

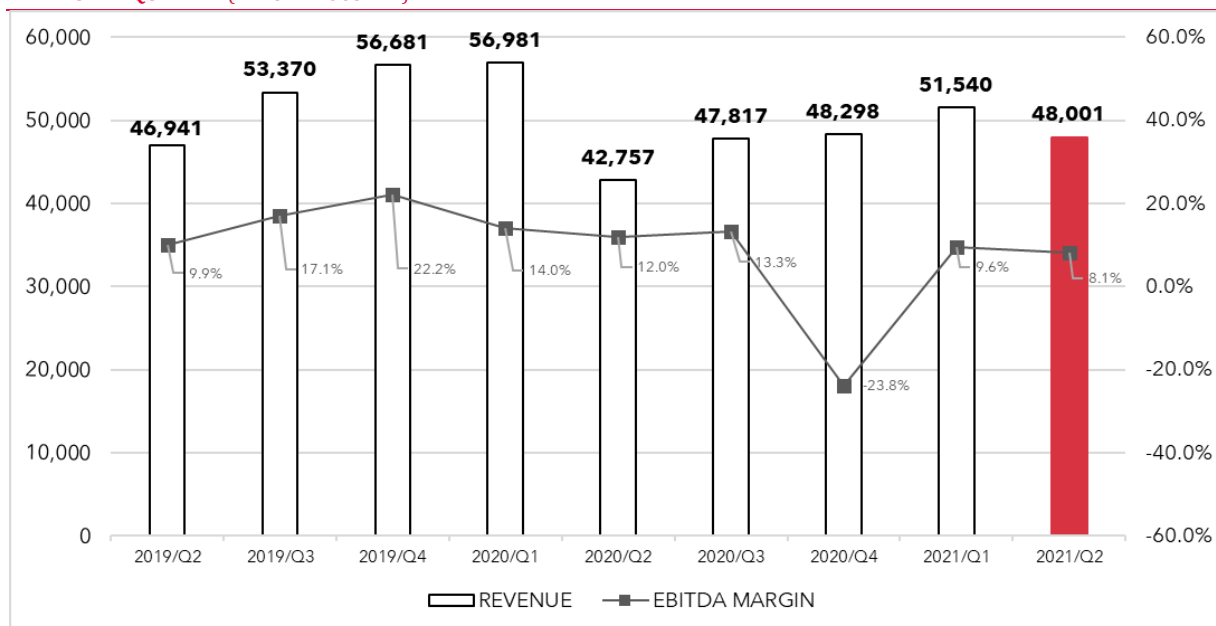


2021 Interim Financial Report



Key figures

REVENUE BY QUARTER (IN EUR THOUSAND)



GROUP KEY FIGURES (IN EUR THOUSAND)

	2020/Q2	2020/Q3	2020/Q4	2021/Q1	2021/Q2
Revenue	42,757	47,817	48,298	51,540	48,001
EBITDA	5,113	6,345	-11,506	4,933	3,906
as percentage of revenue	12.0	13.3	-23.8	9.6	8.1
Consolidated profit/loss	-83	1,156	-18,917	875	-244
as percentage of revenue	NA	2.4	NA	1.7	-0.5
Equity	33,315	34,119	13,670	15,038	14,625
as percentage of balance sheet total	17.9	18.5	7.9	8.8	8.8
Net debt	26,623	26,637	23,783	19,020	19,785
as percentage of balance sheet total	80	78	174	126	135
Share price end of period (EUR)	3.20	3.22	3.20	3.10	3.21
Earnings per share (basic in EUR)	-0.01	0.13	-1.18	0.05	-0.02
Earnings per share (diluted in EUR)	-0.01	0.13	-1.18	0.05	-0.02

Solid first half of 2021 with unexpectedly good business development

Total revenue in the first six months of 2021 of EUR 99.5 million, compared with EUR 99.7 million in the same period of the previous year

Revenue in the **Franking & Office Solutions** business decreases by 3.1% to EUR 60.4 million; **FP** benefits from recurring revenue in a challenging environment

Revenue in the **Mail Services** business increases by 4.3% to EUR 30.5 million; consolidation of business mail stronger than expected

Revenue in the **Software & BPA and IoT** business increases by 6.3% to EUR 8.7 million with a continued focus on solutions with a clear customer value proposition

Foreign currency development resulted in a negative revenue effect of EUR 2.3 million (in previous year's period positive effect of EUR 0.4 million)

EBITDA amounts to EUR 8.8 million after EUR 13.1 million in the same period of the previous year; EBITDA margin reaches 8.9%. Normalised EBITDA of EUR 7.4 million, above the previous year's figure of EUR 6.6 million.

Free cash flow solid at EUR 4.0 million in the first six months of 2021 compared with EUR 5.9 million in the same period of the previous year

Forecast 2021 increased: revenue of EUR 192 to 200 million and EBITDA of EUR 12 to 16 million (EBITDA margin of 6% to 8%) expected

Dear shareholders and business partners,

Business developed better than expected in the first half of 2021. As in previous year, the first six months were still partially influenced by the coronavirus pandemic, but revenue nevertheless amounted to EUR 99.5 million in the first half of 2021, nearly reaching the previous year's level (EUR 99.7 million). The Mail Services and Software & BPA and IoT businesses made a particularly positive contribution to this.

Profitability also developed positively. EBITDA amounted to EUR 8.8 million in the first half of 2021 after EUR 13.1 million in the same period of the previous year. The previous year's figure was positively influenced by higher own work capitalised (EUR 5.9 million in the previous year, EUR 3.0 million in the current year), positive currency effects (positive effect of EUR 0.2 million in the previous year, negative effect of EUR 1.6 million in the current year) and governmental coronavirus subsidies (EUR 0.4 million in the previous year). This resulted on a normalised basis in an improvement from EUR 6.6 million in the previous year period to EUR 7.4 million in the first half of 2021.

In parallel, we also saw a positive development in cash flow. Free cash flow amounted to EUR 4.0 million after the first six months in 2021, compared with EUR 5.9 million in the previous year. Bank liabilities were reduced by EUR 6.9 million through repayment, and cash amounted to EUR 18.7 million midway through the year. This is more than enough to finance operating business and for the necessary investments that will be required in the second half of 2021 in particular.

Given the business performance in the first half of 2021 and taking the expected development in the second half of 2021 into account, we no longer expect revenue in fiscal year 2021 to be below the previous year's level. We have therefore decided to increase the guidance for fiscal year 2021. The Management Board now anticipates revenue between EUR 192 and 200 million, EBITDA between EUR 12 and 16 million and an EBITDA margin of 6% to 8% (previously: revenue EUR 185 to 196 million and EBITDA EUR 6 to 12 million and an EBITDA margin of 3% to 6%).

The success of **FP** in fiscal year 2021 and further development will mainly depend on the successful implementation of the **FUTURE@FP** transformation programme. The long-term aim of the various measures is to transform Francotyp-Postalia into a sustainably profitable international technology group. We expect the franking machine business to remain a vital core for the Group for the foreseeable future, but we will continue to expand our digital solutions. This is necessary at least to compensate for the effects of the long-term shrinkage of the franking machine market and to enable **FP** to return to growth. We have already

made progress with the implementation of the programme in the first half of 2021.

In order to bring the cost structures into line with the expected business volume and create a streamlined headquarter, various personnel adjustments were made, among other things. We expect savings in this area of EUR 5 million in fiscal year 2021. In connection with this, a plan is also being developed to relocate support functions to neighbouring countries.

In order to sharpen the business areas' focus on customer and market requirements, the organization has been streamlined and restructured in the past few months. With the Franking & Office Solutions, Software & BPA and IoT and Mail Services businesses, **FP** has an organizational model in which responsibilities are clearly defined – not only for revenue and earnings, but also for the customer-focused development and sale of the respective solutions. This structure is now also reflected in our new segment reporting, which was adjusted accordingly and thus made much more transparent.

Preparations for the introduction of a uniform ERP/CRM system are also going according to plan. The project plan with responsibilities and deadlines has been approved and will be implemented in the next few months. This uniform infrastructure will not only be the foundation for future business processes, but will also enable the efficient management of the company according to defined key performance indicators (KPIs).

In order to give customers quick and simple access to various digital solutions, for example for registration and billing, **FP** is currently developing the basis for successful digital business models, which are allocated to the Software & BPA business. These include **FP** Parcel Shipping, a parcel shipping solution that allows customers to compare various providers' charges, select providers and create shipping labels; Vision 360 for the monitoring, management and control of postage expenses; and **FP** Sign, the digital signature solution, to which additional functions are continuously being added.

We have expanded the offering in input management and have recently acquired several orders. We are thus successively strengthening our solutions portfolio for the entire processing chain in the customer's back office and front office.

We have also developed a new value proposition for the IoT business with a focus on the solutions business and want to create clear value for customers with platform as a service (PaaS) and software as a service (SaaS) offerings for property management, for example.

The progress and success achieved in the implementation of the transformation programme provides us with confidence that we will achieve the set targets. We would be delighted if you, as business partners or shareholders, would continue to accompany **FP** constructively as we move forward.

Berlin, 31 August 2021

The Management Board of Francotyp-Postalia Holding AG

Carsten Lind
CEO

Martin Geisel
CFO

INTERIM GROUP MANAGEMENT REPORT

of Francotyp-Postalia Holding AG

for the period from 1 January to 30 June 2021

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Please note that there may be rounding differences compared to exact mathematical figures (monetary units, percentages, etc.).

1. Group principles

Francotyp-Postalia Holding AG, headquartered in Berlin (hereinafter also referred to as “FP Holding”, “the company” or “the parent company”), is entered in the commercial register of the Charlottenburg Local Court in Berlin (registration number: HRB 169096 B). Francotyp-Postalia Holding AG’s registered office is at Prenzlauer Promenade 28, 13089 Berlin, Germany.

Francotyp-Postalia Holding AG is the parent company of direct and indirect subsidiaries (hereinafter referred to as “the FP Group”, “FP” or “Francotyp-Postalia”).

Francotyp-Postalia Holding AG’s shares are admitted to trading in the Prime Standard (regulated market segment with additional post-admission obligations) of the Frankfurt Stock Exchange.

This interim management report should be read in context together with the condensed consolidated interim financial statements, including the notes to the condensed consolidated interim financial statements. The condensed consolidated interim financial statements are based on a number of assumptions and accounting policies, which are described in more detail in the notes to the consolidated financial statements for the year ended 31 December 2020. The new or revised IFRS standards and interpretations that must be applied as at 30 June 2021 have no material impact on the FP Group’s reporting.

The interim management report contains statements relating to the future about business, financial performance and income. These statements are based on assumptions and forecasts, which in turn are based on information available at present and current estimates. They are subject to a number of uncertainties and risks. Actual performance may thus differ significantly from expected performance. Beyond legal requirements, Francotyp-Postalia Holding AG is not obliged to update statements relating to the future.

The interim management report for fiscal year 2021 is prepared in euro (EUR), the functional currency of Francotyp-Postalia Holding AG. Unless stated otherwise, all figures are rounded to euro millions (EUR million) to one decimal place. This may result in rounding differences and the percentages shown may not be exactly comparable to the figures to which they relate. The interim management report has been prepared for the reporting period from 1 January to 30 June 2021 (H1 2021). Unless stated otherwise, the comparative figures of the statement of financial position refer to 31 December 2020 and the comparative figures of the statement of comprehensive income and the cash flow statement to the period from 1 January to 30 June 2020 (H1 2020). For the statement of comprehensive income, the quarterly

figures for the period from 1 April to 30 June 2021 (Q2 2021) and the corresponding comparative figures for the period from 1 April to 30 June 2020 (Q2 2020) are also stated.

The basic statements made in the combined management report for 2020 regarding operating activities, the Group structure, the Group’s strategy, the management system, and research and development continue to apply largely unchanged.

The changes in the consolidated group and the associated companies in the first half of 2021 are described in note 3 to the condensed consolidated interim financial statements.

2. Economic conditions

The global economic recovery continued in the first half of 2021. After gross domestic product (GDP) declined significantly in 2020 as a result of the coronavirus pandemic, the International Monetary Fund (IMF) forecasts growth of 6.0% in 2021 in its latest World Economic Outlook.

