



**LEIFHEIT**

AKTIENGESELLSCHAFT



Annual financial statements  
of Leifheit AG

**2023**



# Annual financial statements for financial year 2023

Leifheit AG, Nassau/Lahn, Germany

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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 2023.

The annual financial statements of Leifheit AG and the annual report of the Leifheit Group for financial year 2023 are also available online at <https://www.leifheit-group.com/en/investor-relations/reports-and-presentations/>.

## Balance sheet

k€	Notes	31 Dec 2022	31 Dec 2023
<b>Assets</b>			
I. Intangible assets	1	721	655
II. Tangible assets	2	12,960	11,982
III. Financial assets	3	63,261	58,645
<b>A. Non-current assets</b>		<b>76,942</b>	<b>71,282</b>
I. Inventories	4	32,975	30,097
II. Receivables and other assets	5	41,743	29,019
III. Cash and cash equivalents		31,198	35,841
<b>B. Current assets</b>		<b>105,916</b>	<b>94,957</b>
<b>C. Accrued expenses</b>		<b>134</b>	<b>180</b>
		<b>182,992</b>	<b>166,419</b>
<b>Liabilities</b>			
I. Subscribed capital		30,000	30,000
Deduction for treasury shares		- 1,454	- 1,438
		28,546	28,562
II. Capital surplus		17,164	17,183
III. Retained earnings		23,853	12,244
IV. Balance sheet profit		6,700	10,000
<b>A. Equity</b>	6	<b>76,263</b>	<b>67,989</b>
1. Provisions for pensions and similar obligations	7	61,337	62,063
2. Tax provisions		2	99
3. Other provisions	8	24,710	22,301
<b>B. Provisions</b>		<b>86,049</b>	<b>84,463</b>
<b>C. Liabilities</b>	9	<b>20,680</b>	<b>13,967</b>
		<b>182,992</b>	<b>166,419</b>

## Statement of profit or loss

k€	Notes	2022	2023
Turnover	10	242,304	250,329
Cost of turnover	11	- 181,524	- 174,947
<b>Gross profit from turnover</b>		<b>60,780</b>	<b>75,382</b>
Distribution costs	12	- 56,827	- 59,068
General administrative costs	13	- 14,311	- 14,487
Other operating income of which income from currency translation: k€ 3,718 (2022: k€ 11,465)	14	14,523	5,409
Other operating expenses of which expenses from currency translation: k€ - 4,965 (2022: k€ - 5,446)	15	- 11,132	- 9,751
<b>Operating result</b>		<b>- 6,967</b>	<b>- 2,515</b>
Income from shareholdings of which from affiliated companies: k€ 0 (2022: k€ 3,489)		3,489	-
Income from loans of financial assets and other interest income of which from affiliated companies: k€ 3,034 (2022: k€ 3,022)		3,022	3,034
Interest income of which from compound interest: k€ 18 (2022: k€ 0)		179	842
Amortisation of financial assets		-	- 1,530
Interest expenses of which to affiliated companies: k€ - 371 (2022:k€ - 62) of which from compound interest: k€ - 769 (2022: k€ - 1,777)	16	- 1,916	- 1,207
Income taxes (2023 expense; 2022 income)	17	84	- 228
<b>Earnings after taxes</b>		<b>- 2,109</b>	<b>- 1,604</b>
Other taxes		- 107	- 109
<b>Net loss</b>		<b>- 2,216</b>	<b>- 1,713</b>
<b>Appropriation of profit</b>			
Net loss		- 2,216	- 1,713
Retained earnings		9	39
Withdrawal from other retained earnings		8,907	11,674
<b>Balance sheet profit</b>		<b>6,700</b>	<b>10,000</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 of the Xetra, Frankfurt am 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 regulations 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 on a straight-line basis in accordance with their expected useful lives.

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

	Years
Buildings	25–50
Other technical equipment and machinery	5–10
Operating and office equipment	3–13
Software	3–5

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

An impairment loss is recognised at 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 three 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 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 cost includes 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, other assets and cash and cash equivalents 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.

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

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

Pension obligations 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-Richttafeln-GmbH, Cologne, Germany; an interest rate of 1.82% was applied (2022: 1.78%). 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 of the German commercial code (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.

