Financial report for the first half-year ending 30 June 2021

At a glance

- **Group turnover grows by almost 20% in the first half of the year**
- **Domestic market of Germany sees turnover growth of 30.5%**
- **Group EBIT climbs by 55% to m€ 13.6**
- **Significant rise in free cash flow to m€ 10.4**
- **Forecast for 2021 remains unchanged**

Key figures of the Group as at 30 June

		2020	**2021**	Change
Turnover				
Group	m€	130.4	156.3	19.9%
Household	m€	105.8	126.3	19.4%
Wellbeing	m€	11.4	13.8	20.5%
Private Label	m€	13.2	16.2	23.2%
Foreign share	%	58.9	55.2	–3.7 pps
Profitability				
Gross margin	%	44.1	43.9	–0.2 pps
Cash flow from operating activities	m€	–0.2	13.2	>100%
Free cash flow	m€	–2.5	10.4	>100%
Foreign currency result	m€	–0.1	0.5	>100%
EBIT	m€	8.8	13.6	54.9%
EBIT margin	%	6.8	8.7	1.9 pps
EBT	m€	8.3	13.3	59.6%
Net result for the period	m€	6.0	9.5	57.6%
Earnings per share	€	0.63	1.00	58.7%
Employees				
Group (average)	people	1,100	1,118	1.6%
Investments	m€	2.4	2.9	20.5%

Foreword

Dear Shareholders,

The Leifheit Group showed a positive business development in the first half of 2021, successfully continuing on its growth course. We were able to significantly improve earnings before interest and taxes (EBIT) year-on-year from m€ 8.8 to m€ 13.6 in the first six months of 2021. The m€ 11.2 increase in gross profit to m€ 68.7 from the sharp rise in turnover and positive product and customer mix effects played a major part in this performance and was largely the result of the contribution margins.

We increased Group turnover by a significant margin of almost 20% to m€ 156.3 in the first six months of 2021. This marks the fourth quarter of double-digit turnover growth in succession. Leifheit's domestic market (Germany) has experianced a turn-around, evolving into a growth market with turnover growth of 30.5%. Central Europe also made a significant contribution to the company's success with turnover growth of 16.5%. Performance in the key markets Italy and France was particularly positive. Successful TV campaigns in Italy and the announcement of similar measures in France saw demand soar and the distribution network expand further. We also managed to generate turnover growth of 7.0% in the Eastern Europe region. Efforts to step up marketing activities, particularly in the Czech Republic, led to double-digit turnover growth in the region's highest-turnover market.

We increased our investment in consumer advertising for our Leifheit and Soehnle brand products in the first two quarters of 2021 as part of our Scaling up Success growth strategy. Selected Soehnle products were also advertised for the first time on TV with great success, allowing us to turn Soehnle into a successful brand with double-digit growth figures on a par with our core brand of Leifheit. Turnover from heavily advertised bathroom and kitchen scales rose by 21.0%, with the Wellbeing segment posting strong turnover growth of 20.5% overall. Demand for Soehnle air purifiers, which remove allergens from the air and combat viruses and bacteria, remained high among consumers against the backdrop of the COVID-19 pandemic. Accordingly, turnover in the air product group rose substantially by around 150%. The Soehnle Airfresh Clean 400, which recently finished first in a test conducted by "Haus & Garten Test" magazine, has also been contributing to this trend since the first quarter. The air purifier filters out 99.95% [1] of particles such as allergens, viruses and pollutants through its high-performance four-stage cleaning system, HEPA filter and UV-C light.

We will continue to present our consumers with a select range of products that have been awarded "very good" test results on account of their excellent quality as the year goes on. We even have a two-time test winner in our product range in the shape of the CLEAN TWIST system, which came top in the "Haus & Garten Test" magazine test in both the flat mop and mop categories.

Our initiatives to improve working capital are proving fruitful. In the first half of 2021, we were able to generate free cash flow of m€ 10.4, which was primarily the result of an increase in cash inflow from operating activities. This item stood at m€ 13.2, up from cash outflow of m€ 0.2 in the previous year, due to the rise in the net result for the period and the significantly lower rise in working capital compared to the previous-year period. We will continue to focus on reducing full-year working capital compared to the previous year and improving our cash flow.

[1] Efficiency of particle filter material tested externally in accordance with EN 1822. HEPA H13 filter material used. Aerosol removal tested by the Institute of Fluid Mechanics and Aerodynamics at the Universität der Bundeswehr München; with aerosol particles (Ø 0.4 µm) in a room with a capacity of approximately 60 m³ at performance level 4.

The Leifheit Group continues to face challenges in the supply chain, production and logistics due to the pandemic. With the availability of freight capacity and containers low, and raw materials scarce, we are taking a proactive approach to preventing bottlenecks in supply. At the same time, freight and raw material prices are spiralling out of control with no end in sight. What is more, the renewed rise in COVID-19 infection rates shows that the pandemic is by no means over, meaning that the impact of the pandemic on overall economic development and the business activities of the Leifheit Group remains difficult to evaluate.

Despite these difficult circumstances, we will continue our strategic initiatives in the interests of all of our shareholders to optimise the Group cost structure, enhance our product ranges and win over even more consumers with our multiple award-winning products. That is our mission! We continue to anticipate Group turnover growth of at least 5% compared to the corresponding previous-year figure and Group EBIT of between m€ 20 and m€ 24 in financial year 2021. We also continue to expect free cash flow of around m€ 10 to m€ 14 in financial year 2021.

We greatly appreciate your loyalty to the Leifheit Group on this exciting journey.

The Board of Management

Henner Rinsche Igor Iraeta Munduate Marco Keul

Unaudited interim management report as at 30 June

Foundations of the Group

The Leifheit Group is one of the leading European brand suppliers of household items. The company offers high-quality and innovative products and solutions that make everyday life at home easier and more convenient.

There were no significant changes in the foundations of the Leifheit Group in the first half of 2021. For detailed information on the company's structure, business and strategy – as well as on the control system, innovation and product development – please see the annual financial report 2020, which is available on the website at **financial-reports.leifheit-group.com**.

Following the end of the reporting period (30 June 2021), there were no events at the Leifheit Group which can be expected to have a material influence on the net assets, financial position and results of operations of the company.

Economic environment

Europe/World

In its July 2021 report, the International Monetary Fund (IMF) forecasts an economic growth of 6.0% for 2021. The driving forces are the USA and China.

For the euro zone, the IMF assumes economic growth of 4.6% for 2021. This is 0.2 percentage points more than assumed in April.

According to the EU Commission's 2021 summer forecast, positive growth of 4.8% – a faster-than-anticipated upswing in the European economy – can be expected this year. The European economy is likely to return to its pre-crisis level by the end of 2021. The Commission forecasts inflation of 2.2% in the EU in 2021.

