LEIFHEIT

Financial report for the first half-year ending 30 June 2023

At a glance

- Group turnover up 1.3% to m€ 138.1 in the first half of 2023 despite challenging market environment
- Gross margin improved in the second quarter
- Group EBIT rises to m€ 4.8
- Free cash flow up by m€ 18.1 to m€ 7.6
- Group forecast for 2023 confirmed

Key figures of the Group as at 30 June

		2022	2023	Change
Turnover				
Group	m€	136.3	138.1	1.3%
Household	m€	113.4	115.0	1.4%
Wellbeing	m€	8.3	8.7	4.4%
Private Label	m€	14.6	14.4	–1.2%
Foreign share	%	55.9	55.4	–0.5 pps
Profitability				
Gross margin	%	38.6	40.9	2.3 pps
Cash flow from operating activities	m€	–7.9	10.8	>100%
Free cash flow	m€	–10.5	7.6	>100%
Foreign currency result	m€	1.4	–1.1	>–100%
EBIT	m€	2.1	4.8	>100%
EBIT margin	%	1.6	3.5	1.9 pps
EBT	m€	1.7	3.9	>100%
Net result for the period	m€	1.3	2.6	>100%
EPS	€	0.13	0.28	>100%
Employees				
Group (average)	People	1,098	1,043	–5.0%
Investments	m€	2.7	3.2	20.7%

Foreword

Dear Shareholders,

The developments in the market environment continue to have a noticeable impact on our business performance in the current financial year. Since spring 2022, concerns about inflation and the consequences of the Russia-Ukraine war have been curbing the overall appetite for spending and reducing demand for consumer goods. Consumers continued to exhibit a general uncertainty in the Leifheit Group's sales markets in the first half of 2023, with a significantly subdued propensity to spend becoming particularly noticeable in the non-food sector. Consumer sentiment thus remained at an extremely low level.

Despite the persistently challenging market conditions, we managed to increase Group turnover by 1.3% to m€ 138.1 in the first half of the 2023 financial year. Turnover per employee for the first half of the year climbed to k€ 132, representing an increase of roughly 21% compared to the most recent year prior to the Covid pandemic (2019). During the same period, however, the average number of employees declined by almost 7%. The execution of our "Electricity Savers", "Our Most Durable Products" and "Made in Germany" advertising campaigns allowed us to create important momentum for business development. Meanwhile, the successful expansion of distribution activities involving leading retail chains in Germany and abroad also had a positive effect on business.

The significant rise in earnings that we recorded in the first half of 2023 was a bit of good news. In the first six months of the year, the Leifheit Group achieved earnings before interest and taxes (EBIT) of m€ 4.8, which was more than double the lower figure of m€ 2.1 generated in the previous year. All three segments contributed to the improvement in earnings. Main reason for this is the increase in the gross margin on account of higher sales prices and positive product mix effects. In this respect, our focus on effective TV advertising campaigns for profitable products paid off. At 40.9%, the gross margin was significantly higher year-on-year, making it possible to confirm the positive trend of the past three quarters. The productivity gains achieved in production and logistics with the help of lean and 5S principles made it possible to partially balance out the raw material and energy prices, which remained at a high level. The successful transformation of our logistics processes from traditionally supplying retailers to a direct-to-consumer (D2C) approach has led to additional positive cost effects. We are working consistently and systematically on additional efficiency gains and cost reductions. In addition, we are currently expanding our logistics location in Chablis, France, to make it a new logistics hub for our Leifheit and Soehnle products. We expect to be able to start supplying markets and consumers in Southern and Western Europe even more quickly and efficiently from there in October 2023.

Targeted lean management in production and logistics, in connection with a gradually discernible easing of global supply chains, led to a significant year-on-year reduction in inventories in the first half of 2023.

Compared to 30 June 2022, Group liquidity increased from m€ 17.4 by m€ 19.6 to m€ 37.0. In the first half of the year, free cash flow achieved a positive value of m€ 7.6 following m€ –10.5 in the same period of the previous year. The improvement in working capital, which continues to be a priority of ours, made a major contribution to this rise of m€ 18.1. While the reduction of inventories had a positive effect in this regard, we also saw a seasonal increase in trade receivables that the significantly lower inventories as at the reporting date were more than able to compensate for.

As the Board of Management team, we will continue our successful corporate activities also in the new constellation. On 1 August 2023, Stefan De Loecker took over the position of chairman of the Board of Management on an interim basis from Henner Rinsche, who left the company by mutual agreement on 31 July 2023. Stefan De Loecker will rest his mandate as deputy chairman of the Supervisory Board of Leifheit AG until a new chairman of the Board of Management has taken office. We expressly thank Henner Rinsche for his successful work as chairman of the Board of Management of Leifheit AG and wish him all the best for his professional and private future.

In the second half of the year, we will focus on promising innovations in the fields of laundry care and cleaning. Leifheit is ideally positioned to benefit from the general shift in consumer demand towards CO_2- and energy-saving household products thanks to our Linomatic rotary dryers and the Pegasus drying racks, to name just two examples. Accordingly, the laundry care category recorded significant turnover growth in the first half of the year. An exciting innovation in the dryer range is the new Pegasus 150 Solid Slim Black. The premium floor-standing dryer in the colour combination black and anthracite serves a current colour trend and is aimed at a target group that has high demands on design and aesthetics when furnishing their own home, but does not want to compromise on the quality of their tumble dryer. Since July 2023, the rack has been allowing us to create sales momentum in the retail sector while expanding our product portfolio to include new target groups. Additional consumer benefits can be found in the Leifheit-brand window wiper Window & Frame Cleaner. The product makes it possible to efficiently clean solar modules on home balconies, helping the panels generate up to 15% more output. A telescopic handle with a joint simplifies cleaning by providing individually adjustable length and cleaning angle settings.

We continue to see a challenging market environment ahead for us in the second half of 2023. The consequences of the Russia-Ukraine war as well as ongoing inflation concerns are expected to continue dampening economic development or forcing it into a deeper recession. Inflation and a persistently poor consumer climate could have a perceptible impact on consumer demand. Costs for energy and procurement, which remain high, continue to constitute a challenge and are exerting pressure on earnings. A renewed rise in energy prices in autumn and winter could further exacerbate the situation. On the basis of our business performance in the first half of 2023, we are confirming the full-year 2023 forecast published in March. We therefore continue to expect a slight year-on-year decrease in Group turnover as well as positive Group EBIT in the low single-digit million-euro range and free cash flow also in the low single-digit million-euro range.