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 of the German commercial code (HGB). Tax relief (asset surplus) resulting from this is not recognised according to the existing option under section 274 para. 1 sentence 2 of the German commercial code (HGB).

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 costs principle.

The company exercises the option of collating individual balance sheet items in accordance with section 265 para. 7 no. 2 of the German commercial code (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
Acquisition and manufacturing costs as at 1 Jan 2023	4,324	1,209	8,864	165	14,562
Additions	–	–	197	96	293
Disposals	–	–	107	–	107
Reclassifications	–	–	164	– 164	–
<b>As at 31 Dec 2023</b>	<b>4,324</b>	<b>1,209</b>	<b>9,118</b>	<b>97</b>	<b>14,748</b>
Cumulative amortisation as at 1 Jan 2023	4,324	1,209	8,308	–	13,841
Additions	–	–	359	–	359
Disposals	–	–	107	–	107
<b>As at 31 Dec 2023</b>	<b>4,324</b>	<b>1,209</b>	<b>8,560</b>	<b>–</b>	<b>14,093</b>
<b>Net book value</b>					
As at 31 Dec 2022	–	–	556	165	721
<b>As at 31 Dec 2023</b>	<b>–</b>	<b>–</b>	<b>558</b>	<b>97</b>	<b>655</b>

Brands concerned 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.

Depreciation and amortisation includes impairment losses on software amounting to k€ 33.

### (2) Tangible assets

k€	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Advances paid and assets under construction	Total
Acquisition and manufacturing costs as at 1 Jan 2023	32,975	14,137	29,902	41	77,055
Additions	28	30	655	125	838
Disposals	31	27	1,249	–	1,307
<b>As at 31 Dec 2023</b>	<b>32,972</b>	<b>14,140</b>	<b>29,308</b>	<b>166</b>	<b>76,586</b>
Cumulative amortisation as at 1 Jan 2023	23,843	13,303	26,949	–	64,095
Additions	376	152	1,204	–	1,732
Disposals	31	27	1,165	–	1,223
<b>As at 31 Dec 2023</b>	<b>24,188</b>	<b>13,428</b>	<b>26,988</b>	<b>–</b>	<b>64,604</b>
<b>Net book value</b>					
As at 31 Dec 2022	9,132	834	2,953	41	12,960
<b>As at 31 Dec 2023</b>	<b>8,784</b>	<b>712</b>	<b>2,320</b>	<b>166</b>	<b>11,982</b>

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

Depreciation and amortisation includes impairment losses on tools amounting to k€ 13.



### (3) Financial assets

k€	Shares in affiliated companies	Loans to affiliated companies	Total
Acquisition costs as at 1 Jan 2023	30,060	40,897	70,957
Additions	20,682	291	20,973
Disposals	23,001	7,226	30,227
<b>As at 31 Dec 2023</b>	<b>27,741</b>	<b>33,962</b>	<b>61,703</b>
Cumulative amortisation as at 1 Jan 2023	7,696	–	7,696
Additions	1,530	–	1,530
Disposals	6,168	–	6,168
<b>As at 31 Dec 2023</b>	<b>3,058</b>	<b>–</b>	<b>3,058</b>
<b>Net book value</b>			
As at 31 Dec 2022	22,364	40,897	63,261
<b>As at 31 Dec 2023</b>	<b>24,683</b>	<b>33,962</b>	<b>58,645</b>

Additions and disposals of shares in affiliated companies result from the Transmission Universelle de Patrimoine (TUP, as outlined in art. 1844-5 para. 3 of the French civil code), of Leifheit France S.A.S., which was merged with Leifheit AG on 30 June 2023. A TUP indicates the dissolution of one company through an act of dissolution by way of accretion without liquidation. This resulted in the assets of the company to be dissolved, Leifheit France S.A.S., being transferred in full to the sole shareholder Leifheit AG. The transfer was made at book value. The transaction included the transfer of shareholdings in the French Group companies Birambeau S.A.S., Leifheit-Birambeau S.A.S. and Herby S.A.S. totalling m€ 20.7, cash and cash equivalents of k€ 90, liabilities to Leifheit AG of m€ 3.6 and non-Group liabilities of k€ 6. The comparison of the transferred net assets and Leifheit AG's

investment in Leifheit France S.A.S. resulted in a merger gain of k€ 309, which was recognised in profit or loss. The merger did not affect the comparability of the balance sheet and statement of profit or loss with the previous year.

