

Gigaset

INNOVATION

Gigaset AG
Quarterly Report
2022 | January – March | Q1

KEY FIGURES

EUR millions	01/01/ - 03/31/2022	01/01/ - 03/31/2021
Consolidated revenues	51.2	50.5
EBITDA (Earnings before interest, taxes, depreciation and amortization)	0.5	1.6
EBIT (Earnings before interest and taxes)	-3.2	-2.3
Consolidated net loss for the year	-2.4	-1.9
Free cashflow	-2.0	-12.7 ^a
Earnings per share (diluted) in EUR	-0.02	-0.01
	03/31/2022	12/31/2021
Total assets	184.3	192.2
Consolidated equity	14.0	8.0
Equity ratio (in %)	7.6	4.2
Number of employees	856	868
	Q1 2022	Q1 2021
The Gigaset Share		
Closing price in EUR (at the end of the period)	0.32	0.33
Highest price in EUR (in the period)	0.32	0.41
Lowest price in EUR (in the period)	0.26	0.27
Number of shares in circulation (at the end of the period)	132,455,896	132,455,896
Market capitalization in EUR million (at the end of the period)	42.4	43.7

^a To ensure comparability, the prior-year figures were adjusted based on the changed presentation of funds subject to disposal restrictions. For more detailed explanation, see Section C. Changes in recognition of funds subject to disposal restrictions in the Notes to the 2021 Consolidated Annual Report.

KEY FACTS

- Consolidated revenues increased slightly by 1.4% compared with the year-ago figure
- Professional B2B segment grew 27.9% compared to first quarter of prior year
- Smartphone segment likewise saw double-digit sales increase of 16.8%
- Material supply problems and price changes weigh on net income

“Gigaset like others is faced with the new reality in logistics and the unavailability of purchased goods and services. Accordingly, our net income was weighed down in the first quarter, mainly by procurement and supply chain problems, as a consequence of the coronavirus pandemic. In this challenging environment, our strong relationships with our suppliers over many years ensure for us the best possible provision with precursor products and raw materials. In this context, it is important at the same time to keep costs in hand and to manage the current extreme level of uncertainty.”

Thomas Schuchardt, CFO der Gigaset AG

“We are in a situation of extraordinary uncertainty. Nonetheless, we view the future positively, in part because we have done our homework since the outbreak of the Covid pandemic in 2020 and have made our organization more resilient overall. New, customer-oriented products, long-term cooperative ventures with strong partners and our domestic manufacturing are all important assets for the future that afford us extraordinary flexibility in production.”

Klaus Wessing, CEO der Gigaset AG

1 GENERAL ECONOMIC ENVIRONMENT

On top of the persistent challenges brought by the coronavirus pandemic and its after-effects (semiconductor crisis, logistical problems and spiraling prices for precursor products), the International Monetary Fund (IMF) assumes that the economic damage from the recently ignited and ongoing war in Ukraine will lead to a significant slowdown in global economic growth in 2022 and continue to drive inflation.

Prices for fuels and food have risen rapidly, impacting lower-income populations in low-income countries most severely. Global growth is expected to weaken from an estimated 6.1% in 2021 to 3.6% in 2022, 0.8 percentage points lower than the IMF forecast in January.

The rise in raw materials prices due to the war and increasing price pressure have led to inflation forecasts of 5.7% for 2022 in more advanced economies and 8.7% in emerging and developing countries, which is 1.8 and 2.8 percentage points higher, respectively, than what was forecast in January. Multilateral efforts to prevent further economic fragmentation, maintain international liquidity, manage debt problems and end the pandemic are essential.

In the markets relevant to Gigaset, growth will also decelerate in the current year: the IMF anticipates the following growth rates for 2022: Germany +2.1%, France +2.9%, Italy +2.3%, Spain +4.8%. In the Netherlands, 3.2% growth is expected, according to Statista. For Switzerland an increase of 2.8% is assumed according to an estimation by the Office of the State Secretary for Economics (SECO).

Against the backdrop of persistent global supply chain problems, Gigaset remains subject to the risk that current procurement shortages, especially the shortage of chips, as well as logistical problems will have a negative impact on production and product availability and prevent steady utilization of capacities. In addition, rising costs for energy and raw materials might impact net income negatively. Gigaset monitors these developments continuously and seeks to mitigate their impacts with suitable measures.