Germany

In Germany, the second wave of infection in the past winter half year played a pivotal role in the development of the economy in 2021, although there are clear discrepancies depending on the particular industry or service segment. The sharp decline in private consumer spending in 2020 is reflected negatively in the forecasts for 2021. However, with incoming orders from abroad for exports in the first half of 2021 noticeably higher than before the crisis, the joint forecast of the five leading economic research institutes anticipates growth of 3.7% in the German economy this year. The further development of the pandemic remains the most important downside risk for the forecast.

The IMF foresees a similar development in its July 2021 report, which predicts economic growth of 3.6% in 2021. The ifo Institute also expects to see economic recovery through to the end of the year. However, according to the economic forecast issued by the Munich-based economists, global bottlenecks in the delivery of primary products are likely to have a dampening effect. As a result, the ifo Institute expects Germany's gross domestic product to rise by 3.3% in 2021, or 0.4 percentage points less than anticipated in March.

The ifo Institute's Business Climate Index, a leading indicator of economic development in Germany, fell from 101.7 points in June to 100.8 points in July (seasonally adjusted), suggesting a noticeable fall in optimism regarding the months ahead. Bottlenecks in the supply of primary products and concerns about a renewed increase in the number of infections are weighing heavily on the German economy. In the manufacturing sector, the indicator fell for the fourth time in a row. The cautious optimism observed in the retail sector over the past few months has worsened.

In its June 2021 economic forecast, IfW Kiel predicted gross domestic product growth of 3.9% in 2021. However, the industrial sector's recovery is being impeded by supply issues, the institute writes, resulting in an increase in price pressure as well. This has caused prices for raw materials, intermediate goods and transport services to rise across the board recently. At the same time, the increase in value added tax and the German government's climate package are also helping to drive up prices. The Kiel-based researchers expect consumer prices to rise by a significantly higher rate of 2.6% in 2021.

According to the consumer research organisation Gesellschaft für Konsumforschung (GfK), consumer sentiment took a breather following significant improvement in recent months due to a renewed increase in the number of infections and price hikes. The GfK expects the consumer climate to stand at –0.3 points in August, the same level recorded in July. After climbing to a 10-year high of 58.4 points in June, expected economic development was somewhat more modest in July, falling by 3.8 points to 54.6. Income expectations also saw a moderate decline, losing 5.1 points to stand at 29.0. By contrast, propensity to buy increased slightly by 1.4 points, climbing to 14.8. Consumer optimism is not unclouded, according to the GfK's experts, as rules on mask wearing and social distancing prevent a fully carefree shopping experience at the present time.

Foreign currencies

The euro lost value against the US dollar overall in the first half of 2021. The exchange rate stood at USD 1.22 to the euro at the start of trading this year before rapidly falling to USD 1.17 to the euro by the end of March. However, the euro rebounded to USD 1.23 by 25 May 2021, only to close the first half of the year at a lower rate of USD 1.19. The euro is expected to remain relatively strong throughout 2021, assuming that there are no changes in the monetary policy framework, such as the US Federal Reserve's unprecedented decision to lower the benchmark interest rate last year. The average Reuters bank forecast puts the exchange rate at USD 1.21 to the euro at the end of 2021.

The euro also lost value against the Chinese renminbi (yuan) in the first half of 2021. After starting the year at around CNY 8.00 to the euro on 4 January 2021, the euro lost ground as the first half of the year progressed and closed the period at CNY 7.65. The US dollar and the euro could gain value against the renminbi if the US maintains its tough stance in its economic dealings with China and US economic growth continues to pick up speed in the second half of the year. The average Reuters bank forecast for the end of 2021 stands at CNY 7.74 to the euro.

Net assets, financial position and results of operations

Business performance

The Leifheit Group's turnover rose significantly by 19.9% from m€ 130.4 in the first half of 2020 to m€ 156.3 in the first six months of financial year 2021, despite continued restrictions related to COVID-19. This marked the fourth quarter in succession of double-digit turnover growth. Leifheit's domestic market (Germany) has experianded in a turnaround, evolving into a growth market with an increase of 30.5%. Soehnle has joined the core Leifheit brand as a successful brand with double-digit growth figures on the back of efforts to expand marketing activities in the first two quarters of 2021.

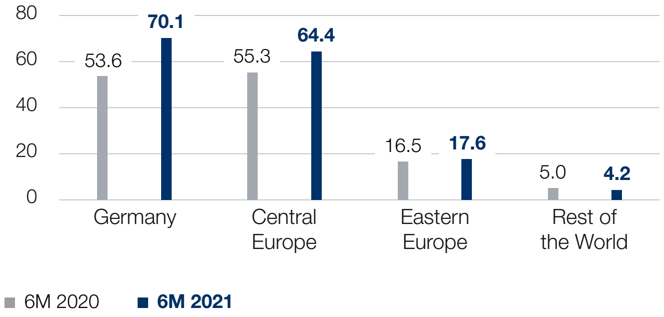
Group turnover by region

Turnover for the first six months of financial year 2021 was divided by region as follows: Germany accounted for 44.8% of Group turnover (previous year: 41.1%), Central Europe excluding Germany 41.2% (previous year: 42.4%), Eastern Europe 11.3% (previous year: 12.6%) and the rest of the world 2.7% (previous year: 3.9%).

- Germany

In its domestic market of Germany, the Leifheit Group generated turnover of m€ 70.1 in the first half of 2021 (previous year: m€ 53.6), corresponding to a significant year-on-year rise of 30.5%. Successful TV campaigns for selected best-selling Leifheit and Soehnle products were the main driving forces behind this growth. However, it should also be noted that key bricks-and-mortar sales channels in Germany were closed for several months in the previous-year period during the first coronavirus lockdown and that online retail was unable to fully compensate for the losses in early 2020.

Group turnover by region
in m€



The amount of turnover generated abroad also climbed significantly, by 12.5% to m€ 86.2 (previous year: m€ 76.8), pushing the share of turnover generated abroad in the first half of 2021 to 55.2%.

- Central Europe

Turnover of m€ 64.4 (previous year: m€ 55.3) was generated in Central Europe in the first six months of the year, equivalent to an increase of 16.5%. The development of the key markets Italy and France was particularly positive. The Leifheit Group was able to boost demand significantly and further expand its distribution network in both countries, after successful TV campaigns in Italy and the announcement of similar campaigns in France. Turnover in these regions rose sharply as a result. Markets in Austria and Belgium also developed positively. By contrast, turnover in the Netherlands declined year-on-year following the excellent first half of 2020.