The additions to depreciation and amortisation related to the impairment of the investments in the Chinese subsidiary Guangzhou Leifheit Trading Co. Ltd. of k€ 1,018 and in the French company Birambeau S.A.S. of k€ 512. The disposals related to the impairment of the investment in Leifheit France S.A.S., which was merged into Leifheit AG as part of the TUP.

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

### (4) Inventories

k€	31 Dec 2022	31 Dec 2023
Raw materials, consumables and supplies	2,301	2,201
Unfinished products	565	593
Finished products and goods purchased and held for resale	30,109	27,303
	<b>32,975</b>	<b>30,097</b>

### (5) Receivables and other assets

k€	31 Dec 2022	31 Dec 2023
Trade receivables	27,322	24,673
Receivables from affiliated companies	12,024	2,544
Other assets	2,397	1,802
	<b>41,743</b>	<b>29,019</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 (2022: 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.

The Annual General Meeting of Leifheit AG on 25 May 2022 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 2022	Dividend payment	Net profit for the year	Issuance of treasury shares	Withdrawal from other retained earnings	31 Dec 2023
Subscribed capital	30,000	–	–	–	–	30,000
Deduction for treasury shares	– 1,454	–	–	16	–	– 1,438
	28,546	–	–	16	–	28,562
Capital surplus	17,164	–	–	19	–	17,183
Retained earnings						
Statutory reserve	1,023	–	–	–	–	1,023
Other retained earnings	22,830	–	–	65	– 11,674	11,221
	23,853	–	–	65	– 11,674	12,244
Balance sheet profit	6,700	– 6,661	– 1,713	–	11,674	10,000
<b>Total equity</b>	<b>76,263</b>	<b>– 6,661</b>	<b>– 1,713</b>	<b>100</b>	<b>–</b>	<b>67,989</b>

The capital surplus in the amount of k€ 17,183 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€ 249. Employee shares were issued during the reporting period (see Note 26).

The change in the regulations concerning the valuation of pension obligations in 2016 in connection with the introduction of the 10-year average discounting rate (2023: 1.82%) to replace the 7-year rate (2023: 1.74%) resulted in a difference of k€ 661; this amount is blocked from distribution.

## Proposal for the appropriation of the balance sheet profit

The Board of Management will propose to the upcoming Annual General Meeting the appropriation of the Leifheit AG balance sheet profit of € 10,000,000.00 for financial year 2023 as follows:

Dividend payment to shareholders for financial year 2023	€ 9,996,696.15
This amount is composed of:	
- Payment of a dividend of € 0.95 per eligible no-par-value bearer share (ISIN DE0006464506);	€ 9,044,629.85
- Payment of a special dividend of € 0.10 per eligible no-par-value bearer share (ISIN DE0006464506);	€ 952,066.30
Retained earnings	€ 3,303.85

## (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.

k€	31 Dec 2022	31 Dec 2023
Settlement amount of pension obligations from direct commitments	61,111	62,063
Settlement amount of pension obligations from salary conversion	1,067	794
Plan assets from salary conversions <sup>1</sup>	- 841	- 794
<b>Balance sheet amount</b>	<b>61,337</b>	<b>62,063</b>

<sup>1</sup> The fair value of the settlement amount (equivalent to the acquisition cost) was equivalent to the plan assets as at the balance sheet date.

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

	31 Dec 2022	31 Dec 2023
Discount rate	1.78%	1.82%
Future income trend	3.0%	3.0%
Future pension trend	2.3%	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 2022	31 Dec 2023
Personnel	5,844	6,370
Customer bonuses	5,295	4,437
Warranties	3,736	3,164
Advertising costs	3,344	2,584
Outstanding invoices	1,850	1,781
Impending losses	334	887
Supervisory Board remuneration	517	484
Purchase commitments	689	459
Annual financial statement costs	433	441
Claims for damages	1,162	150
Tax advice	147	150
Other provisions	1,359	1,394
	<b>24,710</b>	<b>22,301</b>

