



**HAWESKO**  
HOLDING AG

**NR. 1 BEI PREMIUMWEINEN**

---

**QUARTERLY STATEMENT  
TO 30 SEPTEMBER 2020**

# AT A GLANCE

## HIGHLIGHTS

| OPERATIVE HIGHLIGHTS<br>in € millions                    | 1 July to<br>30 Sept.<br>2020 | 1 July to<br>30 Sept.<br>2019* | Change | 1 Jan. to<br>30 Sept.<br>2020 | 1 Jan. to<br>30 Sept.<br>2020 | Change |
|--|-------------------------------|--------------------------------|--------|-------------------------------|-------------------------------|--------|
| Sales revenues   | 137.7                         | 118.5                          | 16.2%  | 415.3                         | 374.4                         | 10.9%  |
| EBIT   | 8.5                           | 0.7                            | >100%  | 21.6                          | 9.5                           | 127.4% |
| <b>KEY FINANCIAL DATA</b><br>in %                        |                               |                                |        |                               |                               |        |
| Gross profit margin                                      | 42.0%                         | 43.5%                          | -3.6%  | 42.9%                         | 43.4%                         | -1.1%  |
| EBIT margin  | 6.2%                          | 0.6%                           | >100%  | 5.2%                          | 2.5%                          | 105.0% |
| <b>BALANCE SHEET AND CASH FLOW DATA</b><br>in € millions |                               |                                |        |                               |                               |        |
| Inventories  |                               |                                |        | 129.5                         | 132.5                         | -2.3%  |
| Trade receivables  |                               |                                |        | 32.9                          | 30.0                          | 9.7%   |
| Net indebtedness   |                               |                                |        | -14.6                         | -58.5                         | 75.0%  |
| Working capital  |                               |                                |        | 51.9                          | 40.6                          | 27.8%  |
| Cash flow from operating activities                      |                               |                                |        | 29.1                          | -8.9                          | >100%  |
| Free cash flow   |                               |                                |        | 22.5                          | -18.2                         | >100%  |

\* THE 2019 FIGURES WERE ADJUSTED DUE TO DIFFERENTLY EXERCISED SIMPLIFICATION OPTIONS WITHIN THE SCOPE OF THE FIRST-TIME APPLICATION OF IFRS 16. FOR THE BUILDING LEASES AT JACQUES' WEIN DEPOT, THE GROUP USED THE CARRYING AMOUNT FOR THE VALUATION OF THE RIGHTS OF USE, AS IF THE STANDARD HAD ALREADY BEEN APPLIED SINCE THE DATE OF ISSUANCE. THE EBIT EFFECT TO 30 SEPTEMBER AMOUNTS TO APPROXIMATELY € 850,000.

---

# A MESSAGE FROM THE MANAGEMENT BOARD

---

Dear shareholders, dear friends of the Hawesko Group,

The business performance of the Hawesko Group in the first nine months of fiscal year 2020 (1 January to 30 September) is gratifying. We are pleased to report an 11% increase in sales and - even more importantly - a disproportionately high increase in the operating result (EBIT): from € 9.5 million in the previous year to € 21.6 million in the reporting period, which we had already communicated to the financial markets in an ad hoc release.

Our business performance during the first nine months was strong and influenced to an unforeseeable extent by the coronavirus pandemic, which will also impact the holiday business in the fourth quarter. This has two consequences: on the one hand, we are experiencing higher demand in the Retail and E-commerce segments, due primarily to increased consumption at home, while on the other hand we are seeing severe restrictions in wine consumption in the restaurant and hotel industries. Our diversified market positioning as well as our investment in E-commerce have once again proven themselves as factors in our strength and stability: declining sales in parts of the B2B segment are thus more than compensated by strong expansions in the E-commerce and Retail segments.

In the first three quarters, the E-commerce segment achieved an increase in sales of a good 26% compared to the same period of the previous year, while the figures for the Retail segment rose by 9%, despite the temporary retail closures in Austria. With a decline of 2.7% in sales, the B2B segment almost matched the previous year's level, despite massive drops in the catering sector (approx. -30%) and hotels (approx. -40%), thanks to the significant growth of approx. 30% in specialist and food retailing. Overall, the operating result developed well: In the E-commerce segment, the EBIT of € 13.0 million tripled compared to the previous year (€ 3.6 million), while in the Retail segment, the result of € 13.1 million was a healthy one-third higher than in the previous year (€ 9.7 million). In contrast, the B2B segment suffered a 71% decline in earnings from € 2.3 million to € 0.7 million due to an increased share of sales with lower margins and investments in restructuring measures.

The positive sales performance is even more impressive when we look at the third quarter (July 1 to September 30): the E-commerce segment grew by just under 29% and the Retail segment by 13% (each compared to the previous year). In addition, sales in the B2B segment rose by 6% compared to the weak quarter in the previous year, which was pressured by non-recurring effects. The earnings performance in all segments in the third quarter, which was influenced by the Covid-19 pandemic, was thus positive compared with the same quarter of the previous year.