Eastern Europe

In the Eastern Europe sales region, the Leifheit Group increased its turnover by 7.0% to m€ 17.6 (previous year: m€ 16.5). Double-digit growth was able to be achieved in the Czech Republic – the highest-turnover market in the region – after the Leifheit Group intensified its marketing activities there. Turnover development was also positive in Ukraine and Romania in the first half of 2021. In Poland, Russia and Slovakia, on the other hand, turnover declined in comparison to the previous year.

Rest of the world

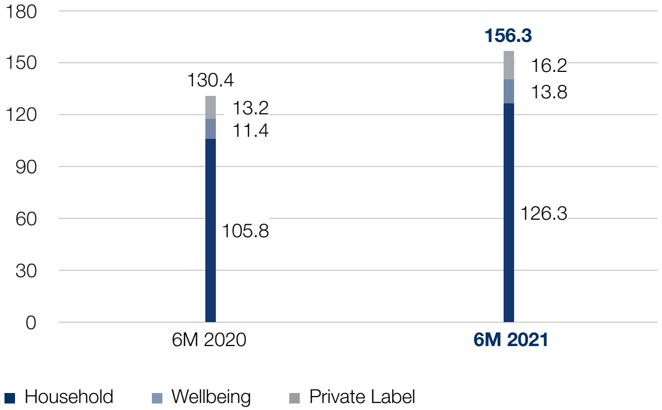
Turnover in non-European markets declined overall, falling by 14.3% in the reporting period to m€ 4.2 (previous year: m€ 5.0). This trend was primarily due to a sharp rise in online business in the US in the previous-year period caused by COVID-19-related store closures. However, this effect no longer applied in the current reporting period, leading to a decline in turnover in the US market. Turnover was also down year-on-year in the Middle East and the Far East. Australia and South America, on the other hand, recorded positive turnover trends.

Group turnover by segment

Reporting segments are divided as follows: Household, Wellbeing and Private Label.

Broken down by the three segments, turnover was distributed as follows in the first six months of 2021: The Household segment, which is by far the largest of the three and home to the Leifheit brand, generated 80.8% of turnover (previous year: 81.1%). The Leifheit Group generated 8.8% (previous year: 8.8%) of its turnover in the Wellbeing segment, with its Soehnle brand, whereas the Private Label segment, which is primarily marketed in France with the French subsidiaries Birambeau and Herby, contributed 10.4% (previous year: 10.1%) of turnover.

Group turnover by segment
in m€



Household

In the Household segment, the Leifheit Group generated turnover of m€ 126.3 in the first half of 2021 (previous year: m€ 105.8), which equates to significant growth of 19.4%. The main factor in this extremely positive development was the expansion of TV campaigns, which caused a sharp increase in demand for cleaning (+ 29.8%) and laundry care (+ 11.7%) products, especially in Germany. Stepping up marketing activities had a marked impact on sales figures, as did the increase in the need for good hygiene among the general population as a result of the COVID-19 pandemic. The kitchen category benefited from the fact that consumers cooked at home more frequently during the lockdown, which boosted demand for quality kitchen products and appliances.

Wellbeing

In the Wellbeing segment, the Leifheit Group generated further strong growth of 20.5%. Turnover came to m€ 13.8, up from m€ 11.4 in the previous year. Just as in the Household segment, increased marketing activities also had a positive impact in the Wellbeing segment, particularly in relation to heavily marketed bathroom and kitchen scales, with a marked increase of 21.0% in turnover. Demand for Soehnle air purifiers, which remove allergens from the air and combat viruses and bacteria, remained high among consumers against the backdrop of the COVID-19 pandemic. Turnover in the air product group rose accordingly by around 150%.

Private Label

Turnover in the Private Label segment was up again in the reporting period following recent declines, rising by 23.2% to m€ 16.2 (previous year: m€ 13.2). This turnaround came as the result of the positive turnover trend reported at the subsidiaries Birambeau and Herby, as tight restrictions had been imposed on French retail during the COVID-19 lockdown in spring 2020 but had been lifted by the reporting period. In addition, Brand Business was also able to achieve growth in the first half of 2021 as a result of pipeline filling effects caused by distribution expansion and the acquisition of new customers.

Development of results of operations

Group result

The Group generated earnings before interest and taxes (EBIT) of m€ 13.6 (previous year: m€ 8.8) in the first half of 2021. The m€ 4.8 increase was primarily the result of contribution margins from the rise in turnover, which more than made up for the associated and planned rise in advertising costs for TV campaigns.

Earnings before taxes (EBT) stood at m€ 13.3 in the first six months of 2021 (previous year: m€ 8.3). Less taxes, this equalled a net result for the period of m€ 9.5 in the first half of 2021 (previous year: m€ 6.0).

Gross profit

Gross profit, which is calculated as turnover less cost of turnover, rose by m€ 11.2 to m€ 68.7 for the first half of 2021 (previous year: m€ 57.5). The sharp rise was largely due to contribution margins from the turnover increase, as well as positive product and customer mix effects.

The gross margin – defined as the ratio of gross profit to turnover – declined by 0.2 percentage points to 43.9% (previous year: 44.1%) mainly as a result of increases in the prices of production materials, goods and, in particular, freight in.

Research and development costs

Research and development costs mainly comprise personnel costs, service costs and patent fees. They came in at m€ 2.9 in the first half of the year, up m€ 0.2 on the previous year's figure (m€ 2.7). This increase was predominantly due to higher personnel costs, IT costs and other allocations.

Distribution costs

Distribution costs, which include advertising and marketing expenses, as well as freight out and shipping costs, increased by m€ 5.9 to m€ 44.1 in the reporting period (previous year: m€ 38.2). This was mainly due to higher advertising costs of m€ 4.2 in the first half of the year, which were incurred primarily in relation to TV advertising. Freight out and commission continued to rise on the back of the significant increase in turnover.

Administrative costs

Administrative costs rose by m€ 0.9 year-on-year to m€ 9.4 (previous year: m€ 8.5). Administrative costs include personnel costs and service costs, as well as costs incurred in support of financial and administrative functions. The increase was mainly due to higher share-based payment for the Board of Management and Supervisory Board.

Other operating income and expenses

Other operating income rose by m€ 0.3 to m€ 1.0 (previous year: m€ 0.7) and included compensation payments from competitors for patent infringements of m€ 0.4 and income attributable to other periods of m€ 0.1. Other operating expenses rose by m€ 0.1 to m€ 0.2 (previous year: m€ 0.1).

Foreign currency result

The foreign currency result increased by m€ 0.6 to m€ 0.5 in the first half of 2021 (previous year: m€ –0.1). This item included income from foreign currency valuation of m€ 0.7 (previous year: expenses of m€ 0.3) and realised currency losses of m€ 0.2 (previous year: m€ 0.0), but did not include any income from changes to the fair values of forward foreign exchange transactions (previous year: m€ 0.2).