## (9) Liabilities

k€	Remaining term less than one year	Remaining term 1 to 5 years	Remaining term more than 5 years	31 Dec 2023
Trade payables	8,084	–	–	8,084
Liabilities to affiliated companies	3,877	–	–	3,877
Liabilities to the company support organisation	87	126	211	424
Other liabilities	1,582	–	–	1,582
of which from taxes	489	–	–	489
of which as part of social security	798	–	–	798
	<b>13,630</b>	<b>126</b>	<b>211</b>	<b>13,967</b>

Short-term lines of credit in the amount of k€ 25,155 were available on the balance sheet date (2022: k€ 25,155). Of this amount, k€ 249 (2022: k€ 240) was used for bills of guarantee and credit cards as at the balance sheet date. Unused lines of credit were k€ 24,906 (2022: k€ 24,915)

k€	Remaining term less than one 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>

Of the liabilities to affiliated companies, k€ 3,533 was attributable to intra-Group loans (2022: k€ 1,200). The remainder was attributable to trade payables, as in the previous year.

Liabilities to the company support organisation related to pension obligations to Unterstützungseinrichtung Günter Leifheit e. V. and amounted to k€ 424 (2022: k€ 457) on the balance sheet date. They concerned the fund assets held with Leifheit AG of k€ 251

(2022: k€ 274) and the obligation to make an additional contribution of k€ 173 (2022: k€ 183) 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€	2022	2023
Household products	199,791	208,006
Sale of production materials	41,085	40,909
Income from intra-Group charges	892	971
Income from licences	497	402
Other income	39	41
	<b>242,304</b>	<b>250,329</b>

Turnover was broken down as follows into regions:

k€	2022	2023
Germany	100,245	104,829
Foreign countries	142,059	145,500
	<b>242,304</b>	<b>250,329</b>

### (11) Cost of turnover

k€	2022	2023
Cost of materials	158,077	158,944
Personnel costs	6,847	6,805
Purchased services	7,927	5,082
IT costs and other allocations	2,092	1,686
Services	1,188	1,355
Customs costs	1,292	806
Depreciation and amortisation	668	580
Maintenance	389	499
Consumables and supplies	132	196
Valuation adjustment on inventories	2,334	- 1,297
Other cost of turnover	578	291
	<b>181,524</b>	<b>174,947</b>

### (12) Distribution costs

k€	2022	2023
Personnel costs	14,519	14,407
Freight out	10,776	11,615
Advertising costs	9,021	9,229
Commissions	4,401	5,762
Services	4,807	5,622
IT costs and other allocations	5,257	4,977
Advertising cost subsidies	2,536	2,665
Packaging materials	1,760	1,643
Maintenance	750	666
Cost of cars, travel and entertainment	500	572
Depreciation and amortisation	642	566
Insurance	309	293
Contractual penalties	307	261
Rent	395	252
Other distribution costs	847	538
	<b>56,827</b>	<b>59,068</b>

### (13) General administrative costs

k€	2022	2023
Personnel costs	5,857	8,299
Cost of employment benefits	5,049	2,560
Services	1,346	1,654
IT costs and other allocations	830	809
Supervisory Board remuneration	541	510
Other administrative costs	688	655
	<b>14,311</b>	<b>14,487</b>

### (14) Other operating income

k€	2022	2023
Income from currency translation	11,565	3,718
Income from the reversal of provisions	2,262	1,217
Merger gain	-	309
Other operating income	696	165
	<b>14,523</b>	<b>5,409</b>

The merger gain resulted from the merger of Leifheit France S.A.S. into Leifheit AG in the reporting year.

Income attributable to other periods amounted to k€ 1,588 (2022: k€ 2,888) and resulted from the reversal of provisions.

### (15) Other operating expenses

k€	2022	2023
Research and development costs	5,492	4,735
Expenses from currency translation	5,446	4,965
Other operating expenses	194	51
	<b>11,132</b>	<b>9,751</b>

Income attributable to other periods amounted to k€ 17 (2022: k€ 165).