The euro/US dollar exchange rate plays an important role when it comes to the FP Group’s exports to the US and other markets. In the first half of 2021, the euro increased significantly against the US dollar (USD); the average exchange rate was around USD 1.205 and thus above the previous year’s level of USD 1.102 (+9.4%). This change had a material effect on the Group’s income statement. There was only a minor change in the average exchange rate for pound sterling (GBP) in the first half of 2021 compared with the same period of the previous year. The average rate was GBP 0.868, down slightly on the previous year’s figure of GBP 0.874 (-0.7%). The average euro exchange rate against the Canadian dollar also barely changed in the first half of the year (+0.05%). The euro weakened against the Swedish krona (-5.0%). A stronger euro exchange rate has a negative impact on the revenue and earnings development of the FP Group insofar as some of the revenue is generated in these currencies and converted into euro at Group level.

The FP Group processes post in foreign and domestic markets. According to statistics from the Universal Postal Union, over 285 billion letters are still being sent around the world each year, albeit with a downward trend (2019; global figures for 2020 are not yet available; a 4.1% decline is expected). Although the extent to which the SARS-CoV-2 pandemic will influence the decline in mail volumes in the medium term still cannot be quantified. It is expected that the decline could accelerate. This is partly because the crisis is likely to give a boost to digitalisation and partly because potential negative economic trends could

reduce mail volumes. Faster growth is anticipated for the parcel market, at least for the time being.

3. Course of business

The FP Group's business performance was better than expected in the first half of 2021. In the first six months of 2021, the company generated encouragingly strong revenue of EUR 99.5 million, compared with EUR 99.7 million in the same period of the previous year. Overall, FP therefore recorded only a slight 0.2% decrease in revenue in the first six months of fiscal year 2021. The negative impact of the pandemic situation in the form of declining revenue and earnings mainly affected the Franking & Office Solutions business in the first half of fiscal year 2021. To compensate the economic impact of the pandemic situation, the FP Group has quickly implemented a strict cost and liquidity management. In contrast, revenue in the Mail Services and Software & BPA and IoT businesses increased. The first cost savings from the restructuring measures improved our profitability.

EBITDA amounted to EUR 8.8 million compared with EUR 13.1 million in the same period of the previous year. Free cash flow amounted to EUR 4.0 million compared with EUR 5.9 million in the first half of 2020. Compared with the same period of the previous year, FP thus developed stably, demonstrating the robustness of the FP Group's business model. The

company also enjoys sufficient liquidity and – thanks to the existing syndicated loan agreement – financial flexibility and reserves. Due to the robust business development, FP has revised its forecast for the current fiscal year upward. Further information can be found in the forecast report.

In the first half of 2021, the company worked on the FUTURE@FP transformation programme, which the Management Board unveiled in April 2021. The long-term aim is to transform the FP Group into a sustainably profitable international technology group. The cornerstones of the FUTURE@FP transformation programme are a simultaneous adjustment of the cost base to revenue, the introduction of a new, uniform ERP/CRM system, focussed market cultivation by business units and a realignment of FP's digital offerings.

On 11 January 2021, Francotyp-Postalia announced changes in the Management Board. With effect as of 11 January 2021, the Supervisory Board appointed Martin Geisel as an additional member of the Management Board, who took on the role of Chief Financial Officer (CFO) at FP. On 11 January 2021, Sven Meise voluntarily stepped down from the Management Board in a mutual agreement with the Supervisory Board. The Management Board contract with Patricius de Gruyter ending by the end of May 2021 was not renewed.

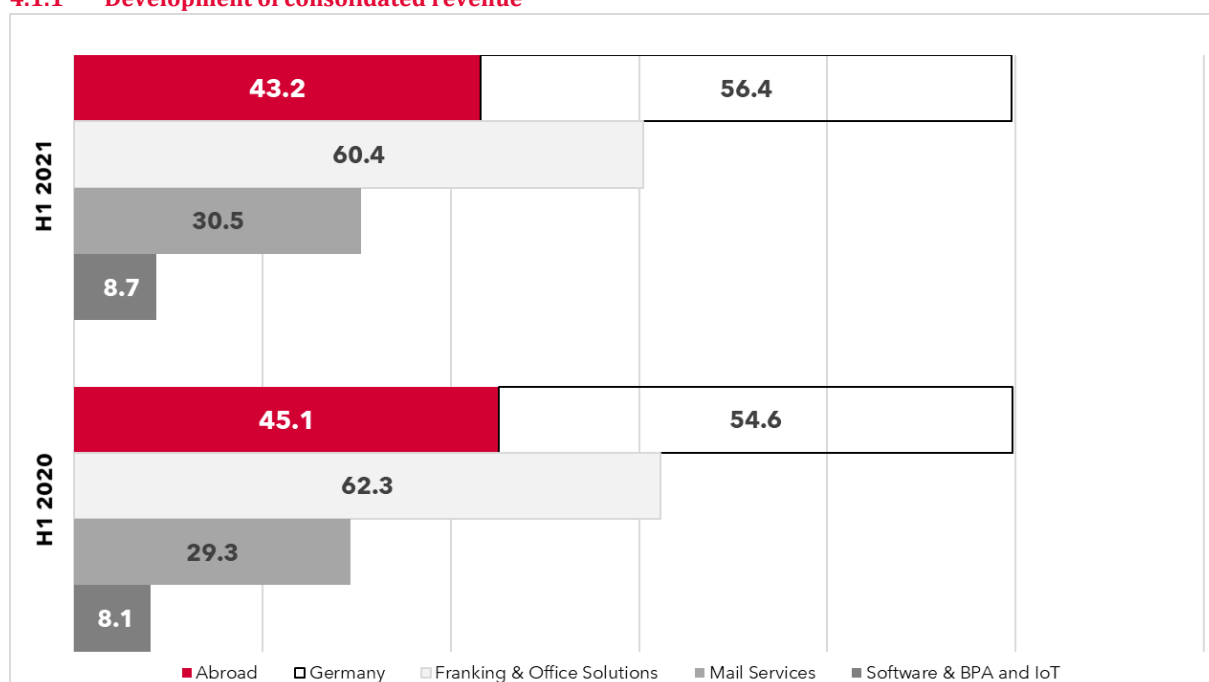
4. Position of the Group

4.1 Earnings position of the Group

The development in the material items in the consolidated statement of comprehensive income was as follows:

in EUR million	H1 2021	H1 2020	Q2 2021	Q2 2020
Revenue	99.5	99.7	48.0	42.8
Change in inventories	1.8	1.4	1.1	0.8
Own work capitalised	3.0	5.9	1.4	2.8
Overall performance	104.3	107.0	50.5	46.3
Other operating income	0.7	1.3	0.2	0.9
Cost of materials	49.8	48.0	24.0	20.0
Employee benefit expenses	29.5	31.2	14.1	15.2
Expenses from impairment losses and income from reversals of impairment losses on trade receivables	0.5	0.5	0.1	0.1
Other operating expenses	16.3	15.4	8.5	6.7
EBITDA	8.8	13.1	3.9	5.1
Amortisation, depreciation and impairment	9.0	11.2	4.5	5.8
Net interest income	0.5	0.6	0.2	0.3
Other financial result	0.5	0.1	-0.1	0.3
Share of profit/loss of companies accounted for using the equity method	0.1	0.0	0.1	0.0
Income taxes	-0.3	-0.9	0.2	0.0
Consolidated profit/loss	0.6	1.8	-0.2	-0.1

4.1.1 Development of consolidated revenue



The first half of 2021 was partially dominated by the coronavirus crisis. Despite this, FP performed

relatively well in a tough market environment and posted solid revenue overall, proof of the robustness of the business model.

This is particularly true for the strategically important markets of the US and in France, where FP performed well in the reporting period. In the first half of 2021, the revenue in the Franking & Office Solutions business decreased by 3.1% to EUR 60.4 million (previous year EUR 62.3 million). This is based on the PostBase product family. The revenue development reflects the impact of the coronavirus pandemic as well as the negative currency effects of EUR 2.3 million (previous year positive currency effects of EUR 0.4 million).

Business performance has still not returned completely to normal due to the coronavirus infection levels in key markets and the resulting restrictions. Nevertheless, given the existing product range, which is based around the smaller letter volumes sector, and the high share of recurring revenue, the Group still enjoys a solid business model and its business is comparatively well positioned for the future. Nevertheless, the downwards market trend in the global franking machine business is reflected in the FP Group's revenue figures in the first half of 2021, too.

In the German domestic market, the FP Group's revenue in the first half of 2021 increased by 3.3% year on year to EUR 56.4 million. In the Franking & Office Solutions product area, FP's revenue in Germany amounted to EUR 17.3 million in the first half of 2021 and was thus at the previous year's level (EUR 17.3 million). This includes a significantly higher revenue share for HEFTER Systemform GmbH of EUR 2.4 million, compared with EUR 1.7 million in the same period of the previous year.

The FP Group's largest foreign market in the first half of 2021 was still the US, where revenue declined by 4.7% from EUR 25.5 million to EUR 24.3 million. Adjusted for currency effects, revenue increased by 4.5% in the US in the reporting period. In the first six months of 2021, the FP Group increased its revenue in

the UK by 1.8% from EUR 5.7 million to EUR 5.8 million. Adjusted for currency effects, revenue increased by 1.7% in the UK in the reporting period. The exchange rate effects on revenue across all currencies were negative, totalling EUR 2.3 million in the reporting period. Adjusted for currency effects, the FP Group's foreign business generated revenue of EUR 45.4 million in the first half of 2021.

The Mail Services business dealing with the collection, franking and consolidation of business mail developed positively. Revenue increased by 4.3% to EUR 30.5 million in the first half of 2021 after EUR 29.3 million in the previous year. Nevertheless, the effects of the coronavirus pandemic were also still material in this product area.

Revenue in the Software & BPA and IoT product area increased significantly by 6.3% year on year to EUR 8.7 million in the reporting period. While the restrictions resulting from the corona pandemic are still noticeable in the input and output management business and some projects in the area of the Internet of Things (IoT) have been postponed, our digital products – including our digital signature solution FP Sign – recorded a positive sales development. This innovative digital solution can show a significant improvement in sales and order pipeline due to the changed working conditions as a result of the pandemic. The partnership concluded in April 2021 with DATEV eG, the third largest provider of business software in Germany and one of the major European IT service providers for tax consultants, auditors and lawyers, is also a positive step and is an important milestone in the context of the new FUTURE@FP programme. The focus is initially on a few target sectors that are processed with a customer-centred, focused marketing and sales approach – such as the tax consultancy sector. As part of the transformation, the software & BPA and IoT product area is undergoing a validation focussing on business models with a clear value proposition for customers and significant scaling potential for FP.

REVENUE BY PRODUCT AND SERVICE

in EUR million	H1 2021	H1 2020	Change in %	Q2 2021	Q2 2020
Product sales (Franking and Inserting)	14.2	14.5	-2.0	7.5	5.7
Service/customer service	10.0	11.4	-12.4	4.4	4.9
Consumables	11.8	12.1	-2.7	5.7	5.0
Teleporto	3.8	4.3	-10.9	2.0	2.2
Mail Services	30.5	29.3	4.4	14.0	12.1
Software/Digital	9.2	8.1	12.9	4.4	3.7
Revenue in accordance with IFRS 15	79.6	79.8	-0.2	38.0	33.6
Finance lease	5.2	5.5	-6.3	3.2	1.6
Operating lease	14.8	14.6	1.3	7.0	7.7
Revenue in accordance with IFRS 16	20.0	20.2	-0.8	10.1	9.3
Reduction in sales due to currency effects from hedge accounting	-0.1	-0.2	-64.1	-0.1	-0.1
Revenue total	99.5	99.7	-0.2	48.0	42.8
Non-recurring revenue	35%	35%		38%	35%
Recurring revenue	65%	65%		63%	65%

Product sales in the Franking and Inserting category fell slightly short of the previous year's level in the first half of 2021. There was a decline of 12.4% in the service business. The business with consumables proved relatively robust in the reporting period, despite considerable set-backs as a result of the pandemic. Revenue within the scope of IFRS 16 developed slightly below the previous year's level in the first six months of 2021. Significant declines in revenue from service and teleporto business were offset by the positive effect of the revenue increase in Software/Digital and Mail Services of 12.9% and 4.4%, respectively.

4.1.2 Own work capitalised

As expected, own work capitalised decreased substantially to EUR 3.0 million in the first half of 2021 (down 49.5% on the same period of the previous year). Thereof, EUR 2.6 million is mainly attributable to additions to leased products.