Interest and financial result

The interest and financial result stood at m€ –0.4 (previous year: m€ –0.5) and predominantly included interest expenses from interest on pension obligations. The decrease in interest expenses for pension obligations resulted from the lower discount rate.

Income taxes

Income taxes amounted to m€ 3.7 in the first six months of 2021 (previous year: m€ 2.3). The tax ratio stood at 28.2% and was up on the corresponding previous-year figure of 27.3%. The tax ratio is the ratio of income taxes to earnings before taxes.

Development of the financial situation

Capital structure

The debt level stood at 54.9% as at 30 June 2021 and was therefore 1.4 percentage points lower compared to 31 December 2020.

Liabilities as at 30 June 2021 consisted largely of pension obligations of m€ 63.7, trade payables and other liabilities of m€ 51.2 and other provisions of m€ 8.6. As in previous years, the Leifheit Group did not have any liabilities to banks.

The equity ratio – which expresses the share of equity in relation to the balance sheet total – rose by 1.4 percentage points to 45.1% (31 December 2020: 43.7%).

Analysis of Group liquidity
Group liquidity climbed by m€ 0.2 in the first six months of the current year to m€ 39.0 as at 30 June 2021 (31 December 2020: m€ 38.8). Working capital, which is the sum total of trade receivables, inventories, contractual assets, trade payables and other liabilities, was up by m€ 1.0 as at 30 June 2021 compared to 31 December 2020. The m€ 0.4 rise in trade receivables and contractual assets and the m€ 4.7 increase in inventories to safeguard our ability to deliver in view of the current raw material, chip and freight space shortages were largely offset by the m€ 4.1 increase in trade payables and other liabilities.

Analysis of Group statement of cash flow
Cash inflow from operating activities amounted to m€ 13.2 in the reporting period (previous year: outflow of m€0.2). This increase was largely due to the rise in the net result for the period and the significantly lower rise in working capital compared to the previous-year period.

Cash outflow from investment activities amounted to m€ 2.7 (previous year: m€ 2.4). Investments increased by m€ 0.5 to m€ 2.9 (previous year: m€ 2.4).

Cash outflow from financing activities amounted to m€ 10.3 (previous year: m€ 0.4) and predominantly included the dividend payment of m€ 10.0. In the previous year, the dividend was not paid out until October. Payments for lease liabilities amounted to m€ 0.4 (previous year: m€ 0.4).

Free cash flow
Free cash flow amounted to m€ 10.4 (previous year: m€ –2.5) in the first half of 2021. This key figure indicates how much liquidity is available for the repayment of debt financing or for the distribution of dividends to shareholders. Free cash flow is defined as the sum total of cash flow from operating activities and cash flow from investment activities, adjusted for incoming and outgoing payments in financial assets, as well as, if existing, from the acquisition and divestiture of divisions. Free cash flow increased as a result of the rise in cash inflow from operating activities.

Development of net assets

Balance sheet structure as at 30 June 2021
The balance sheet total rose by m€ 1.6 from m€ 230.0 to m€ 231.6 compared to 31 December 2020.

Current assets amounted to m€ 165.1 as at 30 June 2021, m€ 2.8 higher than the value reported at the end of 2020 (31 December 2020: m€ 162.3). Liquidity rose by m€ 0.2 to m€ 39.0. Trade receivables were up by m€ 0.8 to m€ 58.2, while inventories rose by m€ 4.7 to m€ 64.4. This was due to the rise in prices, but also higher stockpiling of raw materials, unfinished goods and finished goods to ensure a resilient supply chain and planned consumer advertising in the second half of the year. Other current assets declined by m€ 2.7 to m€ 1.6 primarily due to a seasonal decline in sales tax claims.

Non-current assets stood at m€ 66.5 at the end of June 2021, m€ 1.2 down on the figured reported as at 31 December 2020, largely as a result of the decline in deferred tax assets due to the actuarial gains on pension obligations caused by changes in interest rates.

As at 30 June 2021, the positive balance of the fair values of all derivative financial instruments on both the assets and liabilities sides came to m€ 1.2, an increase of m€ 1.6 over the first six months of the current year.

Current liabilities stood at m€ 58.1 as at the reporting date, an increase of m€ 1.4 compared to 31 December 2020, while non-current liabilities decreased by m€ 3.8 to m€ 69.1. As at 30 June 2021, trade payables and other liabilities were up by m€ 4.1 to m€ 51.2 compared to 31 December 2020. This was mainly due to liabilities incurred for the stockpiling and the rise in liabilities from other taxes. Pension obligations were down by m€ 4.3 to m€ 63.7 (31 December 2020: m€ 68.0), primarily as a result of the increase in the discount rate for pension provisions in Germany from 1.0% as at 31 December 2020 to 1.4% as at 30 June 2021. As in previous years, there were no liabilities to banks.

Equity climbed by m€ 4.0 to m€ 104.4 as at 30 June 2021 compared to 31 December 2020 (31 December 2020: m€ 100.4), mainly on account of the net result for the period of m€ 9.5, other comprehensive income of m€ 4.3 and the payment of a dividend of m€ 10.0.

Investments

A total of m€ 2.9 was invested in the first six months of 2021 (previous year: m€ 2.4). The investments primarily concerned tools for new products, machines, streamlining investments for production plants, software and operating and office equipment. There were no material disposals of non-current assets in the reporting period.

The investment ratio, which expresses additions to non-current assets in relation to historical procurement and production costs, amounted to 1.6%, excluding right of use assets from leases. On 30 June 2021, the Leifheit Group had contractual obligations to purchase items of non-current assets due within a period of one year and financed through cash and cash equivalents in the amount of m€ 2.2.

Off-balance sheet assets and off-balance sheet financing instruments

In addition to the assets reported in the consolidated balance sheet, Leifheit also makes limited use of assets that cannot be reported on the balance sheet. These mainly relate to the recognition exemptions under IFRS 16 for leases of up to 12 months, for leases for low-value assets with a value not exceeding k€ 5 and for licences. As in previous years, no other off-balance-sheet financing instruments were used in the reporting period.

Overall assessment of management in regard to the economic situation

We pressed ahead with strategic initiatives within the scope of our Scaling up Success growth strategy in the first six months of financial year 2021 to lead the Leifheit Group on a sustainable growth path. The successes of the adopted strategy are reflected in the results for the first half of the year. At the same time, we are also seeing the Leifheit Group facing a number of extraordinary challenges in its supply chain, production and logistics operations.

After making an excellent start to 2021 with a series of successful TV campaigns, the Leifheit Group was able to continue its positive performance in the second quarter and generated turnover growth of almost 20% to m€ 156.3 in the first six months of 2021. At the same time, the Group was able to significantly improve its earnings before interest and taxes (EBIT) year-on-year from m€ 8.8 to m€ 13.6. Gross profit climbed m€ 11.2 to m€ 68.7. The gross margin fell slightly by 0.2 percentage points to 43.9%. Significant increases in the price of production materials and goods, and especially freight in, had a particular impact on this item.