As the financial year continues, we will navigate the Leifheit Group through the sustained choppy waters ahead in the interests of all shareholders. With a clear compass, we will drive the initiatives in production, logistics and sales forward in a targeted manner. The focus will lie on our advertising campaigns, which will benefit from greater investments and continuation in selected markets.

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

The Board of Management

Stefan De Loecker 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 products. 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 2023. 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 report 2022, which is available on the website at **financial-reports.leifheit-group.com**.

Henner Rinsche stepped down as chairman of the Board of Management (CEO) of Leifheit AG by mutual agreement with effect from 31 July 2023. Stefan De Loecker has assumed the office of CEO for a interim period of a maximum of six months until a permanent successor to the previous CEO can be appointed. For the duration of his appointment as a member of the Board of Management, Stefan De Loecker's office as a member of the Supervisory Board and as deputy chairman of the Supervisory Board is suspended.

Following the end of the reporting period (30 June 2023), there were no further 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 2023 report, the International Monetary Fund (IMF) forecasts global economic growth of 3.0% for 2023. Although the IMF has added 0.2 percentage points to its April 2023 outlook for the year currently under way, its prediction for the world's economic expansion remains low. Apart from the economic impact of the Russia-Ukraine war, the restrictive financial policy of central banks is proving to be a particularly inhibiting factor for global growth. The weak outlook reflects the strict political measures that are being taken to reduce inflation as well as the impact of the most recent deterioration in the financial conditions, the ongoing Russia-Ukraine war and rising geoeconomic fragmentation. Despite subsiding, overall inflation remains high, with differences between individual national economies. While the IMF anticipates a rate of 6.7% in 2023, following 8.7% in 2022, the underlying core inflation is likely to fall more slowly, and inflation is not expected to return to pre-pandemic levels before 2025 in most cases. In advanced economies, growth should slow down to a particularly marked extent, declining from 2.7% in 2022 to 1.5% in 2023.

The trend of slower economic growth in the euro area will continue in 2023. Following GDP growth of 3.5% in the euro area in 2022, the IMF forecasts only marginal growth of 0.9% in the current year, given the uncertainty and inflation that is influencing the market.

The European Commission's spring forecast is more optimistic and predicts that the economy of the European Union (EU) will grow by a total of 1.0% in 2023. In light of moderate growth in the first quarter of the current year, it has raised the forecast by 0.2 percentage points compared to its winter outlook. Even though the European economy has succeeded in curbing the negative impact of the war and coping with the energy crisis, private consumption is likely to remain subdued, as wage growth has so far fallen short of inflation. The sustained high level of inflation is expected to contribute to a further exacerbation of the financing conditions. Against this backdrop, anticipated inflation in the EU has been corrected upwards to 6.7% for 2023 since the winter forecast. In March 2023, core inflation reached a historic high of 7.6%. The European Commission expects core inflation to subside gradually, with profit margins absorbing the higher wage pressure and the financing conditions growing less favourable.

Germany

Thanks to declining supply-side disruptions, the economic setback in winter 2022/2023 turned out to be less severe than feared in autumn, according to the joint forecast of the five leading economic research institutes. However, a noticeable decline in inflation is not expected until next year, as demand pull is unlikely to decrease by much for the time being due to factors such as government relief measures and wage increases in the foreseeable future. For 2023, the institutes predict inflation of 6.0%, which represents merely a slight decline compared to the previous year. All in all, the economists expect the German economy to grow by just 0.3% this year. The IMF's forecast is significantly worse, with an anticipated decline of 0.3%. The ifo Institute also says that German economic sentiment is significantly worse than it was. Specifically, the weakness of the industrial sector is negatively affecting German economic performance, with more and more companies citing falling demand as a production-impeding factor. For the current year, the ifo Institute forecasts an inflation rate of 5.8% for Germany.

Consumer sentiment in Germany continues to be characterised by increasing uncertainty. For July 2023, the consumer research organisation Gesellschaft für Konsumforschung (GfK) forecasts another setback for the consumer climate, bringing its figure down to – 25.4 points. As a result, private consumption is unlikely to make a positive contribution to economic performance in Germany in 2023, and could be lower in real terms than in 2022. Accordingly, consumers' income expectations fell by 2.4 points in June 2023 and currently stand at – 10.6 points. The economic outlook also declined further to 3.7 points in June, according to the GfK, corresponding to a fall of 8.6 points compared to the previous month. In addition, propensity to buy remains very low. Even though the indicator has gained 1.5 points to stand at – 14.6 points, it is currently significantly lower than the values seen during the two pandemic-related lockdown phases in spring 2020 and late 2020 to early 2021. Propensity to consume therefore remains weak and reflects consumers' uncertainty with regard to the further development of the economy.

This also creates challenging conditions for the German retail sector. In a survey by the German retail association Handelsverband Deutschland (HDE), 35% of the companies surveyed accordingly anticipate a decline in turnover for the second half of 2023. The HDE still expects nominal growth in turnover of 3% for the sector as a whole compared to the previous year. But after adjusting for inflation, the retail sector will slip into the red by 4%.

Foreign currencies

The euro reference rate for the Chinese currency renminbi (yuan) was CNY 7.37 at the beginning of 2023. The euro gained value against the yuan over the first half of the year and stood at CNY 7.90 per euro as at 30 June 2023.

After trading at an exchange rate of USD 1.07 at the beginning of 2023, the euro periodically gained value against the US currency through to June and rose to USD 1.09 by 30 June 2023. The euro therefore remains strong against the US dollar, despite fundamental headwind.

Net assets, financial position and results of operations

Overall assessment of management in regard to the economic situation

The macroeconomic situation in the Leifheit Group's core markets remains extremely tense in 2023 in light of an emerging recession and sustained weakness in the consumer climate as well as the associated loss of footfall in the retail sector. Nevertheless, the Leifheit Group succeeded in increasing its turnover to m€ 138.1 in the first six months of financial year 2023, following m€ 136.3 in the same period of the previous year.