In the important final quarter of 2020 and of course in the new fiscal year as well, we will continue to focus our efforts on adapting the Hawesko Group to the fundamentally transformative challenges of the retail sector while keeping it oriented towards profitability. The fact that we have mastered the challenges of the coronavirus crisis so well to date confirms the long-term validity of our approach. Moreover, we've already achieved several important interim goals, particularly in the third quarter:

- Following the introduction of our new digital commerce platform at *Vinos* in the spring, *Carl Tesdorpf Weinhandel*, another important brand, switched to the system in the third quarter, and other Group subsidiaries will gradually follow. The platform will unify the historically evolved IT patchwork of the different shop systems of our brands and thus significantly streamline the background processes. In addition, it will improve the quality of the user experience (UX) and offers our customers a better, more efficient brand and shopping experience.
- *WirWinzer* is continuing to expand its successful marketplace concept and delivered positive contributions to the result again in the third quarter. Since the beginning of the year, the marketplace has added a third more winegrowers and now boasts 26,000 German wines, proving its strong appeal to customers and winegrowers alike. This was also confirmed by the figure for new customer acquisition, which outperformed expectations in the quarter under review. Sales growth continues to be very clearly in the double-digit percentage range.
- *Wein & Co.* is continuing to work consistently on sales growth and improving profitability and would already be close to breaking even at this point in time if it had not been for the pandemic-related forced closures in spring. In the third quarter, the profile of the *Wein & Co.* brand was further sharpened with a relaunch of communications, an even higher-quality range of wines and the conversion of the restaurant offering.

The general conditions during the summer months had pointed towards normalisation with the easing of contact restrictions and the resumption of open-air restaurant and catering operations. With the lockdown measures from 2 November, however, there has been a tightening of restrictions again. This will affect primarily our B2B segment with its deliveries for Christmas and company celebrations, for example. The trends in the Retail and E-commerce segments remain positive.

Dear shareholders, our successes in the first nine months do not change the ongoing difficulty of assessing future business development. Nevertheless, in our ad hoc announcement in mid-October we made the prospect of a significant increase in consolidated EBIT concrete, naming a forecast of approximately € 33 million (after € 29.1 million in the previous year). In terms of consolidated sales, we expect to break the € 600 million mark with the continuing strong performance in the Retail segment and the boom in the E-Commerce segment.

Even during the coronavirus crisis, our brands such as *HAWESKO*, *Jacques' Wein-Depot*, *Vinos* and *Wein & Co.* are proving their strength. We want to further expand the market position of the Hawesko Group as Europe's largest, most innovative and profitable wine trading group in the premium segment. During this process, we can rely on our high level of wine expertise and decades of experience as well as our innovative power.

We wish you the best of health!

Your Management Board

Thorsten Hermelink    Alexander Borwitzky    Raimund Hackenberger

---

# INTERIM ECONOMIC REPORT

## GENERAL ECONOMIC AND INDUSTRY-SPECIFIC ENVIRONMENT

After the historic global economic collapse following the lockdown imposed to contain the coronavirus pandemic in numerous countries in the first quarter of 2020, the partial easing of the lockdown restrictions from the second quarter onwards led to initial signs of recovery worldwide. In Germany, for example, the ifo Institute's business climate index has shown a strong V-shaped recovery since its low in April, nearly returning to pre-crisis levels. The marked rise in infection rates in autumn then noticeably dampened expectations in October. After the German economy had still seen light at the end of the tunnel at mid-year, contact restrictions went into effect again from 2 November.

The development in the German consumption climate is comparable: following the unprecedented collapse in the spring, the consumer mood initially recovered significantly, albeit without returning to the pre-crisis level of around 10 points. On the contrary - the consumption climate index was subsequently unable to climb out of the negative range. According to the Gesellschaft für Konsumforschung (GfK), consumer optimism, which had improved in the meantime, has recently waned again. About three quarters of the consumers assumed in October that Covid-19 represents a significant or very significant threat to their future. Correspondingly, their economic situation, income expectations and propensity to buy in particular declined. For November, GfK is forecasting a value of -3.1, which is considerably below the interim high of -0.3 points recorded in August. The economic pessimism of consumers is in line with the expectations of economic research institutes. In their autumn forecast, they too assume that the recovery will slow due to the pandemic and that the pre-crisis level will not be reached until the fourth

quarter of 2021, and have accordingly revised their forecasts downwards for this year and next year.

The German hospitality industry also shows a V-shaped development in the course of 2020. According to the German Federal Statistical Office, the relaxation of coronavirus-related measures then led to sales growth of 45% in May compared with the previous month, following the previous slump in the wake of the lockdown imposed from March onwards. However, in real terms they were still 64% lower than in May 2019. According to preliminary figures, the year-on-year decline in sales in the restaurant sector in August 2020 was already smaller at 22%, but still serious. Within the restaurant and catering industry, all those establishments that earn their money by serving drinks were particularly hard hit.

In the opinion of the management board, the corona-induced crisis has led to a shift in wine consumption from out-of-home consumption to private consumption at home. This assessment is supported by market surveys conducted by the market research department at Geisenheim University. It notes in an economic analysis for the third quarter of 2020 that business of winegrowers and wine cooperatives are temporarily picking up and that wine suppliers are benefitting from the shift of wine purchases via food retailers.

## BUSINESS PERFORMANCE

### Financial performance

In the period from 1 January to 30 September 2020, consolidated sales rose by 10.9% from € 374.4 million to € 415.3 million. The E-commerce and Retail segments contributed to this increase in sales with increases of 27% and 9% respectively. The B2B segment was forced to report a decline in sales of -3% due to the restrictions imposed in the restaurant and hotel sectors by the authorities. Internet sales within the Group showed growth

of 43% across all segments compared to the same period of the previous year.