Our initiatives to improve working capital proved fruitful. In the first half of 2021, we were able to generate free cash flow of m€ 10.4, which was primarily the result of an increase in cash inflow from operating activities. Leifheit had cash and cash equivalents of m€ 39.0 as at 30 June 2021 (31 December 2020: m€ 38.8). The equity ratio remained at 45.1% as at the reporting date, and was up on the figure reported on 31 December 2020 of 43.7%. Given its overall solid financial situation, the Leifheit Group is still focused on continuing its clear growth strategy.

Employees

In the first six months of 2021, the Leifheit Group had an average of 1,118 employees (previous year: 1,100) – 948 in the Household segment, 41 in the Wellbeing segment and 129 in the Private Label segment.

In the first half of the year, 36.9% of the Group's employees were located in Germany, 42.8% in the Czech Republic, 12.8% in France and 7.5% in the rest of the world.

Employees by region (average figure)

Locations	1 Jan to 30 Jun 2020	**1 Jan to 30 Jun 2021**
Germany	408	413
Czech Republic	459	478
France	148	143
Other countries	85	84
	1,100	**1,118**

Opportunities and risks

The opportunities and risks for the Leifheit Group were described in detail in the combined management report as at 31 December 2020, which we refer to here. In the reporting period, there were no significant changes in the main opportunities and risks for the remaining months of the financial year. The ongoing COVID-19 pandemic has not led to any significant changes in the risk assessment in this regard. Taking into consideration each probability of occurrence and the potential financial effects of the explained risks, as well as in light of the solid balance sheet structure and the current business outlook, the Board of Management does not anticipate any substantial risk to the continuation of the company as a going concern.

Related party transactions

For details on related party transactions, please see the selected explanatory notes.

Forecast

General economic conditions

Leading economic institutes are currently forecasting an economic recovery in most of our important sales markets for the current financial year. That being said, the further development of the COVID-19 pandemic remains the most important downside risk to economic development. However, global bottlenecks in the delivery of primary products and price pressure could also have a dampening effect. These effects have caused prices for raw materials, intermediate goods and transport services to rise across the board recently. At the same time, the increase in value added tax and the German government's climate package are also helping to drive up prices. With infection rates rising again and prices increasing, consumer sentiment in Germany is currently stagnating despite its recent significant improvement. Nevertheless, private consumption will make a major contribution to the positive development of the German economy.

Turnover and earnings forecast for the current financial year

The Leifheit Group can look back on a successful first half of 2021. However, we continue to face challenges in the supply chain, production and logistics due to the pandemic. With the availability of freight capacity and containers low, and raw materials scarce, we are taking a proactive approach to preventing bottlenecks in supply. At the same time, freight and raw material prices are spiralling out of control with no end in sight. What is more, the renewed rise in COVID-19 infection rates shows that the pandemic is by no means over. Potential new restrictions in the retail sector remain a concern and make it difficult to assess the impact of the pandemic on overall economic development and the business activities of the Leifheit Group.

The forecast for financial year 2021 published in March remains unchanged. The Board of Management of Leifheit AG anticipates an increase in Group turnover by at least 5% compared to the previous year. Our strategy continues to be centred on expanding our core business with our Leifheit and Soehnle brands, which we aim to drive forward by intensifying our consumer advertising and organising TV campaigns.

We expect turnover growth in the Household segment of at least 6%. In the considerably smaller Wellbeing segment, we anticipate an increase of at least 7%. In the Private Label segment, we expect turnover to be slightly above the previous year's level.

We continue to expect EBIT of between m€ 20 and m€ 24. We will continue to follow our fundamentally conservative financial policy in the current financial year. We expect a free cash flow of around m€ 10 to m€ 14 in financial year 2021, and anticipate a decrease in working capital compared to 2020.

Further information can be found in the recently published annual financial report of the Leifheit Group for financial year 2020, which is available on the website at **financial-reports.leifheit-group.com**.

Legal information

The legal information was described in detail in the combined management report as at 31 December 2020.

In the reporting period, the Board of Management and Supervisory Board remuneration systems were approved by the Annual General Meeting on 2 June 2021, and the maximum payment for Supervisory Board members was revised. Under the new system, the long-term variable remuneration components for the Supervisory Board are no longer included in the maximum remuneration. Provisions as at 30 June 2021 increased by m€ 0.3 as a result. No other changes were made to the remuneration systems or the methods of calculating of the long-term variable remuneration.

The full text of the remuneration systems and the resolutions can be found in items 6 and 7 of the invitation to the Annual General Meeting, which was published in the Federal Gazette (Bundesanzeiger) on 21 April 2021.

Unaudited condensed interim consolidated financial statements as at 30 June

Statement of comprehensive income

k€	1 Apr to 30 Jun 2020	**1 Apr to 30 Jun 2021**	1 Jan to 30 Jun 2020	**1 Jan to 30 Jun 2021**
Turnover	61,641	70,073	130,354	156,313
Cost of turnover	–34,779	–40,364	–72,808	–87,649
Gross profit	**26,862**	**29,709**	**57,546**	**68,664**
Research and development costs	–1,455	–1,484	–2,653	–2,865
Distribution costs	–17,467	–18,911	–38,165	–44,137
Administrative costs	–3,982	–4,828	–8,514	–9,377
Other operating income	504	662	741	1,005
Other operating expenses	–49	–64	–98	–184
Foreign currency result	138	217	–54	531
EBIT	**4,551**	**5,301**	**8,803**	**13,637**
Interest income	4	2	7	9
Interest expenses	–253	–199	–503	–390
Net other financial result	1	–	–3	–
EBT	**4,303**	**5,104**	**8,304**	**13,256**
Income taxes	–1,185	–1,375	–2,266	–3,741
Net result for the period	**3,118**	**3,729**	**6,038**	**9,515**
Contributions that are not reclassified in future periods in the statement of profit or loss				
Actuarial gains/losses on defined benefit pension plans	–2,820	281	1,505	3,666
Income taxes from actuarial gains/losses on defined benefit pension plans	826	–82	–441	–1,074
Contributions that may be reclassified in future periods in the statement of profit or loss				
Currency translation of foreign operations	203	306	–581	436
Currency translation of net investments in foreign operations	318	393	–778	451
Income taxes from currency translation of net investments in foreign operations	–93	–115	228	–132
Net result of cash flow hedges	–741	201	–230	1,385
Income taxes from cash flow hedges	210	–58	69	–400
Other comprehensive income	**–2,097**	**926**	**–228**	**4,332**
Comprehensive income after taxes	**1,021**	**4,655**	**5,810**	**13,847**
Earnings per share based on net result for the period (diluted and undiluted)	**€ 0.33**	**€ 0.39**	**€ 0.63**	**€ 1.00**