The distribution gains in the retail sector – as well as the successful execution of effective advertising campaigns such as "Electricity Savers", "Our Most Durable Products" and "Made in Germany", which place a particular emphasis on the products' energy efficiency, durability and high quality – made a positive contribution to turnover performance in the reporting period. The higher level of turnover in spite of difficult market conditions demonstrates the success of our targeted marketing efforts involving the Leifheit core brand.

Successful consumer advertising coupled with continued strict cost and resource management also had an effect on earnings in the reporting period. In the first half of 2023, the Leifheit Group generated earnings before interest and taxes (EBIT) of m€ 4.8, more than twice the previous year's figure of m€ 2.1. All three segments contributed to the improvement in earnings. The rise in earnings is primarily attributable to the increase in the gross margin on account of higher sales prices and positive product mix effects, with the focus on successful TV advertising campaigns for profitable products paying off. The slight decline in procurement and energy costs also had an effect, despite remaining high. The Leifheit Group's focus on consistent and systematic lean management in production and logistics led to significant increases in productivity and positive cost effects in the first half of 2023 as well as to a reduction in inventories that contributed to an improvement in working capital. As a result, free cash flow increased by m€ 18.1 in the reporting period, lifting it from m€ – 10.5 in the previous year to m€ 7.6.

For the remainder of the year, the Leifheit Group continues to anticipate a very difficult market environment with sustained high procurement costs. Inflation, which remains high, and a persistently weak consumer climate could also continue to have a perceptible impact on consumer demand.

Business performance

In the first half of 2023, Group turnover reached m€ 138.1 – an increase of 1.3% year-on-year (previous year: m€ 136.1).

Group turnover by region

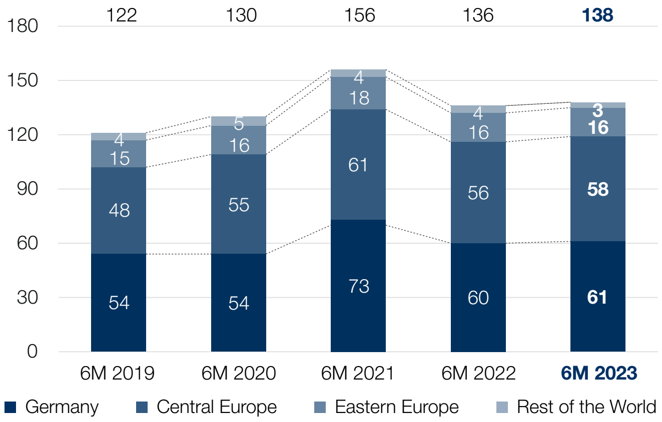
Turnover in the first six months of financial year 2023 was divided by region as follows: Germany accounted for 44.6% of Group turnover (previous year: 44.1%), Central Europe excluding Germany 41.7% (previous year: 40.8%), Eastern Europe 11.6% (previous year: 12.1%) and the Rest of the World 2.1% (previous year: 3.0%).

– Germany

Despite the sustained extreme weakness of the consumer climate in its domestic market of Germany, the Leifheit Group generated turnover of m€ 61.6 in the first half of 2023 (previous year: m€ 60.1), corresponding to year-on-year growth of 2.4%. Successfully executed advertising campaigns and the further expansion of distribution contributed to this increase in the first half of 2023.

Turnover generated abroad increased slightly to m€ 76.5, representing a rise of 0.5% (previous year: m€ 76.2). As a result, the share of turnover generated abroad in the first half of 2023 stood at 55.4%.

Group turnover by region
in m€



– Central Europe
Turnover of m€ 57.6 (previous year: m€ 55.7) was generated in Central Europe in the first six months of 2023, equivalent to an increase of 3.4%. In the Netherlands specifically, the Leifheit Group recorded double-digit turnover growth, in part due to successful advertising measures and additional listings in the retail sector. In the major core market of France, however, lower volume attributable to campaigns by discounters contributed to a decline in turnover.

– Eastern Europe
In the Eastern Europe sales region, turnover for the Leifheit Group fell slightly by 2.6% to m€ 16.0 (previous year: m€ 16.4). While the Leifheit Group achieved very positive turnover performance in Romania, with double-digit growth rates, turnover fell in the key sales markets of Poland and the Czech Republic. Compared to the previous year, the decline in sales campaigns at discounters had an impact on turnover development in the first half of 2023.

– Rest of the World
Turnover in non-European markets declined significantly, falling by 27.8% in the reporting period to m€ 2.9 (previous year: m€ 4.1). The Leifheit Group was able to record substantial turnover growth in the US, Africa and South America. By contrast, turnover development fell short of the previous year's figure by a significant margin in the Far East region, due largely to the decline in turnover in China.

Group turnover by segment
Reporting segments are divided as follows: Household, Wellbeing and Private Label.

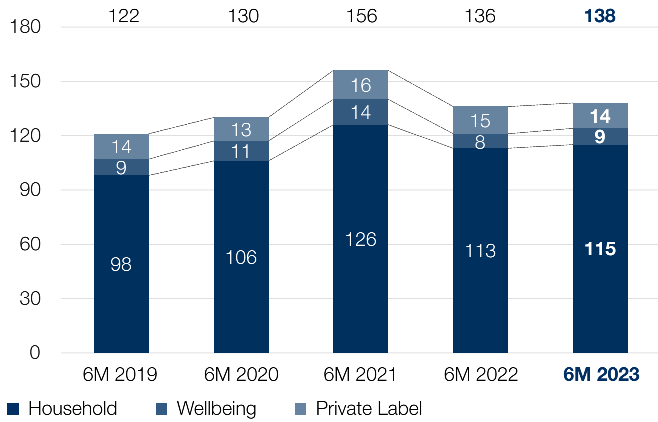
Broken down by the three segments, turnover was distributed as follows in the first six months of 2023: The Household segment, which is by far the largest of the three and home to the Leifheit brand, generated 83.3% of total turnover (previous year: 83.2%). In the Wellbeing segment, with the Soehnle Brand, the Leifheit Group generated turnover of 6.3% of its turnover (previous year: 6.1%). The Private Label segment, which is primarily marketed in France with the French subsidiaries Birambeau and Herby, saw a proportionately slight decline and contributed 10.4% (previous year: 10.7%) of turnover.

