



FINANCIAL REPORT

2022



Official Tool Expert



AMG
PETRONAS
FORMULA ONE TEAM

I COMBINED MANAGEMENT REPORT OF THE EINHELL GROUP

1. PREAMBLE

The combined management report published in the Annual Report 2022 comprises the Group management report and the management report of Einhell Germany AG. Unless otherwise stated, the information on the business performance, business activities, management and goals, opportunities and risks and the expected development relates to both the Group and Einhell Germany AG. Sections containing information on Einhell Germany AG only are identified as such.

2. BUSINESS ACTIVITIES, STRUCTURE, MANAGEMENT AND GOALS OF THE EINHELL GROUP

2.1 General operations and business segments

For over 58 years, Einhell Germany AG and its more than 40 subsidiaries around the world have been among the market leaders in designing and delivering solutions for DIY enthusiasts and hobby gardeners for use in the home, workshop and garden. Einhell Germany AG with its registered office in the Bavarian city of Landau an der Isar is presently active in more than 90 countries and serves as the parent of the Einhell Group. The products are distributed via DIY stores and other distribution channels with high product expertise in the DIY market. Subsidiaries and associates across the world ensure the proximity to Einhell's globally operating customers. The product range includes hand-held power tools, stationary tools and accessories as well as lawn and garden care tools, irrigation and drainage solutions.

Einhell places special emphasis on further developing its cordless Power X-Change battery-operated product range that encompasses approx. 250 battery-operated DIY and garden tools. Depending on the individual requirements, different batteries with varying capacities are available and can be used to operate any of the tools in the Power-X-Change family. In addition to being used in Einhell products, the Group also offers the Power X-Change battery technology to selected partners in the fields of pool, camping, household and e-mobility as a platform for their products.

In August 2021, Einhell Germany AG with its Power X-Change tools was appointed a Gold Partner and therefore the "Official Home and Garden Expert" of the FC Bayern Munich football club. The partnership with the record champion and two-time Triple winner underlines Einhell's ambition to be a leader in all its active markets. In order to further strengthen the international positioning of the brand, Einhell proudly entered into a partnership with the Mercedes-AMG PETRONAS F1 team since January 2023. Einhell supports Mercedes with its Power X-Change devices as the team's "Official Tool Expert", thus enabling maximum performance in the most prestigious motorsports discipline.

In addition to superior quality, extensive customer services and excellent value for money, the Einhell brand stands for cordless freedom of movement, simple handling, safety and sheer fun when implementing your own DIY projects. Customer satisfaction is our primary goal.¹ Therefore, customer-oriented services are more than just an empty phrase at Einhell, but in fact our practised standard.²

The subsidiaries comprise distribution companies mainly in Europe, but also in South America, Australia and Canada, as well as trading companies in Asia. The Asian subsidiaries are also responsible for product sourcing, product processing and procurement. As production is carried out in Asia, this is also where quality assurance takes place. In its global workforce, Einhell currently counts approx. 2,000 employees. Group revenue amounted to EUR 1,032.5 million in financial year 2022 (previous year: EUR 927.4 million).

The Einhell Group structures its operations according to the regions D/A/CH, Western Europe, Eastern Europe, Overseas and Other countries. Operational responsibility for the respective CPU lies with the Board of Directors of Einhell Germany AG and the Managing Directors of the subsidiaries.

¹ Unverified statement

² Unverified statement

2.2 Legal structure and management of the Group

a) Legal structure and changes to Group structure

Einhell Germany AG, Landau an der Isar, holds direct and indirect shareholdings in a total of 46 subsidiaries, which each form separate legal entities. It holds 100% of the shares in subsidiaries with a centralised or special function such as services, product sourcing/product processing, procurement/purchasing and quality control/quality assurance. Moreover, Einhell Germany AG also generally holds 100% in the global distribution companies.

In all consolidated subsidiaries where Einhell Germany AG does not hold all the shares, Einhell Germany AG has a direct or indirect majority shareholding.

