absolute increase in scheduled depreciation; overall decline in depreciation ratio as a percentage of turnover.

The profit distribution from a VC fund increases financial income.

Growth in the Photofinishing (+6.9%) and Commercial Online Printing (+6.6%) business units is driving the CEWE Group's turnover growth.

The acquisition of Hertz GmbH, the system supplier of CEWE Photostations, results in a higher volume of own work capitalised for the Photostations which CEWE now produces internally instead of procuring them externally.

Cost of materials increases in absolute terms, in line with the turnover trend. The declining share accounted for by Retail and, above all, Photofinishing's strong performance, with price adjustments affecting its turnover figure, cause a slight fall in the cost-of-sales ratio.

Absolute increase in this item, above all on business-related grounds, partly as a result of logistics costs and selling expenses as well as increased marketing expenses. Nonetheless, overall this development of this item has not quite matched the turnover trend.

The sale of CEWE's subsidiary futalis results in a loss of -2.3 million euros (a -1.0 million euros operating loss in 2023, a -0.8 million euros writedown on a production machine and a -0.5 million euros deconsolidation loss).



Balance sheet



- Total assets increase by 33.3 million euros to 666.0 million euros (+ 5.3%)
- CEWE has strong equity ratio of 58.4% (previous year: 57.3%)
- Capital employed rises by 26.7 million euros, mainly due to increased cash and cash equivalents

Total assets rise by 33.3 million euros to 666.0 million euros (+ 5.3%)

As of December 31, 2023, total assets have increased by 33.3 million euros from 632.7 million euros to 666.0 million euros by comparison with the same date in the previous year. This trend reflects the 29.3 million euros increase in current assets in particular. This is attributable, above all, to the 44.3 million euros growth in liquidity and, on the other hand, the decrease in current receivables from income tax refunds on the basis of a tax assessment. In the previous year, high tax prepayments had been reported here on account of the coronavirus-related upswing. In addition, a lower figure has been reported for current trade receivables, since payments from business partners were delayed in the previous year and thus only settled in the past financial year.

Non-current assets have increased by 4.0 million euros to 380.1 million euros. Above all, this is attributable to property, plant and equipment investments in new and modernised production space in the Photofinishing business unit. The amortisation-related decrease in intangible assets and the declining fair value measurement of financial investments, due to profits distributed by a VC fund investment, had the opposite effect.

CEWE has strong equity ratio of 58.4% (previous year: 57.3%)

Equity has increased by a total of 26.5 million euros by comparison with December 31, 2023 and amounts to 389.2 million euros. This mainly reflects positive comprehensive income for the past four quarters in the amount of 51.5 million euros. Following what was already a very solid level in the previous year (December 31, 2022: 57.3%), the equity ratio has once again increased, to 58.4%.

The Group's debt (the total of current and non-current liabilities) has risen by 6.8 million euros from 269.9 million euros to 276.7 million euros. This growth is attributable to the 6.2 million euros increase in current liabilities to 202.4 million euros, specifically the personnel liabilities included in this item as well as the earnings-related increase in tax accruals. Non-current liabilities have changed only slightly, with an increase of 0.6 million euros to 74.3 million euros. The growth in pension accruals which this item mainly consists of contrasts with a decrease in non-current lease liabilities due to the expiry of the time limits in question.

The management balance sheet shows total assets of 666.0 million euros reduced by current, non-interest-bearing operating liabilities in the total amount of 192.9 million euros, as well as the debt and equity elements subject to interest and dividends totalling 473.1 million euros.

Capital employed rises by 26.7 million euros, mainly due to the turnover-related increase in trade receivables and investment-related fixed assets growth

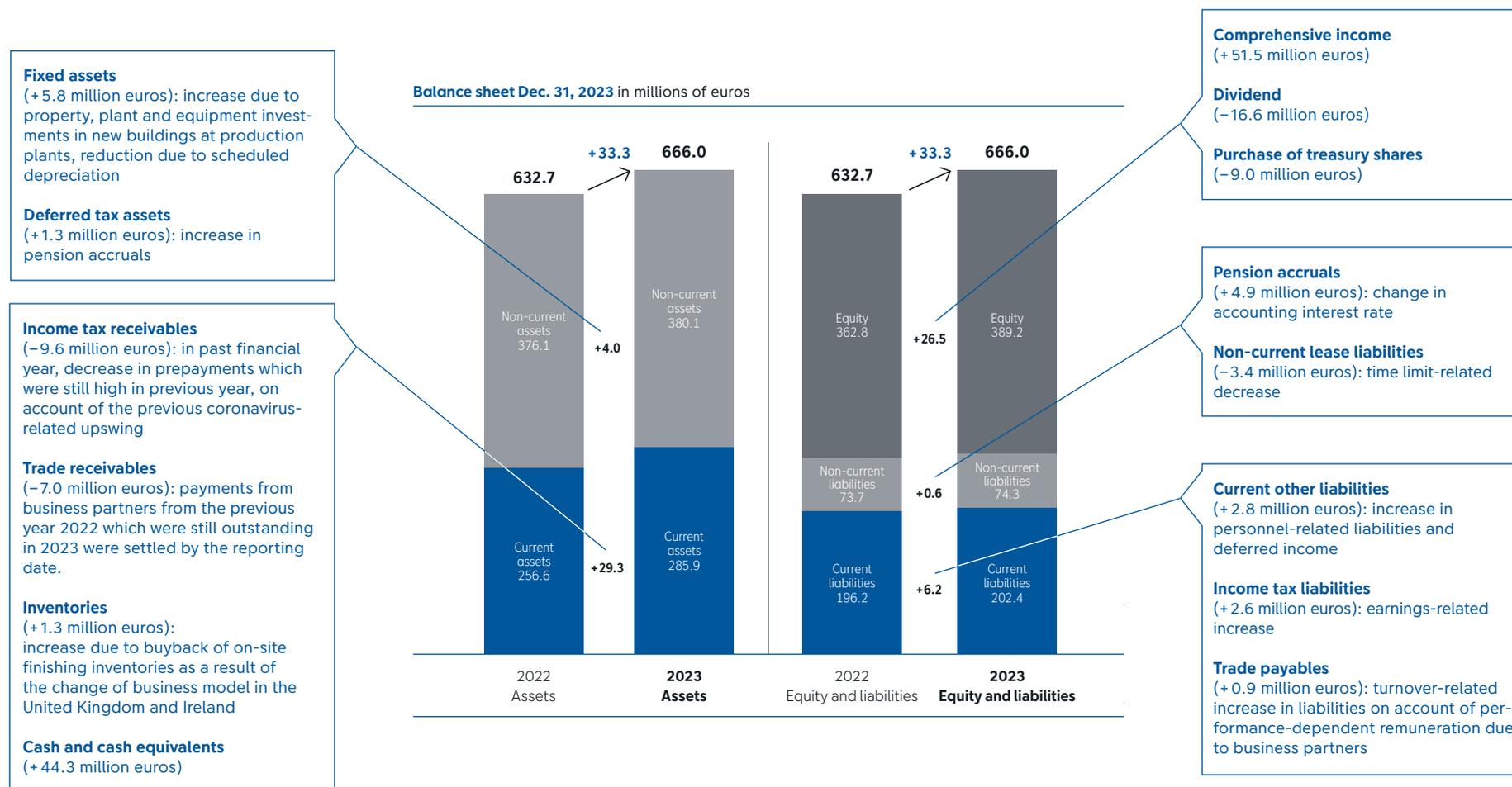
The volume of capital employed has risen by 26.7 million euros year-on-year, due to an increase in both cash and cash equivalents (+ 44.3 million euros) and non-current assets (+ 4.0 million euros). Liquidity thus reflects the strength of operating cash flow. On the other hand, net working capital has increased (- 21.6 million euros). Non-operating liabilities mainly relate to pension accruals and increase by 4.2 million euros due to a reduced accounting interest rate.

Solid equity causes the volume of capital invested to increase by 26.7 million euros

The 26.7 million euros rise in the volume of capital invested is attributable to the 26.5 million euros increase in equity. In equity, the comprehensive income item of 51.5 million euros reflects CEWE's earnings strength, which more than compensates for the dividend payment and the other changes in equity. Gross financial liabilities decrease by 3.9 million euros due to the decline in lease liabilities. Non-operating liabilities mainly relate to pension accruals and increase by 4.2 million euros due to a reduced accounting interest rate.

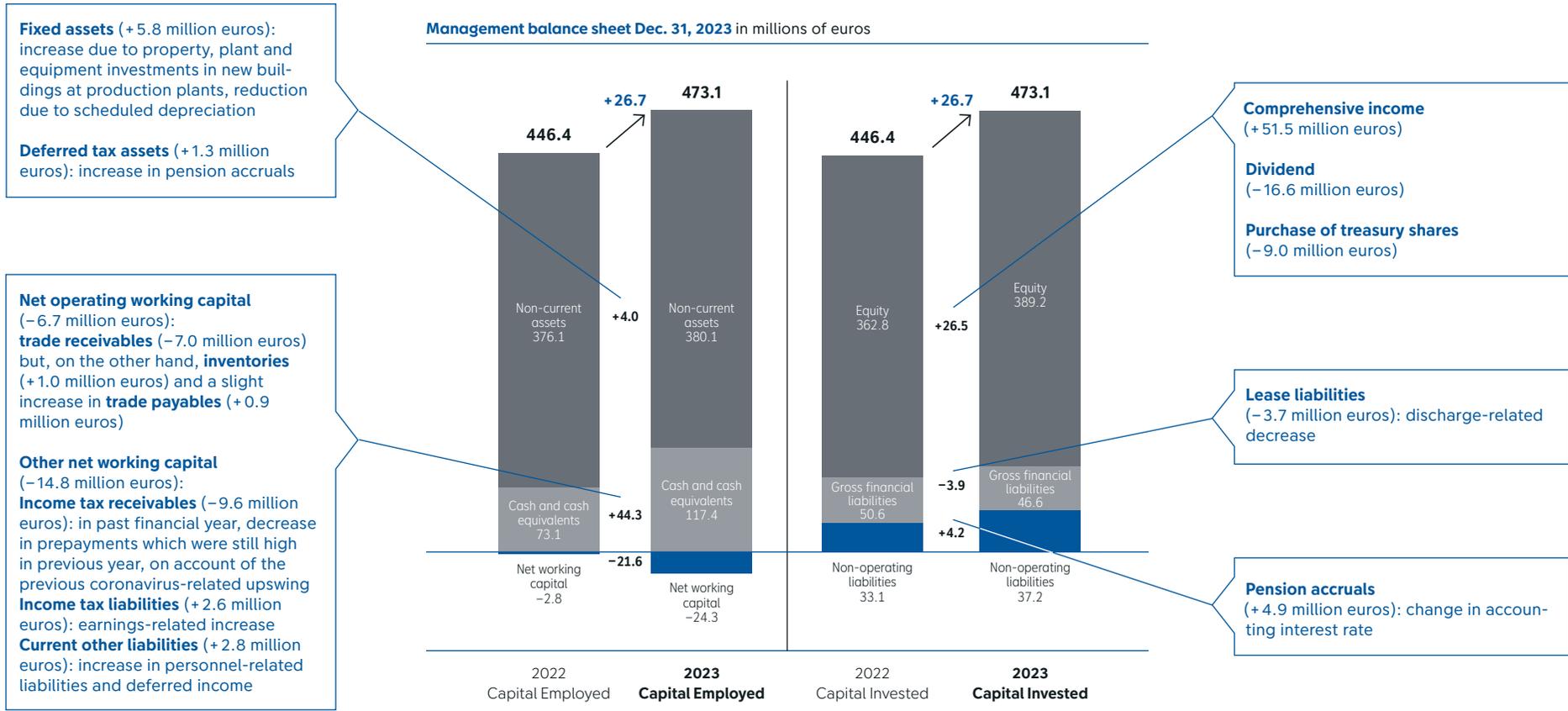


Key changes to balance sheet items





Key changes to the items of the management balance sheet





Cash flow

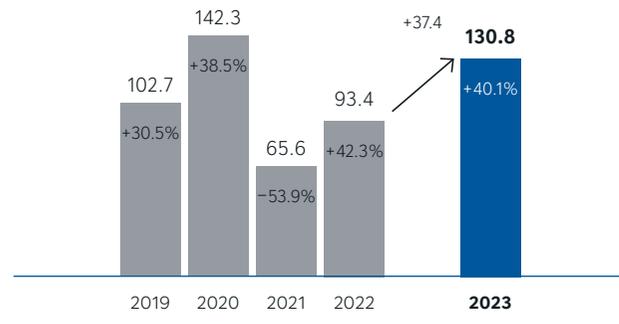
Operating cash flow increases by 37.4 million euros to 130.8 million euros and thus exceeds pre-coronavirus level

Having already increased by 27.7 million euros in the previous year, in the past financial year operating cash flow rises by 37.4 million euros to 130.8 million euros and thus exceeds the pre-coronavirus level seen in 2019.

In the net operating working capital item, the increase in trade receivables in 2022 caused by payments from business partners which were delayed to the start of 2023 was reversed, since these payments from business partners were received in 2023 and thus decreased by 26.0 million euros.

Cash flow from operating activities

in millions of euros / change on previous year as %



Trade payables did not change much in the past year. Following the increase in the previous year, they contributed 10.8 million euros less to operating cash flow. Taking a slight increase in inventories into consideration, net operating working capital absorbed 14.4 million euros less cash in the past financial year. Other net working capital also absorbed 2.8 million euros less cash than in the previous year. Tax payments likewise decreased, falling by 10.9 million euros.

Due to a reduced volume of company acquisitions as well as offsetting financial income, net cash used in investing activities decreases to -47.9 million euros

Net cash used in investing activities declines to -47.9 million euros, above all due to the absence of payments for the purchase of shares in companies, increased inflows from financial assets and payments for operational investments which are slightly lower than in the previous year.

Increase in earnings: (+ 8.8 million euros): total of EBITDA and non-cash effects
Net operating working capital (+ 14.4 million euros): decrease on account of significant reduction of trade receivables: earlier payments from business partners while trade payables unchanged
Tax payments (+ 10.9 million euros): decrease due to reimbursement of prepayments
Other net working capital (+ 2.8 million euros): decrease in value added tax positions



- Operating cash flow increases by 37.4 million euros to 130.8 million euros and thus exceeds pre-coronavirus level
- Operating cash flow in particular results in 51.4 million euros increase in free cash flow
- Normalised free cash flow of 69.7 million euros is 8.3 million euros higher than the normalised previous year's level of 61.4 million euros

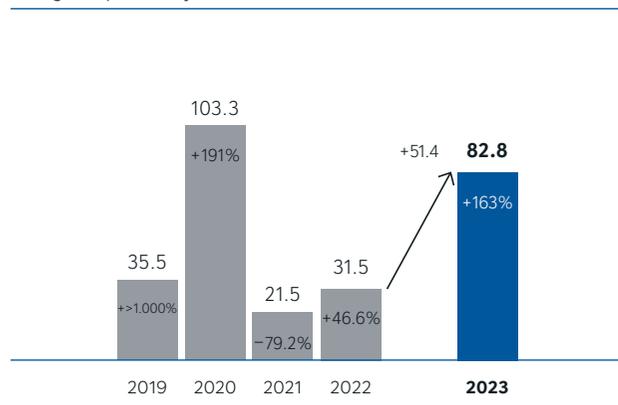
130.8

million euros cash flow from
operating activities



→ Review of 2023 and outlook for 2024

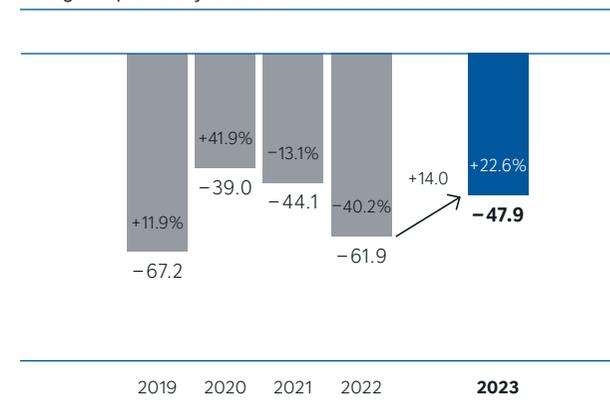
Free cash flow in millions of euros / change on previous year as %



Free cash flow rises by 51.4 million euros in 2023 to 82.8 million euros.

Cash outflows from company acquisitions (+7.7 million euros): no company acquisitions in financial year
Inflows from investments in financial assets (+4.4 million euros)
Cash outflows for operational investments (+2.4 million euros)

Net cash used in investing activities in millions of euros / change on previous year as %



Operating cash flow in particular results in 51.4 million euros increase in free cash flow

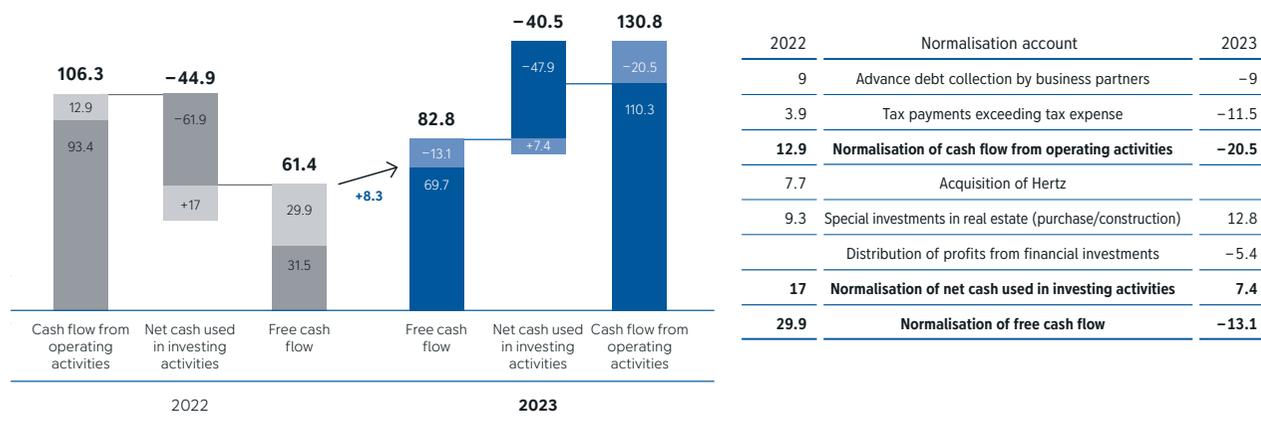
Overall, free cash flow increased by 51.4 million euros to 82.8 million euros. This resulted from the 37.4 million euros increase in cash flow from operating activities to 130.8 million euros as well as a decrease in net cash used in investing activities to 47.9 million euros.

Normalised free cash flow of 69.7 million euros is 8.3 million euros higher than the normalised previous year's level of 63.7 million euros

The financial year 2022 was shaped by the fact that – as outlined above – some business partners only settled in the financial year 2023 liabilities with a volume of approx. 9.0 million euros which were attributable to the financial

year 2022. In addition, tax payments of 3.9 million euros exceeded the tax expense for the year 2022. Within the net cash used in investing activities, the purchase price payment for Hertz and the acquisition of an administrative site at CEWE's Oldenburg location generated an additional funding requirement of 17.0 million euros. In overall terms, the free cash flow in 2022 was thus reduced by 29.9 million euros. In the financial year 2023, operating cash flow decreased by 11.5 million euros due to tax payments which were lower than the volume of tax expense in 2023, on account of the reimbursement of tax prepayments. Moreover, an additional approx. 9.0 million euros in liabilities to business partners from the financial year 2022 had been repaid in the first quarter of 2023. Cash flow from operating activities was thus increased by 20.5 million euros. Within the net cash used in investing

activities, cash outflows due to capacity-boosting new buildings and significant expansions of production plants resulted in an additional funding requirement of 12.8 million euros. In addition, CEWE received profits distributed from financial investments in the amount of 5.4 million euros. Overall, free cash flow in 2023 accordingly increased by 13.1 million euros.

**Normalised cash flow 2022 vs. 2023** in millions of euros

Without these effects, free cash flow in 2022 would have amounted to 61.4 million euros and that of the current financial year to 69.7 million euros, which clearly exceeds the previous year's figure.

Operating cash flow in particular results in 25.6 million euros increase in free cash flow in the fourth quarter

Free cash flow in the fourth quarter of 2023 increases by 25.6 million euros to 92.7 million euros. Compared to the same quarter in the previous year, cash flow from operating activities accounted for 22.1 million euros of this increase.

The total of EBITDA and non-cash effects increases by 5.3 million euros. Net working capital flow decreases by comparison with the fourth quarter in the previous year (15.7 million euros) and thus strengthens cash flow from operating activities. This decline has resulted from the payments from business partners which in 2023 once again occurred in the fourth quarter, together with an increase in trade payables. At the same time, the company paid 1.1 million euros less in taxes. Another factor impacting the free cash flow is the net cash used in investing activities, which increased by 3.5 million euros, mainly on account of the profits distributed from financial investments.



→ Review of 2023 and outlook for 2024



- At 18.8% ROCE remains significantly higher than the 14.8% level seen in the last year prior to the coronavirus pandemic, 2019

18.8%

ROCE – CEWE creates value

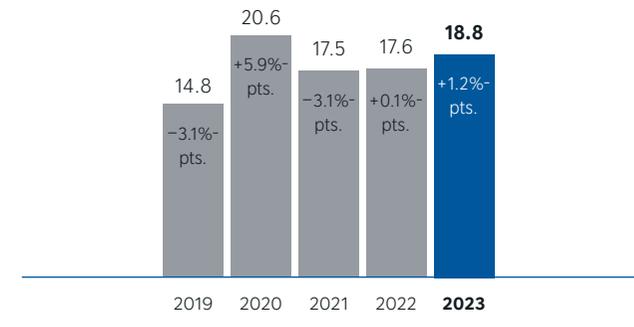
Return on capital employed

At 17.8% ROCE remains significantly higher than the 14.8% level seen in the last year prior to the coronavirus pandemic, 2019

The return on capital employed (ROCE) has increased from 17.6% to 18.8%. It thus remains well above the level of 14.8% seen in the last year before coronavirus, 2019. The value of 18.8% reflects the 12-month EBIT figure of 83.9 million euros and the average volume of capital employed of 445.9 million euros over the four quarterly reporting dates in 2023.

CEWE creates value.

ROCE as % / change on previous year in percentage points



Outlook for 2024

CEWE maintains long-term growth strategy

On average, Group turnover will continue to increase in 2024, from 780.2 million euros in 2023 to between 770 million euros and 820 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 slight decline in turnover generated by photo hardware, while Commercial Online Printing will likely achieve further slight turnover growth in most markets.

EBIT earnings target range in 2024: 77 to 87 million euros

In 2024, Group EBIT will fall within a range of between 77 million euros and 87 million euros, the EBT figure will amount to between 75.5 million euros and 85.5 million euros, while earnings after tax will lie within a range of 51 million euros to 58 million euros.

Operational investments planned at normal level

The operational investments planned for 2023 (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 be around 65 million euros.

Goal is for continuous further dividend growth as far as possible

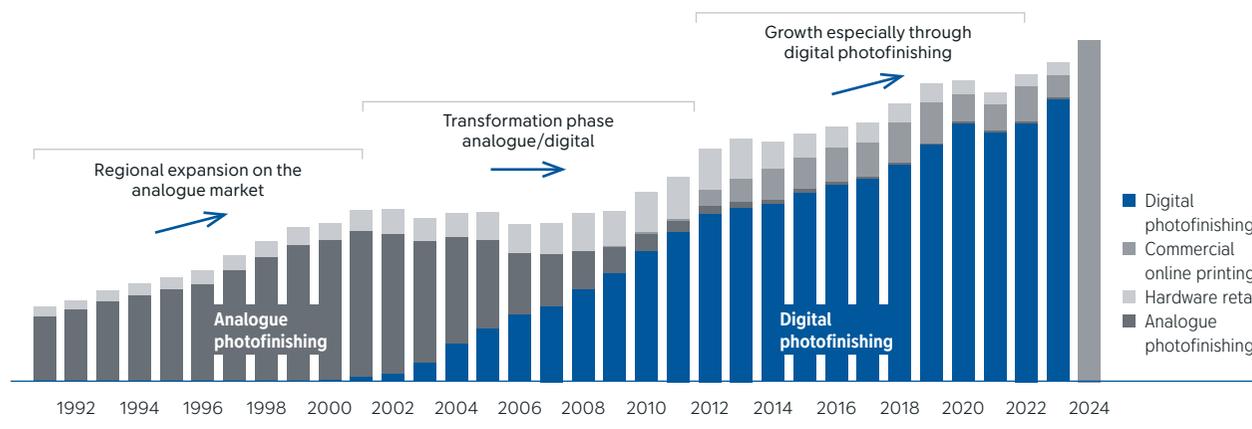
CEWE considers itself an extremely reliable dividend payer. The dividend proposed for 2023 would represent a 15th consecutive increase. In general, CEWE pursues the goal of dividend continuity. Where this appears possible in view of the company's economic situation and the available investment opportunities, this means a dividend which is

77–87

million euros EBIT figure planned for 2024

at least unchanged in absolute terms, and ideally an increased dividend. This policy clearly focuses on the absolute dividend value, with the payout ratio or the dividend yield as a secondary element.

Long term revenue



e2024: 770 to 820 million euros CEWE is set to maintain its long-term growth strategy in 2024.



→ Review of 2023 and outlook for 2024

The ranges for these targets for 2024 reflect the uncertainties currently associated with the general increase in prices as well as the currently high level of inflation and its potential impact on CEWE's course of business.

Continued exogenous uncertainties expressed in 2024 target ranges

In the financial year 2024, CEWE is once again exposed to exogenous sources of uncertainty. On the one hand, general cost increases affecting consumers might impact their spending or lead to them to travel less and thus influence the number of photos they take and the volume of orders they place. On the other hand, continuing inflation at CEWE might result in a further increase in costs and the cost of sales. That would necessitate compensatory price increases, which might negatively affect consumer demand. To take account of these external conditions and reflect their potential effects on CEWE's business development in its planning, CEWE has also defined ranges for all of its relevant target figures for the financial year 2024.

The ranges for these targets for 2024 represent approximate figures and reflect the current uncertainties. In its operational planning for 2024, the Board of Management naturally aims to achieve a target in the upper half of this envisaged range.

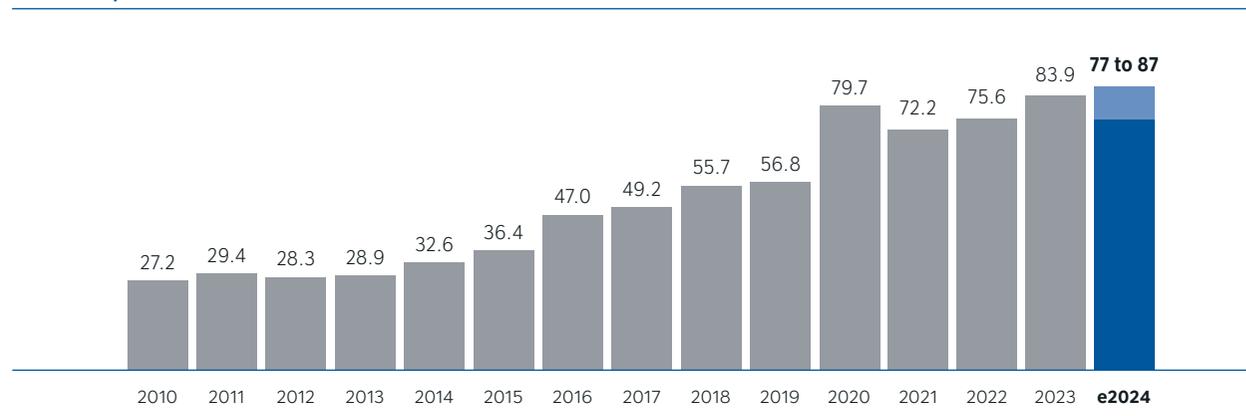
For the financial year 2024, a Group EBIT figure of up to 87 million euros should be achieved.

Targets for 2024 CEWE Group

		2024	Change as %
Photos	billion units	2,3 to 2,4	-2 to +2
CEWE PHOTOBOOK	million units	5,9 to 6,2	-2 to +2
Operational investments ¹	Mio. Euro	~65	
Turnover	millions of euros	770 to 820	-1 to +5
EBIT	millions of euros	77 to 87	-8 to +4
Earnings before taxes (EBT)	millions of euros	75,5 to 85,5	-14 to -3
Earnings after taxes	millions of euros	51 to 58	-10 to +1
Earnings per share	euros/share	7,26 to 8,22	-10 to +2

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

EBIT development in millions of euros





Interview

A conversation with Yvonne Rostock, Chairwoman of the Board of Management of CEWE, on integration, complexity and breaking new ground

Before we get started, Ms Rostock: what is CEWE's new design all about? Where is the red we're so used to?

YR: The red is still there – in CEWE's umbrella brand. But we decided to take the important step of giving the CEWE business group – with its many strong brands – a new platform. Both visually, as you can see, but also from the point of view of content. With combined goals, priorities and principles. The intention is for all our brands to shine here with equal prominence. After all, we are a group and together we are more than the sum of our individual parts.

That sounds like you have already gained a very detailed overview of this wide-ranging group and have settled in very nicely at CEWE.

YR: Yes, definitely! I joined CEWE a year ago.

Time flies.

YR: Undoubtedly so – particularly at CEWE. But I have a couple of comments in response to your question.

We're all ears!

YR: First of all, I'd like to thank all my colleagues for the very warm welcome I have received. That applies to the other members of the Board of Management, but I was welcomed with open arms everywhere else, too. Whether in Oldenburg, Koźle, Mönchengladbach, Cologne, Paris or Germering – CEWE has a remarkable team spirit which I have noticed everywhere. It has been a great experience, which has brought home to me CEWE's immense strength: its outstanding spirit of togetherness which we call "The WE in CEWE". We can count on one another. In a company where so many processes are so tightly intertwined, effective collaboration is key.

And your second comment?

YR: That our business is a unique and complex one – after all, we produce on-demand. We are very strong in terms of our depth of added value, which enables us to offer a highly integrated photofinishing solution – with a growing level of customer satisfaction. Within the company, that

requires a deep understanding of many different ramifications and details. It takes some time to understand that and to handle things accordingly. That brings us back to the topic of collaboration. Not only do our members of staff grasp these details – they also work together to outstanding effect, thus continuously improving the service which CEWE offers our customers. An important lesson I learned during my first year was CEWE's unique ability to produce this unbelievably high level of quality. Particularly at crunch time – our Christmas quarter, which spans the entire fourth quarter – it is crucial that everything functions smoothly. We operate a three-shift production system, our marketing activities are in full swing, and our customer service assists customers around the clock. Every year, we demonstrate again and again our mastery of all this.



I get that. You referred to a complex business – was your sale of futalis a step you took to reduce CEWE's complexity?

YR: futalis, a young company focusing on customised dog food, has experienced various phases in its development. To start off with, it received support from High-Tech-Gründerfonds (HTGF), a seed investor initiated by the German government which assisted futalis with its start-up expertise.

Following this phase, industrialisation of futalis' highly specific customised production process was required. That task was a perfect fit for CEWE since we are experts in the highly automated production of individual items, as we have demonstrated in our Photofinishing business unit for decades. We therefore stepped up our commitment here and increased our shareholding. We used our expertise to help futalis with the development and realisation of a machine which automates the mixing process for customised dog food. With this technology, futalis reached an important milestone: in principle, its business is now profitably scalable.

That sounds very promising. So why did you sell futalis?

YR: Well, at that point there was a need for market expertise above all – both in the purchasing market for dog food ingredients and in the sales market. None of that is a core area of expertise of CEWE. But the situation is different for futalis – it has that expertise, or is continuously developing it. While futalis' turnover volume was less than 10 million euros, it nonetheless required attention. For

these reasons, we had already initiated a sales process in 2019/2020, but this was then hampered by the pandemic. So we had another go once the pandemic was over, and this was brought to a successful close in late 2023. The effects can be seen in CEWE's annual financial statements. We would like to wish the futalis team all the best for the company's continued development.

At any rate, you have thus removed a loss-maker from CEWE's profit and loss account!

YR: That is not the right way to interpret things. Last year futalis grew by more than 4% despite the fact that many people cut back on their spending on pets in the post-pandemic period. The loss which was removed from CEWE's profit and loss account in 2023 is mainly attributable to one-off deconsolidation effects. Over the past few years, futalis has carved out a respectable market position for itself which it can now build upon.

Ms Rostock, for 2023 you have achieved an earnings volume excluding futalis which exceeds your EBIT target range of between 70 and 82 million euros. That is an impressive start as CEO. Other new CEOs often recognise all manner of possible valuation adjustments in their first year ... and then claim that is due to their predecessors. Why haven't you done that?

YR: It's not my style to play games with earnings figures. I always aim to do my best and promote the long-term development of a business – I am not concerned with short-term effects. That is reflected in the corporate culture at CEWE and its preference for a long-term perspective – at CEWE, we think in terms of decades. We

encourage solid and profitable development. A key goal was to bring 2023 to a close with very strong results, despite the difficult economic environment. We achieved that, and we spent the entire year preparing for it. Finally, in the fourth quarter everything came together and we had an outstanding business season, once again proving that “we can do Christmas”.

Where do you intend to break new ground? What do you wish to change?

YR: I aim to strengthen strengths and leverage potential. As the CEWE Group, we are supported by various brands such as CEWE, Cheerz, Pixum and Saxoprint which are prospering individually and contributing to an outstanding overall result. We will continue to invest in these brands, with our know-how, exciting innovations and our key resource – our people whose work brings such joy to our customers. We are pursuing a clear strategy which is focused on healthy growth. Our guiding principle “WE in CEWE” defines the role of leadership and team spirit at our company: on an equal footing with one another, acting transparently and showing appreciation for one another. We live and work according to these principles at CEWE. We support one another and we are there for one another. With this internalised philosophy, we are continuously seeking to optimise things and achieve progress, while aiming to operate as efficiently as possible. We are driven by a spirit of innovation – this idea has deep roots in CEWE's DNA and has already carried the company through processes of transformation in the past. It is not for nothing that CEWE refers to 4,000 innovators in its Photofinishing and Commercial Online Printing business units. We are



likewise always state-of-the-art in our current transformation processes: as I said before, at CEWE innovations are shaped by our entire workforce. That is equally true of the issues we are dealing with in relation to artificial intelligence. For instance, we are providing our employees with easy access to AI via our CEWE GPT initiative. At the same time, teams of experts such as our Mobile & Artificial Intelligence Campus (MAIC) are researching the development of new base technologies. We are already using AI – for instance, to improve the quality of photos sent by WhatsApp. AI shows great promise throughout our value chain and for our various stakeholders. We aim to use it responsibly. If we integrate AI the right way, we can use it as a partner which helps us and relieves us of the need to perform routine tasks – for consumers as co-creators, for our employees as co-workers, and for us as a business as a co-pilot.

Exciting times lie ahead of us. Is there a guiding principle which you stand for, if you were forced to choose one?

YR: That brings me to the topic of customer centricity. That is probably the aspect of my career which has shaped me the most, coming from the beauty and consumer goods

industries. It provides you with different, additional perspectives, and I would like to continue to contribute these. We're adjusting things here and there but, as I have said, the CEWE system is running to outstanding effect, as the results for the past year demonstrate. Operating as a team, all of us at CEWE ensure that our photo products are a source of joy. That only works in concert with our customers, whose creativity and individuality turn our offerings into cherished products which carry great emotional significance and are full of personal stories, memories and experiences. We thus create products whose value far exceeds their price. We aim to trigger this feeling with every order. That is exactly why we are strongly focusing on indicators such as the NPS (Net Promoter Score), one of our key internal KPIs. If our customers are satisfied, that will generally also be reflected in our business figures.

Definitely, our figures speak for themselves!

YR: Very much so. 2023 was a year of new record figures at CEWE. With a turnover volume of 780.2 million euros, an EBIT of 83.9 million euros, an adjusted (and by adjusted I mean “understated”) free cash flow of 69.7 million euros, a ROCE of 18.8% and an equity ratio of 58.4%, we either reached new highs or were very close to them. Our entire team has done outstanding groundwork here – I am all the more delighted to be part of all this.

One more question, since you are also in charge of distribution: the strong results you just mentioned are partly based on price increases which you implemented in 2023. Some companies have faced media accusations of “greedflation” for imposing price increases in their sales activities which are considerably higher than those justified for their purchasing operations. How are things at CEWE?

YR: As in 2022, we once again proceeded very cautiously in 2023. Our goal was to at least bring in as an absolute amount on the turnover side the cost increases which we had incurred due to inflation. In view of our rising volume of turnover – which was at least partly due to inflation – this would have reduced our percentage margin. We were therefore obliged to implement additional countermeasures, through efficiency gains in order to stabilise or increase our margin. For instance, if you look at what is probably the most meaningful operating margin in our Photofinishing business unit, we kept this at 12.7% in 2022 and even increased it slightly to 12.8% in 2023. CEWE has taken a very moderate course here: we have done what was necessary, but no more.

Ms Rostock, many thanks for the interview! We have the sense that you really have settled in well at CEWE.

YR: Thank you so much for your kind words. I am delighted to be here.



CEWE share

Cash-rich blue chips and technology equities drive the stock markets in 2023

The trend on the financial markets was shaped by a wide range of factors in 2023: the ongoing high level of inflation, the interest-rate hikes implemented by leading central banks, the suspension of the USA's debt ceiling, the turbulence in the banking sector, the continuing war in Ukraine and the flare-up of the Israel conflict all generated a great deal of pressure and uncertainty. Having said that, the financial markets performed surprisingly strongly in some cases. However, despite frequently positive price performance many German stocks experienced a significant outflow of liquidity by comparison with previous years: many investors increasingly allocated their funds

Key share information

Type of security	No-par value share
Market segment	Regulated market, PRIME STANDARD
Index	SDAX (from March 23, 2009)
ISIN	DE 0005403901
Symbol	CWC
Reuters	CWCG.DE
Bloomberg	CWC GR
Date of initial quotation	March 24, 1993
Number of shares	7,442,003 units
Daily volume (2023 average)	4,906 units
Annual high in 2023	102.00 euros
Annual low in 2023	82.40 euros
Year-end price 2023	101.20 euros

CEWE share price in the period from January 1, 2023 to March 1, 2024



to fixed-interest investments. Small and mid caps were particularly badly affected by this development, since in many cases the group of potential investors likewise shrank here. While there were some initial indications of an opening of the primary market in 2023, even IPOs and spin-offs in Germany, Austria and Switzerland with higher levels of capitalisation were only placeable subject to considerable markdowns.

From a segment point of view, blue chip companies in the Eurozone and the USA especially performed very strongly. In this context, at the end of the year Germany's DAX index reached a new all-time high of 17,003 points. In addition, the AI boom – which started with the launch of ChatGPT – triggered an upswing for many technology stocks. However, due to the ongoing high level of general uncertainty, above all stocks with low levels of liquidity and market capitalisation were subject to further markdowns. This in turn led to a mixed performance for Germany's share

indexes. The DAX ended 2023 up 20.3%, the MDAX rose by just 8.0%, the SDAX performed more strongly, with growth of 17.0%, while the TecDAX picked up by 14.3%. The Scale All Share lost –3.6% and the Scale 30 as much as –15.8%.

CEWE share rises by 14.1% in 2023

In the past financial year 2023, the CEWE share achieved strong growth of 14.1% and ended the year with a year-end price of 101.20 euros (year-end price 2022: 88.70 euros). Its performance was thus roughly in line with that of all 70 SDAX companies, whose market value rose by around 17% on average. The average monthly volume of trading of the CEWE share on the XETRA index was roughly 9.7 million euros in 2023 (monthly average in 2021: 15.6 million euros). The weaker trading turnover of the CEWE share went hand in hand with an overall decrease in the volume of order book turnover in 2023 for all listed companies in XETRA trading.



Small and mid-caps such as CEWE were once again particularly badly affected here, since investors preferred highly liquid DAX stocks in particular and thus further reduced trading volumes for smaller companies.

CEWE has strengthened its position in the SDAX

Companies are allocated to a specific German stock index according to their level of “market capitalisation”. Moreover, the German stock exchange regularly reviews whether a company meets the requirements for a particular level of minimum liquidity. The CEWE share clearly exceeds the minimum liquidity requirements; in terms of market capitalisation, CEWE moved up to 129th position at the end of 2023 (December 31, 2022: 137th position). The CEWE share has thus strengthened its position on the SDAX index, which normally features shares with a ranking of 165 or higher.

Dividend for 2023 to rise for a 15th consecutive occasion

With a goal of dividend continuity, CEWE seeks to issue a dividend every year which ideally increases, but is at least unchanged in absolute terms, where this appears possible in view of the company’s economic situation and the available investment opportunities. For the financial year 2023, the Board of Management and the Supervisory Board of CEWE Stiftung & Co. KGaA will propose to the general meeting an increase in the dividend to 2.60 euros for each share conferring a dividend entitlement (dividend for the financial year 2022: 2.45 euros). On the basis of the 2023 year-end price of 101.20 euros, this corresponds to a dividend yield of 2.6%. If the general meeting which will be held on June 5, 2024 agrees to this proposal, this will be the highest dividend in the company’s history and also a 15th 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 2.60 euros.

Overview of current analysts’ assessments

	Analysts’ assessments	Date
Hauk & Aufhäuser	Buy	Feb. 15, 2024
Baader Bank	Buy	Feb. 21, 2024
montega	Buy	Feb. 15, 2024
GSC Research	Buy	Feb. 21, 2024
FMR Research	Buy	Feb. 15, 2024
Kepler Cheuvreux	Buy	Feb. 14, 2024
Warburg Research	Buy	Feb. 14, 2024

All of the analysts continue to concur in their positive investment analysis and recommend buying the CEWE share.

CEWE dividend (euros per share)



Analysts recommend buying the CEWE share

The analysts who follow CEWE concur in their positive investment analysis and are signalling “buy” for the CEWE share. For a continuously updated overview of these analysts and their recommendations, please go to the Investor Relations section of CEWE’s website ir.cewe.de.

The intention is for the dividend for the financial year 2023 to climb to 2.60 euros per share: a 15th consecutive dividend rise!



Stable shareholder structure strengthens management's strategy

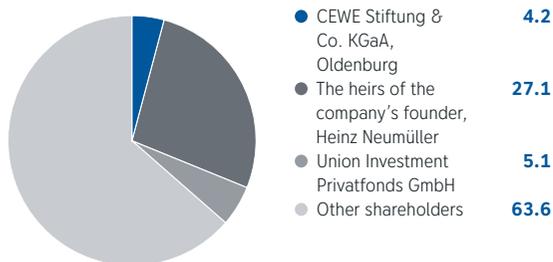
The heirs of the company's founder Heinz Neumüller – Alexander Neumüller (AN Assets GmbH & Co. KG, Oldenburg) and Dr Caroline Neumüller (CN Assets GmbH & Co. KG, Oldenburg) – are CEWE's largest shareholders, with a combined interest of 27.1%, and the company has thus enjoyed a high level of ownership stability for many years now. The group of notifiable investors with shareholdings in excess of 5% also includes Union Investment Privatfonds GmbH. The small and mid-cap orientation of its fund means that it fits perfectly with CEWE.

The CEWE equity story: dependable stability, consistent rise in profitability, a market leader with steady growth

What makes investing in CEWE particularly attractive? CEWE's equity story can be summed up in terms of the following four aspects:

For many years, CEWE has enjoyed a high degree of ownership stability.

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



1. Dependable stability

Thanks to its strong equity ratio of almost 60% and a very solid net cash position, CEWE has an extremely solid balance sheet. Demand (above all in Photofinishing) is largely independent of the general economic situation. Balance sheet stability and a stable level of demand provide very reliable and solid foundations for CEWE.

2. Consistent rise in profitability

The earnings margin of CEWE's Photofinishing core business unit – which has steadily risen for some years and is protected by strong brands – and its Commercial Online Printing business unit's long-term improvement in profitability promise further growth in earnings for the entire CEWE Group in future.

3. A market leader with steady growth

As a market leader and thus natural consolidator in the photofinishing sector, CEWE enjoys growth opportunities in many European countries. Moreover, innovations and the continuous development of new products are in CEWE's DNA. The trend towards smartphone photography and the use of artificial intelligence for product configuration and ordering underpin this growth.

4. Strong results

With earnings rising consistently for many years (as explained in the "Long-term trend" section above) and with a very respectable return on capital employed (ROCE), CEWE has not least proven to be an extremely reliable dividend payer: CEWE's dividend proposal for the financial year 2023 represents a 15th consecutive dividend increase for its shareholders.

15

years of unbroken dividend growth:
CEWE thus remains among the top three of all 644 listed companies in Germany!¹

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. 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 the main financial centres. For details of the dates currently scheduled for 2024, please refer to the financial calendar on [page 218](#) of this report or visit our IR website at ir.cewe.de.

¹ Calculated on the basis of the 2023 dividend study by Dividenden Adel, isf Institut and Deutsche Schutzvereinigung für Wertpapierbesitz e.V. (DSW)



Report of the Supervisory Board

Dear shareholders, dear friends of our company,

In the financial year 2023, CEWE continued to develop positively in a geopolitically and economically turbulent environment.

The Supervisory Board would like to sincerely thank all of the Group's employees and the Board of Management for their combined efforts and their ability and willingness to once again successfully meet the changing and growing demands of the year under review.

In the year under review, the Supervisory Board duly performed the tasks required of it by law, the company's articles of association and the Supervisory Board's rules of procedure as well as the German Corporate Governance Code (GCGC). In particular, it carefully and regularly monitored the work of the Board of Management and advised it on its management and strategic development of the company and in case of key decisions. In addition, the Chairman of the Supervisory Board and the Chairwoman of the Audit Committee maintained a close and regular dialogue with the Board of Management even between the meetings of the company's executive bodies. Important information was reported, at the latest, at the next Supervisory Board meeting.

Supervisory Board meetings, general meeting

The Supervisory Board met in full seven times in the year under review, on February 22, March 22 (balance sheet meeting), April 5 (extraordinary meeting), May 11 (extraordinary meeting), June 7, September 13 and November 8, 2023. In the financial year 2023, the Supervisory Board had the following members and held meetings on the following dates:



Kersten Duwe
Chairman of the Supervisory Board
of CEWE Stiftung & Co. KGaA

**Supervisory Board meetings in 2023, with a breakdown of meeting formats and attendance**

	2/22 in-person	3/22 in-person	4/5 virtual	5/11 virtual	6/7 in-person	9/13 in-person	11/8 in-person
Petra Adolph	P	P	P	P	P	P (V)	P
Nurol Altan (since June 7, 2023)					A	P	P
Marc Bohlken (since June 7, 2023)					P	P	P
Paolo Dell'Antonio	P	P	P	P	P	P	P
Kersten Duwe (since June 7, 2023)					P	P	P
Patricia Geibel-Conrad (to June 7, 2023)	P	P	P	P			
Marion Gerdes (to June 7, 2023)	P	P	P	P			
Jan Grüneberg (since June 7, 2023)					P	P	P
Prof. Dr Christiane Hipp	P	P	P	P	P	P	P (V)
Insa Lukaßen	P	P	P	P	P	P	P
Daniela Mattheus (since June 7, 2023)					P	P	P
Alexander Oyen (to June 7, 2023)	P	P	P	P			
Martina Sandrock	P	P	P	P	P	P	P
Markus Schwarz	P	P	A	P	P	P	P
Dr Birgit Vemmer	P	P	P	P	P	P	P
Elwira Wall (to June 7, 2023)	P	P	P	A			
Frank Zweigle (to June 7, 2023)	P	P	P	P			

P= present

A= absent (excused)

V= attendance in virtual form

With the exception of three members who were each absent on one occasion for personal reasons (Mr Altan, Mr Schwarz, Ms Wall), all of the members of the Supervisory Board were present in person, or else participated digitally, at all of its meetings.

The members of the Board of Management attended the Supervisory Board's meetings – except for the meetings held on April 5, May 11 and June 7. Where necessary, the Supervisory Board met internally following these meetings.

Core issues dealt with by the Supervisory Board

At all of the regular meetings of the Supervisory Board, the Board of Management presented the development of the Group's net assets, financial position and results of operations for the individual business units of the corporate group, with a breakdown for Germany and other countries, as required, and including the previous-year figures and the planning figures. At each ordinary meeting, the Supervisory Board received a report on the current status of the risk report as well as the ongoing development of the Group-wide IT structure. The report provided by the compliance officer was also on the agenda at each meeting.



At the meeting held on [February 22, 2023](#), the Supervisory Board also discussed in depth with the Board of Management the potential impact on the company of the dispute between CEWE's executive bodies in 2022 (in particular, the financial situation of the managing partner Neumüller CEWE COLOR Stiftung, reactions of investors and the capital market), the Board of Management's self-management during the first few months of the year under review (without a CEO), the onboarding process for the new CEO, the overview of corporate planning and investments in 2023, CEWE's personnel strategy and its report on donations. In addition, a skills and expertise matrix was produced for the Supervisory Board.

At the balance sheet meeting held on [March 22, 2023](#), those present approvingly noted the audit findings for the annual financial statements and the consolidated financial statements, the combined management report, the consolidated non-financial statement, corporate governance and risk management, the report on related parties and the remuneration report.

The Board of Management's proposal for the appropriation of profits was approved.

Based on the recommendation of the Audit Committee, the Supervisory Board resolved to propose to the general meeting the appointment of BDO AG, Wirtschaftsprüfungsgesellschaft, Hamburg, as auditors of the annual financial statements and consolidated financial statements for the financial year 2023.

The Supervisory Board's report was discussed and approved.

Finally, the Board of Management provided an account of the developments in the dispute between CEWE's executive bodies.

At the extraordinary meeting on [April 5, 2023](#), the Supervisory Board confirmed the proposed candidates for election to the Supervisory Board who were to be presented to the general meeting. The Supervisory Board also approved the draft version of the invitation to the general meeting. This approval included an amendment of the articles of association provided for in item 8, to enable future virtual general meetings.

At the extraordinary meeting of [May 11, 2023](#), the lawyer Dr Nase of the law firm P+P Pöllath + Partners Rechtsanwälte und Steuerberater mbB (who attended this meeting as a guest) provided the Supervisory Board with a presentation on the reimbursability of

costs incurred by Neumüller CEWE COLOR Stiftung in connection with the makeup of the company's executive bodies.

Following the election of the shareholders' representatives at the general meeting which took place on [June 7, 2023](#), at its constitutive meeting the Supervisory Board elected Mr Kersten Duve as its Chairman and Mr Markus Schwarz as its Deputy Chairman. Ms Daniel Mattheus was elected as the Chairwoman of the Audit Committee, while Mr Kersten Duve, Mr Nurool Altan and Mr Markus Schwarz were elected as additional members. Dr Birgit Vemmer, Mr Paolo Dell'Antonio and Mr Kersten Duve were elected as members of the Nomination Committee.

At the meeting held on [September 13, 2023](#), the Supervisory Board held an in-depth discussion of the technology used in production operations and also inspected the company's new pouch sorter in Oldenburg.

The Board of Management reported on the decision reached to prepare to sell the company's equity investment in futalis GmbH and related considerations.

The Chairwoman of the Audit Committee reported on matters dealt with at the most recent committee meetings, in particular the auditor's review of the semi-annual financial statements as of June 30, 2023 and the tender process for the audit of the 2024 consolidated financial statements and annual financial statements.

The Supervisory Board authorised the Board of Management to implement the Stock Option Plan 2023 and the Employee Share Programme 2023 in accordance with the proposed terms and conditions.

At the meeting on [November 8, 2023](#), as well as the usual topics the Board of Management reported on the development of DeinDesign and the planned measures to improve turnover and earnings. It also provided information on the use and development of AI in the company's organisational structure, processes and products. Finally, this meeting covered CEWE's current personnel structure and strategic human resources activities, the development of the women's quota at management levels, the company's brand image as an employer as well as recruitment and junior staff planning. The skills and expertise matrix for the Supervisory Board was updated.



The Chairwoman of the Audit Committee reported on the topics dealt with by the previous day's committee meeting. The tender process for the audit of the 2024 consolidated financial statements and annual financial statements, which was necessary due to the required regular external rotation of the auditor, was successfully completed. In line with the recommendation provided by the Audit Committee, the Supervisory Board resolved to propose to the general meeting the appointment of Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, as auditors of the 2024 annual financial statements and consolidated financial statements. In addition, the Supervisory Board resolved the core areas of audit focus for the 2023 audit.

The current auditor reported on the findings of its preliminary audit and its ISA 315 (revised) audit.

In order to provide more efficient support in relation to the ongoing development of the Group-wide IT structure, the Supervisory Board appointed an advisory committee. The Board of Management keeps this committee regularly informed of key developments. Ms Petra Adolph, Dr Birgit Vemmer (Chairwoman), Mr Marc Bohlken and Mr Paolo Dell' Antonio were elected to this committee. Its first meeting was held at the start of 2024.

The Supervisory Board determined that no transactions with related parties exceeding the relevant threshold and requiring approval had occurred in the year under review.

Committee meetings

In the year under review, the [Nomination Committee](#) discussed the question of the successors to the Supervisory Board chairman, Mr Frank Zweigle, and the Chairwoman of the Audit Committee, Ms Patricia Geibel-Conrad, and selected candidates for these positions. It met on February 22, March 10, March 22 and March 29. Following highly

constructive discussions and after weighing up the strengths and weaknesses of various candidates it decided to recommend Ms Daniela Mattheus and Mr Kersten Duwe to the Supervisory Board, to be put forward to the general meeting. Mr Paolo Dell' Antonio (Chairman), Ms Patricia Geibel-Conrad, Dr Birgit Vemmer and Mr Frank Zweigle served as the members of this committee.

In the year under review, the [Audit Committee](#) had the following members: Ms Patricia Geibel-Conrad (Chairwoman, until June 7, 2023), Ms Daniela Mattheus (Chairwoman, from June 7, 2023), Mr Markus Schwarz, Mr Paolo Dell' Antonio (until June 7, 2023) as well as Mr Nurool Altan and Mr Kersten Duwe (both from June 7, 2023). Regarding the competences and makeup of the committees, please refer to the management declaration (on [pages 83ff.](#)) in the annual report.

The Audit Committee met on eight occasions during the year under review. Ordinary meetings were held on March 21, August 2, August 7 and November 3. The Audit Committee also held extraordinary meetings on August 22, September 25, October 9 and November 7. The latter meetings were necessary on account of the audit tender process required under the EU Audit Regulation (Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC ("[EU Audit Regulation](#)"). Meetings took place either in person or in the form of videoconferences.

Prior to each meeting, the Chairwoman of the Audit Committee and the auditor held a confidential discussion on the audit findings and other audit-related issues. The meetings and resolutions passed were prepared for by means of reports and other information provided by the Board of Management. Various members of the Board of Management and the auditor regularly attended all of the meetings. In addition, the heads of the related



Group functions – in particular, corporate accounting, legal & compliance, risk management and internal auditing – reported on specific items of the agenda and were available to answer any questions. The Audit Committee also met regularly and, where required, did so from time to time without the Board of Management and/or the auditor present.

