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# Annual financial statements for financial year 2022

Leifheit AG, Nassau/Lahn, Germany

## Annual financial statements

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## Combined management report

The management report of Leifheit AG and the Leifheit Group consolidated management report have been combined in accordance with section 315 para. 5 and section 298 para. 2 of the German commercial code (HGB) and published in the Leifheit Group annual report 2022.

The annual financial statements of Leifheit AG and the annual report of the Leifheit Group for financial year 2022 are also available online at [financial-reports.leifheit-group.com](https://financial-reports.leifheit-group.com).

## Balance sheet

k€	Notes	31 Dec 2021	31 Dec 2022
<b>Assets</b>			
I. Intangible assets	1	997	721
II. Tangible assets	2	14,482	12,960
III. Financial assets	3	60,605	63,261
<b>A. Non-current assets</b>		<b>76,084</b>	<b>76,942</b>
I. Inventories	4	45,717	32,975
II. Receivables and other assets	5	46,289	41,743
III. Cash and cash equivalents		30,959	31,198
<b>B. Current assets</b>		<b>122,965</b>	<b>105,916</b>
<b>C. Accrued expenses</b>		<b>160</b>	<b>134</b>
		<b>199,209</b>	<b>182,992</b>
<b>Liabilities</b>			
I. Subscribed capital		30,000	30,000
Deduction for treasury shares		-1,454	-1,454
		28,546	28,546
II. Capital surplus		17,164	17,164
III. Retained earnings		32,760	23,853
IV. Balance sheet profit		10,000	6,700
<b>A. Equity</b>	6	<b>88,470</b>	<b>76,263</b>
1. Provisions for pensions and similar obligations	7	56,564	61,337
2. Tax provisions		389	2
3. Other provisions	8	26,940	24,710
<b>B. Provisions</b>		<b>83,893</b>	<b>86,049</b>
<b>C. Liabilities</b>	9	<b>26,846</b>	<b>20,680</b>
		<b>199,209</b>	<b>182,992</b>

## Statement of profit or loss

k€	Notes	2021	2022
Turnover	10	274,394	242,304
Cost of turnover	11	-187,920	-181,524
<b>Gross profit from turnover</b>		<b>86,474</b>	<b>60,780</b>
Distribution costs	12	-62,253	-56,827
General administrative costs	13	-8,510	-14,311
Other operating income of which income from currency translation: k€ 11,465 (2021: k€ 5,461)	14	8,258	14,523
Other operating expenses of which expenses from currency translation: k€ -5,446 (2021: k€ -3,076)	15	-8,788	-11,132
<b>Operating result</b>		<b>15,181</b>	<b>-6,967</b>
Income from shareholdings of which from affiliated companies: k€ 3,489 (2021: k€ 2,715)	16	2,715	3,489
Income from loans of financial assets of which from affiliated companies: k€ 3,022 (2021: k€ 1,101)		1,101	3,022
Interest income		26	179
Amortisation of financial assets		-6,168	-
Interest expenses of which to affiliated companies: k€ -62 (2021: k€ -32) of which from compound interest: k€ -1,777 (2021: k€ -4,467)	17	-4,617	-1,916
Income taxes (income; 2021: expenses)	18	-3,784	84
<b>Earnings after taxes</b>		<b>4,454</b>	<b>-2,109</b>
Other taxes		-105	-107
<b>Net income/net loss</b>		<b>4,349</b>	<b>-2,216</b>
<b>Appropriation of profit</b>			
Net income/net loss		4,349	-2,216
Retained earnings		2,412	9
Withdrawal from other retained earnings		3,239	8,907
<b>Balance sheet profit</b>		<b>10,000</b>	<b>6,700</b>

## Notes: General information

Leifheit Aktiengesellschaft (Leifheit AG), whose registered office is at Leifheitstraße 1, Nassau/Lahn, Germany, is entered in the Commercial Register of Montabaur Local Court under HRB 2857. The shares of Leifheit AG are traded in the Prime Standard trading segment in the Xetra, Frankfurt/Main, Berlin, Düsseldorf, Hamburg, Hanover and Stuttgart stock markets under ISIN DE0006464506.

The annual financial statements of Leifheit AG have been prepared in accordance with the provisions of the German commercial code (HGB) and the German stock corporation act (AktG) applying to large corporations.

## Accounting and valuation principles

Intangible assets and tangible assets are valued at cost and depreciated or amortised in accordance with their expected useful lives.

The useful lives of non-current tangible and intangible assets:

	Years
Buildings	25–50
Brands	15
Other structures	10–20
Vehicles	6
Other technical equipment and machinery	5–10
Injection-moulding machines	4–6
Operating and office equipment	3–13
IT systems	3–5
Software	3–5
Injection-moulding and stamping tools	3–4
Display and POS stands	3

Manufacturing costs include specific costs directly attributable to the assets and associated overheads.

An impairment loss is recognised to the lower fair value in the event of a reduction in value that is likely to be permanent. If the reasons for the impairment cease to apply in subsequent years, the impairment loss is reversed up to a maximum of the amortised costs.

In the case of financial assets, the shares are recognised at the lower of costs or fair value on the balance sheet date if the impairment is expected to be permanent. Loans are recognised at their nominal value less necessary impairments. The fair value is determined using the discounted cash flow method. The payment flows used for the discounted cash flow method are based on individual budgets of equity interests for the next four years, for which trends are based on assumptions about long-term growth rates. The country-specific weighted discount rate is derived from the return on a risk-appropriate alternative investment. If the fair value is lower than the book value, qualitative and quantitative criteria are used to examine whether the impairment is expected to be permanent.

Raw materials, consumables and supplies, as well as goods purchased and held for resale, are valued at acquisition cost, while finished and unfinished products are carried at manufacturing cost. These items are recognised in accordance with the lowest value principle and the first-in first-out (FIFO) principle for consumption of inventory. Manufacturing costs include the costs directly attributable to products (e.g. material and labour), specific direct costs and fixed and variable production overheads (e.g. material and production overheads, depreciation and amortisation). Impairments are recognised for slow-moving stock, excess stock and within the scope of loss-free valuation. Impairments are recognised on raw materials, consumables and supplies as well as on goods purchased and held for resale for lower repurchasing costs on the reporting date.

Receivables and other assets are recognised at their nominal value. All discernible risks relating to receivables are taken into account through individual impairments. In addition, risks associated with significant portions of trade receivables are also mitigated through credit on goods insurance. Receivables and corresponding turnover generally arise at the point at which the delivery is made and the risk of accidental loss or deterioration of the delivered goods has been transferred to the purchaser or client.

Treasury shares are deducted from subscribed capital at the nominal amount. Acquisition cost exceeding the nominal amount is offset against retained earnings.