– Household
In the Household segment, the Leifheit Group generated turnover of m€ 115.0 in the first half of 2023 (previous year: m€ 113.4), which equates to an increase of 1.4%. The Leifheit Group was able to capitalise on greater consumer interest in electricity-saving products such as mechanical drying racks through successful advertising campaigns like "Electricity Savers".

– Wellbeing
In the Wellbeing segment with the Soehnle brand, the company recorded turnover growth of 4.4% following a significant decline in the same period of the previous year. Turnover increased from m€ 8.3 in the same period of the previous year to m€ 8.7 in the first half of 2023, with bathroom and kitchen scales making the largest contribution to the segment's turnover.

– Private Label
The Private Label segment mainly distributes private-label brands through the French subsidiaries Birambeau and Herby. Turnover in the segment remained largely stable in the first half of 2023, with only a slight decline of 1.2%, and amounted to m€ 14.4 (previous year: m€ 14.6). While Birambeau's kitchen goods recorded slight declines in turnover, Herby's energy-saving drying racks saw a small amount of growth.

Group turnover by segment
in m€



Development of results of operations

Group result

The Group generated earnings before interest and taxes (EBIT) of m€ 4.8 (previous year: m€ 2.1) in the first half of 2023. The m€ 2.7 increase resulted primarily from the rise in the gross margin on account of higher sales prices and positive product mix effects. EBIT in the second quarter (1 April to 30 June 2023) amounted to m€ 2.4 (previous year: m€ –0.5).

Earnings before taxes (EBT) for 2023 stood at m€ 3.9 in the first six months (previous year: m€ 1.7). Less taxes, this equalled a net result for the period of m€ 2.6 in the first half of 2023 (previous year: m€ 1.3).

Gross profit

Gross profit rose by m€ 3.9 to m€ 56.5 in the first half of 2023 (previous year: m€ 52.6). Gross profit is calculated as turnover less cost of turnover. The increase resulted mainly from higher sales prices, positive product mix effects, a slight decline in procurement and energy costs, and the contribution margins associated with the rise in turnover.

The gross margin – defined as the ratio of gross profit to turnover – increased by 2.3 percentage points to 40.9% (previous year: 38.6%).

Research and development costs

Research and development costs mainly comprise personnel costs, service costs and patent fees. At m€ 2.7 in the first half of the year, they were down m€ 0.4 on the previous year's figure (previous year: m€ 3.1). The decline was primarily attributable to lower spending on service and consultancy costs for patents.

Distribution costs

Distribution costs – which includein particular advertising costs, commissions, marketing costs, freight out, delivery charges and the costs incurred by the internal and external teams – fell by m€ 2.0 to m€ 39.5 in the reporting period (previous year: m€ 41.5), mainly due to lower advertising expenditure.

Administrative costs

Administrative costs increased by m€ 1.5 year-on-year to m€ 9.0 (previous year: m€ 7.5). Administrative costs include personnel costs and service costs as well as costs incurred in support of financial and administrative functions. The increase resulted to a considerable extent from the reversal of provisions in the previous year for long-term share-based payments for the Board of Management in relation to tranches for 2019 to 2021.

Other operating income and expenses

At m€ 0.6, other operating income was on a par with the previous year. By contrast, other operating expenses decreased by m€ 0.2 to m€ 0.1 (previous year: m€ 0.3) as a result of expenses attributable to other periods.

Foreign currency result

The foreign currency result fell by m€ 2.5 to m€ –1.1 in the first half of 2023 (previous year: m€ 1.4). The decline is primarily attributable to foreign currency valuations and foreign currency losses realised.

Interest and financial result

The interest and financial result stood at m€ –0.8 (previous year: m€ –0.4) and predominantly included interest expenses from interest on pension obligations, which increased by m€ 0.5 on account of the higher actuarial interest rate.

Income taxes

Income taxes increased by m€ 0.9 to m€ 1.3 (previous year: m€ 0.4) in the first six months of 2023, mainly on account of higher earnings before taxes.

Development of the financial situation

Capital structure

As at 30 June 2023, the debt level stood at 49.4% and was therefore 1.4 percentage points higher compared to 31 December 2022. The increase is mainly explained by the decrease in equity on account of the June 2023 dividend payment for financial year 2022.

Liabilities as at 30 June 2023 continued to consist primarily of pension obligations of m€ 47.3, trade payables and other liabilities of m€ 44.6 and other provisions of m€ 8.0. As in previous years, the Leifheit Group did not have any liabilities to banks.

The equity ratio – the proportion of equity to the total of equity and liabilities – fell by 1.4 percentage points to 50.6% (31 December 2022: 52.0%).

Analysis of Group liquidity

Group liquidity increased by m€ 0.7 in the six months of the current year and amounted to m€ 37.0 as at 30 June 2023 (31 December 2022: m€ 36.3). By contrast, working capital – the sum total of trade receivables, inventories and contractual assets less trade payables and other liabilities – was down slightly by m€ 0.5 as at 30 June 2023 compared to 31 December 2022. The seasonal rise in trade receivables of m€ 7.7 was more than compensated for by the m€ 8.0 decline in inventories. In addition, a dividend of m€ 6.7 was paid out in June 2023.

Analysis of Group statement of cash flow

Cash inflow from operating activities stood at m€ 10.8 in the reporting period (previous year: outflow of m€ 7.9). The increase resulted mainly from the rise in net result for the period and the m€ 0.5 decline in working capital, which climbed by m€ 14.0 in the corresponding previous-year period.

Cash outflow from investment activities amounted to m€ 3.2 (previous year: m€ 2.6). Investments increased by m€ 0.5 to m€ 3.2 (previous year: m€ 2.7).

Cash outflow from financing activities amounted to m€ 6.9 (previous year: m€ 10.3) and mainly included the dividend payment of m€ 6.7 (previous year: m€ 10.0). Payments for lease liabilities amounted to m€ 0.2 (previous year: m€ 0.3).

Compared to 30 June 2022, Group liquidity increased by m€ 17.4 from m€ 19.6 to m€ 37.0. The rise was mainly due to lower inventories, which were m€ 18.8 lower as at 30 June 2023 than on 30 June 2022.

Free cash flow

In the first half of 2023, free cash flow amounted to m€ 7.6 (previous year: m€ –10.5). The rise in free cash flow resulted mainly from the m€ 18.7 rise in cash inflow from operating activities.