With regard to the responsibilities of the Einhell Group companies, all activities that can be centralised are carried out at just one location. Product processing, the search for factories, their auditing and certification, procurement, services, controlling, financing, IT and other administrative activities, for example, are carried out centrally by the Group companies in Germany and China. This organisational structure within the Group allows all distribution companies to focus on their core functions. Einhell is also in a position to press ahead with international expansion as each distribution company has a similar structure and the business model can be efficiently rolled out in additional countries. As organic growth offers great potential, the organisation and efficient development of the Einhell Group's business model are among the management's most important responsibilities.

The Group structure changed as follows during financial year 2022:

In the 2022 financial year, the Einhell Group founded Einhell Canada Holding Ltd. in Vancouver, Canada and acquired Outillages King Canada Inc. in Dorval, Canada. The Group holds 100% of the shares in Einhell Canada Holding Ltd. and 66.7% in Outillages King Canada Inc. In November 2022, the Group acquired another company in Tampere, Finland. Einhell Germany AG holds

100% of the shares in Einhell Finland Oy, and Einhell Finland Oy holds 100% of the shares in Suomen Finland Oy, a company that has no business operations of its own.

b) Management and control

Responsibility for the business activities of the Einhell Group lies with the **Board of Directors** of Einhell Germany AG. This comprised four members at the time of preparation of the annual financial statements, consolidated financial statements and management report. The Board of Directors manages, organises and monitors strategies and operational business processes for the whole Group. Responsibilities within the Board of Directors are allocated based on the departments assigned to the respective member.

The Chairman of the Board of Directors is responsible for sales, procurement, marketing, product management and corporate strategy.

The Chief Financial Officer is responsible for finance and accounting, tax, legal, internal audit, controlling, investor relations, human resources and maintenance.

The Chief Technical Officer is responsible for technology, product development, quality control, supply chain management and production.

The Chief IT and Digitization Officer is responsible for IT, digitalisation and services.

The **Board of Directors** supervises the specialists and managers in the relevant departments and relies upon the corresponding hierarchy of divisional and departmental management at Einhell Germany AG, and on Managing Directors and their specialists and managers in the subsidiaries. The Board of Directors seeks to ensure flat hierarchies and makes sure to maintain direct contact with employees and specialist staff in all divisions. Regular meetings of the Board of Directors and of individual departments, as well as divisional and cross-departmental meetings when required, ensure efficient communication and information flow to all responsible parties.

The **Supervisory Board** of Einhell Germany AG, which consists of three members, monitors and advises the Board of Directors in accordance with

legal requirements and the provisions of the German Corporate Governance Code.

At regular meetings of the Supervisory Board, the Board of Directors provides information to the Supervisory Board about the Group's current situation, business transactions and corporate strategy.

The Supervisory Board also maintains ongoing lines of communication with the Board of Directors outside of regular meetings and ensures an adequate level of communication and informational flows between the Board of Directors and the Supervisory Board.

The composition of the Supervisory Board did not change in financial year 2022:

Supervisory Board	2022
Univ.-Prof. Dr.-Ing. Dr.-Ing. E.h. Dr. h.c. Dieter Spath	Chairman
Philipp Thannhuber	Deputy Chairman
Maximilian Fritz	Employee representative

c) Principles of the remuneration system for the Board of Directors

Members of the Board of Directors receive fixed and performance-based variable remuneration with short-term and long-term components. The individual performance-based components depend on factors such as consolidated net profit, segment earnings in the previous financial year, the development of the Group's asset structure and personal targets. On 22 April 2021, the Supervisory Board adopted a new remuneration system for the Board of Directors that was approved by the Annual General Meeting on 18 June 2021. The evaluation system ensures transparent and sustainable accounting practices based on the Group's strategic priorities. A pre-defined cap limits the impact of extraordinary one-off effects on the variable remuneration component. Members of the Board of Directors privately hold shares in Einhell Germany AG. There are no share option programmes or similar schemes. An agreement is in place with one of the members of the Board of Directors stipulating that a proportion of the variable remuneration component must be used to purchase Einhell shares. If the employment contract is not extended after twelve years, members