Deferred taxes calculated on the basis of temporary or quasi-permanent differences between approaches to valuing assets, liabilities and accrued expenses under German commercial law and valuation under German tax law are valued at the company-specific tax rates at the point at which the differences are expected to be resolved. Tax charges or tax relief resulting from this calculation are not discounted. Deferred tax assets and liabilities are offset in accordance with section 274 para. 1 HGB. Tax relief (asset surplus) resulting from this is not recognised according to the existing option under section 274 para. 1 sentence 2 HGB.

Accrued expenses are formed for payments prior to the balance sheet date that represent expenses for a defined period after the balance sheet date.

Provisions for pensions are formed for contractually agreed, direct and indirect pension entitlements in accordance with actuarial principles, in application of the projected unit credit method subject to an average market rate and the 2018 G mortality tables of Heubeck-Richttafel-GmbH, Cologne, Germany; an interest rate of 1.78% was applied (2021: 1.87%). Discounting is applied at the 10-year average discounting rate in accordance with its residual term. The assets set aside solely for the fulfilment of pension obligations and placed out of reach of all other creditors (plan assets as defined in section 246 para. 2 sentence 2 HGB) were offset at their fair value against the settlement value of the provisions. The same approach is applied to corresponding income and expenses. The plan assets constitute life insurance policies for which there is no active market, and therefore no possibility for the market price to be determined. As a result, the fair value of the securities was calculated as the fair value of the reinsurance cover for the pension commitments. The effect of changes in interest rates on the pension obligations is reported in the net interest result.

Tax provisions and other provisions take into suitable and appropriate account all discernible risks and uncertain liabilities and are valued at the necessary settlement amount according to prudent commercial judgement. Furthermore, non-current provisions are discounted in accordance with the principle of individual valuation. An interest rate with a matching maturity published by the Deutsche Bundesbank is used for discounting purposes.

Liabilities are recognised at their settlement amount in accordance with the imparity principle.

Receivables and liabilities denominated in foreign currencies with terms of less than one year are valued at the average spot rate on the reporting date. Valuation differences are recognised through profit or loss. Assets and liabilities denominated in foreign currencies with terms greater than one year are valued at the average spot rate on the reporting date in accordance with the realisation principle and the acquisition cost principle.

The company exercises the option of collating individual balance sheet items in accordance with section 265 para. 7 no. 2 HGB. Collated items are explained in the notes to the annual financial statements.

The cost of turnover method was applied to the statement of profit or loss. Items collated in the statement of profit or loss are presented separately in the notes to the financial statements.

The annual financial statements are prepared in euros. Unless stated otherwise, all amounts are generally stated in thousands of euros (k€) for reasons of simplicity and comparability.

Minor differences may occur when using rounded amounts and percentages due to commercial rounding.

## Notes to the balance sheet

### (1) Intangible assets

k€	Brands	Goodwill	Other intangible assets	Advances paid	Total
<b>Acquisition and manufacturing costs</b> as at 1 Jan 2022	4,324	1,209	9,083	199	14,815
Additions	–	–	101	129	230
Disposals	–	–	395	–	395
Reclassifications	–	–	75	–163	–88
<b>As at 31 Dec 2022</b>	<b>4,324</b>	<b>1,209</b>	<b>8,864</b>	<b>165</b>	<b>14,562</b>
<b>Cumulative amortisation</b> as at 1 Jan 2022	4,324	1,209	8,285	–	13,818
Additions	–	–	418	–	418
Disposals	–	–	395	–	395
<b>As at 31 Dec 2022</b>	<b>4,324</b>	<b>1,209</b>	<b>8,308</b>	<b>–</b>	<b>13,841</b>
<b>Net book value</b>					
As at 31 Dec 2021	–	–	798	199	997
<b>As at 31 Dec 2022</b>	<b>–</b>	<b>–</b>	<b>556</b>	<b>165</b>	<b>721</b>

Brands concern the Soehnle brand, which was acquired in 2006 as part of the merger of the Soehnle Group. These brands were amortised as part of expected earnings over a period of 15 years, nine of which remained at the point of the merger.

Goodwill resulted from the steam ironing business taken over as at 31 December 2008. It was impaired over a period of four years.

Other intangible assets primarily include software.

Advances paid largely concerned advances for software.

### (2) Tangible assets

k€	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Advances paid and assets under construction	Total
<b>Acquisition and manufacturing costs</b> as at 1 Jan 2022	32,969	14,120	30,238	198	77,525
Additions	6	28	289	–	323
Disposals	–	11	870	–	881
Reclassifications	–	–	245	–157	88
<b>As at 31 Dec 2022</b>	<b>32,975</b>	<b>14,137</b>	<b>29,902</b>	<b>41</b>	<b>77,055</b>
<b>Cumulative amortisation</b> as at 1 Jan 2022	23,426	13,154	26,463	–	63,043
Additions	417	160	1,336	–	1,913
Disposals	–	11	850	–	861
<b>As at 31 Dec 2022</b>	<b>23,843</b>	<b>13,303</b>	<b>26,949</b>	<b>–</b>	<b>64,095</b>
<b>Net book value</b>					
As at 31 Dec 2021	9,543	966	3,775	198	14,482
<b>As at 31 Dec 2022</b>	<b>9,132</b>	<b>834</b>	<b>2,953</b>	<b>41</b>	<b>12,960</b>

Advances paid and assets under construction largely concerned advances for tools.

### (3) Financial assets

k€	Shares in affiliated companies	Loans to affiliated companies	Total
<b>Acquisition costs</b> as at 1 Jan 2022	29,479	38,822	68,301
Additions	581	47,216	47,797
Disposals	–	45,141	45,141
<b>As at 31 Dec 2022</b>	<b>30,060</b>	<b>40,897</b>	<b>70,957</b>
<b>Cumulative amortisation</b> as at 1 Jan 2022	7,696	–	7,696
Additions	–	–	–
<b>As at 31 Dec 2022</b>	<b>7,696</b>	<b>–</b>	<b>7,696</b>
<b>Net book value</b>			
As at 31 Dec 2021	21,783	38,822	60,605
<b>As at 31 Dec 2022</b>	<b>22,364</b>	<b>40,897</b>	<b>63,261</b>

Additions to and disposals from shares in affiliated companies resulted from a subsidiary's capital increase.

Additions to and disposals from loans to affiliated companies resulted from the granting and repayment of loans to subsidiaries.

### (4) Inventories

k€	31 Dec 2021	31 Dec 2022
Raw materials, consumables and supplies	1,705	2,301
Unfinished products	583	565
Finished products and goods purchased and held for resale	43,429	30,109
	<b>45,717</b>	<b>32,975</b>

### (5) Receivables and other assets

k€	31 Dec 2021	31 Dec 2022
Trade receivables	32,425	27,322
Receivables from affiliated companies	10,266	12,024
Other assets	3,598	2,397
	<b>46,289</b>	<b>41,743</b>

As in the previous year, receivables from affiliated companies primarily included receivables from deliveries of goods and current receivables in relation to Group financing.