### (16) Interest expenses

k€	2022	2023
Compounding of pension obligations	1,773	769
Affiliated companies	62	371
Other compounding	4	–
Other interest expenses	77	67
	<b>1,916</b>	<b>1,207</b>

### (17) Income taxes

k€	2022	2023
Income taxes of foreign branches	16	90
Trade tax	– 2	29
Corporation tax	– 98	109
<b>Income taxes</b>	<b>– 84</b>	<b>228</b>

The company did not make use of the option to capitalise deferred tax assets according to section 274 para. 1 sentence 2 of the German commercial code (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 and anniversary provisions and provisions for impending losses, were recognised. The tax rate underpinning the calculation was 29.8%.

### (18) Cost of materials

k€	2022	2023
Expenses for raw materials, consumables and supplies as well as for purchased goods	160,543	157,843
Expenses for purchased services	7,927	5,082
	<b>168,470</b>	<b>162,925</b>

### (19) Personnel costs/employees

k€	2022	2023
Wages and salaries	27,904	30,263
Social contributions	4,877	5,009
Employment benefits	5,520	2,686
	<b>38,301</b>	<b>37,958</b>

Employment benefits in the total amount of k€ 2,686 (2022: k€ 5,520) included k€ 2,613 for pension plans (2022: k€ 5,421).

Employees on annual average (people)	2022	2023
Germany	407	390
Belgium	11	10
Italy	10	8
	<b>428</b>	<b>408</b>

## Other notes

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

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

k€	2022	2023
Remuneration and other short-term benefits	1,808	1,851
Benefits following the end of the employment relationship	–	–
Other long-term benefits	–	581
Benefits due to the end of the employment relationship	–	1,538
Share-based remuneration	–	–
	<b>1,808</b>	<b>3,970</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€	2022	2023
Remuneration and other short-term benefits	541	517
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>566</b>	<b>517</b>

The individualised remuneration of the Board of Management and Supervisory Board is described in detail in the remuneration report, which is available at <https://www.leifheit-group.com/en/investor-relations/reports-and-presentations/>.

### (21) Total remuneration and pension obligations 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 dependants amounted to k€ 634 in the reporting period (2022: k€ 602). Provisions created for the current pensions for this group of people amounted to k€ 5,981 in financial year 2023 (2022: k€ 7,604).

### (22) 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 were any advances or loans granted to the aforementioned group of persons.

### (23) Commitments

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

Furthermore, there is a commitment dated 10 May 2023 to provide financial support to the Chinese subsidiary due to the deficit of kCNY 853 as at 31 December 2022, which is not covered by equity, in order to maintain the subsidiary as a going concern. In view of the economic situation of the Chinese subsidiary, it is possible that the subsidiary will utilise this commitment.

There are no further commitments as defined in section 251 of the German commercial code (HGB).

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

The remuneration of the Group auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, recorded as expenses in 2023, amounted to k€ 371 for the audit of the financial statements (thereof for 2022: k€ 30) and k€ 20 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 2023.

## (25) 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 2024 and December 2029. Obligations under these agreements total k€ 4,342 (of which k€ 3,741 with terms of less than one year and k€ 601 of between one and six 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€ 187 (2022: k€ 644), relating to facilities in particular. In addition, there were obligations from contracts for marketing measures amounting to k€ 2,589 (2022: k€ 1,528) and from other contracts amounting to k€ 1,638 (2022: k€ 1,882).

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

	Nominal volume		
	Value of obligation	Foreign currency	Fair value
31 Dec 2023			
Buy USD/€	k€ 3,192	kUSD 3,500	k€ -51
Buy CNH/€	k€ 13,573	CNH 102,000	k€ -558

	Nominal volume		
	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

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€ 610, which was recognised as an impending loss in other provisions 2022: k€ 159).

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

## (26) Treasury shares

Including the treasury shares acquired and issued in previous years, Leifheit AG held 479,337 treasury shares on 31 December 2023. This corresponds to 4.79% of the share capital. The corresponding interest in the share capital is k€ 1,438, for which an amount of k€ 7,269 was expended.

In the reporting period, Leifheit used a total of 5,360 treasury shares to issue employee shares. This corresponded to 0.05% of the share capital. The corresponding interest in the share capital was k€ 16. No treasury shares were utilised in the previous year. Furthermore, no treasury shares were acquired either in the reporting period 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 of the German stock corporation act (AktG).