of the Board of Directors receive one year's salary plus the average management bonus paid over the last three years. If the employment contract is terminated before the twelve-year threshold, the proportional remuneration is calculated on a pro rata temporis basis. Commitments were made to pay a pension to the members of the Board of Directors in the form of annuity payments that can be paid out as soon as the respective Board member turns 60 or 62, respectively and the amount of which is based on the Board member's years of service. More information on the Board remuneration is provided in the notes to the annual financial statements and the remuneration report that is available at www.einhell.com.

d) Personnel changes to the Board of Directors

There were no personnel changes to the Board of Directors in financial year 2022. The distribution of responsibilities among the Board members did not change significantly.

2.3 Corporate strategy and management

The Board of Directors embarked on a structured strategy development process together with the heads of divisions and departments to define and communicate the objectives and values of the Einhell Group.

The Einhell Group's primary objective is to generate sustainable and profitable revenue and profit growth. Profitability takes priority over pure growth targets.

a) Strategy

One of the Group's main strategic priorities was and is the further development of the **EINHELL brand**. The cooperation entered into with the Mercedes-AMG PETRONAS F1 team in 2022 is another important milestone in this regard. Two strong international brands that represent the best of technological finesse are united in this partnership, making it the next strategic step towards the goal of becoming the global market and technology leader in battery-powered garden and DIY tools.³ With our previous partners, we already conducted TV campaigns in 13 different countries in 2022, and we are planning to roll out our TV campaigns to a total of 18 countries in 2023. This

³ Unverified statement

will further enhance the awareness and positive perception of the Einhell brand at an international level. The TV campaigns will be backed by marketing measures, such as the modernisation and re-launch of the Einhell packaging.

Our aim in the **online business** is to attract customers by offering the best possible content and achieving high visibility. Our websites therefore offer useful customer services, such as the Einhell battery advisor, the spare parts shop, chat, FAQ, store locator, etc.

Another focal point of our corporate strategy over the next few years is **product policy**. Here, our Power X-Change platform will remain on the top of our list. We intend to expand the revenue share of the Power X-Change platform to more than 51% in financial year 2023. At the end of 2022, the Power X-Change family comprised approx. 250 products. This is to be expanded to approx. 450 products by 2027. We will continue to use our battery and charger expertise to further develop our technology in this field and to constantly design new and innovative solutions for end consumers.

Digital organisation will also remain a major task for the Einhell Group. The Chinese subsidiaries started to implement a new ERP software (SAP) in the past financial year. In the next few years, SAP will also be rolled out to other Asian companies, followed by further companies in other countries. In addition, we are working intensively on a large array of further topics that go hand in hand with the increasing digitalisation.

We are also paying a lot of attention to **sustainability issues**. In the course of our strategy process, we will describe the path we intend to take in more detail and will define our sustainability strategy as well as the associated objectives. At present, our CSR report that forms part of our non-financial reporting already gives a good overview of our responsible and conscientious approach to numerous sustainability issues.⁴

We plan to further develop the **international distribution network** in the upcoming years to enable us to meet our medium-term revenue targets. In order to reach this goal, we need to further exploit the potential in our existing markets while

gaining a foothold in new DIY markets where the Einhell Group is not yet represented. The newly acquired companies in Canada and Finland are to be further integrated into the existing organisation in 2023. We also aim to integrate additional distribution subsidiaries into our existing organisation over the next few years. And the US business is also still on the agenda in 2023. We intend to finalise the identification of potential candidates in the USA in the current financial year and to then acquire a suitable company in this market.

Another corporate goal is the **establishment of our own battery production**. The first production tests for batteries are to be launched in Asia in the current financial year. From 2024 onwards, battery production is to be expanded to Eastern Europe.