The consolidated operating result (EBIT) rose from € 9.5 million in the first nine months of the previous year to € 21.6 million in the first three quarters of 2020, corresponding to an increase of 127%. The E-commerce segment contributed to this development with an EBIT tripling to € 13.0 million and the Retail segment with an increase of 34% and an EBIT of € 13.1 million respectively. In contrast, EBIT in the B2B segment amounted to € 0.7 million. The consolidated EBIT margin was 5.2% (previous year: 2.5%).

| SALES, EARNINGS AND EXPENSES IN € '000                      | 01.01. - 30.09.2020 | 01.01. - 30.09.2019 | Change        |
|---|---------------------|---------------------|---------------|
| Sales revenues  | 415,280             | 374,369             | 40,911        |
| Material expenses   | -237,111            | -211,957            | -25,154       |
| <b>GROSS PROFIT</b>   | <b>178,169</b>      | <b>162,412</b>      | <b>15,757</b> |
| Other operating income                                      | 15,837              | 15,673              | 164           |
| Personnel expenses  | -48,522             | -49,432             | 910           |
| Depreciation and amortisation                               | -16,995             | -15,877             | -1,118        |
| Other operating expenses                                    | -106,937            | -103,262            | -3,675        |
| of which attributable to advertising                        | -27,651             | -30,177             | 2,526         |
| of which attributable to commissions                        | -29,850             | -28,192             | -1,658        |
| of which attributable to freight and logistics <sup>1</sup> | -26,475             | -20,908             | -5,567        |
| <b>RESULT FROM OPERATIONS (EBIT)</b>                        | <b>21,552</b>       | <b>9,514</b>        | <b>12,038</b> |

<sup>1</sup>Until 31 December 2019, this item – with the same components – was referred to as 'Delivery'.

Consolidated gross profit rose by € 15.8 million to € 178.2 million in the first nine months, corresponding to a margin of 42.9% (previous year: 43.4%). The posted decrease resulted from a change in reporting of subsidies granted, which were included within advertising expense in 2019. Adjusted for this effect, the gross profit margin remained constant.

The other operating income of € 15.8 million (previous year: € 15.7 million) consisted for the most part of rental and leasing income at *Jacques'* as well as advertising allowances. Personnel expenses decreased by € 0.9 million to € 48.5 million in the reporting period due to adjustment measures and accounted for 11.7% of sales (previous year: 13.2%).

Other operating expenses and other taxes compared to those in the same period of the previous year as follows: Advertising expenses amounted to € 27.7 million and 6.7% of sales, below the figures of the previous year both in absolute terms and as a share of sales (previous year: € 31.2 million and 8.3% of sales). This was due to the adaptation of advertising activities in the B2B segment to the current market conditions.

Expenses for commissions rose from € 28.2 million in the previous year to € 29.9 million, but accounted for 7.2% of sales, down from the previous year's figure (7.5%).

Expenses for freight and logistics increased in absolute terms to € 26.5 million (previous year: € 20.9 million) as well as in terms of sales, accounting for 6.4% (previous year: 5.6%) due to price increases among the shipping services providers as well as the greatly increased capacity utilisation of the logistics services providers.

Overall, other operating expenses and other taxes totalled € 106.9 million (previous year: € 103.3 million), thus accounting for 25.8% of sales in the reporting period, after 27.6% in the same period of the previous year.

The consolidated operating result (EBIT) in the first nine months of 2020 was € 21.6 million (previous year: € 9.5 million). This figure includes corporate costs of € 4.7 million (previous year: € 5.4 million). The EBIT margin was 5.2%, compared to 2.5% in the same period of the previous year.

In the reporting period, the financial result at € -3.0 million was slightly below that of the previous year and includes in the other financial result of € -0.6 million (previous year: € -0.1 million) the revaluation of financial liabilities in accordance with IFRS 9. The revaluation related to the purchase option of *WirWinzer GmbH*. In addition, income of € 0.5 million (previous year: zero) from the company *Global Wines & Spirits s.r.o.*, which was reported at equity, was posted. The tax result is € -5.9 million, corresponding to a rate of 31.8% (previous

year: € -2.7 million). Consolidated net income attributable to the shareholders of Hawesko Holding AG amounted to € 13.0 million (previous year: € 3.7 million). Earnings per share thus amounted to € 1.44, after € 0.41 in the preceding year. This was based on the figure of 8,983,403 shares in the reporting period (unchanged from the previous year).

*Net worth*

| <b>ASSETS</b><br>in € '000                | <b>30.09.2020</b> | <b>30.09.2019</b> | <b>Change</b> |
|---|-------------------|-------------------|---------------|
| Cash in banking accounts and cash on hand | 10,447            | 14,581            | -4,134        |
| Trade receivables                         | 32,850            | 30,015            | 2,835         |
| Inventories                               | 129,497           | 132,522           | -3,025        |
| Fixed assets                              | 183,944           | 181,238           | 2,706         |
| Other assets                              | 24,993            | 23,179            | 1,814         |
| <b>TOTAL ASSETS</b>                       | <b>381,731</b>    | <b>381,535</b>    | <b>196</b>    |

*Changes since the previous year's reference date on 30 September 2019*

The balance sheet total at 30 September 2020 was € 381.7 million, and thus almost unchanged at 30 September 2019 (€ 381.5 million). Cash in banking accounts and cash on hand declined by approximately € 4 million compared to the previous year. This was due primarily from the payment of a special dividend and to the deconsolidation of *Vogel Vins SA*. Inventories likewise declined by about € 3 million. The decline is due primarily to the significant increase in sales revenues, particularly in the E-commerce segment. In addition, inventory management was adjusted throughout the Group due to the changed demand situation, particularly in the B2B segment, which likewise led to declining inventories.

Trade receivables increased slightly due to the expansion of the business. The increase in fixed assets was due primarily to the conclusion of a new long-term logistics services agreement in the Retail segment and a resulting leasing asset for the warehouse property.