2 BUSINESS DEVELOPMENTS

Gigaset achieved, overall, a slight increase of 1.4% in revenues in the first quarter of 2022, in range of announced revenue expectations. Net income was weighed down primarily by higher costs for purchased goods and services, which led to a decline in EBITDA compared to the prior-year quarter.

As described in the chapter on the General Economy, Gigaset like others faces new realities in the area of logistics and availability, characterized by procurement and supply chain problems and a chip shortage. Through its solid relationships with suppliers, established over many years, the Company seeks to ensure the best possible supply of all raw materials and precursor products required in production, while at the same time keeping costs under control. In addition, highly flexible production at the Bocholt (Germany) plant makes it possible to spread utilization peaks out over the day and thus always convert supplied precursor products into products as quickly as possible.

2.1 Phones

The Phones business unit suffered under persistent supply chain and material procurement problems again in the first quarter of 2022. Accordingly, it recorded an 8.2% drop in revenues. Although the European cordless telephone market continues to decline overall and competition is fierce, Gigaset is firmly resolved to position itself here as the first-choice provider of premium landline phones with their own bases or using routers, thereby securing additional market share.

2.2 Smartphones

The Smartphones business unit in the first quarter of 2022 carried on its gratifying growth of the 2021 financial year with a 16.7% increase in revenues. The main revenue drivers in this segment were the

GS5 and GS290pro or GS290 Plus models. To strengthen this segment further, Gigaset will continue to expand its Smartphones business, with an increasing focus on B2B partnerships as well.

2.3 Smart Home

The business trend in the Smart Home segment remained difficult in the first quarter of 2022; revenue fell by 25.0% compared to the prior year. The reason is that the Smart Home market is still small in scale, is served by many different standards and players, and in total still lags behind the potential revenue forecast by Statista and others. In April, Gigaset in conjunction with the Einkaufsgemeinschaft des Bundesverbands Breitbandkommunikation (BREKO) brought an initial router on the market, which is currently marketed exclusively by BREKO to its association of network operators. Gigaset seeks to gain knowledge and experience in this area. Routers complement the Gigaset portfolio very well, and experience from the partnership with BREKO enables Gigaset to offer products more adapted to the market than those of established competitors. In addition, the cooperative project promises potential synergies with the Telephones and Smart Home business units that can be connected in future directly to routers – especially in view of the increasing distribution of fiber optic connections.

2.4 Professional

The Professional business unit continued to see very gratifying growth in the first quarter of 2022. Due in part to backlog effects from the 2021 financial year, revenues increased by 27.7% compared to the same quarter of the prior year. The cooperative venture with our partner Unify continues on schedule, and initial rollouts are planned in the current year.

3 FINANCIAL PERFORMANCE, CASHFLOWS AND FINANCIAL POSITION OF THE GROUP

3.1 Financial performance

The Gigaset Group generated total revenues of EUR 51.2 million (prior year: EUR 50.5 million) in the first quarter of 2022. Revenues were subject to the usual seasonal fluctuations in the consumer business. Gigaset managed to increase its sales revenues by EUR 0.7 million compared to the first quarter of the prior year, despite the ongoing materials bottlenecks on account of disrupted supply chains and global uncertainty resulting from the Russia-Ukraine war that started in the first quarter of 2022.

The Phones business unit at EUR 32.4 million in the 2022 reporting period fell short of last year's figure of EUR 35.3 million. Unit sales for Phones declined by 8.2% compared to the prior-year period, which is attributable, on the one hand, to the materials bottleneck situation, particularly for chipsets. On the other hand, demand for cordless telephones has gradually settled back to normal, after having risen noticeably during the Covid pandemic lockdowns.

In the Smartphones segment, sales revenues in the first three months of the current financial year came in at EUR 4.2 million, which is EUR 0.6 million higher than in the prior-year period. This development is attributable in particular to the new products, like the GS5, that have been very well received in the market.

The development of the Smart Home business unit remains unsatisfactory for Gigaset. Revenue in the first quarter came to EUR 0.3 million (prior year: EUR 0.4 million). Demand for Smart Home products fell further for reasons having to do with the pandemic, since the greater amount of time spent at

home in an era of social distancing and more frequent working from home reduced the need for alarm systems.