The key figure indicates how much liquidity was available for the repayment of debt financing or for the distribution of dividends to shareholders. Free cash flow is defined as the total of cash flow from operating activities and cash flow from investment activities, adjusted for incoming and outgoing payments in financial assets and, if applicable, from the acquisition and divestiture of divisions.

Development of net assets

Balance sheet structure as at 30 June 2023

Total assets stood at m€ 212.9 as at 30 June 2023 and were therefore m€ 3.2 lower compared to 31 December 2022 (m€ 216.1).

At m€ 151.2, current assets were m€ 3.0 lower as at 30 June 2023 than the value reported at the end of 2022 (31 December 2022: m€ 154.2). Group liquidity improved by m€ 0.7 to m€ 37.0 (31 December 2022: m€ 36.3). In addition, trade receivables rose by m€ 7.7 to m€ 56.3 (31 December 2022: m€ 48.6) due to seasonal factors. By contrast, inventories continued to fall and consequently declined by a significant m€ 8.0 to m€ 54.5 (31 December 2022: m€ 62.5). Other current assets declined by m€ 2.5 to m€ 1.4 (31 December 2022: m€ 3.9), primarily due to a seasonal decline in sales tax claims.

Non-current assets amounted to m€ 61.7 at the end of June 2023, m€ 0.2 lower than the value reported on 31 December 2022. The decline is mainly attributable to the decrease in intangible assets.

As at 30 June 2023, the balance of the fair values of all derivative financial instruments on both the assets and liabilities sides came to m€ –0.9, a decrease of m€ 1.4 over the first six months of the current year.

On the liabilities side, short-term liabilities increased by m€ 1.3 as against 31 December 2022 to m€ 52.7. This was primarily attributable to the income tax liabilities related to the balance sheet date and the derivative financing instruments.

Non-current liabilities also increased by m€ 0.3 to m€ 52.5 (31 December 2022: m€ 52.2). The increase was mainly due to pension obligations, which rose by m€ 0.5 to m€ 47.3 as a result of the slight decrease in the discount rate (31 December 2022: m€ 46.8). As in previous years, there were no liabilities to banks.

Equity fell by m€ 4.8 compared to 31 December 2022 to m€ 107.7 as at 30 June 2023 (31 December 2022: m€ 112.5). The decrease was mainly due to the dividend payment of m€ 6.7 and the other comprehensive income of m€ –0.7, and stood in contrast to the net result for the period of m€ 2.6.

Investments

In the first six months of 2023, the Group made investments of m€ 3.2 in total (previous year: m€ 2.7). The investments primarily concerned tools for new products, machines, streamlining investments for production plants, software and operating and office equipment. Material disposals of assets did not occur in the reporting period.

The investment ratio, which expresses additions to non-current assets in relation to historical procurement and production costs, amounted to 1.7%, excluding right of use assets from leases. On 30 June 2023, 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€ 2.6.

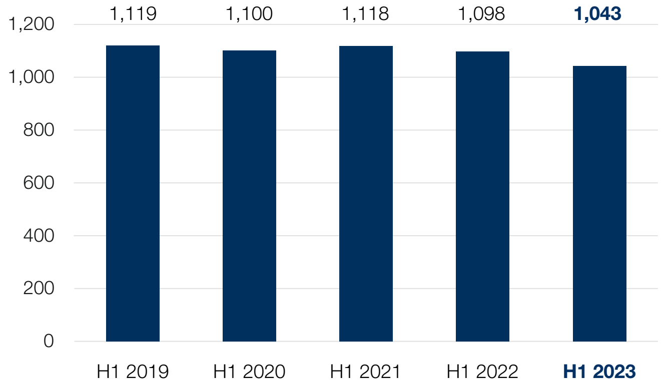
Off-balance sheet assets and off-balance sheet financing instruments

In addition to the assets reported in the consolidated balance sheet, Leifheit also used assets that cannot be recorded in the balance sheet to a limited extent. 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.

Employees

In the first six months of 2023, the Leifheit Group had an average of 1,043 employees (previous year: 1,098) – with 882 in the Household segment (previous year: 927), 33 in the Wellbeing segment (previous year: 40) and 128 in the Private Label segment (previous year: 131).

Number of employees (average)
H1 2019 – H1 2023



Having responded to changes in capacity utilisation in production and logistics in 2022 with flexible working time accounts and a reduction in the number of temporary workers, our focus on taking measures to increase efficiency and productivity in production and logistics allowed us to decrease the average number of employees by 5.0% year-on-year in the reporting period.

Group turnover per employee increased from k€ 124 in the first half of 2022 to k€ 132 in the reporting period.

Employees by region (average number)

Locations	1 Jan to 30 Jun 2022	**1 Jan to 30 June 2023**
Germany	409	394
Czech Republic	448	421
France	144	143
Other countries	97	85
	1,098	**1,043**

In the first half of the year, 37.8% of the Group's employees were located in Germany, 40.4% in the Czech Republic, 13.7% in France and 8.1% in the rest of the world.

Opportunities and risks

The opportunities and risks for the Leifheit Group were described in detail in the combined management report as at 31 December 2022. In the reporting period, there were no significant changes in the main opportunities and risks for the remaining months of the financial year. From today's perspective, there continue to be no risks that jeopardise the continued existence of the company.

Related party transactions

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

Forecast

General economic conditions

The market environment is characterised in the current financial year by multiple growth-inhibiting factors that are slowing the previously expected rapid recovery of the economy. The consequences of the Russia-Ukraine war continue to negatively impact the global economy, and the restrictive financial policy of central banks in light of persistent inflation is slowing growth. Although the IMF corrected its global growth forecast slightly upward in July 2023 while keeping it at a low level, the trend towards slower economic growth is expected to continue in the euro area in 2023. There, the IMF forecasts only marginal growth of 0.9% in the current year due to the uncertainty and inflation that is influencing the market. In Germany, economic output is expected to decline by 0.3%.

In its spring forecast, the EU Commission anticipates annual inflation of 6.7% on average in 2023. This will reduce the purchasing power of private households, leading to significant consumer restraint in our target markets. The adjustment of the HDE annual turnover forecast from July 2023 illustrates that there is currently only little hope of sustained improvement in German consumer sentiment in the months ahead. Consumer propensity to save is simply too strong in light of the general uncertainty.