The committee chairwoman kept the full Supervisory Board promptly and comprehensively informed of the matters discussed at the committee's meetings and their respective outcomes.

The Chairwoman of the Audit Committee was also available outside of committee meetings for regular discussions with the Board of Management as well as individual members of the Board of Management and selected management functions, such as risk management, compliance and internal auditing.

Moreover, between these meetings and without the Board of Management being present the Chairwoman of the Audit Committee and the auditor held a confidential discussion regarding audit issues and other matters of significance for the work of the Supervisory Board. The key issues were presented to the other members of the committee no later than the next committee meeting.

Following its appointment by the 2023 general meeting, the Audit Committee engaged the auditor to audit the annual financial statements and the consolidated financial statements, including the combined management report for CEWE & Co. KGaA and the Group and to review the semi-annual financial report for the financial year 2023. In this regard, the Audit Committee determined the audit fee and discussed the key audit matters. It was agreed that the auditor would immediately notify the Supervisory Board of any incidents and findings resulting during the audit which are of material significance for the tasks of the Supervisory Board. Appropriate parameters were stipulated for the provision of non-audit services permitted under the relevant EU legislation. The Audit Committee satisfied itself of the auditor's necessary independence. The Audit Committee also engaged the auditor to review the consolidated, separate non-financial statement for CEWE Stiftung & Co. KGaA and the Group – which is prepared in the form of a separate non-financial

report – as well as the remuneration report within the meaning of § 162 of the German Stock Corporation Act (Aktengesetz – AktG) and the report on related parties within the meaning of § 312 AktG. The remuneration report is made available to the general public via CEWE's website.

The Audit Committee considered the financial reporting of the company and the Group, including the intrayear financial reports (quarterly statements and the semi-annual financial report) and discussed these with the Board of Management. For this purpose, the auditor reported on the results of the audit activities which it had been tasked to undertake by the Supervisory Board or the Board of Management and on other findings and incidents of significance for the work of the Audit Committee. There were no objections.

The Audit Committee also examined the financial reporting process and the effectiveness of the internal Group-wide control and risk management system as well as the ongoing development of the latter. In addition, the quarterly risk reports were discussed. The Audit Committee also discussed the reports provided by the compliance officer on compliance within the Group as well as significant legal disputes and the internal auditing department's status report.

The Audit Committee moreover considered CEWE's sustainability reporting and implementation of the reporting requirements arising from the EU Taxonomy and CSRD regulation. In the year under review, the Audit Committee once again ensured that it was kept regularly informed of any changes to the regulatory environment and discussed required measures, including the impact of the German Act Transposing the EU Minimum Tax Directive.

The auditor's provision of non-audit services and compliance with the parameters stipulated in this regard were monitored and adjustments were made.

The Board of Management also presented its report on transactions with related parties. There were no transactions requiring approval within the meaning of § 111b AktG.



An additional focus of the Audit Committee in the financial year 2023 – due to the required regular external rotation of the auditor upon expiry of the financial year 2023 – was the implementation of a transparent and discrimination-free process for the selection of the auditor for the financial year 2024. For this purpose, at its ordinary meeting on August 2, 2023 the Audit Committee had resolved to initiate a tender process pursuant to Art. 16 of the EU Audit Regulation. Following a multistage process and a careful review of the tendering firms in terms of their qualifications and independence, the Audit Committee passed a resolution on this matter at its meeting of November 7, 2023. The Audit Committee provided the Supervisory Board with a recommendation (including the reasons for this) that a proposal be made to the general meeting for either Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, or PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Bremen, to be appointed as the auditor of the annual financial statements and consolidated financial statements for the financial year 2024 and to review the semi-annual financial report for the financial year 2024. The Audit Committee justified its preference for Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg.

At its balance sheet meeting held on March 18, 2024, in the presence of the auditor the Audit Committee discussed the annual financial statements and consolidated financial statements as well as the combined management report for CEWE Stiftung & Co. KGaA and the Group, and the consolidated, separate non-financial report for CEWE Stiftung & Co. KGaA and the Group for the financial year 2023, including the auditor's audit reports and audit opinions, the related proposal for the appropriation of profits, the remuneration report and the report on related parties. It also prepared the corresponding resolutions to be adopted by the Supervisory Board. The Audit Committee was provided with detailed information on the audit activities and audit findings of the auditor for the parent company as well as its German and foreign subsidiaries, particularly in relation to the key audit matters and the defined core audit areas. The audit of the accounting-related internal control system and the early risk detection system were also discussed in depth. The Audit Committee also considered the audit process and its level of quality at this meeting. Further members of the Supervisory Board were also able to attend this balance sheet meeting of the Audit Committee as guests.

Corporate governance

In the year under review, the Supervisory Board had eight female members (until June 7, 2023)/six female members (from June 7, 2023) and four male members (until June 7, 2023)/six male members (from June 7, 2023) and thus continued to fulfil the Supervisory Board quota which is required by law.

For the financial year 2023, the Board of Management and the Supervisory Board have submitted an updated declaration of conformity in accordance with §161 AktG, which is available on the company's website. In addition, in the management declaration – which the Supervisory Board adopts as its own – the Board of Management reports on corporate governance at CEWE (available at ir.cewe.de – see Corporate governance/Declaration).

Conflicts of interest

In the reporting period, there were no conflicts of interest on the part of members of the Board of Management or the Supervisory Board which must be immediately disclosed to the Supervisory Board and notified to the general meeting.

Initial and advanced training

The members of the Supervisory Board independently receive the initial and advanced training that they require for their tasks. CEWE assists the members of the Supervisory Board here by providing them with access to membership of an online supervisory board portal with relevant instruction materials and reference works. New members of the Supervisory Board are able to obtain an overview of the company (onboarding) by discussing key matters and current topics with the Board of Management and the executives concerned.

Changes to the makeup of the executive bodies

On September 13, 2022, the Board of Trustees of Neumüller CEWE COLOR Stiftung appointed Ms Yvonne Rostock, Ratingen, as the Chairwoman of the Board of Management of Neumüller CEWE COLOR Stiftung. She took up her post on March 1, 2023.



In 2023, regular elections to the Supervisory Board were held for the next term of office of around five years, i.e. up to the end of the general meeting which grants discharge to the Supervisory Board members for the fourth financial year since the start of their term of office, not including the financial year in which this term of office begins. The Supervisory Board members Ms Patricia Geibel-Conrad, Ms Marion Gerdes, Mr Alexander Oyen, Ms Elwira Wall and Mr Frank Zweigle retired from the Supervisory Board on June 7, 2023. On the other hand, Ms Daniela Mattheus and Mr Kersten Duwe were elected to the Supervisory Board of CEWE Stiftung & Co. KGaA by the general meeting, while Mr Marc Bohlken, Mr Nural Altan and Mr Jan Grüneberg were elected to this executive body by CEWE's employees. These new members were in each case elected for the first time. The other members of the Supervisory Board were re-elected.

Annual financial statements and consolidated financial statements, audit

The annual financial statements and the management report, combined with the management report of CEWE Stiftung & Co. KGaA, have been prepared by the Board of Management in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch – HGB), while the consolidated financial statements and the combined consolidated management report have been prepared in compliance with the International Financial Reporting Standards (IFRS), as applied in the European Union (EU), as well as the provisions of German law which apply in addition under § 315e (1) HGB.

BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg – which was appointed as the auditor for the financial year 2023 by the general meeting – audited the annual financial statements and the consolidated financial statements as well as the consolidated management report combined with the management report for CEWE Stiftung & Co. KGaA for the financial year 2023, including the accounting, and issued an unqualified auditor's opinion in each case. Mr Jörg Sabath and Mr Christoph Hyckel have acted as the company's auditors. Mr Jörg Sabath has done so since the financial year 2019 and Mr Christoph Hyckel – as the auditor with responsibility for the audit – since the financial year 2021. The auditor also determined that the Board of Management has established an appropriate information and monitoring system which is suitable in order to identify early on any developments which jeopardise the continuation of the company as a going concern.

At its meeting held on March 18, 2024, the Audit Committee initially verified on the basis of the audit reports and the Board of Management's report that these two sets of financial statements and the combined management report provide a true and fair view of the net

assets, financial position and results of operations in compliance with applicable accounting regulations. At this meeting, the auditor discussed in detail the process as well as the key findings of its audit of the separate financial statements and the consolidated financial statements and of the combined management report, including the key audit matters and the other core audit areas. The audit of the non-financial reporting and the remuneration report were also explained and discussed in detail. The auditor was available throughout the meeting to answer any further questions. In particular, it reported on the structure of the accounting-related internal controls and the risk management system. It did not report any significant weaknesses. The Chairwoman of the Audit Committee reported to the Supervisory Board on the audit findings on March 19, 2024.

For its part, the Supervisory Board also audited the annual financial statements, the proposal for appropriation of the unappropriated profits for 2023 as well as the consolidated financial statements, the combined consolidated management report and the remuneration report for the financial year 2023. All of these documents – including the auditor's audit reports – were provided in good time. The auditor was also present at the balance sheet meeting of the Supervisory Board held on March 19, 2024 and was available to provide further information. Additional questions from the members of the Supervisory Board prompted an in-depth discussion of the presented findings.

The Supervisory Board was able to verify the appropriateness of the general partner's proposal for appropriation of unappropriated profits in relation to the company's net assets, financial position and results of operations and agreed to this proposal, following a discussion in the presence of the auditor. Finally, the Supervisory Board complied with its audit obligation under § 171 (1) sentence 4 AktG in relation to the consolidated non-financial statement and did not raise any objections.

Following a preliminary audit by the Audit Committee at a meeting held on March 18, 2024, at its meeting of March 19, 2024 the Supervisory Board endorsed the annual financial statements and the consolidated financial statements of CEWE Stiftung & Co. KGaA as well as the combined management report, and found that there were no grounds for objections. Following the discussion at its balance sheet meeting held on March 19, 2024, the Supervisory Board agreed to the general partner's proposal to the general meeting to approve the annual financial statements of CEWE Stiftung & Co. KGaA and moreover issued its consent to the general partner's proposal for the appropriation of profits, with the distribution of a dividend of 2.60 euros.



Report on related parties

The Supervisory Board's independent audit likewise covered the report prepared by the general partner pursuant to § 312 AktG on relationships with affiliates (report on related parties) for the year under review. The report on related parties has also been audited by the auditor, which has issued the following audit opinion for this report:

“Upon due completion of our audit and assessment, we hereby confirm that

1. the factual statements provided in the report are accurate,
2. the company has not made any disproportionately large payment for any of the legal transactions listed in the report.”

The report on related parties and the audit report of the auditor on the report on related parties were available to the Audit Committee at its meeting held on March 18, 2024 and to all of the members of the Supervisory Board at its balance sheet meeting held on March 19, 2024. Even after consultation with the auditor and the Board of Management following the final outcome of its audit, the Supervisory Board has not raised any objections in relation to the general partner's declaration at the end of its report on related parties. The Supervisory Board has approvingly noted the outcome of the auditor's audit of the report on related parties.

Oldenburg, March 19, 2024

The Supervisory Board of CEWE Stiftung & Co. KGaA

Kersten Duwe, Chairman



CEWE Photo Award 2023: Our world is beautiful, Triathlon Rainer Kofferlein, Germany – winner of the Sport category



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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 continuously and rigorously expanded its product range.

Through its product management strategy, CEWE is not only developing new products but also strengthening demand and sales through its product and brand communication activities. Consumers can purchase CEWE's photofinishing products from business partners supplied by CEWE and also from CEWE directly. For almost all of the photofinishing products ordered from CEWE, CEWE also handles acceptance of orders and customer communication.

Europe accounts for almost 100% of CEWE's Photofinishing business.

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

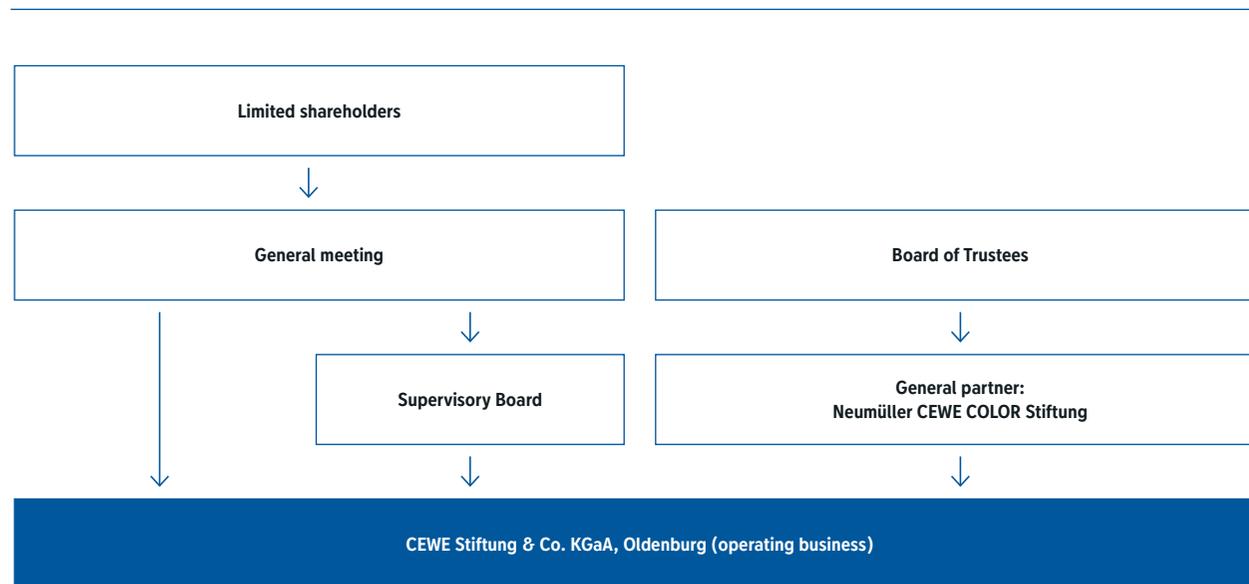
CEWE is active in its Commercial Online Printing business unit through the production and marketing of printed advertising media via the distribution platforms SAXO-PRINT, viaprinto and LASERLINE. CEWE operates its Commercial Online Printing business unit for printed advertising media in Germany and other European countries, where local websites are present. 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).



Organisation and management systems

Organisational structure

The CEWE business group has the following structure:



☞ see Board of Management, pages 185f.

In 2023, Neumüller CEWE COLOR Stiftung was represented by seven members of the Board of Management. The Group's other 3,896 staff (2023 average) were employed by CEWE Stiftung & Co. KGaA and the subordinate Group companies.

Legal structure combines the advantages of the capital market and a family approach

The legal form of a partnership limited by shares enables the CEWE Group to combine the typical strengths of capital-market-oriented companies with those of family firms.

The company's founder, Senator h.c. Heinz Neumüller, intended to ensure that his entrepreneurial principles would remain permanently established within the company. He also aimed to ensure the company's long-term future. This is safeguarded through Neumüller CEWE COLOR Stiftung and the large interest held by AN Assets GmbH & Co. KG and CN Assets GmbH & Co. KG (the heirs of the company's founder, Heinz Neumüller, and the company's largest shareholders with a combined 27.1% stake, ☞ see Shareholder Structure, page 41). The former ensures that the business group continues to be managed true to the legacy of Heinz Neumüller and thus upholds the character of the family firm. It stands for a long-term orientation in terms of the company's business policy. For this reason, it is also responsible for its management.

The company's founder always demanded that the CEWE business group should operate innovatively, while optimising income. The capital market effectively promotes these entrepreneurial objectives. The decision-making of the company's executive bodies – i.e. its management and its Supervisory Board – reflects its shareholders' interest in an attractive investment, with the goal of solid and sustainable long-term growth in the value of the company and thus of their investment. ☞ see Results, from page 61



In the view of the Board of Management, the combination of these two advantages enables an innovative company which is managed on the basis of an income-oriented and sustainable business model and which also lives up to its social responsibility as an employer and as an economic engine.

As its general partner, Neumüller CEWE COLOR Stiftung is entitled to receive reimbursement from CEWE Stiftung & Co. KGaA or for CEWE Stiftung & Co. KGaA to bear any expenses resulting in connection with its management activities. For its management activities and to cover its personal liability Neumüller CEWE COLOR Stiftung receives annual remuneration – irrespective of any profit or loss – in the amount of 50,000 euros plus any value added tax applicable.

CEWE operates through a total of 35 subsidiaries

CEWE Stiftung & Co. KGaA is the parent company which manages all of the CEWE Group's activities. Retail is directly combined with Photofinishing in countries where a production plant is present. Otherwise, it operates independently. From an operational point of view, photo products are also sold through the Group's retail companies. However, in terms of strategic management they form part of the Photofinishing business unit, since they follow an entirely different growth path and their strategic significance differs from that of photo hardware, which is reported in the Retail business unit.

Management of the CEWE Group

The Board of Management of Neumüller CEWE COLOR Stiftung is responsible for overall planning and fulfilment of the goals of the CEWE Group. The allocation of responsibilities is set out in the "Other disclosures" section of the Notes [1](#) see pages 185f.

¹ This symbol indicates that this report provides further information on this matter.

Regular strategic planning: economic forecast reflects identifiable trends

The Board of Management of Neumüller CEWE COLOR Stiftung determines the long-term strategy of the CEWE Group. This reflects trends in CEWE's competitive, market and technological environment. The Board of Management reviews the company's strategic orientation several times a year and discusses the resulting tactical and operational measures. External experts also take part in these meetings, where necessary. At least once a year, the company's current strategy is discussed with its supervisory bodies as well as its executives, and the core aspects of this strategy are communicated within the company.

Investments on the basis of profitability calculations

Investments which consistently assume profitability calculations and which entail continuous as well as follow-up monitoring also form part of the company's corporate planning.

Close monitoring through monthly target/actual comparisons

Every month, a target/actual comparison is implemented for the strategic business units and for each of the profit centres as well as for the CEWE Group as a whole. This monitoring includes the profit centres of the individual company CEWE Stiftung & Co. KGaA. These target/previous year/actual comparisons enable close monitoring of goal achievement and an early response by the Board of Management and the management. At the same time, these and other operating indicators of the production plants and the distribution companies are passed on to all of the managers of these profit centres, for internal benchmarking and discussion. The key financial performance indicators used at CEWE are outlined in the "Goals and strategies" section [1](#) see pages 54f.

Goals and strategies

Findings derived from market research and strategic activities are factored into CEWE's long-term forecast model and provide CEWE's management with a perspective on possible future profit and loss accounts, balance sheets, cash flows and the company's enterprise value.

Continuous business development: CEWE defines initiatives and consistently follows through on them

On the basis of this forecast, CEWE defines initiatives so as to drive forward its future development in the interest of the company and its various stakeholders. The effect of these initiatives is also factored into CEWE's forecast model. Within the scope of the structures outlined above, the company's management thus continuously monitors the implementation of these initiatives. In this way, CEWE is evolving all the time.

A focus on long-term profit and enterprise value

Through these measures, CEWE clearly focuses on optimising its long-term business performance. Earnings for a single quarter or even for an entire year are viewed within the perspective of the company's long-term development. CEWE thinks in terms of decades.

The goal: profitable and capital-efficient growth, which will boost enterprise value

The supreme long-term goal of the CEWE Group is continuously profitable and capital-efficient growth. For this purpose, CEWE uses both financial and non-financial performance indicators, for which annual target figures are published. No target figures are published for the additional, balance-sheet-related performance indicators.



Non-financial performance indicators: number of photos and CEWE PHOTOBOOKS

CEWE uses the total number of photos as a non-financial performance indicator in the Photofinishing business unit. These photos also include all of the images which are used in value-added products (e.g. CEWE PHOTOBOOK, photo calendars, wall art, greeting cards and other photo gifts). Due to the key significance of this product, the number of CEWE PHOTOBOOKS produced is shown as a separate indicator. CEWE's management analyses all of these indicators at least weekly, and in some cases daily. CEWE also provides information on its development in its annual report, by means of a target/actual comparison, and discusses this in the "Results" chapter [see page 61](#). A target figure for the following year is indicated in the forecast. Non-financial performance indicators do not play such a significant role in Commercial Online Printing and thus are not discussed in external communications.

Turnover and EBIT/EBT are very closely monitored for operational purposes

CEWE analyses its turnover trend every day in all of its units (but not for the consolidated Group) and conducts a monthly review of its earnings (incl. EBT) as key variables. The financial statements prepared by all of the Group's companies are likewise consolidated and analysed in a target/actual/previous-year comparison. Deviations from target figures and previous-year figures are assessed in terms of their effect on financial goals. The responsible individuals already account for any such discrepancies through comments during preparation of the company's reports. The earnings of the company's strategic business units are monitored at the level of turnover and EBIT. The Board of Management discusses every month both earnings in the strategic business units and for the Group as a

CEWE performance indicators

		Internal reporting	External reporting	Forecast for the year
Non-financial indicators	Total number of photos	Week	Quarter	yes
	CEWE PHOTOBOOKS			yes
Financial indicators	Turnover	Day	Quarter	yes
	EBIT	Month		yes
	EBT			yes
	Investments	Month/quarter	Quarter	yes
	Earnings after tax	Quarter	Quarter	yes
	Earnings per share			yes
Additional indicators	ROCE	Quarter	Quarter	–
	Free cash flow			–
	Operating WC			–
	Equity ratio			–
	Dividend	Year	Year	–

whole and the detailed figures for the individual profit centres. This monitoring includes the profit centres of the individual company CEWE Stiftung & Co. KGaA.

Investments

Investments are an important indicator, since they have a significant impact on the volume of capital employed (which is practically irreversible over the useful life of the capital item) and (besides the earnings figure) have the largest impact on free cash flow. The situation differs for the additional indicator "Operating working capital", as outlined further below. CEWE therefore monitors investments very closely. Beyond the volume already authorised, subsequent increases in these areas are not possible without further authorisation from the responsible investment managers. Consolidated investment reporting

is provided at least quarterly in the first half of the year. During the phase of larger investments – i.e. in preparation for year-end business – the management reviews this indicator every month.

Additional indicators: ROCE, free cash flow and operating working capital

In each quarterly statement and every quarterly and annual report, CEWE analyses its ROCE figure to determine the rate of return on its capital employed. For many years now, CEWE has achieved figures above the 15% mark. Since CEWE's pre-tax capital cost rate has been below 10% for some years now, according to analysts' calculations in their research reports, CEWE is certainly delivering increasing value. The long-term goal is a ROCE figure which continues to clearly exceed the capital costs.



Free cash flow is a key variable determining the company's enterprise value and is therefore transparently analysed in the annual report. As well as investments – which are closely monitored, as already mentioned – and EBIT, the development of operating working capital is a key factor affecting capital employed and the free cash flow. This figure is therefore explained together with the ROCE and the free cash flow. As already outlined above, more frequent assessment of this figure is not necessary, since undesirable effects on working capital as of the reporting date can generally be compensated for on a short-term basis. For instance, a business partner's year-end payment which is delayed by just a few days can easily reduce the company's free cash flow by several million euros. While any such development will naturally be closely monitored, in operational terms it is generally meaningless, particularly since other operational monitoring systems highlight such delays much more directly than the cash flow statement does. Moreover, from the point of view of its outflow of liquidity, CEWE's liquidity is so strong that the company is able to exploit an earnings opportunity, even on a short-term basis, to the detriment of its liquidity.

Solid balance sheet: equity ratio as a further indicator

CEWE aims to ensure the company's continuous and sustainable development. For instance, the indicators of a strong balance sheet include sufficient cash reserves, available lines of credit and a solid equity ratio. At the present time, CEWE considers its level of capitalisation to be stable, with an equity ratio in excess of 50%. In CEWE's opinion, sufficient liquidity or sufficient lines of credit and an extremely solid equity capital position (also

by comparison with the competition) not only boost the company's stability and resilience in the event of a crisis, they also enable it to purposefully exploit any strategic options which become available, such as attractive acquisition opportunities.

The company's ROCE, free cash flow, working capital and equity ratio are analysed in further detail in the quarterly financial statements. Due to possible short-term setbacks which may arise for the company's cash flow or working capital, as outlined above, no precise planning variables are stated for these additional indicators. Due to their significance, these indicators are discussed in detail in the "Results" chapter [see page 61](#).

Goal: absolute annual dividend growth as far as possible

CEWE has the declared goal of offering its shareholders a dividend on the basis of its earnings figure which increases slightly each year, where possible, or is at least constant, if the company's economic situation permits this. The distribution ratio is explicitly not a control variable, and is rather the outcome of this dividend policy.

Research & development

In December 2023, almost exactly three out of four images transferred from the order processing clients to CEWE's production plants for production had been taken by smartphones. This proportion is roughly uniform for all ordering channels (desktop, mobile and CEWE Photo-station). In this year, it was once again clear that CEWE is

pursuing the right approach for its brands by offering solutions for computers, browsers and apps and that the effort of supporting all of the main operating systems and integrating in the design process relevant online storage locations such as Google, Apple, Amazon and Microsoft is paying off. The links between these ordering channels and CEWE Photostations – via CEWE myPhotos or directly via the smartphone app – and thus support for our omnichannel approach were again bolstered in the year under review and are set to be expanded even further.

The applications developed at CEWE's "Mobile and Artificial Intelligence Campus" (MAIC) were expanded and also rolled out to subsidiaries during the reporting year and (in the Board of Management's view) further enhanced. They also gained new features which make the experience of designing products even more fun. These include an AI-based design process functionality which optimally determines the relevant section of an image which will fit an available frame and another functionality (also AI-based) which suggests the right background colours for a page.

These types of changes were incorporated in the various ordering channels. Significant further improvements (in the company's view) were made to the customer service chatbot, in terms of functionalities and the user experience, and this chatbot was also made available to our subsidiaries. Feedback from customers is encouraging us to continue down this path and make greater use of our bot to handle simple and frequently submitted queries.



These and all of CEWE's other artificial intelligence applications (also combined with traditional algorithms) are transparently presented in CEWE's customer charter at  ¹ www.cewe.ai, and a number of further applications were added in 2023. The benefit for customers and protection of their privacy are always the prime considerations. Images will not be transferred to public albums or to servers outside the scope of the GDPR or else to third parties for marketing purposes. Consumers retain full control over the whereabouts of their images and their analysis in order to suggest design ideas.

My CEWE PHOTOWORLD

Consumers generally use our software "My CEWE PHOTOWORLD" to produce CEWE PHOTOBOOKS. This software is available for Windows, Mac and Linux computers and for Android and iOS smartphones. Many CEWE customers are therefore transferring their images from their smartphones to their computers. Customers have long recognised the benefit of transferring their images to a computer when placing an order with CEWE: the design process is even faster and more intuitive, and transferring pictures to a PC also means that important images are backed up. Further MAIC functions have been incorporated for this purpose. This has brought further improvements to the design process for individual pages, but also to the auto-suggest function in the desktop software and smartphone app versions of the CEWE PHOTOBOOK assistant. As regards CEWE's smartphone apps, a new editor function for placing orders was completed for CEWE Calendar ahead of the Christmas season and made available to the company's customers. This has resulted in a further increase in the conversion rate, but above all in the level of customer satisfaction.

New products have been integrated in every category. CEWE PHOTOBOOK has been equipped with additional designs and templates for the yearbook campaign as well as finishes, while CEWE Calendar and gift items have gained attractive designs in particular. In the Board of Management's opinion, consumers very rapidly responded to these additional offerings, in order to produce even more attractive gifts for Christmas. The desktop software was launched in Germany and Austria in time for Christmas, while the new apps were available in all of the countries to which CEWE delivers.

COPS – the CEWE ONLINE PRINTING SYSTEM

Here too, a lot of work has been done on the editor functions which enable customers to order products. Above all, this is reflected in terms of the increased use of smartphones to order so-called "single-image products". Smartphone use has picked up strongly here, since customers do not necessarily wish to install an app for this on their devices. The Board of Management assumes that the company has fully achieved its goals of enhanced presentation of products and product details and, above all, improving the mobile journey for customers. This has also provided for a more uniform appearance across the range of ordering channels and further refined the company's omnichannel approach for this ordering channel too.

High-performance back-end system further optimised and AI-based function improved

In the year under review, CEWE invested in increased bandwidths for the transfer of image data from its online platform to its production plants. These investments covered its primary and backup cables. This means that data can now be transferred at a faster rate, supporting the ambitious goal of completing deliveries in time for Christmas. All of the above-mentioned applications and orders placed at the retail outlets of CEWE's business partners through CEWE PHOTOSTATIONS deliver finalised jobs to CEWE's back-end system. This back-end system continues to be distributed across two independent and redundant data centres. To ensure rapid transmission of these data volumes from the central data centres to the company's production plants, as usual the necessary additional servers were installed ahead of the Christmas season. Low-resolution images (e.g. from WhatsApp) are resized using AI methods (generative adversarial networks – GANs) and improved versions were tested and implemented in the year under review. We are thus delivering better product results for large-scale images such as a big CEWE Calendar.

The company also implemented further measures in order to optimise the sustainability of its IT processes. CEWE has once again reduced the volume of racks required in its data centres and thus their level of electricity consumption by means of further virtualisation as well as new higher-capacity servers and storage devices.

¹  This symbol indicates that further information may be found on the Internet. These references are voluntary disclosures and have not been audited by the auditor.



Economic report

Markets

High inflation dampens global economic growth

According to the current estimate from the International Monetary Fund (IMF), the global growth rate in 2023 was just 3.1% (2022: 3.5%). Growth in the developed economies fell from 2.6% in 2022 to 1.6% in 2023. With a rate of 0.5% in 2023, the Eurozone's economy registered significantly slower growth than in the previous year (2022: 3.5%).¹

According to the IMF's estimates, in the second half of 2023 especially economic growth in the United States and several major emerging markets and developing countries was stronger than expected. Government and private spending made real contributions to this upswing. Increases in disposable income are buoying consumption in the context of labour markets which remain tense, even if they are easing. Households fell back on the savings they had accumulated during the pandemic. A broad-based increase in labour market participation and the resolution of the supply chain problems inherited from the pandemic era contributed to growth on the supply side. However, this growing momentum was not apparent everywhere: the dampened rate of growth in the Eurozone especially reflected weak consumer sentiment, the

continuing effects of high energy prices and weakness in terms of interest rate-sensitive productive and corporate investments.²

Recession in Germany

According to the IMF, Germany's real gross domestic product contracted by –0.3% in 2023, following growth of 1.8% in the previous year. In 2023, Germany thus once again fell considerably short of the 0.5% average growth rate for the Eurozone as a whole.²

Unemployment in Germany increased slightly year-on-year in 2023. It averaged 5.7% over the year 2023 as a whole. This corresponds to a 0.4 percentage-point increase by comparison with 2022. This is primarily attributable to the large number of immigrants, and refugees especially. From roughly mid-2022, Ukrainian refugees were covered by Germany's social security system.³

In 2023, as in the previous year inflation in Germany was exceptionally high in historical terms. On average over the past year, the HICP inflation rate amounted to 6.0% (2022: 8.7%), but the rate of inflation declined significantly over the course of the year. What remained a high level of inflation reflected the very strong increases in food prices, which continued to rise by comparison with the previous year, 2022. Price growth for services was also stronger in

2023 than previously.⁴ At the same time, nominal wages also picked up strongly in Germany: in the third quarter of 2023, they increased by 6.3% on the same quarter in the previous year, while consumer prices climbed by 5.7% in the same period. Real wages were thus 0.6% higher than in the same quarter in the previous year.⁵

High inflation and ten consecutive interest-rate hikes

Worldwide, inflation was running at 6.8% in 2023. Inflation in the EU, measured in terms of the Harmonised Index of Consumer Prices (HICP), averaged 6.4% in 2023. Price momentum decreased by comparison with the previous year (2022: 9.2%): the highest price rises were registered for "food and non-alcoholic beverages" (12.6%) and "restaurants and accommodation services" (8.4%). On a monthly basis, in December 2023 inflation in the Eurozone fell to 2.9%; the highest rate of inflation in the Eurozone's history, around 10.6%, had been registered in October 2022.⁶ On July 21, 2022, the European Central Bank reacted to the strong inflationary momentum and raised interest rates in the Eurozone for the first time in eleven years: from zero to 0.5%. This was followed by a series of nine further interest-rate hikes. Following its tenth consecutive interest-rate rise on September 14, 2023, from October 26, 2023 onwards the ECB finally left its key interest rate at 4.5%.⁷

The euro's exchange rate against the US dollar averaged 1.0813 euros in 2023 and thus clearly exceeded the previous year's average of 1.0530 euros (2022) – with a fluctuation range between 1.1255 (July 18, 2023) and 1.0469 (October 3, 2023). As regards the currencies of relevance for CEWE,

¹ IMF: World Economic Outlook, Update Jan 2024, p. 1 ff.

² Ibid.

³ Deutsche Bundesbank Monthly Report 01/2024: p. 7

⁴ Deutsche Bundesbank Monthly Report 01/2024: p. 8

⁵ Destatis, press release, November 29, 2023: https://www.destatis.de/DE/Presse/Pressemittelungen/2023/11/PD23_456_62321.html

⁶ Destatis: <https://www.destatis.de/Europa/DE/Thema/Wirtschaft-Finanz/Inflation.html>

⁷ Statista: <https://de.statista.com/statistik/daten/studie/201216/umfrage/ezb-zinssatz-fuer-das-hauptfinanzierungsgeschaef-seit-1999/>



the euro gained value against the Swedish crown, the Norwegian crown and the British pound but fell against the Czech crown, the Polish zloty and the Swiss franc. The value of the euro against the Swedish crown averaged SEK 11.4788 over the course of the year and thus rose by around 8%, reaching a significantly higher level than in the previous year (2022: SEK 10.6296) – with a minimum level of 11.0030 SEK (February 24) and a maximum of 11.9872 (September 18, 2023). Against the Norwegian crown, the euro picked up significantly during the year, by 13% to NOK 11.4248 (2022: NOK 10.1026) – with a fluctuation range between NOK 10.5135 (January 2, 2023) and NOK 12.0045 (May 31, 2023). The euro also gained ground against the British pound: the exchange rate over the course of the year averaged GBP 0.86979 per euro (2022: GBP 0.85276) – with a fluctuation range between GBP 0.85110 (July 11, 2023) and GBP 0.89338 (February 7, 2023). Against the Czech crown the euro averaged CZK 24.004 and was thus a good two per cent lower than in the previous year (2022: CZK 24.566) – with a fluctuation range between CZK 23.271 (April 13, 2023) and CZK 24.724 (December 29, 2023). Against the Polish zloty, the value of the euro fell slightly over the course of the year to 4.5420 zloty (2022: 4.6861 zloty) – with a fluctuation range between 4.3090 (December 15, 2023) and 4.7875 zloty (February 13, 2023). The euro lost even more ground against the Swiss franc: on average in 2023, the euro's value fell to 0.9718 francs (2022: 1.0047 francs) – with a minimum level of 0.9260 francs (December 29, 2023) and a maximum of 1.0056 francs (January 12, 2023).¹

CEWE remains largely independent of cyclical trends

In a difficult macroeconomic environment characterised by strong inflation, in the financial year 2023 CEWE was once again largely independent of cyclical trends, particularly in its Photofinishing core business unit. In the financial year 2023 CEWE was once again able to compensate for the inflation-related cost increases by raising its prices.

Despite the overall rise in the cost of living and consumers' general restraint in this context, there was no decline in the level of demand for high-quality photo products, which frequently capture emotional moments. In every age group, people are finding it ever more natural to order photo products digitally.

Photofinishing market

More photos have been created than ever before over the past few years. The number of images taken increased significantly, due to mobile devices. While 660 billion photos were taken worldwide in 2013, this number had already increased to 1,200 billion in 2017.² In 2023 the figure had reached 1.81 trillion photos. This corresponds to roughly 57,000 photos a second.³

Sales of smartphones in Germany, which peaked at 26.2 million units in 2015, remain at a high stable level of approx. 22 million units in 2019 and 2020. They remain stable in 2022, with around 22 million units.²

The number of German citizens who own smartphones continues to rise. In 2022, approx. 83% of over 16 year-olds were smartphone users. The proportion in 2022 corresponds to an overall figure of approx. 57.4 million people.⁴

96% state that their smartphone makes their everyday life considerably easier. This represents a slight growth rate of one percentage point by comparison with the 2021 figure of 95%. For 90% of Germans, their smartphone is so important to them that they cannot imagine doing without it in their everyday lives. This represents an increase of two percentage points by comparison with the 2021 figure of 88%. At the same time, smartphones are expected to become ever more important in future. Asked about what the future holds in 2030, 91% of those questioned stated that the role of the smartphone would become even more significant, while 71% assume that the smartphone will provide even more functions than it currently does.⁴

This trend is also reflected in the German population's interest in photography: in 2019, 8.67 million people aged 14 years or older in the German-speaking population stated that they were (particularly) interested in photography. In 2021, this figure rose to 8.93 million. In 2022, it amounted to 8.76 million.⁵

A glance at the profile of people interested in photography in 2023 reveals that significantly more than half of photography enthusiasts (approx. 58%) are in the younger age group of 18–39 year-olds. The over-50s also account for a large share (36%). These figures are unchanged on 2022. Photo enthusiasts are more likely to be female by comparison

¹ ECB: https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html

² Bitkom/InfoTrends (2023): Photos taken worldwide <https://de.statista.com/infografik/10908/weltweit-gemachte-fotos/>

³ Photutorial (2023): How many pictures are there (2024): Statistics, trends and forecasts <https://photutorial.com/photos-statistics/>

⁴ bitkom (2023): Smartphone market grows to EUR 36.8 billion; www.bitkom.org/Presse/Presseinformation/Smartphone-Markt-waechst-368-Milliarden-Euro

⁵ Bitkom; IDC; EITO (2022): Sales of smartphones in Germany in the period from 2009 to 2022 <https://de.statista.com/statistik/daten/studie/77637/umfrage/absatzmenge-fuer-smartphones-in-deutschland-seit-2008/>



with the average population (55%, compared to 50% in the reference sample, i.e. a one percentage-point increase; in 2022 the corresponding figure was 54%, compared to 49% in the reference sample).

If their position in relation to the cycle of innovation is considered, it is clear that they are prominently represented among the group of “innovators” and “early adopters”. Their representation here has increased by three percentage points, from 13% in 2022 to 16% in 2023. On average, only around 11% of Germans are represented in this group.

In terms of photography enthusiasts’ interests, they have a significantly greater interest in travel in particular (58%) than the general population (44%). These numbers are stable by comparison with the 2022 figures.

Photography enthusiasts are active and enjoy the great outdoors. This is demonstrated by an analysis of their hobbies. 54% of them are highly enthusiastic about outdoor activities, compared to an average of 41% among the general population. This enthusiasm is also reflected in the fact that 63% of photography enthusiasts enjoy spending time in nature, which is considerably higher than the figure of 50% for the population as a whole.¹

¹ STATISTA (2023): Consumer & Brands – Target Group: Photography enthusiasts in Germany; www.statista.com/study/122931/photography-enthusiasts-in-germany/

² BVDM Economic Telegram, December 2023

³ Eurostat | Retail trade volume in the Eurozone (<https://ec.europa.eu/eurostat/documents/2995521/16047758/4-06022023-AP-DE.pdf/54e2d05b-4fee-d746-d80f-5c4ea3b003ac>)

Online Printing market

The business climate for the German printing and media industries improved in the first few months of 2023 but experienced a loss of momentum halfway through the year before deteriorating significantly. In December the business climate was then at a seasonally-adjusted level of 87.0 points and thus three percentage points lower than in the previous year. Companies in the printing industry had an even gloomier assessment of their business situation. At a level of 81.9 in December this remained clearly (around 7.0 points) below its level in the previous year. With an average index level of 81.8, sentiment in printing and media industry boardrooms thus clearly deteriorated in the final quarter of 2023 and is around 14.3% lower than the average level for the first quarter. The key factors here were a difficult order situation on account of the state of the economy, the absence of a macroeconomic recovery and ongoing cost pressure which is forcing companies to demand relatively high prices for printing products. The more optimistic assessments of the course of business at the start of the year were thus not reflected in an improvement in companies’ business situations over the course of the year.

While the procurement market for paper especially stabilised during 2023, the ongoing high cost pressure is nonetheless continuing to have a negative impact on companies’ business situations. The depressed order situation is a further factor.

The rate of employment in the printing industry fell by 3.7% overall in 2023. However, this varies a great deal, depending on the size of the company in question. For

large companies with more than 500 employees, the rate of employment rose significantly, by 9.3%. This points to the ongoing consolidation of the printing industry.²

Retail market

Compared with the previous year 2022, average annual retail turnover in 2023 fell in both the EU and the Eurozone by 1.8%.³

In our view, effective integration of over-the-counter and online business is critical for success. Customers greatly appreciate the ability to pick up products and to try them out, or try them on. In an age of digitalisation, in CEWE’s view ever more frequently retail outlets therefore serve as an experience venue and showroom to provide information and inspiration, while their significance as an actual point-of-sale is on the wane. In our view, over-the-counter retail feeds off local frequency and needs to develop this by means of an active product range policy, through which it meets customers’ needs while suggesting shopping ideas.

The trend of rising average prices in the camera segment, which has been apparent over the past few years, continued in 2023. While compact cameras (with a built-in lens) and digital reflex cameras (DSLR) continue to decline in terms of the quantities sold, sales of higher-quality mirrorless system cameras (CSC) remain at a high level. In CEWE’s view, specialist photographic retailers are benefitting particularly strongly from this trend, since they are able to provide advice for these models.



Results

Group profit and loss account

Consolidated profit and loss account in millions of euros

		2022	2023	Change in millions of euros
Revenues	(1)	732.7	780.2	47.5
Increase in finished and unfinished goods		0.0	0.2	0.3
Other own work capitalised	(2)	2.9	4.2	1.3
Other operating income	(3)	29.2	25.5	-3.7
Cost of materials	(4)	-180.5	-187.4	-6.8
Gross profit		584.2	622.7	38.5
Personnel expenses	(5)	-202.5	-218.9	-16.3
Other operating expenses	(6)	-252.8	-266.1	-13.3
EBITDA		128.8	137.7	8.9
Amortisation of intangible assets, depreciation of property, plant and equipment	(7)	-53.2	-53.8	-0.6
EBIT		75.6	83.9	8.3
Financial income	(8)	0.7	6.0	5.2
Financial expenses	(8)	-1.5	-1.9	-0.4
Financial result		-0.8	4.0	4.8
EBT		74.8	87.9	13.1
Income taxes	(9)	-23.7	-28.3	-4.6
Earnings after tax from continuing operations		51.1	59.6	8.6
Post-tax profit/loss for discontinued operation		0.0	-2.3	-2.3
Group earnings after taxes		51.1	57.3	6.2
Group earnings per share (in euros)				
Undiluted		7.20	8.43	1.23
Diluted		7.19	8.42	1.24

Revenues

Group turnover (1) increased by +6.5% in the financial year 2023 and totalled 780.2 million euros (previous year: 732.7 million euros). Turnover has risen in the Photofinishing and Commercial Online Printing business units. Turnover in the Retail business unit has decreased slightly, which is attributable to currency translation effects. The trend for the Group has been shaped by revenues in Photofinishing in particular, which have increased by 42.7 million euros. The Group revenues achieved are slightly above the upper end of the expected range.

In the financial year 2023, the CEWE Group produced 2.39 billion photos (previous year: 2.28 billion photos). The numbers of units are thus within the predicted range. Moreover, the volume of CEWE PHOTOBOOKS increased in the year under review, at 6.05 million units (previous year: 5.85 million), and is thus even slightly higher than the predicted range.

Change in individual P&L items

The significant change in other own work capitalised (2) (+1.3 million euros) is attributable, in particular, to the CEWE Photostations which CEWE's subsidiary Hertz Systemtechnik GmbH manufactures.



Other operating income (3) has decreased by 3.7 million euros, or 12.6%, by comparison with the previous year. This trend is largely explicable due to reduced income from recyclable residual materials arising during the production process in the consumables segment as well as lower income from the reversal of accruals.

The **cost of materials (4)** has also increased, in line with the turnover growth. The material expense ratio has decreased by approx. 0.6 percentage points and amounts to 23.9% in the year under review (previous year: 24.5%).

The CEWE Group's **personnel expenses (5)** rose moderately year-on-year (16.3 million euros, or 8.1%) and amount to 218.9 million euros (previous year: 202.5 million euros). On average, the CEWE Group had 3,903 employees in 2023 (previous year: 3,816). This trend mainly reflects collective agreement pay rises as well as lower social security benefits in the form of the short-time allowance.

Other operating expenses (6) likewise increased in the financial year 2023 year-on-year and at 266.1 million euros (previous year: 252.8 million euros) are higher than in the previous year, on business-related grounds. This figure represents 34.1% of turnover (previous year: 34.5%).

Depreciation and amortisation (7) have increased by 0.6 million euros year-on-year. This mainly comprises scheduled depreciation and amortisation.

The **financial result (8)** has increased year-on-year. While interest expense has increased slightly over the year as a whole (2023: 1.9 million euros; 2022: 1.5 million euros), at 6.0 million euros a significant increase in financial income was achieved in the year under review (2022: 0.7 million euros).

The Group's tax rate for the reported EBT amounts to 32.2% for the financial year 2023 and is thus slightly higher than in the previous year (31.7%). **Income taxes (9)** have risen slightly and amount to 28.3 million euros in 2023 (previous year: 23.7 million euros).

Earnings trend

The **Group EBIT** figure has increased year-on-year, in line with the development of turnover, by approx. 11.0%, or 8.3 million euros, to 83.9 million euros (previous year: 75.6 million euros) (cf. the comments on the individual business units, [page 67](#)). The EBIT figure thus exceeds the forecast range.

In line with the EBIT figure, the **EBT** trend was also positive year-on-year and is at 87.9 million euros 17.5% higher than in the previous year (74.8 million euros) (cf. the comments on the individual business units [page 67](#)). An EBT figure above the forecast range was thus achieved.

At EUR 59.6 million euros, in the financial year 2023 the CEWE Group realised **earnings after tax from continuing operations** which were 8.6 million euros higher (cf. comments on income taxes).

(Undiluted) **earnings per share from continuing operations** amounted to 8.43 euros and thus exceeded the previous year's level (7.20 euros).

Earnings of the sold subsidiary futalis, which are presented as **earnings after taxes of the discontinued operation**, amounted to –2.3 million euros, compared to a balanced 0.0 million euros in the previous year. This includes a post-tax operating loss of 1.8 million euros as well as a loss of 0.5 million euros due to this company's removal from the scope of consolidation.

At EUR 57.3 million euros, in the financial year 2023 the CEWE Group realised **earnings after tax** which were 6.2 million euros higher and has thus here too exceeded its forecast range.

(Undiluted) **earnings per share** amounted to 8.10 euros and accordingly exceeded the previous year's level (7.20 euros) and the predicted figure.



Business units

2023 in millions of euros

	Photofinishing	Retail	Commercial Online Printing	Other Activities	Inter-business- unit turnover ¹	CEWE Group
Revenues	658.8	31.3	92.2	0.0	-2.0	780.2
Change on previous year (as %)	6.9	-3.4	6.6			6.5
Change on previous year	42.7	-1.1	5.7	0.0	0.2	47.5
EBIT	80.0	0.5	4.2	-0.8		83.9
Change on previous year (as %)	8.6	179	81.4	-37.0		11.0
Change on previous year	6.3	0.3	1.9	-0.2		8.3
EBIT margin (as %)	12.1	1.5	4.5			10.8

2022 in millions of euros

	Photofinishing	Retail	Commercial Online Printing	Other Activities	Inter-business- unit turnover ¹	CEWE Group
Revenues	616.1	32.4	86.5	0.0	-2.2	732.7
EBIT	73.7	0.2	2.3	-0.6		75.6
EBIT margin (as %)	12.0	0.5	2.7	-		10.3

¹ The inter-business-unit turnover relates to the consolidation of turnover between two different business units.

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.

Photofinishing

Revenues in the Photofinishing business unit increased by 42.7 million euros year-on-year to 658.8 million euros. This corresponds to a turnover increase of 6.9%. At 80.0 million euros (previous year: 73.7 million euros), the EBIT figure for Photofinishing has made a significant contribution to the Group EBIT figure. This trend mainly reflects the continued increased volume of travel following the coronavirus period, while the inflation-related cost increases have been almost entirely compensated for.

Retail

Retail turnover has declined year-on-year. Revenues in the year under review amount to 31.3 million euros and are thus 1.1 million euros below those in the previous year. The EBIT figure in the Retail business unit has increased by 0.3 million euros to 0.5 million euros (previous year: 0.2 million euros) and thus improved slightly.



Commercial Online Printing

Revenues in the Commercial Online Printing business unit have at 92.2 million euros increased considerably by comparison with the previous year (previous year: 86.5 million euros). Things increasingly getting back to normal in the wake of the coronavirus pandemic and the recovery of business life resulted in a strong level of demand for printed advertising media. The strong turn-over trend, together with an optimised cost structure, is also reflected in the earnings volume. The EBIT figure is at 4.2 million euros significantly higher than the previous year's figure of 2.3 million euros.

Other Activities

In particular, structural and company costs as well as the result of real estate holdings and equity investments are reflected in the Other Activities business unit.

The revenues previously reported in the Other Activities business unit related to the discontinued operation futalis and are thus no longer reported there. The EBIT figure in this business unit is –0.8 million euros and therefore slightly lower than in the previous year (–0.6 million euros). This is attributable to structural and company costs.

Balance sheet

Total assets have increased year-on-year by 5.5% and amounted to 666.0 million euros at the end of the year (previous year: 632.7 million euros).

Assets

On the assets side, this trend primarily reflects an increase in property, plant and equipment and cash and cash equivalents. The year-on-year decrease in current trade receivables and receivables from income tax refunds had the opposite effect on the balance sheet total.

in millions of euros

	Dec. 31, 2022	Dec. 31, 2023	Change in millions of euros
Assets			
Property, plant and equipment	224.7	233.9	9.2
Investment properties	19.0	18.8	–0.2
Goodwill	81.8	81.8	0.0
Intangible assets	24.6	21.3	–3.2
Financial assets	9.7	6.7	–3.0
Non-current financial assets	1.0	0.8	–0.1
Non-current other receivables and assets	1.8	1.8	0.0
Deferred tax assets	13.6	14.9	1.3
Non-current assets	376.1	380.1	4.0
Inventories	59.3	60.5	1.3
Current trade receivables	98.1	91.1	–7.0
Current receivables from income tax refunds	11.1	1.5	–9.6
Current financial assets	3.1	3.2	0.1
Other current receivables and assets	11.9	12.3	0.4
Cash and cash equivalents	73.1	117.4	44.3
Current assets	256.6	285.9	29.3
Assets	632.7	666.0	33.3



Non-current assets mainly comprise property, plant and equipment, goodwill, intangible assets, investment properties as well as deferred tax assets.

Property, plant and equipment increased by 9.2 million euros year-on-year and amount to 233.9 million euros as of the reporting date. This trend is mainly due to additions which exceeded the volume of scheduled depreciation.

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) in the financial year 2023 amount to 51.7 million euros and are thus lower than envisaged in the forecast.

Intangible assets have decreased by 3.2 million euros, or 13.2%, on the previous year. They largely consist of customer bases, lists and trademark rights as well as acquired software. In terms of the development of the book values, this is mainly offset by additions in the amount of 8.0 million euros, including scheduled amortisation of 0.7 million euros.

Financial assets mainly comprise equity investments in venture capital funds and were reduced by 3.0 million euros, or 31.0%, on the previous year due to the distribution of profits.

Of the **deferred tax assets**, 6.3 million euros (previous year: 7.2 million euros) relates to loss carry-forwards and 8.6 million euros (previous year: 6.4 million euros) to temporary differences resulting from different valuations under IFRS and tax law rules for pension accruals and property, plant and equipment.

Current assets mainly comprise current trade receivables, cash and cash equivalents and inventories.

Cash and cash equivalents increased by 44.3 million euros or 60.6% year-on-year.

As of the reporting date, **current receivables from income tax refunds** are 9.6 million euros lower than in the previous year. Tax prepayments were reimbursed on the basis of a tax assessment.

As of the reporting date, **current trade receivables** are 7.0 million euros lower than in the previous year. Improved payment methods are a key factor here. In addition, business partners' payment behaviour has a significant influence on the volume of receivables as of the reporting date.

Inventories increased by 2.1%, or 1.3 million euros, in the year under review.



Equity and liabilities

At the level of [equity and liabilities](#), the increase in the balance sheet total is largely attributable to the positive trend for the CEWE Group's equity. In addition, in the current liabilities item current other liabilities and current tax liabilities have both increased. In the case of non-current liabilities, which have hardly changed, the increase in accruals for pensions was offset by a decrease in non-current liabilities from leasing.

[Equity](#) increased by 26.5 million euros, or 7.3%, by comparison with December 31, 2022. This growth is mainly attributable to the 51.5 million euros increase in retained earnings and unappropriated profits, driven by comprehensive income. On the other hand, the opposite effect resulted from the dividend payments made in the year under review in the amount of 17.4 million euros and the share buybacks, which are the main factor behind the 9.0 million euros increase in treasury shares at acquisition cost which are reported as a deduction from equity. The equity ratio at the end of the year was at 58.5% higher than the previous year's level of 57.3%, despite the balance sheet increase.

[Current trade payables](#) rose by 0.9 million euros year-on-year. This is mainly due to the higher level of business activity in the fourth quarter, on account of operating activities as well as investments.

Due to the decrease in the accounting interest rate for the calculation of pension accruals, [non-current accruals for pensions](#) have increased by 4.9 million euros or 16.7% year-on-year.

in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023	Change in millions of euros
Equity and Liabilities			
Subscribed capital	19.3	19.3	0.0
Capital reserve	73.8	74.0	0.2
Treasury shares at acquisition cost	-26.2	-34.1	-7.9
Retained earnings and unappropriated profits	295.9	330.0	34.1
Equity	362.8	389.2	26.5
Non-current accruals for pensions	29.1	34.0	4.9
Non-current deferred tax liabilities	2.1	1.6	-0.6
Non-current other accruals	0.6	0.6	0.0
Non-current interest-bearing financial liabilities	0.1	0.0	-0.1
Non-current lease liabilities	40.5	37.1	-3.4
Non-current financial liabilities	0.7	0.6	-0.1
Non-current other liabilities	0.5	0.5	0.0
Non-current liabilities	73.7	74.3	0.6
Current tax liabilities	5.1	7.7	2.6
Current other accruals	2.7	3.0	0.4
Current interest-bearing financial liabilities	0.2	0.1	-0.1
Current lease liabilities	9.7	9.5	-0.2
Current trade payables	120.6	121.6	0.9
Current financial liabilities	0.3	0.1	-0.1
Current other liabilities	57.6	60.5	2.8
Current liabilities	196.2	202.4	6.2
Equity and liabilities	632.7	666.0	33.3



Higher value-added tax liabilities at the end of the year and a higher level of wages and salaries yet to be paid out have likewise caused **current other liabilities** to increase, by 2.8 million euros or 4.9%.