As in the previous year, all receivables and other assets had a residual term of less than one year.

## (6) Equity

The subscribed capital of Leifheit AG of k€ 30,000 (2021: k€ 30,000) is denominated in euros and is divided into 10,000,000 no-par-value bearer shares. This corresponds to a theoretical value per no-par-value bearer share of € 3.00. All shares accord the same rights. Shareholders receive dividends as resolved and have one vote for each share at the Annual General Meeting.

The no-par-value bearer shares are deposited in a permanent global certificate at Clearstream Banking AG, Frankfurt/Main, Germany.

On 25 May 2022, the Annual General Meeting of Leifheit AG authorised the Board of Management to increase the share capital on one or more occasions by a total of up to k€ 6,000 until 24 May 2027 by issuing up to 2,000,000 new no-par-value bearer shares – also excluding subscription rights – in exchange for cash and/or non-cash contributions with the approval of the Supervisory Board (2022 authorised capital). The full text of the resolution can be found in item 8 of the invitation to the Annual General Meeting, which was published in the Federal Gazette (Bundesanzeiger) on 11 April 2022.

The development of the individual items of equity is presented in the following table:

k€	31 Dec 2021	Dividend payment	Net profit for the year	Withdrawal from other retained earnings	31 Dec 2022
Subscribed capital	30,000	–	–	–	30,000
Deduction for treasury shares	–1,454	–	–	–	–1,454
	28,546	–	–	–	28,546
Capital surplus	17,164	–	–	–	17,164
Retained earnings					
Statutory reserve	1,023	–	–	–	1,023
Other retained earnings	31,737	–	–	–8,907	22,830
	32,760	–	–	–8,907	23,853
Balance sheet profit	10,000	–9,991	–2,216	8,907	6,700
<b>Total equity</b>	<b>88,470</b>	<b>–9,991</b>	<b>–2,216</b>	<b>–</b>	<b>76,263</b>

The capital surplus in the amount of k€ 17,164 concerns the premium on the capital increase in the autumn of 1989 amounting to k€ 16,934 and the issuance of employee shares amounting to k€ 230.

The change in the regulations concerning the valuation of provisions for pensions in 2016 in connection with the introduction of the 10-year average discounting rate (2022: 1.78%) to replace the 7-year rate (2022: 1.44%) resulted in a difference of k€ 2,970; this amount is blocked from distribution.

## Proposal for the appropriation of the balance sheet profit

The Board of Management proposes to the next Annual General Meeting that the balance sheet profit of Leifheit AG from the financial year 2022 in the amount of € 6,700,000.00 be appropriated as follows:

Payment of a dividend of € 0.70 per eligible no-par-value bearer share	€ 6,660,712.10
Retained earnings	€ 39,287.90

## (7) Provisions for pensions and similar obligations

Leifheit AG has formed provisions for pension obligations due in the form of regular pensions and widow/widower and orphans' pensions.

	31 Dec 2021	31 Dec 2022
Settlement amount of pension obligations from direct commitments	56,657	61,111
Plan assets from direct commitments	-93	-
<b>Recognised provisions from direct commitments</b>	<b>56,564</b>	<b>61,111</b>

The plan assets from direct commitments were reduced in financial year 2022.

Furthermore, pension obligations from salary conversion in the amount of k€ 1,067 (2021: k€ 814) existed as at 31 December 2022, for which the plan assets were offset against the settlement amount. At k€ 841, the fair value of the plan assets (equivalent to the acquisition cost) was equivalent to the settlement amount as at the balance sheet date (2021: k€ 814).

The following biometric and economic assumptions were made when calculating the provisions:

	31 Dec 2021	31 Dec 2022
Discount rate	1.87%	1.78%
Future income trend	2.5%	3.0%
Future pension trend	1.7%	2.3%
Arithmetical final age	RVAGAnpG 2007	RVAGAnpG 2007
Mortality tables Prof. Dr K. Heubeck	2018 G	2018 G

## (8) Other provisions

k€	31 Dec 2021	31 Dec 2022
Personnel	5,970	5,844
Customer bonuses	5,967	5,295
Warranties	4,261	3,736
Advertising costs	2,999	3,344
Outstanding invoices	2,601	1,850
Claims for damages	934	1,162
Purchase commitments	1,344	689
Supervisory Board remuneration	597	517
Annual financial statement costs	420	433
Impending losses	104	334
Tax advice	153	147
Other provisions	1,590	1,359
	<b>26,940</b>	<b>24,710</b>

## (9) Liabilities

k€	Remaining term less than 1 year	Remaining term 1 to 5 years	Remaining term more than 5 years	31 Dec 2022
Trade payables	10,725	–	–	10,725
Liabilities to affiliated companies	7,750	–	–	7,750
Liabilities to the company support organisation	35	133	289	457
Other liabilities	1,748	–	–	1,748
of which from taxes	399	–	–	399
of which as part of social security	1,014	–	–	1,014
	<b>20,258</b>	<b>133</b>	<b>289</b>	<b>20,680</b>

k€	Remaining term less than 1 year	Remaining term 1 to 5 years	Remaining term more than 5 years	31 Dec 2021
Trade payables	16,505	–	–	16,505
Liabilities to affiliated companies	8,014	–	–	8,014
Liabilities to the company support organisation	36	134	282	452
Other liabilities	1,875	–	–	1,875
of which from taxes	722	–	–	722
of which as part of social security	640	–	–	640
	<b>26,430</b>	<b>134</b>	<b>282</b>	<b>26,846</b>

Short-term lines of credit in the amount of k€ 25,155 were available on the balance sheet date (2021: k€ 25,155). Of this amount, k€ 240 (2021: k€ 384) was used for bills of guarantee and credit cards as at the balance sheet date. Unused lines of credit were k€ 24,915 (2021: k€ 24,771).

Of the liabilities to affiliated companies, k€ 1,200 was attributable to intra-Group loans (2021: k€ 4,083). The remainder was attributable to trade payables, as in the previous year.

Liabilities to the company support organisation included pension obligations to Unterstützungseinrichtung Günter Leifheit e.V. and amounted to k€ 457 (2021: k€ 452) on the balance sheet date. These liabilities concerned the fund assets held with Leifheit AG of k€ 274 (2021: k€ 298) and the obligation to make an additional

contribution of k€ 183 (2021: k€ 154) that results from the valuation of the pension obligation of the pension plan. These liabilities were valued according to the projected unit credit method with the same biometric and economic assumptions as those applied in relation to the pension obligations of Leifheit AG.

None of Leifheit AG's liabilities were collateralised through lien or other similar rights.