The Professional business unit in the first quarter managed to continue the positive trend of the past quarters. Cumulatively, its revenues in the current financial year came to EUR 14.3 million (prior year: EUR 11.2 million), for a 27.7% increase. This positive development, on the one hand, was influenced by backlog effects of projects and, on the other hand, by high demand and new project implementations.

Overall, revenues are broken down by product segments as follows:

Revenues in EUR millions	Q1 2022	Q1 2021	Change in %
Phones	32.4	35.3	-8.2
Smartphones	4.2	3.6	16.7
Smart Home	0.3	0.4	-25.0
Professional	14.3	11.2	27.7
Gigaset Total	51.2	50.5	1.4

In the internal segment report, revenues are broken down by country based on both the receiving entities and the domicile of each company ("country of domicile").

The regional breakdown of revenues by receiving entities is based on the revenues billed in the respective regions, regardless of the domicile of the billing entity. If, for example, a German company issues an invoice to an entity in the Netherlands, the corresponding revenue is attributed to the

Europe region for purposes of the regional breakdown by receiving entities. The regional breakdown of revenues by receiving entity is presented in the table below:

Revenues in EUR millions	Q1 2022	Q1 2021	Change in %
Germany	26.0	22.9	13.5
Europe (excluding Germany)	18.0	20.7	-13.0
Rest of World	7.2	6.9	4.3
Gigaset Total	51.2	50.5	1.4

As part of the segment report by geographical region within the Group, revenues are additionally attributed to the country of domicile of the various legal entities. If, for example, a German company issues an invoice to an entity in the Netherlands, the corresponding revenue is attributed to the country of domicile, i.e. the Germany region. As of the start of the 2022 financial year, foreign subsidiaries will be shifted one after the other to the direct business model. As a result, the German subsidiary Gigaset Communications GmbH will deliver directly to end customers outside of Germany, so that the foreign sales companies will increasingly act as sales intermediaries and will no longer generate direct sales revenues. Consequently, in the breakdown by country of domicile, sales revenues will be assigned one after the other to Germany, which will hinder comparison to the prior year. The regional breakdown of revenues by country of domicile is presented in the table below:

Revenues in EUR millions	Q1 2022	Q1 2021	Change in %
Germany	33.2	28.9	14.9
Europe (excluding Germany)	13.2	15.9	-17.0
Rest of World	4.8	5.7	-15.8
Gigaset Total	51.2	50.5	1.4

The cost of purchased goods and services, covering raw materials, merchandise, finished goods and purchased services, in the first three months of the current financial year was EUR 27.6 million – an increase of EUR 4.6 million from EUR 22.9 million in the previous year. At 51.4%, the purchased goods and services ratio, calculated as the ratio of purchased goods and services to the sum of sales

revenues and the change in inventories of finished and semi-finished products, rose compared with the year-ago figure of 45.5%, owing to the changes in the product mix and cost increases.

Gross profit, which is calculated as revenues minus the cost of purchased goods and services and in consideration of the change in inventories of finished and unfinished goods, fell by EUR 1.5 million to EUR 26.0 million in the reporting period. The gross profit margin, calculated as gross profit divided by revenues plus changes in inventory, fell likewise, from 54.5% in the previous year to 48.6%.

Other internal production capitalized increased from EUR 2.6 million in the prior-year period to EUR 3.4 million in the first three months of the current 2022 financial year, in connection with costs for new product development. The increase in internal production capitalized is mainly attributable to the developments underway in the cooperative venture with Unify.

The other operating income at EUR 3.8 million in the reporting period rose slightly against the figure of EUR 3.6 million for the same period in the prior year. Realized and unrealized exchange rate gains continued to constitute material items.

Personnel expenses for wages, salaries, social security contributions and old age pensions amounted to EUR 18.1 million in the first quarter of 2022, thus distinctly higher than in the previous year (EUR 15.8 million). The increase resulted mainly from valuation effects in connection with plan assets for the securing of pension obligations. The personnel expenses ratio, calculated as personnel expenses divided by revenues plus changes in inventory, stands at 33.8% (prior year: 31.4%).

Other operating expenses were incurred in the amount of EUR 14.7 million (prior year: EUR 16.4 million) in the reporting period. The reduction in costs was attributed mainly to lower marketing expenses compared to the prior year.