Current tax liabilities increased by 2.6 million euros year-on-year and are thus in line with the positive earnings trend for the Group as a whole.

Return on capital employed

The **return on capital employed (ROCE)** is at 18.8% higher than in the previous year (previous year: 17.6%). The value of 18.8% reflects the 12-month EBIT figure of 83.9 million euros and the average volume of capital employed of 445.9 million euros over the four quarterly reporting dates in 2023. This development is attributable to the parallel increase in the 12-month EBIT figure and average capital employed.

Cash flow

In the past financial year 2023, the CEWE Group achieved a positive **cash flow from operating activities** in the amount of 130.8 million euros (previous year: 93.4 million euros). Its cash flow is thus 37.4 million euros higher than in the previous year, which represents a significant increase.

The increase in cash flow from operating activities reflects several different factors. An 8.9 million euros effect is attributable to the **EBITDA** figure and has thus arisen due to the general course of business. A further 17.2 million euros has been induced by operating working capital and

other **working capital**, where a decrease in trade receivables in the year under review in particular contrasts with an increase in the previous year. In the year under review 2023, net **tax payments** were 10.9 million euros lower than in the previous year.

At 47.9 million euros, **cash outflows from investing activities** in the year under review 2023 are clearly (14.0 million euros) lower than in the previous year. While in the previous year the **purchase of an administrative building** (9.3 million euros) and the acquisition payments (7.7 million euros) led to increased cash outflows, conversely **inflows from financial investments** resulted in the year under review (5.4 million euros). **Operational investments** adjusted for business and company acquisitions are 2.7 million euros higher than in the previous year.

Overall, at 82.8 million euros **free cash flow** has strongly increased by comparison with the previous year (31.5 million euros), for the reasons set out above.

Moreover, **cash outflows from financing activities** decreased slightly and amounted to 38.9 million euros, compared to 42.6 million euros in the previous year. In the year under review 2023, in particular the **dividend paid** in the amount of 17.3 million euros (previous year: 16.6 million euros), the **acquisition of treasury shares** in the amount of 9.0 million euros (previous year: 13.7 million euros) and the outflows resulting from the **change in financial liabilities** in the amount of 12.1 million euros (previous year: 11.5 million euros) resulted in cash outflows.

With its available financial resources, CEWE was able at all times to fulfil its liquidity requirements which arose over the course of the year due to the seasonal nature of its business, as usual. The CEWE Group is financed via CEWE Stiftung & Co. KGaA. For further details, please see the notes to the annual financial statements of CEWE Stiftung & Co. KGaA – Financing – [page 82](#).

Condensed cash flow statement in millions of euros

	2022	2023	Change in millions of euros
Cash flow from operating activities	93.4	130.8	+37.4
Cash flow from investing activities	-61.9	-47.9	+14.0
Free cash flow	31.5	82.8	+51.4
Cash flow from financing activities	-42.6	-38.9	+3.7
Cash and cash equivalents at the start of the reporting period	84.4	73.1	-11.3
Net change in cash and cash equivalents	-11.1	43.9	+55.1
Exchange-rate-related change in cash and cash equivalents	-0.2	0.4	+0.5
Cash and cash equivalents at the end of the reporting period	73.1	117.4	+44.3



Overall statement on the economic situation

On the basis of the Group's development in the financial year 2023, the Board of Management considers that its economic situation remains positive.

The "Results" chapter presents the developments in terms of turnover and earnings in the Group's various business units, its P&L structure, its balance sheet and financing structure and its cash flow and return on capital employed [see Results, page 61](#).

In our Photofinishing core business unit, the trend of a changing product mix – fewer simple photo prints and more value-added products: CEWE PHOTOBOOK, photo calendars, wall art, greeting cards and other photo gifts – remains intact to some degree. CEWE achieves a stronger level of value creation with these value-added products, which consumers purchase from various business partners and also directly from CEWE. The company's preparations for its Christmas business over the course of the first ten months of each year entail very high "outlays". Here too, CEWE thus has the opportunity to realise a slightly increased margin. CEWE sees the use of smartphones as

a fully-fledged camera plus an ordering device as representing an opportunity, and every part of the company is adapting to this trend.

As outlined in the description of the related business model, Retail plays a key role in this trend, but not primarily in the photographic hardware business (whose development is reported in the Retail business unit). Its locations increasingly serve as a distribution channel for photofinishing products (which are reported in the Photofinishing business unit) – here too, directly to consumers. This is reflected in the rising level of turnover involving photofinishing products which are sold via the Retail business unit, through CEWE's online stores or its branches.

Commercial Online Printing is CEWE's third business unit. In CEWE's view, thanks to highly automated and highly efficient production at SAXOPRINT in Dresden, CEWE has a good chance of further success in this market.

At the start of 2024, CEWE's business development continued to match the Board of Management's expectations. All in all, this has strengthened the Board of Management's resolve in terms of the targets which it has indicated for the financial year 2024 in the "Report on expected developments" chapter [see Report on expected developments, pages 72ff](#).

Events after the balance sheet date

Events of particular significance after the balance sheet date

The potential effects of the continued inflation and the related impact on CEWE's course of business have been factored into the forecast, opportunities and risk report on the basis of the information currently available.

In order to further increase its depth of added value, at the start of the financial year 2024 CEWE's subsidiary SAXOPRINT acquired assets of Eastprint GmbH, Dresden, via an asset deal. SAXOPRINT had previously outsourced large-format printing to Eastprint. This has now been brought in house through this acquisition. No other events of particular significance have occurred since the balance sheet date.



Forecast, opportunities and risk report

Risk report

Taking opportunities and the ability to identify and analyse risks and to reduce, avoid or transfer them via suitable strategies are key aspects of CEWE's corporate activities. The Board of Management is continuously tasked with systematic management of risks and opportunities. This is a management task in each of its areas of responsibility.

Management's overall assessment of risks and opportunities

Risks and opportunities are regularly separately identified and outlined. They are assessed quantitatively together with an evaluation of their impact. The impact and the assumed probability of realisation are combined to produce the expected risk score. The related measures are registered for the purpose of risk management; finally, the indicators implemented for the purpose of early identification are also documented. Corresponding measures are likewise taken into consideration for risk assessment purposes. A net risk assessment is thus also implemented.

The German Corporate Governance Code (GCGC) which was revised in the summer of 2022 places a particularly strong emphasis on sustainable corporate governance. Sustainability refers here to environmental (ecological) and social goals. This means that these goals must be an integral part of strategies, planning and operational processes. They are thus likewise an integral component of the risk management system, the compliance management system and the internal control system. CEWE is committed to these goals.

A major event may mean that the effects of individual risks are amplified through their combination or interaction with one another or else these risks' impact upon one another. During the coronavirus pandemic, CEWE gave particular consideration to this in its risk assessment and evaluation. The specific coronavirus risk once again significantly decreased year-on-year, in line with the evolution of the pandemic. It is currently considered in the context of a more broadly defined pandemic risk.

The Board of Management's regular risk assessment within the scope of the risk management process and the risk inventory as of December 31, 2023 has established that 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 in a manner which would jeopardise its existence.

Irrespective of their economic significance, multi-layered risks associated with sustainability requirements, cyber risks, risks associated with the high pace and density of regulation and risks relating to an adequate supply of qualified specialists and executives are a priority for CEWE. This represents a particularly strong area of its management activities.

In particular, cyber risk, staff turnover risk, the risks associated with technical infrastructure and, in the field of legal risks, risk associated with the high density and pace of regulation were given a higher priority than in the previous year.

CEWE continues to expect that the Ukraine conflict will not have any direct impact on its business, either in terms of procurement or sales. At the present time, there are still no indications of any negative influence on consumer sentiment and thus on the development of turnover.

The following section initially sets out the key risk categories within the scope of its risk management system:

Strategic risks

The core business units of Photofinishing, Commercial Online Printing and Retail entail strategic risks.

In our core business, the key strategic risks comprise the technology and innovation risk, the risks associated with the CEWE brand and the risk relating to the development of the mobile photofinishing market. In response to the change associated with mobile devices and the key importance of the Internet as an ordering channel, CEWE has reinforced its programming and development capacities in this area. The technology and innovation risk is countered above all via strategic partnerships with research institutions, regular market analyses and monitoring of the competitive environment. Consumer-oriented brand communication, continuous brand reinforcement and effective and efficient crisis management limit the potential risks associated with the CEWE brand.



Operating risks

In the Photofinishing and the Commercial Online Printing business units, the key operating risks relate to general price risks as well as various risks associated with technical infrastructure and the functionality of production- and customer-related systems. Consistent price controlling plays a key role in all of CEWE's activities in relation to price risk.

As a rule, the technical infrastructure is safeguarded by means of IT structures standardised throughout the Group, high-availability technologies, back-up data centres as well as back-up connections for the transmission of data. Virus and access protection as well as encryption systems are important technologies which protect against unauthorised external and internal access. Production capacities are likewise safeguarded through redundant processes at various locations. The possibility of central management of capacities also plays a key role. We are certainly aware of the general risk associated with the supply and procurement of materials, but do not consider this to be particularly significant. In all procurement lines, a multiple-supplier strategy and multiple-year contracts are considered to be adequate measures.

Cyber risks are significant for CEWE's business model and have a particularly strong weighting. This mainly relates to general attacks on vulnerabilities in the software products which CEWE uses, hacker attacks specifically targeting CEWE as well as attacks on the data links between CEWE and its customers. CEWE is continuously working on technical and organisational improvements within the scope of its IT systems in order to tackle these risks. It is continuing to increase its volume of personnel in the area of IT security, improving existing contingency plans on an

ongoing basis and embedding these in other contingency plans. Finally, awareness-raising and training play an important role within the company as a whole.

In the area of environmental risk, no violations of environmental standards were identified in 2023. This risk is monitored by means of regular internal checks at all of the company's production plants; it is classified as low.

The risk associated with recruiting and retaining qualified specialists and executives is more significant indirectly rather than directly. The presence of the CEWE umbrella brand also plays an important role in the labour market here. Closely supported by the company's management, initial and advanced training are consistently offered and cover employees' specialist fields as well as personal and leadership skills. The management focuses particularly strongly on retention of staff.

Financial risks

The risks resulting from interest rate changes, currency fluctuations, the supply of credit, the risk associated with the resale of recyclable residual materials arising during the production process and the risk of default fall within the scope of CEWE's financial risks and do not jeopardise its existence. Due to the low level of interest-bearing debt funding and the high volume of cash and cash equivalents resulting from the seasonal business trend, even a strong rise in market interest rates would not represent a threat. Where capital flows occur outside of the Eurozone, they almost entirely relate to local business which is handled in the same currency, so that exchange-rate fluctuations do not have any significant negative impact. The CEWE Group's long-term supply of credit is safeguarded

by means of centrally negotiated medium- to long-term credit agreements.

The risk of default is continuing to decline in significance due to the constant growth in the volume of consumer business too. Receivables from business partners are closely monitored and are subject to normal and adequate insurance arrangements. Consumer receivables do not in themselves constitute a risk and are covered by a professional debt collection management system.

Other receivables apply in relation to the public sector, employees and insurance firms etc. Here too, the risk of potential loss-related impairment is of minor significance. This risk is reduced by means of continuous monitoring of debtors' credit ratings and payment behaviour, in close coordination with all of the company's affected departments. Any applicable individual risks are always taken into consideration by means of adequate valuation adjustments, insofar as the realisation of this loss is sufficiently probable.

Legal risks

Legal risks include internal and external malicious acts as well as risks associated with data protection and industrial property rights. These risks are covered by means of measures and processes within the scope of the company's rigorous corporate governance system, its internal control system, internal auditing as well as its Group controlling function. The company is aware of the challenges associated with the high density and pace of regulation, monitors these issues in detail and pursues an effective management strategy in order to actively counter these risks. In addition, information and training sessions are regularly held in order to identify risks and implement measures.



As of the balance sheet date, the BEPS Pillar 2 rules (German Act Transposing the Minimum Tax Directive, Mindestbesteuerungsrichtlinie-Umsetzungsgesetz – MinBestRL-UmsG) were transposed into German law (German Act on Minimum Taxation, Mindeststeuergesetz – MinStG) and entered into force upon publication in the German Federal Law Gazette on December 27, 2023. The provisions of the Act on Minimum Taxation apply for the first time for financial years beginning after December 30, 2023 and are therefore not yet applicable for the year under review. Even if these provisions had already been applicable, the CEWE Group would not have fallen under the scope of the MinStG or foreign acts on minimum taxation either in the year under review or in the financial year 2024, since the turnover threshold of 750 million euros in the consolidated financial statements for application of these provisions was exceeded for the first time in the year under review. This notwithstanding, CEWE expects to once again exceed the relevant turnover threshold in the financial year 2024 and thus assumes that the provisions of the MinStG will apply for the first time for the financial year 2025.

In the financial year 2024, the CEWE Group will therefore commence a project reviewing the impact in terms of the effects associated with a Pillar 2 top-up tax. It is not currently possible to quantify the potential additional tax burden. However, application of the MinStG or foreign acts on minimum taxation are not currently expected to lead to a significant additional tax burden, since the CEWE Group operates almost exclusively in countries whose nominal income tax burden exceeds 15% and for which no tax burden at all, or only an insignificant tax burden, is therefore expected to arise.

The CEWE Group is closely monitoring the progress of the legislative process in every country where it operates. It will adapt its current reporting and compliance processes with a view to future local and central determination of the top-up tax burden as well as the future submission of a minimum tax report and filing of related tax returns in Germany and other countries.

Report on opportunities

The CEWE Group's risks and opportunities management systems are closely integrated. Possible future developments or events which may result in a positive deviation from planning are seen as opportunities.

With its business units, CEWE operates in dynamic market segments which are enjoying rapid growth. Exploiting opportunities in these business units by means of innovation, consolidation or organic growth and identifying further opportunities in adjacent and related new business units while avoiding unnecessary risks serve as the foundations of the CEWE Group's long-term growth. Opportunities may entail both internal and external potential.

Opportunities whose realisation is probable have been factored into CEWE's corporate planning and outlook for 2024. This report on opportunities therefore relates to events which may potentially give rise to a positive deviation from these planning figures.

CEWE sees management of opportunities as a core aspect of its corporate activities. Identifying, weighing up and

seizing opportunities is a key and ongoing management task. Management of opportunities thus includes documentation of concepts and minutes of meetings.

Opportunities in the Photofinishing business unit

CEWE sees opportunities in terms of increased income due to the additional turnover provided by new or improved ordering applications for mobile devices, should these gain even stronger acceptance among end-consumers.

Opportunities in the Commercial Online Printing business unit

During the coronavirus pandemic, in its Commercial Online Printing business unit CEWE focused even more strongly on the efficiency of its customer-related processes and its cost structures. Following the end of the coronavirus pandemic and the winding-down of governments' coronavirus measures, to some extent general business life has already recovered and the level of demand for business stationery and printed advertising media thus strengthened. This offers further opportunities to achieve turnover and income beyond the scope of the current planning, particularly in the context of long-term cost efficiency.

Opportunities in the Retail business unit

CEWE operates photo retail stores through its own Retail operations in Norway, Sweden, Poland, the Czech Republic and Slovakia. In principle, it aims to further optimise its Retail presence through its own stores on the market, in line with end-consumers' purchasing behaviour. In Norway, Sweden and Poland, CEWE has established online stores for photography-related articles. Optimisation of these stores is expected to generate opportunities for further turnover increases and income in the online segment.



Report on expected developments

Three different components of long-term business development

CEWE is continuing to pursue the ongoing development of the CEWE Group on the basis of the following three strategic priorities:

(1) Strengthening the company's brand and innovation leadership in its Photofinishing core business unit

In its Photofinishing business unit, in addition to its core markets of Germany, Switzerland and Austria as an omnichannel provider CEWE continues to focus on expanding its brands positioned in the premium segment in all of the other European countries supplied by CEWE. The goal is to exploit the positive consumer response and strong brand profile for the benefit of CEWE in general. The product differentiation advantages that are associated with the performance and quality standards which these brands stand for will be progressively exploited for a growing product portfolio. Besides the CEWE brand, the other brands of the CEWE Group – in particular, Cheerz, DeinDesign, Pixum and WhiteWall – address specific customer groups and/or regions or offer specific product categories.

CEWE's products and services undergo continuous development. Innovations already served as the key source of momentum in the analogue/digital transformation. The company endeavours to keep up this innovation momentum, in all of its business units, in order to further consolidate

its leading market position. For example, this includes extensive software updates, the ongoing development of mobile applications and various new products and product improvements.

(2) Profitable growth in Commercial Online Printing

At CEWE, Commercial Online Printing offers the customer a series of advantages: increased quality and price advantages from state-of-the-art printing capacities, and also time savings thanks to user-friendly Internet ordering as well as fast production and rapid delivery. CEWE considers itself very well placed here in order to achieve the successful ongoing development of its Commercial Online Printing business unit, particularly thanks to what is, in the Board of Management's view, SAXOPRINT's highly-efficient and cost-optimised printing plant in Dresden.

(3) Development of business units

Above all, when it comes to potential investment opportunities the CEWE Group is particularly interested in online business models which – just like CEWE – produce customised, high-quality products with a substantial customer benefit and thus build a strong brand, while offering the potential of further developing the CEWE Group's business in future. Growth encompassing new fields of business should thus ideally draw upon the Group's existing areas of expertise.

Continuing focus on Europe

Almost all of CEWE's business is located in Europe. At the present time, the company is not planning any changes in its regional presence.

Overall economic environment in 2024: global economic growth slower than average in period since 2000

The International Monetary Fund (IMF) predicts a 3.1% rate of global growth in 2024 and 3.2% in 2025. However, the expected pace of growth is lower than the 3.8% historical growth rates seen in the period from 2000 to 2019. In the IMF's view, this is due to the central banks' increased key interest rates to combat inflation, reduced fiscal support in view of the high level of debt and weak underlying productivity growth. In the developed economies, at 1.5% in 2024 and 1.8% in 2025 the pace of growth will be significantly lower than global growth momentum. In the IMF's assessment, the Eurozone will grow even more slowly: following a rate of 0.5% in 2023, it will grow by 0.9% in 2024 and by 1.7% in 2025. According to the IMF, this reflects increased household consumer spending, falling energy prices, lower inflation levels and real income growth. For Germany, the IMF predicts growth of 0.5% (2024) and 1.6% (2025).¹

Inflation is falling faster than expected in most regions, since the supply-side problems are resolving themselves and monetary policy is likely to be less restrictive. In the IMF's view, aggregate global inflation will fall from 6.8% in 2023 to 5.8% in 2024 and 4.4% in 2025.²

Assessment of CEWE's management regarding the overall economic conditions in 2024

In 2023 CEWE remained resilient despite the weak economic environment in Germany, with a –0.3% fall in its gross domestic product.³ As in 2022, in the year under review

¹ IMF: World Economic Outlook, Update Jan 2024, p. 1 ff.

² IMF: World Economic Outlook, Update Jan 2024, p. 1 ff.

³ Deutsche Bundesbank Monthly Report 1/2024: p. 5



CEWE was able to compensate for inflation by means of price increases. Contrary to consumer sentiment which generally stagnated, demand for individual, high-quality photo products continued to increase. The management is confident that its core Photofinishing business unit will continue to develop positively in 2024. High-quality photo products which in many cases reflect emotional moments appear to be among the products which consumers are not prepared to do without, despite generally somewhat weak consumer sentiment. Thanks to CEWE PHOTOBOOK and its other brand products and its strong Internet expertise, as in previous years CEWE considers itself well placed to actively promote this process of ongoing change in its product mix, away from simple photo prints to value-added products such as photo books, photo calendars, wall art, greeting cards and other photo gifts. The upshot of this is that this trend of value-added products should continue to strengthen Photofinishing in 2024.

In 2024, the Retail business unit is expected to once again provide a significant turnover contribution through sales of CEWE photo products. Turnover and earnings for these photofinishing products – which CEWE distributes through its own retail operations – are reported in the Photofinishing business unit. In 2024, as it has done for some years now CEWE will in all likelihood continue to deliberately reduce the hardware turnover which is reported in the Retail business unit and which comprises cameras, lenses, photo equipment etc.

With its highly efficient automated production system which realises large economies of scale, the Board of Management considers that Commercial Online Printing is well prepared for the financial year 2024. This business unit is expected to continue to develop positively in 2024.

The company's best-price strategy for business customers is clearly paying off in terms of growing customer confidence and thus increased loyalty.

Compensating for inflation will remain a goal in 2024

In the past two years, CEWE has succeeded in balancing the inflation-driven cost increases on the expense side with its own price increases on the turnover/income side, thus compensating absolutely for the former. In 2024, CEWE will continuously analyse the inflation trend and thus the increased cost burden which this represents for the company and will seek to offset this as far as possible through price adjustments implemented in a cautious and balanced manner.

Solid financial position provides scope for action

We envisage that in 2024 CEWE's operational strength will continue to enable it to fund investments in organic growth and its annual dividend payment out of its operating cash flow alone.

War in Ukraine still not expected to affect CEWE

To date, the war in Ukraine has not had any direct impact on CEWE's business, either in terms of procurement or sales. At the present time, there are still no indications of any negative impact on consumer sentiment and thus on the development of turnover. However, CEWE's planning for 2024 does not reflect the possible effects of a potential escalation of the Ukraine war – above all, on consumer sentiment.

EBIT earnings target range in 2024: 77 to 87 million euros

On average, Group turnover will continue to increase in 2024, from 780.2 million euros in the previous year, 2023,

to between 770 million euros and 820 million euros. In 2024, Group EBIT will fall within a range of between 77 million euros and 87 million euros, the EBT figure will amount to between 75.5 million euros and 85.5 million euros, while earnings after tax will lie within a range of 51 million euros to 58 million euros.

The ranges for these targets for the financial year 2024 represent approximate projected figures and reflect the current uncertainties associated with the increase in prices/inflation from the point of view of costs, and the cost of sales, and their potential impact on CEWE's course of business. In its operational planning for 2024, the Board of Management aims to achieve a target in the upper half of the envisaged range.

The operational investments planned for 2024 (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 be around 65 million euros or less.

Goal is for continuous further dividend growth as far as possible

CEWE considers itself an extremely reliable dividend payer. The dividend proposed for 2023 represents a 15th consecutive increase. In general, CEWE pursues the goal of dividend continuity. Where this appears possible in view of the company's economic situation and the available investment opportunities, this means a dividend which is at least unchanged in absolute terms, and ideally an increased dividend. This policy clearly focuses on the absolute dividend value, with the payout ratio or the dividend yield as a secondary element.



→ Forecast, opportunities and risk report

Targets for 2024 CEWE Group

		2024	Change as %
Photos	billion units	2.3 to 2.4	-2 to +2
CEWE PHOTOBOOK	million units	5.9 to 6.2	-2 to +2
Operational investments ¹	millions of euros	~65	
Turnover	millions of euros	770 to 820	-1 to +5
EBIT	millions of euros	77 to 87	-8 to +4
Earnings before taxes (EBT)	millions of euros	75.5 to 85.5	-14 to -3
Earnings after taxes	millions of euros	51 to 58	-10 to +1
Earnings per share	euros/share	7.26 to 8.22	-10 to +2

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

In this annual report, CEWE is publishing a combined management report for the CEWE Group and for the individual company CEWE Stiftung & Co. KGaA. This means that a forecast is necessary for the individual company CEWE Stiftung & Co. KGaA as required by law: Following turnover of 401.9 million euros in 2023, for the financial year 2024 CEWE expects that CEWE Stiftung & Co. KGaA will realise turnover of between 390 and 440 million euros. Earnings before income taxes of between 45 million euros and 55 million euros are expected for 2024, compared to a figure of 57.1 million euros in 2023. The overall picture for the development of CEWE Stiftung & Co. KGaA is thus positive.





Internal control and risk management system

Compliance

The company strongly emphasises compliance in terms of measures to ensure conformity with applicable legislation and internal policies and their observance by the Group's companies. The Board of Management of the general partner has implemented various mechanisms in line with its responsibilities in this respect, which are intended to ensure optimal fulfilment of these compliance requirements.

The Compliance Officer appointed for this issue continuously addresses the maintenance and development of the compliance structure of the company and the Group, in line with applicable requirements and the needs of the company. In particular, his activities focus on training for employees and on legal risk management. He reports to the CEO of the general partner. In case of any specific issues, the Compliance Officer will consult the persons with responsibility in the company's respective divisions and obtain external legal advice, where necessary.

The company has also appointed an external lawyer as an ombudsman. Employees and also third parties may contact this person to point out possible violations of the law or policy violations within Group companies. Four reports were filed with the ombudsman in the reporting period. These were investigated. However, no relevant violations were determined.

The German Corporate Governance Code ("GCGC") requires disclosures concerning internal control and risk management which exceed the statutory requirements for a management report and have thus been excluded from the auditor's audit of the management report ("non-management report disclosures"). These are included as part of the management declaration; moreover, they are set apart by means of separate paragraphs from the disclosures which are to be audited.

Risk management system

Goals and strategy of the risk management system

As an internationally operative business group, CEWE Stiftung & Co. KGaA and its subsidiaries are exposed to various risks which may adversely affect their business activities as well as their net assets, financial position and results of operations. Accordingly, in compliance with industry standards and statutory provisions CEWE has established an internal control and risk management system for identification and assessment of potential opportunities and risks and, where necessary, implementation of appropriate countermeasures. This control and risk management system is incorporated within the information and communication system of the CEWE Group as an integral part of its business, planning, accounting and control processes and is a key element of the CEWE

Group's management system. Its control and risk management system is based on a systematic risk identification, assessment and management process for the overall Group. CEWE is continuously improving its risk management system. That includes its ongoing dovetailing with the company's internal control system and other management systems.

As a function which identifies risks at an early stage, monitors them on an ongoing basis and contributes to risk control, risk management forms part of the second line of CEWE's integrated governance, risk and compliance approach.

Organisation and structure of the risk management system

The Board of Management, the managers of the company's regional profit centres in Germany and other countries and its central departments and project managers are responsible for its control and risk management system. The Board of Management has overall responsibility for the handling of control and risk management. From a functional point of view, the Board of Management has transferred to the Group's risk management personnel operational implementation of monitoring, coordination and ongoing development tasks within the scope of risk management processes.

The risk management system covers the risks and opportunities associated with the individual risk areas, within the scope of an annual, Group-wide risk inventory. The



annual report on risks and opportunities has been produced on the basis of the risk inventory. In the course of a year, the company's risk and opportunity assessments are reviewed at least quarterly. The Supervisory Board is notified of these assessments at least quarterly. Following notification of the risk officer, new risks and opportunities are incorporated in the risk management system and assigned to a risk manager. In addition to the regular processes, ad hoc risks can be registered and reported at any time where situations suddenly arise. Corresponding measures are likewise taken into consideration for risk assessment purposes. A net risk assessment is thus also implemented.

Key features of the internal control system

The internal control system (ICS) is an integral component of the business processes of the CEWE Group. The goal is for all operating units where risks may arise and must be managed to be able to identify such risks at an early stage through internal controls and to deal with them. This system is intended to ensure compliance with external and internal requirements. The internal control system thus represents the first line of the integrated management approach. It encompasses a variety of different monitoring and control mechanisms and is essentially based on five principles:

- Dual-control principle
- Signature guidelines
- IT authorisation concept
- Separation of functions
- Integrated reporting

The dual-control principle is safeguarded by means of rules and regulations such as articles of association, policies, rules of procedure, instructions and powers of representation and authorisations to sign. The operationally effective signature guidelines are an important aspect of these rules and regulations. The CEWE Group's coordinated IT authorisation concept is a further management and control mechanism. This regulates the activities of individual persons and groups of persons and their access to the Group's generally SAP-based applications and their functional competences.

To ensure the integrity of procedures and thus the quality of individual processes, the CEWE Group maintains a strict separation of functions for critical business processes. In addition, specific departments handle central tasks and thus have reciprocal responsibility for supervision of the Group's activities. The integrated reporting system comprises a detailed planning, management and reporting concept covering the Group's current position and its outlook. The planning process is based on a combined bottom-up and top-down approach, in line with monthly planned figures. The existing Group information system relies on a monthly target/actual/prior-year comparison as well as supplementary multiple-location business reviews at the level of the individual profit centres and at Group level. Developments, risks, opportunities and measures are discussed there and documented accordingly.

The CEWE Group also monitors the fair value of its interests in subsidiaries within the scope of its control and risk management system. Its shareholdings undergo regular as well as ad hoc impairment tests.

Moreover, as the third line of our integrated management approach all of the Group's companies and profit centres regularly undergo specialised, in-depth audits covering the areas of finance and accounting, IT, technical security and insurance policies as well as other functional competences. These audits are carried out by external or internal specialists.

Key aspects of the internal control system, in relation to the Group accounting process

The accounting-related internal control system is embedded within the company-wide risk management system, as a component of the overall internal control system (ICS) of the CEWE Group. Its purpose is to minimise the risk of a material misstatement in the company's accounting and external reporting, to identify undesirable developments early on and to implement countermeasures. This ensures that the Group's affairs are presented in compliance with applicable legislation and standards in separate financial statements and in the consolidated financial statements.



The “Group balance sheets” unit, central Finance division, is responsible for preparing the consolidated financial statements including any consolidation measures. The preparation process for the financial statements of the CEWE Group is based on a uniform Group accounting policy which is regularly adjusted in line with applicable legal outline conditions. The Board of Management has sole responsibility in relation to this accounting policy.

The Group’s accounting policy sets out its IFRS accounting standards for all of the Group’s companies, in Germany and in other countries, to ensure the application of uniform recognition, measurement and reporting methods for its IFRS consolidated financial statements. Binding instructions have been laid down in relation to internal reconciliations and other tasks for preparation of the financial statements. All key dates have been specified throughout the Group in the Group’s policy.

The local companies are responsible for compliance with the relevant rules and are supported and monitored by the Group Accounting unit. The Group Accounting unit handles consolidation of the separate financial statements of the Group companies – which are mainly prepared using SAP – centrally by means of a specific consolidation module.

The necessary work steps within the scope of the accounting process undergo a large number of automatic and manual checks and plausibility reviews. In addition, the effectiveness of accounting-related internal checks is continuously monitored through internal auditing. This task is handled by internal auditors as well as external auditors appointed by the company. A rolling process ensures that all of the companies within the scope of consolidation undergo this supervisory process. The Board of Management and the Supervisory Board are regularly notified of the results of these effectiveness reviews.

The separate financial statements included within the consolidated financial statements are audited by various local auditors. Compliance with applicable accounting rules and regulations and the accuracy and completeness of all other locally produced documents which are relevant for the consolidated financial statements are thus safeguarded. The external auditor of the consolidated financial statements summarises audit findings at the level of the separate financial statements and the consolidated financial statements regarding the effectiveness of the accounting-related internal control system of the CEWE Group and notifies the Supervisory Board accordingly.



Acquisition-related disclosures

Disclosures in accordance with § 289a and 315a HGB

Composition of subscribed capital, restrictions relating to voting rights or the transfer of shares

The subscribed capital of CEWE Stiftung & Co. KGaA, Oldenburg, comprises the following classes of shares:

Composition of subscribed capital

Type of share	ISIN	Form of share	Volume of this class of shares	Share of subscribed capital in euros	Share of subscribed capital as %	Rights and obligations
Bearer shares	DE 0005403901	No-par value shares	7,442,003	19,349,207.80	100.0	The shares confer full voting and dividend rights unless mandatory provisions of the German Stock Corporation Act stipulate otherwise (e.g. shares which the company holds as treasury shares)
			7,442,003	19,349,207.80	100.0	

Shares issued to employees within the scope of employee share programmes are subject to holding periods. A total of 60,732 shares must be held until the employee shareholder has reached the age of 65 or begun to draw his statutory old-age pension (previous year: 56,141 shares). The company is not aware of any more extensive restrictions of voting rights or transfer restrictions.

Direct or indirect equity investments

AN Assets GmbH & Co. KG and CN Assets GmbH & Co. KG, Oldenburg, Germany, notified us pursuant to § 33 WpHG on July 1, 2020 that their share of the voting rights in CEWE Stiftung & Co. KGaA, Oldenburg, Germany, ISIN: DE0005403901, WKN: 540390 had on June 30, 2020 through shares exceeded the threshold of 3%, 5%, 10%, 15%, 20% and 25% of the voting rights. By means of a voting trust agreement, Alexander Neumüller (AN Assets GmbH & Co. KG, Oldenburg) and Dr Caroline Neumüller

(CN Assets GmbH & Co. KG, Oldenburg) hold a 27.2% equity investment (which corresponds to 2,020,001 voting rights on the basis of the overall voting rights issued as of the date of notification).

According to the company's published notices and the available information, the following direct and indirect equity investments held in the company exceed 10% of the voting rights:

Direct or indirect equity investments

Shareholder subject to reporting requirement	Type of interest	Notified voting rights as a proportion of the subscribed capital, as %
AN Assets GmbH & Co. KG and CN Assets GmbH & Co. KG, Oldenburg	Direct	27.1



Holders of shares conferring special rights

There are no shares conferring special rights.

Form of control of voting rights in case of employee participation

Insofar as employees of the CEWE Group are shareholders in CEWE Stiftung & Co. KGaA, Oldenburg, as far as the company is aware no specific requirements apply in relation to the possibility of their exercise of voting rights. Employees are not known to have any joint holdings of one or more shares (§ 69 (1) AktG), and nor are any voting trust agreements between employee shareholders known of.

Statutory regulations and provisions in the company's articles of association regarding the appointment and removal from office of members of the Board of Management and amendments of the articles of association

The company's general partner, Neumüller CEWE COLOR Stiftung, Oldenburg, is authorised to manage the affairs of CEWE Stiftung & Co. KGaA, Oldenburg, and to represent it (§ 8 of the articles of association of CEWE Stiftung & Co. KGaA). Unless imperatively stipulated in the articles of association or by law, the legal relationships between the company and its general partner will be regulated in a separate agreement; the company shall be represented

by the Supervisory Board in this respect. § 9 of the articles of association of CEWE Stiftung & Co. KGaA provides for the withdrawal of the company's general partner. Neumüller CEWE COLOR Stiftung thus assumes this role irrespective of any capital contribution; but the imperative statutory grounds for the withdrawal of the general partner remain unaffected (§ 9 (1) of the articles of association). It will not be entitled to any credit balance in case of partition in the event of its withdrawal (§ 9 (2) of the articles of association). In the event of Neumüller CEWE COLOR Stiftung's withdrawal from its position as the company's general partner or if its withdrawal is foreseeable, to prevent the liquidation of CEWE Stiftung & Co. KGaA, § 9 (3) includes the following provision: the Supervisory Board of CEWE Stiftung & Co. KGaA is entitled and obliged immediately/as of this withdrawal to appoint a company limited by shares – which are held in their entirety by CEWE Stiftung & Co. KGaA – as the new general partner of CEWE Stiftung & Co. KGaA with a sole authorisation for management of its business and a sole power of representation (clause 1). Should Neumüller CEWE COLOR Stiftung withdraw from its position as the company's general partner without the simultaneous appointment of a new general partner, CEWE Stiftung & Co. KGaA's limited shareholders will assume the continuing management of the company on a temporary basis (clause 2). In this case, the Supervisory Board shall

immediately apply to the competent court for the appointment of a substitute representative to represent the company up to the appointment of a new general partner, particularly in the event that CEWE Stiftung & Co. KGaA need first acquire or establish a company limited by shares to serve as its general partner (clause 3). The Supervisory Board is authorised to adjust the wording of the articles of association in accordance with the replacement of the company's general partner (clause 4).

Neumüller CEWE COLOR Stiftung is represented by its Board of Management in and out of court. Its Board of Management is thus also responsible for the management of the business of CEWE Stiftung & Co. KGaA. The members of the Board of Management of Neumüller CEWE COLOR Stiftung are appointed by the Board of Trustees. A member of the Board of Management may be appointed by the beneficiaries of Neumüller CEWE COLOR Stiftung designated in its articles of association. The members of the Board of Management will be appointed for a term of office of up to five years. The Board of Trustees shall rule on any issues pertaining to service regulations.

The relevant statutory provisions (§§ 179 ff., 285 (2) and 181 AktG) apply in relation to any changes to the articles of association of CEWE Stiftung & Co. KGaA.



Powers of the Board of Management to issue and to repurchase shares

The general meeting held on May 31, 2017 had authorised the buyback of treasury shares for up to 10% of the share capital as of the date of this resolution, in the period up to May 30, 2022. At the general meeting held on June 15, 2022, this authorisation was renewed for the period up to the expiry of June 14, 2027. This authorisation was granted

- in order to resell the shares over the stock exchange or by means of an offer submitted to all of the shareholders, with the consent of the Supervisory Board and while complying with the principle of equal treatment (§ 53a AktG).
- the retirement of the shares, in whole or in part, on one or more occasions, with the consent of the Supervisory Board. The fact or the procedure of these shares' retirement will not require a further resolution to be passed by the general meeting. These shares may therefore be called in through simplified procedures, without any capital reduction, by adjusting the pro rata notional value of the other no-par value shares in the company's share capital.
- to dispose of the shares, with the consent of the Supervisory Board, in return for a payment in kind; in particular, these shares may be offered or granted to third parties within the scope of company mergers or at the acquisition of companies.

- to offer the shares for purchase to employees of the company or its affiliates within the meaning of §§ 15 ff. AktG, with the consent of the Supervisory Board, or to promise these shares or transfer them with a lockup period of not less than one year; the treasury shares may also be promised and transferred to eligible persons in fulfilment of dividend claims arising from shares of the company;
- with the consent of the Supervisory Board, to offer the shares for purchase to employees including the members of the Board of Management and the management of Neumüller CEWE COLOR Stiftung within the scope of a stock option plan. In this case, the waiting period is four years. The Supervisory Board will specify the details of share-based remuneration for the members of the Board of Management;

The Board of Trustees of the general partner is authorised to grant purchased treasury shares to members of the Board of Management of the general partner as a variable remuneration component.

Material agreements which are subject to a change of control due to a takeover offer

The financing agreements concluded with the company's key bank partners include the usual change-of-control provisions; these may entail the need for the amendment, supplementation or revision of the existing credit agreements. Otherwise, CEWE Stiftung & Co. KGaA, Oldenburg, does not have any agreements with third parties which are subject to a change of control due to a takeover offer and which may have the following effects, either individually or in their totality.

Compensation agreements

CEWE Stiftung & Co. KGaA, Oldenburg, does not have any agreements which have been concluded with members of the Board of Management or the management of Neumüller CEWE COLOR Stiftung or employees, to cover the event of a takeover offer and which may lead to an obligation for the company to provide compensation or other payments.



Annual financial statements of CEWE Stiftung & Co. KGaA

Results of operations, asset and financial position

Results of operations

The operating business of CEWE Stiftung & Co. KGaA is only one part of the business activities of the overall CEWE Group. The following paragraphs only refer to the annual financial statements of CEWE Stiftung & Co. KGaA.

Revenues increased by 26.4 million euros to 401.9 million euros in the financial year 2023. This was mainly due to higher turnover in the Photofinishing business unit in Germany. The development of turnover year-on-year is attributable to both price and volume effects.

Other operating income decreased by 0.7 million euros, from 7.9 million euros in the previous year to 7.2 million euros. This corresponds to 1.8% of turnover (previous year: 2.1%), due to lower income from the reversal of accruals and valuation adjustments on receivables.

The material expense ratio declined slightly, by 0.4 percentage points to 24.8% (previous year: 25.2%). In absolute terms, the **cost of materials** has increased to 99.6 million euros (previous year: 49.6 million euros), analogously to the turnover growth.

Accordingly, **personnel expenses** also increased, by 7.8 million euros to 113.3 million euros (previous year: 105.5 million euros). The personnel expense ratio amounted to

28.2%, an increase of just 0.1 percentage points (previous year: 28.1%). This growth is mainly attributable to collective agreement pay rises as well as an increase in the workforce.

Due to investments, depreciation and amortisation have decreased by 2.7 million euros on the previous year to 23.4 million euros (previous year: 20.7 million euros).

Other operating expenses increased significantly, by 16.6 million euros to 131.0 million euros (previous year: 114.4 million euros). In proportion to turnover they likewise increased by 2.1 percentage points to 32.6% (previous year: 30.5%). This increase is chiefly due to the sale of fufalis, which resulted in a loss of 10.3 million euros and higher selling expenses.

The **financial result** has risen from 9.6 million euros in the previous year to 15.1 million euros. This is mainly due to the higher volume of earnings provided by affiliates as well as other equity investments.

Earnings before income taxes have decreased year-on-year to the current 57.1 million euros (previous year: 58.1 million euros) and amount to 14.2% of turnover (previous year: 15.5%).

Despite the lower earnings before tax figure, tax expenses have increased slightly to 20.1 million euros (previous year: 19.4 million euros), with a higher income tax ratio.

Net income for the year amounts to 36.7 million euros (previous year: 38.5 million euros), with a post-tax profit-to-turnover ratio of 9.1% (previous year: 10.3%).

Asset position

CEWE-KGaA's **total assets** rose by 62.0 million euros on the previous year to 717.9 million euros.

The proportion of **fixed assets** has increased. At 334.3 million euros, it is 14.6 million euros higher than in the previous year (previous year: 319.6 million euros). This is principally due to the expansion of the company's production plant in Eschbach.

Current assets have increased by 47.1 million euros to 378.2 million euros. This mainly reflects the 54.2 million euros rise in cash and cash equivalents to 101.9 million euros and, conversely, the 10.8 million euros decrease in receivables and other assets to 250.0 million euros. Inventories are at 22.7 million euros (previous year: 21.8 million euros) 3.6 million euros higher than in the previous year.

Equity has increased overall by 11.4 million euros to 377.4 million euros, due to the unappropriated profits realised less the dividend paid in the financial year 2023 for 2022 and the purchase of treasury shares, with an equity ratio of 52.6% (previous year: 55.8%). Further information can be found in the Notes.



The development of **accruals** has been shaped, in particular, by the accruals for pensions, which have increased by 3.1 million euros year-on-year to 33.3 million euros.

Liabilities have risen by 47.1 million euros to 276.8 million euros. This is mainly due to the 42.0 million euros increase in amounts owed to affiliates to 218.8 million euros – on account of a rise in the volume of cash pool liabilities – as well as the 4.8 million euros growth in trade payables to 38.9 million euros.

Financial position

Investments

Of the investments in fixed assets excluding financial assets, throughout the various locations of CEWE Stiftung & Co. KGaA, 31.2 million euros consisted of property, plant and equipment while 3.6 million euros comprised intangible assets.

In the past financial year, with a figure of 15.6 million euros much of the company's investments in property, plant and equipment was invested in technical equipment and machinery, followed by 10.4 million euros invested in assets under construction, 4.4 million euros invested in other equipment, furniture and fixtures and 0.7 million euros invested in land.

Financial assets have increased by 12.9 million euros on the previous year. This is mainly attributable to loans to affiliates.

As of December 31, 2023, commitments totalled 9.8 million euros. Of this amount, 9.3 million euros consisted of property, plant and equipment (of which 6.3 million euros for the construction of a production shop), while 0.5 million euros comprised intangible assets.

Financing

The credit facilities negotiated in the financial year 2018 were agreed with a total of ten private banks and publicly owned banks. As of the reporting date, the loans taken up have a term of between one and three years (previous year: between one and four years). At the end of the year, the total credit line of the CEWE Group amounted to 91.0 million euros (previous year: 153.0 million euros); this decrease is attributable to the repayment according to schedule of lines of credit no longer required on a long-term basis. After deducting the total volume of credit drawn against (0.0 million euros, previous year: 0.84 million euros) – this does not involve drawing with an impact on liquidity and instead comprises the amount deducted by the credit institutions for guarantees provided – and allowing for the company's existing liquidity (117.37 million euros, previous year: 73.07 million euros), its strong liquidity potential as of the reporting date totalled 207.5 million euros (previous year: 225.23 million euros). The company thus has sufficient long-term revolving credit lines which have been granted for a period of up to three years, continuously renewed one-year lines plus lines of credit made available until further notice whose overall purpose is financing of the company's liquidity requirements, which fluctuate strongly over the course of a given year due to seasonal factors. In principle, no restrictions apply in relation to the use of credit lines. This ensures that CEWE will be able to fully comply with its payment obligations.

All long-term credit commitments are subject to normal bank agreements. No financial covenants have been agreed. No significant collateral was provided. The interest terms for current account loans are based on €STR (Euro Short-Term Rate) as the base interest rate, plus a normal margin in Germany; the interest terms for almost all of the other financing arrangements are based on the one- to three-month EURIBOR as the base interest rate plus a normal margin in Germany. For further details, please see the comments on current interest-bearing financial liabilities (item D64, [see page 171](#)) and the comments in the combined management report ([see page 66](#)).

For CEWE Stiftung & Co. KGaA, the cash flow from operating activities calculated according to GAS 21 increased to 111.2 million euros in the financial year 2023 (previous year: 65.2 million euros). It thus exceeded the cash flow from investing activities of –22.9 million euros (previous year: –43.2 million euros). Cash flow from financing activities amounts to –34.1 million euros (previous year: –33.9 million euros). Overall, cash and cash equivalents have thus decreased to 101.9 million euros (previous year: 47.7 million euros).



Reports on the company's management

Management declaration

This management declaration under § 289f and § 315d of the German Commercial Code includes the declaration of conformity in accordance with § 161 AktG; a reference to the company's website on which the remuneration report for the last financial year and the auditor's report pursuant to § 162 AktG and the most recent resolution as regards remuneration pursuant to § 113 (3) AktG have been made public; relevant details of corporate governance practices beyond the scope of applicable statutory requirements; and a description of the procedures of the Board of Management and the Supervisory Board and the makeup and procedures of their committees. It also includes information concerning the stipulations in § 76 (4) AktG and § 111(5) AktG, information on the minimum proportions of male and female members for the makeup of the Supervisory Board in accordance with § 96 (2) AktG, information on whether the company has appointed at least one woman and at least one man to the Board of Management during the reference period, and a description of the company's diversity concept.

Declaration of conformity under § 161 of the German Stock Corporation Act

The Board of Management of the general partner and the Supervisory Board submitted the following declaration pursuant to § 161 AktG in November 2023:

CEWE Stiftung & Co. KGaA attributes great importance to the principles of sound corporate governance.

The Board of Management of the general partner of CEWE Stiftung & Co. KGaA and the Supervisory Board of CEWE Stiftung & Co. KGaA confirm, in accordance with § 161 AktG,

their compliance, now and in the future, with the recommendations of the German Corporate Governance Code government commission, as notified by the German Federal Ministry of Justice and Consumer Protection in the official section of the German Federal Gazette (Bundesanzeiger), as amended on April 28, 2022 ("GCGC"), with the following exceptions:

Modifications due to CEWE Stiftung & Co. KGaA's legal form as a stock-market-listed partnership limited by shares

CEWE Stiftung & Co. KGaA is a stock-market-listed partnership limited by shares (Kommanditgesellschaft auf Aktien – KGaA). In the case of a stock-market-listed partnership limited by shares, the general partner has the responsibilities which are handled by the board of management of a public limited company (Aktiengesellschaft – AG). The sole general partner of CEWE Stiftung & Co. KGaA is Neumüller CEWE COLOR Stiftung, whose Board of Management manages the business of CEWE Stiftung & Co. KGaA.

The rights and obligations of the supervisory board of a stock-market-listed partnership limited by shares are limited by comparison with those of the supervisory board of a stock corporation. In particular, the Supervisory Board of CEWE Stiftung & Co. KGaA does not have the power to appoint the Board of Management of the general partner, to prescribe the contractual terms for the Board of Management of the general partner, to issue rules of procedure for the Board of Management or to stipulate transactions subject to approval. Those tasks are performed by the Board of Trustees of Neumüller CEWE COLOR Stiftung.

The Board of Management of the general partner and the Supervisory Board of CEWE Stiftung & Co. KGaA are of the

opinion that, where the GCGC, as amended, includes recommendations regarding the tasks and competences of the Supervisory Board which are performed by the Board of Trustees of Neumüller CEWE COLOR Stiftung on account of the company's legal form, these recommendations are not applicable to CEWE Stiftung & Co. KGaA. This applies for the recommendations of the GCGC concerning the makeup of the Board of Management (Recommendations B.1 to B.5) and its remuneration (Recommendations G.1 to G.16). Insofar as the company will deviate from these recommendations in the future on account of its legal form, this is not explicitly disclosed in this declaration of conformity since these recommendations do not apply for the company. This is without prejudice to applicable statutory provisions.

Taking into consideration the above-mentioned details specific to the company's legal form, the Board of Management of the general partner of CEWE Stiftung & Co. KGaA and the Supervisory Board of CEWE Stiftung & Co. KGaA confirm in accordance with § 161 AktG that the recommendations of the German Corporate Governance Code, as amended, ("GCGC"), have been complied with since the submission of the most recent declaration of conformity in November 2022 (with the exceptions listed below) and will continue to be complied with in future (with the following exceptions):

Elections to the Supervisory Board: attachment of curricula vitae and their contents (deviation from Recommendation C.14 GCGC)

In case of impending elections to the Supervisory Board, including the curricula vitae of all of the candidates in the invitation to the general meeting would mean that many



additional pages would be unnecessarily added to what is already a very long document, which would then be unwieldy. For this reason, the company does not intend to follow the Code's recommendation that curricula vitae be "attached" to candidate proposals. The improvement in the quality of the information for shareholders which this recommendation envisages will be more efficiently achieved by providing the curricula vitae of all candidates on the company's website and by additionally pointing out this opportunity to obtain further information in the invitation.

Nor do we comply with the recommendation to list the "key activities" of candidates in their curricula vitae in this respect. §§124 (3) clause 4 and 125 (1) clause 5 AktG include definitive and sufficient stipulations regarding the information to be provided for proposed Supervisory Board candidates. The candidate's current profession and seats on other executive boards must be declared; these details will provide a more detailed impression of the nature and scope of this candidate's other activities and his or her technical qualifications. To require further details would go beyond the text of the law and ultimately result in increased legal uncertainty, also because the term "key activities" is too imprecise and can be variously interpreted given the wide range of available life choices.

Rules of procedure of the Supervisory Board: making the rules of procedure accessible on the company's website (deviation from Recommendation D.1 GCGC)

The Supervisory Board of CEWE Stiftung & Co. KGaA has established rules of procedure for its activities. These rules of procedure are a key instrument in the organisation of the Supervisory Board which regulates procedural issues arising on the Supervisory Board. We are therefore of the view that these rules of procedure are an internal document of the Supervisory Board which is not suitable for publication.

Remuneration system for Supervisory Board / remuneration report

CEWE Stiftung & Co. KGaA (CEWE-KGaA), with its specific legal form, is legally represented by its general partner, Neumüller CEWE COLOR Stiftung (CEWE-Stiftung). This operates through its Board of Management, which thus also manages CEWE-KGaA. CEWE-Stiftung makes decisions regarding the remuneration system for the Board of Management, on the basis of the rules applicable for CEWE-Stiftung. The Board of Management of CEWE-Stiftung and the Supervisory Board of CEWE-KGaA are responsible for the remuneration reporting – i.e. the voluntary publication of the remuneration system for the members of the Board of Management of CEWE-Stiftung and the publication and presentation of the remuneration report pursuant to §162 AktG. The underlying documents and the resolution passed by the general meeting in accordance with §113 (3) AktG on the remuneration received by the members of the Supervisory Board are available at ir.cewe.de.

Disclosures on management practices

The CEWE Group has an established tradition of conducting its business affairs in compliance with national and international legislation as well as generally acknowledged ethical principles.

Commitment to social responsibility as a part of CEWE's corporate culture

CEWE Stiftung & Co. KGaA is aware of its social responsibility, which it considers to be an important factor in the company's long-term success. In this respect, the CEWE Group has developed a mission statement which sets out its corporate culture, which is characterised by integrity, trustworthiness and responsibility. The basic values and principles of this mission statement may be viewed online at <https://company.cewe.de/en/about-us/responsibility/compliance.html>.

CEWE Stiftung & Co. KGaA has also summarised its key principles in a Code of Conduct which is based on ethical values and related business principles that reflect integrity and loyalty. This Code of Conduct applies for all of the Group's employees and requires compliance with the following operating principles:

- Our activities are defined by integrity and lawful behaviour.
- We aim to safeguard and to expand the CEWE Group's leading position as Europe's foremost provider of photo services.
- We pursue appropriate business relationships, which are free of any dishonest practices.
- We avoid any conflicts between the interests of the CEWE Group and private interests.
- We treat business information and trade secrets confidentially.
- We will not tolerate any abuse of employees' positions for personal advantage, for the benefit of third parties or to the detriment of the CEWE Group.

Further information on our Code of Conduct is publicly available on the following website: <https://company.cewe.de/en/about-us/responsibility/compliance.html>

CEWE Stiftung & Co. KGaA also supports the principles of the compliance initiative of the German Association for Supply Chain Management, Procurement and Logistics. Further information on the principles of the German Association for Supply Chain Management, Procurement and Logistics is available at www.bme-compliance.com.



Procedures of the management and the Supervisory Board and makeup and procedures of the Supervisory Board's committees

Due to the provisions of the German Stock Corporation Act, the articles of association of CEWE Stiftung & Co. KGaA and the rules of procedure of the company's various committees, rules are in place at CEWE Stiftung & Co. KGaA for its management and for supervision of its management which comply with the requirements of the GCGC. The company fulfils the GCGC's requirement of protection for investors bearing entrepreneurial risk.

The Board of Management, the Board of Trustees of Neumüller CEWE COLOR Stiftung and the Supervisory Board maintain a close and trusting working relationship, while safeguarding the interests of the company. All key business transactions are discussed together with the competent committees. In particular, the details of the relationship between the Board of Management, the Board of Trustees of Neumüller CEWE COLOR Stiftung and the Supervisory Board and issues for which the Board of Management requires approval are laid down in the rules of procedure of the Board of Management and the Supervisory Board.

Management

The general partner Neumüller CEWE COLOR Stiftung ("the management") holds 20,020 no-par value bearer shares in the share capital of CEWE Stiftung & Co. KGaA and thus approx. 0.27%, while the limited shareholders hold the remainder of the shares. Neumüller CEWE COLOR Stiftung manages the company's business through its Board of Management in accordance with applicable legislation, the articles of association of CEWE Stiftung & Co. KGaA and its own articles of association and also the

rules of procedure for its Board of Management. Due to its unlimited personal liability, Neumüller CEWE COLOR Stiftung has a considerable interest in the orderliness and efficiency of the business activities of CEWE Stiftung & Co. KGaA, which it accordingly encourages. The rules of procedure adopted by the Board of Management of Neumüller CEWE COLOR Stiftung and approved by the Board of Trustees for the Board of Management set out the allocation of duties and cooperation on the Board of Management. The Board of Management passes resolutions at its meetings, which are normally held once a week. Each member of the Board of Management notifies the other members in good time of important events and transactions within his area of business. Specific tasks are assigned to individual members of the Board of Management by means of a schedule of responsibilities.