## (27) 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 of the German commercial code (HGB).

## (28) 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 are available on the internet at <https://www.leifheit-group.com/en/investor-relations/reports-and-presentations/> and published in the company register.

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

In December 2023, the Board of Management and the Supervisory Board issued the declaration required under section 161 of the German stock corporation act (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 and which recommendations are not currently applied or were not applied. The declaration of conformity is permanently available on the company's website at <https://www.leifheit-group.com/en/investor-relations/corporate-governance/>.



### (30) 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>
Jun 2023	Gerlin Participaties Coöperatief U.A.	Maarsbergen (NL)	Section 33	8.53%	852,915
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
Jun 2021	Alantra EQMC Asset Management, SGIIC, S.A.	Madrid (ES)	Section 34	15.42%	1,541,640
Aug 2020	MainFirst SICAV	Senningerberg (LU)	Section 33	5.02%	502,320
Feb 2019	Blackmoor Ownership Holdings Master Limited	(KY)	Section 34	3.52%	352,061
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 of the German stock corporation act (AktG) or in accordance with section 33 paras. 1 or 2 of the German securities trading act (WpHG). All voting rights notifications were published by Leifheit in accordance with section 40 para. 1 WpHG and are available on the website at <https://www.leifheit-group.com/en/investor-relations/finance-news/>. 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.

### (31) 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.

### (32) 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.

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

	Share in %	Equity as at 31 Dec 2023		of which net profit 2023	
		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>
Birambeau S.A.S., Paris – FR	100.0	EUR 2,436	2,436	EUR 613	613
Guangzhou Leifheit Trading Co., Ltd, Guangzhou – CN	100.0	CNH –2.857	– 364	CNH –1,411	– 184
Herby Industrie S.A.S., La Loupe – FR	100.0	EUR 3,205	3,205	EUR 889	889
Leifheit-Birambeau S.A.S., Paris – FR	100.0	EUR 1,255	1,255	EUR 157	157
Leifheit CZ a.s., Hostivice – CZ	100.0	CZK 15,414	623	CZK 5,080	212
Leifheit Distribution S.R.L., Bucharest – RO	100.0	RON 1,850	372	RON 238	48
Leifheit España S.A., Madrid – ES	100.0	EUR 1,304	1,304	EUR 40	40
Leifheit International U.S.A. Inc., Hauppauge (NY) – US	100.0	USD 489	443	USD 3	3
Leifheit Österreich GmbH, Wiener Neudorf – AT	100.0	EUR 740	740	EUR 110	110
Leifheit Polska Sp. z o.o., Warsaw – PL	100.0	PLN 1,559	359	PLN 369	81
Leifheit s.r.o., Blatná – CZ	100.0	CZK 411,700	16,648	CZK 34,190	1,424
Soehnle GmbH, Nassau – DE	100.0	EUR 82	82	EUR – 1	– 1

<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.

## Organs of Leifheit AG

The CVs of the members of the Board of Management and Supervisory Board are available on the website at <https://www.leifheit-group.com/en/investor-relations/corporate-governance/>.

### 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	Member (CFO) since 1 May 2021	30 Apr 2027	Finance, Controlling, Business Processes/IT, Internal Sales	None
<b>Igor Iraeta Munduate</b> Born 1974 Nationality: Spanish Place of residence: Waiblingen	Member (COO) since 1 Nov 2018	31 Oct 2025	Production, Logistics, Procurement, Development, Quality Management	None
<b>Alexander Reindler</b> Born 1969 Nationality: German Place of residence: Hamburg	Member and Chairman (CEO) since 1 Dec 2023	30 Nov 2026	Marketing, Sales, Birambeau and Herby divisions, HR, Law/IP, Audit, Investor Relations, ESG Issues	None
<b>Henner Rinsche</b> Born 1970 Nationality: German Place of residence: Mörfelden-Walldorf	Member and Chairman (CEO) 1 Jun 2019 – 31 Jul 2023	31 Jul 2023	Marketing, Sales, Birambeau and Herby divisions, HR, Law/IP, Audit, Investor Relations, ESG Issues	None
<b>Stefan De Loecker</b> Born 1967 Nationality: Belgian Place of residence: Chexbres (CH)	Member and Chairman (CEO), interim basis 1 Aug 2023 – 30 Nov 2023	30 Nov 2023	Marketing, Sales, Birambeau and Herby divisions, HR, Law/IP, Audit, Investor Relations, ESG Issues	Eczacıbası Consumer Products, Beykoz/Istanbul (TR), Member of the Advisory Board <sup>2</sup>  Merz Asset Management Holding GmbH, Frankfurt, member of the Advisory Board in a consulting capacity for Merz LifeCare (since 18 Oct 2023) <sup>2</sup>