*Changes compared to the reference date 31 December 2019.*

Compared to the value at the reference date 31 December 2019 (€ 394.9 million), the balance sheet total declined by roughly € 13 million on the reporting reference date. Cash in banking accounts decreased by about € 8 million, mainly due to the payment of the dividend, while inventories increased by about € 5 million due to the stockpiling for the Christmas business. Trade receivables as of 30 September 2020, were about € 13 million less than as of 31 December 2019, due to seasonal factors (trade receivables typically peak on December 31) as well as sales growth in the E-commerce segment, where shorter payment terms are common.

Other assets and fixed assets developed in line with the figures as of 31 December 2019.



| <b>LIABILITIES<br/>in € '000</b> | <b>30.09.2020</b> | <b>30.09.2019</b> | <b>Change</b> |
|----------------------------------|-------------------|-------------------|---------------|
| Financial liabilities            | 25,051            | 73,106            | -48,055       |
| Lease liabilities                | 124,194           | 112,840           | 11,354        |
| Trade payables                   | 63,571            | 49,523            | 14,048        |
| Other liabilities                | 62,575            | 47,858            | 14,717        |
| Shareholders' equity             | 106,340           | 98,208            | 8,132         |
| <b>TOTAL LIABILITIES</b>         | <b>381,731</b>    | <b>381,535</b>    | <b>196</b>    |

#### *Changes since the previous year's reference date on 30 September 2019*

The balance sheet total at 30 September 2020 was € 381.7 million (reference date in the previous year: € 381.5 million).

The liabilities side of the balance sheet was also shaped by the positive business performance. Larger shifts occurred in the financial liabilities and shareholders' equity, as well as in the other liabilities and lease liabilities to a lesser degree. The financial liabilities, primarily short-term lines of credit, were reduced from € 73.1 million to € 25.1 million. Shareholders' equity rose from € 98.2 million to € 106.3 million. Other liabilities, including VAT, increased from € 47.9 million to € 62.6 million. Lease liabilities increased from € 112.8 million to € 124.2 million due to the expansion in the Retail segment.

#### *Changes since the reference date on 31 December 2019*

The balance sheet total of € 381.7 million at 30 September 2020 was € 13.2 million below the value of € 394.9 million at the reference date on 31 December 2019. Shareholders' capital declined from € 110.9 million to € 106.3 million, due primarily to the payment of the dividend. The long-term provisions and liabilities rose from € 143.1 million to € 147.3 million.

The short-term liabilities, on the other hand, declined from € 140.9 million to € 131.1 million, due primarily to the reduction of trade receivables (trade receivables typically reach their highest level on 31 December).

### *Working Capital*

As of 30 September 2020 , working capital amounted to € 51.9 million, and had thus increased by € 11.3 million compared to the reference date in the previous year.

Working capital is calculated as follows: Short-term assets (€ 184.9 million) less short-term liabilities (€ 131.1 million) plus advance payments on inventories (long-term, € 2.7 million) less contractual liabilities (long-term, € 4.8 million) plus non-controlling interests in the capital of unincorporated subsidiaries (short-term, € 0.2 million).

The main reason for the increase compared to the reference date in the previous year was the reduction of the item (short-term) borrowings, which were deducted in the above calculation. After the deduction of liquid funds as well as interest-bearing short-term liabilities, a comparison of the reference dates shows a reduction in the working capital requirement, namely from € 81.3 million on 30 September of the previous year to € 53.8 million to 30 September 2020.

## Financial performance

| <b>CONSOLIDATED CASH FLOW</b><br>(in € '000) | <b>01.01.-30.09.2020</b> | <b>01.01.-30.09.2019</b> | <b>Change</b> |
|--|--------------------------|--------------------------|---------------|
| Cash flow from current operations            | 29,057                   | -8,884                   | 37,941        |
| Cash flow from investment activities         | -2,381                   | -6,002                   | 3,621         |
| Less balance of interest paid and received   | -3,061                   | -3,336                   | 275           |
| Less change in the consolidation group       | -1,164                   | 0                        | -1,164        |
| <b>FREE CASH FLOW</b>                        | <b>22,451</b>            | <b>-18,222</b>           | <b>40,673</b> |

For the Hawesko Group, cash flow from current operations amounted to € 29.1 million in the first nine months, (previous year: € -8.9 million). Due to the seasonal nature of the business, cash flow from ongoing business activity is usually negative in the first nine months to 30 September, but reached a positive value due to the good business performance in the reporting period. The funds employed for investment activities amounted to € 2.4 million in the period from 1 January to 30 September 2020 (same period in the previous year: € 6.0 million).

Free cash flow amounted to € 22.5 million in the first nine months of 2020, compared to € -18.2 million in the same period of the previous year. It was calculated from the net inflow of payments from current operations (€ 29.1 million), less funds employed for investment activities of € 2.4 million as well as the net interest received and paid out (€ - 3.1 million) and changes in the group of consolidated companies (€ -1.2 million).

### Investment analysis

Investments were divided into those in intangible assets (€ 2.3 million; same period of the previous year: € 2.8 million), which were related primarily to customer relationship management software, and those in tangible assets of € 1.4 million (previous year: € 3.1 million). The latter were related to the expansion and modernisation in the Retail segment as well as the investments for expansion and replacement equipment in the E-commerce and B2B segments.