The management determines the strategic orientation of the company, plans and specifies the company's budget, is responsible for the allocation of financial resources and supervises the company's business development. It is responsible for the preparation of the annual financial statements of CEWE Stiftung & Co. KGaA, the consolidated financial statements as well as the quarterly and semi-annual financial statements. The management also ensures compliance with statutory, official and internal regulations and ensures that all of the companies of the CEWE Group comply with these regulations. Through its integrated governance, risk and compliance approach, the Board of Management has established and implemented a control framework for the CEWE Group which aims to ensure an appropriate and effective internal control and risk management system. The measures implemented within the scope of this approach are likewise aimed to ensure the effectiveness and appropriateness

of the internal control and risk management system. Further information about these measures is provided in the opportunities and risk report, for instance ([see pages 69ff.](#)). At the same time, independent reviews and audits are carried out within the scope of this three-line model and in accordance with the applicable statutory framework. In particular, these include the audits performed by the internal auditing function and its reporting to the Board of Management and the Audit Committee of the Supervisory Board as well as other external audits.

The Board of Management is not aware, through its dealing with the internal control and risk management system or from the reporting provided by the internal auditing function, of any significant circumstances indicating that these systems, in their totality, are not appropriate and effective. The management notifies the Supervisory Board of the course of business and the company's position at least once a quarter. The management also notifies the Supervisory Board at least once per year regarding the annual planning and the company's strategy. Moreover, the management notifies the Supervisory Board regularly, promptly and comprehensively regarding any strategy, planning, business development, risk position, risk management and compliance issues which are relevant for the company and thus comprehensively complies with its reporting obligation. In addition, the management reports regularly, promptly and comprehensively – in writing or orally – on any matters which are of material significance for the company. Further details are stipulated in the rules of procedure for the Board of Management and the Supervisory Board and in the articles of association of Neumüller CEWE COLOR Stiftung.



Supervisory Board

The Supervisory Board supervises the Board of Management of Neumüller CEWE COLOR Stiftung in its management of the company and advises it accordingly. The competences of the Supervisory Board are laid down in its rules of procedure. The key tasks of the Supervisory Board include its review of the company's quarterly reports, its auditing of the annual financial statements and the consolidated financial statements of CEWE Stiftung & Co. KGaA and its preparation of the resolution to be passed by the general meeting for approval of the annual financial statements. The members of the Supervisory Board of CEWE Stiftung & Co. KGaA are appointed in accordance with the provisions of the German Codetermination Act (Mitbestimmungsgesetz – MitbestG).

On the basis of the information provided by the company's management, the Supervisory Board considers the course of business and the company's position at least once a quarter. The members of the Board of Management of Neumüller CEWE COLOR Stiftung are invited to attend the meetings of the Supervisory Board, unless the Supervisory Board resolves otherwise in an individual instance. For part of each Supervisory Board meeting, the Supervisory Board deliberates on its own without the members of the Board of Management of Neumüller CEWE COLOR Stiftung being present. Moreover, at each of its meetings the Supervisory Board systematically discusses the following issues:

- Corporate governance
- Compliance
- The company's risk situation

The Supervisory Board and the Board of Trustees are notified of key decisions of the Board of Management early on. The management and the Supervisory Board also regularly discuss issues of strategy and planning as well as current business developments outside of these meetings. The Supervisory Board maintains regular contact with the management, so as to obtain early notification of the company's current business development as well as significant business transactions. The Supervisory Board regularly assesses whether conflicts of interest may apply for members of the Board of Management or the Board of Trustees of Neumüller CEWE COLOR Stiftung in relation to the work which they perform for CEWE Stiftung & Co. KGaA.

Supervisory Board committees

In the period under review, an Audit Committee performed the tasks required of it by law and assigned to it under the rules of procedure approved by the overall Supervisory Board.

The **Audit Committee** prepares the Supervisory Board's discussions and resolutions concerning the approval of the annual financial statements and the consolidated financial statements and the proposal to be made to the general meeting on the appointment of the auditor. It is also concerned with monitoring the financial reporting process, the effectiveness of the internal control system, the risk management system, compliance and the internal audit system as well as the external audit, in particular the selection and independence of the auditor, the quality of its audit and the additional services provided by the auditor.

On December 31, 2023, the members of the Audit Committee were Ms Daniela Mattheus (Chairwoman), Mr Markus Schwarz (Deputy Chairman), Mr Kersten Duwe and Mr Nurool Altan. Pursuant to §107 (4) in conjunction with §100 (5) AktG, at least one member of the Audit Committee must have expertise in the field of financial reporting and at least one further member of the Audit Committee must have expertise in the field of auditing. In the field of auditing, the Chairwoman of the Audit Committee, Ms Daniela Mattheus, has particular knowledge and experience of auditing. Following a long career with a series of well-known audit firms, Ms Daniela Mattheus is now a self-employed consultant and serves on various supervisory boards. Ms Daniela Mattheus therefore continuously deals with auditing issues in her capacity as a member of the supervisory boards of Commerzbank AG, Frankfurt am Main, Deutsche Bahn AG, Berlin, and Jenoptik AG, Jena.

As of December 31, 2023 Mr Kersten Duwe was a further expert pursuant to §100 (5) AktG on the Audit Committee. As a lawyer and tax adviser, he has the relevant expertise and serves on the Audit Committee as a financial expert in the area of financial reporting.



The Supervisory Board has also established a [Nomination Committee](#). The Nomination Committee prepares the resolutions to be passed by the Supervisory Board on nominations which are to be submitted to the general meeting regarding the appointment of Supervisory Board members provided by the limited shareholders. It follows the criteria specified by the Supervisory Board on its makeup as well as the competence profile adopted by the Supervisory Board. As of December 31, 2023, Mr Kersten Duwe, Dr Vemmer and Mr Paolo Dell'Antonio are the members of the Nomination Committee.

In order to provide more efficient support in relation to the ongoing development of the Group-wide IT structure, the Supervisory Board appointed an advisory committee. The Board of Management keeps this committee regularly informed of key developments. Ms Petra Adolph, Dr Birgit Vemmer (Chairwoman), Mr Marc Bohlken and Mr Paolo Dell' Antonio were elected to this committee. Its first meeting was held at the start of 2024.

The Supervisory Board and its committees regularly undergo an efficiency review of their own and incorporate the findings in their future activities. At its meeting of March 17, 2021, the Supervisory Board carried out a self-evaluation of the effectiveness of its functioning as a supervisory board within the meaning of Recommendation D.12 of the GCGC. Various members suggested enhancing the work of the Supervisory Board through additional training opportunities and presentations by external experts.

For further information, please refer to the report of the Supervisory Board [pages 42ff.](#) of this annual report and online at <https://company.cewe.de/en/about-us/responsibility/compliance.html>).

Board of Trustees of Neumüller CEWE COLOR Stiftung

Some of the tasks which are performed by a public limited company's supervisory board are handled by Neumüller CEWE COLOR Stiftung at CEWE, specifically by the Board of Trustees of Neumüller CEWE COLOR Stiftung. Accordingly, the details of the Board of Trustees are outlined below.

The Board of Trustees has six members. The Board of Trustees advises and supervises the Board of Management. It keeps up-to-date regarding the affairs of Neumüller CEWE COLOR Stiftung and CEWE Stiftung & Co. KGaA and may inspect and audit the commercial books and other documents of the company and also its assets for this purpose. According to § 7 (2) of the articles of association of CEWE Stiftung & Co. KGaA, the management requires the consent of the Supervisory Board for certain transactions beyond the scope of normal business. The articles of association of Neumüller CEWE COLOR Stiftung also stipulate the consent of the Board of Trustees for certain extraordinary measures enacted by the management. The Board of Trustees is convened as required, but meets at least four times a year.

The general meeting of CEWE Stiftung & Co. KGaA

In particular, the annual general meeting passes resolutions regarding the approval of the annual financial statements, appropriation of unappropriated profits, ratification of the actions of the general partner and the members of the Supervisory Board, and the appointment of the auditor. The general meeting is also entitled to resolve amendments to the articles of association. The limited shareholders of CEWE Stiftung & Co. KGaA exercise their rights at the general meeting.

Target figures pursuant to § 76 (4) and § 111 (5) AktG and minimum proportions for the makeup of the Board of Management and the Supervisory Board

Since the company does not have any Board of Management pursuant to § 278 AktG, the provision laid down in § 111 (5) AktG concerning the makeup of the Board of Management does not apply for the company. Moreover, the obligation to determine a target size for the Board of Management is not applicable insofar as the requirement under § 76 (3a) AktG concerning the membership of this Board of Management is applicable (§ 111 (5) clause 9 AktG). In accordance with the statutory requirements, no target quota has been specified for the Board of Management.

The German Stock Corporation Act, as amended by the Second German Act on Management Positions (Zweites Führungspositionen-Gesetz – FüPoG II), prescribes that stock-market-listed companies which consist of equal numbers of representatives and which have a board of



management comprising more than three members must appoint at least one woman and at least one man to their board of management. Irrespective of the legal question of whether § 76 (3a) AktG is at all applicable to CEWE Stiftung & Co. KGaA, either directly or analogously, the company complied with this requirement in the reporting period, since Ms Yvonne Rostock was appointed Chairwoman (CEO) with effect as of March 1, 2023 and Ms Christina Sontheim-Leven was appointed to the Board of Management of Neumüller CEWE COLOR Stiftung with effect as of January 1, 2022.

In accordance with the [statutory](#) obligation stipulated in § 76 (4) AktG and its own long-term human resources goal of achieving a gender balance, the Board of Management of Neumüller CEWE COLOR Stiftung has specified the following new targets which it aims to achieve by June 30, 2027:

- first management level of CEWE Stiftung & Co. KGaA below the Board of Management: 33.3% of management positions held by women
- second management level of CEWE Stiftung & Co. KGaA below the Board of Management: 40% of management positions held by women

The first management level comprises all of the executives of CEWE Stiftung & Co. KGaA with a direct reporting line to the Board of Management. The second management level comprises all of the executives of CEWE Stiftung & Co. KGaA reporting to executives with a direct reporting line to the Board of Management.

As an international company with (management) structures which reflect this orientation, while aiming to achieve an equal number of male and female employees in management positions in the long term, the CEWE Group has set itself a voluntary [target](#) of increasing the proportion of women in management positions in all of its companies (national subsidiaries) and brands. A glance at the CEWE Group as a whole shows that things are already moving in the right direction.

New elections to the Supervisory Board were held in the reporting period. The Supervisory Board has twelve members, half of whom are appointed by the company's shareholders and half by its employees. The Supervisory Board had four female members appointed by the shareholders following the new elections. Of the Supervisory Board members appointed by the shareholders, a women's quota of two thirds (four out of six seats held by the shareholders' representatives) was thus achieved. The Supervisory Board had two female members appointed by the employees following the new elections. Of the Supervisory Board members appointed by the employees, a women's quota of one third (two out of six seats held by the employees' representatives) was thus achieved. The shareholders and the employees therefore both fulfilled the statutory requirement of a minimum women's quota of 30% on the Supervisory Board.

Diversity concept in regard to the makeup of the Board of Management of the general partner and the Supervisory Board

Recommendations A.2, B.1 and C.1 clause 2 of the GCGC deal with the issue of diversity in terms of appointments to the Board of Management and management positions within the company as well as the makeup of the Supervisory Board. With the goal of sound corporate governance, the management and the Supervisory Board of CEWE Stiftung & Co. KGaA have considered this issue in detail within the scope of their responsibilities.

Makeup of the Board of Management

The Board of Management of Neumüller CEWE COLOR Stiftung consisted of five male members and (from March 1, 2023) two female members in the reporting period. All of the members of the Board of Management have international experience.

Ms Yvonne Rostock was appointed the Chairwoman (CEO) of Neumüller CEWE COLOR Stiftung and thus of the CEWE Group with effect as of March 1, 2023. As well as holding the post of CEO, Ms Yvonne Rostock also has overall responsibility for the CEWE Group's distribution activities.

The company seeks to ensure the adequate representation of women and in general to reflect diversity in its appointments of members of the Board of Management.



Makeup of the Supervisory Board

The Supervisory Board of CEWE Stiftung & Co. KGaA consists of twelve members. It traditionally comprises members with international experience.

An age limit is stipulated for the members of the Supervisory Board of CEWE Stiftung & Co. KGaA in § 2.1 of the rules of procedure for the Supervisory Board. In principle, membership of the Supervisory Board is to end on December 31 in the year in which the respective Supervisory Board member reaches the age of 71. In deviation from this principle, the other members of the Supervisory Board may resolve with a two-thirds majority to extend this person's membership, but not beyond the end of the year in which the member in question reaches the age of 75.

Composition targets and competence profile of the Supervisory Board

In September 2023, the Supervisory Board defined its competence profile and published this on the company's website at <https://company.cewe.de/en/about-us/corporate-group.html>. The current members of the Supervisory Board match this competence profile.

Independence of the Supervisory Board members

With its makeup during the reporting period, the Supervisory Board almost entirely complied with the requirements set out in Recommendations C.1 to C.12 of the GCGC. The Supervisory Board has reviewed the independence of its members.

Mr Frank Zweigle was appointed a member of the Supervisory Board pursuant to the order of Oldenburg Local Court with effect from January 1, 2023 for a period of office expiring at the end of the 2023 general meeting. At the same time, Mr Zweigle was appointed to the position of Chairman of the Supervisory Board, starting on January 1, 2023 and ending at the 2023 general meeting.

Notwithstanding the fact that, until December 31, 2021, Mr Frank Zweigle was a member of the Board of Management of Neumüller CEWE COLOR Stiftung, he was independent of the company and of the Board of Management of the general partner, since he did not have any personal or business relationship with the company or the Board of Management such as would constitute a significant and not merely temporary conflict of interest. Membership of the Board of Management of the general partner in the two years prior to his appointment is only one of four indicators which, according to the GCGC, were to be taken into consideration when assessing the independence of the members of the Supervisory Board. It was not decisive on its own. In the view of the Supervisory Board, all of the relevant circumstances must be jointly considered in order to assess the independence of a Supervisory Board member. The other three indicators expressly mentioned in the GCGC which must be assessed when evaluating the independence of a Supervisory Board member were not fulfilled in the case of Mr Frank Zweigle. These indicators are whether the Supervisory Board member or a close relative

- currently maintains, or has maintained in the year leading up to his or her appointment, either directly or as a shareholder or via a position of responsibility with a company outside of the corporate group, a significant business relationship with the company or a dependent enterprise,
- is a close relative of a member of the Board of Management.
- has belonged to the Supervisory Board for more than twelve years.

In the view of the Supervisory Board, it was in the interests of the company that it be able to continue to make use of Mr Frank Zweigle's long-standing experience as a member of the Board of Management of the general partner. The Supervisory Board is satisfied that a period of two years from Mr Frank Zweigle's resignation from the Board of Management of the general partner was not necessary in order to ensure his independence.



→ Reports on the company's management

Skills and expertise matrix

	1. Experience of the management or supervision of companies or organisations	2. Experience of international companies or organisations	3. Familiarity with the industry in which the company operates/markets/value chain	4. Understanding of the strategic development of companies; technologies, customers and markets	5. Familiarity with co-determination	6. Appropriate level of knowledge of accounting, financial reporting, law, compliance and risk management	7. Appropriate level of knowledge of auditing, including sustainability reporting	8. Basic knowledge of sustainability issues	9. IT, IT security, data security, data protection	10. Experience in the area of innovation, R&D, ind. manufacturing technology and service	11. Knowledge of digitalisation, IT, processes, change and start-ups	12. Expertise in the area of communication, media	13. Basic knowledge of stock exchange and stock corporation law as well as financial markets	14. Personnel management/HR
Kersten Duwe	✓	✓		✓		✓	✓	✓					✓	
Paolo Dell' Antonio	✓	✓	✓	✓		✓	✓				✓	✓		✓
Daniela Mattheus	✓	✓		✓	✓	✓	✓	✓	✓		✓		✓	
Prof. Dr Christiane Hipp	✓	✓	✓	✓				✓		✓	✓			✓
Martina Sandrock	✓	✓		✓	✓	✓		✓		✓		✓		✓
Dr Birgit Vemmer	✓	✓	✓	✓				✓			✓			✓
Markus Schwarz			✓		✓	✓	✓							✓
Nurol Altan			✓		✓	✓	✓							✓
Insa Lukaßen			✓		✓					✓	✓	✓		
Marc Bohlken	✓		✓	✓	✓					✓	✓			✓
Petra Adolph	✓				✓	✓		✓				✓		✓
Jan Grüneberg	✓				✓	✓	✓	✓						✓

All of the members of the Supervisory Board of CEWE Stiftung & Co. KGaA who held office during the reporting period are considered to be independent within the meaning of Recommendations C.6 to C.12 of the GCGC.



Period of service on the Supervisory Board

The individual members' period of service on the Supervisory Board is as follows:

Supervisory Board member	Since
Kersten Duwe	6/2023
Paolo Dell'Antonio	1/2017
Prof. Dr rer. pol. habil. Christiane Hipp	6/2012
Daniela Mattheus	6/2023
Martina Sandrock	10/2022
Dr Birgit Vemmer	6/2018
Markus Schwarz	10/2015
Petra Adolph	6/2018
Nuroi Altan	6/2023
Marc Bohlken	6/2023
Jan Grüneberg	6/2023
Insa Lukaßen	6/2018

Compliance with the minimum proportions of male and female members of the Supervisory Board

The Supervisory Board includes four female representatives of the shareholders and two female representatives of the employees. The company has thus more than fulfilled the statutory requirement of 30% female representation on its Supervisory Board. While fulfilling

applicable statutory requirements, in any future nominations the Supervisory Board will also appropriately consider whether candidates have the necessary skills, competences and technical experience which are required for service on the Supervisory Board.

Appointments to management positions

In compliance with Recommendation A.2 of the GCGC, CEWE Stiftung & Co. KGaA has already implemented a large number of measures which are intended to promote diversity – in particular, a greater share of women – in management positions.

For instance, CEWE Stiftung & Co. KGaA has enacted the following specific measures to encourage a better balance between career and family needs:

- Contract with “AWO Eltern- und Seniorenservice” in Oldenburg to provide free consultations for employees needing to arrange placements for their children or for their parents.
- Since August 2022, two large day nurseries at CEWE Stiftung & Co. KGaA's site in Oldenburg. The second nursery means that additional places can be offered in view of the high level of demand.
- Course enabling mothers and fathers to strengthen their minds (“Rediscover your power”).

- Programme to help employees keep in touch during parental leave.
- Management while working part-time.
- Mobile working and more flexible work hours which provide support and makes things easier for employees in various life situations.
- Own care programme for children during the Easter, summer and autumn holidays.

Recruitment measures have also been further improved. For example:

- Revised wording in job advertisements
- Planned participation at career fairs which are specifically aimed at a female audience (HERCareer)
- Stronger focus on advertising jobs which include part-time roles

Moreover, at its meeting held on February 13, 2023 the Board of Management had expressly confirmed the resolution passed by the Board of Management of CEWE COLOR Holding AG on January 31, 2011:

The company seeks to ensure the adequate representation of women and in general to reflect diversity in its appointments to management positions. As well as the existing measures enacted in support of this criterion, the following measures are to be implemented in addition:



Drafting and implementation of a programme which considers the issues of “Women in management positions”, “Promotion of women as junior executives” and “International approach at the management level”. This resolution remains valid for appointments to management positions and the structuring of internal development programmes for executives.

In regard to proposed appointments to management positions, CEWE Stiftung & Co. KGaA also takes into consideration factors including candidates' age, gender, cultural origin and educational and professional backgrounds and seeks to achieve the greatest possible level of diversity.

Final declaration by the Board of Management of the general partner on the report on relationships with affiliates

The status of Neumüller CEWE COLOR Stiftung as the general partner of CEWE Stiftung & Co. KGaA means that, in principle, CEWE Stiftung & Co. KGaA is dependent on Neumüller CEWE COLOR Stiftung within the meaning of § 17 AktG. Since no control agreement has been concluded with Neumüller CEWE COLOR Stiftung in accordance with § 291 AktG, as the management body of CEWE Stiftung & Co. KGaA pursuant to § 312 AktG the Board of Management of the general partner Neumüller CEWE COLOR Stiftung has prepared a report on relationships with affiliates. At the end of this report, the Board of Management has presented the following declaration:

“We hereby declare that our company has received appropriate consideration for each of the legal transactions listed in this report, in accordance with the circumstances known to us as of the execution of these transactions, and has not thus been disadvantaged. No measures have been implemented or waived at the instigation or in the interest of the controlling company or an affiliate.”

Transactions with related parties

Neumüller CEWE COLOR Stiftung is the company's managing partner. It holds 20,020 no-par value shares in the company's capital. Neumüller CEWE COLOR Stiftung has concluded a contract with CEWE Stiftung & Co. KGaA regulating its management duties as managing partner and the assumption of expenses. Under this contract, Neumüller CEWE COLOR Stiftung is to be reimbursed for any expenses arising in connection with its management activities, particularly those incurred by its Board of Management, its management and its Board of Trustees. Neumüller CEWE COLOR Stiftung is also entitled to receive appropriate annual remuneration, irrespective of any profit or loss, for its management and representational duties and for the assumption of its personal liability risk.



Separate consolidated non-financial report

The separate consolidated non-financial report under § 289b (1) and (3) HGB and § 315b (1) and (3) HGB is incorporated in the annual report. This is published on the company's website at the same time as the combined management report. <https://ir.cewe.de/websites/cewe/English/6000/corporate-governance.html#pages6080>

Oldenburg, March 19, 2024

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

Yvonne Rostock
(Chairwoman of the
Board of Management)

Patrick Berkhouwer

Dr Reiner Fageth

Carsten Heitkamp

Dr Olaf Holzkämper

Thomas Mehls

Christina Sontheim-Leven



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 ratio

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

Equity

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

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 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 operating working capital

Inventories plus current trade receivables less current trade payables

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 pension accruals, non-current deferred tax liabilities, non-current other accruals, non-current financial liabilities and non-current other 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

Other current liabilities

Current tax accruals, other current accruals, other current financial liabilities and current other 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 CEWE's own retail branches

Return on capital employed (ROCE) before restructuring

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

Return on capital employed (ROCE)

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

Return on capital employed

See return on capital employed

Working capital-induced cash flow

Changes resulting from net working capital

Please note:

Where digital photos are referred to in this financial report, figures 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.



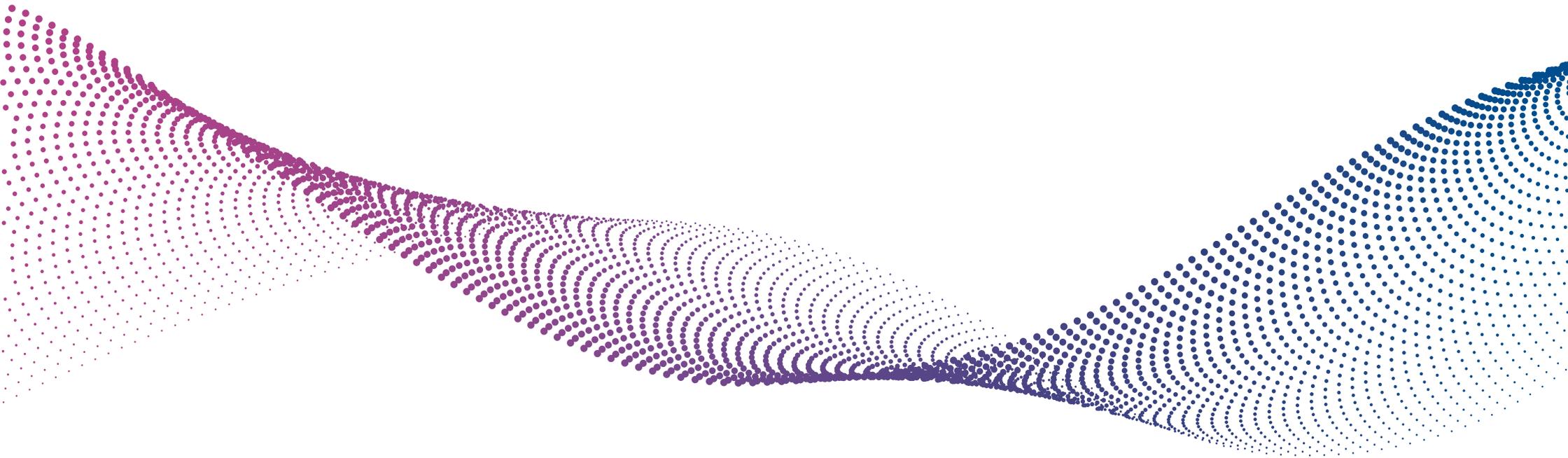
CEWE Photo Award 2023: Our world is beautiful, Doom
Marian Kuric, Slovakia – winner of the Landscapes category



4 Remuneration

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Remuneration system

CEWE Stiftung & Co. KGaA (CEWE-KGaA), with its specific legal form, is legally represented by its general partner, Neumüller CEWE COLOR Stiftung (CEWE-Stiftung). This operates through its Board of Management, which thus also manages CEWE-KGaA. CEWE-Stiftung makes decisions regarding the remuneration system for the Board of Management, on the basis of the rules applicable for CEWE-Stiftung. The Board of Management of CEWE-Stiftung and the Supervisory Board of CEWE-KGaA are responsible for the remuneration reporting – i.e. the voluntary publication of the remuneration system for the members of the Board of Management of CEWE-Stiftung – and the publication and presentation of the remuneration report pursuant to §§ 162 and 120 a (4) AktG.

Basic features of the remuneration system for members of the Board of Management of Neumüller CEWE COLOR Stiftung

The remuneration system for the members of the Board of Management is clearly designed and easy to understand. The Board of Trustees of CEWE-Stiftung is responsible for drafting the contracts of the members of the Board of Management. The Board of Trustees assumes that all of the members of the Board of Management will make equal contributions to the success of the CEWE Group. However, the remuneration paid to the Chairman of the Board of Management differs to an appropriate degree, on account of his greater level of responsibility. The

remuneration system is moreover in keeping with international practice and the necessary level of flexibility for what is, to a considerable extent, a seasonal business model. This remuneration continues to comprise fixed and performance-related variable components. As well as the tasks handled by the members of the Board of Management, the criteria for determination of overall remuneration are the economic success of the CEWE Group and its peer group. The company's remuneration structure is intended to promote its sustainable and positive long-term development.

Determination, implementation and review of the remuneration system

The remuneration paid over to the members of the Board of Management is determined by the Board of Trustees of CEWE-Stiftung. It thereby complies with the requirements of the German Act on the Appropriateness of Management Board Remuneration (Gesetz zur Angemessenheit der Vorstandsvergütung – VorstAG). Insofar as a remuneration consultant is involved in the process of drafting the remuneration system, the Board of Trustees will ensure that this consultant is independent of the Board of Management and the company. No external remuneration expert has been consulted for the current remuneration system.

The Board of Trustees ensures that the overall remuneration of the members of the Board of Management is, on the one hand, proportionate to their tasks and performance

while, on the other, appropriately reflecting the CEWE Group's economic and financial position. In addition, the Board of Management's remuneration has been designed with the company's long-term and sustainable development in mind.

The Board of Trustees continuously reviewed the appropriateness of this remuneration in 2023. Within the scope of its review, in a horizontal comparison remuneration levels of companies of a similar size and level of complexity are compared. In a vertical comparison, the remuneration paid to the management levels below the Board of Management and the average remuneration paid to the workforce of the CEWE Group are considered. Finally, the development of these variables over time is also taken into consideration.

The remuneration system safeguards the company's long-term development by ensuring a balance between performance-related and non-performance-related remuneration components, thus preventing the members of the Board of Management from entering into disproportionately high risks in order to achieve bonuses.

Overall context for the remuneration system

The members of the Board of Management receive fixed remuneration and variable remuneration for their service. Their variable remuneration consists of a bonus plus long-term incentive components.



The contracts concluded with the members of the Board of Management all contain the same terms regarding remuneration; this relates to the contractual provisions as well as the structure of remuneration, with the exception of the maximum remuneration in the case of bonus II. The Chairwoman of the Board of Management enjoys superior remuneration-related conditions to those of the other Board of Management members.

Fixed gross remuneration

The fixed gross remuneration consists of a fixed monthly amount (fixed remuneration) as well as non-cash remuneration (fringe benefits). The fixed remuneration of the Chairman of the Board of Management is a good 50% higher than that of all of the other ordinary members of the Board of Management. Fixed remuneration is paid out regardless of performance in equal monthly instalments. The fixed remuneration of the members of the Board of Management has been adjusted so that – with the exception of the Chairman of the Board of Management – each member of the Board of Management receives the same fixed remuneration; this consistency is maintained irrespective of the durations of the individual contracts.

The members of the Board of Management also receive non-cash remuneration, which is reported on the basis of the taxable amounts. This mainly consists of the use of a company car and occupational insurance premiums; the members of the Board of Management are entitled to receive the non-cash remuneration in the same way and pay tax on it. They are also entitled to the reimbursement of entertainment expenses and travel costs at the maximum rates permitted for tax purposes, insofar as such expenses and costs are exclusively incurred in the interests of CEWE-Stiftung.

CEWE-Stiftung bears the Board of Management member's relocation costs. On a one-time basis, it will refund standard estate agent's fees for an appropriate, rented residence in Oldenburg or the local area. In the event of the member of the Board of Management purchasing a home, CEWE-KGaA will pay the equivalent of two monthly rent instalments on the basis of this property's rented value.

The company maintains a Group financial loss liability insurance policy (D&O insurance) for the members of the Board of Management. Cover for the members of the Board of Management and the Supervisory Board of CEWE-KGaA complies with the requirements of the German Act on the Appropriateness of Management Board Remuneration. The insured member of the Board of Management thus bears 10% of a potential loss, up to one-and-a-half times their fixed annual remuneration.

Insurance cover also applies through third-party liability insurance for managers as well as insurance covering legal expenses under criminal law for all of the company's employees. The members of the Board of Management are also jointly insured against any violations which they commit, or are alleged to have committed, in the performance of their duties. The company has moreover taken out an accident insurance policy for all of its executives. This includes all of the members of the Board of Management.

Pension scheme

Pension obligations apply in relation to the members of the Board of Management in the form of a direct commitment. The value of their pension entitlements is calculated on the basis of the fixed remuneration most recently paid for their service on the Board of Management of CEWE-Stiftung. The pension entitlement will have been vested

following a period of 15 years (in one case, 20 years) of service on the Board of Management and will not exceed between 50% and two-thirds of the fixed remuneration last received by the member of the Board of Management in question. The structure of the pension scheme applies equally for all of the members of the Board of Management of CEWE-Stiftung. The pension benefit will be paid in twelve equal monthly instalments and shall be due on the last day of each month. As a rule, the commitments entered into do not include provision for dependants; however, provision has been made for dependants in some individual cases, with no effect on expenses. In individual cases, if the member of the Board of Management served as a managing director in the CEWE Group prior to his appointment to the Board of Management, as part of the company's pension scheme the company also maintains life insurance policies with a capital payment in the event of premature death as provision for dependants or, in case of survival, as a pension. Instead of the normal type of pension scheme described above, the new Chairwoman of the Board of Management who took up her position in the spring of 2023 will be transferred ownership of 5,000 shares of CEWE-KGaA upon completion of each year of service, in February of the following year of service.

Variable remuneration

The members of the Board of Management receive variable, performance-related remuneration. The variable remuneration components are divided up into three different components and consist of one-year variable remuneration – i.e. a bonus share, payable annually (bonus I) – multi-year variable remuneration – in the form of a multi-year bonus share (bonus II) – and a long-term, share-based remuneration component (stock option plan). These remuneration components consist of the following core components:



Bonus I and bonus II are calculated separately from one another.

Bonus I is based on earnings before taxes (EBT) as well as depreciation on property, plant and equipment and amortisation on intangible assets of the CEWE Group. Overall, it is limited to a maximum of 100% of the fixed remuneration in a given year. This only includes bonus shares which are relevant for depreciation purposes and which have been earned through earnings before tax (earned depreciation). Bonus I will be calculated and paid out in the following year, within ten days of the consolidated financial statements having acquired binding force.

Bonus II with its multi-year component relates to earnings before taxes (EBT); it is calculated on the basis of the total EBT over the term of the employment contract of the Board of Management member in question. The multi-year bonus II will not attract any interest. In three cases, it is limited to a maximum of 100% of the fixed remuneration. The balance resulting from bonus II is retained for the multi-year term of the contract of the respective member of the Board of Management and will be paid out six months after the end of this person's employment contract.

For both bonus portions, bonus I and bonus II, the Chairman of the Board of Management's entitlement is roughly 25% to 50% higher than that of a further ordinary member of the Board of Management.

In the event of a member of the Board of Management retiring over the course of a year, bonus I and bonus II will be calculated pro rata temporis and paid out in the following year within ten days of the consolidated financial statements acquiring binding force.

Stock option plans were established in 2019 and in the period from 2021 to 2023 in which the members of the Board of Management who held office at that time were permitted to participate in the same way and to the same extent. These plans are intended to reward the members of the Board of Management for the long-term improvement in the company's value via its share price. All of these stock option plans (SOP 2019, SOP 2021, SOP 2022 and SOP 2023) had (and have) essentially the same terms. Since the SOP 2019, they have been designed in such a way that, if the options are successfully exercised, the economic benefit will accrue in the form of CEWE-KGaA shares rather than in cash form. Participation in these

plans and the volume of options purchased are subject to the discretion of the members of the Board of Management, up to a maximum total. They do not have any contractual entitlement for the implementation of these plans or for their participation in them. No holding period has been stipulated for participating members of the Board of Management in regard to shares arising from the stock option plans. The underlying prices, the performance targets and the fair value of the options within the scope of the currently applicable option programmes are indicated below. Please [see pages 162 ff.](#) for further details of these programmes.

No non-financial performance targets have been agreed. The contracts of the members of the Board of Management do not include any clawback provisions.

Extraordinary developments (such as the disposal of shares in the company and the realisation of hidden reserves) are not included in the calculation of bonus I and bonus II. In the event of a deterioration in the position of CEWE-KGaA, CEWE-Stiftung may reduce these amounts appropriately, if their continued grant would otherwise be unreasonable.

Stock option plans: fair values, underlying prices and performance targets

		Number of participants	Number of rights issued	Fair value euros/opt.	Fair value in euros	Underlying price euros/opt.	Performance premium as %	Performance target euros/opt.
SOP 2023	Board of Management	7	8,400	18.19	152,796.00	87.00	120	104.40
SOP 2022	Board of Management	7	8,400	23.88	200,592.00	76.00	120	91.20
SOP 2021	Board of Management	7	8,400	22.63	190,092.00	121.00	120	145.20
SOP 2019	Board of Management	7	8,400	12.82	107,688.00	81.00	125	101.25
Total	Board of Management		33,600		651,168.00			



Due to the extremely high level of motivation in the overall Board of Management, the Board of Trustees of CEWE-Stiftung does not see any need for specific provisions or for overall target remuneration for individual members of the Board of Management. No distinctions have been made for different areas of business.

Overall, the remuneration has been designed such that the fixed remuneration components account for around 50% to 70% of overall remuneration and the variable remuneration components for around 30% to 50% of overall remuneration.

Other remuneration-related arrangements

The contracts with members of the Board of Management are exclusively term contracts which, according to the articles of association of CEWE-Stiftung, may be concluded for a period of up to five years. There is no provision for regular termination of a contract. The contracts of the members of the Board of Management currently vary in terms of their duration and end dates. In no case is the duration longer than a period of three years.

The following arrangements apply in the event of the premature termination of the contracts of the members of the Board of Management: in case of dismissal for good cause, their contracts will have been terminated as of the date of dismissal. In case of a dismissal which is not made for good cause or which is made on grounds lying outside of the responsibility of the member of the Board of Management, their fixed remuneration will be paid up to the end of the term of their contract. In addition, in this case this member of the Board of Management will receive a

settlement in the amount of half of their fixed remuneration in case of a period of at least twelve months before he begins to draw a pension, and otherwise a pro rata compensation amount. Pro rata payment rules apply for the payment of any positive bonus II balance. The company has not concluded any compensation agreements with the members of the Board of Management to cover the event of a takeover offer (§ 315a (1) no. 9 HGB).

In the event of a member of the Board of Management giving notice to quit due to a change of control, this member's fixed remuneration and bonuses I and II will be paid pro rata temporis. No settlement will be paid for the loss of future fixed remuneration or bonuses.

The Board of Trustees of CEWE-Stiftung reserves the right to agree a post-contractual non-compete clause.

No remuneration is granted by other companies in the CEWE Group. Nor has the company concluded any agreements on discretionary or guaranteed bonus payments.

The remuneration system for members of the Supervisory Board of CEWE Stiftung & Co. KGaA

The remuneration of the Supervisory Board members merely consists of fixed remuneration; the company's long-term development is thus promoted, since the Supervisory Board's decisions are not influenced by the achievement of bonus targets. The remuneration system was drafted for the members of the Supervisory Board,

separately adopted by the Board of Management of the general partner and the Supervisory Board and then adopted by the general meeting on June 15, 2022. § 14 of the articles of association of CEWE-KGaA was revised in this respect. This new system applies from the financial year 2022 onwards.

The following detailed provisions apply: the basic remuneration of a member of the Supervisory Board is 43,000 euros (previous year: 43,000 euros). A higher level of remuneration is envisaged for the Chairman and Deputy Chairman of the Supervisory Board and for the Chairman of the Audit Committee. This amounts to twice the level of basic remuneration for the Chairman/Chairwoman of the Supervisory Board and one-and-a-half times this amount for the Deputy Chairman/Chairwoman of the Supervisory Board and for the Chairman/Chairwoman of the Audit Committee. In addition, each Supervisory Board member receives an attendance fee of 2,000 euros (previous year: 2,000 euros) for their personal attendance of a meeting of the Supervisory Board or one of its committees, regardless of whether this is in person, in virtual form or over the telephone. Half of the fixed gross remuneration will fall due for payment as of June 30 of the current financial year and the other half, plus the attendance fees, within one month of the end of the financial year to which this remuneration relates.

CEWE-KGaA reimburses the members of the Supervisory Board any value added tax payable on their remuneration. Members of the Supervisory Board are covered by the company's D&O insurance policy. A deductible of 10% of the possible damage applies for them, up to a total amount of one-and-a-half times their fixed Supervisory Board remuneration.



Remuneration report

The Board of Management of Neumüller CEWE COLOR Stiftung (CEWE-Stiftung) and the Supervisory Board of CEWE-KGaA hereby provide the following remuneration report pursuant to §162 AktG within the scope of their remuneration reporting. The Board of Management and the Supervisory Board are to present it to the general meeting of CEWE-KGaA in order for a resolution to be passed on its approval (§120a (4) AktG). This report covers the remuneration of the members of the Board of Management of CEWE Stiftung & Co. KGaA, the Supervisory Board members of CEWE-KGaA as well as former members of the Board of Management of the old CEWE COLOR Holding AG, which underwent a change of form in 2013 to become CEWE Stiftung & Co. KGaA, and CEWE-Stiftung. At the general meeting held on June 7, 2023, the remuneration report for the financial year 2022 was approved by means of a resolution.

Individual remuneration of the members of the Board of Management of Neumüller CEWE COLOR Stiftung for 2023

The following reporting of remuneration for the year under review and financial year 2023 is in accordance with §162 AktG. The tables distinguish between the remuneration actually received (remuneration granted within the meaning of §162 (1), clause 1 AktG) and remuneration which is already due but which has not yet been paid out (remuneration owed within the meaning of §162 (1) clause 1 AktG); in addition, a distinction is made – and reported on a voluntary basis – between remuneration which is owed and

promised but is not yet due and, finally, other benefits paid to a member of the Board of Management in the event of regular termination of their service (benefits within the meaning of §162 (2), item 3 AktG).

Ms Yvonne Rostock joined the Board of Management as its Chairwoman on March 1, 2023; her remuneration is thus reported for the first time in this year under review. The breakdown of this remuneration is as follows for the individual members of the Board of Management:

The fixed remuneration of the serving members of the Board of Management was structured in individual cases so that all of the Board of Management members received the same amount of fixed remuneration, irrespective of the terms of their individual employment contracts. This remuneration remained unchanged in the period up to December 31, 2023. In deviation from the remuneration system, on joining the company in August 2023 Ms Rostock was paid a one-off joining bonus of 200,000 euros which is included in her fringe benefits.



Remuneration actually received in euros

	Yvonne Rostock (since March 1, 2023) Chairwoman of the Board of Management and Head of National and International Distribution, Neumüller CEWE COLOR Stiftung		Dr Christian Friege (to December 31, 2022) Chairman of the Board of Management and Head of National and International Distribution, Neumüller CEWE COLOR Stiftung		Patrick Berkhouwer Head of Foreign Markets and Expansion, Neumüller CEWE COLOR Stiftung		Dr Reiner Fageth Head of Technology and R&D, Neumüller CEWE COLOR Stiftung		Carsten Heitkamp Head of Production, Purchasing and Logistics, Neumüller CEWE COLOR Stiftung	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Fixed gross remuneration										
Fixed remuneration	0	373,333	420,000	56,081	270,000	288,000	270,000	288,000	270,000	288,000
Fringe benefits	0	217,436	15,165	0	8,651	6,717	17,928	17,521	16,568	16,148
Total fixed gross remuneration	0	590,769	435,165	56,081	278,651	294,717	287,928	305,521	286,568	304,148
<i>in % of total remuneration received</i>	0	100	73	13	69	72	47	73	69	49
Variable remuneration										
One-year variable remuneration	0	0	140,291	143,922	110,017	112,882	110,017	112,882	110,017	112,882
<i>in % of total remuneration received</i>	0	0	24	32	27	28	18	27	27	18
Multi-year variable remuneration										
Bonus II	0	0	0	243,719	0	0	184,704	0	0	199,941
Stock option plan	0	0	18,120	0	18,120	0	24,880	0	17,430	0
<i>in % of total remuneration received</i>	0	0	3	55	4	0	34	0	4	32
Total variable remuneration	0	0	158,411	387,641	128,137	112,882	319,601	112,882	127,447	312,823
<i>in % of total remuneration received</i>	0	0	27	87	31	28	53	27	31	51
Total remuneration (GCGC)	0	590,769	593,576	443,722	406,788	407,599	607,529	418,403	414,015	616,971



Remuneration actually received in euros

	Dr Olaf Holzkämper Head of Finance and Controlling, Neumüller CEWE COLOR Stiftung		Thomas Mehls Head of Marketing and Acquisitions, Neumüller CEWE COLOR Stiftung		Christina Sontheim-Leven (since January 1, 2022) Head of Human Resources and Organisational Development, Neumüller CEWE COLOR Stiftung		Frank Zweigle (to December 31, 2021) Head of Administration, Neumüller CEWE COLOR Stiftung		Total Remuneration granted to the Board of Management of NEUMÜLLER CEWE COLOR Stiftung	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Fixed gross remuneration										
Fixed remuneration	270,000	288,000	270,000	288,000	270,000	288,000	0		2,040,000	2,157,414
Fringe benefits	10,060	11,454	16,778	18,584	25,202	9,290	0		110,352	297,150
Total fixed gross remuneration	280,060	299,454	286,778	306,584	295,202	297,290	0	0	2,150,352	2,454,564
<i>in % of total remuneration received</i>	68	73	66	49	100	72	0	0	68	63
Variable remuneration										
One-year variable remuneration	110,017	112,882	110,017	112,882	0	112,882	0	0	690,377	821,214
<i>in % of total remuneration received</i>	27	27	25	18	0	28	0	0	22	179
Multi-year variable remuneration										
Bonus II	0	0	0	199,941	0	0	0	0	184,704	643,601
Stock option plan	21,500	0	40,080	0	0	0	17,379	0	157,509	0
<i>in % of total remuneration received</i>	5	0	9	32	0	0	100	0	11	16
Total variable remuneration	131,517	112,882	150,097	312,823	0	112,882	17,379	0	1,032,590	1,464,815
<i>in % of total remuneration received</i>	32	27	34	51	0	28	100	0	32	37
Total remuneration (GCGC)	411,577	412,336	436,875	619,407	295,202	410,172	17,379	0	3,182,942	3,919,379



Neither in the year under review nor in the previous year was there any remuneration which was due, but had not yet been paid out (remuneration owed within the meaning of § 162 (1) clause 1 AktG).

None of the members of the Board of Management has been promised or granted third-party payments in relation to their service on the Board of Management. The remuneration of the members of the Board of Management of

CEWE-Stiftung for the financial year 2023, paid out in 2024 (bonus I), amounts to 895 thousand euros and thus exceeds the figure for 2023 (821 thousand euros). The detailed picture is as follows:

Bonus I for the year under review – paid out in 2024 in euros

	Yvonne Rostock (since March 1, 2023) Chairwoman of the Board of Management and Head of National and International Distribution, Neumüller CEWE COLOR Stiftung		Dr Christian Friege (to December 31, 2022) Chairman of the Board of Management and Head of National and International Distribution, Neumüller CEWE COLOR Stiftung		Patrick Berkhouwer Head of Foreign Markets and Expansion, Neumüller CEWE COLOR Stiftung		Dr Reiner Fageth Head of Technology and R&D, Neumüller CEWE COLOR Stiftung		Carsten Heitkamp Head of Production, Purchasing and Logistics, Neumüller CEWE COLOR Stiftung	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
	0	152,292	143,922	0	112,882	123,771	112,882	123,771	112,882	123,771

Bonus I for the year under review – paid out in 2024 in euros

	Dr Olaf Holzkämper Head of Finance and Controlling, Neumüller CEWE COLOR Stiftung		Thomas Mehls Head of Marketing and Acquisitions, Neumüller CEWE COLOR Stiftung		Christina Sontheim-Leven (since January 1, 2022) Head of Human Resources and Organisational Development, Neumüller CEWE COLOR Stiftung		Total Bonus I for the year under review Board of Management of Neumüller CEWE COLOR Stiftung	
	2023	2024	2023	2024	2023	2024	2023	2024
	112,882	123,771	112,882	123,771	112,882	123,771	821,216	894,918



In the case of remuneration which is owed, but not yet due, multi-year variable remuneration comprises the bonus II shares as well as the expenses registered in the

waiting period for the stock option plans pursuant to IFRS 2.10 ff., due to initial measurement of share-based remuneration; the fair value as of the grant date is key in this

respect. The remuneration which is owed, but not yet due, is as follows:

Remuneration earned but not yet due in euros

	Yvonne Rostock (since March 1, 2023) Chairwoman of the Board of Management and Head of National and International Distribution, Neumüller CEWE COLOR Stiftung		Dr Christian Friege (to December 31, 2022) Chairman of the Board of Management and Head of National and International Distribution, Neumüller CEWE COLOR Stiftung		Patrick Berkhouwer Head of Foreign Markets and Expansion, Neumüller CEWE COLOR Stiftung		Dr Reiner Fageth Head of Technology and R&D, Neumüller CEWE COLOR Stiftung		Carsten Heitkamp Head of Production, Purchasing and Logistics, Neumüller CEWE COLOR Stiftung	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Variable remuneration owed										
Multi-year variable remuneration										
Bonus II	0	92,750	82,294	0	67,332	77,054	67,332	77,054	67,332	77,054
Stock option plan	0	0	10,635	17,799	10,635	17,799	10,635	17,799	10,635	17,799
Remuneration earned but not yet due total	0	95,243	92,929	17,799	77,967	96,924	77,967	96,924	77,967	96,924

Remuneration earned but not yet due in euros

	Dr Olaf Holzkämper Head of Finance and Controlling, Neumüller CEWE COLOR Stiftung		Thomas Mehls Head of Marketing and Acquisitions, Neumüller CEWE COLOR Stiftung		Christina Sontheim-Leven (since January 1, 2022) Head of Human Resources and Organisational Development, Neumüller CEWE COLOR Stiftung		Frank Zweigle (to December 31, 2021) Head of Administration, Neumüller CEWE COLOR Stiftung		Total Remuneration earned by the Board of Management of Neumüller CEWE COLOR Stiftung but not yet due	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Variable remuneration owed										
Multi-year variable remuneration										
Bonus II	67,332	77,054	67,332	77,054	67,332	77,054	0	0	486,284	555,074
Stock option plan	10,635	17,799	10,635	17,799	0	7,164	10,635	10,635	74,445	124,593
Remuneration earned but not yet due total	77,967	96,924	77,967	96,924	67,332	86,289	10,635	10,635	560,729	679,667



A total of 555 thousand euros (previous year: 486 thousand euros) has been paid over to the accounts holding the Board of Management members' personal bonus II

entitlements. As of December 31, 2023, the accounts of the members of the Board of Management had the following balances:

The company's long-term development is safeguarded by ensuring a balance between performance-related and non-performance-related remuneration components, thus preventing the members of the Board of Management from entering into disproportionately high risks in order to achieve bonuses.

Bonus II in euros

	Opening balance Jan. 1, 2022	Amount added 2022	Amount paid out 2022	End balance Dec. 31, 2022	Amount added 2023	Amount paid out 2023	End balance Dec. 31, 2023
Yvonne Rostock (Chairwoman) (to March 1, 2023)	0	0	0	0	92,750	0	92,750
Dr Christian Friege (Chairman) (to December 31, 2022)	161,425	82,294	0	243,719	0	-243,719	0
Patrick Berkhouwer	65,453	67,332	0	132,785	77,054	0	209,839
Dr Reiner Fageth	184,704	67,332	-184,704	67,332	77,054	0	144,386
Carsten Heitkamp	132,609	67,332	0	199,941	77,054	-199,941	77,054
Dr Olaf Holzkämper	65,453	67,332	0	132,785	77,054	0	209,839
Thomas Mehls	132,609	67,332	0	199,941	77,054	-199,941	77,054
Christina Sontheim-Leven (to January 1, 2022)	0	67,332	0	67,332	77,054	0	144,386
Total active members of the Board of Management	742,253	486,286	-184,704	1,043,835	555,074	-643,601	955,308

All of the members of the Board of Management fully participated in the SOP 2019 and SOP 2021 to SOP 2023 plans, in line with their respective entitlements. None of the SOPs was wound up in the year under review 2023. The underlying

prices, the performance targets and the fair value of the options within the scope of the currently applicable option programmes are as indicated below. Please [see pages 162ff.](#) for further details of these programmes.

Stock option plans – fair values, underlying prices and performance targets

		Number of participants	Number of rights issued	Fair value euros/opt.	Fair value in euros	Underlying price euros/opt.	Performance premium as %	Performance target euros/opt.
SOP 2023	Board of Management	7	8,400	18.19	152,796.00	87.00	120	104.40
SOP 2022	Board of Management	7	8,400	23.88	200,592.00	76.00	120	91.20
SOP 2021	Board of Management	7	8,400	22.63	190,092.00	121.00	120	145.20
SOP 2019	Board of Management	7	8,400	12.82	107,688.00	81.00	125	101.25
Total	Board of Management		33,600		651,168.00			



The variable remuneration components bonus I and bonus II are based on the EBT figure as well as depreciation and amortisation in the CEWE Group. In accordance with the remuneration system, they do not reflect individual

performance criteria or target agreements concluded with the members of the Board of Management. In the case of the other benefits paid to a member of the Board of Management, in the event of regular termination of this

member's service these other benefits will constitute pension obligations in the form of a direct commitment.

Other benefits in the event of regular termination of service in euros

	Yvonne Rostock (since March 1, 2023) Chairwoman of the Board of Management and Head of National and International Distribution, Neumüller CEWE COLOR Stiftung		Dr Christian Friege (to December 31, 2022) Chairman of the Board of Management and Head of National and International Distribution, Neumüller CEWE COLOR Stiftung		Patrick Berkhouwer Head of Foreign Markets and Expansion, Neumüller CEWE COLOR Stiftung		Dr Reiner Fageth Head of Technology and R & D, Neumüller CEWE COLOR Stiftung		Carsten Heitkamp Head of Production, Purchasing and Logistics, Neumüller CEWE COLOR Stiftung	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Pension expenses	0	0	424,506	0	338,270	192,565	326,373	220,906	300,347	206,083

Other benefits in the event of regular termination of service in euros

	Dr Olaf Holzkämper Head of Finance and Controlling, Neumüller CEWE COLOR Stiftung		Thomas Mehls Head of Marketing and Acquisitions, Neumüller CEWE COLOR Stiftung		Christina Sontheim-Leven (since January 1, 2022) Head of Human Resources and Organisational Development, Neumüller CEWE COLOR Stiftung		Total Remuneration granted to the Board of Management of NEUMÜLLer CEWE COLOR Stiftung	
	2022	2023	2022	2023	2022	2023	2022	2023
Pension expenses	338,207	188,449	348,646	199,441	224,938	112,020	2,301,287	1,119,464

Shares purchased in lieu of a pension scheme in euros

	2023		
	Entitlement to shares in units	Daily low Feb. 15 in euros	Shares transferred in units
Yvonne Rostock	4,166	105.00	2,189
Total CEWE Stiftung & Co. KGaA	4,166	105.00	2,189



The Board of Management pensions for CEWE-Stiftung are presented below. The value of their pension entitlements is calculated on the basis of the fixed remuneration most recently paid for their service on the Board of Management of CEWE-Stiftung.

Pensions of the members of the Board of Management of Neumüller CEWE COLOR Stiftung in thousands of euros

	2022				2023			
	Vested pension entitlements	Pension entitlements Dec. 31, 2022	Service cost for pensions	Provision for pension liabilities	Vested pension entitlements	Pension entitlements Dec. 31, 2023	Service cost for pensions	Provision for pension liabilities
Members of the Board of Management of Neumüller CEWE COLOR Stiftung								
Yvonne Rostock (Chairwoman since March 1, 2023)	0	0	0	0	0	0	0	0
Patrick Berkhouwer	10	70	338	1,354	15	85	193	1,934
Dr Reiner Fageth	11	122	326	2,394	18	140	221	2,972
Carsten Heitkamp	12	108	300	1,472	20	128	206	2,088
Dr Olaf Holzkämper	9	95	338	1,817	17	112	188	2,521
Thomas Mehls	11	97	349	1,801	18	115	199	2,539
Christina Sontheim-Leven (since Jan. 1, 2022)	7	7	225	112	7	14	112	275
Total active members of the Board of Management	60	499	1,876	8,950	95	594	1,119	12,329
Dr Christian Friege (Chairman to Dec. 31, 2022)	17	118	425	1,575	0	118	0	1,788
Dr Rolf Hollander (Chairman since June 30, 2017)	0	324	0	5,249	53	377	0	5,917
Andreas F. L. Heydemann (to Dec. 31, 2015)	13	110	0	1,707	0	110	0	1,659
Harald H. Pirwitz (to Dec. 31, 2015)	0	117	0	1,674	0	117	0	1,616
Frank Zweigle (to Dec. 31, 2021)	0	0	0	0	0	0	0	0
Total former members of the Board of Management	30	669	425	10,205	53	722	0	10,980
Total for CEWE Stiftung & Co. KGaA	90	1,168	2,301	19,155	148	1,316	1,119	23,309

NB: In the event of a pension rights adjustment, the full pension entitlement will be shown.