Balance sheet

k€	31 Dec 2020	30 Jun 2021
Current assets		
Cash and cash equivalents	38,825	38,965
Trade receivables	57,427	58,184
Inventories	59,720	64,416
Income tax receivables	579	51
Contractual assets	1,078	772
Derivative financial instruments	374	1,158
Other current assets	4,297	1,580
Total current assets	**162,300**	**165,126**
Non-current assets		
Intangible assets	18,755	18,437
Tangible assets	37,597	37,715
Right of use assets from leases	1,011	1,036
Deferred tax assets	10,234	9,017
Derivative financial instruments	–	149
Other non-current assets	112	112
Total non-current assets	**67,709**	**66,466**
Total assets	**230,009**	**231,592**
Current liabilities		
Trade payables and other liabilities	47,059	51,175
Income tax liabilities	3,395	1,606
Other provisions	4,917	4,729
Derivative financial instruments	641	74
Lease liabilities	670	542
Total current liabilities	**56,682**	**58,126**
Non-current liabilities		
Provisions for pensions and similar obligations	68,004	63,692
Other provisions	3,880	3,843
Deferred tax liabilities	524	1,030
Derivative financial instruments	149	–
Lease liabilities	344	496
Total non-current liabilities	**72,901**	**69,061**
Equity		
Subscribed capital	30,000	30,000
Capital surplus	17,026	17,090
Treasury shares	–7,445	–7,388
Retained earnings	78,072	77,598
Other reserves	–17,227	–12,895
Total equity	**100,426**	**104,405**
Total equity and liabilities	**230,009**	**231,592**

Statement of changes in equity

k€	Subscribed capital	Capital surplus	Treasury shares	Retained earnings	Other reserves	Total
As at 1 Jan 2020	30,000	17,026	−7,445	70,777	−14,115	96,243
Comprehensive income after taxes	–	–	–	6,038	−228	5,810
of which net result for the period	–	–	–	6,038	–	6,038
of which actuarial gains/losses on defined benefit pension plans	–	–	–	–	1,064	1,064
of which currency translation of foreign operations	–	–	–	–	−581	−581
of which currency translation of net investments in foreign operations	–	–	–	–	−550	−550
of which from cash flow hedges	–	–	–	–	−161	−161
As at 30 Jun 2020	**30,000**	**17,026**	**−7,445**	**76,815**	**−14,343**	**102,053**
As at 1 Jan 2021	30,000	17,026	−7,445	78,072	−17,227	100,426
Change in treasury shares	–	64	57	–	–	121
Dividends	–	–	–	−9,988	–	−9,988
Comprehensive income after taxes	–	–	–	9,515	4,332	13,847
of which net result for the period	–	–	–	9,515	–	9,515
of which actuarial gains/losses on defined benefit pension plans	–	–	–	–	2,592	2,592
of which currency translation of foreign operations	–	–	–	–	436	436
of which currency translation of net investments in foreign operations	–	–	–	–	319	319
of which from cash flow hedges	–	–	–	–	985	985
As at 30 Jun 2021	**30,000**	**17,090**	**−7,388**	**77,598**	**−12,895**	**104,405**

Statement of cash flow

k€	1 Jan to 30 Jun 2020	**1 Jan to 30 Jun 2021**
Net result for the period	6,038	9,515
Depreciation and amortisation	3,778	3,903
Change in provisions	98	–886
Result from disposal of fixed assets and other non-current assets	–5	–37
Change in inventories, trade receivables and other assets not classified as investment or financing activities	–16,786	–2,419
Change in trade payables and other liabilities not classified as investment or financing activities	6,435	3,244
Other non-cash expenses and income	284	–142
Cash flow from operating activities	**–158**	**13,178**
Investments from the sale of tangible assets and other non-current assets	75	190
Payments for the purchase of tangible and intangible assets	–2,435	–2,934
Cash flow from investment activities	**–2,360**	**–2,744**
Change in treasury shares	–	121
Payments for lease liabilities	–374	–389
Dividends paid to the shareholders of the parent company	–	–9,988
Cash flow from financing activities	**–374**	**–10,257**
Change in cash and cash equivalents	–2,892	177
Change in cash and cash equivalents due to exchange rates	–27	–37
Cash and cash equivalents at the start of the reporting period	50,301	38,825
Cash and cash equivalents at the end of the reporting period	**47,382**	**38,965**
Income taxes paid	–1,373	–5,317
Income taxes received	1,435	118
Interest paid [1, 2]	–35	–53
Interest received [1]	10	18

[1] Included in cash flow from operating activities.
[2] Mainly from safekeeping fees for credit balances at banks.

Selected explanatory notes

General information

Leifheit AG is a publicly listed corporation with its registered office in Nassau/Lahn, Germany. These condensed interim consolidated financial statements of Leifheit AG and its subsidiaries relate to the period from 1 January 2021 to 30 June 2021.

The interim consolidated financial statements were prepared by the Board of Management of Leifheit AG and approved for publication by the CFO on 10 August 2021.

Reporting principles

These condensed interim consolidated financial statements have been prepared for interim reporting purposes according to section 115 para. 3 of the German securities trading act (WpHG) and in line with International Financial Reporting Standards (IFRS), in particular IAS 34 and the related interpretations of the International Accounting Standards Board (IASB) as applicable in the European Union. These financial statements, forming part of the interim financial report, therefore do not contain all of the information and notes to be included in consolidated financial statements prepared at the end of a financial year in accordance with IFRS, and therefore must be read in conjunction with the consolidated financial statements as at 31 December 2020.

These condensed interim consolidated financial statements and the interim management report have been neither audited nor subjected to review by an auditor. In the view of the Board of Management, the financial statements include all necessary adjustments to ensure that they provide an accurate depiction of the actual results of operations on an interim basis. No conclusions as to future results can necessarily be drawn on the basis of the results for the operating period ended on 30 June 2021.

The Board of Management is required, in the context of the preparation of interim consolidated financial statements in line with IAS 34, to make assessments and estimates and also to adopt assumptions which could affect the application of accounting principles within the Group and the reporting of assets and liabilities or income and expenses. The actual amounts of such items may diverge from these estimates.

In the interim consolidated financial statements, income taxes are recognised on the basis of the best estimate of the income tax rate expected for the entire financial year.

Any significant cyclical and seasonal factors are described in the “Business performance” section.