### Business performance by segment

| in € '000                 | Third quarter |        | Second quarter |        | First quarter |        |
|---------------------------|---------------|--------|----------------|--------|---------------|--------|
|                           | 2020          | 2019   | 2020           | 2019   | 2020          | 2019   |
| <b>RETAIL SEGMENT</b>     |               |        |                |        |               |        |
| Sales                     | 50,855        | 44,375 | 52,779         | 48,396 | 45,638        | 43,670 |
| EBIT                      | 4,908         | 2,731  | 5,638          | 4,200  | 2,534         | 2,794  |
| EBIT margin               | 9.7%          | 6.2%   | 10.7%          | 8.7%   | 5.6%          | 6.4%   |
| <b>B2B SEGMENT</b>        |               |        |                |        |               |        |
| Sales                     | 39,963        | 37,666 | 39,001         | 44,464 | 36,874        | 36,895 |
| EBIT                      | 1,763         | -854   | -938           | 2,463  | -173          | 707    |
| EBIT margin               | 4.4%          | -2.3%  | -2.4%          | 5.5%   | -0.5%         | 1.9%   |
| <b>E-COMMERCE SEGMENT</b> |               |        |                |        |               |        |
| Sales                     | 46,871        | 36,498 | 62,009         | 43,294 | 41,291        | 39,087 |
| EBIT                      | 3,348         | 566    | 6,768          | 1,190  | 2,898         | 1,882  |
| EBIT margin               | 7.1%          | 1.6%   | 10.9%          | 2.7%   | 7.0%          | 4.8%   |

Sales in the retail segment (*Jacques' Wein-Depot* and *Wein & Co.*) in the first nine months amounted to € 149.3 million, an increase of 8.9% over the same period in the previous year (€ 136.4 million). In the first quarter, sales rose by 4.5%, in the second quarter by 9.1% and in the third quarter by 12.9% compared to the respective quarters of the previous year. The restrictions on events and vacations imposed due to the coronavirus continued to boost private wine consumption at home in the third quarter as well. In the first nine months of the year, *Jacques'* posted a sales increase of 10.8% (on a like-for-like basis, this figure was 9.2%) over the previous year. With regard to *Wein & Co.*, a like-for-like analysis of business performance in the period under review is not useful due to the pandemic closures. As of 30 September 2020, there were 324 *Jacques'* outlets in Germany (previous year: 320), as

well as 20 *Wein & Co.* outlets in Austria (unchanged). At *Jacques'*, growth was due to a smaller extent to an increase in customer frequency and to a larger degree to an increase in customer receipts. The number of new customers at *Jacques'* could not be wholly maintained at the previous year's level due to stricter hygiene regulations. The number of new customers at *Wein & Co.* increased by 45.4% in the nine-month period. Segment EBIT for the period under review rose from € 9.7 million in the previous year to € 13.1 million - despite burdens from the temporary closures at *Wein & Co.* in the second quarter and the relocation of *Jacques'* logistics operations in the first quarter.

The E-commerce segment posted a sales increase of 26.4% over the same quarter of the previous year, so that

sales rose significantly from € 118.9 million to € 150.2 million. After the sales increase of 5.6% in the first quarter, sales soared by 43.2% in the second quarter and by 28.8% in the third quarter. At the *HAWESKO* subsidiary as well as at *Vinos*, *WirWinzer* and *The Wine Company*, sales rose during the first nine months by a significant double-digit percentage in each case. Growth was driven primarily by the increase in order volume. The four brands also recorded a large increase in new customers – growth rates as of 30 September 2020 continued in the mid-double-digit percentage range compared to the previous year. In the first nine months of the current fiscal year, the share of sales made via the Internet continued to rise compared to the same period in the previous year, accounting for 68% of segment sales (previous year: 61%), maintaining the same level as at the half-year point. The dynamic sales development in the E-commerce segment was also reflected in the operating result after nine months: The EBIT for the segment more than tripled to € 13.0 million, compared to € 3.6 million in the same period of the previous year.

In the B2B segment, sales in the nine-month period at € 115.8 million were 2.7% below the figure for the previous year (€ 119.0 million). Sales development was severely impacted by measures imposed by the authorities related to the pandemic, particularly by the closures of restaurants and hotels. In the first quarter, the segment recorded sales at the level of the previous year, in the second quarter sales decreased by 12.3% and in the third quarter sales increased by 6.0% compared to the same quarter of the previous year. Business performance in the third quarter was positively influenced by the summer weather and the so-called terrace business. Nevertheless, business with restaurant and hotel customers remained difficult, while sales growth was achieved with wholesale customers from specialist and food retailing. The EBIT of the B2B segment declined to a positive amount of € 0.7 million in the nine-month period (prior year period: € 2.3

million). An EBIT loss of € -1.1 million had been recorded at the end of the first six months of the current year, which had resulted from one-off expenses of more than two million euros in connection with modernisation and restructuring measures as well as the sale of the subsidiary *Vogel Vins SA*.

## REPORT ON OPPORTUNITIES AND RISK

There were no significant changes in the risks and opportunities of Hawesko Holding AG compared to the situation described in the 2019 annual report. The assumptions made therein - especially against the background of the coronavirus pandemic - regarding the development of the individual B2B, E-commerce and Retail segments have been substantiated so far. In the B2B segment, the food retail sector performed even better than expected and partially mitigated the negative consequences in business with other customer groups. In the E-commerce segment, the assumption that an increase in demand as well as order volume could be achieved proved correct. Following a number of closures ordered by the authorities - in particular the Austrian subsidiary *Wein & Co.* was affected by these in April and May - demand also increased in the Retail segment. Overall, the Hawesko management board now estimates the opportunities to be greater and the risks associated with the effects of the coronavirus to be lower than when the consolidated financial statements for the financial year 2019 were prepared. However, the situation may continue to develop dynamically in different directions and these assessments may accordingly change rapidly, both positively and negatively.