Earnings before interest, taxes, depreciation, amortization and impairment losses (EBITDA) thus amounted to EUR 0.5 million (prior year: EUR 1.6 million). After deducting depreciation,

amortization and impairment losses in the amount of EUR 3.7 million (prior year: EUR 3.8 million), earnings before interest and taxes (EBIT) amounted to EUR -3.2 million (prior year: EUR -2.3 million).

Taking into account the financial result in the amount of EUR -0.2 million (prior year: EUR -0.2 million), the result from ordinary activities amounted to EUR -3.4 million (prior year: EUR -2.5 million).

The consolidated loss for the period from January 1 to March 31, 2022 amounted to EUR -2.4 million (prior year: EUR -1.9 million).

This yields earnings per share of EUR -0.02 (undiluted/diluted) (prior year: EUR -0.01 (undiluted/diluted)).

3.2 Cashflows

To ensure comparability, the prior-year figures were adjusted based on the changed presentation of funds subject to disposal restrictions. For more detailed explanation, see Section C. Changes in recognition of funds subject to disposal restrictions in the Notes to the 2021 Consolidated Annual Report.

The cashflow is as follows:

Cashflows in EUR millions	Q1 2022	Q1 2021
Cashflow from operating activities	2.5	-9.2
Cashflow from investing activities	-4.5	-3.4
Free Cashflow	-2.0	-12.7
Cashflow from financing activities	-2.0	0.1

In the reporting period from January to March 2022, the Gigaset Group generated a cash inflow from operating activities in the amount of EUR 2.5 million (prior year: cash outflow EUR -9.2 million). This resulted mainly from the collection of trade and other receivables and from other assets in the amount of EUR 7.6 million, and the decrease in trade payables, other liabilities and other provisions in the amount of EUR 2.6 million.

The cash outflow from investing activities amounted to EUR -4.5 million after EUR -3.4 million in the previous financial year. Most investments in the reporting period and previous year related to expenses for the development of new products and solutions.

Free cashflow in the first three months of the current financial year stood at EUR -2.0 million (prior year: -12.7 million), thus markedly higher than in the prior year. As in the prior year, the greater demand for telecommunications products and an accompanying rise in prefinancing of production had a negative effect on free cashflow. The reason for this was the greater capital tie-up and the resulting outflow of liquidity.

The cash outflow from financing activities amounted to EUR -2.0 million (prior year: cash inflow of EUR 0.1 million). The cash outflow resulted for the most part from principal repayment and interest obligations from existing credit facilities. In the prior year, cash inflows were recorded through the taking out of supplier loans in the course of the partnership with Unify.

Please refer to the statement of cashflows for a detailed account of the development of cash and cash equivalents. Exchange rate changes of EUR -0.1 million (prior year: EUR -0.1 million) were included in the cashflow. Cash and cash equivalents amounted to EUR 18.9 million as of March 31, 2022 (prior year: EUR 28.5 million).

3.3 Financial position

As of March 31, 2022, the total assets of the Gigaset Group amounted to EUR 184.3 million, which represents a reduction compared with December 31, 2021 (EUR 192.2 million). On the asset side, the reduction is due to the decrease in cash and cash equivalents from EUR 23.1 million as of December 31, 2021 to EUR 18.9 million as of March 31, 2022 and the reduction of trade receivables and other assets. Under liabilities, the main drivers were the change in pension obligations by EUR 10.3 million to EUR 83.5 million and the reduction of short-term provisions from EUR 12.0 million to EUR 9.4 million.

Compared with December 31, 2021, noncurrent assets decreased by EUR 1.5 million to EUR 98.7 million. The reduction resulted mainly from a decrease in deferred tax assets as of March 31, 2022.

Current assets accounted for 47.2% of total assets. These decreased by EUR 6.4 million compared with December 31, 2021 and amounted to EUR 87.1 million. The largest item in the reduction, for EUR 4.6 million, came under other assets, and was based on the collection of receivables under Germany's Corona Interim Aid III [*Corona Überbrückungshilfe III*], among other things. In addition, cash and cash equivalents decreased by EUR 4.1 million and trade receivables were reduced by EUR 2.5 million. Inventories increased from EUR 29.9 million as of December 31, 2021 to EUR 34.7 million as of the reporting date of March 31, 2022.