<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>Dr Günter Blaschke</b> Born 1949 Nationality: German Pensioner, Buchloe	Member since 1 Apr 2019, Chairman since 2 Apr 2019	WashTec AG, Augsburg (DE), Chairman of the Supervisory Board <sup>2</sup> (until 31 Dec 2023)
<b>Stefan De Loecker</b> Born 1967 Nationality: Belgian CEO of Schleich GmbH, Schwäbisch Gmünd (DE)	Member and Deputy Chairman since 8 Jun 2023 (mandate suspended 1 Aug 2023 – 30 Nov 2023)	Eczacıbası Consumer Products, Beykoz/Istanbul (TR), member of the Advisory Board <sup>3</sup> Merz Asset Management Holding GmbH, Frankfurt, member of the Advisory Board in a consulting capacity for Merz LifeCare (since 18 Oct 2023) <sup>3</sup>
<b>Georg Hesse</b> Born 1972 Nationality: German Freelance consultant, Ismaning	Member since 30 May 2018	None
<b>Marcus Kreß<sup>1</sup></b> Born 1972 Nationality: German Industrial Mechanic at Leifheit AG, Nassau/Lahn, Zuzenhausen location	Member since 1 Mar 2023	None
<b>Thomas Standke<sup>1</sup></b> Born 1968 Nationality: German Toolmaker at Leifheit AG, Nassau/Lahn	Member since 27 May 2004	None
<b>Dr. Claus-O. Zacharias</b> Born 1954 Nationality: German Independent consultant, Düsseldorf	Member since 29 May 2019	None
<b>Joachim Barnert<sup>1†</sup></b> Born 1968 Nationality: German Head of Maintenance at Leifheit AG, Nassau/Lahn, Zuzenhausen location	Member 29 May 2019 – 28 Feb 2023	None
<b>Karsten Schmidt</b> Born 1956 Nationality: German Independent consultant, Penzberg	Member and Deputy Chairman 29 May 2019 – 7 Jun 2023	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>Stefan De Loecker</b> <b>Dr Claus-O. Zacharias</b> <b>Karsten Schmidt</b></p>	<p>Member and Chairman since 29 May 2019 Member since 8 Jun 2023<sup>1</sup> Member since 29 May 2019 Member 29 May 2019 – 7 Jun 2023</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>Stefan De Loecker</b> <b>Georg Hesse</b> <b>Karsten Schmidt</b></p>	<p>Member since 29 May 2019 Member since 8 Jun 2023<sup>1</sup> Member since 30 May 2018, Chairman since 29 May 2019 Member 29 May 2019 – 7 Jun 2023</p>
<p><b>Sales/Marketing Committee</b> The Sales/Marketing Committee deals with the sales and marketing strategy.</p>	<p><b>Dr Günter Blaschke</b> <b>Stefan De Loecker</b> <b>Georg Hesse</b> <b>Karsten Schmidt</b> <b>Joachim Barnert †</b></p>	<p>Member since 29 May 2019, Chairman 29 May 2019 – 7 Jun 2023 Member and Chairman since 8 Jun 2023<sup>1</sup> Member since 29 May 2019 Member 29 May 2019 – 7 Jun 2023 Member 29 May 2019 – 28 Feb 2023</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>Stefan De Loecker</b> <b>Thomas Standke</b> <b>Karsten Schmidt</b></p>	<p>Member since 29 May 2019 Member and Chairman since 8 Jun 2023<sup>1</sup> Member since 29 May 2019 Member and Chairman 29 May 2019 – 7 Jun 2023</p>

<sup>1</sup> Mandate suspended 1 Aug 2023 – 30 Nov 2023.