We will also intensify our **sourcing activities** in terms of regions and product ranges, and acquire an established sourcing company in Vietnam. At first, this company will support the accessories procurement and sourcing activities of our subsidiary kwb Germany GmbH. In a second step, we will also implement sourcing activities for power tools and garden tools here that are independent of the previous procurement markets.

b) Management system

Management of the business activities of the Einhell Group is mainly based on the **financial performance indicators** revenue and earnings before tax. These two key figures are the most significant performance indicators of the Einhell Group.

In addition to the financial performance indicators, Einhell Germany AG and the Group companies use other **key figures** such as gross profit margin and the main drivers of working capital, inventories and trade receivables for local management purposes. However, these key figures are subject to strong country-specific variations and are therefore interpreted within the context of the individual company. Inventories are analysed on an ongoing basis and monitored on the basis of stock turnover and inventory range with regard to possible impairment losses. Moreover, a sanity check is carried out on the order process for new goods, involving checking and managing product

⁴ Unverified statement

availability and stock volumes. Trade receivables are constantly monitored on the basis of maturity structures and assessed by means of standardised evaluation criteria. Receivables are usually limited by the volume of the receivables insurance and managed by means of internally set limits. Accounts receivable targets are also subject to constant monitoring and are an important management parameter for the Group's working capital.

The management system has not been changed compared to the previous year.

2.4 Product processing and quality management

a) Product processing

Product processing expenses amounted to EUR 9.6 million in financial year 2022 (previous year: EUR 10.4 million). 65 employees (previous year: 60 employees) were employed in this business unit. Product processing at Einhell is mainly sales-driven and customer-oriented. Therefore, cooperation with other departments, such as quality assurance, is important, as is communication with customers. Customer requirements are taken into account from the outset when new products and versions are designed. The customer is regarded as a partner. This allows the entire Einhell Group to consistently adapt to markets and made Einhell one of the fastest reacting companies in the sector.⁵

b) Quality management

Most of the Einhell product range is currently produced in China. Quality standards stipulated by the Einhell Group for the Chinese suppliers are determined based on customer requirements. Quality control and quality management comply with high standards.⁶

Since high priority is given to quality checks before shipping from China, this area is constantly monitored. In addition to strict shipping controls on site, there are also controls in place with regard to observance of customer-specific quality requirements, inspections of ongoing production and optimisation of manufacturer processes.

Supplier quality is optimised on an ongoing basis. Dependency on individual suppliers is avoided by maintaining an adequate number of suppliers and a broad distribution of orders. In order to create additional leeway for flexible procurement options, Einhell strives to further intensify its cooperation with select suppliers by forming strategic alliances in the field of product development.

2.5 Personnel and HR services

The number of employees rose in financial year 2022 compared to the previous financial year. On average, the Einhell Group had 1,963 employees (previous year: 1,796). Revenue per employee was EUR 526 thousand (previous year: EUR 516 thousand).

In accordance with the CSR Directive Implementation Act, which went into effect in April 2017, we disclose the concepts we have pursued in the past financial year with regard to key non-financial matters relevant to Einhell Germany AG. The Company decided to report on these matters in a separate non-financial report, which is not included in the management report. For further information about HR and social matters, please refer to our Corporate Social Responsibility Report, continually available under <https://www.einhell.com/investor-relations/>.

3. ECONOMIC REPORT

3.1 General economic conditions

The start of financial year 2022 was still overshadowed by the COVID-19 crisis. At the beginning of the year, the rise in freight rates due to the severe shortage of shipping capacity continued to create challenges.

However, there were indications of an easing in prices for commodities and freight, and also the availability of production capacity seemed to improve. In line with the entire DIY store sector, Einhell was very positive about its revenue expectations for 2022.