The Gigaset Group's equity amounted to EUR 14.0 million as of March 31, 2022, and was EUR 6.0 million higher than at the beginning of the year. This corresponds to an equity ratio of 7.6%, as compared with 4.2% as of December 31, 2021. The valuation of pension obligations at the discount rate on the reporting date, taking into account deferred taxes, resulted in a positive effect of EUR 8.2 million that increased equity with no effect on net income. Taking into account deferred taxes, cashflow hedging led to a positive effect of EUR 0.3 million recognized directly in equity. The consolidated net loss amounted to EUR 2.4 million and led to a corresponding negative effect on

consolidated equity. All effects on equity are described in the section entitled "Development of consolidated equity".

Total liabilities amounted to EUR 170.3 million (prior year: EUR 184.2 million), of which 43.1% are current.

Noncurrent liabilities were mainly composed of pension obligations and financial liabilities. The decrease in noncurrent liabilities amounted to EUR 2.9 million compared with the reporting date of December 31, 2021; as a result, these liabilities now amount to EUR 96.9 million as of March 31, 2022. The decrease resulted mainly from changes in the pension obligations amounting to EUR -10.3 million. A contrasting effect amounting to EUR 6.8 million resulted from the change of presentation as of December 31, 2021 of a loan previously categorized as current into noncurrent financial liabilities. Because of the noncompliance with the covenant in the 2021 financial year, this entire loan had been classified as current. In March 2022, the financing banks agreed to waive the right of termination, so that the loan is henceforth again rated as noncurrent and current.

The current liabilities of EUR 73.4 million were about 12.9% less than as of December 31, 2021. The decline resulted mainly in a drop in current financial liabilities of EUR 7.6 million due to the above-described reassignment of the loan payables to noncurrent financial liabilities. In addition, short-term provisions were reduced by EUR 2.6 million.

4 GENERAL ASSESSMENT OF THE GROUP'S EXPECTED PERFORMANCE

Outlook

The assumptions in this Outlook are based on an unchanged structure and make-up of Gigaset AG as a group. The Outlook takes into account all knowledge available at the time of preparation that might have an influence on the Company's business performance.

External influences affecting Gigaset

The Covid pandemic still has not been overcome. Officials are already warning of possible new virus variants that (depending on their risk) might require renewed action that would place restrictions on public life and thus also limit the free conduct of business. A look at China today shows how hard it is to plot the future course of the pandemic and how severe the impacts can be. The spread of the omicron variant there has led to massive lockdowns, which in turn has caused a severe disruption of local production and global logistics.

Current shortages on the purchasing side, especially the scarcity of chips, can have a negative effect on production and product availability, thereby preventing a continuous or maximum utilization of production capacities. The current pandemic situation in China prolongs and intensifies the risk.

Logistics and transportation are becoming more and more complex. The greatest risk here pertains to free freight capacities and their costs. At the world's largest freight port, in Shanghai, there are currently hundreds of ships lined up waiting for entry. "Lockdown in the world's largest container port leads to new problems for the global supply chain" was a recent headline in the marine logistics portal *Ankerherz*. Thus, in Asia, there is the problem of a traffic jam as well as available capacities for commodity shipments. In addition, the Russia-Ukraine conflict has created transport bottlenecks in

Europe, since there is a potential absence of up to 100,000 Ukrainian drivers in Europe, according to the news portal RP-Online.

The Russia-Ukraine conflict has resulted not only in potential logistics bottlenecks but also in massive energy price increases, as reported by television broadcaster BR. Germany's one-sided dependence on Russia is becoming ever clearer and most likely cannot be substituted for in the short term. Over the course of the year, this may lead to rationing for industry and private households, especially with fall and winter approaching. If German industry is no longer able to operate at full capacity, this might trigger a deep recession.

While supply bottlenecks and rising energy costs represent one driver of sharply rising inflation rates, three other factors are also potential long-term drivers of inflation: deglobalization, decarbonization and demography. Geopolitical tensions are driving deglobalization and thus threaten the global prosperity that free trade brings with it. The necessity of combating climate change is forcing the need for decarbonization and the resulting rise in costs, while demographic changes have created a battle for new talent in the recruitment market.