In principle, the commitments entered into do not include provision for dependants. The present values shown for the service cost and deferred pension commitments include those which have been made in individual cases for potential dependants; such cases remain within the scope of the remuneration system for members of the Board of Management of CEWE-Stiftung, since they have been designed in a cost-neutral format. Provision has been made for the dependants of Dr Reiner Fageth, Dr Olaf Holzkämper and Patrick Berkhouwer in deviation from the pension arrangement outlined above. This is cost-neutral from an actuarial point of view, through a

reduction in retirement benefits by comparison with the arrangements which apply in principle. The service cost for pensions in 2023 is as presented above, subject to an accounting interest rate of 3.2% (previous year: 3.7%) and use of the projected unit credit method in accordance with the IFRS.

Instead of the standard pension scheme, upon completion of each year of service Yvonne Rostock will be transferred ownership of 5,000 shares of CEWE-KGaA in February of the following year of service. These shares must be held for a period of five years; this holding obligation ends

upon leaving the company. Ms Rostock may select the “sell-to-cover option”, where the number of shares needed to cover the amount of tax will be withheld by CEWE-Stiftung and the tax amount funded by means of the (notional) proceeds of their sale.

For 2023, Ms Rostock is entitled to receive 4,166 shares (pro rata temporis). Ms Rostock has chosen the “sell-to-cover-option”. On the reporting date, the low for the day was 105.00 euros and 2,189 shares were transferred to Ms Rostock’s portfolio.

Finally, for Dr Reiner Fageth and Dr Olaf Holzkämper as part of the company’s pension scheme the company maintains life insurance policies with a capital payment in the event of premature death as provision for dependants or, in case of survival, as a pension, with an insured sum of 38 thousand euros. The related annual expenses for each member of the Board of Management amount to 1 thousand euros (previous year: 1 thousand euros).

Company pension scheme in thousands of euros

	2022			2023		
	Vested pension entitlements	Pension entitlements Dec. 31, 2022	Service cost for pensions	Vested pension entitlements	Pension entitlements Dec. 31, 2023	Service cost for pensions
Members of the Board of Management of Neumüller CEWE COLOR Stiftung						
Yvonne Rostock (Chairwoman since March 1, 2023)	0.0	0.0	0.0	0.0	0.0	0.0
Dr Christian Friege (Chairman to Dec. 31, 2022)	0.0	0.0	0.0	0.0	0.0	0.0
Patrick Berkhouwer	0.0	0.0	0.0	0.0	0.0	0.0
Dr Reiner Fageth	0.0	0.0	0.0	0.0	0.0	0.0
Carsten Heitkamp	0.0	0.0	0.0	0.0	0.0	0.0
Dr Olaf Holzkämper	0.0	0.0	0.0	0.0	0.0	0.0
Thomas Mehls	0.0	0.0	0.0	0.0	0.0	0.0
Christina Sontheim-Leven (since Jan. 1, 2022)	0.0	0.0	0.0	0.0	0.0	0.0
Frank Zweigle (to Dec. 31, 2021)	0.0	0.0	0.0	0.0	0.0	0.0
Total active members of the Board of Management	0.0	0.0	0.0	0.0	0.0	0.0
Andreas F. L. Heydemann (to Dec. 31, 2015)	0.0	3.0	0.0	0.0	3.0	0.0
Total former members of the Board of Management	0.0	3.0	0.0	0.0	3.0	0.0
Total for CEWE Stiftung & Co. KGaA	0.0	3.0	0.0	0.0	3.0	0.0



No loans or advance payments have been granted. Moreover, nor has the company entered into any contingent liabilities for the benefit of the members of the Board of Management. Insofar as contractual provisions on maximum remuneration are applicable, these were reviewed; they were not violated or exceeded in any case. No early termination of employment contracts was agreed in the year under review. Mr Zweigle, who resigned from the Board of Management on December 31, 2021, has retained the options which he acquired from the SOP 2017, SOP 2019 and SOP 2021 programmes. In the case of Dr Friege, who resigned on December 31, 2022, notwithstanding his resignation the options offered and purchased during his period of service will continue to apply for their respective term and Dr Friege is entitled to exercise them. In addition, no commitments were made to a former member of the Board of Management in connection with the termination of this person's service in the previous financial year which were granted in the previous financial year (§162 (2) no. 2 AktG). Finally, nor were any temporary deviations from the existing remuneration system agreed or resolved in the year under review.

Remuneration of the Supervisory Board of CEWE Stiftung & Co. KGaA

The Supervisory Board consists of twelve members. Since 2022, the remuneration of the Supervisory Board members has consisted of fixed remuneration only. The provision applicable since the financial year 2022 is a new provision and has replaced the old stipulations in § 14 of the articles of association of CEWE-KGaA.

The following detailed provisions apply: the basic remuneration of a member of the Supervisory Board is 43,000 euros (previous year: 43,000 euros). A higher level of remuneration is envisaged for the Chairman and Deputy Chairman of the Supervisory Board and for the Chairman of the Audit Committee. This amounts to twice the level of basic remuneration for the Chairman/Chairwoman of the Supervisory Board and one-and-a-half times this amount for the Deputy Chairman/Chairwoman of the Supervisory Board and for the Chairman/Chairwoman of the Audit Committee. In addition, each Supervisory Board member receives an attendance fee of 2,000 euros (previous year: 2,000 euros) for their personal attendance of a meeting of the Supervisory Board or one of its committees, regardless of whether this is in person, in virtual form or over the telephone.

Half of the fixed gross remuneration will fall due for payment as of June 30 of the current financial year and the other half, plus the attendance fees, within one month of the end of the financial year to which this remuneration relates.



The following calculation was made in 2023 for remuneration components payable to the Supervisory Board members:

Supervisory Board remuneration, shareholdings, options in thousands of euros

	2022 ¹					2023 ²				
	Fixed remuneration	Attendance fees	Total remuneration	Shareholdings number	Options number	Fixed remuneration	Attendance fees	Total remuneration	Shareholdings number	Options number
Supervisory Board of CEWE Stiftung & Co. KGaA										
Frank Zweigle (Chairman to June 7, 2023)	0.0	0.0	0.0	0	0	43.0	16.0	59.0	1,157	2,400
Kersten Duwe (Chairman since June 7, 2023)	0.0	0.0	0.0	0	0	50.2	20.0	70.2	200	0
Otto Korte (Chairman to December 31, 2022)	86.0	28.0	114.0	300	0	0.0	0.0	0.0	0	0
Paolo Dell'Antonio	43.0	20.0	63.0	0	0	43.0	24.0	67.0	0	0
Patricia Geibel-Conrad (to June 7, 2023)	64.5	26.0	90.5	0	0	32.3	18.0	50.3	0	0
Prof. Dr Christiane Hipp	43.0	20.0	63.0	0	0	43.0	14.0	57.0	0	0
Daniela Mattheus (since June 7, 2023)	0.0	0.0	0.0	0	0	37.6	20.0	57.6	0	0
Dr Birgit Vemmer	43.0	20.0	63.0	0	0	43.0	22.0	65.0	0	0
Dr Hans-Henning Wiegmann (to Aug. 31, 2022)	28.7	14.0	42.7	0	0	0.0	0.0	0.0	0	0
Martina Sandrock (since Aug. 21, 2022)	7.2	6.0	13.2	0	0	43.0	14.0	57.0	0	0
Subtotal	315.4	134.0	449.4	300	0	335.1	148.0	483.1	1,357	2,400
Petra Adolph	43.0	18.0	61.0	0	0	43.0	14.0	57.0	0	0
Nurol Altan (since May 25, 2023)	0.0	0.0	0.0	0	0	25.1	18.0	43.1	37	0
Marc Bohlken (since May 25, 2023)	0.0	0.0	0.0	0	0	25.1	6.0	31.1	35	0
Marion Gerdes (to May 25, 2023)	43.0	26.0	69.0	49	0	17.9	10.0	27.9	0	0
Jan Grüneberg (since May 25, 2023)	0.0	0.0	0.0	0	0	25.1	6.0	31.1	0	0
Insa Lukaßen	43.0	20.0	63.0	41	0	43.0	14.0	57.0	41	0
Alexander Oyen (to May 25, 2023)	43.0	20.0	63.0	0	0	17.9	8.0	25.9	0	0
Markus Schwarz (Deputy Chairman)	64.5	26.0	90.5	57	0	64.5	28.0	92.5	59	0
Elwira Wall (to May 25, 2023)	43.0	20.0	63.0	56	0	17.9	6.0	23.9	0	0
Subtotal	279.5	130.0	409.5	203	0	279.5	110.0	389.5	172	0
Supervisory Board of CEWE Stiftung & Co. KGaA	594.9	264.0	858.9	503	0	614.6	258.0	872.6	1,529	2,400

¹ Half of the fixed gross remuneration is payable on June 30 of the current financial year (i. e. on June 30, 2023) and the other half, plus the attendance fees for 2023, within one month of the end of the financial year in 2024.

² Half of the fixed gross remuneration is payable on June 30 of the current financial year (i. e. on June 30, 2024) and the other half, plus the attendance fees for 2024, within one month of the end of the financial year in 2025.



CEWE-KGaA reimburses the members of the Supervisory Board any value added tax payable on their remuneration. The above amounts are exclusive of value added tax. None of the members of the Supervisory Board has received or been granted third-party payments in relation to their service. One member of the Supervisory Board provided consulting services to a limited extent in the year under review and the previous year (2023: 0 thousand euros, 2022: 14 thousand euros).

The members of the Supervisory Board are also covered by the company's D&O insurance policy. A deductible of 10% of the possible damage has been agreed for them, up to a total amount of one-and-a-half times their fixed Supervisory Board remuneration. No loans or advance payments have been granted to members of the Supervisory Board. Nor has the company entered into any contingent liabilities for their benefit.

Pension commitments and pensions paid to former members of the Board of Management of Neumüller CEWE COLOR Stiftung or the old CEWE COLOR Holding AG

For former members of the Board of Management of the old CEWE COLOR Holding AG and CEWE-Stiftung, as of December 31, 2023 the company had made pension accruals in the amount of 16,970 thousand euros (previous year: 14,393 thousand euros). Pension payments for the financial year 2023 amounted to 1,190 thousand euros (previous year: 1,091 thousand euros). With effect as of April 1, 2007, the pension commitments for the former members of the Board of Management who had already retired as of this date were transferred to CEWE COLOR Versorgungskasse e.V., Wiesbaden. They are included in the consolidated financial statements. The company's pension commitments for the other retired members of the Board of Management were maintained in the form of a direct commitment. Loans, advance payments or contingent liabilities have not been granted for former members of the executive bodies (i.e. the Board of Management or Supervisory Board, where applicable) of CEWE-Stiftung, the old CEWE COLOR Holding AG or the current CEWE-KGaA.

The company has not paid any remuneration to retired members of the Supervisory Board.



Comparative presentation of the remuneration and earnings trend for the current and former members of the Board of Management and the Supervisory Board of CEWE Stiftung und Co. KGaA, the old CEWE COLOR Holding AG and Neumüller CEWE COLOR Stiftung

The following comparative presentation shows the annual change in the remuneration granted and owed for the current and former members of the Board of Management

and the Supervisory Board, the earnings trend for CEWE-KGaA and the CEWE Group and the remuneration received by employees on a full-time equivalent basis. The remuneration of employees is calculated on the basis of the average wages and salaries of employees of CEWE-KGaA in the financial year in question. The internal peer group has been deliberately limited to CEWE-KGaA, on the one hand due to the external comparison of the remuneration

paid to CEWE's Board of Management with that of SDAX companies and, on the other, because CEWE-KGaA accounts for most of the Group's employees.

Comparative presentation of the remuneration and earnings trend in thousands of euros

	2023	2022	2023/2022 in %	2022/2021 in %	2021/2020 in %	2020/2019 in %	2019/2018 in %
Current members of the Board of Management							
Yvonne Rostock (Chairwoman since March 1, 2023)	591	0	0.0	0.0	0.0	0.0	0.0
Patrick Berkhouwer	408	624	-34.7	-34.7	34.5	14.5	14.3
Dr Reiner Fageth	418	466	-10.1	-10.1	3.7	-15.3	51.3
Carsten Heitkamp	617	468	31.9	31.9	-13.2	32.3	12.3
Dr Olaf Holzkämper	412	623	-33.9	-33.9	39.8	14.2	-14.2
Thomas Mehls	619	474	30.8	30.8	-13.0	33.8	12.9
Christina Sontheim-Leven	410	295	38.9	0.0	0.0	0.0	0.0
Former members of the Board of Management							
Dr Christian Friege (Chairman to Dec. 31, 2022)	444	594	-25.2	-7.9	-5.5	34.5	2.8
Frank Zweigle (to Dec. 31, 2021)	0	17	-89.3	-89.3	-3.0	17.8	32.8
Current members of the Supervisory Board							
Frank Zweigle (Chairman to June 7, 2023)	59	0	0.0	0.0	0.0	0.0	0.0
Kersten Duwe (Chairman since June 7, 2023)	70	0	0.0	0.0	0.0	0.0	0.0
Paolo Dell' Antonio	67	63	6.3	-41.7	123.6	-7.1	16.9
Patricia Geibel-Conrad	50	91	-44.4	-33.0	158.1	41.7	392.0
Prof. Dr Christiane Hipp	57	63	-9.5	-41.7	119.1	-5.2	5.5
Daniela Mattheus	58	0	0.0	0.0	0.0	0.0	0.0
Dr Birgit Vemmer	65	63	3.2	-41.7	119.1	41.3	436.9

**Comparative presentation of the remuneration and earnings trend** in thousands of euros

	2023	2022	2023/2022 in %	2022/2021 in %	2021/2020 in %	2020/2019 in %	2019/2018 in %
Martina Sandrock (since Oct. 21, 2022)	57	13	331.8	0.0	0.0	0.0	0.0
Petra Adolph	57	61	-6.6	-43.0	117.0	45.4	516.4
Nuol Altan	43	0	0.0	0.0	0.0	0.0	0.0
Marc Bohlken	31	0	0.0	0.0	0.0	0.0	0.0
Marion Gerdes	28	69	-59.6	-37.8	112.2	41.7	392.0
Jan Grüneberg	31	0	0.0	0.0	0.0	0.0	0.0
Insa Lukaßen	57	63	-9.5	-41.7	119.1	41.3	436.9
Alexander Oyen	26	63	-58.9	-41.7	119.1	41.3	436.9
Markus Schwarz	93	91	2.2	-44.5	119.1	7.8	32.7
Elwira Wall	24	63	-62.1	-41.7	119.1	41.3	534.5
Former members of the Supervisory Board							
Otto Korte (to Dec. 31, 2022)	0	114	-100.0	-47.0	122.8	-4.5	5.8
Dr Hans-Henning Wiegmann (to August 31, 2022)	0	43	-100.0	-60.5	119.1	-5.2	5.5
Employees							
Average number of employees of CEWE Stiftung & Co. KGaA (CEWE-KGaA)	65	62 ¹	100.0	11.8	-0.9	3.4	4.9
Earnings trend							
Earnings before taxes of CEWE-KGaA	50,391	61,536 ¹	-18.1	-16.9	-12.8	15.9	14.3
Earnings before taxes of CEWE Group	87,917	74,804 ¹	17.5	20.9	-4.8	43.4	-0.1

¹ The figure for the previous year has been restated.

Interim reference in the management report to the report on pay

Every five years, CEWE publishes a report on pay in accordance with the German Act on Pay Transparency (Entgelttransparenzgesetz – EntgTranspG). It most recently did so for the financial year 2021. The company thus fulfils the statutory requirements. However, for the

financial year 2023 it remains the case that men and women in executive roles are remunerated according to their position. No distinction is made between men and women in this respect. In addition, CEWE strongly emphasises equal opportunities for the development of men and women.



CEWE Photo Award 2023: Our world is beautiful, collapsing glacier
Christian Bovians, Germany – winner of the Nature category





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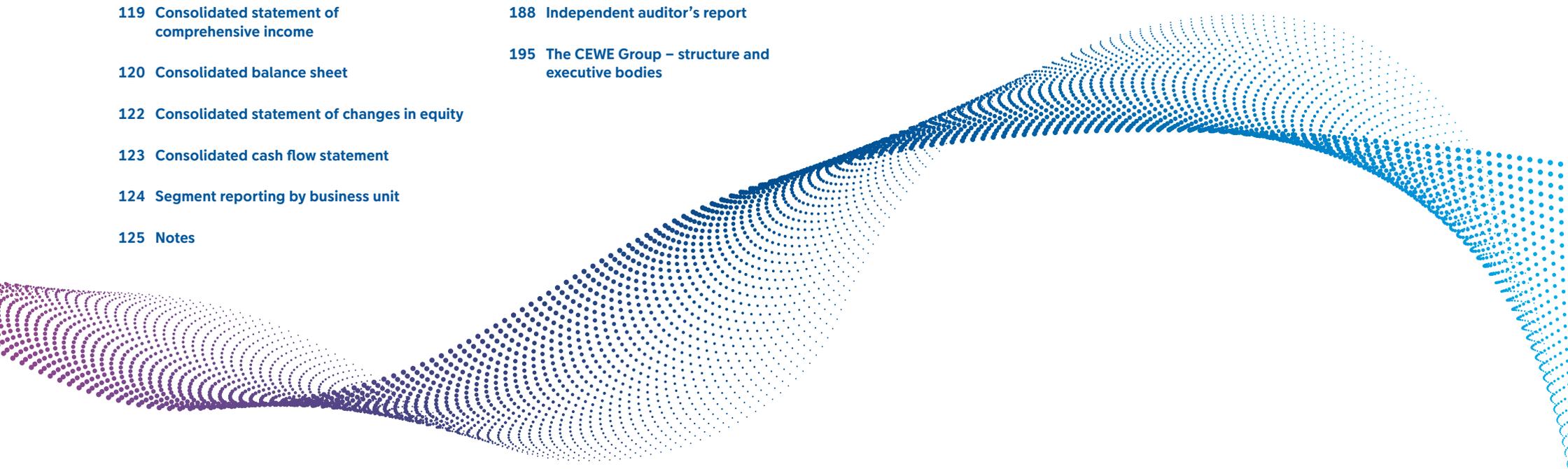
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Consolidated profit and loss account

for the financial year 2023 of CEWE Stiftung & Co. KGaA, Oldenburg

in thousands of euros

	Notes	2022	2023	Change as %
Revenues	C27	732,730	780,198	6.5
Increase/decrease in finished and unfinished goods		-48	234	-
Other own work capitalised		2,881	4,161	44.4
Other operating income	C28	29,157	25,494	-12.6
Cost of materials	C29	-180,540	-187,380	-3.8
Gross profit		584,180	622,707	6.6
Personnel expenses	C30	-202,536	-218,861	-8.1
Other operating expenses	C31	-252,802	-266,106	-5.3
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		128,842	137,740	6.9
Amortisation of intangible assets, depreciation of property, plant and equipment	C32	-53,234	-53,830	-1.1
Earnings before interest and taxes (EBIT)		75,608	83,910	11.0
Financial income	C33	738	5,953	707
Financial expenses	C33	-1,542	-1,946	-26.2
Financial result		-804	4,007	-
Earnings before taxes (EBT)		74,804	87,917	17.5
Income taxes	C34	-23,748	-28,302	-19.2
Earnings after tax from continuing operations		51,056	59,615	16.8
Post-tax profit/loss for discontinued operation		9	-2,302	-
Group earnings after taxes		51,065	57,313	12.2
Earnings per share from continuing operations (in euros)				
Undiluted		7.20	8.43	17.1
Diluted		7.19	8.42	17.2
Group earnings per share (in euros)				
Undiluted	C35	7.20	8.10	12.5
Diluted	C35	7.19	8.10	12.6

The reference figures have been restated (cf. comments in section A3, [pages 127 f.](#)).



Consolidated statement of comprehensive income

for the financial year 2023 of CEWE Stiftung & Co. KGaA, Oldenburg

in thousands of euros

	Notes	2022	2023	Change as %
Group earnings after taxes		51,065	57,313	12.2
Difference resulting from currency translation	A5	-324	611	-
Amounts which may be reclassified to the profit and loss account in future periods		-324	611	-
Actuarial profits and losses	D54, D55	10,795	-3,783	-
Income taxes on income and expenses not affecting net income		-3,112	1,142	-
Other comprehensive income from equity instruments measured at fair value		-518	-3,796	-633
Other comprehensive income not subsequently reclassified to the profit and loss account		7,165	-6,437	-
Other comprehensive income		6,841	-5,826	-
Comprehensive income		57,906	51,487	-11.1



Consolidated balance sheet

as of December 31, 2023 of CEWE Stiftung & Co. KGaA, Oldenburg

in thousands of euros

ASSETS	Notes	Dec. 31, 2022	Dec. 31, 2023	Change as %
Property, plant and equipment	D36	224,699	233,933	4.1
Investment properties	D37	19,016	18,819	-1.0
Goodwill	D38	81,775	81,775	-
Intangible assets	D39	24,558	21,316	-13.2
Financial assets	D40	9,681	6,678	-31.0
Non-current financial assets	D41	978	841	-14.0
Non-current other receivables and assets	D41	1,751	1,789	2.2
Deferred tax assets	D42	13,648	14,917	9.3
Non-current assets		376,106	380,068	1.1
Inventories	D43	59,267	60,518	2.1
Current trade receivables	D44	98,148	91,122	-7.2
Current receivables from income tax refunds	D45	11,094	1,450	-86.9
Current financial assets	D46	3,122	3,174	1.7
Other current receivables and assets	D47	11,902	12,262	3.0
Cash and cash equivalents	D48	73,067	117,369	60.6
Current assets		256,600	285,895	11.4
Assets		632,706	665,963	5.3



in thousands of euros

EQUITY AND LIABILITIES	Notes	Dec. 31, 2022	Dec. 31, 2023	Change as %
Subscribed capital	D49, D50	19,349	19,349	-
Capital reserve	D51, D52	73,782	74,023	0.3
Treasury shares at acquisition cost	D53	-26,237	-34,141	-30.1
Retained earnings and unappropriated profits	D54	295,869	330,008	11.5
Equity		362,763	389,239	7.3
Non-current accruals for pensions	D55	29,119	33,970	16.7
Non-current deferred tax liabilities	D56	2,144	1,590	-25.8
Non-current other accruals	D57	567	577	1.8
Non-current interest-bearing financial liabilities	D58	116	0	-
Non-current lease liabilities	D59	40,536	37,103	-8.5
Non-current financial liabilities	D60	698	571	-18.2
Non-current other liabilities	D61	526	512	-2.7
Non-current liabilities		73,706	74,323	0.8
Current tax liabilities	D62	5,109	7,676	50.2
Current other accruals	D63	2,690	3,047	13.3
Current interest-bearing financial liabilities	D64	214	77	-64.0
Current lease liabilities	D59	9,717	9,468	-2.6
Current trade payables	D65	120,616	121,555	0.8
Current financial liabilities	D66	253	104	-58.9
Current other liabilities	D67	57,638	60,474	4.9
Current liabilities		196,237	202,401	3.1
Equity and liabilities		632,706	665,963	5.3



Consolidated statement of changes in equity

of CEWE Stiftung & Co. KGaA, Oldenburg

in thousands of euros

	Subscribed capital	Capital reserve	Generated Group equity	Actuarial profits and losses	Compensating item from currency translation	Income taxes not affecting net income	Retained earnings and unappropriated profits	Total	Treasury shares at acquisition cost	Group equity
As of Jan. 1, 2022	19,349	76,123	270,023	-15,837	-4,887	5,269	254,568	350,040	-14,206	335,834
Comprehensive income	0	0	50,547	10,795	-324	-3,112	57,906	57,906	0	57,906
Dividend paid out	-	-	-16,605	-	-	-	-16,605	-16,605	-	-16,605
Purchases of treasury shares	-	-	-	-	-	-	-	-	-13,703	-13,703
Stock option plans	-	-2,341	-	-	-	-	-	-2,341	1,672	-669
Owner-related equity changes	0	-2,341	-16,605	0	0	0	-16,605	-18,946	-12,031	-30,977
As of Dec. 31, 2022	19,349	73,782	303,965	-5,042	-5,211	2,157	295,869	389,000	-26,237	362,763
Comprehensive income	0	0	53,517	-3,783	611	1,142	51,487	51,487	0	51,487
Dividend paid out	-	-	-17,348	-	-	-	-17,348	-17,348	-	-17,348
Purchases of treasury shares	-	-	-	-	-	-	-	-	-8,994	-8,994
Stock option plans	-	241	-	-	-	-	-	241	1,090	1,331
Owner-related equity changes	0	241	-17,348	0	0	0	-17,348	-17,107	-7,904	-25,011
As of Dec. 31, 2023	19,349	74,023	340,134	-8,825	-4,600	3,299	330,008	423,380	-34,141	389,239

See D49–D54 for details



Consolidated cash flow statement

for the financial year 2023 of CEWE Stiftung & Co. KGaA, Oldenburg

in thousands of euros

	Notes	2022	2023	Change as %
EBITDA		128,842	137,740	6.9
+ Non-cash factors		1,058	1,005	-5.0
+/- Decrease (+)/increase (-) in operating net working capital		-8,723	5,664	-
+/- Decrease (+)/increase (-) in other net working capital (excl. income tax items)		-187	2,622	-
- Taxes paid		-27,676	-16,772	39.4
+ Interest received		43	512	>1,000
= Cash flow from operating activities		93,357	130,771	40.1
- Outflows from investments in property, plant and equipment and intangible assets		-55,327	52,882	4.4
- Outflows from purchases of consolidated interests/acquisitions	A3	-7,682	-670 ¹	91.3
+ Inflows from investments in financial assets		285	4,666	>1,000
+ Inflows from investments in non-current financial instruments		266	137	-48.5
+ Inflows from the sale of property, plant and equipment and intangible assets		568	821	44.5
= Cash flow from investing activities		-61,890	-47,928	22.6
= Free cash flow		31,467	82,843	163
- Dividends paid	D54	-16,605	-17,347	-4.5
- Purchases of treasury shares	D53	-13,703	-8,994	34.4
- Amounts paid out for stock option plans		-357	-33	90.8
= Outflows to shareholders		-30,665	-26,374	14.0
- Outflows from change in financial liabilities		-11,485	-12,066	-5.1
- Interest paid		-448	-458	-2.2
= Cash flow from financing activities		-42,598	-38,898	8.7
Cash and cash equivalents at the start of the reporting period		84,389	73,067	-13.4
+/- Exchange-rate-related changes in cash and cash equivalents		-191	357	-
+ Cash flow from operating activities		93,357	130,771	40.1
- Cash flow from investing activities		-61,890	-47,928	22.6
- Cash flow from financing activities		-42,598	-38,898	8.7
= Cash and cash equivalents at the end of the reporting period		73,067	117,369	60.6

¹ Cash and cash equivalents disposed of together with the sale of discontinued operations (futalis)



Segment reporting by business unit¹

for the financial year 2023 of CEWE Stiftung & Co. KGaA, Oldenburg

in thousands of euros

		Photofinishing	Retail	Commercial Online Printing	Other Activities	Inter-business- unit turnover ²	CEWE Group
External revenues	2023	658,762	31,295	92,161	-	-2,020	780,198
	2022	616,073	32,385	86,495	-	-2,223	732,730
External revenues, adjusted for currency effects	2023	659,491	32,848	92,127	-	-	782,446
	2022	616,073	32,385	86,495	-	-	732,730
EBIT	2023	80,036	472	4,165	-763	-	83,910
	2022	73,710	169	2,296	-567	-	75,608
Scheduled depreciation	2023	41,631	3,540	6,756	649		52,576
	2022	41,855	3,891	6,835	494		53,075
Non-scheduled depreciation	2023	828	-	29	397	-	1,254
	2022	108	37	14	-	-	159

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

² The inter-business-unit turnover relates to the consolidation of turnover between two different business units.

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.



Notes

of CEWE Stiftung & Co. KGaA, Oldenburg

A. General disclosures

1 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 (Meerweg 30 – 32, 26133 Oldenburg). It has been entered in the commercial register held by Oldenburg Local Court under the no. HRB 208214.

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.

These consolidated financial statements and the combined management report for the financial year 2023 have been prepared by the Board of Management of CEWE-KGaA and submitted to and duly published in the German Federal Gazette (Bundesanzeiger).

2 Principles for the preparation of the consolidated financial statements

The consolidated financial statements of CEWE-KGaA for the year under review from January 1, 2023 to December 31, 2023 have been prepared in compliance with the International Financial Reporting Standards (IFRS) effective as of the reporting date and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as applied in the EU, as well as the supplementary rules prescribed by § 315a (1) of the German Commercial Code (Handelsgesetzbuch – HGB).

The following standards, revisions and interpretations were applicable for the first time in the year under review:

Amendment/standard

	Date of publication	Date of endorsement within the scope of EU law	Date of adoption (EU)
IFRS 17 Insurance Contracts incl. Amendments to IFRS 17 as of June 25, 2020	May 18, 2017	Nov. 19, 2021	Jan. 01, 2023
Amendments to IAS 8: Accounting Policies, Changes in Estimates and Errors: Definition of Accounting Estimates	Feb. 12, 2021	March 02, 2022	Jan. 01, 2023
Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies	Feb. 12, 2021	March 02, 2022	Jan. 01, 2023
Amendments to IAS 12: Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	May 07, 2021	Aug. 11, 2022	Jan. 01, 2023
Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	Dec. 09, 2021	Sep. 08, 2022	Jan. 01, 2023
Amendments to IAS 12: Income Taxes: International Tax Reform - Pillar Two Model Rules	May 23, 2023	Nov 08, 2023	Jan. 01, 2023

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



→ Notes:
A. General disclosures

The following IFRS endorsed in EU law had been issued up to the balance sheet date but are only mandatorily applicable in subsequent reporting periods.

Amendment/standard

	Date of publication	Date of endorsement within the scope of EU law	Date of adoption (EU)
Amendments to IAS 1: Presentation of Financial Statements: » Classification of Liabilities as Current or Non-current; » Classification of Liabilities as Current or Non-current – Deferral of Effective Date; » Non-current Liabilities with Covenants	Jan. 23, 2020/ July 15, 2020/ Oct. 31, 2022	Dec. 19, 2023	Jan. 1, 2024
Amendments to IFRS 16: Leases: Lease Liability in a Sale and Leaseback	Sep. 22, 2022	Nov. 20, 2023	Jan. 1, 2024

[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 new standards and amendments of existing standards are not expected to have any significant impact on the Group's net assets, financial position and results of operations.

The following standards and interpretations and amendments of existing standards which have also been issued by the IASB as of the balance sheet date are not yet mandatorily applicable in the consolidated financial statements as of December 31, 2023. They will become applicable following their adoption within the scope of the EU's endorsement of the IFRS.

Amendment/standard

	Date of publication	Date of endorsement within the scope of EU law	Date of adoption (EU)
Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	Jan. 23, 2020/ July 15, 2020	open	Jan. 1, 2025
Amendments to IAS 7: Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	Oct. 31, 2022	open	Jan. 1, 2024

[Standards and interpretations which are not yet mandatorily applicable in the EU are listed here.](#)

However, they have been resolved with mandatory effect and are currently being transposed into national law within the scope of an EU endorsement process.

The future effects on the Group's net assets, financial position and results of operations resulting from implementation of the standards issued as of the reporting date but not yet mandatorily applicable are still being reviewed. Several standards may necessitate additional notes. The new standards will be adopted in the EU upon completion of the endorsement procedure.



Determination of fair values

As far as possible, CEWE uses data observable on the market in order to determine the fair value of an asset or a liability. On the basis of the input factors used within the scope of the valuation techniques, the fair values have been assigned to the different levels of the fair value hierarchy:

- Level 1: quoted prices (unadjusted) on active markets for identical assets or liabilities.
- Level 2: valuation parameters which do not involve the quoted prices included in Level 1 but which are observable for the asset or the liability either directly (i.e. as a price) or indirectly (i.e. derived from prices).
- Level 3: valuation parameters for assets or liabilities which are not based on observable market data.

With the exception of the derivatives carried in the balance sheet at fair value, in these annual financial statements 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. The market values determined by credit institutions are arrived at by discounting the expected future cash flows throughout the remaining term of the contracts on the basis of individual, non-observable input parameters (Level 3 according to IFRS 7). The effects are of minor significance.

The profit and loss account has been prepared in accordance with the nature of expense method. Unless otherwise indicated, all figures refer to thousands of euros.

3 Scope of consolidation

Apart from CEWE Stiftung & Co. KGaA, the consolidated financial statements as of December 31, 2023 include domestic and foreign companies over which CEWE Stiftung & Co. KGaA has a direct or indirect controlling interest. The Group has control over a company if it is exposed to risk in relation to fluctuating yields, or is entitled to receive these yields, from its holdings in the company in question, and if the Group also has the ability to use its power of control over the investee so as to affect the value of the yield granted by this investee. The financial statements of subsidiaries are incorporated into the consolidated financial statements as of the point in time at which the relationship of control begins, and remain so until the relationship of control ends.

As of December 31, 2023, apart from CEWE Stiftung & Co. KGaA, Oldenburg, as the parent company, the scope of consolidation includes 12 German and 19 foreign companies (cf. E69, [page 179](#)). 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. No contractual trust arrangement (CTA) is applicable, since the pension commitments remain attributable to CEWE-KGaA from a legal point of view. Insofar as this pension fund is unable to meet its obligations on the basis of its own resources, resources are provided by CEWE-KGaA.

As in the previous year, Bilderplanet.de GmbH, Cologne, which is not operationally active, has not been included in the scope of consolidation due to its economic insignificance. The same applies for Diginet Danmark ApS, Åbyhøj, Denmark, which was newly established in October 2022 and is not yet operationally active.

The subsidiary futalis GmbH was sold on December 21, 2023. Control over this company was transferred to the purchaser on the same date. The CEWE Group has made an important contribution to the development of futalis' business over the past few years. This company will now make its next strategic moves under its own steam. Accordingly, as of September 30, 2023 futalis was for the first time classified as held for sale. The previous-year figures in the consolidated profit and loss account have been restated accordingly, so as to present this discontinued operation separately from continuing operations. futalis GmbH is presented in the "Other Activities" business unit, [page 22](#).



The disposals had the following effects on the Group's balance sheet items:

Effects of the disposal on the Group's balance sheet items in thousands of euros

	2023
Non-current assets	-503
Current assets	-1,972
Non-current liabilities	327
Current liabilities	11,962
Net assets and liabilities	9,814
Payment received in form of cash and cash equivalents	0
Cash and cash equivalents disposed of	-670
Net outflows of cash and cash equivalents	-670

Earnings for the discontinued operations which have been included in earnings after taxes are as follows:

Earnings from discontinued operations in thousands of euros

	2022	2023
Revenue from the discontinued operation	8,394	8,707
Expenses for the discontinued operation	-8,385	-10,503
Current loss for the discontinued operation	9	-1,797
Loss from the sale of the discontinued operation	0	-505
Loss resulting from the discontinued operation	9	-2,302

Over the course of the year, futalis contributed -0.8 million euros (previous year: 0.1 million euros) to cash flow from operating activities and paid 0.1 million euros (previous year: 0.3 million euros) for investing activities and +0.7 million euros (previous year: -0.1 million euros) for financing activities.

4 Consolidation principles

The consolidated financial statements have been prepared on the basis of the incorporated German and foreign financial statements of the subsidiaries, on the basis of uniform accounting and measurement methods. For all of the companies included in the consolidated financial statements, the reporting date for the separate financial statements is the same as the reporting date for the consolidated financial statements, i.e. December 31, 2023.

Acquired subsidiaries are accounted for using the acquisition method. The acquisition costs correspond to the fair value of the assets provided, the equity instruments issued and the liabilities arising or assumed as of the transaction date. They also include the fair values of any recognised assets or liabilities resulting from a contingent consideration agreement. Assets, liabilities and contingent liabilities which are identifiable within the scope of a company merger are measured at their fair values as of the date of their acquisition when first included in the scope of consolidation.

Any costs associated with their acquisition are recognised as expenses as of the date of their accrual.

Any contingent considerations are measured at fair value as of the date of their acquisition. Subsequent adjustments to the fair value of an asset or a contingent consideration classified as a liability are measured within the scope of IFRS 9 and any resulting profit or loss is recognised either in profit or loss or in other comprehensive income.



Goodwill is the value resulting from the surplus of the acquisition costs plus the value of the non-controlling interests in the acquired company and the fair value of any equity interests previously held as of the date of acquisition divided by the Group's interest in the net assets measured at fair value.

In case of the additional purchase of interests in companies already fully included in the scope of consolidation, this does not affect net income. This does not lead to any changes in the recognition of assets, liabilities and goodwill of the company already included in the scope of consolidation. The annual goodwill impairment tests are performed using the discounted cash flow method. This is calculated on the basis of future expected cash flows from the latest management planning, updated with long-term turnover growth rates as well as assumptions regarding margin and earnings trends and discounted in the value of the capital costs for the corporate unit. Testing is carried out at the level of the cash-generating unit. In the course of the year, an impairment test is also performed in case of events suggesting a permanent fall in value.

Intragroup turnover, expenses and income and also loans, receivables and liabilities between the consolidated companies are eliminated. Interim profits from intragroup deliveries are consolidated insofar as they are significant for presentation of the actual net assets, financial position and results of operations. Intragroup deliveries and services are calculated on the basis of market prices and also on the basis of transfer prices determined according to the arm's length principle. Where necessary, deferred taxes are calculated for consolidation entries affecting earnings.

Stock option plans have been measured at fair value as issued equity instruments for future work, in accordance with IFRS 2. The resulting effects have been apportioned as expense throughout the period, recognised in personnel expenses and entered against equity. Insofar as the terms of options are not fulfilled, this item is reversed directly within equity.

Companies which are no longer classifiable as companies to be included in the scope of consolidation have been excluded accordingly. The relevant date is determined on the basis of the date of this company's withdrawal, i.e. the date of loss of control over its financial and business policy. Expenses and income resulting for the consolidated company up to its disposal are included in the consolidated profit and loss account. All of the assets and liabilities representing the consolidated company immediately prior to its withdrawal from the scope of consolidation will be considered as the disposal value. The effect on income of removal from the scope of consolidation is calculated by comparing the disposal or liquidation proceeds and the disposal value. The same consolidation methods have been used as in the previous year.

5 Currency translation

The annual financial statements of the foreign Group companies have been translated into euros according to the functional currency concept. Since the subsidiaries conduct their business independently in financial, economic and organisational terms, in principle the respective functional currency is identical with the national currency of the company in question. The reporting currency and functional currency of the Group is the euro.

Assets and liabilities of foreign companies included in the scope of consolidation are translated at the mid-market spot rates on the balance sheet date (balance sheet exchange rate), while income and expenses are translated at the average annual mean rates of exchange (profit and loss account exchange rate).

Goodwill resulting for foreign subsidiaries as a result of capital consolidation is carried at historical cost.



Equity is also translated at historical exchange rates. Any resulting translation differences are not shown in the profit and loss account and are instead presented in a separate equity item. Currency differences resulting from the translation of non-current loans to Group companies are likewise recognised directly in equity.

The following key exchange rates apply for currency translation:

Currency translation

		2022		2023	
		Balance sheet exchange rate	Profit and loss account exchange rate	Balance sheet exchange rate	Profit and loss account exchange rate
CHF	Swiss franc	0.98470	1.00477	0.92600	0.97182
CZK	Czech crown	24.11500	24.56368	24.72500	24.00285
DKK	Danish krone	7.43650	7.43957	7.45290	7.45093
GBP	British pound sterling	0.88693	0.85264	0.86905	0.86978
HUF	Hungarian forint	400.25000	391.29718	382.78000	381.94637
NOK	Norwegian krone	10.51380	10.09836	11.24050	11.42452
PLN	Polish zloty	4.68990	4.68722	4.34800	4.54366
SEK	Swedish krona	11.12180	10.62566	11.09600	11.47879
USD	US dollar	1.06660	1.05306	1.10500	1.08129

B. Accounting and measurement principles

6 General disclosures

In principle, as in the previous year the annual financial statements of the companies included in the scope of consolidation are prepared on the basis of uniform accounting and measurement methods. Accounting and measurement options are exercised in the consolidated financial statements in the same way as in the annual financial statements.

For preparation of the consolidated financial statements, the Board of Management requires a series of assessments and estimates and makes assumptions affecting the application of accounting principles within the Group and also recognition of assets and liabilities as well as income and expenses. The actual amounts may deviate from these estimates. Estimates and underlying assumptions are continuously reviewed. The following estimates and associated assumptions may affect the consolidated financial statements.

If items of property, plant and equipment and intangible assets are acquired within the scope of company mergers, the fair value of these assets as of the date of acquisition and the expected useful life are estimated. Fair values and useful lives are calculated on the basis of the management's assessments.

Impairments of property, plant and equipment, intangible assets and goodwill are determined on the basis of estimates regarding the cause, the date and the value of these impairments and, where permissible, revaluations. Indications of impairments, estimates of future cash flows and fair values of assets are evaluated on the basis of assessments regarding expected cash flows, useful lives, discount rates and residual values. The development of future cash flows is mainly determined by the future demand trend for products. If the actual demand trend falls short of expectations, this would negatively affect turnover and cash flows. Further expenses for valuation adjustments might thus result which would negatively affect future results of operations.



→ Notes:

B. Accounting and measurement principles

To deal with the default risk for receivables, as well as provisioning for credit risk (expected credit loss) valuation adjustments are established for doubtful accounts. Provisioning for credit risk is determined on the basis of the maturity structure, the current market situation and past experience. In the event of a deterioration in customers' financial situation, the actual bad debts may exceed the expected bad debts.

The CEWE Group is obliged to pay income taxes in various countries (chiefly in Europe). Material assumptions are therefore necessary for calculation of Group-wide income tax liabilities. Income taxes are determined by calculating for each taxable entity the expected actual amount of income tax and the deferred taxes resulting from temporary differences between the balance sheet items in the consolidated financial statements and the accounts prepared for tax purposes. This requires assumptions for interpretation of applicable tax regulations in Germany and other countries. This also requires an assessment of the possibility of realising a sufficiently high level of taxable income for each type of tax and in each tax jurisdiction. For some transactions and calculations, the final level of taxation cannot be conclusively determined. The Group assesses the value of accruals for expected tax audits on the basis of estimates of whether additional income taxes may fall due and the respective amount. Insofar as the final level of taxation for these transactions deviates from the initially assumed level of taxation, this will affect the actual and deferred taxes in the period in which the level of taxation is conclusively determined. If the final values (in the areas affected by estimates) were to deviate from the management's estimates by 10%, the Group would be required to increase its tax liabilities by 768 thousand euros and its deferred tax liability by 159 thousand euros, in case of a negative deviation, or reduce its tax liabilities by 768 thousand euros and its deferred tax liability by 159 thousand euros in case of a positive deviation. Pensions and similar obligations are measured on the basis of actuarial procedures. These measurements are mainly based on assumptions regarding discount factors, salary and pension trends and life expectancies. Pensions and similar obligations may be subject to significant changes if these assumptions significantly deviate from actual trends due to changes in the market and economic environment.

The recognition and measurement of other accruals and contingent liabilities are highly dependent on the complexity of the underlying transaction as well as estimates. This requires assumptions regarding the probability of realisation and the value of the claim. This in turn depends on past experience, assessments of cost trends and the assessment of other information. Changes in these estimates may have a significant effect on results of operations.

Individual items have been summarised in the profit and loss account and the balance sheet. They are reported separately in the notes. The Group classifies assets and liabilities as current if they are expected to be realised or settled within twelve months of the balance sheet date.

7 Recognition of income and expenses

The ordinary activities of the CEWE Group comprise photofinishing and other printing services and trading of photographic hardware as well as photofinishing products and services. CEWE mainly realises revenues from the sale of goods and does so only marginally from the provision of services. Any income associated with the Group's ordinary activities is presented as revenue in the profit and loss account. All other income is presented as other operating income (cf. C28, [page 139](#)). Revenues are recognised on the basis of a five-step model. Amounts which are expected as consideration for the transfer of goods to or for the provision of services for a customer must thus be recognised as revenues. Turnover will be realised where (or once) the power of disposal over goods or services has been transferred to a customer, either over a period of time or at a point in time. Operating expenses are recognised in profit or loss upon use of the service or as of the time at which they are incurred. In principle, turnover-related expenses or accruals are measured as of the date of realisation of the corresponding revenues; this includes estimated amounts for rebates and discounts and other sales deductions. Interest income and expenses are recognised on an accrual basis.



→ Notes:

B. Accounting and measurement principles

8 Property, plant and equipment

Property, plant and equipment are recognised at cost and, in case of wear and tear, less scheduled straight-line depreciation. In the Commercial Online Printing business unit, the units-of-production depreciation method is used for offset printing machines. Production costs comprise all directly attributable costs as well as appropriate portions of the production-related overheads. Financing costs are capitalised. The profits or losses resulting from the write-off of the asset are calculated as the difference between the net disposal proceeds and the book value and are recognised in profit or loss as other operating income or expenses in the period in which this item is written off.

9 Lease accounting

For leases, as of initial recognition CEWE recognises a liability in the amount of the present value of the existing payment obligation, restated for lease payments reported as assets or liabilities. Variable lease payments only arise to a minor extent. The effective interest method is applied for subsequent accounting. For the present value calculation, discounting is implemented by means of a risk- and term-equivalent incremental borrowing rate of interest if it is not possible to determine the implicit interest rate. The short-term portion of the lease liability which is shown separately in the balance sheet is calculated by means of the repayment portion of the lease payments over the next twelve months.

CEWE measures all rights of use resulting from leases at amortised cost. Straight-line depreciation is recognised over the shorter of the lease term and the useful life of the identified asset. If events or changed circumstances point to the possibility of impairment, impairment testing will be implemented according to IAS 36.

Lease accounting is mainly influenced by the assessment of the term. All facts and circumstances which provide an economic incentive for the exercise of existing options are taken into consideration in order to determine the term of the lease. The assumed term therefore includes periods covered by extension options if the exercise of options can be assumed to be reasonably probable.

10 Investment properties

Investment properties comprise land and buildings which are held in order to generate rental income or for capital appreciation and are not used for separate production, for delivery of goods or provision of services, for administrative purposes or for sale within the scope of ordinary activities.

As of their first-time measurement these assets are measured at amortised cost, including incidental costs. Within the scope of subsequent measurement, investment properties are recognised at amortised cost.

Investment properties are written off if they are sold or permanently no longer used and if no future economic benefit is expected as of their disposal. Profits or losses resulting from the shutdown or disposal of investment properties are recognised in the year of this shutdown or disposal.

Items of real estate are assigned to the portfolio of investment properties in case of a change of use involving the end of the Group's own use or the beginning of an operating lease as a landlord with another party.



→ Notes:

B. Accounting and measurement principles

11 Goodwill

Goodwill does not undergo scheduled amortisation and is tested for impairment once a year. It is also tested whenever events occur which indicate potential impairment.

12 Intangible assets

Intangible assets comprise industrial property rights and similar rights, software acquired for consideration, proprietary software, customer bases and lists, trademark rights and advance payments made on such assets. Acquired and proprietary intangible assets are capitalised subject to the conditions laid down in IAS 38 “Intangible Assets”.

Intangible assets acquired for consideration are capitalised at cost, as are proprietary intangible assets which are expected to provide a future benefit for the Group and which can be reliably determined and measured. Both types of intangible assets undergo scheduled straight-line depreciation over their expected useful life. Production costs comprise all directly attributable costs as well as appropriate portions of the production-related overheads. Financing costs are not capitalised, since the Group does not have any assets which involve a protracted production/manufacturing phase. Other development costs are likewise not capitalised, since the conditions for capitalisation are not generally fulfilled. Intangible assets undergo impairment if the recoverable amount – the higher of the fair value less disposal costs and the asset’s value in use – is less than the book value. Impairment is recognised under “Amortisation of intangible assets, depreciation of property, plant and equipment”. Proprietary intangible assets mainly comprise new developments in the field of distribution- and production-specific software systems which can be used throughout the Group.

13 Impairment

Average useful life in years

	Dec. 31, 2022	Dec. 31, 2023
Asset		
Customer base and customer lists	5	5
Software and other intangible assets	3 to 8	3 to 8
ERP software	5	5
Buildings	25 to 50	25 to 50
Machinery		
Adhesive binding equipment and machinery	8	8
Offset printing machines	8 to 10	8 to 10
Digital printing machines	4 to 7	4 to 7
Sorting systems	5 to 8	5 to 8
IT equipment	3 to 7	3 to 7
Motor vehicles	5	5
Office furniture	13	13

Average useful lives are determined on the basis of past experience of use of this asset, current and envisaged possibilities for its use and related technical development.

The book values of property, plant and equipment and intangible assets are tested for impairment on each balance sheet date. In case of any such indications, the recoverable amount of the asset is estimated in order to determine the scope of any impairment loss. The recoverable amount is determined for each individual asset, unless an asset results in cash inflows which are not largely independent of those of other assets or other groups of assets (cash-generating units). In this case, the calculation will be performed at the level of the cash-generating unit to which the respective asset has been assigned. The respective value will be assigned to the individual cash-generating units or to the smallest group of cash-generating units on an appropriate and consistent basis.



→ Notes:

B. Accounting and measurement principles

In case of intangible assets with indefinite useful lives or intangible assets which cannot be used yet, an impairment test is performed at least annually and in case of any indication of impairment. The recoverable amount is the higher of the fair value less disposal costs and the value in use.

For calculation of the value in use, the future cash flows resulting from continued use of the cash-generating units are discounted by a risk-adjusted interest rate. The cash flows are determined on the basis of the planning which has been approved by the Board of Management and is valid at the time of the impairment test. This planning is based on expectations of future market shares, growth on the respective markets and products' profitability. Cash flow forecasts beyond the detailed planning period are calculated on the basis of suitable growth rates. The planning period is five years. These include both the current market assessment regarding the fair value of the money and the risks to which the respective asset is exposed, if these factors have not already been reflected in the estimate of the cash flows. Before taxes, the risk-adjusted interest rates used for discounting of cash flows amount to between 5.7% and 11.6% in the Photofinishing business unit, to between 7.5% and 9.2% in the Retail business unit and to between 9.2% and 12.2% in the Commercial Online Printing business unit. The risk-adjusted interest rate for the cash-generating units is based on the weighted average cost of capital (WACC). This is determined on the basis of the capital asset pricing model (CAPM), with due consideration of current market expectations. Specific peer group information for beta factors, capital structure data and the cost of borrowing are used to calculate the risk-adjusted interest rate for the purpose of the impairment test. Periods not included in the planning are reflected by means of a terminal value. Various sensitivity analyses are also performed. If the recoverable amount of an asset or a cash-generating unit falls below its book value, impairment is recognised in the amount of the difference. If the value in use is less than the book value, for the calculation of the recoverable amount the fair value less the disposal costs will also be determined.

The impairment loss is immediately recognised in profit or loss. In the event of a recovery of the impairment loss, the book value of the asset or the cash-generating unit will be increased to the newly determined recoverable amount. However, the increased book value may not exceed the book value which would have been determined (less scheduled depreciation) if no impairment loss had been recognised in previous years. A recovery in value is immediately recognised in profit or loss.

Goodwill does not undergo any scheduled amortisation and is tested for impairment on the basis of the recoverable amount for the cash-generating unit to which it has been assigned. For this purpose, the goodwill acquired through a merger will be assigned to each individual cash-generating unit which is expected to realise synergies as a result of the merger. The maximum size of the respective cash-generating unit corresponds to the operating business unit which is included in internal reporting submitted to the main decision-making entity and thus reflects the internal reporting structure. The impairment test is performed at least once a year and also in case of any indication of impairment of the cash-generating unit.

In the event that the book value of the cash-generating unit to which this goodwill has been assigned exceeds its recoverable amount, amortisation will be recognised on this assigned goodwill in the value of the difference determined. Goodwill amortisation already recognised may not be reversed. If the difference determined for the cash-generating unit exceeds the book value of the assigned goodwill, the book values of the assets assigned to the cash-generating unit will undergo pro rata impairment in the value of the remaining impairment loss.

14 Financial assets

Financial assets have been measured at fair value. CEWE reviews whether objective indications of impairment are applicable on each balance sheet date. Reinsurance policies included in financial assets are recognised at their actuarial present value. This does not involve plan assets.



→ Notes:

B. Accounting and measurement principles

15 Non-current assets held for sale

Non-current assets held for sale comprise assets or groups of assets whose book values within the next twelve months are expected to be mainly realised through their disposal and not through their operational use. They are measured at the lower of their book value and their fair value less disposal costs. In the event of a subsequent increase in their fair value, a revaluation will be made in the value of the impairment recognised.

16 Inventories

Inventories are recognised at cost. Manufacturing costs include individual material and production costs as well as pro rata material and production overheads. Administrative costs are included where attributable to production. Acquired inventory items are measured on the basis of the average value method, at the weighted average value. If the net disposal value is lower on the balance sheet date, this will be recognised. Inventories rarely used due to obsolescence or technical progress are subject to marketability discounts. The Group does not have any long-term production orders.

17 Primary financial instruments

Primary financial instruments comprise financial assets (receivables, other assets, loans extended and cash and cash equivalents) as well as financial liabilities (interest-bearing financial liabilities, trade payables and other liabilities). They are accounted for and measured in accordance with the provisions of IFRS 9. A financial instrument is thus recognised if a consideration is provided in the form of cash and cash equivalents or financial assets. In principle, it will be recognised and written off at fair value, allowing for the transaction costs. Non-interest-bearing receivables and other assets are discounted if they are non-current. In accordance with IFRS 9, subsequent measurement will depend on the following categorisation of the financial instruments.

Financial assets

Financial interests recognised as financial assets are measured at fair value, with changes in value recognised in other comprehensive income.

In principle, loans and receivables not quoted on an active market are measured at amortised cost. This includes non-current financial receivables, trade receivables and other current financial receivables and assets. In case of any doubt regarding the collectability of individual receivables, they will be recognised at the lower realisable amount. Objective defaults will result in a write-off of the relevant receivable. Otherwise, receivables are measured according to the expected loss method. Foreign-currency receivables are translated at the exchange rate as of the reporting date.

Cash and cash equivalents are recognised at fair value. Cash in hand and balances in foreign currencies are translated at the exchange rate as of the reporting date.

Financial liabilities

Financial liabilities regularly establish an obligation for delivery in the form of cash and cash equivalents or another financial asset. This includes, in particular, trade payables, amounts owed to credit institutions, derivative financial liabilities and other financial liabilities.

Financial liabilities are measured at amortised cost.

18 Derivative financial instruments

Derivative financial instruments such as interest rate and foreign currency options, interest rate swaps, combined interest rate and foreign currency swaps and commodities futures transactions for hedging of exchange rate, interest rate and commodity price risks are used within narrowly defined limits. In accordance with the Group's risk management principles, no derivative financial instruments are held for trading purposes. Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently at their market value. Profit and loss are recognised on the basis of the type of position to be hedged. Recognised measurement models are used in order to determine the market value. Derivatives for which no hedge accounting is applied are recognised at fair value.