4.1.3 Other operating income

The decrease by EUR 0.6 million to EUR 0.7 million in other operating income in the first half of 2021 is largely due to the EUR 0.4 million decline in income from governmental coronavirus subsidies.

4.1.4 Cost of materials

In the first half of 2021, the FP Group's cost of materials increased by EUR 1.8 million to EUR 49.8 million compared with EUR 48.0 million in the same period of the previous year. This was due to increased activities in the Mail Services business and the product mix in the

reporting period. Expenses for raw materials, consumables and supplies increased to EUR 18.8 million in the reporting period compared with EUR 16.9 million in the same period of previous year. While revenue declined slightly, this increase is particularly due to the fact that inventories in the US were deliberately built up in response to limited overseas transport capacities as a result of the coronavirus pandemic. The cost of purchased services of EUR 31.0 million declined slightly compared with the same period of the previous year (EUR 31.1 million). The cost of materials ratio increased to 50.0% in the reporting period (previous year 48.2%).

4.1.5 Employee benefit expenses

Employee benefit expenses decreased by 5.4% year on year to EUR 29.5 million in the first half of 2021 (previous year EUR 31.2 million). The decline is mainly attributable to initial personnel measures as a result of the implementation of Group-wide restructuring measures. The employee benefit expenses ratio declined significantly from 31.3% to 29.7%.

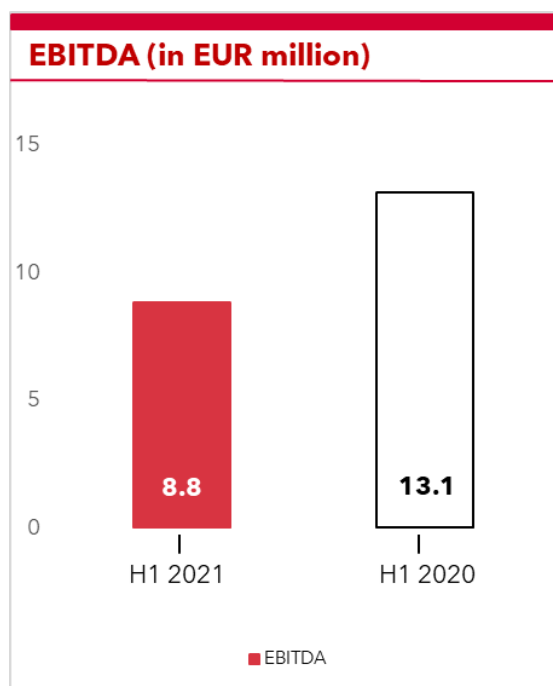
4.1.6 Expenses from impairment losses and income from reversals of impairment losses on trade receivables

Expenses from impairment losses less income from reversals of impairment losses on trade receivables of EUR 0.5 million remained at the previous year's level in the first half of 2021.

4.1.7 Other operating expenses

In the first half of 2021, other operating expenses increased by EUR 0.9 million in the first half of 2021 to EUR 16.3 million compared with EUR 15.4 million in the same period of the previous year. Staff-related costs increased by EUR 1.4 million and packaging and freight costs by EUR 0.5 million, while marketing costs decreased by EUR 0.4 million and travel expenses by EUR 0.4 million.

4.1.8 EBITDA



In the first half of 2021, the FP Group generated EBITDA of EUR 8.8 million (-32.6% year on year). The FP Group's EBITDA margin decreased to 8.9% after 13.1% in the same period of previous year.

The main negative influences on EBITDA were the lower capitalised development costs, the increase in the cost of materials in relation to revenue and the exchange rate losses incurred. In contrast, savings – especially in employee benefit expenses – had a positive impact as the management structures were significantly trimmed. Normalised EBITDA improved significantly from EUR 6.6 million to EUR 7.4 million. The normalised EBITDA corresponds to the EBITDA less own work capitalised (EUR 3.0 million compared with EUR 5.9 million in the previous year), currency effects (negative effect of EUR 1.6 million; previous year positive effect of EUR 0.2 million) and governmental coronavirus subsidies in Europe and Canada in the previous year in the amount of EUR 0.4 million.

4.1.9 Amortisation, depreciation and impairment

Amortisation, depreciation and impairment declined by 19.8% year on year in the first half of 2021, decreasing from EUR 11.2 million to EUR 9.0 million. This was mainly a result of the non-recurring accounting effects at the end of 2020, which reduced depreciation on property, plant and equipment by EUR 1.2 million. In addition, in the previous year's period an impairment loss was recognised on capitalised development costs for the FP Sign signature solution amounting to EUR 0.6 million.

4.1.10 Net interest income

Net interest income declined slightly by EUR 0.1 million in the first half of 2021 to EUR 0.5 million. This was primarily the result of a EUR 0.1 million increase in interest paid to banks.

4.1.11 Other financial result

The FP Group's other financial result in the first half of 2021 amounted to EUR 0.5 million (previous year EUR 0.1 million). This development is primarily due to currency effects affecting the measurement of items in the statement of financial position at the reporting date.

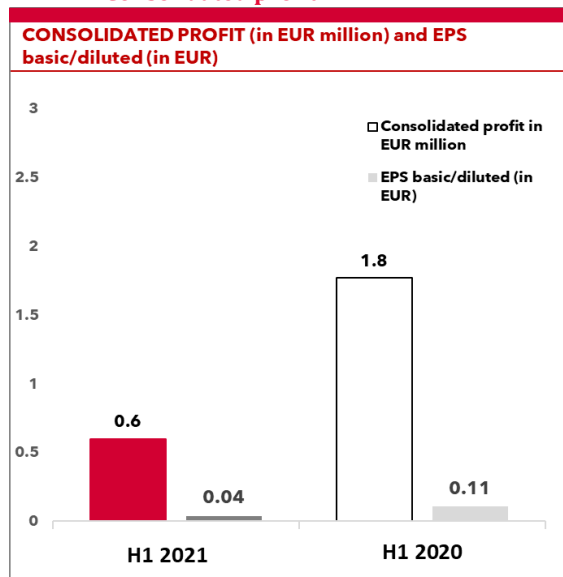
4.1.12 Share of profit/loss of companies accounted for using the equity method

In the first half of 2021, the FP Group realised a share of profit amounting to EUR 0.1 million (previous year EUR 0.0 million) from the shareholding in Juconn GmbH, which is included at equity in the consolidated financial statements. The profit resulted from the sale of the participation in Juconn GmbH in April 2021.

4.1.13 Income taxes

Income tax expenses totalled EUR 0.3 million in the first half of 2021 (previous year EUR 0.9 million). This corresponds to a tax rate of 35.0% (previous year 32.9%).

4.1.14 Consolidated profit



Consolidated profit decreased to EUR 0.6 million in the first half of 2021 after EUR 1.8 million in the first half of 2020, mainly as a result of the decreased EBITDA and the decline in depreciation, amortisation and impairments. The FP Group posted earnings per share (EPS) of EUR 0.04 (basic/diluted) in the first half of 2021 compared with EUR 0.11 (basic/diluted) in the previous year.

4.1.15 Summary of results per segment

The segments report according to local accounting standards. For further information and the change in segments in fiscal year 2021, we refer to the section II "Segment reporting" in the notes to the condensed consolidated interim financial statements. The following table shows the revenue and EBITDA of the segments.

SUMMARY OF RESULTS PER SEGMENT

in EUR million	Revenue			EBITDA		
	H1 2021	H1 2020	Change in %	H1 2021	H1 2020	Change in %
Franking & Office Solutions ¹⁾	61.1	61.7	-1.0	17.5	18.3	-4.5
Software & BPA and IoT ¹⁾	8.7	8.1	6.7	-3.1	-0.9	253.1
Mail Services ¹⁾	30.5	29.3	4.3	0.9	0.6	67.6
Central Functions ¹⁾	0.0	0.0	n/a	-4.1	-5.9	-30.5
Group reconciliation	-0.7	0.7	-197.1	-2.4	1.1	-322.9
Group	99.5	99.7	-0.2	8.8	13.1	-32.6

in EUR million	Revenue			EBITDA		
	Q2 2021	Q2 2020	Change in %	Q2 2021	Q2 2020	Change in %
Franking & Office Solutions ¹⁾	30.1	26.8	12.3	9.0	7.8	15.8
Software & BPA and IoT ¹⁾	4.0	3.6	11.3	-2.2	-0.5	313.4
Mail Services ¹⁾	13.9	12.1	15.2	0.4	0.1	331.0
Central Functions ¹⁾	0.0	0.0	n/a	-2.2	-2.9	-24.1
Group reconciliation	-0.1	0.2	-131.9	-1.1	0.6	-272.5
Group	48.0	42.8	12.3	3.9	5.1	-23.6

¹⁾ Revenue with third parties and EBITDA, according to local accounting standards.

4.2 Financial position of the Group

4.2.1 Principles and objectives of financial management

The main aim of financial management is to avoid financial risks and to ensure the financial flexibility of the FP Group. The Group achieves this objective by employing a variety of financial instruments. Various

factors are taken into account when selecting the instrument, such as flexibility, loan terms, the existing maturity profile and finance costs. The long-term liquidity forecast is based on operational planning. A significant part of liquidity in the FP Group comes from the segment's operating activities and its resulting cash

flow. The Group also uses loans from financial institutions and finance leases.

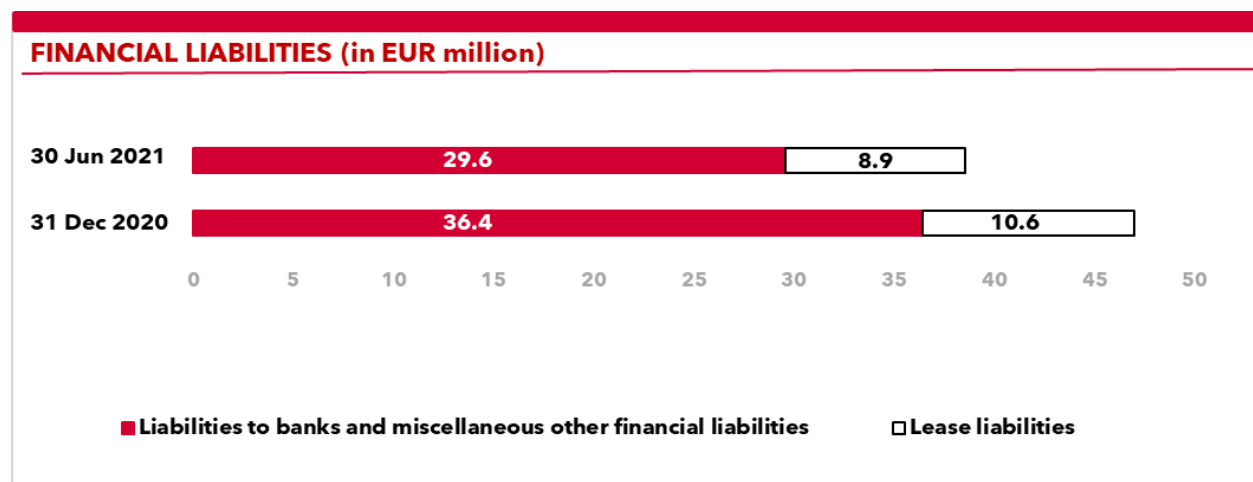
4.2.2 Dividend-bearing net profit and dividends

Also in the context of the implementation of the current transformation programme, the FP Group's dividend policy basically remains consistent. Given the coronavirus pandemic, FP is focusing on securing and expanding existing Group liquidity in order to secure the FP Group's strategic and operational goals in the