All the risks just described can have a negative potential impact on production costs, which the Company cannot automatically pass on to customers. As a result, this would reduce margin quality and thus have a negative effect on various key indicators.

General assessment of the Managing Board for 2022

In light of the assumptions described in the outlook and barring a sudden significant worsening of the pandemic or the supply-chain situation, Gigaset anticipates the following developments in its financial position, cashflows and financial performance in the 2022 financial year:

1. A slight increase in revenues and EBITDA
2. A moderately positive free cashflow

5 CONSOLIDATED INCOME STATEMENT

EUR'000	01/01/ - 03/31/2022	01/01/ - 03/31/2021
Revenues	51,156	50,452
Change in inventories of finished and unfinished goods	2,404	-27
Purchased goods and services	-27,553	-22,923
Gross profit	26,007	27,502
Other internal production capitalized	3,433	2,636
Other operating income	3,810	3,617
Personnel expenses	-18,087	-15,814
Other operating expenses	-14,669	-16,386
EBITDA	494	1,555
Depreciation and amortization	-3,708	-3,805
EBIT	-3,214	-2,250
Other interest and similar income	141	161
Interest and similar expenses	-304	-386
Financial result	-163	-225
Result from ordinary activities	-3,377	-2,475
Income taxes	1,002	545
Consolidated net loss for the year	-2,375	-1,930
Earnings per share		
– Undiluted (Basic) in EUR	-0.02	-0.01
– Diluted in EUR	-0.02	-0.01

The consolidated income statement includes key figures that are not defined under IFRS

6 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR'000	01/01/ - 03/31/2022	01/01/ - 03/31/2021
Consolidated net loss for the year	-2,375	-1,930
Items that may possibly be reclassified to profit or loss at a later time		
Currency translation changes	-214	-122
Cashflow hedges	464	319
<i>Income taxes recognized on this item</i>	-148	-101
Items that will not be reclassified to profit or loss at a later time		
Revaluation effect, net debt of defined benefit pension plans before income taxes	12,113	9,149
<i>Income taxes recognized on this item</i>	-3,876	-2,909
Financial instruments at Fair Value through Other Comprehensive Income (FVOCI)	0	0
Total changes not recognized in profit or loss	8,339	6,336
Total income and expenses recognized	5,964	4,406

7 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR'000	03/31/2022	12/31/2021
ASSETS		
Noncurrent assets		
Intangible assets	57,321	55,842
Property, plant and equipment	20,645	20,939
Right of use assets	2,802	2,990
Investment property	6,700	6,700
Deferred tax assets	9,758	12,209
Total noncurrent assets	97,226	98,680
Current assets		
Inventories	34,655	29,854
Trade receivables	13,520	16,009
Other assets	19,697	24,344
Tax refund claims	264	186
Cash and cash equivalents	18,939	23,080
Total current assets	87,075	93,473
Total assets	184,301	192,153

EUR'000	03/31/2022	12/31/2021
EQUITY AND LIABILITIES		
Equity		
Subscribed capital	132,456	132,456
Additional paid-in capital	86,076	86,076
Retained earnings	68,979	68,979
Accumulated other comprehensive equity	-273,552	-279,516
Total equity	13,959	7,995
Noncurrent liabilities		
Pension obligations	83,500	93,796
Provisions	1,436	1,373
Financial liabilities	9,603	2,847
Lease liabilities	1,493	1,561
Deferred tax liabilities	896	265
Total noncurrent liabilities	96,928	99,842
Current liabilities		
Provisions	9,375	11,995
Financial liabilities	5,489	13,131
Lease liabilities	1,411	1,541
Trade payables	44,293	44,978
Tax liabilities	839	844
Other liabilities	12,007	11,827
Total current liabilities	73,414	84,316
Total equity and liabilities	184,301	192,153