→ Notes:

B. Accounting and measurement principles

19 Deferred taxes

In accordance with IAS 12, deferred tax assets and liabilities are established for any temporary discrepancies in terms of assets and liabilities in the tax and IFRS balance sheets, for tax credits and loss carry-forwards and for consolidation measures recognised in profit or loss. The national tax rates applicable as of the balance sheet date or applicable in future will be used for calculation purposes. The effect of changes in tax rates on deferred taxes is recognised as of the respective change in the law coming into effect. Deferred tax assets resulting from loss carry-forwards are only included insofar as their realisation is sufficiently concrete and probable. In principle, changes in deferred taxes recognised in the balance sheet will result in deferred tax expenses or income. Insofar as items resulting in changes to deferred taxes are directly entered against equity, the change in deferred taxes will also be directly recognised in equity.

Deferred tax liabilities are shown within the scope of accruals. They are calculated on the basis of the standard international balance sheet-based liability method and show the tax effects resulting from the valuation differences between the tax balance sheets of the individual companies and the consolidated financial statements. Neither deferred tax assets nor deferred tax liabilities are discounted.

The deferral amounts are calculated at the tax rates which may currently be expected in case of a reversal of the temporary differences.

Deferred tax receivables and liabilities will be netted if they apply in relation to the same tax authority.

Average tax rates for calculation of deferred taxes in %

	2022	2023
Germany	32.00	31.00
Belgium	25.00	25.00
Denmark	22.00	22.00
France	25.00	25.00
United Kingdom	19.00	19.00
Netherlands	25.80	25.80
Norway	22.00	22.00
Austria	25.00	25.00
Poland	19.00	19.00
Sweden	20.60	20.60
Switzerland	23.00	23.00
Slovak Republic	21.00	21.00
Czech Republic	19.00	21.00
Hungary	9.00	9.00
USA	21.00	21.00

20 Equity

Subscribed capital is recognised within equity at its nominal value. The premium resulting from the first-time share issue is measured as a capital reserve on the basis of the difference between the nominal value of the ordinary bearer shares issued and the realised issue amount.

The subscribed capital and the capital reserve relate to CEWE Stiftung & Co. KGaA, Oldenburg, and are recognised as if held by this company. Through the treasury shares item deducted from equity on the face of the balance sheet, treasury shares are reported as a deduction at the value of their full, original acquisition costs and incidental acquisition



→ Notes:

B. Accounting and measurement principles

costs at the time of their buyback (see item D52, [pages 162ff.](#)). Retained earnings and unappropriated profits are determined by law and in accordance with the articles of association of CEWE Stiftung & Co. KGaA, Oldenburg, and are reported at nominal value. As well as earnings calculated according to provisions of commercial law, these items include the discrepancies in relation to IFRS accounting standards. Effects resulting from the fair value measurement of equity instruments, hedging transactions and stock option plans (see item D51, [pages 159ff.](#)) are also shown, as are the currency translation differences and actuarial gains and losses recognised directly in equity. The change in hidden reserves recognised within the scope of successive share purchases is apportioned to retained earnings.

21 Pension commitments

Pension accruals are calculated in accordance with the actuarial projected unit credit method prescribed in IAS 19 for defined-benefit pension obligations. The future obligation is discounted to its present value on the basis of the vested rights acquired up to the balance sheet date, while allowing for additional parameters. Discrepancies between estimates made and actual trends and changes in actuarial assumptions will result in actuarial gains and losses. These will be directly recognised in equity in the year of their occurrence. The current service cost and the interest expenses included in pension expenses are recognised in personnel expenses.

These figures only refer to the group of employees entitled to pensions for which a pension liability must be carried.

The biometric probabilities are calculated according to the current “Heubeck reference tables 2018 G” or similar foreign mortality tables. Reinsurance policies have been concluded to a minor extent for some of the reported pension commitments.

22 Accruals

Accruals are established insofar as a legal or constructive obligation has resulted from a past event. This is subject to the requirement that this obligation is expected to lead to a future outflow of assets which can be reliably estimated. In case of a level of probability which is greater than 50%, the respective item will be recognised on the basis of the settlement amount with the highest possible probability of realisation. Accruals for obligations which are not expected to already result in an outflow in the following year are recognised in the amount of the present value of the expected outflow, if such accruals are significant. The discount rates correspond to the normal capital market rates. The value of the accruals is reviewed on each balance sheet date.

23 Share-based payment

IFRS 2 is complied with in respect of the balance-sheet treatment of stock option plans. The fair value of the options as of the grant date is determined upon the basis of market prices (prices of Deutsche Börse AG, Frankfurt) with consideration of the terms of issue as well as generally recognised valuation techniques for financial instruments. The exercise price, the respective term, the current market value of the option instrument (the CEWE share), the expected level of volatility for the market price, the expected dividends on the shares and the risk-free interest rate for the terms of the options are included for the purpose of this valuation. Moreover, as specific requirements for the exercise of the option the beneficiaries comply with the necessary waiting period (lockup period) and, where applicable, exercise the option as early as possible. In the following financial reporting, the determined value of the stock options is apportioned to the term as expense, with consideration of the assumed service period and the level of fluctuation in the beneficiaries. Option premiums received within the scope of the options issued are recognised in retained earnings.

24 Research and non-capitalisable development costs

Research and non-capitalisable development costs are recognised in profit or loss at the time of their occurrence.



→ Notes:

B. Accounting and measurement principles

C. Comments on the profit and loss account

25 Contingent liabilities and contingent assets

Contingent liabilities are liabilities resulting from a possible obligation on account of a past event and whose existence depends on the occurrence or non-occurrence of one or more uncertain future events over which the company lacks complete control. Contingent liabilities may also result from a present obligation which is attributable to past events but has not been recognised in the balance sheet because

- the outflow of resources providing an economic benefit upon fulfilment of this obligation is not probable or
- the value of this obligation cannot be estimated sufficiently reliably.

If the outflow of resources providing an economic benefit for the company is not probable, no contingent liability will be disclosed.

Contingent assets are not shown in the balance sheet and will only be indicated if the accrual of an economic benefit is probable. They include possible assets which result from past events and whose existence on account of the occurrence or non-occurrence of uncertain future events – over which the company lacks complete control – is yet to be confirmed.

26 Government grants

Government grants which are paid by way of compensation for expenses or losses already incurred or by way of immediate financial support, without related future expense, are recognised in the consolidated profit and loss account in the period in which the relevant entitlement arises.

C. Comments on the profit and loss account

27 Revenues

Revenues by business unit in thousands of euros

	2022	Share in %	2023	Share in %
Revenues Photofinishing	616,073	84.1	658,762	84.4
Change on previous year (as %)	-4.8		6.9	
Revenues Retail	32,385	4.4	31,295	4.0
Change on previous year (as %)	-8.7		-3.4	
Revenues Commercial Online Printing	86,495	11.8	92,161	11.8
Change on previous year (as %)	-2.6		6.6	
Other Activities	0	0.0	0	0.0
Change on previous year (as %)	15.9		-	
Inter-business-unit turnover	-2,223	-0.3	-2,020	-0.3
Change on previous year (as %)	-74.1		9.1	
Total revenues	732,730	100.0	780,198	100.0

Turnover largely results from sales of CEWE products and is therefore shown by business unit in the above table.



→ Notes:

C. Comments on the profit and loss account

The breakdown of turnover by geographical region is as follows. Turnover realised with external customers has been allocated on the basis of the geographical location of the customer's business activities.

Turnover by geographical region in thousands of euros

	2022	2023
Germany	392,178	417,124
Other countries	340,552	363,074
Total	732,730	780,198

Turnover with business partners is shown net of any sales deductions. Retrospectively applicable discounts are frequently agreed here which are based upon the overall turnover within a given period. The proceeds from these sales are recognised at the price stated in the contract, less the agreed discounts. A reimbursement liability (reported under trade payables) is recognised for discounts which are expected to be payable to the customer for sales completed up to the end of the reporting period. Sales via mail-order shipping are recognised in Photofinishing and Commercial Online Printing, mainly on the basis of prepayment. The retail stores operated by CEWE sell photographic hardware as well as photofinishing products. Payment of the transaction price is due immediately upon the customer's purchase of the product and acceptance of delivery in the retail store. Other revenues which have not resulted from the delivery or provision of typical goods, merchandise and services (the ordinary activities of the CEWE Group) are shown as other operating income. As of the reporting date, there are no contracts where the period between the transfer of the promised asset or services to the customer and the payment made by the customer is greater than one year. Accordingly, the promised consideration has not been restated on the basis of the time value of money.

28 Other operating income

Other operating income in thousands of euros

	2022	2023
Rental income	3,808	4,159
Other revenues from sales to third parties	6,969	4,145
Income from pass-through expenses	3,604	3,258
Income from currency translation	2,425	2,429
Reimbursement of costs own personnel	1,384	2,334
Income from the reversal of accruals	3,689	2,012
Income from default charges	757	760
Income from the receipt of impaired receivables	1,461	426
Income from insurance indemnification	96	188
Additional other operating income	4,964	5,783
Total other operating income	29,157	25,494

Other revenues from sales to third parties comprise revenues from sales of aluminium from the resale of the printing plates used in offset printing and revenue from the sale of property, plant and equipment.

In particular, income from pass-through expenses includes passed-on charges for sales aids, advertising services and logistics and other transport services.

Income from the release of accruals comprises various individual items within the scope of ordinary activities. Accruals are reversed if, in view of the circumstances prevailing as of the balance sheet date, they are no longer expected to be used or are only expected to be used to a marginal degree.



Income from currency translation mainly comprises profits resulting from exchange rate changes between the time of accrual and the time of payment or from measurement of monetary items at the exchange rate as of the reporting date. Exchange rate losses resulting from such transactions are shown under other operating expenses (see item C31, [page 142](#)).

The additional other operating income includes non-period income as well as additional positions not allocable to other items referred to in the notes.

29 Cost of materials

Cost of materials in thousands of euros

	2022	2023
Expenses for raw materials and supplies and for purchased merchandise	-155,634	-164,072
Expenses for purchased services	-24,906	-23,308
Total cost of materials	-180,540	-187,380

Expenses for raw materials and supplies and for purchased merchandise comprise, in particular, supplies of photographic paper, photo bags, chemicals and other packaging in the Photofinishing business unit, while in the Commercial Online Printing business unit expenses are mainly reported for printing plates, paper and freight costs. For the Retail business unit, this item comprises supplies of merchandise.

Expenses for purchased services include third-party work in the Photofinishing and Commercial Online Printing business units.

→ Notes:

C. Comments on the profit and loss account

30 Personnel expenses

Personnel expenses in thousands of euros

	2022	2023
Wages and salaries	-166,901	-181,380
Social security contributions	-32,092	-34,324
Expenses for pensions and support	-3,543	-3,157
Total personnel expenses	-202,536	-218,861

Employees number of

	2022	2023
Non-manual employees	2,343	2,427
Manual employees	1,305	1,304
Total employees	3,648	3,731

Employees by business unit number of

	2022	2023
Photofinishing	2,724	2,784
Retail	411	405
Commercial Online Printing	459	487
Other Activities	54	55
Total employees	3,648	3,731

The above figures are annual averages. As of December 31, 2023, the Group had a total of 3,955 employees (December 31, 2022: 3,920 employees).



→ Notes:

C. Comments on the profit and loss account

Wages paid to manual workers amount to 63,312 thousand euros (previous year: 59,160 thousand euros), while salaries of non-manual employees amount to 118,068 thousand euros (previous year: 107,741 thousand euros).

Expenses for pensions and support mainly comprise allocations to pension accruals; pension accruals for members of the executive bodies of the general and managing partner Neumüller CEWE COLOR Stiftung, Oldenburg, have increased by 3,379 thousand euros (previous year: decrease of 5,220 thousand euros). Please also see the comments regarding non-current accruals for pensions (see item D55, [pages 165ff.](#)).

Initial measurement of the stock option plans is on the basis of the parameters outlined in the following table:

Parameters for stock option plans

		2019	2021	2022	2023
Fair value	in thousands of euros	357	631	664	519
Other personnel expenses p. a.	in thousands of euros	89	158	166	130
End of lockup period		Dec. 31, 2023	Dec. 31, 2025	Dec. 31, 2026	Dec. 31, 2027
Performance target	as % of underlying price	125	120	120	120
Exit rate	in %	3.00	3.00	3.00	3.00
Risk-free interest rate	in %	-0.70	-0.42	2.01	2.69
Historical volatility	in %	27.90	28.29	29.31	28.94

The fair values resulting from the initial measurement of the stock option plans (IFRS 2.10 ff.) are accrued pro rata temporis up to the end of the relevant lockup period and recognised as “other personnel expenses”. Reserves are entered for them in equity. On the structure of the stock option plans, we refer to the comments regarding the Group’s equity (see item D51, [pages 159ff.](#)). A Monte Carlo simulation has been used for these measurements. A log-normal distribution-based process has been simulated for the price of the CEWE share so as to map the performance target in the form of an increase in the average closing price on the underlying price on ten consecutive trading days.

The simulations also included the possibility of early exercise – with due consideration of the respective exercise windows – and also the beneficiaries’ early exercise behaviour, in line with a modified version of the approach proposed by Hull and White. The simulation assumed that, upon expiry of the lockup period, every year through a 3.00% exit rate stock options are exercised immediately upon this becoming possible due to the beneficiary leaving the company. A risk-free interest rate was assumed for the period up to the key date of December 30 of the relevant year. The calculation used discrete dividends; publicly available estimates were used as the basis for calculation. Finally, the historical level of volatility was considered and recognised for December 30 of the current year. The Group did not make any direct support payments.



→ Notes:

C. Comments on the profit and loss account

31 Other operating expenses

Other operating expenses in thousands of euros

	2022	2023
Selling expenses	-163,424	-173,222
Administrative expenses	-40,187	-42,061
Costs of premises	-12,705	-12,632
Operating costs	-12,560	-14,090
Currency translation expenses	-3,548	-2,578
Motor vehicle costs	-2,440	-2,621
Depreciation and valuation adjustments for current assets	-1,343	-1,320
Additional operating expenses	-16,595	-17,582
Total other operating expenses	-252,802	-266,106

Selling expenses comprise, in particular, transport service expenses, shipping costs for branch and mail-order business in the Photofinishing business unit and marketing expenses. Valuation adjustments on current assets mainly comprise individual valuation adjustments on receivables (2023: 854 thousand euros, 2022: 936 thousand euros), which have resulted from an assessment of the loss of future returns.

The currency translation expenses mainly comprise currency losses resulting from exchange rate changes between the time of accrual and the time of payment and from measurement at the exchange rate as of the reporting date. Exchange rate gains resulting from these transactions are shown under other operating income (see item C28, [pages 139f.](#)).

In the year under review, as well as the costs of external services and personnel in the amount of 3,377 thousand euros (previous year: 3,656 thousand euros), other operating expenses also include losses from the disposal of fixed assets in the amount of 382 thousand euros (previous year: 380 thousand euros).

Auditor's fees in thousands of euros

	2022	2023
Audit services for financial statements	416 ¹	410
Other confirmation services	40	37
Total	456	447

¹ Of which for the previous year 20 thousand euros

The fees for auditing of financial statements mainly comprise payments for the audit of the consolidated financial statements and the separate financial statements of CEWE Stiftung & Co. KGaA, Oldenburg, and its German subsidiaries. The fees for other confirmation services relate to the auditor's review of the consolidated non-financial statement. The audit services include the auditor's review of quarterly financial statements.



→ Notes:

C. Comments on the profit and loss account

32 Amortisation of intangible assets, depreciation of property, plant and equipment

The breakdown of depreciation and amortisation and non-scheduled depreciation and amortisation is shown in the analysis of fixed assets. No non-scheduled goodwill amortisation was recognised in the financial year 2023 or in the previous year.

33 Financial income and financial expenses

Financial income/financial expenses in thousands of euros

	2022	2023
Income from equity investments	695	5,441
Other interest and similar income	43	512
Financial income	738	5,953
Interest and similar expenses	-448	-458
Interest expenses resulting from lease liabilities	-1,094	-1,488
Financial expenses	-1,542	-1,946

Income from equity investments includes profits distributed from equity investments in start-up companies in the amount of 5,441 thousand euros (previous year: 695 thousand euros).

34 Income taxes

Current and deferred expenses for income taxes in thousands of euros

	2022	2023
Current German taxes ¹	-22,778	-25,954
Current foreign taxes ²	-1,730	-3,079
Current total taxes	-24,508	-29,033
Deferred German taxes	758	877
Deferred foreign taxes	2	-146
Deferred total taxes	760	731
Total income taxes	-23,748	-28,302
¹ Of which not relating to the period – Germany	-210	-465
² Of which not relating to the period – other countries	72	-279

In Germany, income taxes include corporate income tax plus the solidarity surcharge and trade tax. In other countries, this item comprises similar income taxes of the subsidiaries.

No significant effects have resulted from tax rate changes or from the introduction of new German or foreign taxes.



→ Notes:

C. Comments on the profit and loss account

The volume of income tax expenses shown can be calculated on the basis of the expected income tax expenses as follows:

Reconciliation of income tax expenses in thousands of euros

	2022	2023
Earnings before taxes	74,813	87,917
Theoretical tax rate (as %)	30.0	30.0
Expected income tax expenses	22,445	26,376
Increase/reduction of income tax burden due to:		
Deviation resulting from application of local tax rate	-371	-305
Deviation resulting from different assessment bases		
– Tax-free income (–)	-1,869	-2,626
– Other tax additions and deductions	0	0
– Non-deductible expenses (+)	3,150	2,665
– Depreciation of items not deductible for tax purposes	0	0
Recognition and measurement of deferred taxes		
– Non-recognition of deferred tax assets on loss carry-forwards	1,359	2,579
– Revaluation/subsequent recognition of deferred taxes	-82	-226
Non-period effects		
– Use of loss carry-forwards not reported in the balance sheet (–)	-415	-561
– Other non-period effects	-463	404
Other effects	-6	-4
Income tax expenses shown	23,748	28,302

For the overall income tax burden, a theoretical tax rate of 30.0% (previous year: 30.0%) is assumed. This comprises a tax rate of 15.0% for corporate income tax (previous year: 15.0%), 5.5% for the solidarity surcharge levied on the corporate income tax liability (previous year: 5.5%) and a lump-sum average of approx. 14% for trade tax (previous year: 14.0%) plus marginal rounding-off.

Deferred tax assets and liabilities shown in the balance sheet resulted for discrepancies in value for the following balance sheet positions and for loss carry-forwards:

Classification of deferred taxes items in thousands of euros

	Dec. 31, 2022		Dec. 31, 2023	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Loss carry-forwards and tax credits	7,091	0	6,034	0
Property, plant and equipment	173	-10,027	127	-7,427
Intangible assets	1,755	-1,573	1,969	-1,356
Financial assets	336	-1,036	331	0
Inventories	315	0	320	-10
Receivables and other assets	195	-389	22	-173
Special item for investment grants (investment subsidies)	43	-6	43	0
Pension accruals	5,049	0	6,088	0
Other accruals	294	-2	440	-2
Financial liabilities	6,186	0	5,304	0
Other liabilities	3,100	0	1,618	0
Deferred income and accrued expenses	0	0	0	0
Deferred taxes on temporary differences	24,537	-13,033	22,296	-8,968
Netting	-10,889	10,889	-7,379	7,379
Balance sheet item	13,648	-2,144	14,917	-1,589

In the past financial year and the previous year, with the exception of a portion of the deferred tax assets any changes in deferred tax assets and liabilities were measured in profit and loss in the pension accruals item. In the past financial year, the change in deferred tax assets not affecting net income amounted to 1,075 thousand euros (previous year: 3,112 thousand euros) for the pension accruals.

The total amount carried forward for tax losses not yet used is 65,022 thousand euros (previous year: 80,657 thousand euros). Deferred tax assets have been reported in the balance sheet for tax loss carry-forwards in the total amount of 30,740 thousand euros (previous year: 31,414 thousand euros). For the capitalisation of deferred taxes on loss



→ Notes:

C. Comments on the profit and loss account

carry-forwards, future realisability is key. This mainly depends on future taxable profits in periods in which tax loss carry-forwards can be claimed. For the purpose of capitalisation, profit expectations are assumed which are considered to be probable. On the basis of the approved budgets and business plans, CEWE assumes that the deferred tax assets are realisable while applying the estimated future taxable income. Of these loss carry-forwards, 64,403 thousand euros (previous year: 74,568 thousand euros) may be carried forward without any limit.

Total income tax expense recognised in equity in thousands of euros

	2022	2023
Income tax expense recognised in profit and loss account	-23,748	-28,302
Tax expense directly recognised in equity	-3,112	-1,142
Total income tax expense recognised in equity	-26,860	-29,444

35 Earnings per share

Group earnings per share

		Q4 2022	2022	Q4 2023	2023
Earnings after taxes	in thousands of euros	52,379	51,065	57,754	57,313
Weighted average number of shares, undiluted	in units	7,066,395	7,089,068	7,054,079	7,071,350
Undiluted earnings per share	in euros	7.41	7.20	8.19	8.10
Consolidated profits after minority interests	in thousands of euros	52,379	51,065	57,754	57,313
Weighted average number of shares, undiluted	in units	7,066,395	7,089,068	7,054,079	7,071,350
Diluting effect of stock options issued	in units	15,978	16,756	8,843	8,466
Weighted average number of shares, diluted	in euros	7,082,373	7,105,824	7,062,922	7,079,816
Diluted earnings per share	in euros	7.40	7.19	8.18	8.10

Earnings per share from continuing operations

		2022	2023
Earnings after taxes	in thousands of euros	51,056	59,615
Weighted average number of shares, undiluted	in units	7,089,068	7,071,350
Undiluted earnings per share	in euros	7.20	8.43
Consolidated profits after minority interests	in thousands of euros	51,056	59,615
Weighted average number of shares, undiluted	in units	7,089,068	7,071,350
Diluting effect of stock options issued	in units	16,756	8,466
Weighted average number of shares, diluted	in euros	7,105,824	7,079,816
Diluted earnings per share	in euros	7.19	8.42

Earnings per share from discontinued operations

		2022	2023
Earnings after taxes	in thousands of euros	9	-2,302
Weighted average number of shares, undiluted	in units	7,089,068	7,071,350
Undiluted earnings per share	in euros	0.00	-0.33
Consolidated profits after minority interests	in thousands of euros	9	-2,302
Weighted average number of shares, undiluted	in units	7,089,068	7,071,350
Diluting effect of stock options issued	in units	16,756	8,466
Weighted average number of shares, diluted	in euros	7,105,824	7,079,816
Diluted earnings per share	in euros	0.00	-0.32



→ Notes:

C. Comments on the profit and loss account

D. Comments on the balance sheet

Undiluted earnings per share are calculated as the ratio of earnings after taxes and the weighted average number of shares outstanding during the financial year less treasury shares.

For purposes of comparison, diluted earnings per share as of December 31, 2023 have been indicated. Treasury shares are not included in the calculation of diluted earnings per share.

D. Comments on the balance sheet

Total fixed assets of CEWE Stiftung & Co. KGaA

Development in 2023 in thousands of euros

	Property, plant and equipment	Investment properties	Goodwill	Intangible assets	Non-current financial assets	Total
Acquisition and production costs						
As of Jan. 1	594,613	35,599	124,163	152,780	10,339	917,494
Changes to the scope of consolidation	-25	-	-3,839	-	-	-3,864
Currency translation adjustments	518	-	-	-23	-	495
Additions	58,424	317	-	4,838	2,951	66,530
Disposals	-19,840	-	-	-9,337	-5,954	-35,131
Transfers	-2,780	135	-	-5,547	-	-8,192
As of Dec. 31	630,910	36,051	120,324	142,711	7,336	937,332
Depreciation						
As of Jan. 1	369,914	16,583	42,388	128,222	658	557,765
Changes to the scope of consolidation	-	-	-3,839	-	-	-3,839
Currency translation adjustments	397	-	-	-36	-	361
Scheduled additions	44,969	649	-	7,244	-	52,862
Non-scheduled additions	1,209	-	-	786	-	1,995
Disposals	-17,345	-	-	-9,314	-	-26,659
Transfers	-2,167	-	-	-5,507	-	-7,674
As of Dec. 31	396,977	17,232	38,549	121,395	658	574,811
Book value on Dec. 31	233,933	18,819	81,775	21,316	6,678	362,521



→ Notes:
D. Comments on the balance sheet

Development in 2022 in thousands of euros

	Property, plant and equipment	Investment properties	Goodwill	Intangible assets	Non-current financial assets	Total
Acquisition and production costs						
As of Jan. 1	553,582	33,180	120,146	147,801	10,447	865,156
Changes to the scope of consolidation	3,585	-	-	1,828	-	5,413
Currency translation adjustments	-1,806	-	-	-367	-	-2,173
Additions	56,911	2,419	4,017	5,458	1,293	70,098
Disposals	-17,624	-	-	-1,975	-1,401	-21,000
Transfers	-35	-	-	35	-	-
As of Dec. 31	594,613	35,599	124,163	152,780	10,339	917,494
Depreciation						
As of Jan. 1	341,199	16,089	42,388	121,810	658	522,144
Currency translation adjustments	-1,085	-	-	-327	-	-1,412
Scheduled additions	44,367	494	-	8,570	-	53,431
Non-scheduled additions	45	-	-	114	-	159
Disposals	-14,565	-	-	-1,945	-	-16,510
Revaluations	-47	-	-	-	-	-47
As of Dec. 31	369,914	16,583	42,388	128,222	658	557,765
Book value on Dec. 31	224,699	19,016	81,775	24,558	9,681	359,729

**Reclassification of fixed assets to “Assets classified as held for sale”** in thousands of euros

	Acquisition and production costs reconciliation	Depreciation reclassification	Dec. 31, 2023
I. Property, plant and equipment			
1. Land, leasehold rights and buildings, incl. buildings on third-party land	-855	408	-447
2. Technical equipment and machinery	-1,597	1,558	-39
3. Other equipment, furniture and fixtures	-262	201	-61
4. Advance payments and assets under construction	50	0	50
II. Intangible assets			
1. Purchased software	-2,993	2,972	-21
2. Proprietary intangible assets	-124	124	0
3. Customer base and trademark rights	-2,411	2,411	0
Total	-8,192	7,674	-518

36 Property, plant and equipment

On the development of the fixed assets, please see the attached analysis of fixed assets. The scheduled depreciations indicated here and the non-scheduled depreciations of fixed assets are shown in the profit and loss account under amortisation of intangible assets and depreciation of property, plant and equipment. On the basis of impairment tests, non-scheduled depreciation on equipment with limited usability for technical reasons has been recognised in the amount of 1,209 thousand euros (previous year: 45 thousand euros).

The book value of property, plant and equipment used only temporarily is of lesser importance. The same applies for property, plant and equipment which is definitively no longer used. It is assumed that the fair value of property, plant and equipment does not significantly deviate from its book value. The Group does not have any pledged property, plant and equipment. Obligations for the purchase of property, plant and equipment (commitments) amount to 9,532 thousand euros (previous year: 17,943 thousand euros).



→ Notes:

D. Comments on the balance sheet

Development of property, plant and equipment in 2023 in thousands of euros

	Land, leasehold rights and buildings, incl. buildings on third-party land	Technical equipment and machinery	Other equipment, furniture and fixtures	Advance payments and assets under construction	Total
Acquisition and production costs					
As of Jan. 1	180,986	289,335	104,267	20,025	594,613
Changes to the scope of consolidation	–	–71	46	–	–25
Currency translation adjustments	–352	366	271	233	518
Additions	14,621	20,204	11,610	11,989	58,424
Disposals	–5,574	–5,885	–8,380	–1	–19,840
Transfers	2,726	8,794	–525	–13,775	–2,780
As of Dec. 31	192,407	312,743	107,289	18,471	630,910
Depreciation					
As of Jan. 1	67,936	219,679	82,299	–	369,914
Currency translation adjustments	–103	269	231	–	397
Scheduled additions	11,932	22,552	10,485	–	44,969
Non-scheduled additions	397	812	–	–	1,209
Disposals	–3,656	–5,473	–8,216	–	–17,345
Transfers	–404	–1,210	–553	–	–2,167
As of Dec. 31	76,102	236,629	84,246	–	396,977
Book value on Dec. 31	116,305	76,114	23,043	18,471	233,933

Development of property, plant and equipment in 2022 in thousands of euros

	Land, leasehold rights and buildings, incl. buildings on third-party land	Technical equipment and machinery	Other equipment, furniture and fixtures	Advance payments and assets under construction	Total
Acquisition and production costs					
As of Jan. 1	166,170	282,260	101,780	3,372	553,582
Changes to the scope of consolidation	3,374	–	211	–	3,585
Currency translation adjustments	–783	–493	–523	–7	–1,806
Additions	15,516	11,519	10,354	19,522	56,911
Disposals	–3,468	–6,507	–7,649	–	–17,624
Transfers	177	2,556	94	–2,862	–35
As of Dec. 31	180,986	289,335	104,267	20,025	594,613
Depreciation					
As of Jan. 1	57,791	203,654	79,754	–	341,199
Currency translation adjustments	–341	–314	–430	–	–1,085
Scheduled additions	11,532	22,677	10,158	–	44,367
Non-scheduled additions	–	8	37	–	45
Disposals	–999	–6,340	–7,226	–	–14,565
Transfers	–	–6	6	–	–
Revaluations	–47	–	–	–	–47
As of Dec. 31	67,936	219,679	82,299	–	369,914
Book value on Dec. 31	113,050	69,656	21,968	20,025	224,699



→ Notes:
D. Comments on the balance sheet

As of December 31, 2023, property, plant and equipment include the following amounts where the Group was a lessee according to IFRS 16:

Additions, depreciation and other changes to leased property, plant and equipment 2023

in thousands of euros

	Land, leasehold rights and buildings, incl. buildings on third-party land	Technical equipment and machinery	Other equipment, furniture and fixtures	Advance payments and assets under construction	Total
Acquisition costs					
As of Jan. 1	75,673	832	5,670	-	82,175
Changes to the scope of consolidation	-	-	46	-	46
Currency translation adjustments	-527	50	30	-	-447
Additions	6,890	176	2,582	-	9,648
Disposals	-5,482	-605	-1,572	-	-7,659
Transfers	-841	-	-	-	-841
As of Dec. 31	75,713	453	6,756	-	82,922
Depreciation					
As of Jan. 1	29,246	649	3,550	-	33,445
Currency translation adjustments	-143	51	16	-	-76
Scheduled additions	8,862	129	2,109	-	11,100
Non-scheduled additions	397	-	-	-	397
Disposals	-3,637	-606	-1,511	-	-5,754
Transfers	-395	-	-	-	-395
As of Dec. 31	34,330	223	4,164	-	38,717
Book value on Dec. 31	41,383	230	2,592	-	44,205

Additions, depreciation and other changes to leased property, plant and equipment 2022

in thousands of euros

	Land, leasehold rights and buildings, incl. buildings on third-party land	Technical equipment and machinery	Other equipment, furniture and fixtures	Advance payments and assets under construction	Total
Acquisition costs					
As of Jan. 1	71,482	905	5,469	-	77,856
Changes to the scope of consolidation	3,354	-	11	-	3,365
Currency translation adjustments	-923	33	-35	-	-925
Additions	5,186	147	1,938	-	7,271
Disposals	-3,426	-253	-1,713	-	-5,392
As of Dec. 31	75,673	832	5,670	-	82,175
Depreciation					
As of Jan. 1	21,923	564	3,293	-	25,780
Currency translation adjustments	-400	31	-25	-	-394
Scheduled additions	8,688	307	1,921	-	10,916
Disposals	-965	-253	-1,639	-	-2,857
As of Dec. 31	29,246	649	3,550	-	33,445
Book value on Dec. 31	46,427	183	2,120	-	48,730



→ Notes:

D. Comments on the balance sheet

Breakdown of property, plant and equipment owned and leased in 2023

in thousands of euros

	Land, leasehold rights and buildings, incl. buildings on third-party land	Technical equipment and machinery	Other equipment, furniture and fixtures	Advance payments and assets under construction	Total
Owned property, plant and equipment	74,922	75,884	20,451	18,471	189,728
Leased property, plant and equipment	41,383	230	2,592	–	44,205
Book value on Dec. 31, 2023	116,305	76,114	23,043	18,471	233,933

Breakdown of property, plant and equipment owned and leased in 2022

in thousands of euros

	Land, leasehold rights and buildings, incl. buildings on third-party land	Technical equipment and machinery	Other equipment, furniture and fixtures	Advance payments and assets under construction	Total
Owned property, plant and equipment	66,623	69,473	19,848	20,025	175,969
Leased property, plant and equipment	46,427	183	2,120	–	48,730
Book value on Dec. 31, 2022	113,050	69,656	21,968	20,025	224,699

The following amounts have arisen for leasing activities during the reporting period:

in thousands of euros

	2022 Amount	2023 Amount
Expenses for lease liabilities relating to low-value assets	200	200
Expenses for variable lease payments not included in the measurement of lease liabilities	65	0
Cash and cash equivalents outflows for leases as part of cash flow from operating activities	265	200
Cash and cash equivalents outflows for repayments of lease liabilities	9,717	9,468
Cash and cash equivalents outflows for interest in connection with lease liabilities	1,094	1,488

Intragroup deliveries and services (e.g. digital printing machines, CEWE Photostations) are calculated on the basis of market prices and also on the basis of transfer prices determined according to the arm's length principle. Fixed assets resulting from intragroup deliveries are adjusted for interim results. For consolidation measures recognised in profit or loss, the income tax effects are considered and deferred taxes are recognised accordingly.



→ Notes:

D. Comments on the balance sheet

37 Investment properties

Investment properties comprise commercial properties in Bad Schwartau and Berlin as well as the parts of the Dresden production plant site which are leased to third parties and are no longer used by the Group. In accordance with IAS 40, these buildings no longer used by the Group are measured at amortised cost. The underlying expected useful lives for scheduled straight-line depreciation are between 25 and 50 years. Additions in the financial year relate to subsequent acquisition costs in the amount of 317 thousand euros (previous year: 2,419 thousand euros). In the financial year, rent income amounted to 2,512 thousand euros (previous year: 2,440 thousand euros). Including depreciation, maintenance and incidental costs, expenses for the leased properties amounted to 2,046 thousand euros (previous year: 1,668 thousand euros).

The fair value of these investment properties is 26,574 thousand euros (previous year: 30,173 thousand euros). The fair value was calculated internally.

Development of investment properties in thousands of euros

	2022	2023
Acquisition and production costs		
As of Jan. 1	33,180	35,599
Additions	2,419	317
As of Dec. 31	35,599	36,051
Depreciation		
As of Jan. 1	16,089	16,583
Scheduled additions	494	649
As of Dec. 31	16,583	17,232
Book value on Dec. 31	19,016	18,819

38 Goodwill

Goodwill results from the acquisition of businesses. The figures for each business unit have developed as follows:

Development of goodwill in 2023 in thousands of euros

	Photofinishing	Retail	Commercial Online Printing	Total
Acquisition and production costs				
As of Jan. 1	59,251	366	22,158	81,775
As of Dec. 31	59,251	366	22,158	81,775



→ Notes:

D. Comments on the balance sheet

Development of goodwill in 2022 in thousands of euros

	Photofinishing	Retail	Commercial Online Printing	Total
Acquisition and production costs				
As of Jan. 1	55,234	366	22,158	77,758
Additions	4,017	–	–	4,017
As of Dec. 31	59,251	366	22,158	81,775

For the CEWE Group, key items of goodwill have been assigned to the following business units as of the balance sheet date:

Business unit and cash-generating unit in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023
Commercial Online Printing SAXOPRINT	17,809	20,489
Commercial Online Printing LASERLINE	2,680	–
Commercial Online Printing viaprinto	1,668	1,668
Photofinishing Cheerz	31,198	31,198
Photofinishing WhiteWall	18,040	18,040
Photofinishing Diginet	2,874	2,874
Photofinishing DeinDesign	2,515	2,515

The operating business of the cash-generating unit LASERLINE has been incorporated in the cash-generating unit SAXOPRINT via an intragroup asset deal. Within the scope of the impairment test, the recoverable amount is determined by calculating the value in use. Cash flow forecasts are used for this purpose which are based on the approved business planning figures. In the detailed planning period for the main items of goodwill, an average annual rate of turnover growth of approx. 5.5% (previous year: 5.8%) is assumed in the Photofinishing business unit and 4.8% (previous year: 8.2%) in the Commercial Online Printing business unit. Cash flows are extrapolated beyond a period of five years on the basis of the growth

rates indicated below. The planning is based on past experience, the current performance of the business and the best possible estimates of key trends affecting individual factors such as the development of procurement prices or market growth.

In the following, the long-term growth rate and discount rate is indicated for the value-in-use calculation for each cash-generating unit with significant goodwill. The recoverable amount in case of valuation adjustments is also indicated.

2023 in %

	SAXOPRINT	viaprinto	Cheerz	WhiteWall	Diginet	DeinDesign
Long-term growth rate	1.0	1.0	0.75	0.75	0.75	0.75
Pre-tax interest rate	7.88	7.94	8.32	9.34	9.73	8.82

2022 in %

	SAXOPRINT	LASERLINE	viaprinto	Cheerz	WhiteWall	Diginet	DeinDesign
Long-term growth rate	1.0	1.0	1.0	0.75	0.75	0.75	0.75
Pre-tax interest rate	8.03	7.65	8.18	6.48	8.31	8.77	8.14



→ Notes:

D. Comments on the balance sheet

The range of discount rates before taxes in the respective business units is as follows:

Business units 2023

	Goodwill in thousands of euros	Range of discount rate as %
Photofinishing	59,251	5.7 to 11.6
Retail	366	7.5 to 9.2
Commercial Online Printing	22,158	9.2 to 12.2
Total	81,775	5.7 to 12.2

Business units 2022

	Goodwill in thousands of euros	Range of discount rate as %
Photofinishing	59,251	4.3 to 11.1
Retail	366	6.3 to 11.4
Commercial Online Printing	22,158	8.2 to 11.9
Total	81,775	4.3 to 11.9

The estimates made are considered appropriate in relation to the expected useful life of specific assets, assumptions regarding the macroeconomic environment and developments in the industries in which CEWE is active and the estimated present values of future cash flows. Nonetheless, revised assumptions or changed circumstances may necessitate corrections which may lead to additional valuation adjustments or, in case of a reversal in the envisaged trends, reversals in value if this does not involve goodwill.

Within the scope of a sensitivity analysis for cash-generating units or groups of cash-generating units to which goodwill has been assigned, a 10% reduction in EBIT margins for the perpetual annuity and a one percentage point increase in the discount rate have been assumed. For the cash-generating unit DeinDesign, an increase in the discount rate would have resulted in a 409 thousand euros impairment of the book value for goodwill. For the cash-generating unit Cheerz, an increase in the discount rate would have resulted in a 1,761 thousand euros impairment of the book value for goodwill. On this basis, no impairment requirement applies for the cash-generating units or for the group of cash-generating units.

39 Intangible assets

Software and similar industrial property rights comprise purchased ERP software, various office products for workstations and newly and subsequently capitalised items for proprietary intangible assets, for internal use and to support the market in the areas of production, distribution and Commercial Online Printing. Within the scope of the Group's proprietary software, own work has been capitalised at a value of 596 thousand euros (previous year: 518 thousand euros).

On the basis of impairment tests, non-scheduled amortisation reflecting new information has been recognised in the amount of 757 thousand euros on acquired software (Photofinishing business unit) and 29 thousand euros (Commercial Online Printing business unit) on internally generated intangible assets (previous year: 14 thousand euros (Commercial Online Printing business unit)).

For intangible assets, the Group had commitments in the amount of 510 thousand euros (previous year: 936 thousand euros).



→ Notes:

D. Comments on the balance sheet

CEWE currently has customer bases, customer lists and trademark rights in its three business units Photofinishing, Retail and Commercial Online Printing. The other customer bases, customer lists and trademark rights derive from previous purchases of smaller competitors. In CEWE's opinion, while these items are important for the development of

the company's business they are not decisive in any single instance. Non-capitalised research & development expenses for intangible assets amount to 16,392 thousand euros (previous year: 14,893 thousand euros). They mainly comprise personnel expenses and other operating expenses. These are costs which do not fulfil the criterion of reliable measurement.

Development of intangible assets in 2023 in thousands of euros

	Purchased software	Proprietary intangible assets	Customer base, customer lists and trademark rights	Advance payments made	Total
Acquisition and production costs					
As of Jan. 1	75,440	17,205	55,238	4,897	152,780
Currency translation adjustments	-58	-	35	-	-23
Additions	1,796	596	19	2,427	4,838
Disposals	-8,181	-137	-1,019	-	-9,337
Transfers	-1,167	162	-2,411	-2,131	-5,547
As of Dec. 31	67,830	17,826	51,862	5,193	142,711
Depreciation					
As of Jan. 1	67,422	14,875	45,925	-	128,222
Currency translation adjustments	-58	-	22	-	-36
Scheduled additions	3,521	871	2,852	-	7,244
Non-scheduled additions	757	29	-	-	786
Disposals	-8,159	-136	-1,019	-	-9,314
Transfers	-2,974	-124	-2,409	-	-5,507
As of Dec. 31	60,509	15,515	45,371	-	121,395
Book value on Dec. 31	7,321	2,311	6,491	5,193	21,316

Development of intangible assets in 2022 in thousands of euros

	Purchased software	Proprietary intangible assets	Customer base, customer lists and trademark rights	Advance payments made	Total
Acquisition and production costs					
As of Jan. 1	73,984	16,683	55,437	1,697	147,801
Changes to the scope of consolidation	1,828	-	-	-	1,828
Currency translation adjustments	-178	-	-189	-	-367
Additions	1,424	518	-	3,516	5,458
Disposals	-1,768	-197	-10	-	-1,975
Transfers	150	201	-	-316	35
As of Dec. 31	75,440	17,205	55,238	4,897	152,780
Depreciation					
As of Jan. 1	65,371	14,271	42,168	-	121,810
Currency translation adjustments	-175	-	-152	-	-327
Scheduled additions	3,985	767	3,818	-	8,570
Non-scheduled additions	-	14	100	-	114
Disposals	-1,759	-177	-9	-	-1,945
As of Dec. 31	67,422	14,875	45,925	-	128,222
Book value on Dec. 31	8,018	2,330	9,313	4,897	24,558



40 Financial assets

The Group's financial assets include interests in other equity investments in the amount of 6,317 thousand euros (previous year: 9,345 thousand euros). This includes the equity investments in the funds Capnamic United Venture Fund GmbH & Co. KG and High-Tech Gründerfonds GmbH & Co. KG.

The changes mainly relate to the amounts paid in by and paid out to investment companies (767 thousand euros) as well as the fair value adjustments recognised in OCI (-3,796 thousand euros).

Development of non-current financial assets in 2023 in thousands of euros

	Non-current interests in affiliates	Non-current equity investments	Non-current other loans	Total
Acquisition and production costs				
As of Jan. 1	48	9,955	336	10,339
Additions	-	3,193	25	2,951
Disposals	-	-6,221	-	-5,954
As of Dec. 31	48	6,927	361	7,336
Depreciation				
As of Jan. 1	18	640	0	658
As of Dec. 31	18	640	0	658
Book value on Dec. 31	30	6,287	361	6,678

Other loans in the amount of 361 thousand euros (previous year: 336 thousand euros) mainly comprise the repurchase value of the company's reinsurance policy.

Development of non-current financial assets in 2022 in thousands of euros

	Non-current interests in affiliates	Non-current equity investments	Non-current other loans	Total
Acquisition and production costs				
As of Jan. 1	43	10,057	347	10,447
Additions	5	1,270	18	1,293
Disposals	-	-1,372	-29	-1,401
As of Dec. 31	48	9,955	336	10,339
Depreciation				
As of Jan. 1	18	640	0	658
As of Dec. 31	18	640	0	658
Book value on Dec. 31	30	9,315	336	9,681

41 Non-current receivables and assets

Non-current financial assets comprise, in particular, deposits and collateral. Non-current other receivables and assets exclusively relate to deferred expenses and accrued income.



→ Notes:

D. Comments on the balance sheet

42 Deferred tax assets

Deferred tax assets in 2023 – composition and development in thousands of euros

	From temporary differences	From tax loss carry-forwards	Total
As of Jan. 1	6,435	7,213	13,648
Currency translation adjustments	8	–	8
Amount added	2,402	99	2,501
Reversals	–201	–1,039	–1,240
As of Dec. 31	8,644	6,273	14,917

Deferred tax assets in 2022 – composition and development in thousands of euros

	Aus temporären Differenzen	Aus steuerlichen Verlustvorträgen	Total
As of Jan. 1	8,841	7,882	16,723
Currency translation adjustments	–2	–	–2
Amount added	890	360	1,250
Reversals	–3,294	–1,029	–4,323
As of Dec. 31	6,435	7,213	13,648

Capitalised tax assets mainly comprise valuation differences for pensions and other accruals as well as effects on earnings resulting from consolidation. Deferred taxes resulting from existing tax loss carry-forwards are only capitalised where the earnings expectations of the respective Group company enable the use of a loss with a sufficient degree of probability and within a sufficiently close period of time. In the year under review, deferred taxes in the amount of 6,034 thousand euros (previous year: 7,213 thousand euros) have been capitalised on loss carry-forwards. Please see the comments on income taxes for further details (see item C34, [pages 143ff.](#)).

43 Inventories

Inventories in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023
Raw materials and supplies	44,393	45,718
Unfinished goods, work in progress	1,101	1,141
Finished goods and merchandise	13,724	13,313
Advance payments made	49	346
Total	59,267	60,518

The writedown on inventories amounts to 158 thousand euros (previous year: writedown of –181 thousand euros).

Depreciation of finished and unfinished goods and merchandise is included in the cost of materials item of the profit and loss account. In the past financial year, inventories of CEWE Norge AS, Opegård, Norway, with a book value of 240 thousand euros (previous year: 257 thousand euros) were pledged as collateral for rent deposits.

44 Current trade receivables

Current trade receivables in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023
Trade receivables not impaired	75,750	70,588
Of which amount covered by insurance	54,334	52,320
Gross amount of impaired receivables	24,123	22,180
Valuation adjustments	1,725	1,646
Total	98,148	91,122



→ Notes:

D. Comments on the balance sheet

Directly trade-related receivables are all current in nature and are due from external third parties. Trade receivables underwent the following valuation adjustments in the course of the year:

Valuation adjustment on trade receivables in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023
As of Jan. 1	2,510	1,725
Currency translation adjustments	4	6
Amount added	1,039	915
Reversals	-1,423	-608
Use	-405	-392
As of Dec. 31	1,725	1,646

Additions to valuation adjustments are shown in the profit and loss account under the other operating expenses item, while reversals are shown within the scope of other operating income. Direct losses on trade receivables are also shown in the other operating expenses item; in the past financial year, they amounted to 466 thousand euros (previous year: 407 thousand euros).

CEWE applies the simplified approach according to IFRS 9 in order to measure the expected credit losses; accordingly, the credit losses envisaged over the course of the period are taken into consideration for all trade receivables. In order to measure the expected credit losses, trade receivables are aggregated on the basis of common credit risk characteristics and the number of days overdue. The expected loss rates are based on the payment profiles for turnover over a period of 36 months prior to December 31, 2022 and the related historical losses in this period. The historical loss rates are restated in order to reflect current and prospective information which affects customers' capacity to settle claims. In the past financial year, customer receivables of CEWE Norge AS, Oppegård, Norway, with a book value of 138 thousand euros (previous year: 95 thousand euros) were pledged. They will be finally written off once the write-off rules under IFRS 9 are fulfilled.

45 Current receivables from income tax refunds

This mainly comprises refund claims for tax prepayments made in the current year for the year under review.

46 Current financial assets

Current financial assets include the following items:

Current financial assets in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023
Creditors with debit accounts	345	283
Receivables from employees	315	355
Other current financial receivables and assets	2,462	2,536
Total	3,122	3,174

47 Other current receivables and assets

Other current receivables and assets in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023
Current prepaid expenses	6,548	7,057
Tax refund claims	5,354	5,193
Current receivables from insurance firms	0	12
Total	11,902	12,262



→ Notes:

D. Comments on the balance sheet

48 Cash and cash equivalents

This item comprises bank balances – all of which are due in the short term – and cash on hand. Euro balances held by various credit institutes attracted interest at a rate of 3.25% (previous year: 0.33%). Foreign-currency balances (2023: 24,378 thousand euros, previous year: 28,630 thousand euros) attracted interest at the specifically agreed rates; they have been measured at the exchange rate as of the balance sheet date.

49 Subscribed capital

The CEWE Group's subscribed capital and capital reserve relate to CEWE Stiftung & Co. KGaA, Oldenburg, and are recognised as if held by this company.

The company's share capital amounts to 19,349,207.80 euros and has been divided up into 7,442,003 bearer shares with a nominal value of 2.60 euros.

Each bearer share of CEWE Stiftung & Co. KGaA confers one vote. The total number of voting rights is 7,442,003.

Current shares in units

	Development in the financial year 2022	Development in the financial year 2023
As of Jan. 1	7,191,198	7,077,863
Purchases of treasury shares	-132,440	-97,100
Sales of treasury shares	19,105	12,159
As of Dec. 31	7,077,863	6,992,922

50 Authorised capital

In addition, through the resolution passed by the general meeting held on October 6, 2022 the share capital has undergone a conditional increase of up to 650,000 euros, through the issue of up to 250,000 new no-par-value bearer shares (Contingent Capital 2020). The contingent capital increase exclusively serves to fulfil options granted in the period to October 5, 2025 on the basis of the general meeting's authorisation of October 6, 2020.

On the basis of the resolution passed by the general meeting on June 9, 2021, with the consent of the Supervisory Board in the period to June 8, 2026 the general partner is authorised to increase the company's share capital one or more times by issuing up to 150,000 new no-par value bearer shares in return for cash contributions, by a total amount not exceeding 390,000.00 euros (Authorised Capital 2021). Following partial utilisation in 2021, an amount of 342,981.60 remains. The subscription right of the limited shareholders is excluded. The new shares may only be issued in order to grant shares to employees of CEWE Stiftung & Co. KGaA and its affiliates (employee shares).

51 Stock option plans

Stock option plans since 2014

The Board of Management has launched stock option plans since 2014 (SOP 2015, SOP 2016, SOP 2017, SOP 2019, SOP 2021, SOP 2023). These plans are based on the resolution passed by the general meeting on June 4, 2014 and have complied with the terms indicated in this resolution. The company's Supervisory Board has passed resolutions granting the necessary consent.



→ Notes:

D. Comments on the balance sheet

All of these plans have the same structure. Each of these stock option plans has a term of five years. Upon expiry of a four-term waiting period (lockup period), the options may be exercised in the fifth year of the term. Their exercise is contingent upon achievement of the performance target, i.e. if the closing auction prices of the CEWE share in Deutsche Börse AG's Xetra trading system have at least reached (if not exceeded) the underlying price plus the applicable performance premium on ten consecutive stock exchange trading days.

The options are only exercisable and shares resulting from the option deal are only subsequently saleable within six four-week exercise periods. These exercise periods will begin as of publication of the earnings for the past financial year, as of the balance sheet press conference, as of the annual general meeting and as of the date of publication of

the quarterly figures. The CEWE Group's Compliance Officer monitors compliance with these time limits.

These options were offered to a defined group of top-level managers and experts within CEWE Stiftung & Co. KGaA as well as other Group companies in Germany and other countries, at a premium of 0.50 euros per option. The number of options offered is limited. A maximum of 1,200 options are available for a member of the Board of Management, while for other executives and experts a lower number of options are available, depending on their management level and their proximity to the company's success.

The terms of the current stock option plans are as follows:

Structure of stock option plans

		Number of participants	Number of rights issued	Start of waiting period	End of waiting period	End of exercise period	Underlying price euros/option	Performance premium in %	Performance target euros/option
SOP 2023	Board of Management ¹	7	8,400	Jan. 1, 2024	Dec. 31, 2027	Dec. 31, 2028			
	Other executives	27	20,250						
	Total	34	28,650				87.00	120	104.40
SOP 2022	Board of Management ¹	7	8,400	Jan. 1, 2023	Dec. 31, 2026	Dec. 31, 2027			
	Other executives	26	19,500						
	Total	33	27,900				76.00	120	91.20
SOP 2021	Board of Management ¹	7	8,400	Jan. 1, 2022	Dec. 31, 2025	Dec. 31, 2026			
	Other executives	26	19,500						
	Total	33	27,900				121.00	120	145.20
SOP 2019	Board of Management ¹	7	8,400	Jan. 1, 2020	Dec. 31, 2023	Dec. 31, 2024			
	Other executives	26	19,500						
	Total	33	27,900				81.00	125	101.25

¹ Board of Management of Neumüller CEWE COLOR Stiftung



→ Notes:

D. Comments on the balance sheet

The stock option plans must be assessed in accordance with IFRS 2.10 ff. The fair value must be accrued during the waiting period (lockup period) pro rata temporis as other personnel expenses and reserves must be entered for this in equity. The values for the current plans are as follows:

Stock option plans – fair value and accrued expenses

		Fair value euros/option	Options awarded	Fair value in euros	Income premium (0.50 euros/option)	Accrued personnel expenses 2021 (in euros)	Accrued personnel expenses 2022 (in euros)	Accrued personnel expenses 2023 (in euros)	Accrued personnel expenses 2024 (in euros)
SOP 2023	Board of Management ¹	18.19	8,400	152,796	4,200				
	Other executives	18.10	20,250	366,525	10,125				
	Total		28,650	519,321	14,325	0	0	0	129,830
SOP 2022	Board of Management ¹	23.88	8,400	200,592	4,200				
	Other executives	23.79	19,500	463,905	9,750				
	Total		27,900	664,497	13,950	0	0	166,124	166,124
SOP 2021	Board of Management ¹	22.63	8,400	190,092	4,200				
	Other executives	22.59	19,500	440,505	9,750				
	Total		27,900	630,597	13,950	0	157,649	157,649	157,649
SOP 2019	Board of Management ¹	12.82	8,400	107,688	4,200				
	Other executives	12.79	19,500	249,405	9,750				
	Total		27,900	357,093	13,950	89,273	89,273	89,274	0
Total				56,175	89,273	246,922	413,047	453,603	

¹ Board of Management of Neumüller CEWE COLOR Stiftung



→ Notes:

D. Comments on the balance sheet

Supervisory Board members or members of other executive bodies of CEWE Stiftung & Co. KGaA tasked with the company's supervision were awarded stock options as of the issue dates as follows:

Stock option plans

	Number of stock options in units
2023	0
2022	0
2021	0
2019	0

The number of stock options issued within the scope of the current plans is as follows:

Stock options issued number

	2022	2023
Outstanding as of Jan. 1	140,200	83,700
Expired over the course of the year	2,750	0
Exercised over the course of the year	81,650	0
Confirmed over the course of the year	27,900	28,650
Outstanding as of Dec. 31	83,700	112,350

No options were exercised in the year under review. In the previous year, the weighted average share price for the options exercised was 93.77 euros.