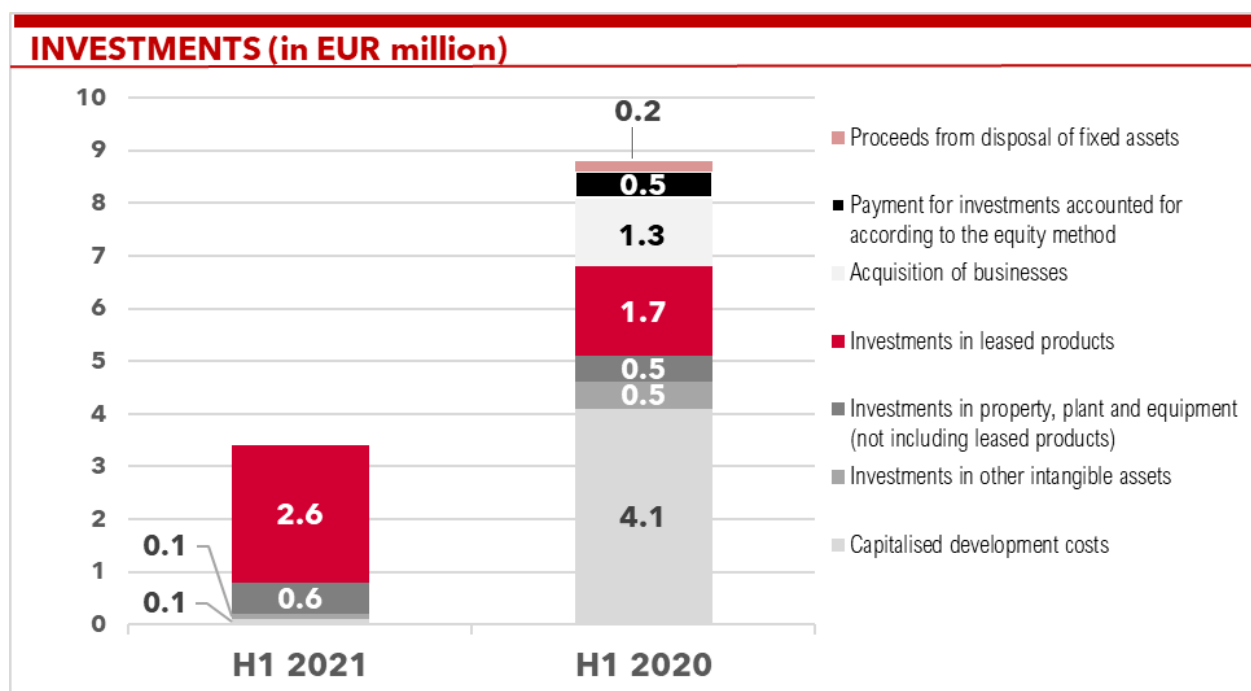
long term. Due to the negative effects in fiscal year 2020, the resulting consolidated loss, and the necessary investments in the restructuring of the Group, no dividend for 2020 has been paid in 2021.

4.2.3 Financing analysis

To finance itself, the FP Group uses primarily the cash flow from operating activities, along with existing loan agreements with financial institutions and financing leases.



4.2.4 Investment analysis



The FP Group continued to invest in future growth in the first half of 2021 – albeit at a more normal level. Investments amounted to EUR 3.3 million in the first half of 2021, down from the previous year's level of EUR 8.6 million. A significant increase is expected in the second half of 2021.

Investments in leased products, mainly in the US, the UK, Canada and the Netherlands, increased to EUR 2.6 million in the first half of 2021 (previous year EUR 1.7 million). Investments in capitalised development costs totalled EUR 0.1 million in the first half of 2021 (previous year EUR 4.1 million). In the previous year period, the FP Group also invested EUR 1.3 million in the acquisition of HEFTER Systemform GmbH and thus further strengthened the Franking & Office Solutions business and expanded its product portfolio.

4.2.5 Liquidity analysis

LIQUIDITY ANALYSIS (IN EUR MILLION)

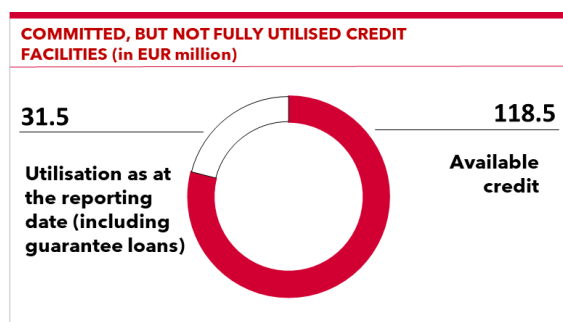
	H1 2021	H1 2020
Cash flow from operating activities	7.2	14.6
Cash flow from investing activities	-3.3	-8.6
Free cash flow	4.0	5.9
Cash flow from financing activities	-8.9	-4.2
Change in cash	-5.0	1.7
Change in cash due to currency translation	0.5	-0.5
Cash at the beginning of the period	23.2	18.5
Cash at the end of the period	18.7	19.8

In light of the pandemic situation, the FP Group has continuously and successfully focussed on cost control and liquidity management since the first quarter of 2020. With EUR 7.2 million, the operating cash flow after six months of 2021 was considerably below the previous year's figure of EUR 14.6 million. However, significant non-recurring payments were made in the first six months of 2021, which were not made in the same period of the previous year; this will be essentially offset in subsequent months.

Cash flow from investing activities amounted to negative EUR 3.3 million in the first half of 2021 and had therefore decreased significantly from the

previous year (negative EUR 8.6 million) as a result of the increased countermeasures initiated in light of the Corona pandemic and changed investment priorities. Please see the section on Investment Analysis (Section 4.2.4) for more information. Free cash flow declined as a result of the lower operating cash flow and despite the lower investment in the first half of 2021, but was still positive at EUR 4.0 million (previous year EUR 5.9 million).

The change in cash flow from financing activities in the first half of 2021 was chiefly attributable to repayments of liabilities to banks of EUR 6.9 million (previous year EUR 2.5 million) and repayments of lease liabilities of EUR 2.0 million (previous year EUR 1.9 million).



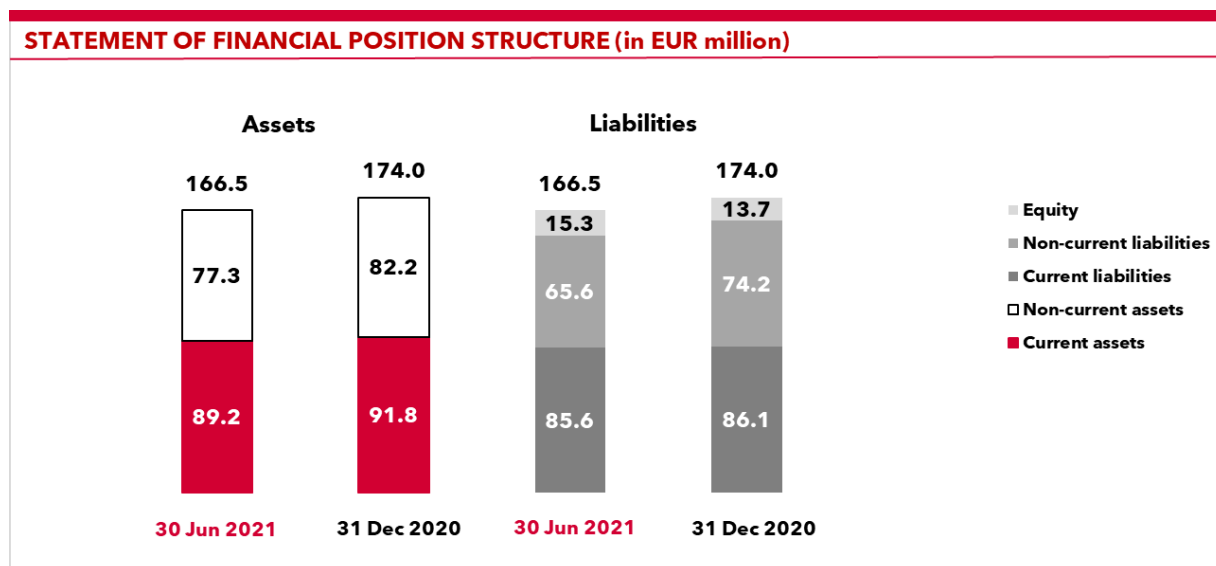
4.3 Asset position of the Group

In accordance with the syndicated loan agreement, the FP Group has undertaken to comply with two defined financial covenants:

$$\text{Leverage} = \frac{\text{Nettoverschuldung (Total Net Debt)}}{\text{Adjusted EBITDA (ggf. bereinigt um Sondereffekte)}} \leq 3,0 \times$$

$$\text{Interest Cover} = \frac{\text{Adjusted EBITDA (ggf. bereinigt um Sondereffekte)}}{\text{Zinsergebnis (bereinigt um IAS 23 Fremdkapitalkosten)}} \geq 5,0 \times$$

As per the agreement, non-recurring effects are (partly) adjusted for calculating the covenants according to a simplified calculation scheme. The credit conditions were complied with consistently throughout the first half of 2021 and 2020. In the first half of 2021 and 2020, the FP Group was able to meet its payment obligations at all times.



The FP Group's statement of financial position as at 30 June 2021 was impacted by the implementation of the FUTURE@FP transformation programme and by operating business performance in the first six months of 2021 under the influence of the coronavirus pandemic.

4.3.1 Non-current and current assets

NON-CURRENT AND CURRENT ASSETS

in EUR million	30 June 2021	31 Dec. 2020
Intangible assets	25.0	28.3
Property, plant and equipment	24.3	24.9
Right of use assets	8.9	10.3
Non-current financial assets	16.5	16.3
Non-current non-financial assets	1.0	1.0
Deferred tax assets	1.9	1.3
Non-current assets	77.7	82.2
Inventories	13.9	11.5
Trade receivables	18.4	17.7
Other current financial assets	11.5	13.7
Other current non-financial assets	13.3	12.9
Cash and cash equivalents	31.6	36.1
Current assets	88.7	91.8

In the first half of 2021, non-current assets decreased from EUR 82.2 million to EUR 77.7 million.

The EUR 3.3 million decrease in intangible assets mainly reflects the amortisation of internally generated (EUR 2.8 million) and purchased (EUR 0.7 million) intangible assets at the same time as very low new investments.

The EUR 0.6 million decrease in property, plant and equipment stemmed essentially from the depreciation of leased products (EUR 2.2 million) and technical equipment and machinery as well as other equipment, operating and office equipment (EUR 1.2 million), which was partially offset by additions to leased products (EUR 2.6 million).

Current assets decreased by EUR 3.1 million from EUR 91.8 million to EUR 88.7 million in the first half of 2021. This was driven mainly by the EUR 4.5 million downturn in cash and cash equivalents and the EUR 2.2 million decline in other current financial assets. The EUR 2.4 million increase in inventories to ensure delivery capacity and the EUR 0.7 million increase in trade receivables had an opposite effect.

4.3.2 Equity

As at 30 June 2021, the share capital of Francotyp-Postalia Holding AG amounted to EUR 16.3 million, divided into 16,301,456 no-par value bearer shares (previous year 16,301,456).

As at 30 June 2021, the company held 257,393 treasury shares (previous year 257,393). This equals 1.6% of the share capital. The calculated value of treasury

shares is openly deducted from equity. The difference of the purchase price is offset against capital reserves.

Group equity increased by EUR 1.0 million from EUR 13.7 million to EUR 14.6 million. This predominantly reflects the positive total comprehensive income of EUR 1.0 million.

4.3.3 Non-current and current liabilities

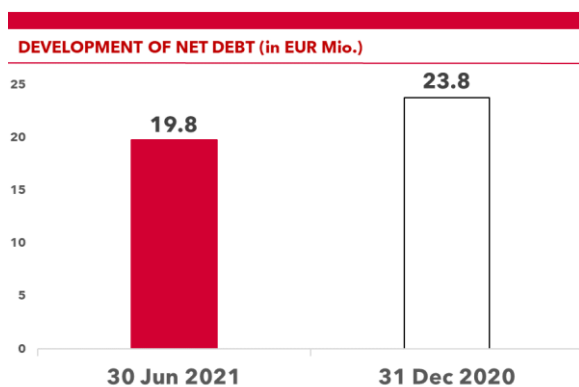
NON-CURRENT AND CURRENT LIABILITIES

in EUR million	30 June 2021	31 Dec. 2020
Provisions for pensions and similar obligations	20.3	20.5
Other provisions	5.5	5.4
Financing liabilities	35.2	43.3
Other financial liabilities	2.0	2.0
Other non-financial liabilities	0.7	0.5
Deferred tax liabilities	2.0	2.6
Non-current liabilities	65.6	74.2
Tax liabilities	5.0	3.8
Other provisions	12.8	15.8
Financing liabilities	3.3	3.7
Trade payables	12.9	14.1
Other financial liabilities	32.7	32.8
Other non-financial liabilities	19.3	16.0
Current liabilities	86.1	86.1

Non-current liabilities decreased by EUR 8.6 million from EUR 74.2 million to EUR 65.6 million, due to repayments of liabilities to banks of EUR 6.9 million and the decrease of finance lease liabilities of EUR 1.3 million.