The accounting and valuation methods applied in the condensed interim consolidated financial statements are, with the exception of those accounting standards to be applied for the first time (which had no material effect on the interim consolidated financial statements), in line with those applied in the most recent consolidated financial statements as at the end of the financial year. A detailed description of the accounting principles is published in the notes to the consolidated financial statements included in the annual financial report 2020. The standards and interpretations published by the IASB, the application of which is not compulsory for financial year 2021, have not been applied.

Scope of consolidation

There were no changes in the scope of consolidation or major changes in the organisational structure or business model in the reporting period.

Segment reporting

Key figures by reporting segment as at 30 June 2021		Household	Wellbeing	Private Label	Total
Turnover	m€	126.3	13.8	16.2	156.3
Gross profit	m€	59.0	6.0	3.7	68.7
Segment result (EBIT)	m€	11.6	1.0	1.0	13.6
Employees on annual average	people	948	41	129	1,118

Key figures by reporting segment as at 30 June 2020		Household	Wellbeing	Private Label	Total
Turnover	m€	105.8	11.4	13.2	130.4
Gross profit	m€	49.2	5.1	3.2	57.5
Segment result (EBIT)	m€	7.6	0.9	0.3	8.8
Employees on annual average	people	908	49	143	1,100

Information on the segments and their management is available in the annual financial report 2020.

Notes to the balance sheet and the statement of comprehensive income

Turnover

Turnover at the Leifheit Group resulted almost exclusively from the sale of household goods. It is presented for each geographic region, as well as for each product category. The location of the customer's registered offices is decisive for the regional attribution of the turnover.

Turnover by region in m€	1 Jan to 30 Jun 2021			
	Household	**Wellbeing**	**Private Label**	**Total**
Germany	63.7	6.4	–	70.1
Central Europe [1]	42.1	6.6	15.7	64.4
Eastern Europe	16.7	0.4	0.5	17.6
Rest of the world	3.8	0.4	–	4.2
	126.3	**13.8**	**16.2**	**156.3**

[1] Excluding Germany.

Turnover by product categories in m€	1 Jan to 30 Jun 2021			
	Household	**Wellbeing**	**Private Label**	**Total**
Cleaning	60.2	–	–	60.2
Laundry care	55.5	–	4.9	60.4
Kitchen goods	10.6	–	11.3	21.9
Wellbeing	–	13.8	–	13.8
	126.3	**13.8**	**16.2**	**156.3**

Turnover by region in m€	1 Jan to 30 Jun 2020			
	Household	Wellbeing	Private Label	Total
Germany	49.5	4.1	–	53.6
Central Europe [1]	36.3	6.5	12.5	55.3
Eastern Europe	15.3	0.5	0.7	16.5
Rest of the world	4.7	0.3	–	5.0
	105.8	**11.4**	**13.2**	**130.4**

[1] Excluding Germany.

Turnover by product categories in m€	1 Jan to 30 Jun 2020			
	Household	Wellbeing	Private Label	Total
Cleaning	46.4	–	–	46.4
Laundry care	49.7	–	3.8	53.5
Kitchen goods	9.7	–	9.4	19.1
Wellbeing	–	11.4	–	11.4
	105.8	**11.4**	**13.2**	**130.4**

Additional notes on the major changes to items in the balance sheet and the statement of comprehensive income as compared with the figures for the previous year, as well as developments in the reporting period, are presented in the interim management report.

Subscribed capital

The subscribed capital of Leifheit AG in the amount of k€ 30,000 (previous year: 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 24 May 2017 authorised the Board of Management to increase the share capital on one or more occasions by a total of up to k€ 15,000 until 23 May 2022 by issuing up to 5,000,000 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. The full text of the resolution can be found in Item 7 of the invitation to the Annual General Meeting, which was published in the Federal Gazette (Bundesanzeiger) on 12 April 2017.

Treasury shares

No treasury shares were acquired in the reporting period, as in the previous year. Leifheit utilised 3,752 of its treasury shares (previous year: 0 treasury shares) to issue employee shares. This was equivalent to 0.04% of share capital (previous year: 0%). The corresponding interest in the share capital was k€ 11 (previous year: k€ 0).

Including the treasury shares acquired and issued in previous years, Leifheit held 487,218 treasury shares on 30 June 2021. This corresponds to 4.87% of the share capital. The corresponding interest in the share capital was k€ 1,462, for which an amount of k€ 7,388 was expended.

There are no subscription rights for members of Group organs and employees in accordance with section 160 para. 1 no. 5 AktG (German stock corporation act).

Dividend paid

Resolution of the Annual General Meeting on	30 Sep 2020	**2 Jun 2021**
Dividend per no-par-value bearer share	€ 0.55	€ 1.05
Balance sheet profit	k€ 10,000	k€ 12,400
Distribution of dividends	k€ 5,230	k€ 9,988
Retained earnings	k€ 4,770	k€ 2,412

Commitments

Group companies did not enter into any commitments, as in the previous year.

Financial instruments

A detailed overview of other financial instruments, financial risk factors and the management of financial risks is provided under note 34 of the annual financial report 2020. No material changes in the financial risk profile have occurred since 31 December 2020.

Cash flow hedges

Derivative financial instruments include forward foreign exchange transactions, measured at fair value, for buying US dollars, HK dollars and Chinese yuan for financial years 2021 to 2022.

The following obligations from forward foreign exchange transactions were recorded on the balance sheet as at 30 June 2021:

	Value of obligation	Foreign currency
Buy USD/€	k€ 11,612	kUSD 14,000
of which hedge accounting	k€ 11,612	kUSD 14,000
Buy HKD/€	k€ 1,039	kHKD 9,360
of which hedge accounting	k€ 1,039	kHKD 9,360
Buy CNH/€	k€ 29,526	kCNH 239,864
of which hedge accounting	k€ 29,526	kCNH 239,864

The maturities of forward foreign exchange transactions were as follows:

	less than 1 year	more than 1 year
Buy USD/€	mUSD 7.9	mUSD 6.0
Buy HKD/€	mHKD 9.4	–
Buy CNH/€	mCNH 200.8	mCNH 39.1

Financial assets and liabilities

Short-term revolving lines of credit in the amount of k€ 25,155 were available as at 30 June 2021 (31 December 2020: k€ 25,155). As at the balance sheet date, k€ 601 (31 December 2020: k€ 693) had been utilised in the form of guarantees. Unused lines of credit amounted to k€ 24,538 (31 December 2020: k€ 24,462).

The book values of the derivative financial assets and financial liabilities correspond to their fair values. The other book values all correspond to amortised cost.

Assets in the form of forward foreign currency transactions in the amount of k€ 1,307 (31 December 2020: k€ 347) and liabilities in the form of forward foreign exchange transactions in the amount of k€ 74 (31 December 2020: k€ 790) were measured at fair value on the balance sheet as at 30 June 2021. The fair value is calculated on the basis of quoted forward rates as at the reporting date and net present value calculations based on yield curves with high credit ratings in the corresponding currencies and therefore on the basis of observable market input parameters (level 2). There was no reclassification among the levels in the reporting period.