The risks associated with the current economic and inflation forecasts are largely dependent on the strict political measures to reduce inflation. As a result, the ECB continues to face a balancing act when it comes to reducing inflation back down to the target level of roughly 2% while avoiding an excessively negative impact on the economy.

Turnover and earnings forecast for the current financial year

The Leifheit Group continues to face a very challenging market environment in the second half of financial year 2023. The consequences of the Russia-Ukraine war as well as ongoing inflation concerns are expected to continue dampening economic development or forcing it into a deeper recession. Sustained high inflation and a persistently poor consumer climate could have a perceptible impact on consumer demand. The energy and procurement costs, which continue to be at an elevated level, continue to constitute a challenge and are exerting pressure on Group earnings. A renewed rise in energy prices in autumn and winter could further exacerbate the situation.

Against this backdrop, the Board of Management still anticipates a slight year-on-year decline in Group turnover in financial year 2023 (2022: m€ 251.5). Noticeable declines are expected in the Household and Wellbeing segments, while slight growth is forecasted in the Private Label segment.

Furthermore, the Board of Management anticipates positive consolidated EBIT in the low single-digit million-euro range (2022: m€ 2.8). On this basis, free cash flow is also expected to be in the lower single-digit million-euro range (2022: m€ 8.8).

Further information can be found in the most recently published annual report of the Leifheit Group for financial year 2022, which is available on the website at **financial-reports.leifheit-group.com**.

This forecast contains forward-looking statements that are based on current estimates with regard to future developments. Actual developments may deviate from this forecast.

Legal information

The legal information was described in detail in the combined management report as at 31 December 2022.

Unaudited condensed interim consolidated financial statements as at 30 June

Statement of comprehensive income

k€	1 Apr to 30 Jun 2022	**1 Apr to 30 Jun 2023**	1 Jan to 30 Jun 2022	**1 Jan to 30 June 2023**
Turnover	64,458	67,768	136,273	138,080
Cost of turnover	–41,267	–39,782	–83,720	–81,622
Gross profit	**23,191**	**27,986**	**52,553**	**56,458**
Research and development costs	–1,483	–1,371	–3,148	–2,656
Distribution costs	–18,716	–18,533	–41,529	–39,458
Administrative costs	–4,157	–4,392	–7,466	–8,997
Other operating income	278	228	597	610
Other operating expenses	–53	–58	–279	–101
Foreign currency result	421	–1,430	1,414	–1,080
EBIT	**–519**	**2,430**	**2,142**	**4,776**
Interest income	16	133	21	169
Interest expenses	–231	–505	–445	–1,001
EBT	**–734**	**2,058**	**1,718**	**3,944**
Income taxes	168	–678	–439	–1,300
Net result for the period	**–566**	**1,380**	**1,279**	**2,644**
Contributions that are not reclassified in future periods in the statement of profit or loss				
Actuarial gains/losses on defined benefit pension plans	10,851	–229	17,609	–715
Income taxes from actuarial gains/losses on defined benefit pension plans	–3,179	68	–5,159	213
Contributions that may be reclassified in future periods in the statement of profit or loss				
Currency translation of foreign operations	–88	–172	236	268
Currency translation of net investments in foreign operations	–351	–257	–40	402
Income taxes from currency translation of net investments in foreign operations	102	77	11	–119
Net result of cash flow hedges	269	–634	567	–1,046
Income taxes from cash flow hedges	–65	183	–147	298
Other comprehensive income	**7,539**	**–964**	**13,077**	**–699**
Comprehensive income after taxes	**6,973**	**416**	**14,356**	**1,945**
Earnings per share based on net result for the period (diluted and undiluted)	**€ –0.06**	**€ 0.15**	**€ 0.13**	**€ 0.28**

Balance sheet

k€	31 Dec 2022	30 Jun 2023
Current assets		
Cash and cash equivalents	36,319	37,024
Trade receivables	48,629	56,291
Inventories	62,452	54,472
Income tax receivables	1,106	728
Contractual assets	1,013	1,049
Derivative financial instruments	797	248
Other current assets	3,895	1,370
Total current assets	**154,211**	**151,182**
Non-current assets		
Intangible assets	17,771	17,532
Tangible assets	38,200	38,261
Right of use assets from leases	1,644	1,528
Deferred tax assets	4,162	4,269
Other non-current assets	83	78
Total non-current assets	**61,860**	**61,668**
Total assets	**216,071**	**212,850**
Current liabilities		
Trade payables and other liabilities	44,473	44,647
Income tax liabilities	29	910
Other provisions	6,270	5,607
Derivative financial instruments	193	1,064
Lease liabilities	436	430
Total current liabilities	**51,401**	**52,658**
Non-current liabilities		
Provisions for pensions and similar obligations	46,812	47,286
Other provisions	2,353	2,409
Deferred tax liabilities	1,736	1,569
Derivative financial instruments	67	58
Lease liabilities	1,250	1,134
Total non-current liabilities	**52,218**	**52,456**
Equity		
Subscribed capital	30,000	30,000
Capital surplus	17,164	17,164
Treasury shares	–7,350	–7,350
Retained earnings	73,476	69,459
Other reserves	–838	–1,537
Total equity	**112,452**	**107,736**
Total equity and liabilities	**216,071**	**212,850**

Statement of changes in equity

k€	Subscribed capital	Capital surplus	Treasury shares	Retained earnings	Other reserves	Total
As at 1 Jan 2022	30,000	17,164	–7,350	82,259	–10,735	111,338
Dividends	–	–	–	–9,991	–	–9,991
Comprehensive income after taxes	–	–	–	1,279	13,077	14,356
of which net result for the period	–	–	–	1,279	–	1,279
of which actuarial gains/losses on defined benefit pension plans	–	–	–	–	12,450	12,450
of which currency translation of foreign operations	–	–	–	–	236	236
of which currency translation of net investments in foreign operations	–	–	–	–	–29	–29
of which from cash flow hedges	–	–	–	–	420	420
As at 30 Jun 2022	**30,000**	**17,164**	**–7,350**	**73,547**	**2,342**	**115,703**
As at 1 Jan 2023	30,000	17,164	–7,350	73,476	–838	112,452
Dividends	–	–	–	–6,661	–	–6,661
Comprehensive income after taxes	–	–	–	2,644	–699	1,945
of which net result for the period	–	–	–	2,644	–	2,644
of which actuarial gains/losses on defined benefit pension plans	–	–	–	–	–502	–502
of which currency translation of foreign operations	–	–	–	–	268	268
of which currency translation of net investments in foreign operations	–	–	–	–	283	283
of which from cash flow hedges	–	–	–	–	–748	–748
As at 30 Jun 2023	**30,000**	**17,164**	**–7,350**	**69,459**	**–1,537**	**107,736**