52 Capital reserve

This shows the premium which resulted from the issuance of the 600,002 bearer shares (following the 1:10 share split implemented in 1999 for 6,000,020 bearer shares) in excess of the nominal value of the shares (29,144 thousand euros), the amount allocated from the capital reduction (1,560 thousand euros), the allocation within the scope of the conversion of the atypical silent partner shares (27,868 thousand euros) which were reduced by 2,375 thousand euros through the final statement for this conversion during the financial year 2007, the premium which resulted from the exercise of the share purchase right of CEWE Stiftung & Co. KGaA (415 thousand euros) and the profit from the sale of treasury shares (12,689 thousand euros).

The capital reserve includes the fair value of the stock options issued for the stock plans which have been added to the capital reserve pro rata between the issue date and the maturity of the stock option plans, plus the withheld premiums. It also includes the effects of the issuance of staff shares.



53 Treasury shares at acquisition cost

Treasury shares

Buyback period		Total	Buyback	Sale	Total	Buyback	Sale	Total	Buyback	Sale	Total
		Reporting date Dec. 31, 2020	Jan. 1, 2021 to Dec. 31, 2021	Jan. 1, 2021 to Dec. 31, 2021	Reporting date Dec. 31, 2021	Jan. 1, 2022 to Dec. 31, 2022	Jan. 1, 2022 to Dec. 31, 2022	Reporting date Dec. 31, 2022	Jan. 1, 2023 to Dec. 31, 2023	Jan. 1, 2023 to Dec. 31, 2023	Reporting date Dec. 31, 2023
Treasury shares held	number	214,721	55,520	-19,436	250,805	132,440	-19,105	364,140	97,100	-12,159	449,081
Interest in share capital on reporting date	in thousands of euros	558	143	-50	652	344	-50	946	252	-31	1,167
Interest in share capital on reporting date	in %	2.89	0.74	-0.26	3.37	1.78	-0.26	4.89	1.30	-0.16	6.03
Average purchase price per share	in euros	39.54	120.12	49.12	56.64	103.47	87.51	72.05	92.62	89.65	76.02
Total value of shares bought back	in thousands of euros	8,491	6,669	-955	14,205	13,703	-1,672	26,237	8,993	-1,090	34,140

Treasury shares are shown in a separate line within equity as a “contra equity position”. They are measured at their original acquisition costs and incidental acquisition costs and thus reduce the company’s equity (cost method).

On the basis of the authorisation resolution passed by the general meeting on May 28, 2008, CEWE-KGaA launched a share buyback programme on June 16, 2008.

The authorisation to purchase treasury shares was renewed by the resolution passed by the general meeting on June 15, 2022 and is now valid until June 14, 2027. The authorisation to purchase treasury shares which was resolved by the general meeting on May 31, 2017 expired on May 30, 2022.

In the financial year 2011, within the scope of the company’s employee shares programme a total of 10,890 no-par value shares were sold to employees and a further 248,787 no-par value shares were bought back in the period to October 28, 2011, pursuant to the general meeting’s authorisation resolution of June 2, 2010. This means that the company gained a total of 237,897 new treasury shares in 2011.

In the financial year 2012, a total of 15,489 no-par value shares were sold to employees as part of the company’s employee share programme. The necessary shares were provided out of the portfolio of CEWE-KGaA.

In the financial year 2013, a total of 16,796 no-par value shares were sold to employees as part of the company’s employee share programme. The necessary shares were provided out of the portfolio of CEWE-KGaA.

In the financial year 2014, a total of 10,654 no-par value shares were sold to employees as part of the company’s employee share programme. The necessary shares were provided out of the portfolio of CEWE-KGaA. A total of 26,065 treasury shares were required in 2014 for the exercise of the Stock Option Plan.

In the financial year 2015, a total of 11,087 no-par value shares were sold to employees as part of the company’s employee share programme. The necessary shares were provided out of the portfolio of CEWE-KGaA. A total of 3,800 treasury shares were required in 2014 for the exercise of the Stock Option Plan.



→ Notes:

D. Comments on the balance sheet

Moreover, in 2016 the Board of Management resolved to offer the employees of the German subsidiaries of CEWE-KGaA shares in the company at a reduced price, as staff shares. A total of 8,410 shares were required for this purpose. The necessary shares were provided out of the portfolio of CEWE-KGaA. A total of 21,500 treasury shares were repurchased in 2016 within the scope of the share buyback programme.

In the financial year 2017, a total of 16,548 no-par value shares were sold to employees as part of the company's employee share programme. The necessary shares were provided out of the portfolio of CEWE-KGaA.

In the financial year 2018, 5,586 no-par value shares were used for the acquisition of Cheerz and a total of 17,758 no-par value shares were sold to employees as part of the company's employee shares programme. The necessary shares were provided out of the portfolio of CEWE-KGaA.

In 2019, a total of 17,100 no-par value shares were issued free-of-charge to employees as part of the company's employee share programme. These shares were provided by means of a capital increase in return for a cash contribution as well as the issue of treasury shares out of the portfolio of CEWE-KGaA.

In 2020, a total of 8,980 new no-par value shares were issued free-of-charge to employees as part of the company's employee share programme. These shares were provided by means of a capital increase in return for a cash contribution.

In 2021, a total of 18,084 new no-par value shares were issued free-of-charge to employees as part of the company's employee share programme. These shares were provided by means of a capital increase in return for a cash contribution.

In 2022, a total of 6,695 no-par value shares were issued free-of-charge to employees as part of the company's employee share programme. These shares were provided by means of the issue of treasury shares out of the portfolio of CEWE-KGaA.

In 2023, a total of 9,489 no-par value shares were issued free-of-charge to employees as part of the company's employee share programme. These shares were provided by means of the issue of treasury shares out of the portfolio of CEWE-KGaA.

CEWE KGaA's key portfolio of treasury shares under German company law as of December 31, 2023 amounted to 336,329 shares (previous year: 251,388 shares). The 112,752 shares held by CEWE COLOR Versorgungskasse e.V., Wiesbaden, are not considered treasury shares under German company law. In accordance with IAS 19, they must be included in the consolidated financial statements. The deduction for treasury shares under IAS 32 thus comprises 449,081 no-par value shares – at a total value of 34,141 thousand euros (previous year: 26,237 thousand euros).

CEWE's treasury shares developed as follows:

Development of treasury shares in units

	CEWE Stiftung & Co. KGaA		CEWE COLOR Versorgungskasse e.V.		CEWE Group	
	2022	2023	2022	2023	2022	2023
As of Jan. 1	138,053	251,388	112,752	112,752	250,805	364,140
Purchases of treasury shares	132,440	97,100	–	–	132,440	97,100
Sales of treasury shares	–19,105	–12,159	–	–	–19,105	–12,159
As of Dec. 31	251,388	336,329	112,752	112,752	364,140	449,081

54 Retained earnings and unappropriated profits

Unappropriated profits correspond to the item "Generated Group equity" and comprise comprehensive income, consisting of earnings after taxes (57,313 thousand euros) and other comprehensive income from equity instruments measured at fair value (–3,796 thousand euros), net of the dividend paid for 2022. The unappropriated profits of CEWE-KGaA under commercial law are key for determination of the distribution. As of December 31, 2023, following the allocation to the retained earnings under § 58 (2) of the German Stock Corporation Act the unappropriated profits of CEWE-KGaA amount to 36,848 thousand euros (previous year: 38,751 thousand euros). Payout freezes apply for the company's treasury shares (2023: 336,329 no-par value shares; previous year: 251,388 no-par value shares). In 2023, dividends were paid for a total amount of 17,348 thousand euros (previous year: 16,605 thousand euros). This corresponds to a distribution of 2.45 euros (previous year: 2.35 euros) per no-par value share conferring a dividend entitlement.



→ Notes:

D. Comments on the balance sheet

For the components of other retained earnings, please see the consolidated statement of changes in equity. The compensating item from currency translation relates to all of the foreign-currency differences resulting from translation of the financial statements of the Group's foreign enterprises. In the past financial year and in the previous year, income taxes not affecting net income exclusively related to the currency differences recognised without affecting net income that resulted from non-current loans between Group companies – which are included in the compensating item from currency translation – and also deferred taxes in relation to the actuarial result.

55 Non-current accruals for pensions

Non-current pension accruals in thousands of euros

	Development in the financial year 2022	Development in the financial year 2023
As of Jan. 1	38,268	29,119
Currency translation adjustments	1	–
Use	–9,236	–354
Amount added	181	5,177
Reversals	–68	–1
Transfer	–27	29
As of Dec. 31	29,119	33,970

CEWE has various types of company pension scheme commitments to its current and former employees and to their surviving dependants in Germany, France and (to a minor extent) Poland. The company's pension scheme is based on a defined-benefit system and also, to a marginal extent, on a defined-contribution system. Employees are also able to participate in schemes for the conversion of salary entitlements into pension entitlements. Accruals are measured on the basis of the projected unit credit method.

In the case of the defined-benefit scheme, the company or an external pension provider grants the beneficiaries a defined-benefit commitment; unlike in the case of defined contributions, the expenses incurred by the company are not determined in advance. In Germany, the company's commitments to the Board of Management are structured as final salary plans; in addition, several executives have been granted fixed-benefit commitments. In France, capital commitments in accordance with the employee's period of service are granted. Until 2021, these were in some cases covered by reinsurance policies. Expenses for these commitments are apportioned across the service period of the employees, on the basis of actuarial calculations, and must be broken down into the current service cost and interest expense (the balance of interest on the obligation and income from the cover funds) in accordance with IAS 19. On the respective balance sheet date (December 31 of each year), the interest rate is determined on the basis of current capital market data as well as assumptions regarding long-term trends, in accordance with the principle of the best possible estimate. CEWE has several defined-benefit plans. As a rule, it has provided aggregated details for these plans, since there are no significant deviations in terms of their respective risk exposure. Through its plans in Germany and France, the Group is generally exposed to the following actuarial risks: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk: the present value of the defined-benefit obligation under the plan is calculated by means of a discount rate which is determined on the basis of the yields provided by high-quality, fixed-interest corporate bonds. If the income from the plan assets is less than this interest rate, this will result in shortage of cover for the plan.

Interest rate risk: a decrease in the discount rate will result in an increase in the Group's liability under the plan.

Longevity risk: the present value of the defined-benefit obligation under the plan is determined on the basis of the best possible estimate of the probability of death of the beneficiary employees, both during the employment relationship and thereafter. An increase in the life expectancy of beneficiary employees will result in an increase in the liability under the plan.



→ Notes:

D. Comments on the balance sheet

Salary risk: the present value of the defined-benefit obligation under the plan is determined on the basis of the future salaries of beneficiary employees. An increase in the salaries of beneficiary employees will thus result in an increase in the liability under the plan.

No other benefits for these employees are envisaged upon termination of their employment relationships.

The company does not have any plan assets within the meaning of IAS 19 to cover these benefits in any of the countries in question.

On the other hand, in case of defined contributions firmly defined contributions (e.g. in relation to the applicable level of income) are confirmed and paid. The employer does not have any other constructive obligation beyond payment of the contributions. In case of defined contributions, it is not necessary to establish accruals in the balance sheet. Only the contribution payable by the company is shown in the profit and loss account as expense.

The key parameters for defined-benefit pensions are presented below.

Development of obligations in thousands of euros

	2022	2023
Present value of vested pension entitlements at start of financial year	38,268	29,119
Current service cost	2,548	1,330
Interest expense	446	1,051
Actuarial losses (+)/profits (-)	-10,778	3,806
Change of method of measurement	0	-5
Payment of benefits	-1,285	-1,282
Past service cost	-80	-49
Present value of vested pension entitlements at end of financial year	29,119	33,970
Of which directly confirmed (excl. plan assets)	29,119	33,970

Overall, the Group's financing status is as follows:

Financing status in thousands of euros

	2022	2023
Present value of vested pension entitlements at end of financial year	29,119	33,970
Balance sheet value at end of financial year	29,119	33,970
Restatement of present value of vested pension entitlements (DBO) on basis of past experience	2,651	1,547

The total expenses recognised in the profit and loss account for defined-benefit pension plans (expenses less income) are as follows:

Net pension expense in thousands of euros

	2022	2023
Current service cost	2,548	1,330
Interest expense	446	1,051
Change in valuation for scope of consolidation	0	-5
Past service cost	-80	-49
Total	2,914	2,327



→ Notes:

D. Comments on the balance sheet

In the financial year 2023, actuarial losses in the amount of 3,806 thousand euros resulted (previous year: actuarial gains in the amount of 10,778 thousand euros), which have been apportioned to other comprehensive income. The actuarial losses in 2023 are mainly (with a share of 2,259 thousand euros) attributable to the reduction in the IAS 19 interest rate. The assumptions for actuarial measurement of the present value of the vested pension entitlements and the net pension expenses reflect circumstances in the country in which the pension plan has been established.

The calculations are based on current, actuarially determined biometric probabilities. Assumptions regarding future fluctuations on the basis of age and years of service are also included, as are probabilities within the Group of employees reaching retirement and salary and pension trends.

The following weighted measurement assumptions have resulted in relation to the present value of the vested pension entitlements:

Weighted assumptions for calculation of the present value of vested pension entitlements in %

	Dec. 31, 2022	Dec. 31, 2023
Interest rate	3.70	3.20
Salary trend/development of vested rights	3.00	3.00
Pension trend	2.00 ¹	2.00 ²
Fluctuation	1.50	1.50

¹ plus 8% short-term trend for pensioners

² plus 4% short-term trend for pensioners

The valid probabilities within the respective countries have been assumed as the level of biometric probability. The date of the earliest possible receipt of benefits has been assumed as the date of retirement.

Until 2021, the plan assets for the Group's French obligations consisted of reinsurance contracts (these plan assets have now been released through payments).

Present value of obligations and fair value of plan assets in thousands of euros

	2020	2021	2022	2023
Present value of obligations	40,119	38,268	29,119	33,970
Fair value of plan assets ¹	68	0	0	0
Shortfall	40,051	38,268	29,119	33,970

¹ Excl. the financial instruments of CEWE COLOR Versorgungskasse e.V., Wiesbaden

Restatements made on basis of past experience in thousands of euros

	2020	2021	2022	2023
Plan liabilities	1,006	326	2,651	1,547
Plan assets	-2	0	0	0

Sensitivity analysis

Assuming that the other assumptions remain constant, changes in one of the key actuarial assumptions of which there was a reasonable possibility as of the reporting date would have influenced the defined-benefit obligation in terms of the following amounts.

The following tables provide information on the levels of sensitivity regarding the key measurement parameters (effects on the scope of the commitment) and the expected pension benefits over the next ten financial years.

Sensitivity analysis in %

	Changes	Increase	Decrease
Discount rate	1.0	-12.3	15.4
Future salary increases	0.5	1.3	-1.2
Future pension increases	0.5	5.1	-4.6
Life expectancy (years)	1.0	5.2	-5.3

Over the next ten financial years, the following payments of pension benefits are expected:



→ Notes:

D. Comments on the balance sheet

Payment of pension benefits in thousands of euros

	Amount
2024	1,410
2025	1,442
2026	1,489
2027	1,535
2028	1,657
2029 to 2033	9,371

In the financial year 2023, the company incurred an overall volume of expenses in connection with defined contributions in the amount of 15,695 thousand euros (previous year: 16,645 thousand euros). Of this amount, 12,764 thousand euros (previous year: 13,653 thousand euros) was attributable to contributions to statutory or government defined-contribution plans. CEWE does not have any legal or constructive obligation for payment of these future benefits.

A similar volume of expenses is expected in 2024.

56 Non-current deferred tax liabilities**Non-current deferred tax liabilities** in thousands of euros

	Development in the financial year 2021	Development in the financial year 2022
As of Jan. 1	2,202	2,144
Changes to the scope of consolidation	643	–
Use	–658	–484
Amount added	–	10
Transfer	–1	–
Reversals	–42	–80
As of Dec. 31	2,144	1,590

The changes in deferred taxes mainly relate to the change in temporary differences. Deferred taxes have largely been deferred for periods of between one and five years.

57 Non-current other accruals

This position comprises the asset retirement obligations relating to renovation measures in case of tenant installations. This item developed as follows:

Non-current other accrual in thousands of euros

	2022	2023
As of Jan. 1	398	567
Changes to the scope of consolidation	15	–
Currency translation adjustments	–8	–12
Use	4	–
Amount added	158	23
Reversals	–	–1
As of Dec. 31	567	577

58 Non-current interest-bearing financial liabilities

The credit facilities negotiated in the financial year 2018 were agreed with a total of ten private banks and publicly owned banks. As of the reporting date, the loans taken up have a term of between one and one and a half years (previous year: between one and two and a half years). At the end of the year, the total credit line of the CEWE Group amounted to 91.0 million euros (previous year: 153.0 million euros); this decrease is attributable to the repayment according to schedule of lines of credit no longer required on a long-term basis. After deducting the total loan volume drawn down (0.87 million euros, previous year: 0.84 million euros) – this does not involve a drawdown which is relevant for liquidity purposes and instead comprises the amount deducted by the credit institutions for the guarantees provided – and allowing for the company's existing liquidity (117.37 million euros, previous year: 73.07 million euros), its liquidity potential totalled 207.50 million euros (previous year: 225.23 million euros). The company has long-term revolving credit lines which have been granted for up to 1.5 years as well as continuously renewed one-year lines and lines of credit made available until further notice whose overall purpose is financing of the company's liquidity requirements, which fluctuate strongly over the course of a given year due to seasonal factors. In principle, no restrictions apply in relation to the use of credit lines. This ensures that CEWE will be able to fulfil its payment obligations.



→ Notes:
D. Comments on the balance sheet

All long-term credit commitments are subject to normal bank agreements. No financial covenants have been agreed. No significant collateral was provided. The interest terms for current account loans are based on €STR (Euro Short-Term Rate) as the base interest rate plus a normal margin in Germany; the interest terms for almost all of the other financing arrangements are based on the one- to three-month EURIBOR as the base interest rate plus a normal margin in Germany. For further details, please see the comments on current interest-bearing financial liabilities (item D64, [page 171](#)) and the comments in the combined management report ([page 82](#)).

59 Non-current and current liabilities from leasing

As of the balance sheet date December 31, 2023, the rights of use in the amount of 48,730 thousand euros (previous year: 52,076 thousand euros) contrast with lease liabilities with a present value of 46,571 thousand euros (previous year: 50,253 thousand euros). The non-current portion of the lease liabilities amounts to 37,103 thousand euros (previous year: 40,536 thousand euros). The current portion of the lease liability amounts to 9,468 thousand euros (previous year: 9,717 thousand euros). The payment obligations have the following maturity structure:

Discounted lease liabilities in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023
Total future lease payments IFRS 16		
Due within a period of one year	9,717	9,468
Due within a period of between two and five years	22,946	20,110
Due after more than five years	17,590	16,993

60 Non-current financial liabilities

Non-current financial liabilities comprise liabilities to affiliates' residual old shareholders.

61 Non-current other liabilities

Non-current other liabilities mainly comprise accruals and deferrals resulting from investments.

62 Current tax liabilities

This position includes provision for income tax obligations. This item developed as follows:

Current tax liabilities in 2023 in thousands of euros

	Income taxes
As of Jan. 1	5,109
Currency translation adjustments	-10
Use	-1,378
Amount added	4,021
Reversals	-66
As of Dec. 31	7,676

Current tax liabilities in 2022 in thousands of euros

	Income taxes
As of Jan. 1	4,013
Currency translation adjustments	7
Use	-1,259
Amount added	2,886
Transfer	-25
Reversals	-513
As of Dec. 31	5,109



→ Notes:
D. Comments on the balance sheet

63 Current other accruals

Provision for additional other liabilities relates to current legal disputes and other obligations.

Current other accruals in 2023 in thousands of euros

	Auditing of annual financial statements incl. internal expenses for annual financial statements	Guarantee and ex gratia payments	Archiving costs	Liabilities in relation to employees	Provisions for contingent losses	Tax returns	Legal expenses	Additional other liabilities	Total
Balance as of Jan. 1, after restatements	575	126	225	740	98	78	20	828	2,690
Currency translation adjustments	3	–	–	–	–	–	–	18	21
Use	–443	–60	–	–262	–	–35	–	–792	–1,592
Amount added	488	72	9	216	–	75	–	1,133	1,993
Transfer	–14	–	–	–	–	–	–	20	6
Reversals	–27	–8	–1	–	–	–	–	–35	–71
As of Dec. 31	582	130	233	694	98	118	20	1,172	3,047

Current other accruals in 2022 in thousands of euros

	Auditing of annual financial statements incl. internal expenses for annual financial statements	Guarantee and ex gratia payments	Archiving costs	Liabilities in relation to employees	Provisions for contingent losses	Tax returns	Legal expenses	Additional other liabilities	Total
As of Jan. 1	548	77	219	607	381	58	36	1,094	3,020
Changes to the scope of consolidation	17	73	–	–	–	–	–	1	91
Currency translation adjustments	3	–	–	–	–	–	–	–7	–4
Use	–474	–76	–	–110	–81	–12	–	–810	–1,563
Amount added	533	65	7	262	–	49	–	563	1,479
Reversals	–52	–13	–1	–19	–202	–17	–16	–13	–333
As of Dec. 31, after restatements	575	126	225	740	98	78	20	828	2,690



→ Notes:

D. Comments on the balance sheet

64 Current interest-bearing financial liabilities

Current interest-bearing financial liabilities in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023
Bank current accounts	214	77
Total	214	77

Reconciliation acc. to IAS 7 in 2023 in thousands of euros

	As of Jan. 1	Cash flow	Non-cash Acquisition	As of Dec. 31
Non-current liabilities	116	-116		0
Current liabilities	214	-137		77
Lease liabilities	50,253	-11,813	8,131	46,571
Total liabilities from financing activities	50,583	-12,066	8,131	46,648

Überleitungsrechnung IAS7 2022 in thousands of euros

	As of Jan. 1	Cash flow	Non-cash Acquisition	As of Dec. 31
Non-current liabilities	407	-291	-	116
Current liabilities	276	-62	-	214
Leasingverbindlichkeiten	53,184	-11,132	8,201	50,253
Total liabilities from financing activities	53,867	-11,485	8,201	50,583

65 Current trade payables

Trade payables amount to 121,555 thousand euros (previous year: 120,616 thousand euros).

66 Current financial liabilities

Current financial liabilities in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023
Other financial liabilities	253	104
Total	253	104



→ Notes:

D. Comments on the balance sheet

67 Current other liabilities

Current other liabilities in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023
Liabilities for wages and salaries	20,594	22,759
Tax liabilities	31,516	31,952
Social security liabilities	3,841	3,489
Deferred liabilities	757	1,325
Other liabilities	930	949
Total	57,638	60,474

68 Financial risk management

The Group is exposed to financial risks within the scope of its operating activities. In particular, these risks comprise liquidity, currency, interest rate and credit risks. The Group's management manages and limits these risks. They are monitored by means of the Group-wide risk management system.

Liquidity risk is the risk of the Group being unable to fulfil its financial obligations. This risk is dealt with by means of liquidity planning and cash management, through continuous monitoring and management of cash inflows and outflows. The main sources of liquidity are operating business and external financing. Cash outflows are mainly used for financing of working capital and investments.

As of December 31, 2023, the CEWE Group had the following lines of credit:

Lines of credit in 2023 in millions of euros

	Germany	Other countries	Total as of Dec. 31
Remaining term of up to 1 year	67.00	0.00	67.00
Remaining term of more than 1 year	24.00	0.00	24.00
Total	91.00	0.00	91.00

Lines of credit in 2022 in millions of euros

	Inland	Ausland	Total as of Dec. 31
Remaining term of up to 1 year	127.00	0.00	127.00
Remaining term of more than 1 year	26.00	0.00	26.00
Total	153.00	0.00	153.00

Of these credit lines, as of the reporting date 90.1 million euros (previous year: 152.2 million euros) have not been drawn down. As well as cash and cash equivalents in the amount of 117.4 million euros (previous year: 73.1 million euros), this amount is available for coverage of future liquidity requirements. This does not involve a drawdown which is relevant for liquidity purposes and instead comprises the amount deducted by the credit institutions for the guarantees provided.



→ Notes:

D. Comments on the balance sheet

An overview of the maturities of the undiscounted cash flows for the Group's financial liabilities and its liabilities resulting from derivative financial instruments – including the related interest payments – shows the expected cash outflows as of the balance sheet date December 31, 2023:

Cash flows from financial liabilities in 2023 in thousands of euros

	Dec. 31, 2022 Book value	Up to 1 year	More than 1 year, up to 5 years	Total
Amounts owed to credit institutions	77	77	0	77
Trade payables	121,555	121,555	0	121,555
Other financial instruments	58,245	58,245	0	58,245
Total	179,877	179,877	0	179,877

Cash flows from financial liabilities in 2022 in thousands of euros

	Dec. 31, 2022 Book value	Up to 1 year	More than 1 year, up to 5 years	Total
Amounts owed to credit institutions	330	214	116	330
Trade payables	120,616	120,616	0	120,616
Other financial instruments	56,010	56,010	0	56,010
Total	176,956	176,840	116	176,956

Due to the international orientation of the CEWE Group, cash flows arise in various currencies. Currency risks result from turnover billed in a currency other than that of the related costs, the foreign-currency assets and liabilities shown in the balance sheet whose fair value may be negatively influenced by a change in exchange rates and from

pending foreign-currency transactions whose future cash flows may have a negative effect due to exchange rate changes. The risk management system continuously monitors the risk positions resulting from currency risks. To limit these risks, outside the scope of deliveries and services where possible the Group reduces the volume of euro-denominated transactions for companies in non-Eurozone countries. Following a detailed review process, the company enters into non-euro hedging transactions with its house banks on a case-by-case basis.

The key market risk in the foreign-currency segment relates to currency positions which were open as of the reporting date. The Group's Swiss, Czech and British companies have significant foreign-currency items. For the purpose of the sensitivity analysis, the corresponding foreign-currency items are measured at hypothetical exchange rates. If these three foreign currencies were to depreciate against the euro by 20%, the following opportunities (positive values) or risks (negative values) would result:

Currency sensitivity in thousands of euros

	2022	2023
Financial assets	-40,670	-80,192
Financial liabilities	25,262	50,262

If these three foreign currencies were to appreciate against the euro by 20%, the following opportunities (positive values) or risks (negative values) would result:)

Currency sensitivity in thousands of euros

	2022	2023
Financial assets	-21,725	-43,171
Financial liabilities	31,997	63,124



→ Notes:

D. Comments on the balance sheet

The CEWE Group does not have any particularly significant exposure to interest rate risks in relation to third parties. Interest-rate-sensitive assets comprise loans to customers and employees as well as current balances held by credit institutions. CEWE does not have any interest-rate-sensitive financial liabilities as of the balance sheet date. No significant risk positions have resulted on account of the current interest rate trend. The goal of CEWE's interest rate hedging strategy is the regular conclusion of new medium- to long-term credit agreements with fixed interest rates. If the interest rates for variable interest-rate financial assets and financial liabilities were in each case to fall by 10%, the following opportunities (positive values) or risks (negative values) would result:

Interest rate sensitivity in thousands of euros

	2022	2023
Interest income	-4.3	-51.2
Interest expense	44.8	45.8

If the interest rates for variable interest-rate financial assets and financial liabilities were in each case to increase by 10%, the following opportunities (positive values) or risks (negative values) would result:

Interest rate sensitivity in thousands of euros

	2022	2023
Interest income	4.3	51.2
Interest expense	-44.8	-45.8

No hedging transactions have been entered into.

In the financial year 2023, financial assets measured at amortised cost resulted in net income/losses of 40 thousand euros (previous year: 42 thousand euros). Net income/losses resulting from the financial instruments held comprise, in particular, valuation adjustments, income from written-down receivables and the results of the fair value measurement. Dividend income and interest are not included. Net income/losses resulting from financial liabilities measured at amortised cost amount to 1,946 thousand euros in the financial year 2023 (previous year: 1,544 thousand euros).

Interest income associated with financial instruments not measured in profit and loss at fair value amounts to 512 thousand euros (previous year: 43 thousand euros), while corresponding interest expenses amount to 79 thousand euros (previous year: 39 thousand euros). Impairment of financial instruments measured at amortised cost amounted to 466 thousand euros in the past financial year (previous year: 407 thousand euros); this was recognised due to depreciation of receivables.

Interest expense from lease liabilities is also included in the financial year, in the amount of 1,488 thousand euros (previous year: 1,094 thousand euros) (item C33, [page 143](#)).

The reconciliation of the balance sheet items with these types of financial instruments as of December 31, 2023 is as follows:



→ Notes:
D. Comments on the balance sheet

Breakdown of financial instruments – Dec. 31, 2023 in thousands of euros

	Measured at	Measured at fair value			Non-financial	Book value in the balance sheet
	amortised cost	On basis of publicly quoted market prices (Level 1)	On basis of observable market data (Level 2)	On basis of individual non-observable input parameters (Level 3)	assets/liabilities	
	Book value	Book value	Book value	Book value	Book value	
Non-current assets						
Financial assets	71			6,607		6,678
AC	54					54
FVTOCI				6,262		6,262
FVTPL				345		345
Loans and receivables	17					17
Current assets						
Trade receivables	91,122					91,122
AC	91,122					91,122
Current financial assets	3,174					3,174
AC	3,174					3,174
Cash and cash equivalents	117,369					117,369
Non-current liabilities						
Non-current interest-bearing financial liabilities	0					0
AC	0					0
Non-current liabilities from leasing	37,103					37,103
AC	37,103					37,103
Non-current other financial liabilities	571					571
AC	571					571
Current liabilities						
Current interest-bearing financial liabilities	77					77
AC	77					77
Current liabilities from leasing	9,468					9,468
AC	9,468					9,468
Current trade payables	121,555					121,555
AC	121,555					121,555
Current financial liabilities	104					104
AC	104					104
Measured at fair value						60,474
Current other liabilities						60,474
Non-financial liabilities					60,474	0

AC: Measured at amortised cost; FVTOCI: at fair value through other comprehensive income; FVTPL: at fair value through profit or loss



→ Notes:
D. Comments on the balance sheet

Breakdown of financial instruments – Dec. 31, 2022 in thousands of euros

	Measured at amortised cost	Measured at fair value			Non-financial assets/liabilities	Book value in the balance sheet
		On basis of publicly quoted market prices (Level 1)	On basis of observable market data (Level 2)	On basis of individual non-observable input parameters (Level 3)		
	Book value	Book value	Book value	Book value	Book value	Book value
Non-current assets						
Financial assets	54			9,627		9,681
AC	54					54
FVTOCI				9,291		9,291
FVTPL				336		336
Loans and receivables	0					0
Current assets						
Trade receivables	98,148					98,148
AC	98,148					98,148
Current financial assets	3,122					3,122
AC	3,122					3,122
Cash and cash equivalents	73,067					73,067
Non-current liabilities						
Non-current interest-bearing financial liabilities	116					116
AC	116					116
Non-current liabilities from leasing	40,536					40,536
AC	40,536					40,536
Non-current other financial liabilities	698					698
AC	698					698
Current liabilities						
Current interest-bearing financial liabilities	214					214
AC	214					214
Current liabilities from leasing	9,717					9,717
AC	9,717					9,717
Current trade payables	120,616					120,616
AC	120,616					120,616
Current financial liabilities	253					253
AC	253					253
Measured at fair value						57,638
Current other liabilities						57,638
Non-financial liabilities					57,638	0

AC: Measured at amortised cost; FVTOCI: at fair value through other comprehensive income; FVTPL: at fair value through profit or loss



→ Notes:

D. Comments on the balance sheet

Financial assets not measured in accordance with IFRS 9 comprise reinsurance policies. They are recognised at their actuarial present value. The book values of the other financial assets, trade receivables and cash and cash equivalents and the book values of current account liabilities, trade payables and other current financial liabilities each serve as a reasonable approximation of the respective fair values. This is mainly due to the short terms of these instruments. Risk-related valuation adjustments are considered for the calculation of book values. The Group does not have any financial receivables or liabilities held for trading purposes.

CEWE measures fixed-interest and variable-interest receivables with a remaining term of more than one year on the basis of various parameters, e.g. the interest rate and the borrower's credit rating. On the basis of this measurement, any necessary valuation adjustments are included in the calculation of the book value. A fixed-interest agreement applies for current and non-current interest-bearing financial liabilities (with the exception of current account liabilities), so that here too the book value corresponds to the fair value.

Book values are determined by means of normal bank methods.

Credit risk is the risk of a counterparty failing to fulfil its obligations, resulting in a bad debt loss. In some cases and to a not insignificant degree, factoring is used as an instrument to minimise the credit risk. Within the scope of the Group's receivables management system, as a component of its risk management system, receivables at the level of the individual companies are subject to comprehensive monthly analysis and are notified to the Group's central management, at the level of its headquarters, as part of its del credere reporting. Loan security agreements are concluded for medium-size and major customers. If the Group does not have any insurance cover or if a deductible is applicable, individual valuation adjustments are recognised on receivables in case of objective indications that it is overwhelmingly probable that this receivable is uncollectable, either in whole or in part. The general default risk is dealt with by means of individual valuation adjustments on the basis of past experience. On December 31, 2023, the maximum credit risk resulting from debtors' potential insolvency in relation to loans and receivables amounted to 95,137 thousand euros (previous year: 102,248 thousand euros) and has the following makeup:

Credit risk in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023
Non-current financial assets	978	841
Trade receivables and other current receivables	101,270	94,296
Total	102,248	95,137

Impaired loans and receivables developed as follows:

Impaired loans and receivables developed in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023
Gross value	24,123	22,180
Valuation adjustment	-1,725	-1,646
Total	22,398	20,534

A further amount of 13,405 thousand euros (previous year: 12,595 thousand euros) was already overdue but had not undergone a valuation adjustment. The age structure for the Group's overdue receivables is as follows:

Age structure of the overdue receivables in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023
Up to 30 days	10,691	11,462
Between 30 and 90 days	1,249	1,131
More than 90 days	655	812
Total	12,595	13,405



→ Notes:

D. Comments on the balance sheet

These items are very closely monitored within the scope of the Group's receivables management system. On the basis of an assessment of the individual risks, partial valuation adjustments in the amounts indicated above are sufficient. Non-impaired financial assets are considered to be recoverable. Default risks are reduced by means of continuous monitoring of customers' credit ratings and payment behaviour, in close coordination with the company's market-oriented departments, and are covered by means of insurance, where possible. Moreover, in case of irregularities in customer relationships the volume of business is managed on the basis of individual decisions. Impairment of consumer receivables is minimised by means of a professional debt collection management system as well as risk avoidance and information-gathering parameters. These automatic system settings and the additional qualitative information serves as information which is used for calculation of individual valuation allowances.

As of the balance sheet date, the BEPS Pillar 2 rules (German Act Transposing the Minimum Tax Directive, Mindestbesteuerungsrichtlinie-Umsetzungsgesetz – MinBestRL-UmsG) were transposed into German law (German Act on Minimum Taxation, Mindeststeuergesetz – MinStG) and entered into force upon publication in the German Federal Law Gazette on December 27, 2023. The provisions of the Act on Minimum Taxation apply for the first time for financial years beginning after December 30, 2023 and are therefore not yet applicable for the year under review. Even if these provisions had already been applicable, the CEWE Group would not have fallen under the scope of the MinStG or foreign acts on minimum taxation either in the year under review or in the financial year 2024, since the turnover threshold of 750 million euros in the consolidated financial statements for application of these provisions was exceeded for the first time in the year under review. This notwithstanding, CEWE expects to once again exceed the relevant turnover threshold in the financial year 2024 and thus assumes that the provisions of the MinStG will apply for the first time for the financial year 2025.

In the financial year 2024, the CEWE Group will therefore commence a project reviewing the impact in terms of the effects associated with a Pillar 2 top-up tax. It is not currently possible to quantify the potential additional tax burden. However, application of the MinStG or foreign acts on minimum taxation are not currently expected to lead to a significant additional tax burden, since the CEWE Group operates almost exclusively in countries whose nominal income tax burden exceeds 15% and for which no tax burden at all, or only an insignificant tax burden, is therefore expected to arise.

The CEWE Group is closely monitoring the progress of the legislative process in every country where it operates. It will adapt its current reporting and compliance processes with a view to future local and central determination of the top-up tax burden as well as the future submission of a minimum tax report and filing of related tax returns in Germany and other countries.

The key equity items are presented below. Net interest-bearing financial liabilities have resulted from netting of gross interest-bearing financial liabilities against the Group's cash and cash equivalents as of the balance sheet date.

Key equity items in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023
Total assets	632,706	665,963
Equity	362,763	389,239
Equity ratio (as %)	57.3	58.4
Non-current interest-bearing financial liabilities	116	0
Non-current liabilities from leasing	40,536	37,103
Current interest-bearing financial liabilities	214	77
Current liabilities from leasing	9,717	9,468
Cash and cash equivalents	73,067	117,369
Net interest-bearing financial liabilities	-22,484	-70,721

The primary goal of the CEWE Group's capital management system is to ensure that the Group remains capable of repaying its debts and maintains its financial resources. As well as safeguarding the long-term liquidity supply, the interest rate risk has been limited and a flexible credit structure has once again been maintained, to cover the seasonal nature of the Group's business performance over the course of the year. No collateral was provided. For further information, please see the comments in the risk report on [pages 69f.](#)

No capital requirements are prescribed in the articles of association of CEWE-KGaA. In regard to authorised capital and the obligation to sell or issue shares in connection with stock option plans, please see the relevant passages in these notes (see item D49, D50, D51, D52, [pages 159–162](#)).



→ Notes:
E. Other disclosures

E. Other disclosures

69 Shareholdings

CEWE's proportionate interests in all of its subsidiaries included in the consolidated financial statements are shown in the following table:

Shareholdings in %

	Dec. 31, 2022 Capital	Dec. 31, 2023 Capital
1. CEWE Beteiligungs GmbH, Oldenburg	100.00	100.00
2. CEWE S.A.S., Paris, France ¹	100.00	100.00
3. CEWE Belgium NV, Mechelen, Belgium ¹	100.00	100.00
4. CEWE Nederland B.V., Nunspeet, Netherlands ¹	100.00	100.00
5. CEWE Magyarország Kft., Budapest, Hungary ¹	100.00	100.00
6. CeWe Color a.s., Prag, Czech Republic ¹	100.00	100.00
7. CEWE a.s., Bratislava, Slovak Republic ¹	100.00	100.00
8. CEWE AG, Dübendorf, Switzerland ¹	100.00	100.00
9. CEWE Danmark ApS, Åbyhøj, Denmark ¹	100.00	100.00
10. CEWE Sp. z o.o., Kozle, Poland ¹	100.00	100.00
11. CEWE NORGE AS, Oslo, Norway ¹	100.00	100.00
12. CEWE-PRINT NORDIC A/S, Åbyhøj, Denmark ²	100.00	100.00
13. CEWE Sverige AB, Göteborg, Schweden ³	100.00	100.00
14. CEWE Limited, Warwick, United Kingdom ¹	100.00	100.00
15. Dignet GmbH & Co. KG, Cologne	100.00	100.00
16. Bilder-planet.de GmbH, Cologne ⁴	100.00	100.00
17. Dignet Management GmbH, Cologne	100.00	100.00
18. Dignet Danmark ApS, Åbyhøj, Denmark ⁴	100.00	100.00
19. Wöltje GmbH & Co. KG, Oldenburg ⁵	100.00	100.00
20. Wöltje Verwaltungs-GmbH, Oldenburg ⁵	100.00	100.00
21. viaprinto Beteiligungs-GmbH, Oldenburg ⁸	100.00	100.00

Shareholdings in %

	Dec. 31, 2022 Capital	Dec. 31, 2023 Capital
22. viaprinto GmbH & Co. KG, Münster	100.00	100.00
23. CeWe Color Inc., Delaware, USA ¹	100.00	100.00
24. Saxoprint GmbH, Dresden	100.00	100.00
25. Saxoprint Ltd., London, United Kingdom ⁶	100.00	100.00
26. Saxoprint AG, Zürich, Switzerland ⁶	100.00	100.00
27. Lasertine GmbH, Berlin	100.00	100.00
28. DeinDesign GmbH, Bad Kreuznach	100.00	100.00
29. futalis GmbH, Leipzig	81.64	0.00
30. Stardust Media and Communications, SAS, Paris, France ¹	100.00	100.00
31. CEWE Fotovertriebsesellschaft mbH, Wien, Austria ¹	100.00	100.00
32. WhiteWall Media GmbH, Frechen	100.00	100.00
33. Whitewall USA Inc., Delaware, USA ⁷	100.00	100.00
34. Hertz Systemtechnik GmbH, Delmenhorst	100.00	100.00

¹ Interest held through CEWE Beteiligungsgesellschaft mbH, Oldenburg

² Interest held through CEWE Danmark ApS, Åbyhøj, Denmark

³ Interest held through CEWE Norge AS, Oslo, Norway

⁴ Interest held through Dignet GmbH & Co. KG, Cologne

⁵ Interest held through CEWE AG, Dübendorf, Switzerland

⁶ Interest held through Saxoprint GmbH, Dresden

⁷ Interest held through WhiteWall Media GmbH, Frechen

⁸ Interest held through viaprinto Beteiligungs-GmbH, Oldenburg



70 Events of particular significance after the balance sheet date

The potential effects of the continued inflation and the related impact on CEWE's course of business have been factored into the forecast, opportunities and risk report on the basis of the information currently available.

In order to further increase its depth of added value, at the start of the financial year 2024 CEWE's subsidiary SAXOPRINT acquired assets of Eastprint GmbH, Dresden, via an asset deal. SAXOPRINT had previously outsourced large-format printing to Eastprint. This has now been brought in house through this acquisition. No other events of particular significance have occurred since the balance sheet date.

71 Comments on the cash flow statement

The cash flow statement shows how the Group's cash and cash equivalents have developed during the financial years 2023 and 2022. In accordance with IAS 7, this statement distinguishes between cash flow from operating activities, cash flow from investing activities and cash flow from financing activities. Cash and cash equivalents shown comprise the balance sheet items bank balances with a remaining term of up to three months and cash in hand including fixed deposit balances. This corresponds to the cash and cash equivalents item presented in the balance sheet.

The inflows and outflows resulting from the change in financial liabilities are attributable to repayments, reclassifications due to maturity periods and loans taken up as follows:

Change in financial liabilities in 2023 in thousands of euros

	Current interest- bearing financial liabilities	Non-current interest- bearing financial liabilities	Gross financial liabilities
As of Jan. 1	214	116	330
Repayment	-137	-116	-253
As of Dec. 31	77	-0	77

Change in financial liabilities in 2022 in thousands of euros

	Current interest- bearing financial liabilities	Non-current interest- bearing financial liabilities	Gross financial liabilities
As of Jan. 1	276	407	683
Repayment	-62	-291	-353
As of Dec. 31	214	116	330

72 Other financial obligations under lease agreements

Leases and tenancies exist which constitute operating lease arrangements in terms of their economic content, so that the leasing assets are attributable to the lessor rather than CEWE Stiftung & Co. KGaA, Oldenburg. This mainly comprises contracts for the use of production and office space, motor vehicles and also a few agreements for office equipment and IT hardware. The rents paid in the financial year amount to 636 thousand euros (previous year: 510 thousand euros). These contracts have terms of between one and six years.

**Lease payments** in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023
Total future minimum lease payments	2,458	3,714
Due within a period of one year	496	644
Due within a period of between two and five years	1,606	2,444
Due after more than five years	356	626

Assets leased within the scope of operating leases have a total book value of 18,820 thousand euros (previous year: 19,016 thousand euros). The lease agreements do not include any clauses (e.g. extension, purchase or price adjustment options) which would give rise to an assumption of financial leasing for the lessee. Total future minimum lease income as the lessor under non-terminable operating lease agreements is as follows:

Lease income in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023
Total future minimum lease payments	23,366	18,098
Due within a period of one year	3,284	3,416
Due within a period of between two and five years	12,605	9,429
Due after more than five years	7,477	5,253

This involves the leasing of commercial space as well as equipment leased to customers. The rent instalments collected in the financial year amount to 3,360 thousand euros (previous year: 3,075 thousand euros). Of this amount, 825 thousand euros (previous year: 628 thousand euros) is attributable to income from subletting. They are shown under the item "Additional other operating income", C28, [page 139 f.](#) Any leasing components in existing contracts are registered and reported within the scope of a systematic contract management system.

73 Segment reporting by business unit

As of these financial statements, the Group has four business units subject to mandatory reporting. Three of them are the Group's strategic business units. They are the Photo-finishing, Commercial Online Printing and Retail business units. The Group's strategic business units offer various products and services and require different technologies as well as different investment and marketing strategies. Information on other business activities and business segments which are not subject to mandatory reporting is provided in summary form in the section of this report covering the Other Activities business unit. For each strategic business unit, the Group's Board of Management reviews internal management reports at least once every quarter. The accounting and measurement methods used for the business units subject to mandatory reporting are those outlined in section B. In accordance with the internal reporting, revenues are reported according to consolidation effects.

Turnover corresponds to the breakdown by geographical region shown in section C27, [pages 138 f.](#)

These turnover categories are Photofinishing revenue, Retail revenue and revenue from Commercial Online Printing. A breakdown of these categories is provided in the segment reporting by business unit. Of the segment turnover, 417,124 thousand euros (previous year: 392,178 thousand euros) relates to German turnover and 363,074 thousand euros (previous year: 340,552 thousand euros) to foreign turnover.

In the past financial year and in the previous year, turnover with one key customer was in excess of 10% of the Group's revenues and amounts to 110,907 thousand euros (previous year: 103,828 thousand euros). Revenues generated with this customer are largely attributable to the Photofinishing business unit.



The breakdown of intangible assets and property, plant and equipment is as follows for the following geographical regions:

Breakdown of intangible assets and property, plant and equipment for geographical regions

in thousands of euros

	2022	2023
Germany	220,139	200,387
Other countries	29,118	54,862
Total	249,257	255,249

74 Other comments

Contingent liabilities resulted from the grant of suretyships and guarantees for third parties, possible litigation risks and other issues and amounted to 1,325 thousand euros (previous year: 1,309 thousand euros). The risk of a claim under these contingent liabilities is seen as either slight or not very probable. The assessment of the respective amounts and the probability of realisation are continuously monitored. The Group does not have any contingent assets. The CEWE Group received government grants in the amount of 220 thousand euros (previous year: 584 thousand euros) in the year under review. The grants mainly comprise contributions provided for personnel expenses in the amount of 67 thousand euros (previous year: 112 thousand euros), for training expenses and for reimbursement of expenses incurred due to prohibition of employment. Other grants comprise investment grants in the amount of 153 thousand euros (previous year: 0 thousand euros).

The following total remuneration has been paid to the active members of the Board of Management which handles management duties and to the Supervisory Board for the performance of their duties:

Remuneration received in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023
Fixed gross remuneration		
Fixed remuneration	2,040	2,157
Fringe benefits	110	297
Total fixed gross remuneration	2,150	2,455
Variable Vergütung		
One-year variable remuneration	690	821
Multi-year variable remuneration		
Bonus II	185	644
Stock Option Plan	158	0
Total variable remuneration	1,033	1,465
Total remuneration granted	3,183	3,919
Remuneration owed	561	695
Other benefits due to the termination of the employment relationship	2,301	1,119
Total remuneration paid to Board of Management	6,045	5,733
Total remuneration paid to Supervisory Board	859	873
Total remuneration paid to Board of Management and Supervisory Board	6,904	6,606

The table shows the inflow of cash in the past financial year and in the previous year as a result of fixed remuneration, fringe benefits and one-year and multi-year variable remuneration as well as pension expenses. Remuneration resulting from the bonus bank relates to claims which have fallen due, plus the contractually stipulated amount of interest. The current service cost has been calculated in accordance with IAS 19; it does not represent an inflow in the narrow sense of the term but has been included to clarify the total remuneration provided.



The remuneration paid to the members of the Supervisory Board for their service on this body is stipulated in the articles of association and comprises fixed and variable components. This remuneration is exclusively granted on a short-term basis.

Other than the remuneration outlined above, no further remuneration or claims have been granted in the past financial year or the previous year but not yet reported in consolidated financial statements.

Disclosures regarding the remuneration of the individual members of the Board of Management and the Supervisory Board are provided in the remuneration report ([pages 102ff.](#)).

None of the active or retired members of the Board of Management has received third-party payments in relation to their service; the same applies for the members of the Supervisory Board. Loans or advance payments have not been granted in any case. Nor has the company entered into any contingent liabilities for the benefit of the members of the Board of Management or the Supervisory Board.

Members of the Supervisory Board did not provide any consulting services in the year under review (previous year: 14 thousand euros). Members of the Supervisory Board have not provided any other consulting and mediation services or other personal services either in the year under review or in the previous year.

No remuneration was paid to retired members of the Board of Management in the financial year 2023 (previous year: 0 thousand euros). Pensions paid to former members of the Board of Management of Neumüller CEWE COLOR Stiftung, as the general partner of CEWE Stiftung & Co. KGaA, and the old CEWE COLOR Holding AG amount to 1,190 thousand euros (previous year: 1,091 thousand euros). Pension accruals established for these persons amount to 16,970 thousand euros (previous year: 14,393 thousand euros). CEWE does not have any obligations in relation to this group of persons for which it has failed to establish accruals.

The members of the Board of Management and the Board of Trustees of Neumüller CEWE COLOR Stiftung and the Supervisory 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.

75 Subsidiaries' use of exemptions

The following subsidiaries fully included in these consolidated financial statements make use of the exemption from the disclosure requirements under §325 HGB and the exemption from the obligation to prepare a management report and notes in accordance with §264b HGB:

- Dignet GmbH & Co. KG, Cologne
- Wöltje GmbH & Co. KG, Oldenburg
- viaprinto GmbH & Co. KG, Münster



76 Executive bodies of the company

Supervisory Board including seats on supervisory boards and similar or foreign executive bodies of CEWE Stiftung & Co. KGaA

Frank Zweigle, Oldenburg (Chairman to June 7, 2023)

January 2023¹

Managing director of Schlaues Haus Oldenburg gGmbH, Oldenburg, management consultant and lecturer at Jade University of Applied Sciences Wilhelmshaven Oldenburg Elsfleth

- Chairman of the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg (to June 7, 2023)

Paolo Dell'Antonio, Braunschweig

January 2017¹

Business studies graduate, MBA

- Member of the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg
- Member of the Board of Trustees of CEWE Stiftung & Co. KGaA, Oldenburg
- Member of the shareholders' committee and chairman of the audit committee of Th. Simon GmbH & Co. KG (previously Bitburger Holding GmbH), Bitburg
- Member of the shareholders' committee of Bitburger Braugruppe GmbH, Bitburg²

Kersten Duwe, Oldenburg (Chairman since June 7, 2023)

June 2023¹

Lawyer, tax adviser, management spokesman of Treuhand Weser-Ems GmbH Wirtschaftsprüfungsgesellschaft, Oldenburg

- Chairman of the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg (since June 7, 2023)
- Shareholder of Treuhand Oldenburg KG, Oldenburg
- Partner of Treuhand Rechtsberatung Hochhäusler Duwe & Partner Partnerschaft von Rechtsanwälten mbB (to March 31, 2024), Oldenburg
- Management spokesman of Treuhand Weser-Ems GmbH Wirtschaftsprüfungsgesellschaft (to January 2, 2024), Oldenburg

Patricia Geibel-Conrad, Leonberg (to June 7, 2023)

June 2018¹

Accountant/tax consultant, management consultant

- Member of the Supervisory Board and Chairwoman of the Audit Committee of CEWE Stiftung & Co. KGaA, Oldenburg (to June 7, 2023)
- Member of the supervisory board and chairwoman of the audit committee of Deutz Aktiengesellschaft, Cologne²

- Member of the supervisory board and chairwoman of the audit committee of NEMETSCHKE SE, Munich (to May 23, 2023)²

Professor Dr Christiane Hipp, Cottbus

June 2012¹

Since December 1, 2005 Professor of Organisation and Corporate Governance (Brandenburg University of Technology Cottbus-Senftenberg)

- Member of the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg
- Member of the board of trustees of the German Federal Environmental Foundation (Deutsche Bundesstiftung Umwelt – DBU), Osnabrück
- Member of the supervisory board of Zukunft-Umwelt-Gesellschaft (ZUG) gGmbH, Berlin

Daniela Mattheus, Berlin (since June 7, 2023)

June 2023¹

Lawyer, management consultant

- Member of the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg
- Member of the supervisory board of Commerzbank AG, Frankfurt am Main²
- Member of the supervisory board of Deutsche Bahn AG, Berlin²
- Member of the supervisory board of Jenoptik AG, Jena (since November 1, 2022)²
- Member of the supervisory board of Yunex GmbH, Munich (to October 31, 2023)²

Martina Sandrock, Hamburg

October 2022¹

Member of the supervisory and advisory boards and the board of trustees, former chairwoman of the board of management of LSH AG, Hamburg

- Member of the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg
- Chairwoman of the advisory board of Schwanhäuser Industrie Holding GmbH & Co. KG, Heroldsberg²
- Chairwoman of the advisory board of E. H. Worlée GmbH & Co. KG, Hamburg²
- Member of the advisory board of Zentis GmbH & Co. KG, Aachen²
- Member of the board of trustees of Joachim Herz Stiftung, Hamburg

Dr Birgit Vemmer, Bielefeld

June 2018¹

Management consultant and coach

- Member of the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg

¹ Start of service on the Supervisory Board

² Member of similar German and foreign executive bodies of business enterprises

³ Group mandate

**Petra Adolph, Hanover**June 2018¹

Deputy head of the northern branch of the Mining, Chemicals and Energy trade union (IG BCE)

- Member of the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg
- Member of the supervisory board of K+S Aktiengesellschaft, Kassel²
- Member of the supervisory board of K+S Minerals and Agriculture GmbH, Kassel³

Nurol Altan, Oldenburg (since May 25, 2023)May 2023¹

Deputy chairman of the works council (released from duties) of CEWE Stiftung & Co. KGaA, Oldenburg

- Member of the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg

Marc Bohlken, Oldenburg (since May 25, 2023)May 2023¹

Industrial engineer, Technical Director of Oldenburg Plant, CEWE Stiftung & Co. KGaA, Oldenburg

- Member of the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg

Marion Gerdes, Berne (to May 25, 2023)June 2018¹

Industrial Manager/Head of Personnel, CEWE Stiftung & Co. KGaA, Oldenburg

- Member of the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg (to May 25, 2023)

Jan Grüneberg, Hanover (since May 25, 2023)May 2023¹

Fully qualified lawyer (assessor iuris), head of the co-determination/supervisory law department of the Mining, Chemicals and Energy trade union (IG BCE)

- Member of the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg
- Member of the supervisory board of Sonic Healthcare Seven GmbH, Berlin

Insa Lukaßen, EdewechtJune 2018¹

Head of Strategic Shipping Development, CEWE Stiftung & Co. KGaA, Oldenburg

- Member of the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg

Alexander Oyen, Bremen (to May 25, 2023)June 2018¹

Head of the Oldenburg branch of the Mining, Chemicals and Energy trade union (IG BCE)

- Member of the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg (to May 25, 2023)

Markus Schwarz, Oldenburg (Deputy Chairman)October 2015¹

Member of the works council (released from duties) of CEWE Stiftung & Co. KGaA, Oldenburg

- Deputy Chairman of the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg

Elwira Wall, Hatten (to May 25, 2023)June 2018¹

Data protection officer

- Member of the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg (to May 25, 2023)

General partner of CEWE Stiftung & Co. KGaA:

- Neumüller CEWE COLOR Stiftung, Oldenburg

Board of Management**Yvonne Rostock, Ratingen (since March 1, 2023)**Chairwoman of the Board of Management of Neumüller CEWE COLOR Stiftung, Oldenburg
Responsible for National and International Distribution**Patrick Berkhouwer, Bremen**Member of the Board of Management of Neumüller CEWE COLOR Stiftung, Oldenburg
Responsible for Foreign Markets and Expansion¹ Start of service on the Supervisory Board² Group mandate

**Dr Reiner Fageth, Oldenburg**

Member of the Board of Management of Neumüller CEWE COLOR Stiftung, Oldenburg
Responsible for Technology, IT and Research & Development

- Member of the supervisory board of CEWE COLOR Inc., Delaware, USA¹
- Member of the advisory board of ELA Container GmbH, Haren (Ems)

Carsten Heitkamp, Oldenburg

Member of the Board of Management of Neumüller CEWE COLOR Stiftung, Oldenburg
Responsible for Production, Purchasing and Logistics

Dr Olaf Holzkämper, Oldenburg

Member of the Board of Management of Neumüller CEWE COLOR Stiftung, Oldenburg
Responsible for Finance & Controlling, Business Development, Investor Relations, Corporate Information Management, Legal and On-Site Finishing

- Member of the advisory board of Oldenburgische Landesbank AG, Oldenburg, and Deutsche Bank AG, Bremen
- Member of the supervisory board of Remmers Gruppe AG, Lönningen

Thomas Mehls, Oldenburg

Member of the Board of Management of Neumüller CEWE COLOR Stiftung, Oldenburg
Responsible for Marketing, Online Photo Service, CEWE-Print, viaprinto, New Business Acquisition and Sustainability

- Member of the supervisory board of Baskets Oldenburg GmbH & Co. KG, Oldenburg
- Member of the Board of Trustees of Heinz Neumüller Stiftung, Oldenburg

Christina Sontheim-Leven, Düsseldorf (since January 1, 2022)

Member of the Board of Management of Neumüller CEWE COLOR Stiftung, Oldenburg
Responsible for Human Resources and Organisational Development

- Member of the advisory board of LegalTegrity GmbH, Frankfurt am Main
- Member of the board of management of the Oldenburg employers' association (Arbeitgeberverband Oldenburg e.V.), Oldenburg

Please also see the comments in the remuneration report on [pages 102 ff.](#)

¹ Group mandate

77 Release and publication of the consolidated financial statements as of December 31, 2023

The consolidated financial statements as of December 31, 2023 prepared by the Board of Management of the general partner, Neumüller CEWE COLOR Stiftung, and the combined management report of the CEWE Group are released for publication upon their signing by the Board of Management.