8 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR'000	Subscribed capital	Additional paid-in capital	Retained earnings	Accumulated other comprehensive equity	Consolidated equity
December 31, 2020	132,456	86,076	68,979	-285,615	1,896
1 Consolidated net loss 2021	0	0	0	-1,930	-1,930
2 Currency translation differences	0	0	0	-122	-122
3 Cashflow hedges	0	0	0	218	218
4 Revaluation effects from defined benefit pension plans	0	0	0	6,240	6,240
5 Total changes not recognized in profit or loss	0	0	0	6,336	6,336
6 Total net income (1+5)	0	0	0	4,406	4,406
March 31, 2021	132,456	86,076	68,979	-281,209	6,302
December 31, 2021	132,456	86,076	68,979	-279,516	7,995
1 Consolidated net loss 2022	0	0	0	-2,375	-2,375
2 Currency translation differences	0	0	0	-214	-214
3 Cashflow hedges	0	0	0	316	316
4 Revaluation effects from defined benefit pension plans	0	0	0	8,237	8,237
5 Total changes not recognized in profit or loss	0	0	0	8,339	8,339
6 Total net income (1+5)	0	0	0	5,964	5,964
March 31, 2022	132,456	86,076	68,979	-273,552	13,959

9 CONSOLIDATED STATEMENT OF CASHFLOWS

EUR'000	01/01/ 03/31/2022	01/01/ 03/31/2021
Result from ordinary activities	-3,377	-2,475
Depreciation and amortization of property, plant and equipment and intangible assets	3,708	3,805
Increase (+) / decrease (-) in pension provisions	1,817	-457
Gain (-) / loss (+) on the sale of noncurrent assets	95	-2
Gain (-)/ loss (+) from deconsolidations	0	6
Gain (-) / loss (+) from currency translation	-322	151
Net interest income	163	225
Interest received	0	6
Income taxes paid	-35	-53
Increase (-) / decrease (+) in inventories	-4,801	-3,845
Increase (-) / decrease (+) in trade receivables and other assets	7,600	2,769
Increase (-) / decrease (+) in trade payables, other liabilities and other provisions	-2,550	-9,385
Increase (-) / decrease (+) in other items of the statement of financial position	159	38
Cash inflow (+) /outflow (-) from operating activities (net cashflow)	2,457	-9,217
Proceeds from the sale of noncurrent assets	0	6
Payments of investments in noncurrent assets	-4,480	-3,443
Cash inflow (+) /outflow (-) from investing activities	-4,480	-3,437
Free cashflow	-2,023	-12,654
Cashflows from the repayment (-) of current financial liabilities	-911	-604
Cashflows from the borrowing of noncurrent financial liabilities	0	1,590
Payments for lease liabilities	-418	-463
Interest paid	-675	-418
Cash inflow (+) /outflow (-) from financing activities	-2,004	105
Cash and cash equivalents at beginning of period	22,966	41,045
Changes due to exchange rate differences	-114	-108
Cash and cash equivalents at beginning of period, measured at prior-year closing exchange rate	23,080	41,153
Change in cash and cash equivalents	-4,027	-12,549
Cash and cash equivalents at end of period (per statement of financial position)	18,939	28,496

To ensure comparability, the prior-year figures were adjusted based on the changed presentation of funds subject to disposal restrictions.

For more detailed explanation, see Section C. Changes in recognition of funds subject to disposal restrictions in the Notes to the 2021 Consolidated Annual Report.

FINANCIAL CALENDAR 2022

Remaining (subject to change)

June 9, 2022	Annual general meeting 2022
September 27, 2022	Semiannual financial report 2022
November 22, 2022	Interim financial report for Q3 2022

Notes

This quarterly report has not been audited. This report is not an interim financial report according to IAS 34 or financial statements according to IAS 1. It was prepared on the basis of the accounting policies applied for the most recent consolidated financial statements. The comparison figures from the first quarter of 2021 have not been adjusted to account for new accounting standards. This quarterly report includes statements and information of Gigaset AG referring to future periods. These forward-looking statements represent estimates that were made on the basis of all available information at the time when the report was prepared. If the assumptions underlying the forecasts should prove to be inaccurate, the actual developments and results can deviate from current expectations. The Company bears no obligation to update the statements included in this report beyond the statutory publication regulations.

The amounts and percentages stated in this interim report are rounded to the nearest whole number. Consequently, minor rounding differences can arise as a result.

For the sake of readability, we use the generic masculine form in this report. It should be understood as a gender-neutral form applied as a simplification: It is unbiased and does not imply any discrimination against other genders.

This English interim report of Gigaset AG can be viewed and downloaded just as the report in German on Gigaset AG's homepage (<http://www.gigaset.ag>). When in doubt in the event of minor differences in the contents as well as differences in the stated figures, the German version is authoritative.

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