Current liabilities of EUR 86.1 million remained at the previous year's level. This can be attributed on the one hand to the decrease in current personnel provisions of EUR 2.9 million and in trade payables of EUR 1.2 million. On the other hand, this was largely offset by the increase in current contract liabilities of EUR 1.6 million, tax liabilities of EUR 1.3 million, and liabilities to employees of EUR 1.2 million.

An additional indicator for the FP Group's capital structure is the net debt ratio, which represents net debt over equity and is constantly monitored.



Net debt is calculated from financing liabilities less cash and cash equivalents. Financing liabilities include liabilities to banks and lease liabilities. Cash comprises cash and cash equivalents less restricted funds (postage credit managed by the FP Group). This applies to the calculation of the net debt ratio as a management parameter for the FP Group's capital structure as well as the presentation in the cash flow statement.

in EUR million	30 June 2021	31 Dec. 2020
Financing liabilities	38.5	47.0
Cash (Cash and cash equivalents less restricted funds)	18.7	23.2
Net debt	19.8	23.8
Equity	14.6	13.7
Net debt ratio	135%	174%

As a result of cost control and liquidity management measures, the FP Group's net debt decreased considerably (-16.8%) in the first half of 2021.

4.3.4 FP as lessor

As a lessor, the FP Group offers both operating and finance leases. These business models are reflected in

the Group's statement of financial position and income statement. As at 30 June 2021, the "leased products" item under non-current assets contained assets with a carrying amount of EUR 15.9 million (previous year EUR 15.5 million), which are mostly leased to customers under operating leases. Finance leases with customers are reported in finance lease receivables; the non-current and current amounts totalled EUR 23.1 million as at the end of the reporting period (previous year EUR 22.3 million).

4.4 Overall statement on the economic situation of the Group

The first half of 2021 was worse than the same period of the previous year, but positive for FP overall. Revenue amounted to EUR 99.5 million, close to the previous year's level. EBITDA reached EUR 8.8 million in the first six months. In addition to the good revenue development, initial positive effects of the cost savings became visible. Despite the impact of the coronavirus pandemic and the still challenging market environment in the franking business, FP demonstrated a robust business performance in the first six months of 2021 while also working on the FUTURE@FP transformation programme, which the Management Board unveiled in April 2021. The long-term aim is to transform the FP Group into a sustainably profitable international technology group.

The transformation programme is already showing positive effects, as FP has significantly improved its cost structures. FP is also performing better than expected in terms of revenue, so the forecast for revenue and EBITDA was increased.

The Management Board judges the business performance in the first half of 2021 to have been generally satisfactory.

5. Risk and opportunity report

Risks and opportunities are influencing factors or events that may result in the management's targets for short-term or medium-term Group performance being exceeded or missed. The aim of opportunity management is to identify these opportunities at an early stage and pursue them. In turn, risk management is intended to ensure that risks are not only identified in time, but that countermeasures are taken promptly to control and, where necessary, minimise the impact on the company and the Group.

The FP Group's risks, including with regard to the impact of COVID-19, and opportunities are discussed in detail in the consolidated financial statements for the year ended 31 December 2020. The 2020 annual report is available online at <https://www.fp-francotyp.com>. There were no material changes in the reporting period compared with the opportunities and risks described in the consolidated financial statements for fiscal year 2020. However, the further development of the pandemic situation is subject to increased uncertainty with regard to its duration and its impact. This uncertainty could have a negative influence on the FP Group's asset, financial and earnings position in fiscal year 2021 and beyond.

6. Forecast report

The forecast for macroeconomic conditions, which takes account of the SARS-CoV-2 pandemic, is based on information provided by the International Monetary Fund (IMF) and the German Council of Economic Experts (GCEE).

The company points out that statements relating to the future are based on assumptions and estimates. Actual future developments and results may vary substantially from these assumptions and estimates.

6.1 Expected development of performance indicators

	2021 forecast
Revenue	EUR 192 – 200 million
EBITDA	EUR 12 – 16 million
EBITDA MARGIN	6% – 8%
Quality indicator – Germany and International	Slight improvement compared with 2020
Improvement indicator	Slight improvement compared with 2020

Business performance in 2021 will benefit from increasingly positive general economic conditions. At the same time, however, there are still uncertainties

regarding the further development of the coronavirus pandemic and how this may influence business in the current fiscal year 2021.

Due to the unexpectedly good business development in the first half of 2021, the business now expected for the second half of 2021 and the measures already implemented as part of FUTURE@FP, the Management Board has decided to revise its forecast for the current fiscal year.

For fiscal year 2021, the Management Board now expects revenue in a range between EUR 192 million and EUR 200 million. Previously, revenue of between EUR 185 million and EUR 196 million was forecasted. Earnings before interest, taxes, depreciation and amortization (EBITDA) are expected to range between EUR 12 million and EUR 16 million (EBITDA margin of 6% to 8%). The previous forecast was between EUR 6 million and EUR 12 million.

In fiscal year 2020, the FP Group's revenue amounted to EUR 195.9 million, and EBITDA came to EUR 9.8 million, equating to an EBITDA margin of 9.9%.

The non-financial performance indicators are likely to improve slightly in 2021. A slight positive development compared to the previous year's figure is expected for both the quality indicator and the improvement indicator. This is mainly related to stable and declining warranty costs and service incidents.

Berlin, 31 August 2021

The Management Board of Francotyp-Postalia Holding AG

Carsten Lind

CEO

Martin Geisel

CFO

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

of Francotyp-Postalia Holding AG

for the Period from 1 January to 30 June 2021

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Please note that there may be rounding differences compared to exact mathematical figures (monetary units, percentages, etc.).

Consolidated Statement of Comprehensive Income for the Period from 1 January to 30 June 2021

in EUR thousand	H1 2021	H1 2020	Q2 2021	Q2 2020
Revenue	99,540	99,738	48,001	42,757
Changes in inventory	1,778	1,398	1,105	753
Own work capitalised	2,959	5,857	1,437	2,754
Other operating income	679	1,292	182	880
Cost of materials	49,796	48,044	24,018	20,004
a) Expenses for raw materials, consumables and supplies	18,795	16,916	9,745	6,786
b) Cost of purchased services	31,001	31,128	14,273	13,217
Employee benefit expenses	29,520	31,217	14,136	15,206
a) Wages and salaries	24,807	26,343	11,838	12,855
b) Social security contributions	4,304	4,452	2,090	2,158
c) Expenses for pensions and other benefits	409	422	209	192
Expenses from impairment losses less income from reversals of impairment losses on trade receivables	462	514	142	90
Other operating expenses	16,341	15,397	8,521	6,731
Amortisation, depreciation and impairment	8,966	11,185	4,487	5,795
Net interest income	521	620	200	276
a) Interest and similar income	1,233	1,256	660	596
b) Interest and similar expenses	712	636	460	320
Other financial result	515	118	-95	312
Share of profit/loss of companies accounted for using the equity method	64	-29	64	-29
Income taxes	-340	-867	168	41
Consolidated profit/loss	632	1,769	-244	-83

in EUR thousand	H1 2021	H1 2020	Q2 2021	Q2 2020
Other comprehensive income				
Adjustment of provisions for pensions and similar liabilities	-145	-164	-69	-90
thereof taxes	44	46	19	25
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-145	-164	-69	-90
Foreign currency translation of financial statements of foreign entities	653	-654	-247	-858
Net investments in foreign operations	30	-32	2	79
thereof taxes	-13	14	-1	-34
Cash flow hedges – effective part of changes to fair value	-252	365	35	143
thereof taxes	108	-158	-15	-68
Cash flow hedges – hedging costs	-22	28	39	42
thereof taxes	10	-12	-17	-12
Cash flow hedges – reclassified to profit or loss	61	-168	71	-65
thereof taxes	-26	72	-30	28
Other comprehensive income to be reclassified to profit or loss in subsequent periods	469	-461	-100	-659
Other comprehensive income after taxes	324	-625	-169	-749
Total comprehensive income	956	1,144	-413	-832
Consolidated profit/loss	632	1,769	-244	-83
thereof attributable to the shareholders of FP Holding	632	1,769	-244	-83
Total comprehensive income/loss	956	1,144	-413	-832
thereof attributable to the shareholders of FP Holding	956	1,144	-413	-832
Earnings per share (basic in EUR)	0.04	0.11	-0.02	-0.01
Earnings per share (diluted in EUR)	0.04	0.11	-0.02	-0.01

Consolidated Interim Statement of Financial Position as at 30 June 2021

ASSETS

in EUR thousand	30 June 2021	31 Dec. 2020
NON-CURRENT ASSETS	77,677	82,154
Intangible assets	25,026	28,321
Internally generated intangible assets	15,944	18,040
Purchased intangible assets and customer lists	2,873	3,409
Goodwill	3,867	3,829
Development projects in progress and advance payments	2,342	3,043
Property, plant and equipment	24,324	24,898
Land, land rights and buildings	2,441	2,556
Technical equipment and machinery	2,845	3,252
Other equipment, operating and office equipment	3,026	3,471
Leased products	15,851	15,455
Advance payments and assets under construction	161	163
Right of use assets	8,856	10,345
Non-current financial assets	16,517	16,317
Finance lease receivables	16,173	15,674
Other non-current financial assets	344	643
Non-current non-financial assets	1,019	984
Income taxes receivable	831	831
Other non-current non-financial assets	188	153
Deferred tax assets	1,935	1,289
CURRENT ASSETS	89,719	91,845
Inventories	13,923	11,509
Raw materials, consumables and supplies	4,564	4,417
Work in progress	408	232
Finished goods and merchandise	8,951	6,861
Trade receivables	18,398	17,689
Other current financial assets	11,493	13,661
Finance lease receivables	6,898	6,679
Derivative financial instruments	14	566
Other financial assets	4,581	6,417
Other current non-financial assets	13,280	12,877
Income taxes receivable	5,212	4,986
Other non-financial assets	8,068	7,891
Cash and cash equivalents¹⁾	31,625	36,109
Assets	166,396	174,000

¹⁾ Cash and cash equivalents includes postage credit managed by the FP Group of EUR 12,884 thousand (previous year EUR 12,929 thousand).

EQUITY AND LIABILITIES

in EUR thousand	30 June 2021	31 Dec. 2020
EQUITY	14,625	13,670
Share capital	16,301	16,301
Capital reserves	34,296	34,296
Stock option reserve	1,544	1,544
Treasury shares	-1,066	-1,066
Loss carried forward	-29,098	-13,951
Consolidated profit/loss after non-controlling interests	632	-15,147
Other comprehensive income	-7,984	-8,308
NON-CURRENT LIABILITIES	65,648	74,240
Provisions for pensions and similar obligations	20,308	20,537
Other provisions	5,499	5,358
Financing liabilities	35,222	43,288
Other financial liabilities	1,979	1,992
Other non-financial liabilities	687	471
Deferred tax liabilities	1,953	2,595
CURRENT LIABILITIES	86,123	86,090
Tax liabilities	5,043	3,767
Other provisions	12,791	15,793
Financing liabilities	3,303	3,675
Trade payables	12,906	14,139
Other financial liabilities	32,741	32,750
thereof telepostage	27,270	26,525
Other non-financial liabilities	19,339	15,966
Equity and liabilities	166,396	174,000

Consolidated Cash Flow Statement for the Period from 1 January to 30 June 2021

in EUR thousand	H1 2021	H1 2020
1. Cash flow from operating activities		
Consolidated profit	632	1,769
Net income tax recognised in profit or loss	340	867
Net interest income recognised in profit or loss	-521	-620
Amortisation, depreciation and impairment on non-current assets	8,966	11,185
Decrease (-)/increase (+) in provisions and tax liabilities	-2,960	-2,167
Loss (+)/gain (-) on the disposal of non-current assets	113	-228
Decrease (+)/increase (-) in inventories, trade receivables and other assets	-1,426	-608
Decrease (+)/increase (-) in finance lease receivables	-720	348
Decrease (-)/increase (+) in trade payables and other liabilities	2,717	3,678
Other non-cash expenses (+)/income (-)	201	448
Interest received	1,233	1,256
Interest paid	-669	-561
Income taxes received	271	0
Income taxes paid	-942	-789
Cash flow from operating activities	7,236	14,577
2. Cash flow from investing activities		
Payments for the capitalisation of development costs	-68	-3,946
Payments for capitalised interest on development costs	-9	-182
Proceeds/payments from disposals of items of fixed assets	36	-161
Payments for investments in intangible assets	-72	-470
Payments for investments in property, plant and equipment	-3,222	-2,144
Proceeds and payments for investments accounted for according to the equity method	64	-480
Payments for investments in the acquisition of operations	0	-1,263
Cash flow from investing activities	-3,271	-8,646
3. Cash flow from financing activities		
Bank loan repayments	-6,918	-2,474
Repayment of lease liabilities	-2,023	-1,890
Proceeds from the sale of treasury shares	0	162
Proceeds from the assumption of bank loans	0	2
Cash flow from financing activities	-8,940	-4,200
Cash¹⁾		
Change in cash	-4,975	1,731
Change in cash due to currency translation	536	-475
Cash at the beginning of the period	23,180	18,518
Cash at the end of the period	18,740	19,773

¹⁾ Postage credit balances managed by the FP Group of EUR 12,884 thousand (previous year EUR 11,701 thousand) are deducted from cash and other liabilities.