## Notes to the statement of profit or loss

### (10) Turnover

k€	2021	2022
Household products	232,741	199,791
Sale of production materials	40,505	41,085
Income from intra-Group charges	666	892
Income from licences	449	497
Other income	33	39
	<b>274,394</b>	<b>242,304</b>

Turnover was broken down as follows into regions:

k€	2021	2022
Germany	126,862	100,245
Foreign countries	147,532	142,059
	<b>274,394</b>	<b>242,304</b>

### (11) Cost of turnover

k€	2021	2022
Cost of materials	163,963	158,077
Purchased services	9,254	7,927
Personnel costs	6,156	6,847
Valuation adjustment on inventories	898	2,334
IT costs and other allocations	1,552	2,092
Customs costs	1,783	1,292
Services	1,783	1,188
Depreciation and amortisation	722	668
Maintenance	580	389
Licensing fees	915	302
Consumables and supplies	159	132
Other cost of turnover	155	276
	<b>187,920</b>	<b>181,524</b>

### (12) Distribution costs

k€	2021	2022
Personnel costs	14,458	15,071
Freight out	10,968	10,776
Advertising costs	15,651	9,021
IT costs and other allocations	4,767	5,257
Commissions	3,745	4,401
Services	4,285	4,352
Advertising cost subsidies	2,775	2,536
Packaging materials	1,311	1,760
Maintenance	621	750
Depreciation and amortisation	715	642
Cost of cars, travel and entertainment	332	500
Rent	720	395
Insurance	355	309
Contractual penalties	613	307
Other distribution costs	937	750
	<b>62,253</b>	<b>56,827</b>

### (13) General administrative costs

k€	2021	2022
Personnel costs	4,981	5,857
Cost of employment benefits	-	5,049
Services	1,511	1,346
IT costs and other allocations	675	830
Supervisory Board remuneration	614	541
Other administrative costs	729	688
	<b>8,510</b>	<b>14,311</b>

### (14) Other operating income

k€	2021	2022
Income from currency translation	5,461	11,565
Income from the reversal of provisions	1,930	2,262
Income from claims for damages	473	626
Other operating income	394	70
	<b>8,258</b>	<b>14,523</b>

Income attributable to other periods amounted to k€ 2,888 (2021: k€ 2,478) and resulted primarily from the reversal of provisions and compensation payments. Of the reversals of provisions, k€ 0 was attributable to provisions for pensions (2021: k€ 856).

### (15) Other operating expenses

k€	2021	2022
Research and development costs	5,607	5,492
Expenses from currency translation	3,076	5,446
Other operating expenses	105	194
	<b>8,788</b>	<b>11,132</b>

Income attributable to other periods amounted to k€ 165 (2021: k€ 0).

## (16) Income from shareholdings

Income from shareholdings of k€ 3,489 concerned the profit distribution of Leifheit Polska Sp. z.o.o., Warsaw, Leifheit International U.S.A. Inc., Hauppauge, NY, and Leifheit Österreich GmbH, Wiener Neudorf, during the year (2021: k€ 2,715, Leifheit France S.A.S., Paris).

## (17) Interest expenses

k€	2021	2022
Compounding of pension obligations	4,424	1,773
Affiliated companies	32	62
Other compounding	43	4
Other interest expenses	118	77
	<b>4,617</b>	<b>1,916</b>

## (18) Income taxes

k€	2021	2022
Income taxes of foreign subsidiaries	164	16
Trade tax	1,613	-2
Corporation tax	2,007	-98
<b>Income taxes</b>	<b>3,784</b>	<b>-84</b>

The company did not make use of the option to capitalise deferred tax assets according to section 274 para. 1 sentence 2 HGB. As a consequence, no excess deferred tax assets for differences between the commercial balance sheet and the tax balance sheet, which resulted in particular from pension obligations and provisions for impending losses, were recognised. The tax rate underpinning the calculation was 29.8%.

## (19) Cost of materials

k€	2021	2022
Expenses for raw materials, consumables and supplies as well as for purchased goods	165,020	160,543
Expenses for purchased services	9,254	7,927
	<b>174,274</b>	<b>168,470</b>

## (20) Personnel costs/employees

k€	2021	2022
Wages and salaries	26,420	28,364
Employment benefits	-	5,520
Social contributions	4,831	4,877
	<b>31,251</b>	<b>38,761</b>

Employment benefits in the total amount of k€ 5,520 (2021: k€ 0) included k€ 5,421 for pension plans (2021: k€ 0).

Employees on annual average (people)	2021	2022
Germany	410	407
Belgium	10	11
Italy	8	10
	<b>428</b>	<b>428</b>

## Other notes

### (21) Remuneration of the Board of Management and Supervisory Board

The following remuneration was granted to the members of the Board of Management:

k€	2021	2022
Remuneration and other short-term benefits	1,512	1,808
Benefits following the end of the employment relationship	–	–
Other long-term benefits	–	–
Benefits due to the end of the employment relationship	–	–
Share-based remuneration	–	–
	<b>1,512</b>	<b>1,808</b>

As in the previous year, no remuneration was paid to the Board of Management for the assumption of responsibilities at subsidiaries. Likewise, the members of the Board of Management were not granted any performance-based pension commitments. Therefore, no additions were made to pension obligations for serving members of the Board of Management, as in the previous year.

The following remuneration was granted to the members of the Supervisory Board:

k€	2021	2022
Remuneration and other short-term benefits	573	541
Benefits following the end of the employment relationship	–	–
Other long-term benefits	–	25
Benefits due to the end of the employment relationship	–	–
Share-based remuneration	–	–
	<b>573</b>	<b>566</b>

The individualised remuneration of the Board of Management and Supervisory Board is described in detail in the remuneration report, which is available at [financial-reports.leifheit-group.com](https://www.leifheit-group.com/financial-reports).

### (22) Total remuneration and provisions for pensions for former members of the Board of Management in accordance with section 285 no. 9b HGB

The total remuneration of the former members of the Board of Management and their surviving dependents amounted to k€ 602 in the reporting period (2021: k€ 535). Provisions created for the current pensions for this group of people in financial year 2022 amounted to k€ 7,604 (2021: k€ 7,275).

### (23) Advances and loans to the Board of Management and/or Supervisory Board in accordance with section 285 no. 9c HGB

Neither in the previous year nor in the reporting period have any advances or loans been granted to the aforementioned group of persons.

### (24) Commitments

The company holds direct liability for a guarantee loan facility in favour of a subsidiary amounting to k€ 45. In view of the financial situation of the subsidiary, there are currently no known circumstances suggesting that the aforementioned liability commitment will be utilised.

There are no further commitments as defined in section 251 HGB.