Russia's attack on Ukraine in February 2022, however, abruptly changed the whole situation. The war in Ukraine brought on a serious geopolitical crisis that is still ongoing. These events were the

⁵ Unverified statement

⁶ Unverified statement

main factor that led to a global increase in prices, especially for energy and commodities, which in turn led to cost increases in nearly all sectors of the economy. This sparked widespread inflation at rates far exceeding the highest levels seen in the last 20 to 30 years.

Given the strong cost and price increases, end consumers severely curtailed their spending on everyday items and energy. As a result, the DIY store sector experienced a difficult year with a general decline in unit sales. Despite the challenging circumstances for this sector, Einhell was again able to expand its unit sales. Furthermore, the Group continued to significantly increase the revenue generated with Power X-Change products.

The following figures on the GDP, inflation rate and the unemployment rate are based on figures published by the German Federal Statistical Office, Eurostat, the Austrian Economic Chamber and the Organisation for Economic Co-operation and Development (OECD).

a) D/A/CH

Second only to North America/USA, the German market is one of the largest DIY markets worldwide and therefore of great significance for the Einhell Group.

About 50% of German DIY revenue is generated by the large well-known DIY chains. It is therefore important for Einhell to be listed by these chains.

After the lockdowns in 2021, the year 2022 initially got off to a very good start for the DIY sector in Germany. In the first quarter of 2022, the DIY sector recorded revenue growth of 42.4% year-on-year. In the second (+0.4%) and third quarter (+2.3%) of 2022, revenue growth versus the previous year was less pronounced due to the deteriorating consumer climate in the wake of Russia's war against Ukraine. In the fourth quarter, consumer spending was still restrained. Nevertheless, the DIY and home improvement stores in Germany were able to generate total gross revenue of EUR 26.44 billion in 2022, which corresponds to an increase of 8.9% year-on-year. This increase, however, was also caused by the price increases spurred by inflation.

According to calculations by the Federal Statistical Office, the price-adjusted gross domestic product

(GDP) in Germany is 1.8% higher in 2022 than in 2021. The macroeconomic situation was dominated by the repercussions of the war in Ukraine and the resulting energy price hikes. The shortage of skilled labour and supply and material bottlenecks also weighed on the German industry, which was still affected by the ongoing, albeit subsiding, COVID-19 pandemic.

On average, consumer prices in Germany increased by 7.9% year-on-year in 2022, rising substantially over previous years. Especially the high energy costs and a hike in food prices led to an increase in household expenditure.

b) Western and Eastern Europe

Following a strong first half-year, the economy in the European Union (EU) encountered increasing difficulties. The shock waves caused by the Russian invasion of Ukraine impacted worldwide demand and fuelled inflation. Given the geographical vicinity to the war zone and the great dependence on Russian gas imports, the EU is among the most strongly affected developed industries. The energy crisis curtails household purchasing power and weighs on the manufacturing industry. Nevertheless, the gross domestic product in the European Union grew by 3.5% in 2022. Growth in the eurozone was 3.5% in 2022.

In the Eastern and Western European markets that are relevant for the Einhell Group, economic performance showed the following trend:

WESTERN EUROPE

(in %)	2022	2021
Spain	5.2	5.5
France	2.6	6.8
UK	4.1	7.6
Italy	3.9	6.7

EASTERN EUROPE

(in %)	2022	2021
Croatia	5.9	10.2
Poland	5.4	6.8
Romania	4.8	5.9
Czech Republic	1.9	3.5

Unemployment in the eurozone remains at a historically low level. According to the European statistical authority Eurostat, the unemployment rate

stood at 6.6% in December 2022, unchanged versus the month before. Compared to the previous year, the unemployment rate went down considerably. In 2021, it had still amounted to 7.0%.

In December 2022, 13.148 million men and women were unemployed in the European Union (11.048 million of which in the eurozone).

Eurostat reported that the inflation in the European Union climbed to 10.4% in 2022, up from 5.3% in 2021. The European Central Bank is targeting a medium-term inflation rate of just under 2%.

c) Overseas

Despite the difficult global economic situation, the Australian economy is proving to be highly robust. As a large exporter of commodities such as liquid gas, coal and agricultural products, Australia is benefitting from the global rise in energy and food prices. The gross domestic product (GDP) grew by 4.0% in 2022.