Consolidated Statement of Changes in Equity for the Period from 1 January to 30 June 2021

in EUR thousand	Share capital	Capital reserves	Stock option reserve	Treasury shares	Consolidated profit/loss
Equity on 1 Jan. 2020	16,301	34,743	1,520	-1,863	-13,951
Consolidated profit 1 Jan. - 30 Jun. 2020	0	0	0	0	1,769
Foreign currency translation of financial statements of foreign entities	0	0	0	0	0
Adjustment of provisions for pensions and similar liabilities	0	0	0	0	0
Cash flow hedges	0	0	0	0	0
Other comprehensive income 1 Jan. - 30 Jun. 2020	0	0	0	0	0
Total comprehensive income 1 Jan. - 30 Jun. 2020	0	0	0	0	1,769
Stock option settlement	0	-208	18	370	0
Equity on 30 Jun. 2020	16,301	34,535	1,538	-1,493	-12,181
Equity on 1 Jan. 2021	16,301	34,296	1,544	-1,066	-29,098
Consolidated profit 1 Jan. - 30 Jun. 2021	0	0	0	0	632
Foreign currency translation of financial statements of foreign entities	0	0	0	0	0
Adjustment of provisions for pensions and similar liabilities	0	0	0	0	0
Cash flow hedges	0	0	0	0	0
Other comprehensive income 1 Jan. - 30 Jun. 2021	0	0	0	0	0
Total comprehensive income 1 Jan. - 30 Jun. 2021	0	0	0	0	632
Equity on 30 Jun. 2021	16,301	34,296	1,544	-1,066	-28,466

Other comprehensive income								
	Foreign currency translation	Net investments in foreign operations	Adjustment due to IAS 19	Difference amount from acquisition of shares of other shareholders	Reserve from cash flow hedges	Reserve from hedging transactions	Equity attributable to the shareholders of FP Holding	Total equity
	1,344	18	-5,122	-439	-492	-69	31,991	31,991
	0	0	0	0	0	0	1,769	1,769
	-654	-32	0	0	0	0	-686	-686
	0	0	-164	0	0	0	-164	-164
	0	0	0	0	197	28	225	225
	-654	-32	-164	0	197	28	-625	-625
	-654	-32	-164	0	197	28	1,144	1,144
	0	0	0	0	0	0	180	180
	689	-14	-5,286	-439	-294	-41	33,315	33,315
	-2,053	-21	-5,836	-439	16	24	13,670	13,670
	0	0	0	0	0	0	632	632
	653	30	0	0	0	0	682	682
	0	0	-145	0	0	0	-145	-145
	0	0	0	0	-191	-22	-213	-213
	653	30	-145	0	-191	-22	324	324
	653	30	-145	0	-191	-22	956	956
	-1,401	10	-5,981	-438	-175	2	14,625	14,625

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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I. General information

(1) Information on the company

Francotyp-Postalia Holding AG, headquartered in Berlin (hereinafter also referred to as “FP Holding”, “the company” or “the parent company”) is entered in the commercial register of the Charlottenburg Local Court in Berlin under HRB 169096 B. Francotyp-Postalia Holding AG’s registered office is at Prenzlauer Promenade 28, 13089 Berlin, Germany.

Francotyp-Postalia Holding AG is the parent company of direct and indirect subsidiaries (hereinafter referred to as “the FP Group”, “FP” or “Francotyp-Postalia”).

Francotyp-Postalia Holding AG’s shares are admitted to trading in the Prime Standard (regulated market segment with additional post-admission obligations) of the Frankfurt Stock Exchange.

The international FP Group has a corporate history dating back nearly 100 years. Its business activities focus on products and services for efficient mail processing, the consolidation of business mail, and digital solutions for businesses and authorities. In the digital segment, the FP Group provides with high-security solutions for the Internet of Things (IoT) and digital document signatures.

(2) Accounting principles

Principles of preparation

Francotyp-Postalia Holding AG acts as the parent company under which the FP Group is consolidated.

The consolidated interim financial statements have been prepared for the period from 1 January to 30 June 2021 (H1 2021). Unless stated otherwise, the comparative figures of the statement of financial position refer to 31 December 2020 and the comparative figures of the statement of comprehensive income, the cash flow statement and the statement of changes in equity to the period from 1 January to 30 June 2020 (H1 2020). For the statement of comprehensive income, the quarterly figures for the period from 1 April to 30 June 2021 (Q2 2021) and the corresponding comparative figures for the period from 1 April to 30 June 2020 (Q2 2020) are also stated.

The consolidated financial statements have been prepared in euro. For the purposes of clarity and comparability, all amounts are shown in thousands of euro (EUR thousand) unless otherwise stated. The commercial rounding of individual items and percentages can result in minor arithmetic differences.

The FP Group’s business activities are essentially unaffected by seasonal factors. Information on the relevant economic factors affecting the FP Group’s

business activities in the interim reporting period can be found in the interim Group management report.

Statement of Compliance

The unaudited condensed consolidated interim financial statements for the period from 1 January to 30 June 2021 meet the requirements of IAS 34 (Interim Financial Reporting) of the International Financial Reporting Standards (IFRS) applicable to interim reports and endorsed by the European Union (EU) at the end of the reporting period. These condensed consolidated interim financial statements should be read in the context of the interim Group management report.

The condensed consolidated interim financial statements do not include all the information and disclosures that are required in the annual consolidated financial statements, and should therefore be read in conjunction with the consolidated financial statements as at 31 December 2020 (consolidated financial statements 2020). These consolidated financial statements were prepared in accordance with the IFRS issued by the International Accounting Standards Board (IASB) and endorsed by the EU as well as the interpretations of the IFRS Interpretations Committee (IFRS IC) approved by the IASB.

Accounting policies and application of new financial reporting standards

The accounting policies applied in the consolidated financial statements as at 31 December 2020 are fundamentally unchanged.

The new or revised IFRS standards and interpretations that must be applied as at 30 June 2021 have no material impact on the FP Group’s reporting.

(3) Consolidated group

The consolidated financial statements comprise the financial statements of FP Holding and its directly and indirectly controlled subsidiaries.

The consolidated group and the associated companies changed as follows in the first half of 2021:

The new Group company FP NeoMonitor GmbH, Berlin, was founded as part of the FP transformation programme FUTURE@FP in April 2021. FP NeoMonitor GmbH is a wholly owned subsidiary of Francotyp-Postalia Holding AG and is intended to establish the new software-as-a-service business in the field of IoT.

In May 2021, FP Finance B.V., Zoetermeer, Netherlands, was liquidated and thus left the Group.

The shares held in the associated company Juconn GmbH, Unterföhring, were sold in April 2021.

(4) Currency translation

The currency translation is based on the following exchange rates:

EUR 1 =	Closing rate		Average rate	
	30 June 2021	31 Dec. 2020	H1 2021	H1 2020
USD	1.18865	1.22735	1.20543	1.10186
GBP	0.85745	0.89925	0.86830	0.87438
CAD	1.47340	1.56275	1.50372	1.50300
SEK	10.11350	10.02525	10.12989	10.66204

(5) Judgements, estimates and assumptions

When preparing the consolidated interim financial statements, certain items require judgements and estimates to be made for the recognition, measurement and reporting of recognised assets and liabilities as well as income and expenses. Estimates and assumptions are based on premises that reflect the most recent information. In particular, the circumstances at the time of preparing the consolidated interim financial statements and realistic assumptions of the future development of the global and industry environment were used as the basis for determining expected future business developments. The actual amounts may deviate from the original estimates due to developments that differ from the assumptions made and that are beyond management control. If the actual developments differ from those forecast, the premises and – if necessary – the carrying amounts of the relevant assets and liabilities are adjusted accordingly. The use of judgements, estimates and assumptions is explained in the consolidated financial statements 2020.

Impact of the coronavirus pandemic

Due to the still unforeseeable global consequences of the coronavirus pandemic, estimates and judgements are currently subject to increased uncertainty. When updating the estimates and judgements, available information on the anticipated economic development was taken into account. This information was also included in the analysis of impairment of assets.

II. Segment reporting

The structure and organisation of the global FP Group and the basis of segmentation was changed and optimised according to a new target operating model in fiscal year 2021. In the past, the FP Group organised its operating activities into four segments: Production, Sales Germany, International Sales, and Central Functions. As of fiscal year 2021, the Group has been divided, based on the segments defined on the basis of current internal management, into the four reporting segments Franking & Office Solutions, Software & BPA and IoT, Mail Services, and Central Functions. The segments report according to local accounting standards. The segment information for the first half of 2020 was adjusted accordingly.

The products FP offers to customers in the Franking & Office Solutions segment are not limited to franking machines and related hardware – it also extends to other office supplies and solutions from the digital product spectrum. Parcel Shipping and Vision 360 marked the first steps in this direction. The aim is to offer customers a comprehensive solution for their office. These offer significant potential in Europe and the US. This segment accounts for a high share of recurring revenue.

Solutions in the Software & BPA and IoT segment ensure efficient communication and automated process workflows for customers. Products include hybrid mail, transACTmail, back office and front office automation, DE-Mail, FP Sign, Parcel Shipping and products from third party providers. FP uses this segment to address the fast-growing market of process automation. Strategic additions are intended to expand the solutions portfolio, for example in the area of cloud applications, in order to provide customers with secure and efficient processes. FP has the technology to offer customers special IoT solutions from a single source. In future, focus markets such as property management, waste management and energy, should have end-to-end complete solutions comprising hardware and

software to ensure that use of the technology is quick and uncomplicated. The NeoMonitor portal, for example, makes onboarding customers extremely simple. The aim is to provide customers with efficient analysis, management and automated service management of building systems.

The Mail Services segment specialises in consolidating large letter volumes. Collection, postage-optimised sorting and delivery to postal service providers take the pressure off companies with a high volume of letters and helps reduce the costs that this entails.

The Central Functions segment includes Francotyp-Postalia Holding AG and FP Shared Service Europe GmbH. Revenue was generated from services for other Group companies in the reporting year.

The “Group reconciliation” column eliminates transactions between and within segments and shows adjustments in local accounting to accounting in accordance with IFRS.