## REPORT ON EXPECTED DEVELOPMENTS

### *Outlook*

Compared to the situation described in the 2019 annual report, the forecast for fiscal year 2020 of the Hawesko management board has now taken on more tangible contours. The impact of the spread of the coronavirus on the business of the Hawesko Group remains difficult to predict. The expected decline in the B2B segment occurred to some extent, primarily in relation to the restaurant and hotel customers. In contrast, the trends in business performance in the Retail and E-commerce segments proved positive. With the lockdown measures from 2 November, however, there has been a tightening of restrictions again. This will affect primarily our B2B segment with its deliveries for Christmas and company celebrations, for example.

In its ad hoc announcement on 19 October 2020, the management board made the prospect of a significant increase in consolidated EBIT concrete, naming a forecast of approximately € 33 million (after € 29.1 million in the previous year). In terms of consolidated sales, the company expects to break the € 600 million mark (previous year: € 556 million) with the continuing strong performance in the Retail segment and the sustained boom in the E-Commerce segment.

**CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2020**

| (in € '000)  | <b>01.01.-30.09.2020</b> | <b>01.01.-30.09.2019</b> |
|--|--------------------------|--------------------------|
| <b>SALES REVENUES FROM CONTRACTS WITH CUSTOMERS</b>                                    | <b>415,280</b>           | <b>374,369</b>           |
| Increase/decrease in finished goods inventories  | 217                      | 232                      |
| Other production for own assets capitalised  | 356                      | 402                      |
| Other operating income   | 15,264                   | 15,039                   |
| Cost of purchased goods  | -237,111                 | -211,957                 |
| Personnel expenses   | -48,522                  | -49,432                  |
| Depreciation/amortisation and impairment   | -16,995                  | -15,877 <sup>1</sup>     |
| Other operating expenses and other taxes   | -106,937                 | -103,262 <sup>1</sup>    |
| of which impairment of financial assets  | -563                     | -94                      |
| <b>RESULT FROM OPERATIONS (EBIT)</b>   | <b>21,552</b>            | <b>9,514</b>             |
| Financial result   | -3,015                   | -3,312                   |
| Interest income/interest expense   | -2,929                   | -3,231 <sup>1</sup>      |
| Other financial result   | -631                     | -81                      |
| Income from companies reported using the equity method                                 | 545                      | 0                        |
| Earnings before income taxes   | <b>18,537</b>            | <b>6,202</b>             |
| Taxes on income and deferred tax   | -5,893                   | -2,660                   |
| <b>CONSOLIDATED NET INCOME</b>   | <b>12,644</b>            | <b>3,542</b>             |
| of which attributable to   |                          |                          |
| – shareholders' equity in Hawesko Holding AG   | 12,963                   | 3,663                    |
| – non-controlling interests  | -319                     | -121                     |
| Earnings per share (in €, undiluted = diluted)   | 1,44                     | 0,41                     |
| Average number of shares in circulation<br>(Numbers in thousands, undiluted = diluted) | 8,983                    | 8,983                    |

<sup>1</sup> The 2019 figures were adjusted due to differently exercised simplification options within the scope of the first-time application of IFRS 16. For the building leases at *Jacques' Wein Depot Wein-Einzelhandel GmbH*, the Group used the carrying amount for the valuation of the rights of use as if the standard had already been applied since the date of issuance.

## CONSOLIDATED BALANCE SHEET TO 30 SEPTEMBER 2020

| (in € '000)  | 30.09.2020     | 31.12.2019     | 30.09.2019           |
|--|----------------|----------------|----------------------|
| <b>ASSETS</b>  |                |                |                      |
| <b>LONG-TERM ASSETS</b>                                  |                |                |                      |
| Intangible assets  | 54,605         | 56,413         | 56,545               |
| Property, plant and equipment (including leasing assets) | 129,339        | 127,125        | 124,693 <sup>1</sup> |
| Investments accounted for using the equity method        | 3,763          | 3,895          | 3,222                |
| Other financial assets                                   | 88             | 88             | 88                   |
| Advance payments for inventories                         | 2,746          | 3,113          | 1,026                |
| Receivables and other assets                             | 880            | 870            | 962                  |
| Deferred tax   | 5,442          | 6,148          | 5,649 <sup>1</sup>   |
|  | <b>196,863</b> | <b>197,652</b> | <b>192,185</b>       |
| <b>SHORT-TERM ASSETS</b>                                 |                |                |                      |
| Inventories  | 126,751        | 120,875        | 131,496              |
| Trade receivables  | 32,850         | 45,820         | 30,015               |
| Receivables and other assets                             | 7,427          | 4,976          | 5,091                |
| Receivables from taxes on income                         | 7,393          | 6,882          | 8,167                |
| Cash in banking accounts and cash on hand                | 10,447         | 18,725         | 14,581               |
|  | <b>184,868</b> | <b>197,278</b> | <b>189,350</b>       |
|  | <b>381,731</b> | <b>394,930</b> | <b>381,535</b>       |

<sup>1</sup> The 2019 figures were adjusted due to differently exercised simplification options within the scope of the first-time application of IFRS 16. For the building leases at *Jacques' Wein Depot Wein-Einzelhandel GmbH*, the Group used the carrying amount for the valuation of the rights of use, as if the standard had already been applied since the date of issuance.