For current assets and liabilities, the book value is always assumed to be a reasonable approximation of the fair value. The fair values of financial assets and liabilities are calculated on the basis of observable market input parameters (level 2). There was no re-classification among the levels in the reporting period.

The following table shows the book values of financial assets and financial liabilities according to IFRS 9. The book values correspond to fair values, which were all allocated to level 2 of the fair value hierarchy.

k€	Fair value through profit or loss	Hedging instrument held for hedge accounting	At amortised cost	30 Jun 2021
Financial assets measured at fair value				
Cash and cash equivalents	–	–	–	–
Forward foreign exchange transactions (designated as hedging transactions)	–	1,307	–	1,307
Forward foreign exchange transactions (not designated as hedging transactions)	–	–	–	–
Financial assets not measured at fair value				
Trade receivables and other receivables	–	–	58,701	58,701
Cash and cash equivalents	–	–	38,965	38,965
Financial liabilities measured at fair value				
Forward foreign exchange transactions (designated as hedging transactions)	–	74	–	74
Forward foreign exchange transactions (not designated as hedging transactions)	–	–	–	–
Financial liabilities not measured at fair value				
Trade payables and other liabilities	–	–	38,858	38,858

k€	Fair value through profit or loss	Hedging instrument held for hedge accounting	At amortised cost	31 Dec 2020
Financial assets measured at fair value				
Cash and cash equivalents	–	–	–	–
Forward foreign exchange transactions (designated as hedging transactions)	–	374	–	374
Forward foreign exchange transactions (not designated as hedging transactions)	–	–	–	–
Financial assets not measured at fair value				
Trade receivables and other receivables	–	–	58,850	58,850
Cash and cash equivalents	–	–	38,825	38,825
Financial liabilities measured at fair value				
Forward foreign exchange transactions (designated as hedging transactions)	–	774	–	774
Forward foreign exchange transactions (not designated as hedging transactions)	16	–	–	16
Financial liabilities not measured at fair value				
Trade payables and other liabilities	–	–	34,506	34,506

Other financial liabilities

As at 30 June 2021, there were obligations arising out of contracts without cancellation options, e.g. maintenance, service and insurance agreements, in the amount of k€ 2,220 (31 December 2020: k€ 3,684). The future minimum payments on the basis of these contracts without a cancellation option amount to k€ 1,340 up to a term of one year (31 December 2020: k€ 2,679), k€ 876 between one and five years (31 December 2020: k€ 1,001) and k€ 4 for more than five years (31 December 2020: k€ 4).

As at 30 June 2021, purchase commitments for aluminium and zinc contracts totalled k€ 952 (31 December 2020: k€ 1,503).

There were contractual obligations regarding the acquisition of items of non-current assets in the amount of k€ 2,198 (31 December 2020: k€ 1,487), relating to facilities and tools in particular. In addition, there were obligations from contracts for marketing measures amounting to k€ 6,238 (31 December 2020: k€ 10,370) and from other contracts amounting to k€ 1,841 (31 December 2020: k€ 1,114).

In accordance with IFRS 16, the Group recognises rights of use and lease liabilities for most leases and rental agreements. Recognition exemptions permitted under IFRS 16 have been applied for the remaining rental agreements, such as office equipment and software licences, which are presented here as leases.

Lease payments are renegotiated at regular intervals in order to reflect standard market terms. The terms are always less than five years. No sub-leases exist. As at 30 June 2021, these future minimum rental payments from rental and lease agreements without cancellation options amounted to k€ 545 (31 December 2020: k€ 774), of which k€ 178 within one year (31 December 2020: k€ 355) and k€ 367 between one and five years (31 December 2020: k€ 419).

The Group concluded two leases that had not yet begun as at 30 June 2021. Future lease payments for these leases without cancellation options amount to k€ 4 for within one year and k€ 30 for between one and five years. The Group companies did not enter into any commitments in the previous year.

Personnel changes in Leifheit AG organs

The reporting period saw personnel changes in Leifheit AG organs:

The Supervisory Board appointed Marco Keul as a member of the Board of Management and Chief Financial Officer (CFO) effective as at 1 May 2021. Marco Keul takes over the CFO function from Henner Rinsche (Chairman of the Board of Management, CEO), who took over this funktion in April 2020 in a dual role. As a result, the Leifheit AG Board of Management now consists of three members again.

There were no further personnel changes in Leifheit AG organs in the reporting period.

Related party transactions

A managing director of the Czech subsidiary Leifheit CZ a.s. is also the managing director of a Czech customer. In the reporting period, turnover of k€ 232 was generated with this customer at an arm's length margin of 26% (previous year: k€ 222 turnover at a margin of 27%). Furthermore, the customer provided shared services for the subsidiary at arm's length terms and conditions in the amount of k€ 296 (previous year: k€ 305). Leifheit CZ a.s. provided services for the customer amounting to k€ 5 (previous year: k€ 8).

There were no further relationships or transactions with related companies or persons outside the Group in the reporting period.

Remuneration of the Board of Management and the Supervisory Board

Information regarding the remuneration of the Board of Management and the Supervisory Board can be found in the "Legal information" section of the interim management report.

Material events after the period covered in the interim financial report

Material events after the completion of the report are detailed in the interim management report. No material events are known at the present time.

Nassau/Lahn, August 2021

Leifheit Aktiengesellschaft

The Board of Management

Henner Rinsche Igor Iraeta Munduate Marco Keul

Responsibility statement

The Board of Management declares that, to the best of its knowledge and in accordance with the applicable reporting principles for half-year reporting, the consolidated half-year financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and that the interim consolidated management report presents a true and fair view of the business, business result and situation of the Group, together with the principal opportunities and risks associated with the expected development of the Group for the remaining course of the financial year.

Nassau/Lahn, August 2021

Leifheit Aktiengesellschaft

The Board of Management

Henner Rinsche Igor Iraeta Munduate Marco Keul

Disclaimer

Forward-looking statements

This financial report for the first half-year 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, 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 if 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 neither intends to, nor does it accept any specific obligation to, update forward-looking statements to reflect events or developments after the date of this report.

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 for the first half-year and those submitted to the Federal Gazette (Bundesanzeiger). In this case, the version submitted to the Federal Gazette is binding.

In the event of any discrepancies between this English translation of the financial report for the half-year and the German version, the German version will take precedence.

Note on rounding

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

Financial calendar

11 Nov 2021	**Quarterly statement** for the period ending 30 Sep 2021
11 Nov 2021	**Investor conference call**
22 – 24 Nov 2021	**German equity forum**

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