### (25) Remuneration of the auditor in accordance with section 285 no. 17 HGB

The remuneration of the auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, recorded as expenses in 2022, amounted to k€ 358 for the audit of the consolidated financial statements (thereof for 2021: k€ 48) and k€ 8 for other services.

No other certification services or tax consultancy services were provided by the auditor in the reporting period.

KPMG has been the auditor of the financial statements and consolidated financial statements of Leifheit AG since financial year 2016. Matthias Forstreuter (since financial year 2022) and Sven Eifert (since financial year 2019) are the signatory auditors for financial year 2022.

## (26) Off-balance-sheet transactions and other financial liabilities

The company has concluded numerous insurance, maintenance, service provision and rental agreements for buildings and operating and office equipment. These contractual relationships end between January 2023 and December 2026. Obligations under these agreements total k€ 4,109 (of which k€ 3,299 with terms of less than one year and k€ 810 between one and five years). The advantage of rental and lease agreements compared to purchasing the assets in question is the neutral effect on the balance sheet. Disadvantages include the fixed terms.

There were contractual obligations to purchase items of non-current assets in the amount of k€ 644 (2021: k€ 658), relating to facilities in particular. In addition, there were obligations from contracts for marketing measures amounting to k€ 1,528 (2021: k€ 8,253) and from other contracts amounting to k€ 1,882 (2021: k€ 1,370).

Furthermore, the following obligations existed on the reporting date on account of forward exchange transactions used to hedge exchange rates:

	Value of obligation	Foreign currency	Fair value
31 Dec 2022			
Buy USD/€	k€ 4,164	kUSD 4,789	k€ 270
Buy CNH/€	k€ 22,713	kCNH 167,460	k€ 29

	Value of obligation	Foreign currency	Fair value
31 Dec 2021			
Buy USD/€	k€ 6,302	kUSD 7,584	k€ 371
Buy CNH/€	k€ 33,539	kCNH 266,730	k€ 2,757

Derivative financial instruments are valued at their fair value on the balance sheet date. Bank valuations are used to measure the fair values of derivative financial instruments. These valuations are calculated using arm's length valuation methods in consideration of the market data available on the valuation date. Under the valuation principles of German commercial law, negative valuation results are recognised through profit or loss. By contrast, positive valuation results are not accounted for. The valuation of existing forward exchange transactions as at the balance sheet date resulted in a negative market value of k€ 159, which was recognised as an impending loss in other provisions (2021: k€ 0).

Forward exchange transactions serve to mitigate future currency risk. There is an opportunity risk if the hedged exchange rates develop negatively.

## (27) Treasury shares

Including the treasury shares acquired and issued in previous years, Leifheit AG held 484,697 treasury shares on 31 December 2022. This corresponds to 4.85% of the share capital. The corresponding interest in the share capital is k€ 1,454. An amount of k€ 7,350 was expended for this.

No treasury shares were utilised in the reporting year. In the previous year, Leifheit utilised 6,273 of its treasury shares to issue employee shares. This corresponded to 0.06% of the share capital. The corresponding interest in the share capital was k€ 19. Furthermore, no treasury shares were acquired either in the reporting year or in the previous year.

There are no subscription rights for members of Group organs and employees in accordance with section 160 para. 1 no. 5 AktG.

## (28) Information under takeover law in accordance with section 289a HGB

Please refer to the combined management report for information under takeover law in accordance with section 289a HGB.

## (29) Group affiliation

Leifheit AG is the company that prepares the consolidated financial statements for the largest and smallest group of consolidated companies. The consolidated financial statements of Leifheit AG can be accessed online at [financial-reports.leifheit-group.com](https://financial-reports.leifheit-group.com) and are published in the company register.

## (30) Declaration in accordance with section 161 AktG

In December 2022, the Board of Management and the Supervisory Board issued the declaration required under section 161 AktG stating that the recommendations of the "Government Commission on the German corporate governance code" published by the German Federal Ministry of Justice and Consumer Protection were complied with and will continue to be complied with, as well as which recommendations are not currently applied or were not applied. The declaration of conformity is permanently available on the website at [corporate-governance.leifheit-group.com](https://corporate-governance.leifheit-group.com).

### (31) Existence of an equity interest in accordance with section 160 para. 1 no. 8 AktG

Report	Reportable party	Registered office	Attributions in accordance with WpHG	Shareholding	Voting rights <sup>1</sup>
Sep 2022	Morgan Stanley & Co. International plc	Wilmington (US)	Section 34	3.66%	366,375
Sep 2022	Morgan Stanley & Co. International plc	Wilmington (US)	Section 38 (1) no. 1	0.00%	272
Jul 2022	EQMC ICAV	Dublin (IE)	Section 33	15.04%	1,504,349
May 2022	Ruthild Loh	Haiger (DE)	Section 33	8.26%	826,240
Aug 2020	MainFirst SICAV	Senningerberg (LU)	Section 33	5.02%	502,320
Jun 2021	Alantra EQMC Asset Management, SGIIC, S.A.	Madrid (ES)	Section 34	15.42%	1,541,640
Feb 2019	Douglas Smith, Blackmoor Investment Partners LLC	(KY)	Section 34	3.52%	352,061
Sep 2017	Teslin Capital Management BV/Gerlin NV	Maarsbergen (NL)	Section 22	5.05%	504,534
Jul 2014	Leifheit AG	Nassau (DE)		4.97%	497,344
Feb 2009	Manuel Knapp-Voith, MKV Verwaltungs GmbH	Grünwald (DE)	Section 22 (1) sentence 1 no. 1	10.03%	1,002,864

<sup>1</sup> Values from reports before implementation of the capital increase in June 2017 have been doubled for comparison purposes.

In accordance with section 160 para. 1 no. 8 AktG, disclosures must be made about the existence of shareholdings communicated to Leifheit AG in accordance with section 20 paras. 1 or 4 AktG or in accordance with section 33 paras. 1 or 2 of the German securities trading act (WpHG). All notifications of voting rights have been published by Leifheit in accordance with section 40 para. 1 WpHG and are available on the website at [leifheit-group.com](https://www.leifheit-group.com). The table shows reported shareholdings of at least 3%; the disclosures correspond to the most recent notifications of the persons subject to an obligation to file a notification. Please note that these disclosures may now be outdated.

### (32) Events after the balance sheet date

The risk assessment contained in the opportunities and risks report is based on the status at the time the report was published. We continue to monitor further developments closely, and will continuously adapt our risk assessment to the unfolding situation.

There were no events after the end of the financial year of material importance for assessing the net assets, financial position and results of operations.

### (33) Estimates and exercising discretion in accounting

The preparation of financial statements requires estimates and assumptions to be made by the management, which may influence reported amounts and associated information in the notes to the financial statements. All estimates and assumptions are made to the best of the company's knowledge and ability to provide a true and fair reflection of Leifheit AG's net assets, financial position and results of operations.