In Canada and in the South American countries where the Einhell Group is active, the following growth rates were achieved in 2022.

(in %)	2022	2021
Argentina	4.0	10.4
Canada	3.5	5.0
Colombia	7.6	10.7
Chile	2.0	11.7

3.2 Performance report

Einhell Group increases revenue

The Einhell Group was able to significantly raise its revenue compared to the previous year. Group revenue amounts to EUR 1,032.5 million in financial year 2022, up from EUR 927.4 million in the previous year.

This means that the Einhell Group was able to meet its forecast for financial year 2022, for which the Board of Directors had expected an increase in revenue to a range of approx. EUR 974 million to EUR 1,020 million at the beginning of 2022.

In the first quarter, the Einhell Group's revenue significantly exceeded the prior-year value with an increase from EUR 229.6 million in the previous year to EUR 292.3 million.

In the second quarter, revenue amounted to EUR 271.4 million, which again clearly exceeded the prior-year level (EUR 233.8 million). This was caused primarily by the gain of market share and strong demand for Power X-Change products.

With the strong business performance continuing in the third quarter, Einhell achieved further revenue growth. At EUR 242.0 million, revenue in the third quarter was also above the previous year's level (EUR 223.3 million).

In the fourth quarter, revenue showed a rather restrained development compared to the extremely strong prior-year period, with revenue decreasing from EUR 240.7 million to EUR 226.8 million.

On balance, the Group again achieved record revenue in the 2022 financial year.

The regional development of revenue in financial year 2022 breaks down as follows:

REVENUE DEVELOPMENT BY REGION

(in EURk and %)	2022		2021		Change	
D/A/CH	403,792	39.1	374,565	40.4	29,227	7.8
Western Europe	187,433	18.1	169,437	18.3	17,996	10.6
Eastern Europe	91,646	8.9	84,953	9.1	6,693	7.9
Overseas	271,432	26.3	214,936	23.2	56,496	26.3
Other countries	78,212	7.6	83,527	9.0	-5,315	-6.4
Total	1,032,515	100.0	927,418	100.0	105,097	11.3

The Einhell Group was able to significantly increase revenue in almost all regions in financial year 2022.

Further revenue growth is driven by the continuously strong demand for the Power X-Change products that meanwhile account for a 40% share in Group revenue (previous year: 37%).

REVENUE DEVELOPMENT BY SEGMENT

(in EURk and %)	2022		2021		Change	
Tools	673,200	65.2	600,967	64.8	72,233	12.0
Garden & Leisure	359,315	34.8	326,451	35.2	32,864	10.1
Total	1,032,515	100.0	927,418	100.0	105,097	11.3

4. EARNINGS

In financial year 2022, the Einhell Group generated earnings before tax of EUR 87.4 million (previous year: EUR 81.8 million). The pre-tax margin is 8.5% (previous year: 8.8%).

The following table shows the development of earnings before tax by region:

(in EURk)	2022	2021	Change
D/A/CH	34,661	24,892	9,769
Western Europe	11,941	17,917	-5,976
Eastern Europe	7,103	12,911	-5,808
Overseas	21,872	27,849	-5,977
Other countries	11,197	9,332	1,865
Reconciliation	662	-11,065	11,727
EBT	87,436	81,836	5,600

At the beginning of the 2022 financial year, the Einhell Group had expected an increase in revenue to about EUR 974 - 1,020 million and a pre-tax margin of approx. 8.5%.

Given the fact that the business performance clearly exceeded expectations from January to March 2022, and in view of the excellent order situation, the Board of Directors raised its forecast. The Einhell Group was now expecting revenue at the upper end of the previous guidance of EUR 1,020 million (EUR 1,050 million including Outillages King Canada) and a pre-tax margin of about 8.5% - 9.0%.