Statement of cash flow

k€	1 Jan to 30 Jun 2022	**1 Jan to 30 Jun 2023**
Net result for the period	1,279	2,644
Depreciation and amortisation	3,731	3,969
Change in provisions	–2,020	–839
Result from disposal of fixed assets and other non-current assets	–10	–14
Change in inventories, trade receivables and other assets not classified as investment or financing activities	157	3,162
Change in trade payables and other liabilities not classified as investment or financing activities	–10,278	1,392
Other non-cash expenses and income	–784	483
Cash flow from operating activities	**–7,925**	**10,797**
Investments from the sale of fixed assets and other non-current assets	97	45
Payments for the purchase of tangible and intangible assets	–2,658	–3,208
Cash flow from investment activities	**–2,561**	**–3,163**
Payments for lease liabilities	–341	–253
Dividends paid to the shareholders of the parent company	–9,991	–6,661
Cash flow from financing activities	**–10,332**	**–6,914**
Change in cash and cash equivalents	–20,818	720
Change in cash and cash equivalents due to exchange rates	81	–15
Cash and cash equivalents at the start of the reporting period	38,090	36,319
Cash and cash equivalents at the end of the reporting period	**17,353**	**37,024**
Income taxes paid [1]	–2,327	–589
Income taxes received [1]	1,273	544
Interest paid [1, 2]	–26	–19
Interest received [1]	21	169

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 2023 to 30 June 2023.

The interim consolidated financial statements were prepared by the Board of Management of Leifheit AG and approved for publication on 9 August 2023.

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 2022.

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 2023.

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 report 2022. The standards and interpretations published by the IASB, the application of which is not compulsory for financial year 2023, have not been applied.

Segment reporting

Key figures by reportable segments as at 30 June 2023		**Household**	**Wellbeing**	**Private Label**	**Total**
Turnover	m€	115.0	8.7	14.4	138.1
Gross profit	m€	49.4	3.5	3.6	56.5
Segment result (EBIT)	m€	3.5	0.2	1.1	4.8
Employees on annual average	People	882	33	128	1,043

Key figures by reportable segments as at 30 June 2022		Household	Wellbeing	Private Label	Total
Turnover	m€	113.4	8.3	14.6	136.3
Gross profit	m€	46.1	3.6	2.9	52.6
Segment result (EBIT)	m€	2.4	−0.5	0.2	2.1
Employees on annual average	People	927	40	131	1,098

Information on the segments and their management is available in the annual report 2022.

Scope of consolidation

Leifheit France S.A.S., Vincennes, France, was transferred to Leifheit AG on 30 June 2023 by way of a Transmission Universelle de Patrimoine (TUP), as outlined in art. 1844-5 para. 3 of the French civil code. A TUP indicates the dissolution of one company through an act of dissolution by way of accretion without liquidation. The assets of the company to be dissolved, Leifheit France S.A.S., will be transferred in full to the sole shareholder Leifheit AG.

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

Notes to the balance sheet and the statement of comprehensive income

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.

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 2023			
	Household	**Wellbeing**	**Private Label**	**Total**
Germany	57.7	3.9	–	61.6
Central Europe [1]	39.1	4.3	14.2	57.6
Eastern Europe	15.5	0.3	0.2	16.0
Rest of the World	2.7	0.2	–	2.9
	115.0	**8.7**	**14.4**	**138.1**

[1] Excluding Germany.

Turnover by region in m€	1 Jan to 30 Jun 2022			
	Household	Wellbeing	Private Label	Total
Germany	56.4	3.7	–	60.1
Central Europe [1]	37.4	4.0	14.3	55.7
Eastern Europe	15.8	0.3	0.3	16.4
Rest of the World	3.8	0.3	–	4.1
	113.4	**8.3**	**14.6**	**136.3**

[1] Excluding Germany.

Turnover by product categories in m€	1 Jan to 30 Jun 2023			
	Household	**Wellbeing**	**Private Label**	**Total**
Cleaning	50.0	–	–	50.0
Laundry care	58.2	–	5.3	63.5
Kitchen goods	6.8	–	9.1	15.9
Wellbeing	–	8.7	–	8.7
	115.0	**8.7**	**14.4**	**138.1**

Turnover by product categories in m€	1 Jan to 30 Jun 2022			
	Household	Wellbeing	Private Label	Total
Cleaning	51.4	–	–	51.4
Laundry care	54.3	–	5.1	59.4
Kitchen goods	7.7	–	9.5	17.2
Wellbeing	–	8.3	–	8.3
	113.4	**8.3**	**14.6**	**136.3**

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 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. 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.

Treasury shares

Including the treasury shares acquired and issued in previous years, Leifheit held 484,697 treasury shares on 30 June 2023. This corresponds to 4.85% of the share capital. The corresponding interest in the share capital was k€ 1,454., An amount of k€ 7,350 was expended for this.

No treasury shares were acquired or used in the reporting period or in the same period of the previous year.

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

Dividend paid

Resolution of the Annual General Meeting on	25 May 2022	**7 Jun 2023**
Dividend per no-par-value bearer share	€ 1.05	€ 0.70
Balance sheet profit	k€ 10,000	k€ 6,700
Distribution of dividends	k€ 9,991	k€ 6,661
Retained earnings	k€ 9	k€ 9

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 our annual report for 2022. No material changes in our financial risk profile have occurred since 31 December 2022.