Leifheit has analysed any possible impact connected with ESG issues when preparing the annual and consolidated financial statements. Based on this analysis, the company does not expect any material impact on the company's operations that would result in a change in accounting judgements based on the current legal framework.

**(34) List of shareholdings in accordance  
with section 285 no. 11 HGB**

	Share in %	Equity as at 31 Dec 2022		of which net profit 2022	
		In 1,000 currency units <sup>1</sup>	In k€ <sup>2</sup>	in 1,000 currency units <sup>1</sup>	In k€ <sup>2</sup>
<b>Direct shareholdings</b>					
Leifheit CZ a.s., Hostivice – CZ	100.0	CZK 11,264	467	CZK 1,667	68
Leifheit España S.A., Madrid – ES	100.0	EUR 1,264	1,264	EUR 7	7
Leifheit International U.S.A. Inc., Hauppauge (NY) – US	100.0	USD 486	455	USD 10	9
Leifheit France S.A.S., Paris – FR	100.0	EUR 17,228	17,228	EUR 28	28
Leifheit Distribution S.R.L., Bucharest – RO	100.0	RON 1,610	326	RON 27	5
Leifheit s.r.o., Blatná – CZ	100.0	CZK 337,510	15,651	CZK 26,143	1,064
Soehnle GmbH, Nassau – DE	100.0	EUR 83	83	EUR –1	–1
Leifheit Polska Sp. z o.o., Warsaw – PL	100.0	PLN 1,190	254	PLN 78	17
Leifheit Österreich GmbH, Wiener Neudorf – AT	100.0	EUR 630	630	EUR 22	22
Guangzhou Leifheit Trading Co., Ltd, Guangzhou – CN	100.0	CNY –1,446	–195	CNY –8,139	–1,148
<b>Indirect shareholdings<sup>3</sup></b>					
Birambeau S.A.S., Paris – FR	100.0	EUR 1,823	1,823	EUR 421	421
Leifheit-Birambeau S.A.S., Paris – FR	100.0	EUR 1,098	1,098	EUR 193	193
Herby Industrie S.A.S., La Loupe – FR	100.0	EUR 2,316	2,316	EUR 612	612

<sup>1</sup> Information concerning equity and net profit for the year was determined in accordance with local accounting standards.

<sup>2</sup> Equity amounts denominated in foreign currencies were converted into euros according to the exchange rates on the reporting date, whereas net profit amounts were converted using average exchange rates during the year.

<sup>3</sup> Through Leifheit France S.A.S.

## Organs of Leifheit AG

The profiles of the members of the Supervisory Board and Board of Management are available on the website at [organs.leifheit-group.com](https://organs.leifheit-group.com).

### Members of the Board of Management

Person	Board membership/function	Appointed until	Responsible for	Mandates/memberships outside the Group <sup>1, 2</sup>
<b>Marco Keul</b> Born 1982 Nationality: German Place of residence: Holler (DE)	Member (CFO) since 1 May 2021	30 Apr 2024	Finance, Controlling, Business Processes/IT, Internal Sales	None
<b>Igor Iraeta Munduate</b> Born 1974 Nationality: Spanish Place of residence: Waiblingen (DE)	Member (COO) since 1 Nov 2018	31 Oct 2025	Production, Logistics, Procurement, Development, Quality Management	None
<b>Henner Rinsche</b> Born 1970 Nationality: German Place of residence: Mörfelden-Walldorf (DE)	Member and CEO since 1 Jun 2019	31 May 2025	Marketing, Sales, Birambeau and Herby divisions, HR, Law/IP, Audit, Investor Relations, ESG Issues	None

<sup>1</sup> Memberships in other Supervisory Boards required by law according to section 125 para. 1 sentence 5 AktG.

<sup>2</sup> Memberships in comparable domestic and foreign governing bodies of enterprises according to section 125 para. 1 sentence 5 AktG.

## Members of the Supervisory Board

Person	Supervisory Board membership/function	Mandates/memberships outside the Group <sup>2,3</sup>
<b>Joachim Barnert</b> <sup>1 †</sup> Born 1968      Nationality: German Head of Maintenance at Leifheit AG, Nassau/Lahn (DE), Zuzenhausen site	Member from 29 May 2019 to 28 Feb 2023	None
<b>Dr Günter Blaschke</b> Born 1949      Nationality: German Pensioner	Member since 1 Apr 2019, Chairman since 2 Apr 2019	WashTec AG, Augsburg (DE), Chairman of the Supervisory Board <sup>2</sup>
<b>Georg Hesse</b> Born 1972      Nationality: German Chairman of the Board of Management of fashionette AG, Düsseldorf (DE), until 28 Feb 2023	Member since 30 May 2018	None
<b>Marcus Krefß</b> <sup>1</sup> Born 1972      Nationality: German Industrial Mechanic at Leifheit AG, Nassau/Lahn (DE), Zuzenhausen site	Member since 1 Mar 2023	None
<b>Karsten Schmidt</b> Born 1956      Nationality: German Independent consultant, Penzberg (DE)	Member and Deputy Chairman from 29 May 2019 to 7 Jun 2023	None
<b>Thomas Standke</b> <sup>1</sup> Born 1968      Nationality: German Toolmaker at Leifheit AG, Nassau/Lahn (DE)	Member since 27 May 2004	None
<b>Dr Claus-O. Zacharias</b> Born 1954      Nationality: German Independent consultant, Düsseldorf (DE)	Member since 29 May 2019	None

<sup>1</sup> Employee representative.

<sup>2</sup> Memberships in other Supervisory Boards required by law according to section 125 para. 1 sentence 5 AktG.

<sup>3</sup> Memberships in comparable domestic and foreign governing bodies of enterprises according to section 125 para. 1 sentence 5 AktG.

The acting members of the Supervisory Board are appointed for the period until the end of the Annual General Meeting, which resolves on the approval of the actions for financial year 2023.