SEGMENT INFORMATION H1 2021

in EUR thousand	Franking & Office Solutions	Software & BPA and IoT	Mail Services	Central Functions	Group reconciliation	Total
Revenue	105,656	10,424	28,870	2,433	-47,843	99,540
- with third parties	61,053	8,651	30,517	0	-681	99,540
- intercompany revenue	44,603	1,773	-1,646	2,433	-47,162	0
EBITDA	17,458	-3,078	940	-4,119	-2,362	8,838
Amortisation, depreciation and impairment	7,052	566	255	109	983	8,966
Net interest income	-643	-22	-127	767	545	521
- thereof interest expense	1,494	69	151	601	-1,602	712
- thereof interest income	892	7	24	1,368	-1,058	1,233
Other financial result	6,731	0	5,498	0	-11,715	515
Share of profit/loss of companies accounted for using the equity method	0	64	0	0	0	64
Consolidated profit/loss before taxes	16,494	-3,602	6,056	-3,461	-14,516	972
Income taxes	-2,036	-8	0	-41	1,745	-340
Consolidated profit/loss	14,458	-3,610	6,056	-3,502	-12,770	632
Investments in intangible assets and property, plant and equipment	5,368	174	99	6	-2,276	3,371
Segment assets (as at 30 Jun. 2021)	284,378	30,807	13,310	116,035	-278,134	166,396
Segment liabilities (as at 30 Jun. 2021)	199,922	26,628	3,429	56,222	-134,431	151,770

SEGMENT INFORMATION H1 2020

in EUR thousand	Franking & Office Solutions	Software & BPA and IoT	Mail Services	Central Functions	Group reconciliation	Total
Revenue	100,205	9,570	27,683	1,321	-39,042	99,738
- with third parties	61,657	8,108	29,271	0	702	99,738
- intercompany revenue	38,548	1,462	-1,588	1,321	-39,742	0
EBITDA	18,288	-872	561	-5,924	1,060	13,112
Amortisation, depreciation and impairment	8,861	364	245	135	1,580	11,185
Net interest income	-328	-31	-112	692	398	620
- thereof interest expense	1,385	63	112	500	-1,423	636
- thereof interest income	1,089	0	0	1,192	-1,025	1,256
Other financial result	742	0	0	0	-624	118
Share of profit/loss of companies accounted for using the equity method	0	0	0	0	-29	-29
Consolidated profit/loss before taxes	9,841	-1,266	204	-5,368	-774	2,637
Income taxes	-1,913	-1,821	0	2,247	619	-867
Consolidated profit/loss	7,928	-3,087	204	-3,120	-156	1,769
Investments in intangible assets and property, plant and equipment	5,385	2,850	32	31	-286	8,012
Segment assets (as at 31 Dec. 2020)	283,808	28,914	18,935	120,141	-277,798	174,000
Segment liabilities (as at 31 Dec. 2020)	209,038	21,269	15,110	56,826	-141,913	160,330

RECONCILIATION OF REVENUE

in EUR thousand	H1 2021	H1 2020
Revenue of the Franking & Office Solutions, Software & BPA and IoT as well as Mail Services segments	144,950	137,459
Revenue from Central Functions segment	2,433	1,321
Effects of the adjustment in accordance with IFRS 15 and IFRS 16	-595	941
Effect from other revenue corrections	-86	-241
	146,702	139,480
Less intercompany revenue	-47,162	-39,743
Group revenue	99,540	99,738

RECONCILIATION OF CONSOLIDATED PROFIT

in EUR thousand	H1 2021	H1 2020
Earnings of the Franking & Office Solutions, Software & BPA and IoT as well as Mail Services segments	16,904	5,045
Earnings from Central Functions segment	-3,502	-3,120
Segment earnings	13,402	1,925
Effects of the adjustment of revenue in accordance with IFRS 15 and IFRS 16	-595	941
Effect from other revenue corrections	-86	-241
Effects of adjusting provisions for pension	-190	-210
Share of profit/loss of companies accounted for using the equity method	0	-29
Income from reversal of provisions	-270	-351
Other IFRS entries	-1,406	1,328
Effects at consolidation level (including consolidation of expenses and income, elimination of intercompany profits, capital consolidation)	-10,224	-1,594
Consolidated profit	632	1,769

RECONCILIATION OF ASSETS

in EUR thousand	30 June 2021	31 Dec. 2020
Assets of the Franking & Office Solutions, Software & BPA and IoT as well as Mail Services segments	328,495	331,657
Assets of Central Functions segment	116,035	120,141
Segment assets	444,530	451,798
Effects of revaluation according to IFRS 16	10,372	12,174
Effects of write-downs on customer lists	-114	-220
Other effects of IFRS remeasurement	23,712	27,609
Effects at consolidation level (including elimination of intragroup balances, capital consolidation)	-311,104	-317,361
Group assets	166,396	174,000

RECONCILIATION OF LIABILITIES

in EUR thousand	30 June 2021	31 Dec. 2020
Liabilities of the Franking & Office Solutions, Software & BPA and IoT as well as Mail Services segments	229,979	245,417
Liabilities of Central Functions segment	56,222	56,826
Segment liabilities	286,201	302,243
Effects of adjusting provisions for pension	14,321	14,362
Effects of adjusting other provisions	5	13
Effects of revaluation according to IFRS 16	10,411	12,210
Other reconciliations to IFRS	6,209	7,114
Effects of consolidation (including elimination of intragroup balances)	-165,377	-175,611
Group liabilities	151,770	160,330

The FP Group generates revenue from transactions with a very broad customer base. In the first half of the year 2021 and 2020, the share of revenue generated with each third-party customer or group of companies considered to be a single third-party customer was less than 10% of the revenue of the FP Group.

III. EXPLANATORY NOTES

(6) Revenue

The following tables show revenue disaggregated by performance type. Revenue both within the scope of IFRS 15 and within the scope of IFRS 16 is presented. The tables also include the reconciliation of disaggregated revenue to segment reporting.

H1 2021	IFRS revenue				
in EUR thousand	Franking & Office Solutions	Software & BPA and IoT	Mail Services	Central Functions	Total
Product sales income (Franking and Inserting)	14,246	0	0	0	14,246
Service/customer service	9,995	0	0	0	9,995
Consumables	11,814	0	0	0	11,814
Teleporto	3,837	0	0	0	3,837
Mail Services	31	0	30,517	0	30,548
Software/Digital	535	8,651	0	0	9,186
Revenue in accordance with IFRS 15	40,458	8,651	30,517	0	79,626
Finance lease	5,184	0	0	0	5,184
Operating lease	14,817	0	0	0	14,817
Revenue in accordance with IFRS 16	20,000	0	0	0	20,000
Reduction in sales due to currency effects from hedge accounting	-86	0	0	0	-86
Revenue total	60,372	8,651	30,517	0	99,540

Reconciliation to segment revenue						Segment revenue				
Franking & Office Solutions	Software & BPA and IoT	Mail Services	Central Functions	Total	Franking & Office Solutions	Software & BPA and IoT	Mail Services	Central Functions	Total	
241	0	0	0	241	14,487	0	0	0	14,487	
-575	0	0	0	-575	9,420	0	0	0	9,420	
-301	0	0	0	-301	11,514	0	0	0	11,514	
-94	0	0	0	-94	3,743	0	0	0	3,743	
0	0	0	0	0	31	0	30,517	0	30,548	
-1	0	0	0	-1	534	8,651	0	0	9,185	
-729	0	0	0	-729	39,729	8,651	30,517	0	78,897	
-945	0	0	0	-945	4,239	0	0	0	4,239	
2,268	0	0	0	2,268	17,085	0	0	0	17,085	
1,324	0	0	0	1,324	21,324	0	0	0	21,324	
86	0	0	0	86	0	0	0	0	0	
681	0	0	0	681	61,053	8,651	30,517	0	100,221	

The reconciliation from IFRS revenue to segment revenue shows an increase of EUR 681 thousand (previous year reduction of EUR 701 thousand). This effect primarily relates to revenue from lease and service agreements under IFRS in the amount of EUR 595 thousand (previous year EUR -941 thousand) and currency effects from hedge accounting of EUR 86 thousand (previous year EUR 241 thousand).

Due to the allocation of transaction prices according to IFRS 15 and consideration according to IFRS 16 in conjunction with IFRS 15, there are transfers between the individual performance types in accordance with IFRS that are eliminated in the reconciliation with segment revenue.

H1 2020	IFRS revenue				
in EUR thousand	Franking & Office Solutions	Software & BPA and IoT	Mail Services	Central Functions	Total
Product sales income (Franking and Inserting)	14,543	0	0	0	14,543
Service/customer service	11,416	0	0	0	11,416
Consumables	12,145	0	0	0	12,145
Teleporto	4,307	0	0	0	4,307
Mail Services	0	0	29,271	0	29,271
Software/Digital	0	8,137	0	0	8,137
Revenue in accordance with IFRS 15	42,411	8,137	29,271	0	79,819
Finance lease	5,532	0	0	0	5,532
Operating lease	14,627	0	0	0	14,627
Revenue in accordance with IFRS 16	20,159	0	0	0	20,159
Reduction in sales due to currency effects from hedge accounting	-241	0	0	0	-241
Revenue total	62,330	8,137	29,271	0	99,737

Reconciliation to segment revenue					Segment revenue				
Franking & Office Solutions	Software & BPA and IoT	Mail Services	Central Functions	Total	Franking & Office Solutions	Software & BPA and IoT	Mail Services	Central Functions	Total
-29	0	0	0	-29	14,514	0	0	0	14,514
-1,945	0	0	0	-1,945	9,470	0	0	0	9,470
-98	0	0	0	-98	12,047	0	0	0	12,047
-200	0	0	0	-200	4,107	0	0	0	4,107
0	0	0	0	0	0	0	29,271	0	29,271
0	-29	0	0	-29	0	8,108	0	0	8,108
-2,272	-29	0	0	-2,301	40,138	8,108	29,271	0	77,517
-1,740	0	0	0	-1,740	3,792	0	0	0	3,792
3,100	0	0	0	3,100	17,728	0	0	0	17,728
1,361	0	0	0	1,361	21,520	0	0	0	21,520
241	0	0	0	241	0	0	0	0	0
-672	-29	0	0	-701	61,658	8,108	29,271	0	99,036

The following table shows the contract assets and contract liabilities. These are reported in the statement of financial position under other non-financial assets or other non-financial liabilities.

in EUR thousand	30 June 2021	31 Dec. 2020
Contract assets	313	259
thereof non-current	151	117
thereof current	162	142
Contract liabilities	15,309	13,486
thereof non-current	687	471
thereof current	14,622	13,015

(7) Taxes

In the first half of 2021, the FP Group's income tax expenses amounted to EUR 340 thousand (previous year EUR 867 thousand). The planned tax rate is 35.0% (previous year 32.9%) and is thus a little higher than in the previous year.

(8) Intangible assets

The tables below present the development of intangible assets.

DEVELOPMENT OF INTANGIBLE ASSETS H1 2021

in EUR thousand	Internally generated intangible assets	Purchased intangible assets and customer lists	Goodwill	Development projects in progress and advance payments	Total
Cost or cost of manufacture					
As at 1 January 2021	76,106	88,752	24,765	3,104	192,727
Currency differences	1	55	54	0	110
Additions	71	72	0	6	149
Disposals	-616	-1	0	0	-617
Reclassifications	666	40	0	-707	0
As at 30 June 2021	76,229	88,919	24,819	2,403	192,369
Amortisation, depreciation and impairment					
As at 1 January 2021	58,066	85,343	20,936	61	164,406
Currency differences	1	31	15	0	46
Additions	2,834	672	0	0	3,507
Disposals	-616	0	0	0	-616
Reclassifications	0	0	0	0	0
As at 30 June 2021	60,285	86,046	20,951	61	167,343
Carrying amount as at 1 January 2021	18,040	3,409	3,829	3,043	28,321
Carrying amount as at 30 June 2021	15,944	2,873	3,867	2,342	25,026

DEVELOPMENT OF INTANGIBLE ASSETS H1 2020

in EUR thousand	Internally generated intangible assets	Purchased intangible assets and customer lists	Goodwill	Development projects in progress and advance payments	Total
Cost or cost of manufacture					
As at 1 January 2020	68,970	90,492	24,893	11,782	196,136
Currency differences	-1	-109	-10	0	-120
Additions	595	396	3	3,619	4,613
Disposals	0	-242	0	-16	-258
Reclassifications	1,902	0	0	-1,902	0
As at 30 June 2020	71,466	90,537	24,886	13,483	200,370
Amortisation, depreciation and impairment					
As at 1 January 2020	49,598	86,163	20,271	1,344	157,374
Currency differences	-1	-74	-12	0	-87
Additions	2,828	1,006	0	566	4,401
Disposals	0	-206	0	0	-206
Reclassifications	0	0	0	0	0
As at 30 June 2020	52,424	86,889	20,258	1,910	161,481
Carrying amount as at 1 January 2020	19,372	4,329	4,622	10,438	38,762
Carrying amount as at 30 June 2020	19,041	3,648	4,627	11,573	38,889

Additions to internally generated intangible assets and development projects in progress and advance payments totalled EUR 77 thousand (previous year EUR 4,214 thousand). In the first half of 2021, amortisation of internally generated intangible assets was recognised at EUR 2,834 thousand (previous year EUR 2,828 thousand). In addition, in the previous year an impairment loss of EUR 566 thousand was recognised in the segment Software & BPA and IoT on the capitalized development costs of the FP Sign project, which had not yet been completed.