Cash flow hedges

Derivative financial instruments include forward exchange transactions measured at fair value for buying and selling US dollars and Chinese yuan for financial years 2023 to 2024. The following obligations from forward exchange transactions were recorded on the balance sheet as at 30 June 2023:

	Value of liability	**Foreign currency**
Buy USD/€	k€ 10,992	kUSD 12,305
of which hedge accounting	k€ 10,992	kUSD 12,305
Buy CNH/€	k€ 13,382	kCNH 97,388
of which hedge accounting	k€ 12,468	kCNH 90,800

The maturities of foreign exchange transactions were as follows:

	Within 12 months	**More than 1 year**
Buy USD/€	mUSD 8.6	mUSD 3.7
Buy CNH/€	mCNH 92.0	mCNH 5.4

Financial assets and liabilities

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 of k€ 248 (31 December 2022: k€ 797) as well as liabilities in the form of foreign currency transactions and embedded derivatives of k€ 1,122 (31 December 2022: k€ 260), were measured at fair value on the balance sheet as at 30 June 2023.

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 financial assets and liabilities, the book value is always assumed to be a reasonable approximation of the fair value.

Short-term revolving lines of credit in the amount of k€ 25,155 were available as at 30 June 2023 (31 December 2022: k€ 25,155). As at the balance sheet date, k€ 239 (31 December 2022: k€ 240) had been utilised through guarantees and credit cards. Unused lines of credit amounted to k€ 24,916 (31 December 2022: k€ 24,915).

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 2023
Financial assets measured at fair value				
Forward foreign exchange transactions (designated as hedging transactions)	–	248	–	248
Forward foreign exchange transactions (not designated as hedging transactions)	–	–	–	–
Financial assets not measured at fair value				
Trade receivables and other receivables	–	–	56,646	56,646
Cash and cash equivalents	–	–	37,024	37,024
Financial liabilities measured at fair value				
Embedded derivatives from purchase contracts	39	–	–	39
Forward foreign exchange transactions (designated as hedging transactions)	–	973	–	973
Forward foreign exchange transactions (not designated as hedging transactions)	110	–	–	110
Financial liabilities not measured at fair value				
Trade payables and other liabilities	–	–	33,554	33,554

k€	Fair value through profit or loss	Hedging instrument held for hedge accounting	At amortised cost	31 Dec 2022
Financial assets measured at fair value				
Forward foreign exchange transactions (designated as hedging transactions)	–	697	–	697
Forward foreign exchange transactions (not designated as hedging transactions)	100	–	–	100
Financial assets not measured at fair value				
Trade receivables and other receivables	–	–	50,475	50,475
Cash and cash equivalents	–	–	36,319	36,319
Financial liabilities measured at fair value				
Embedded derivatives from purchase contracts	75	–	–	75
Forward foreign exchange transactions (designated as hedging transactions)	–	133	–	133
Forward foreign exchange transactions (not designated as hedging transactions)	52	–	–	52
Financial liabilities not measured at fair value				
Trade payables and other liabilities	–	–	34,380	34,380

Other financial liabilities

As at 30 June 2023, there were contractual obligations arising out of contracts without cancellation options, e.g. maintenance, service and insurance agreements, in the amount of k€ 2,094 (31 December 2022: k€ 3,787). The future minimum payments on the basis of these agreements without a cancellation option amount to k€ 1,627 up to a term of one year (31 December 2022: k€ 3,253) and k€ 467 between one and five years (31 December 2022: k€ 534).

As at 30 June 2023, purchase commitments for aluminium and zinc contracts totalled k€ 201 (31 December 2022: k€ 347).

There were contractual obligations to purchase items of non-current assets in the amount of k€ 2,605 (31 December 2022: k€ 2,700), relating to facilities in particular. In addition, there were obligations from contracts for marketing measures amounting to k€ 1,671 (31 December 2022: k€ 1,528) and from other contracts amounting to k€ 1,805 (31 December 2022: k€ 1,882).

In accordance with IFRS 16, the Group recognises rights of use and lease liabilities for most leases and rental agreements. For the remaining rental and lease agreements, office equipment and software licences, recognition exemptions permitted under IFRS 16 have been applied and 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 2023, these future minimum rental payments from rental and lease agreements without cancellation options amounted to k€ 568 (31 December 2022: k€ 959), of which k€ 363 within one year (31 December 2022: k€ 725) and k€ 205 between one and five years (31 December 2022: k€ 234).

Personnel changes in Leifheit AG organs

The reporting period saw personnel changes in Leifheit AG organs.

Joachim Barnert, employee representative on the Supervisory Board, sadly passed away at the end of February 2023. His successor as at 1 March 2023 until the end of the current Supervisory Board's term of office is Marcus Kreß.

Karsten Schmidt resigned from his post as member and deputy chairman of the Supervisory Board as of the end of the day on 7 June 2023. The Annual General Meeting elected Stefan De Loecker to the Supervisory Board for the remaining term of the resigning member with effect from 8 June 2023.

No further personnel changes in Leifheit AG organs took place in the reporting period.

With effect from 31 July 2023, Henner Rinsche stepped down as chairman of the Board of Management (CEO) of Leifheit AG by mutual agreement.

Stefan De Loecker has assumed the office of CEO for a interim period of a maximum of six months until a permanent successor to the previous CEO can be appointed. For the duration of his appointment as a member of the Board of Management, Stefan De Loecker's office as a member of the Supervisory Board and as deputy chairman of the Supervisory Board is suspended.

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€ 111 was generated with this customer at an arm's length margin of 31% (previous year: k€ 278 turnover at a margin of 22%). Furthermore, the customer provided shared services for the subsidiary at arm's length terms and conditions in the amount of k€ 333 (previous year: k€ 326). Leifheit CZ a.s. provided services amounting to k€ 9 (previous year: k€ 4) for the customer. As at 30 June 2023, receivables from the customer amounted to k€ 55 (31 December 2022: k€ 66) and liabilities to the customer stood at k€ 0 (31 December 2022: k€ 3).

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

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 further material events are known at the present time.

Nassau/Lahn, August 2023

Leifheit Aktiengesellschaft

The Board of Management

Stefan De Loecker 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 2023

Leifheit Aktiengesellschaft

The Board of Management

Stefan De Loecker 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. 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 or other 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 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 for the first half-year 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 the English translation and the German version, the German version shall take precedence.

Note on rounding

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

Financial calendar

19 Sep 2023	**Berenberg and Goldman Sachs German Corporate Conference, Munich**
15 Nov 2023	**Quarterly statement for the period ending 30 September 2023**
15 Nov 2023	**Investor conference call**
27 – 29 Nov 2023	**Deutsches Eigenkapitalforum, Frankfurt/Main**

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