## Supervisory Board committees

Committee	Members	
<p><b>Audit Committee (AC)</b> The Audit Committee prepares the negotiations and resolutions of the Supervisory Board on the approval of the annual financial statements and the consolidated financial statements as well as the adoption of the proposal to the Annual General Meeting for the election of the auditor. It also deals with issues relating to accounting, the effectiveness of the internal control system, risk management, the internal audit system, compliance and assessing the quality of the audit of the financial statements.</p>	<p><b>Dr Günter Blaschke</b> <b>Dr Claus-O. Zacharias</b> <b>Thomas Standke</b></p>	<p>Member since 2 Apr 2019 Member and Chairman since 29 May 2019 Member since 7 Mar 2022</p>
<p><b>Nominating Committee</b> The Nominating Committee prepares the resolutions of the Supervisory Board on election proposals to the Annual General Meeting for the election of Supervisory Board members (shareholder representatives).</p>	<p><b>Dr Günter Blaschke</b> <b>Karsten Schmidt</b> <b>Dr Claus-O. Zacharias</b></p>	<p>Member and Chairman since 29 May 2019 Member since 29 May 2019 Member since 29 May 2019</p>
<p><b>Personnel Committee</b> The Personnel Committee examines all employment contracts for the members of the Board of Management, including remuneration and the remuneration system.</p>	<p><b>Dr Günter Blaschke</b> <b>Georg Hesse</b> <b>Karsten Schmidt</b></p>	<p>Member since 29 May 2019 Member since 30 May 2018, Chairman since 29 May 2019 Member since 29 May 2019</p>
<p><b>Sales/Marketing Committee</b> The Sales/Marketing Committee deals with the sales and marketing strategy.</p>	<p><b>Joachim Barnert †</b> <b>Dr Günter Blaschke</b> <b>Georg Hesse</b> <b>Karsten Schmidt</b></p>	<p>Member from 29 May 2019 to 28 Feb 2023 Member and Chairman since 29 May 2019 Member since 29 May 2019 Member since 29 May 2019</p>
<p><b>Product Range/Innovation Committee</b> The Product Range/Innovation Committee deals with the product range and innovation strategy and the product pipeline.</p>	<p><b>Dr Günter Blaschke</b> <b>Karsten Schmidt</b> <b>Thomas Standke</b></p>	<p>Member since 29 May 2019 Member and Chairman since 29 May 2019 Member since 29 May 2019</p>

Nassau/Lahn, 24 March 2023

Leifheit AG

The Board of Management

Henner Rinsche

Igor Iraeta Munduate

Marco Keul

## Responsibility statement

We declare that, to the best of our knowledge and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the net assets, financial position and results of operations of Leifheit Aktiengesellschaft, and the management report, which is combined with the consolidated management report, presents a true and fair view of the business, results and situation of Leifheit Aktiengesellschaft, together with the principal opportunities and risks associated with the expected development of Leifheit AG.

Nassau/Lahn, 24 March 2023

Leifheit AG

The Board of Management

Henner Rinsche

Igor Iraeta Munduate

Marco Keul

## Auditor's report

To Leifheit AG, Nassau/Lahn

### Report on the audit of the annual financial statements and of the combined management report

#### Opinions

We have audited the annual financial statements of Leifheit Aktiengesellschaft, Nassau/Lahn, which comprise the balance sheet as at 31 December 2022, and the income statement for the financial year from 1 January to 31 December 2022, and notes to the financial statements, including the recognition and accounting policies presented therein. In addition, we have audited the management report of the Company and the Group (combined management report) of Leifheit Aktiengesellschaft for the financial year from 1 January to 31 December 2022.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2022, and of its financial performance for the financial year from 1 January to 31 December 2022, in compliance with German legally required accounting principles, and

- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

#### Basis for the opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with section 317 HGB and the EU Audit Regulation no 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided nonaudit services prohibited under article 5 (1) of the EU Audit Regulation. We believe that the

evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the combined management report.

#### Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

##### — Revenue recognition on an accrual basis

The disclosures made by the Company on the recognition of revenue are contained in the section "Accounting policies" of the notes to the financial statements.

##### The financial statement risk

Leifheit AG's revenue amounted to EUR 242.3 million in financial year 2022 (PY: EUR 274.4 million).

The Company's key markets are in Germany and Central Europe. For deliveries of products, in some cases different delivery conditions are agreed. Those set down the transfer of risk and thereby also the date of revenue recognition.

Due to the use of various terms of transport in the customer agreements combined simultaneously with a high number of deliveries in the different markets, there is the risk for the annual financial statements that revenue in the reporting year is recognised too high and not on an accrual basis.

**Our audit approach**

Using inquiries and discussions with Company's representatives in finance and sales departments, we obtained an understanding of the revenue recognition process. We evaluated the accounting principles used for revenue recognition for compliance with the relevant accounting standards.

To examine whether revenue is recognised on an accrual basis, we assessed the design and implementation of internal controls relating to the verification of the transfer of risk.

Based on revenue for a specified period in December, using contract-specific stipulations on the transfer of risk in addition to proof of delivery, we used a statistical selection procedure to determine whether revenue was recognised on an accrual basis.

**Our observations**

Leifheit AG's approach for revenue recognition cut-off is appropriate.

**– Impairment testing of shares in the affiliated company  
Leifheit France S.A.S.**

Please refer to the section "Accounting policies" of the notes to the financial statements for more information on the accounting policies applied. Disclosures on business performance can be found in the combined management report in the section titled "Assets, liabilities, financial position and financial performance" as well as the section "Supplementary Information on Leifheit Aktiengesellschaft (HGB)".

**The financial statement risk**

In the annual financial statements of Leifheit AG as at 31 December 2022, financial assets included shares held in affiliated companies in the amount of EUR 22.4 million (PY: EUR 21.8 million). These relate in particular to Leifheit France S.A.S., Paris and at 12% of total assets have a significant influence on the Company's assets and liabilities.

Shares in affiliated companies are recognised at cost or, if they are expected to be permanently impaired, at their lower fair value. The Company calculates fair value using the discounted cash flow method. The cash flows used for the discounted cash flow method are based on individual projections for each investment for the next four years which are extrapolated based on assumptions of long-term growth rates. The country-specific weighted discount rate is derived from the return on an alternative investment with comparable risk. If the fair value is lower than the carrying amount, qualitative and quantitative criteria are used to assess whether or not the impairment is expected to be permanent.

Calculation of the fair value according to the discounted cash flow method is, as regards the assumptions made, based largely on estimates and assessments of the Company. This includes, among other things, the multi-year planning regarding the expected business and earnings development of Leifheit France S.A.S. prepared by the Board of Management of Leifheit AG and taken note of by the Supervisory Board, which is influenced by the expected business and earnings development of its French subsidiaries Leifheit-Birambeau S.A.S., Paris, Birambeau S.A.S., Paris, and Herby Industrie S.A.S., La Loupe. Furthermore, this applies in particular to the estimate of the assumed growth rates and the discount rate used.

In the past financial years, the forecast revenues and/or earnings targets were not achieved at the French subsidiaries of Leifheit France S.A.S.. Due to declining consumer demand, the development of revenues at the indirect subsidiaries Leifheit-Birambeau S.A.S., Birambeau S.A.S. and Herby Industrie S.A.S. is also below forecast expectations in the current financial year. By contrast, the EBIT targets for the operating French subsidiaries, which were adjusted in the financial year due to the increases in material and energy prices following the outbreak of the Ukraine war, were achieved.

The company did not recognize any impairment losses on the shares in the affiliated company Leifheit France S.A.S. in financial year 2022. There is a risk for the financial statements that the shares in the affiliated company Leifheit France S.A.S. are not recoverable.