| (in € '000)   | 30.09.2020     | 31.12.2019     | 30.09.2019           |
|---|----------------|----------------|----------------------|
| <b>LIABILITIES</b>  |                |                |                      |
| <b>SHAREHOLDERS' EQUITY</b>   |                |                |                      |
| Subscribed capital of Hawesko Holding AG                                | 13,709         | 13,709         | 13,709               |
| Capital reserve   | 10,061         | 10,061         | 10,061               |
| Retained earnings   | 80,461         | 83,599         | 70,808 <sup>1</sup>  |
| Other reserves  | -412           | -190           | -191                 |
| <b>SHAREHOLDERS' EQUITY IN HAWESKO HOLDING AG</b>                       | <b>103,819</b> | <b>107,179</b> | <b>94,387</b>        |
| Non-controlling interests   | 2,521          | 3,686          | 3,821                |
|   | <b>106,340</b> | <b>110,865</b> | <b>98,208</b>        |
| <b>LONG-TERM PROVISIONS AND LIABILITIES</b>                             |                |                |                      |
| Provisions for pensions   | 1,115          | 1,115          | 1,055                |
| Other long-term provisions  | 1,612          | 1,823          | 1,813                |
| Borrowings  | 12,679         | 16,069         | 17,785               |
| Lease liabilities   | 111,870        | 108,535        | 101,504 <sup>1</sup> |
| Contract liabilities  | 4,823          | 5,359          | 2,538                |
| Other liabilities   | 8,290          | 6,243          | 7,297                |
| Deferred tax  | 3,877          | 3,973          | 3,808                |
|   | <b>144,266</b> | <b>143,117</b> | <b>135,800</b>       |
| <b>SHORT-TERM LIABILITIES</b>   |                |                |                      |
| Non-controlling interests in the capital of unincorporated subsidiaries | 167            | 264            | 200                  |
| Borrowings  | 12,372         | 15,321         | 55,321               |
| Lease liabilities   | 12,324         | 12,831         | 11,336 <sup>1</sup>  |
| Trade payables  | 63,571         | 70,967         | 49,523               |
| Contract liabilities  | 15,314         | 13,778         | 9,853                |
| Income taxes payable  | 3,825          | 4,013          | 2,008                |
| Other liabilities   | 23,552         | 23,774         | 19,286               |
|   | <b>131,125</b> | <b>140,948</b> | <b>147,527</b>       |
|   | <b>381,731</b> | <b>394,930</b> | <b>381,535</b>       |

<sup>1</sup> The 2019 figures were adjusted due to differently exercised simplification options within the scope of the first-time application of IFRS 16. For the building leases at *Jacques' Wein Depot Wein-Einzelhandel GmbH*, the Group used the carrying amount for the valuation of the rights of use, as if the standard had already been applied since the date of issuance.

## CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2020

| (in € '000)   | 01.01.-30.09.2020 | 01.01.-30.09.2019    |
|---|-------------------|----------------------|
| Earnings before income taxes  | 18,538            | 6,202 <sup>1</sup>   |
| Depreciation and amortisation of fixed assets                                       | 16,995            | 15,877 <sup>1</sup>  |
| Other non-cash expenses and income  | -462              | 1,947 <sup>1</sup>   |
| Interest result   | 2,929             | 3,312 <sup>1</sup>   |
| Result from the disposal of fixed assets  | 388               | -150                 |
| Result from companies reported using the equity method                              | -545              | 0                    |
| Dividend payouts received from distributions by investments                         | 514               | 0                    |
| Change in inventories   | -7,177            | -15,891              |
| Change in receivables and other assets  | 7,734             | 18,600               |
| Change in provisions  | 134               | 87                   |
| Change in liabilities (excluding borrowings)  | -4,049            | -36,095 <sup>2</sup> |
| Interest received   | 41                | 42                   |
| Taxes on income paid out  | -5,983            | -2,815               |
| <b>NET OUTFLOW OF PAYMENTS FROM CURRENT OPERATIONS</b>                              | <b>29,057</b>     | <b>-8,884</b>        |
| Acquisition of subsidiaries net of funds acquired                                   | 0                 | -225                 |
| Outpayments for property, plant and equipment and for intangible assets             | -3,721            | -5,927               |
| Inpayments from the disposal of intangible assets and property, plant and equipment | 176               | 150                  |
| Disposals of Group companies / business segments                                    | 1,164             | 0                    |
| Inpayments from the disposal of financial assets                                    | 0                 | 0                    |
| <b>NET FUNDS EMPLOYED FOR INVESTING ACTIVITIES</b>                                  | <b>-2,381</b>     | <b>-6,002</b>        |
| Outpayments for dividends   | -15,721           | -11,678              |
| Outpayments to non-controlling interests  | -85               | -66                  |
| Outpayments to NCI Forwards   | -353              | -1,112               |
| Repayment of leasing liabilities  | -9,086            | -8,048 <sup>1</sup>  |
| Raising and repayment of borrowings   | -7,172            | 28,479 <sup>2</sup>  |
| Interest paid   | -3,061            | -3,336 <sup>1</sup>  |
| <b>INFLOW OF NET FUNDS FROM FINANCING ACTIVITIES</b>                                | <b>-35,478</b>    | <b>4,239</b>         |
| Effects of exchange rate changes on cash  | 524               | 155                  |
| <b>NET DECREASE OF FUNDS</b>  | <b>-8,278</b>     | <b>-10,492</b>       |
| Funds at start of period  | 18,725            | 25,073               |
| <b>FUNDS AT END OF PERIOD</b>   | <b>10,447</b>     | <b>14,581</b>        |

<sup>1</sup> The 2019 figures were adjusted due to differently exercised simplification options within the scope of the first-time application of IFRS 16. For the building leases at *Jacques' Wein Depot Wein-Einzelhandel GmbH*, the Group used the carrying amount for the valuation of the rights of use, as if the standard had already been applied since the date of issuance.

<sup>2</sup> The figures for the previous year were adjusted in conjunction with the repayment of financial liabilities to the former minority shareholders of *Wein & Vinos GmbH* (€ 8.8 million).