Additions to purchased intangible assets and customer lists totalling EUR 72 thousand (previous year EUR 396 thousand) mainly include software and licence purchases. In the first half of 2021, amortisation of EUR 296 thousand (previous year EUR 665 thousand) was recognised on purchased intangible assets and EUR 376 thousand (previous year EUR 342 thousand) on customer lists.

(9) Property, plant and equipment

The tables below present the development of property, plant and equipment.

DEVELOPMENT OF PROPERTY, PLANT AND EQUIPMENT H1 2021

in EUR thousand	Land, land rights and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Leased products	Advance payments and assets under construction	Total
Cost or cost of manufacture						
As at 1 January 2021	4,593	11,565	28,645	62,022	163	106,989
Currency differences	22	3	326	2,168	0	2,519
Additions	15	78	290	2,619	221	3,222
Disposals	0	-10	-7	-1,584	0	-1,601
Reclassifications	0	0	2	221	-223	0
As at 30 June 2021	4,630	11,635	29,256	65,446	161	111,128
Amortisation, depreciation and impairment						
As at 1 January 2021	2,037	8,313	25,175	46,567	0	82,091
Currency differences	22	3	307	2,238	0	2,569
Additions	130	485	756	2,226	0	3,598
Disposals	0	-10	-7	-1,436	0	-1,453
Reclassifications	0	0	0	0	0	0
As at 30 June 2021	2,188	8,790	26,231	49,595	0	86,804
Carrying amount as at 1 January 2021	2,556	3,252	3,471	15,455	163	24,898
Carrying amount as at 30 June 2021	2,441	2,845	3,026	15,851	161	24,324

DEVELOPMENT OF PROPERTY, PLANT AND EQUIPMENT H1 2020

in EUR thousand	Land, land rights and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Leased products	Advance payments and assets under construction	Total
Cost or cost of manufacture						
As at 1 January 2020	4,615	11,533	28,902	71,306	134	116,489
Currency differences	-33	-1	-307	-1,047	0	-1,389
Additions	29	19	420	1,657	29	2,154
Disposals	0	0	-141	-430	0	-571
Reclassifications	0	0	0	0	0	0
As at 30 June 2020	4,611	11,551	28,874	71,485	162	116,683
Amortisation, depreciation and impairment						
As at 1 January 2020	1,850	7,396	25,025	52,999	0	87,269
Currency differences	-33	-2	-301	-908	0	-1,244
Additions	127	499	730	3,452	0	4,808
Disposals	0	0	-138	-257	0	-395
Reclassifications	0	0	0	0	0	0
As at 30 June 2020	1,944	7,893	25,315	55,285	0	90,438
Carrying amount as at 1 January 2020	2,765	4,137	3,878	18,307	134	29,220
Carrying amount as at 30 June 2020	2,666	3,658	3,559	16,200	162	26,245

The additions to leased products totalling EUR 2,619 thousand (previous year EUR 1,657 thousand) mainly relate to the Franking & Office Solutions segment.

Own work capitalised of EUR 2,959 thousand (previous year EUR 5,857 thousand) was recognised in manufacturing costs under internally generated intangible assets and property, plant and equipment in the reporting period.

(10) Inventories

Impairment losses on inventories amounted to EUR 2,397 thousand as at 30 June 2021 (previous year EUR 1,930 thousand) and were recognised under "Cost of materials" in the consolidated statement of comprehensive income as at the date of the impairment. In the reporting period, utilisation of inventories amounted to EUR 18,795 thousand (previous year EUR 16,916 thousand) in the consolidated statement of comprehensive income.

(11) Provisions for restructuring

Of the provisions for restructuring of EUR 7,250 thousand set up as of December 31, 2020, EUR 227 thousand were utilized in the first half of 2021. Furthermore, an addition of EUR 975 thousand was recorded, so that the provisions for restructuring amount to EUR 7,999 thousand as of June 30, 2021.

(12) Financial instruments

Classes of financial instruments

The following table shows the carrying amounts of all financial instruments included in the consolidated financial statements and their measurement category in accordance with IFRS 9.

FINANCIAL ASSETS AND LIABILITIES			
in EUR thousand		Carrying amount	
Item in statement of financial position	Measured at ¹⁾	30 June 2021	31 Dec. 2020
Finance lease receivables (non-current)	n/a ²⁾	16,173	15,674
Derivative financial instruments without a hedging relationship (non-current)	FV	116	474
Other non-current financial assets	AC	229	169
Non-current financial assets		16,517	16,317
Trade receivables	AC	18,398	17,689
Finance lease receivables (current)	n/a ²⁾	6,898	6,679
Derivative financial instruments with a hedging relationship (current)	FV	14	311
Derivative financial instruments without a hedging relationship (current)	FV	0	254
Other financial assets (current)	AC	4,581	6,417
Other current financial assets		11,493	13,661
Cash and cash equivalents	AC	31,625	36,109
Liabilities to banks (non-current)	AC	29,587	36,391
Lease liabilities (non-current)	n/a ²⁾	5,635	6,897
Non-current financing liabilities		35,222	43,288
Derivative financial instruments without a hedging relationship (non-current)	FV	1,721	1,742
Other financial liabilities (non-current)	AC	258	250
Other non-current financial liabilities		1,979	1,992
Liabilities to banks (current)	AC	9	11
Lease liabilities (current)	n/a ²⁾	3,293	3,663
Other financing liabilities (current)	AC	1	1
Current financing liabilities		3,303	3,675
Trade payables	AC	12,906	14,139
Derivative financial instruments with a hedging relationship (current)	FV	52	7
Derivative financial instruments without a hedging relationship (current)	FV	0	614
Other financial liabilities (current)	AC	32,689	32,130
Other current financial liabilities		32,741	32,750
Thereof, as per IFRS 9 measurement categories			
Financial assets measured at amortised cost (FAAC)		54,832	60,384
Financial assets at fair value through profit or loss (FVTPL)		116	728
Derivative financial assets in a hedging relationship		14	311
Financial liabilities measured at amortised cost (FLAC)		75,451	82,921
Financial liabilities measured at fair value through profit or loss (FLFV)		1,721	2,356
Derivative financial liabilities in a hedging relationship		52	7

¹⁾ AC - amortised cost, FV - fair value

²⁾ Finance lease receivables and lease liabilities are covered by IFRS 16 and are thus not allocated to any of the measurement categories formed under IFRS 9.

Most of the trade receivables, other financial assets (current), cash and cash equivalents, trade payables, current financing liabilities and other financial liabilities (current) have short remaining maturities. The carrying amounts of these financial instruments thus approximate their fair values as at the end of the reporting period.

The carrying amount of non-current financial assets and liabilities and non-current financing liabilities measured at amortised cost approximate their fair

value, as these bear variable interest or there have been no material changes to the applicable measurement parameters since the initial recognition of these financial instruments.

The table below contains information on measuring financial assets and liabilities at fair value through profit or loss, including their level in the fair value hierarchy.

Financial instruments	Fair value	Fair value	Measurement method	Significant unobservable inputs	Hierarchy
Figures in EUR thousand	30 June 2021	31 Dec. 2020			
Financial assets measured at fair value					
Derivative financial instruments with positive fair values	130	1,039	Market approach: the fair values are based on brokers' price quotations	Not applicable	Level 2
Financial liabilities measured at fair value					
Derivative financial instruments with negative fair values	1,773	2,363	Market approach: the fair values are based on brokers' price quotations	Not applicable	Level 2

At the end of the reporting period, an examination is made whether reclassifications between measurement hierarchies is required. No reclassifications were made in the first half of 2021 or 2020.

(13) Contingent assets and contingent liabilities

For disclosures regarding contingent assets and contingent liabilities, please refer to the information in the consolidated financial statements 2020.

(14) Notes to the cash flow statement

The FP Group's cash in the cash flow statement comprise cash and cash equivalents as shown in the balance sheet less restricted funds (postage credit managed by the FP Group).

in EUR thousand	30 June 2021	30 June 2020
Cash and cash equivalents as shown in the balance sheet	31,625	31,474
less restricted cash and cash equivalents ("postage credit held")	-12,884	-11,701
Cash as shown in the cash flow statement	18,740	19,773

(15) Related party disclosures

Related parties are shareholders who have a significant influence on the FP Group, the associate, unconsolidated subsidiaries and persons with a significant influence on the Group's financial and operating policies. Persons with a significant influence on the Group's financial and operating policies are all key management personnel and their close relatives. Within the FP Group, this applies to members of the Management Board and Supervisory Board of Francotyp-Postalia Holding AG.

Transactions with shareholders with significant influence

Obotritia Capital KGaA, Potsdam, Germany, is the shareholder with significant influence. On 30 June 2021, unchanged as of 31 December 2020, it held 28.5% of the voting rights in FP Holding. 48.9% of the share capital was represented at the Annual General Meeting on 16 June 2021. Obotritia Capital KGaA thus had de facto control (majority in attendance) of Francotyp-Postalia Holding AG at the Annual General Meeting. The shares of Obotritia Capital KGaA are allocated to the shareholder Mr. Rolf Elgeti.

No transactions were conducted with Obotritia Capital KGaA or with Mr Elgeti in the first half of 2021 nor 2020.

Transactions with key management personnel

On 15 January 2021, Patricius de Gruyter (former member of the Management Board) purchased shares in Francotyp-Postalia Holding AG with a volume of EUR 11,198 for EUR 3.20 per share.

On 24 February 2021, Carsten Lind (Chief Executive Officer) purchased shares in Francotyp-Postalia Holding AG with a volume of EUR 6,240 for EUR 3.12 per share.

On 25 February 2021, Martin Geisel (member of the Management Board) purchased shares in Francotyp-Postalia Holding AG with a volume of EUR 63,097 for EUR 3.15 per share.

On 19 May 2021, Carsten Lind (Chief Executive Officer) purchased shares in Francotyp-Postalia Holding AG with a volume of EUR 5,520 for EUR 2.76 per share.

On 20 May 2021, Carsten Lind (Chief Executive Officer) purchased shares in Francotyp-Postalia Holding AG with a volume of EUR 2,700 for EUR 2.70 per share.

On 27 May 2021, Martin Geisel (member of the Management Board) purchased shares in Francotyp-Postalia Holding AG with a volume of EUR 8,826 for EUR 2.94 per share.

On 18 June 2021, the entity Rat und Vermögen GmbH, which is closely related to the Supervisory Board member Dr. Alexander Granderath, purchased shares in Francotyp-Postalia Holding AG with a volume of EUR 92,867 for EUR 3.10 per share.

No key management personnel made share purchases in the first half of 2020.

(16) Significant events after the end of the reporting period

There were no significant events after the end of the reporting period that would have had a notable effect on the net assets, financial position or results of the FP Group.

(17) Approval of the financial statements for publication

The Management Board approved the publication of the condensed consolidated interim financial statements on 31 August 2021.

Berlin, 31 August 2021

The Management Board of Francotyp-Postalia Holding AG

Carsten Lind
CEO

Martin Geisel
CFO

RESPONSIBILITY STATEMENT

of Francotyp-Postalia Holding AG

for the Period from 1 January to 30 June 2021

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed consolidated interim financial statements give a true and fair view of the assets, financial position and results of the FP Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Berlin, 31 August 2021

The Management Board of Francotyp-Postalia Holding AG

Carsten Lind

CEO

Martin Geisel

CFO

Further information

Information about the company

The listed and globally operating FP Group with headquarters in Berlin, Germany, is an expert in solutions that make office and working life easier and more efficient. With a history spanning nearly 100 years, the Group is firmly established as the market leader in Germany and Austria and the world's third-largest provider of franking systems. The company has subsidiaries in ten different countries and is represented by a trading network in a further 40 countries. In the Mail Services business, FP offers the consolidation of business mail and counts among the leading providers in Germany. In the Software & BPA business, FP optimises customers' business processes and offers solutions such as electronic signatures, hybrid mail, input/output management for physical and digital documents and the data-driven automation of complex business processes. In the Internet of Things (IoT) business, the company develops platform- and software-as-a-service solutions. The Group generated revenue of around EUR 196 million in fiscal year 2020.

Further information can be found at www.fp-francotyp.com.

Imprint

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