**Our audit approach**

Using inquiries and discussions with the Company's management, we obtained an understanding of the process used to identify necessary impairment losses on shares in affiliated companies. By involving our valuation specialists, we assessed, among other things, the appropriateness of the key assumptions and calculation methods of the Company. As changes to expected business and earnings performance particularly for the indirect subsidiaries can significantly impact on the result of the impairment test of shares in Leifheit France S.A.S., we discussed, in particular, the assumptions used for measurement, namely their expected business and earnings development including the assumed growth rates, with those responsible for planning. We also checked whether the planning on which measurement is based is in line with the multi-year planning prepared by the Board of Management of Leifheit AG and taken note of by the Supervisory Board and whether the planning is reasonable.

We also confirmed the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual results and analysing deviations. To this end, we examined past deviations from forecasts in order to determine how those responsible for planning responded to deviations from the forecast when preparing the forecast. We compared the assumptions and data underlying the discount rate of Leifheit France S.A.S., in particular the risk-free interest rate, the market risk premium and the beta factor, with our own assumptions and publicly available data. In order to take account of forecast uncertainty, we also investigated the impact of potential changes to the discount rate and the

expected cash flows on the fair value (sensitivity analysis) by calculating alternative scenarios and comparing these with the Company's measurements.

To assess the methodically and mathematically correct implementation of the valuation method, we verified the Company's valuation using our own calculations and analysed deviations. We also assessed the accuracy of the sensitivity analyses prepared by the Group by reconciling them with our own sensitivity analyses.

#### Our observations

The procedure underlying the impairment test of the shares in Leifheit France S.A.S. is appropriate and in line with the valuation principles.

The assumptions and data used in the measurement of shares in Leifheit S.A.S. are appropriate.

#### Other information

The Board of Management and/or the Supervisory Board are responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the Group's separate nonfinancial report expected to be available to us after the date of this auditor's report and referred to in the combined management report,
- the combined corporate governance statement for the Company and the Group referred to in the combined management report, and
- information extraneous to management reports and marked as unaudited.

The other information also includes the remaining parts of the annual report. The other information does not include the annual financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

#### Responsibilities of the Board of Management and the Supervisory Board for the annual financial statements and the combined management report

The Board of Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the Board of Management is responsible for such internal control as it, in accordance with German legally required accounting principles, has determined necessary to enable the preparation of annual financial statements

that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the Board of Management is responsible for assessing the Company's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, it is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the Board of Management is responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Board of Management is responsible for such arrangements and measures (systems) as it has considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

## Auditor's responsibilities for the audit of the annual financial statements and the combined management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our

opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the Board of Management and the reasonableness of estimates made by the Board of Management and related disclosures.
- Conclude on the appropriateness of the Board of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.

- Evaluate the consistency of the combined management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the Board of Management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Board of Management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## Other legal and regulatory requirements

### Report on the assurance on the electronic rendering of the annual financial statements and the combined management report prepared for publication purposes in accordance with section 317 (3a) HGB

We have performed assurance work in accordance with section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "529900DBX574P554QQ57-JA-2022-12-31-en.zip" (SHA256 hash value: eff8363c11a6edf04ed8624afcc726c474053b1e9767265a57925db02118ab17) made available and prepared for publication purposes complies in all material respects with the requirements of section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the combined management report contained in the electronic file made available identified above and prepared for publication purposes complies in all material respects with the requirements of section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and audit opinion on the accompanying annual financial statements and the accompanying combined management report for the financial year from 1 January 2022 to 31 December 2022 contained in the "Report on the Audit of the Annual Financial

Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the annual financial statements and the combined management report, contained in the file made available and identified above in accordance with section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in accordance with section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

The Company's management is responsible for the preparation of the ESEF documents including the electronic renderings of the annual financial statements and the management report in accordance with section 328 (1) sentence 4 item 1 HGB.

In addition, the Company's management is responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of section 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available, containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and the audited combined management report.

### Further information pursuant to article 10 of the EU Audit Regulation

We were elected as auditor at the Annual General Meeting on 25 May 2022. We were engaged by the Supervisory Board on 11 November 2022. We have been the auditor of Leifheit Aktiengesellschaft without interruption since financial year 2016.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to article 11 of the EU Audit Regulation (long-form audit report).

## Other matters – Use of the auditor's report

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as the examined ESEF documents. The annual financial statements and the combined management report converted into ESEF format – including the versions to be entered in the company register – are merely electronic renderings of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents provided in electronic form.

## Information on the supplementary audit

We issue this opinion on the annual financial statements and the combined management report as well as for the electronic reproduction of the annual financial statements and combined management report presented to us for audit for the first time in the file "529900DBX574P554QO57-JA-2022-12-31-en.zip" (SHA256 hash value: eff8363c11a6edf04ed8624afcc726c474053b1e9767265a57925db02118ab17) and prepared for publication purposes, the renderings of the annual financial statements and combined management report based on our statutory audit completed on March 24, 2023 and our supplementary audit completed on April 18, 2023, which related to the initial submission of the ESEF documentation.

## German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Matthias Forstreuter.

Frankfurt/Main, 24 March 2023/limited to the assessment of the ESEF documents specified in the information on the supplementary audit: 18 April 2023

KPMG AG Wirtschaftsprüfungsgesellschaft

Original German version signed by

gez. Forstreuter	gez. Eifert
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

## Information, Disclaimer, Legal notice

### Additional information on the website

In addition to these annual financial statements, the combined management report of Leifheit AG and Leifheit Group, the consolidated financial statements, the report of the Supervisory Board, the sustainability report, the remuneration report and the declaration of corporate management are available on the internet at [www.leifheit-group.com](http://www.leifheit-group.com).

### Note on rounding

Minor differences may occur when using rounded amounts and percentages due to commercial rounding.

### Forward-looking statements

This report contains forward-looking statements which are based on the management's current estimates with regard to future developments. Such statements are subject to risks and uncer-

tainties which are beyond Leifheit's ability to control or estimate precisely, such as statements on the future market environment and economic conditions, the behaviour of other market participants and government measures. If one of these uncertain or unforeseeable factors occurs or the assumptions on which these statements are based prove inaccurate, actual results could differ materially from the results cited explicitly or contained implicitly in these statements. Leifheit does not intend to update forward-looking statements to reflect events or developments after the date of this report, nor does it accept any specific obligation to do so.

### Discrepancies due to technical factors

Technical factors (e.g. conversion of electronic formats) may lead to discrepancies between the financial statements contained in this financial report and those submitted to the company register. In this case, the version submitted to the company register is binding.

In the event of any discrepancies between this English translation and the German version, the German version shall take precedence.

### Legal notice

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