Nassau/Lahn, 25 March 2024

Leifheit AG

The Board of Management

Alexander Reindler

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 AG, 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 AG, together with the principal opportunities and risks associated with the expected development of Leifheit AG.

Nassau/Lahn, 25 March 2024

Leifheit AG

The Board of Management

Alexander Reindler

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 2023, and the statement of profit or loss for the financial year from 1 January to 31 December 2023, and notes to the financial statements, including the recognition and measurement 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 2023.

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 2023 and of its financial performance for the financial year from 1 January to 31 December 2023, 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 non-audit 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 2023. 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 Aktiengesellschaft's revenue amounted to EUR 250.3 million in financial year 2023 (PY: EUR 242.3 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 recognition in the reporting year is not recognized on an accrual basis and therefore overstated.

**Our audit approach**

Using inquiries and discussions with Company's representatives in finance and sales, 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.

**– Recoverability of shares in affiliated companies Leifheit-Birambeau S.A.S. and Birambeau 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 “Net assets, financial position and results of operations” as well as the section “Notes to the financial statements of Leifheit Aktiengesellschaft (HGB)”.

**The financial statement risk**

In the annual financial statements of Leifheit AG as at 31 December 2023, financial assets included shares held in affiliated companies in the amount of EUR 24.7 million (PY: EUR 22.4 million). These relate in particular to Leifheit-Birambeau S.A.S., Vincennes, and Birambeau S.A.S., Vincennes, and at approx. 15% of total assets they 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 three 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. These include the expected business and earnings performance of Leifheit-Birambeau S.A.S. and Birambeau S.A.S. drawn up by the Board of Management of Leifheit AG and approved by the Supervisory Board. This also applies especially for the estimate of the assumed growth rates and the discount rate used.

In past financial years, the projected revenue targets for Leifheit-Birambeau S.A.S. and Birambeau S.A.S. were not achieved. Due to declining consumer demand, revenue performance at Leifheit-Birambeau S.A.S. and Birambeau S.A.S. is also below the forecast expectations in the current financial year. In addition, the Board of Management is also expecting a challenging market environment in the future.

As such, in financial year 2023, the Company recorded an impairment loss on long-term financial assets in the amount of EUR 0.5 million. There is a risk for the annual financial statements that the recognition of impairment losses is insufficient and that the shares in Leifheit-Birambeau S.A.S. and Birambeau S.A.S. are not recoverable.

**Our audit approach**

Using inquiries and discussions with the Company's Board of 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 method of the Company. As changes to expected business and earnings performance can significantly impact on the result of the impairment test of shares in Leifheit-Birambeau S.A.S. and Birambeau 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 expected business and earnings performance drawn up by the Board of Management of Leifheit AG and approved by the Supervisory Board and whether the planning is reasonable.

We also confirmed the accuracy of the companies' previous forecasts by comparing the planning 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-Birambeau S.A.S. and Birambeau 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 the existing and, due to the economic environment, increased forecast uncertainty, we also investigated the impact of potential changes to the discount rate and the expected cash flows on the fair value by calculating alternative scenarios and comparing these with the Company's measurements (sensitivity analysis).

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.

### Our observations

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

The assumptions and data used in the measurement of shares in Leifheit-Birambeau S.A.S. and Birambeau 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 of 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 „JA.xhtml“ (SHA256-Hashwert: 46883141e1f28c0d348f44a1632f94ec986db38972626ecf24303ff5de02c111) 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 2023 to 31 December 2023 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 has applied the IDW Quality Management Standard: Requirements for Quality Management in the Auditing Practice (IDW QMS 1 (09.2022)).

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 7 June 2023. We were engaged by the Supervisory Board on 21 November 2023. 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 „JA.xhtml“ (SHA256-Hashwert: 46883141e1f28c0d348f44a1632f94ec986db38972626ecf24303ff5de02c111) and prepared for publication purposes, the renderings of the annual financial statements and combined management report based on our statutory audit completed on 25 March 2024 and our supplementary audit completed on 17 April 2024, 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, 25 March 2024/limited to the assessment of the ESEF documents specified in the information on the supplementary audit: 17 April 2024

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 of Leifheit AG, 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 uncertainties which are beyond Leifheit's ability to control or

estimate precisely. They include, for example, 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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