*Segment data by segments subject to reporting requirements for the period from 1 January to 30 September 2020*

In accordance with the rules of IFRS 8, individual data from the annual financial statements are broken down by operating segment. In agreement with the internal reporting arrangements of the Hawesko Group, the operating

segments are organised according to sales form and customer group. Changes compared to the situation at 31 December 2019 have not occurred.

| in € '000                            | Retail               |                      | B2B                  |                      | E-commerce           |                      |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                      | 01.01.<br>30.09.2020 | 01.01.<br>30.09.2019 | 01.01.<br>30.09.2020 | 01.01.<br>30.09.2019 | 01.01.<br>30.09.2020 | 01.01.<br>30.09.2019 |
| <b>SALES REVENUES</b>                | <b>149,287</b>       | <b>136,458</b>       | <b>120,910</b>       | <b>123,740</b>       | <b>150,792</b>       | <b>121,820</b>       |
| External sales                       | 149,272              | 136,441              | 115,838              | 119,025              | 150,171              | 118,879              |
| Internal sales                       | 15                   | 17                   | 5,072                | 4,715                | 621                  | 2,941                |
| <b>EBITDA</b>                        | <b>23,331</b>        | <b>19,455</b>        | <b>3,140</b>         | <b>4,130</b>         | <b>16,710</b>        | <b>7,212</b>         |
| <b>DEPRECIATION AND AMORTISATION</b> | <b>-10,251</b>       | <b>-9,728</b>        | <b>-2,488</b>        | <b>-1,814</b>        | <b>-3,696</b>        | <b>-3,571</b>        |
| <b>EBIT</b>                          | <b>13,080</b>        | <b>9,727</b>         | <b>652</b>           | <b>2,316</b>         | <b>13,014</b>        | <b>3,641</b>         |
| <b>FINANCIAL RESULT</b>              |                      |                      |                      |                      |                      |                      |
| <b>INCOME TAXES</b>                  |                      |                      |                      |                      |                      |                      |
| <b>CONSOLIDATED EARNINGS</b>         |                      |                      |                      |                      |                      |                      |
| <b>SEGMENT ASSETS</b>                | <b>173,526</b>       | <b>158,046</b>       | <b>111,556</b>       | <b>112,931</b>       | <b>113,607</b>       | <b>95,131</b>        |
| <b>SEGMENT BORROWINGS</b>            | <b>152,753</b>       | <b>142,980</b>       | <b>87,744</b>        | <b>92,536</b>        | <b>70,864</b>        | <b>71,808</b>        |
| <b>INVESTMENTS</b>                   | <b>14,376</b>        | <b>3,520</b>         | <b>1,648</b>         | <b>1,048</b>         | <b>1,242</b>         | <b>1,610</b>         |

| Other                |                      | Total                |                      | Reconciliation/<br>Consolidation |                      | Group,<br>consolidated |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------------------|----------------------|------------------------|----------------------|
| 01.01.<br>30.09.2020 | 01.01.<br>30.09.2019 | 01.01.<br>30.09.2020 | 01.01.<br>30.09.2019 | 01.01.<br>30.09.2020             | 01.01.<br>30.09.2019 | 01.01.<br>30.09.2020   | 01.01.<br>30.09.2019 |
|                      |                      |                      |                      |                                  |                      |                        |                      |
| 14,344               | 16,792               | 435,333              | 398,810              | -20,053                          | -24,441              | 415,280                | 374,369              |
| 0                    | 24                   | 415,281              | 374,369              | -1                               | -                    | 415,280                | 374,369              |
| 14,344               | 16,768               | 20,052               | 24,441               | -20,052                          | -24,441              | 0                      | 0                    |
| -4,740               | -5,395               | 38,441               | 25,402               | 106                              | -11                  | 38,547                 | 25,391               |
| -561                 | -725                 | -16,996              | -15,838              | 1                                | -39                  | -16,995                | -15,877              |
| -5,301               | -6,120               | 21,445               | 9,564                | 107                              | -50                  | 21,552                 | 9,514                |
|                      |                      |                      |                      |                                  |                      | -3,015                 | -3,312               |
|                      |                      |                      |                      |                                  |                      | -5,893                 | -2,660               |
|                      |                      |                      |                      |                                  |                      | 12,644                 | 3,542                |
|                      |                      |                      |                      |                                  |                      |                        |                      |
| 203,580              | 115,464              | 602,269              | 481,572              | -220,538                         | -100,037             | 381,731                | 381,535              |
| 52,018               | 81,086               | 363,379              | 388,410              | -87,988                          | -105,083             | 275,391                | 283,327              |
| 685                  | 152                  | 17,951               | 6,330                | -7                               | -315                 | 17,944                 | 6,015                |

---

## CALENDAR

### Early February 2021:

Trading statement for fiscal year 2020

---

## COMPANY INFORMATION AND LEGAL NOTICE

Hawesko Holding AG – Investor Relations  
Elbkaihaus  
Grosse Elbstrasse 145d  
22767 Hamburg  
Phone +49 40/30 39 21 00  
[www.hawesko-holding.com](http://www.hawesko-holding.com)(Company information)

Publication date: 5 November 2020, 8:00 a.m.

Visit our brands on the Internet:

|                                |   |
|--------------------------------|---|
| <a href="#">HAWESKO</a>        | (Large product range for wine lovers)           |
| <a href="#">Jacques'</a>       | (Jacques' Wein-Depot locations and online shop) |
| <a href="#">Vinos</a>          | (The best wines from Spain)                     |
| <a href="#">WirWinzer</a>      | (German wines directly from the producers)      |
| <a href="#">WEIN &amp; CO.</a> | (Austria's leading specialist wine dealer)      |