78 Declaration regarding the German Corporate Governance Code

The Board of Management and the Supervisory Board have submitted the declaration of conformity with the German Corporate Governance Code required under § 161 AktG and have made this declaration available to the shareholders on the company's website,

www.cewe.de.



Responsibility statement

Declaration in accordance with §§ 297 (2) clause 4 and 315 (1) clause 5 HGB (responsibility statement)

We hereby declare that, to the best of our knowledge, the consolidated financial statements provide a true and fair view of the Group's net assets, financial position and results of operations in accordance with the applied principles of orderly reporting in consolidated financial statements and that the notes to the consolidated financial statements provide the necessary disclosures and specific information accurately describing the Group's position.

We also confirm that, to the best of our knowledge, the combined management report includes a fair review of the development and performance of the business and the position of the Group and thus describes the key risks and opportunities associated with the Group's expected development in the new financial year.

Oldenburg, March 19, 2024

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

Yvonne Rostock

Patrick Berkhouwer

Dr Reiner Fageth

Carsten Heitkamp

Dr Olaf Holzkämper

Thomas Mehls

Christina Sontheim-Leven



Note: This is a convenience translation of the German original. Solely the original text in German is authoritative.

Independent auditor's report to the CEWE Stiftung & Co. KGaA, Oldenburg

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Audit Opinions

We have audited the consolidated financial statements of CEWE Stiftung & Co. KGaA, Oldenburg, and its subsidiaries (the group), which comprise the consolidated balance sheet as at December 31, 2023, the consolidated profit and loss account and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1, 2023 to December 31, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In addition, we have audited the combined management report (report on the position of the company and the group) of CEWE Stiftung & Co. KGaA for the financial year from January 1, 2023 to December 31, 2023. In accordance with the German legal requirements, we have not audited the content of those parts of the combined management report listed in section "Other information".

The combined management report includes references not required by law which have been marked as unaudited. In accordance with the German legal requirements, we have not audited these references or the information to which these references relate.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the group as at December 31, 2023, and of its financial performance for the financial year from January 1, 2023 to December 31, 2023 and

- the accompanying combined management report as a whole provides an appropriate view of the group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the Combined management report listed in section "Other information". The combined management report includes references not required by law which have been marked as unaudited. Our audit opinion does not include these references or the information to which these references relate.

Pursuant to § 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.



Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1, 2023 to December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate audit opinion on these matters.

We have identified the following matters as key audit matters which must be mentioned in our auditor's report:

1. REALISATION OF TURNOVER IN THE PHOTOFINISHING SEGMENT
2. FAIR VALUE OF GOODWILL IN THE COMMERCIAL ONLINE PRINTING AND PHOTOFINISHING BUSINESS UNITS

Realisation of turnover in the Photofinishing segment

Specific issue

In its consolidated financial statements as of December 31, 2023, the company has reported revenues in its Photofinishing segment in the amount of 659 million euros (84.4% of total revenues). Due to the highly automated procedure through which these revenues are realised, the very large volume of data processed and the variety of IT systems due to the diverse product range, in our view particularly stringent requirements apply for the IT systems in terms of correct recognition of and accrual accounting for revenues. In view of this situation, the IT systems were particularly significant for us within the scope of our audit, in relation to the realisation of turnover in the Photofinishing segment.

The disclosures made by CEWE Stiftung & Co. KGaA concerning revenues in the Photofinishing segment may be found in section "C27" of the notes to the consolidated financial statements.

Audit response

To address the risk associated with the realisation of turnover in the Photofinishing segment, we have performed uniform audit procedures for all of the segments. We have assessed implementation of the Group rules on the realisation of turnover in the IT

systems in terms of whether the software in question is suitable to appropriately map the business transactions. As well as a basic audit, our audit approach includes function-based testing of relevant check mechanisms as well as ad hoc and analytical audit procedures. In particular, we have evaluated whether the IT control system has been appropriately designed for the IT systems used throughout the Group for invoicing and their interfaces in relation to the relevant general ledger. To review the effectiveness of this IT control system, we have implemented control tests for the control activities implemented within the scope of these processes. We have consulted internal specialists in relation to these audit activities. We have also established on a sample basis that the accrual accounting for revenues has been correctly implemented.

Fair value of goodwill in the Commercial Online Printing and Photofinishing business units

Specific issue

In its consolidated financial statements as of December 31, 2023, the company has reported goodwill in the amount of 22.16 million euros in its Commercial Online Printing business unit and 59.62 million euros in its Photofinishing business unit.

The company tests goodwill for impairment once a year or on an ad hoc basis in order to determine a possible write-down requirement. In the financial year 2023 the company performed the annual impairment test.

This impairment test is carried out at the level of cash-generating units to which the respective goodwill is allocated. Within the scope of this impairment test, the book value of the respective cash-generating unit is compared with the corresponding recoverable amount. In principle, the recoverable amount is determined on the basis of the value in use. As a rule, the valuation is implemented on the basis of the present value of future cash flows for the respective cash-generating unit. The values in use are determined by means of the discounted cash flow method, in line with the Group's approved planning. Future cash flows beyond the detailed planning period are carried forward on the basis of long-term growth rates. Expectations regarding the future market trend and assumptions relating to the development of macroeconomic factors are taken into consideration here. Discounting is implemented by means of the weighted average cost of capital for the respective cash-generating unit.



The calculation of the respective value in use is highly dependent on the company's legal representatives' assessment of the future cash inflows for the respective cash-generating unit, the discount rates applied, the growth rates as well as further assumptions and is thus subject to considerable uncertainty. In this context and, in particular, in view of the uncertainty relating to course of business and the earnings trend in the light of the coronavirus pandemic, the fair value of goodwill in the Commercial Online Printing business unit was a particularly significant issue for our audit.

Disclosures from CEWE Stiftung & Co. KGaA on goodwill in the Commercial Online Printing business unit may be found in the following notes to the consolidated financial statements: A4 Consolidation principles, B6 General disclosures, B11 Goodwill, B13 Impairment, D. Comments on the balance sheet (development of the fixed assets) and D38 Goodwill.

Audit response

Within the scope of our audit, we have obtained an understanding of the planning process and have assessed its appropriateness. We have carried out an analysis of past planning and compared the planning of the past few years with the actual results and analysed any discrepancies. Moreover, with the assistance of our valuation specialists we have developed an understanding of the impairment testing method applied as well as the calculation and have checked the mathematical accuracy of the calculation and the model used.

We have discussed with the Board of Management the Group's approved planning and the current forecast as well as the assumed long-term growth rates. We have developed an understanding of the underlying planning assumptions and the related growth rate assumptions by comparing them with past trends and current industry-specific market expectations. We have also critically examined the discount rates applied on the basis of the average cost of capital of a peer group. Our audit included the company's sensitivity analyses.

Other Information

The executive directors or the supervisory board are responsible for the other information. The other information comprises:

- the separate consolidated non-financial report, published on the company's website, to which reference is made in the "Reports on the company's management" section of the combined management report
- the declaration on corporate governance contained in the "Reports on the company's management" section of the combined management report
- the remaining parts of the annual report, with the exception of the audited consolidated financial statements and combined management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and thereby acknowledge whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Combined management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i. e. manipulations of the accounting and asset damage) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to be able to continue as a going concern.
- Evaluate the presentation, structure and content of the consolidated financial statements as a whole, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards implemented to address any threats to independence. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.



Other Legal and Regulatory Requirements

Report on the Assurance in Accordance with § 317 (3a) HGB on the Electronic Reproduction of the Consolidated Financial Statements and the Combined management report Prepared for Publication Purposes

Reasonable Assurance Opinion

We have performed assurance work in accordance with § 317 (3a) HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the combined management report (hereinafter the “ESEF documents”) contained in the electronic file „529900IDFHN9MQ3WUD64-2023-12-31-de.zip“ and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format (“ESEF format”). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within this reproduction nor to any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned file beyond this reasonable assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1, 2023 to December 31, 2023 contained in the “Auditor’s report on the consolidated financial statements and on the combined management report” above.

Basis for the Reasonable Assurance Opinion

We conducted our assurance work on the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file in accordance with § 317 (3a) HGB and the IDW Assurance Standard: Assurance in Accordance with § 317 (3a) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised)]. Accordingly, our responsibilities are further described below in the “Auditor’s Responsibilities for the Assurance Work on the ESEF Documents” section. Our audit firm has complied with the requirements of the IDW quality management standards which in turn implement the IAASB’s international standards on quality management.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the company are responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the combined management report in accordance with § 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.



Auditor's Responsibilities for the Assurance Work on the ESEF documents

Our objective is to obtain reasonable assurance that the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinions.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i. e. whether the electronic file containing the ESEF documentation meets the requirements of the Delegated Regulation (EU) 2019/815 on the technical specification for this electronic file applicable at the reporting date.
- Evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the consolidated general meeting on June 7, 2023. We were engaged by the supervisory board on November 9, 2023. We have been the group auditor of the CEWE Stiftung & Co. KGaA without interruption since the financial year 2014.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the assured ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format – including the versions to be published in the Company Register – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents provided in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Christoph Hyckel.

Hamburg, March 19, 2024

BDO AG
Wirtschaftsprüfungsgesellschaft

Sabath
German Public Auditor

Hyckel
German Public Auditor



The CEWE Group – structure and executive bodies

Neumüller CEWE COLOR Stiftung

Board of Trustees

- Paolo Dell'Antonio, Braunschweig
- Helmut Hartig, Oldenburg
- Dr Kay Hafner, Essen
- Matthias Peters, Hamburg
- Katharina Le Thierry, Munich
- Anke Röbbke, Oldenburg (since January 1, 2023)
- Jörg Waskönig, Saterland

Board of Management

- Yvonne Rostock, Ratingen (Chairwoman) (since March 1, 2023)
- Patrick Berkhouwer, Bremen
- Dr Reiner Fageth, Oldenburg
- Carsten Heitkamp, Oldenburg
- Dr Olaf Holzkämper, Oldenburg
- Thomas Mehls, Oldenburg
- Christina Sontheim-Leven, Düsseldorf (since January 1, 2022)

CEWE Stiftung & Co. KGaA

Supervisory Board

- Frank Zweigle, Oldenburg (Chairman) (to June 7, 2023)
Managing director, management consultant and lecturer at Jade University of Applied Sciences Wilhelmshaven Oldenburg Elsfleth
- Paolo Dell'Antonio, Braunschweig
Business studies graduate, MBA
- Patricia Geibel-Conrad, Leonberg (to June 7, 2023)
Accountant/tax consultant, management consultant
- Professor Dr Christiane Hipp, Cottbus
Since December 1, 2005 Professor of Organisation and Corporate Governance (Brandenburg University of Technology Cottbus-Senftenberg)
- Martina Sandrock, Hamburg (since October 21, 2022)
Member of the supervisory and advisory boards and the board of trustees, former chairwoman of the board of management of LSH AG, Hamburg
- Dr Birgit Vemmer, Bielefeld
Management consultant and coach
- Petra Adolph, Hanover
Deputy head of the northern branch of the Mining, Chemicals and Energy trade union (IG BCE), Oldenburg

- Nuro! Altan, Oldenburg (since May 25, 2023)
Deputy chairman of the works council (released from duties) of CEWE Stiftung & Co. KGaA, Oldenburg
- Marc Bohlken, Oldenburg (since May 25, 2023)
Industrial engineer, Technical Director of Oldenburg Plant, CEWE Stiftung & Co. KGaA, Oldenburg
- Marion Gerdes, Berne (to May 25, 2023)
Industrial Manager/Head of Personnel, CEWE Stiftung & Co. KGaA, Oldenburg
- Insa Lukaßen, Edewecht
Head of Mail-Order Shipping, CEWE Stiftung & Co. KGaA, Oldenburg
- Alexander Oyen, Bremen (to May 25, 2023)
Branch head of the Mining, Chemicals and Energy trade union (IG BCE), Oldenburg
- Markus Schwarz, Oldenburg (Deputy Chairman)
Member of the works council (released from duties) of CEWE Stiftung & Co. KGaA, Oldenburg
- Elwira Wall, Hatten (to May 25, 2023)
Data protection officer of CEWE Stiftung & Co. KGaA, Oldenburg

General partner of CEWE Stiftung & Co. KGaA

- Neumüller CEWE COLOR Stiftung, Oldenburg



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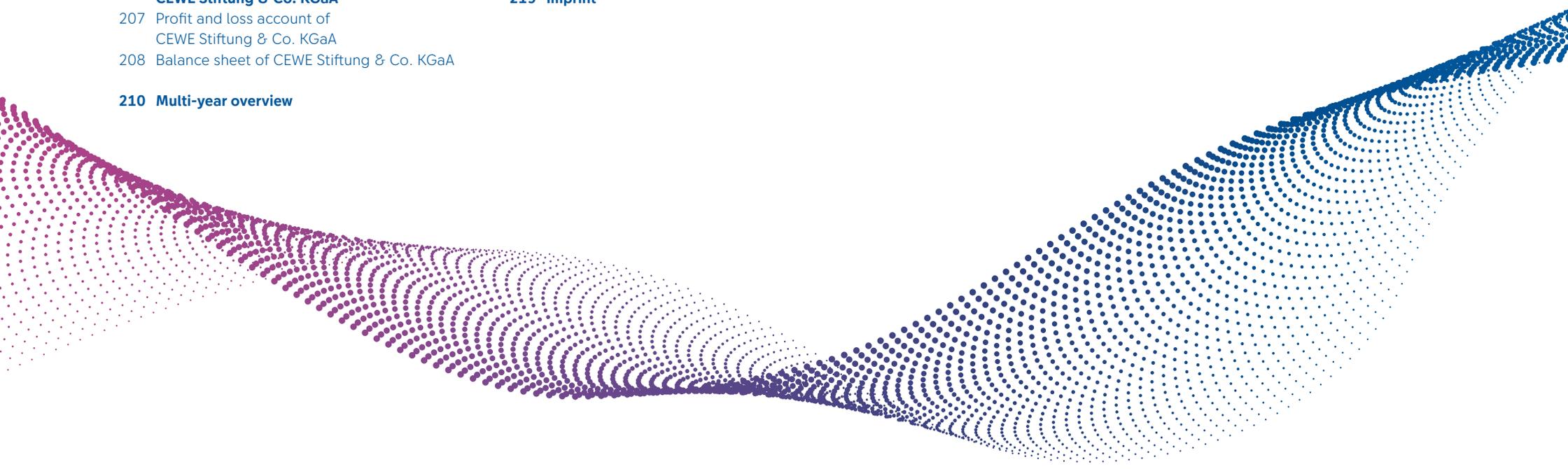
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Separate consolidated non-financial report

With this separate consolidated non-financial report, CEWE Stiftung & Co. KGaA business group (hereinafter CEWE) complies with the duty to disclose non-financial information for the financial year 2023 in accordance with Secs. 315b and 315c HGB in conjunction with Secs. 289c to 289e HGB. The separate consolidated non-financial report has been consolidated with the separate consolidated non-financial report of the parent company in accordance with Sec. 289b HGB. It is incorporated into the annual report and refers to the GRI Standards (Sec. 289d HGB) as its framework. The separate consolidated non-financial report was reviewed and released by the Board of Management. The Supervisory Board assessed the separate consolidated non-financial report for its legality, reliability and appropriateness.

Business model

CEWE is active in three strategic business units: Photofinishing, Commercial Online Printing and Retail. The locations and distribution offices are spread to 26 countries across Europe. Buyers and recipients include retail stores, consumers and trade professionals. The mandatory information pertaining to the business model are detailed in this annual report from [page 52 f.](#) onwards.

Relevance of sustainability

Sustainability has been enshrined within the Board of Management since 2008 and has been governed by Thomas Mehls since 2016, who oversees Sustainability, Marketing and New Business Units on the Board of Management. He governs sustainability together with two area managers and in co-ordination with the Sustainability Task Force [Sustainability Report 2023, page 17](#). CEWE greatly values sustainable governance across all sectors and has included all areas in its sustainability activities [Sustainability Report 2023, pages 17 and 21f.](#) Sustainability management thus forms an integral part of corporate governance within the organisation. The strategy is rooted in five dimensions: honest and fair conduct, economic viability, environmental protection and resource conservation, responsibility for employees and social commitment [Sustainability Report 2023, page 17](#).

Process to establish material non-financial topics according to the CSR Directive Implementation Act (CSR-RUG)

When assessing aspects that concern the separate consolidated non-financial report, CEWE was guided by the material topics of sustainability in accordance with the 2020 version of the materiality analysis. [Sustainability Report 2023 pages 21f.](#) CEWE conducted a comprehensive stakeholder survey in 2020 for this, which once again serves as the basis for this year's separate consolidated non-financial report [Sustainability Report 2023 page 21](#). The aspects were reviewed once again in preparation of this report with regard to the materiality requirements under the CSR Directive Implementation Act (CSR-RUG). Comments from the auditing process of the previous reporting year were consulted. It was explored whether the details are necessary to understand the business performance, the business result, the company's position as well as the understanding of the impact of the company's activities on non-financial aspects.

An internal review has established that the current material topics continue to be relevant for CEWE. These are currently being further specified as part of the adjustments to the double materiality in accordance with the future requirements of the ESRS. In conclusion, the strategic priorities from the materiality matrix were attributed to concerns according to CSR-RUG, notably Climate Protection as well as Materials and Waste (Environmental), Responsible Use of Technology (Social) and Sustainable Products (Products). Moreover, the following topics from the materiality matrix were attributed to concerns which the CSR-RUG rates as material: Good Employer (Employee Rights), Sustainable Supply Chain (Human Rights), Fair Working Practices (Anti-Corruption and Bribery). Other topics from the materiality matrix were not deemed to be material according to CSR-RUG.

CEWE plans to conduct new stakeholder surveys at regular intervals to establish if the defined topics remain relevant. A new stakeholder survey was originally planned for 2023. However, due to the changed legal situation for the 2024 report, this was postponed in order to implement the adjustment to the double materiality analysis in accordance with the CSRD.



Risk assessment

The outcome from the risk assessment is summarised on  pages 37 and 38 of the Sustainability Report. In line with Secs. 289c (3), 3 and 4 and 315c (2) HGB, no material risks were identified, neither in relation to its own business activities or its business relationships, nor for products and services in terms of non-financial aspects under review, which most likely have or would have serious negative impacts on these aspects.

Reporting in accordance with EU taxonomy

The European Green Deal is a concept developed by the European Commission with the overarching aim of transitioning towards a competitive, resource-efficient and climate-neutral European economy. To achieve this goal, different actions have been defined for such areas as energy supply, traffic, trade, industry, agriculture and forestry as well as financial market regulation.

One element of the European Green Deal includes the objective of the EU taxonomy, which furthers sustainable investments by designing a common classification system on what environmentally sustainable economic activities across all sectors are. The respective mandatory reporting which was launched for capital market-guided enterprises is to give users the transparent and uniform possibility to compare the sustainability of business models.

Article 9 of the Taxonomy Regulation specifies six environmental objectives of the European Union:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems.

For the financial year 2021, the disclosure focused initially on the first two objectives only due to the facilitation granted by the EU, i.e., Climate Change Mitigation and Climate Change Adaptation, regarding the proportion of taxonomy-eligible economic activities in the overall turnover as well as in capital expenditures and operational expenses. Since this facilitation option has been dropped for the financial year 2022, the reporting covered not only taxonomy eligibility, but also examined taxonomy alignment. Due to the Environmental Delegated Act, reporting for the 2023 financial year is required on all six environmental objectives. In accordance with the facilitation granted for the 2021 financial year, the disclosure obligations for the 2023 financial year with regard to the four new environmental objectives “Sustainable use and protection of water and marine resources”, “Transition to a circular economy”, “Pollution prevention and control” and “Protection and restoration of biodiversity and ecosystems” also only include the assessments of possible taxonomy eligibility in each case.

Taxonomy-eligible economic activities include those established and described in the Climate/Environmental Delegated Act as they are relevant for the environmental objectives named. Moreover, identified taxonomy-eligible economic activities are considered to be taxonomy aligned if they meet the so-called technical screening criteria, which are fundamentally composed of two components: (1) substantial contribution towards one of the named environmental objectives; and (2) do no harm to other environmental objectives.

Furthermore, it must be ensured that minimum social safeguards are met (in accordance with OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, ILO core labour standards and the International Bill of Human Rights).



The individual key indicators are established by applying the International Financial Reporting Standards (IFRS), which are used for the consolidated financial statements and take all fully consolidated Group companies into consideration. The overall turnover concurs with the value shown in the profit and loss account for the financial year concerned. Overall capital expenditures are defined as the sum of gross additions to the tangible and intangible fixed assets during the year under review without goodwill acquired. Overall operational expenses encompass all direct, non-capitalised costs connected to research & development, renovation measures, short-term leases as well as upkeep and maintenance or repair. For calculation of the figures, the financial indicators turnover, operational expenses (OPEX) and capital expenditures (CAPEX) were analysed regarding their taxonomy eligibility. Data from the annual report and the consolidation system were evaluated in order to identify the proportion of turnover, as well as capital expenditures and operational expenses, that can be attributable to taxonomy-eligible economic activities. The individual items are clearly allocated to the respective category and environmental objectives so that nothing was counted twice.

The following information reflects CEWE's own assessment. The legislative acts published so far on the Taxonomy Regulation only contain activities of particular relevance to climate change mitigation and climate change adaptation, and no activities for the other four environmental objectives. For the CEWE Group, no turnover-relevant economic activities have been classified according to the current status of the regulations and no turnover could be established that is eligible under the taxonomy. Depending on the specific content of the Regulation, however, taxonomy-compliant revenues could be determined for the CEWE Group for the next financial years.

The analysis of economic activities regarding capital expenditure has shown that investments are being made in taxonomy-eligible economic activities relating to the purchase of products and services named under Annex I (Substantial Contribution to Climate Change Mitigation) of the delegated act. This refers mainly to bicycle traffic and the vehicle fleet (Activities 6.4 and 6.5) as well as measures for renewable energy (Activity 7.6).

Furthermore, operational expenses have been identified that relate to the purchase of products and services from taxonomy-eligible economic activity as named under Annex I (Substantial Contribution to Climate Change Mitigation) of the delegated regulation. These particularly include expenses for bicycle traffic and the vehicle fleet (Activities 6.4 and 6.5).

The analysis of taxonomy-eligible economic activities regarding their conformity has shown that the responses are not sufficient to draw the conclusion that the necessary requirements could be regarded as fulfilled.

There are no activities pursuant to Delegated Regulation 2022/1214 regarding nuclear energy and fossil gas.



CAPEX

Economic activity (1)	Code(s) (2)	CapEx (3) [EUR]	CapEx-Anteil, Jahr 2023 (4) in %	Criteria for a substantial contribution						DNSH criteria						Minimum safeguards (17)	Share of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) CapEx, year 2022 (18) %	Category (enabling activities) (19) in %	Category (transitional activities) (20)
				Climate change mitigation (5) as %	Climate change adaptation (6) as %	Water and marine resources (7) as %	Pollution (8) as %	Circular economy (9) in %	Biodiversity and ecosystems (10) as %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Pollution (14) Y/N	Circular economy (15) Y/N	Biodiversity and ecosystems (16) Y/N				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy aligned)																			
CapEx environmentally sustainable activities (taxonomy aligned) (A.1)		0	0.00	N	N	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	N		
Of which enabling activities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	
Of which transitional activities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	T	
A.2 Taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Operation of personal mobility devices, cycle logistics		CCM 6.4	211,660	0.34	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.03
Transport by motorbikes, passenger cars and light commercial vehicles		CCM 6.5	262,621	0.41	EL	N/EL	N/EL	N/EL	N/EL	N/EL									1.40
Installation, maintenance and repair of energy efficiency equipment		CCM 7.4	57,139	0.09	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.64
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings		CCM 7.5	3,084	0.00	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.00
Installation, maintenance and repair of renewable energy technologies		CCM 7.6	869,428	1.37	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.00
CapEx taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)			1,403,932	2.21	-	-	-	-	-	-									2.20
Total (A.1 + A.2)			1,403,932	2.21	-	-	-	-	-	-									2.20
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES (B)																			
CapEx non-taxonomy-eligible activities (B)			62,175,068	97.79	-	-	-	-	-	-									
Total (A + B)			63,579,000	100.00	-	-	-	-	-	-									



OPEX

Economic activity (1)	Code(s) (2)	Total turnover (3) [EUR]	Turnover share (4) as %	Criteria for a substantial contribution						DNSH criteria						Minimum safeguards (17) Share of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) OpEx, year 2022 (18) %	Category (enabling activities) (19) in %	Category (transitional activities) (20)	
				Climate change mitigation (5) as %	Climate change adaptation (6) as %	Water and marine resources (7) as %	Pollution (8) as %	Circular economy (9) in %	Biodiversity and ecosystems (10) as %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Pollution (14) Y/N	Circular economy (15) Y/N	Biodiversity and ecosystems (16) Y/N				
		in EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy aligned)																			
OpEx environmentally sustainable activities (taxonomy aligned) (A.1)		0	0.00	N	N	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	N		
Of which enabling activities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	
Of which transitional activities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		T
A.2 Taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Operation of personal mobility devices, cycle logistics	CCM 6.4	173,500	0.80	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.01		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	230,291	1.07	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.03		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.4	2,550	0.01	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.01		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	15,696	0.07	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1,754	0.01	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00		
Data processing, hosting and related activities	CCM 8.1	14,234	0.07	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00		
Professional services related to energy performance of buildings	CCM 9.3 ¹	31,050	0.14	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.09		
OpEx taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		469,075	2.17	-	-	-	-	-	-								2.14		
Total (A.1 + A.2)		469,075	2.17	-	-	-	-	-	-								2.14		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES (B)																			
OpEx non-taxonomy-eligible activities (B)		21,123,925	97.83	-	-	-	-	-	-										
Total (A + B)		21,593,000	100.00	-	-	-	-	-	-										

¹ Of this amount, 25,000 euros are based on estimates by CEWE. For materiality reasons, activities from Activity 7.3. are not presented.



Turnover

Economic activity (1)	Code(s) (2)	Total turnover (3) [EUR]	Turnover share (4) as %	Criteria for a substantial contribution						DNSH criteria						Minimum safeguards (17)	Share of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) turnover, year 2022 (18)	Category (enabling activities) (19) in %	Category (transitional activities) (20)	
				Climate change mitigation (5) as %	Climate change adaptation (6) as %	Water and marine resources (7) as %	Pollution (8) as %	Circular economy (9) in %	Biodiversity and ecosystems (10) as %	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)					
		in EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (taxonomy aligned)																				
Turnover environmentally sustainable activities (taxonomy aligned) (A.1)			0.00	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	N		
Of which enabling activities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	
Of which transitional activities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		T
A.2 Taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities)																				
Turnover taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		0	0.00	0.00	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Total (A.1 + A.2)		0	0.00	0.00	-	-	-	-	-	-								0.00		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES (B)																				
Turnover non-taxonomy-eligible activities (B)		780,198	100.00	-	-	-	-	-	-	-										
Total (A + B)		780,198	100.00	-	-	-	-	-	-	-										



Declaration on the diversity concept in relation to corporate governance and the Supervisory Board

Diversity is important to CEWE, which is why it signed the Diversity Charter in 2017. The mandatory information on diversity within corporate governance and the Supervisory

Board, especially the goals, the concept and outcomes of the diversity concept, are described in the [Sustainability Report 2023 on pages 53 ff.](#) A breakdown of diversity within corporate governance and the Supervisory Board in relation to women is described in greater detail in this annual report from [page 92](#) onwards.

Aspects under CSR-RUG	Material topics under the materiality matrix	Concept incl. objectives, measures, due diligence and outcome	Further information in the Sustainability Report 2023	Key non-financial performance indicators ¹
Environmental topics	Climate Protection ²	Climate action and controls regarding implementation CO ₂ credits project Energy Management System (ISO 50001) and Environmental Management System (ISO 14001)	18, 39 – 43	Scope 1 and Scope 2 CO _{2e} emissions Disclosures 305-1, 305-2 Scope 3 CO _{2e} emissions Disclosure 305-3 CO _{2e} emissions in kg/t materials (Scope 1, 2) Disclosure 305-4
	Materials and Waste	Environmental protection as an integral part of production processes Selection of materials FSC® certification	40f., 45 – 47	Total input materials used Disclosure 301-1 Reduction of energy consumption per material used Disclosure 302-5 Share of paper used and the respective products that are FSC®-certified
Employee topics	Good Employer	HR strategy Employee interviews Measures to promote employees	49 – 52, 57 – 62	Total number of employees by employment contract Disclosure 2-7 Share of satisfied employees
Social topics	Responsible Use of Technology ³	CEWE Customer Charter Digital Advisory Board R&D projects with artificial intelligence	26 – 28	Cases of data theft and data losses Disclosure 418-1 Number of business units using artificial intelligence
Respecting human rights	Sustainable Supply Chain	BME Code of Conduct Terms and conditions of purchase for suppliers Supplier due diligence (interviews, visits) UN Global Compact ⁴	24f., 32 – 34	Non-compliance with laws and regulations in the social and economic area Disclosure 2-27 New suppliers that were screened using social criteria Disclosure 414-1
Anti-corruption and bribery	Fair Working Practices	Principles of conduct and Mission Statement External ombudsman Compliance system UN Global Compact ⁴	23 – 26	Confirmed incidents of corruption and actions taken Disclosure 205-3 Communication and training about anti-corruption policies and procedures Disclosure 205-2
Product-related topics	Sustainable Products	Analysis of products using sustainability scorecard Ecological and social aspects of the procurement strategy and process for product development and launch Certifications e. g., FSC® Carbon-neutral photobook	30f., 33 – 37, 44f.	Share of products analysed using the sustainability scorecard (currently not yet accounted for) Incidents of non-compliance concerning the health and safety impacts of products and services Disclosure 416-2

¹ Where non-financial performance indicators have a GRI indicator equivalent, they have been added here. The most relevant indicators were allocated here which CEWE records for the respective topic. This voluntary reporting goes beyond the requirements of governance-relevant indicators.

² Incl. energy efficiency and energy consumption.

³ Incl. data protection (which includes data security).

⁴ In September 2010, CEWE joined the UN Global Compact, the world's largest initiative in the fight against corruption, slavery and child labour, which also advocates humane working conditions. In the annual Communication on Progress, CEWE reports on its progress in implementing the ten principles and corporate-wide activities to promote sustainable development.



Independent Auditor's Report on a Limited Assurance Engagement of the Combined Non-Financial Report¹

To CEWE Stiftung & Co. KGaA, Oldenburg

We have performed a limited assurance engagement on the combined non-financial report of CEWE Stiftung & Co. KGaA, Oldenburg, (hereinafter referred to as CEWE Stiftung & Co. KGaA or the Company), including the parts qualified by references as components for the period from January 1st to December 31st, 2023 (hereinafter referred to as the "combined non-financial report") to obtain limited assurance.

Responsibility of the Executive Directors

The executive directors of the parent company are responsible for the preparation of the combined non-financial report in accordance with §§ 315c in conjunction with 289c to 289e HGB ["Handelsgesetzbuch": German Commercial Code] and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18. June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section "Reporting according to EU Taxonomy" of the combined non-financial report.

This responsibility of the executive directors includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a combined non-financial report that is free from material misstatement, whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "Reporting according to EU Taxonomy" of the combined non-financial report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and Quality Management of the Assurance Practitioner's Firm

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements - in particular the By-laws Regulating the Rights and Duties of Wirtschaftsprüfer and vereidigte Buchprüfer in the exercise of their Profession as well as the IDW Quality Management Standards issued by the Institute of Public Auditors in Germany (IDW), and

¹ We have performed a limited assurance engagement on the German version of the combined non-financial report and issued an Independent Practitioner's Report in German language, which is authoritative. The following text is a translation of the original German Independent Practitioner's Report.



accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

Practitioner's Responsibility

Our responsibility is to express a conclusion with limited assurance on the combined non-financial report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the group's combined non-financial financial report of the Company for the period of January 1st to December 31st, 2023 with the exception of the external sources of documentation or expert opinions in the combined non-financial financial report has not been prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section "Reporting according to EU Taxonomy" of the combined non-financial report. This does not mean that a separate audit opinion is expressed on each of the disclosures.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the assurance practitioner.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities, particularly:

- Obtainment of an understanding of the structure of the sustainability organization and stakeholder engagement
- Inquiries of the employees responsible for the materiality analysis in order to gain an understanding of the procedure for identifying material topics and corresponding reporting boundaries of CEWE Stiftung & Co. KGaA
- A risk assessment, including a media analysis, of relevant information about CEWE Stiftung & Co. KGaA's sustainability performance during the reporting period
- Assessment of the suitability of internally developed definitions
- Analytical assessment of selected quantitative data
- Inquiries of personnel responsible for determining the disclosures relating to concepts, due diligence processes, results and risks, performing internal control procedures and consolidating the disclosures
- Inspection of selected internal and external documents
- Evaluation of the process to identify taxonomy-aligned activities and the corresponding disclosures in the combined non-financial report
- Assessment of the overall presentation of the disclosures



In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the imminent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance Opinion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the combined non-financial report of CEWE Stiftung & Co. KGaA for the period from January 1st to December 31st, 2023 is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors as disclosed in section “Reporting according to EU Taxonomy” of the combined non-financial report.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the parent company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the parent company alone. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

General Engagement Terms

This engagement is based on the “Special Engagement Terms and Conditions of BDO AG Wirtschaftsprüfungsgesellschaft” of March 1st, 2021, agreed with the Company as well as the “General Engagement Terms and Conditions for Auditors and Auditing Firms” of January 1st, 2017, issued by the IDW (www.bdo.de/de-de/auftragsbedingungen).

Munich, March 19th, 2024

BDO AG Wirtschaftsprüfungsgesellschaft

Thorben Kunze

Wirtschaftsprüfer

(German Public Auditor)

Carmen Auer



Financial statements of CEWE Stiftung & Co. KGaA

Profit and loss account of CEWE Stiftung & Co. KGaA for the financial year 2022 (in accordance with the German Commercial Code)

in thousands of euros

	2022	2023
Revenues	375,471	401,878
Increase in finished and unfinished goods	92	20
Other own work capitalised	94	166
Other operating income	7,910	7,232
Cost of materials		
Expenses for raw materials and supplies and for purchased merchandise	-74,399	-78,837
Expenses for purchased services	-20,155	-20,751
	-94,554	-99,588
Personnel expenses		
Wages and salaries	-86,306	-94,120
Social security contributions and expenses for pensions and support	-19,187	-19,217
	-105,493	-113,337
Amortisation of intangible assets, depreciation of property, plant and equipment	-20,681	-23,364
Other operating expenses	-114,408	-131,017
Income from equity investments	10,480	16,589
Income from loans of financial assets	1,321	3,399
Other interest and similar income	1,311	3,360
Amortisation of financial assets	0	-227
Interest and similar expenses	-3,482	-8,049
Earnings before income taxes	58,061	57,062
Income taxes	-19,355	-20,083
Earnings after taxes	38,706	36,979
Other taxes	-165	-258
Net income for the year	38,541	36,721
Remaining profit carried forward from previous year	210	127
Unappropriated profits	38,751	36,848



Balance sheet of CEWE Stiftung & Co. KGaA as of December 31, 2023 (in accordance with the German Commercial Code)

in thousands of euros

	Dec. 31, 2022	Dec. 31, 2023
ASSETS		
Fixed assets		
Intangible assets		
Concessions, industrial property rights acquired for a consideration and similar rights and assets and related licences	4,649	3,748
Advance payments	2,800	4,835
	7,449	8,583
Property, plant and equipment		
Land, leasehold rights and buildings, incl. buildings on third-party land	45,378	44,114
Technical equipment and machinery	38,949	43,068
Other equipment, furniture and fixtures	10,059	9,878
Advance payments and assets under construction	8,816	15,724
	103,202	112,784
Financial assets		
Interests in affiliates	134,251	134,251
Loans to affiliates	70,222	73,595
Equity investments	4,256	4,796
Other loans	247	253
	208,976	212,895
Current assets		
Inventories		
Raw materials and supplies	21,799	25,424
Unfinished goods, work in progress	365	377
Finished goods and merchandise	551	342
Loans extended	0	200
	22,715	26,343
Receivables and other assets		
Trade receivables	55,129	52,171
Receivables from affiliates	189,224	187,854
Other assets	16,406	9,977
	260,759	250,002
Cash on hand and cash in banks	47,668	101,876
Deferred expenses and accrued income	5,084	5,374
	655,853	717,857



in thousands of euros

	2022	2023
EQUITY AND LIABILITIES		
Equity		
Subscribed capital	19,349	19,349
Nominal value of treasury shares	-653	-874
Issued capital	18,696	18,475
Capital reserve	75,127	75,367
Retained earnings		
Statutory reserve	1,534	1,534
Other retained earnings	231,821	245,138
	233,355	246,672
Unappropriated profits	38,751	36,848
	365,929	377,362
Special item for investment subsidies	159	140
Accruals		
Accruals for pensions and similar obligations	30,153	33,256
Tax accruals	840	2,172
Other accruals	28,230	27,428
	59,223	62,856
Liabilities		
Amounts owed to credit institutions	579	556
Payments received on account of orders	34,086	38,920
Trade payables	176,804	218,773
Amounts owed to affiliates	54	37
Other liabilities	18,163	18,477
	229,686	276,763
Deferred income and accrued expenses	856	736
	655,853	717,857



Multi-year overview

Consolidated profit and loss account for the year

in millions of euros

	2016	2017	2018	2019	2020	2021	2022	2023
Revenues	593.1	599.4	653.3	720.4	727.3	692.8	732.7	780.2
Increase/decrease in finished and unfinished goods	-0.5	0.1	-0.1	0.2	-0.4	0.3	0.0	0.2
Other own work capitalised	0.8	0.9	1.1	1.0	1.3	1.3	2.9	4.2
Other operating income	20.8	23.2	25.1	22.2	23.0	27.1	29.2	25.5
Cost of materials	-168.6	-168.4	-178.7	-187.5	-171.1	-160.7	-180.5	-187.4
Gross profit	445.6	455.1	500.7	556.4	580.1	560.7	584.2	622.7
Personnel expenses	-153.4	-160.3	-178.1	-197.0	-196.1	-194.9	-202.5	-218.9
Other operating expenses	-201.9	-205.5	-228.6	-245.4	-249.0	-241.2	-252.8	-266.1
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	90.3	89.3	93.9	113.9	135.1	124.6	128.8	137.7
Amortisation of intangible assets, depreciation of property, plant and equipment	-43.3	-40.1	-40.2	-57.1	-55.4	-52.4	-53.2	-53.8
Earnings before interest and taxes (EBIT)	47.0	49.2	53.7	56.8	79.7	72.2	75.6	83.9
Financial income	0.9	0.5	0.7	0.1	0.0	2.0	0.7	6.0
Financial expenses	-1.7	-0.8	-1.1	-3.7	-3.4	-1.5	-1.5	-1.9
Financial result	-0.9	-0.4	-0.4	-3.6	-3.3	0.5	-0.8	4.0
Earnings before taxes (EBT)	46.2	48.9	53.3	53.3	76.4	72.7	74.8	87.9
Income taxes	-16.6	-16.0	-17.0	-21.6	-24.4	-23.8	-23.7	-28.3
Earnings after taxes	29.6	32.8	36.3	31.7	51.9	48.9	51.1	59.6
Post-tax profit/loss for discontinued operation	-	-	-	-	-	-	0.0	-2.3
Earnings after taxes	29.6	32.8	36.3	31.7	51.9	48.9	51.1	57.3

Cash flow for the year

in millions of euros

	2016	2017	2018	2019	2020	2021	2022	2023
Cash flow from operating activities	93.0	72.4	78.7	102.7	142.3	65.6	93.4	130.8
Cash flow from investing activities	-46.6	-70.2	-76.2	-67.2	-39.0	-44.1	-61.9	-47.9
Free cash flow	46.4	2.2	2.5	35.5	103.3	21.5	31.5	82.8
Cash flow from financing activities	-19.8	-11.7	-13.4	-30.7	-33.2	-40.1	-42.6	-38.9
Change in cash and cash equivalents	26.7	-9.5	-10.9	4.9	70.1	-18.6	-11.1	43.9



Consolidated profit and loss account for the fourth quarter

in millions of euros

	Q4 2016	Q4 2017	Q4 2018	Q4 2019	Q4 2020	Q4 2021	Q4 2022	Q4 2023
Revenues	228.5	234.5	261.6	293.2	314.0	297.8	316.7	327.0
Increase/decrease in finished and unfinished goods	0.0	0.3	0.0	0.5	0.3	0.3	0.3	0.4
Other own work capitalised	0.3	0.2	0.6	0.5	0.4	0.5	1.2	1.2
Other operating income	7.0	9.2	7.2	7.2	8.4	9.0	8.3	9.3
Cost of materials	-55.7	-57.1	-60.8	-63.8	-62.3	-58.6	-65.7	-62.3
Gross profit	180.2	187.2	208.5	237.5	260.7	248.9	260.8	275.6
Personnel expenses	-45.5	-47.7	-53.0	-61.2	-61.1	-58.1	-62.4	-68.3
Other operating expenses	-75.8	-79.5	-87.6	-100.4	-104.8	-105.6	-107.6	-110.4
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	58.8	60.0	67.9	75.9	94.8	85.3	90.7	96.9
Amortisation of intangible assets, depreciation of property, plant and equipment	-15.9	-13.9	-10.4	-17.1	-14.5	-13.1	-13.7	-15.3
Earnings before interest and taxes (EBIT)	42.9	46.1	57.5	58.8	80.3	72.1	77.0	81.6
Financial income	0.1	0.0	0.0	0.0	0.0	2.0	0.2	5.4
Financial expenses	-1.3	-0.6	-0.2	-2.8	-2.5	-0.3	-0.5	-0.6
Financial result	-1.3	-0.6	-0.1	-2.8	-2.4	1.7	-0.3	4.8
Earnings before taxes (EBT)	41.7	45.5	57.3	56.0	77.9	73.8	76.7	86.4
Income taxes	-16.9	-14.8	-18.1	-23.2	-25.8	-24.2	-24.3	-27.8
Earnings after taxes	24.8	30.7	39.2	32.9	52.1	49.6	52.4	58.6
Post-tax profit/loss for discontinued operation	-	-	-	-	-	-	0.0	-0.8
Earnings after taxes	24.8	30.7	39.2	32.9	52.1	49.6	52.4	57.8

Cash flow in the fourth quarter

in millions of euros

	Q4 2016	Q4 2017	Q4 2018	Q4 2019	Q4 2020	Q4 2021	Q4 2022	Q4 2023
Cash flow from operating activities	59.6	67.6	77.3	92.2	130.1	109.9	110.5	132.6
Cash flow from investing activities	-15.7	-13.3	-10.1	-11.0	-8.4	-10.1	-17.8	-14.3
Free cash flow	44.0	54.3	67.2	81.2	121.7	99.8	92.7	118.3
Cash flow from financing activities	-10.8	-29.2	-52.1	-61.5	-35.9	-32.8	-38.9	-23.0
Change in cash and cash equivalents	33.2	25.1	15.0	19.7	85.8	67.0	53.8	95.3



Multi-year overview

Group balance sheet

in millions of euros

ASSETS	2016	2017	2018	2019	2020	2021	2022	2023
Property, plant and equipment	124.5	148.1	160.2	222.5	216.7	212.4	224.7	233.9
Investment properties	4.9	17.9	17.6	17.2	17.4	17.1	19.0	18.8
Goodwill	25.8	25.8	59.7	77.8	77.8	77.8	81.8	81.8
Intangible assets	19.2	14.1	28.5	39.1	31.5	26.0	24.6	21.3
Financial assets	6.2	6.8	6.9	5.6	7.0	9.8	9.7	6.7
Non-current receivables from income tax refunds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-current financial assets	0.5	0.4	1.3	1.5	1.5	1.2	1.0	0.8
Non-current other receivables and assets	0.6	0.6	0.3	0.7	1.2	0.9	1.8	1.8
Deferred tax assets	6.8	7.8	12.3	14.2	18.9	16.7	13.6	14.9
Non-current assets	188.6	221.5	286.7	378.5	371.9	361.8	376.1	380.1
Inventories	49.4	50.3	49.0	48.8	50.9	56.5	59.3	60.5
Current trade receivables	84.2	84.5	92.9	91.4	85.3	78.9	98.1	91.1
Current receivables from income tax refunds	1.3	1.5	2.7	1.5	1.0	6.2	11.1	1.5
Current financial assets	3.0	2.4	3.4	5.4	3.2	2.9	3.1	3.2
Additional other current receivables and assets	5.5	5.6	9.5	8.6	10.3	8.8	11.9	12.3
Cash and cash equivalents	48.6	38.8	28.1	33.0	102.8	84.4	73.1	117.4
	191.9	183.1	185.5	188.6	253.5	237.7	256.6	285.9
Assets held for sale	0.5	1.4	0.0	0.0	0.0	0.0	0.0	0.0
Current assets	192.4	184.5	185.5	188.6	253.5	237.7	256.6	285.9
	381.0	406.1	472.2	567.1	625.5	599.5	632.7	666.0



in millions of euros

EQUITY AND LIABILITIES	2016	2017	2018	2019	2020	2021	2022	2023
Subscribed capital	19.2	19.2	19.2	19.3	19.3	19.3	19.3	19.3
Capital reserve	71.2	73.1	75.3	76.5	75.1	76.1	73.8	74.0
Treasury shares at acquisition cost	-8.5	-7.9	-7.2	-6.7	-8.5	-14.2	-26.2	-34.1
Retained earnings and unappropriated profits	121.5	140.6	166.8	180.5	215.1	254.6	295.9	330.0
Equity	203.4	225.0	254.2	269.6	301.0	335.8	362.8	389.2
Non-current special items for investment grants	25.5	27.2	29.2	35.5	40.1	38.3	29.1	34.0
Non-current accruals for pensions	2.9	1.5	2.9	3.5	2.8	2.2	2.1	1.6
Non-current deferred tax liabilities	0.0	0.0	0.0	0.5	0.5	0.4	0.6	0.6
Non-current other accruals	0.0	0.0	1.1	1.1	0.8	0.4	0.1	0.0
Non-current interest-bearing financial liabilities	-	-	-	52.5	48.8	43.4	40.5	37.1
Non-current financial liabilities	0.2	0.1	1.6	1.9	0.3	0.0	0.7	0.6
Non-current other liabilities	0.5	0.5	0.6	0.5	0.6	0.6	0.5	0.5
Non-current liabilities	29.1	29.4	35.4	95.4	93.8	85.3	73.7	74.3
Current special items for investment grants	12.6	5.9	8.2	7.5	23.9	4.0	5.1	7.7
Current tax liabilities	3.5	3.5	3.5	6.3	6.0	3.0	2.7	3.0
Current other accruals	0.2	1.6	2.7	0.8	0.4	0.3	0.2	0.1
Current interest-bearing financial liabilities	-	-	-	10.7	10.4	9.8	9.7	9.5
Current trade payables	96.1	95.9	112.7	113.9	122.1	107.5	120.6	121.6
Current financial liabilities	1.5	1.3	10.2	11.2	10.9	0.1	0.3	0.1
Current other liabilities	34.6	43.5	45.4	51.7	56.9	53.6	57.6	60.5
Current liabilities	148.4	151.7	182.6	202.1	230.7	178.4	196.2	202.4
	381.0	406.1	472.2	567.1	625.5	599.5	632.7	666.0



Multi-year overview

Key indicators

Volumes and employees

		2016	2017	2018	2019	2020	2021	2022	2023
Digital photos	in millions of units	2,176.2	2,128.1	2,185.0	2,363.7	2,311.4	2,151.3	2,249.5	2,362.0
Photos from film	in millions of units	56.0	47.0	41.1	37.5	27.4	30.9	28.6	24.9
Total volume of photos	in millions of units	2,232	2,175	2,226	2,401	2,339	2,182	2,278	2,387
CEWE PHOTOBOOKS	in millions of units	6.2	6.0	6.2	6.6	6.5	5.6	5.9	6.05
Employees (average)	converted to full-time equivalent	3,496	3,589	3,900	4,105	4,016	3,846	3,816	3,903
Employees (as of the reporting date)	converted to full-time equivalent	3,967	4,103	4,199	4,371	4,349	4,194	4,104	4,142

Income

		2016	2017	2018	2019	2020	2021	2022	2023
Umsatz	in millions of euros	593.1	599.4	653.3	720.4	727.3	692.8	732.7	780.2
EBITDA	in millions of euros	90.3	89.3	93.9	113.9	135.1	124.6	128.8	137.7
EBITDA margin	as % of turnover	15.2	14.9	14.4	15.8	18.6	18.0	17.6	17.7
EBIT	in millions of euros	47.0	49.2	53.7	56.8	79.7	72.2	75.6	83.9
EBIT margin	as % of turnover	7.9	8.2	8.2	7.9	11.0	10.4	10.3	10.8
Restructuring expenses	in millions of euros	0.2	0.0	0.0	5.0	3.6	0.0	0.0	0.0
EBIT prior to restructuring	in millions of euros	47.2	49.2	53.7	61.8	83.3	72.2	75.6	83.9
EBT	in millions of euros	46.2	48.9	53.3	53.3	76.4	72.7	74.8	87.9
Earnings after taxes	in millions of euros	29.6	32.8	36.3	31.7	51.9	48.9	51.1	59.6

**Capital**

		2016	2017	2018	2019	2020	2021	2022	2023
Total assets	in millions of euros	381.0	406.1	472.2	567.1	625.5	599.5	632.7	666.0
Capital employed (CE)	in millions of euros	232.8	256.0	292.3	376.6	405.6	431.2	446.4	473.1
Equity	in millions of euros	203.4	225.0	254.2	269.6	301.0	335.8	362.8	389.2
Equity ratio	as % of the balance sheet total	53.4	55.4	53.8	47.5	48.1	56.0	57.3	58.4
Net financial liabilities	in millions of euros	-48.5	-37.2	-24.2	32.1	-42.4	-30.4	-22.5	-70.7
ROCE (previous 12 months)	as % of average capital employed	21.4	20.3	17.9	14.8	20.6	17.5	17.6	18.8

Share

		2016	2017	2018	2019	2020	2021	2022	2023
Number of shares (nominal value: 2.60 euros)	in units	7,400,020	7,400,020	7,400,020	7,400,020	7,423,919	7,442,003	7,442,003	7,442,003
Earnings per share (diluted)	in euros	4.12	4.54	5.01	4.36	7.15	6.72	7.19	8.10
Year-end price	in euros	84.57	88.05	62.10	105.80	92.50	128.40	88.70	101.20
Dividend per share	in euros	1.80	1.85	1.95	2.00	2.30	2.35	2.45	2.60 ¹
Dividend yield on year-end price	as %	2.13	2.10	3.14	1.89	2.49	1.83	2.76	2.57 ¹

¹ Dividend proposal to be presented by the Board of Management and the Supervisory Board to the general meeting on June 5, 2024.



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 An outline map of all of CEWE's plants may be
found on page 5 of this annual report.

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Financial calendar

(dates currently scheduled)

April 17, 2024 Baader Bank Consumer Day, Frankfurt

May 5, 2024 Publication of the Interim Report Q1 – 2024

May 16, 2024 UBS Pan European Small and Mid-Cap Conference, London

June 5, 2024 2024 General Meeting

Aug. 15, 2024 Publication of the Interim Report Q2 – 2024

Aug. 22, 2024 Montega Konferenz HIT, Hamburg

Sep. 25, 2024 Berenberg & Goldman Sachs German Corporate Conference 2024

Sep. 26, 2024 Baader Investment Conference 2024

Nov. 14, 2024 Publication of the Interim Report Q3 – 2024

Nov. 20, 2024 CIC Market Solutions Forum, Paris

Nov. 25, 2024 German Equity Forum 2024

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

 company.cewe.de



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