In the middle of the year, the Board of Directors confirmed the previous revenue forecast of EUR 1,050 million and the margin forecast of approx. 8.5% - 9.0%.

This new earnings before tax forecast with a margin of 8.5% was reached at the end of the financial year.

The earnings development benefited mainly from the revenue growth, while revenue growth resulted from strong demand for Einhell products. Its excellent listings and broad presence on the market had a very positive effect for Einhell here.

The domestic market of the **D/A/CH** region continued to perform very well in the past financial year. Revenue in our Power X-Change products segment was once again expanded. Furthermore, the investments in the Einhell brand as well as the marketing activities in recent years are clearly showing their worth. This led to a further increase in earnings.

Additionally, current market data from Germany for 2022 reveals that Einhell has gained further market share in the field of battery-operated tools with its Power X-Change family. In terms of units sold, Einhell is still one of the top three sellers of power tools together with competitors Bosch and Makita. In the garden tools market, Einhell continues in 2022 to rank first in the field of cordless devices with the most units sold, ahead of Gardena and Bosch.

Revenue in the **Western Europe** region as a whole also increased again in financial year 2022. Particularly in France and Spain, revenue increased significantly over the previous year, while Italy not quite managed to reach the previous year's record figure. Although the UK managed to

slightly exceed prior-year revenue, the budget expectations for 2022 were clearly missed, leading to unsatisfactory earnings levels in the UK. In total, earnings in the Western Europe region fell short of the previous year, burdened by the weaker profits in Italy and the UK.

In the **Eastern Europe** region, revenue was above the prior-year level. However, earnings in the region failed to match the record values achieved in the previous year. Write-offs and impairments on the inventories of Einhell Ukraine cut earnings by EUR 1.4 million. The stocks were destroyed beyond repair when a Russian missile hit the warehouse of our logistics provider in Kiev. Einhell Turkey, which had not been quite as successful in recent years, was able to achieve excellent revenue and earnings levels again in the past financial year. The companies with the highest revenue in this region are Einhell Turkey, Einhell Croatia and Einhell Poland.

In the **Overseas** region, revenue was also significantly higher than in the previous year. Ozito Industries Pty Ltd. was able to increase revenue and earnings year-on-year despite the challenging market conditions in Australia. The companies in South America, however, failed to meet the success levels reached in recent years.

Other countries with the procurement companies in Asia made another excellent contribution to consolidated net profit. Despite a slight revenue decline, earnings in this region were above the prior-year values.

Personnel expenses climbed by EUR 10,970 thousand to EUR 118,738 thousand. This is mainly due to the increase in headcount.

Other operating expenses increased by 20.2% year-on-year to EUR 165,182 thousand. This increase is mainly attributable to higher freight costs in connection with revenue growth, while higher storage and marketing costs weighed on the other operating expenses. The increase in marketing expenses is in line with the corporate strategy that aims to further strengthen the Einhell brand. The objective is to further expand the high market shares reached in previous years.

The financial result deteriorated by EUR -4,533 thousand to EUR -5,081 thousand. It

mainly comprises the interest result of EUR -4,812 thousand (previous year: EUR -1,522 thousand) and the gains/losses from currency translation/currency hedging amounting to EUR -269 thousand (previous year: EUR 974 thousand).

Tax expenses amounted to EUR 26.6 million in financial year 2022 (previous year: EUR 21.7 million). The increase was caused by the regional earnings development and special effects such as hyperinflation accounting in Turkey. Moreover, no deferred taxes were recognised for the loss carryforwards from the losses in Ukraine.

Consolidated net income after non-controlling interests of minority shareholders increased from EUR 58,626 thousand to EUR 59,754 thousand in the 2022 financial year.

5. ASSETS AND FINANCIAL POSITION

The material items in the statement of financial position for the financial years 2022 and 2021 are as follows:

Assets and financial position

(in EUR million)	2022	2021	Change
Fixed assets	114.0	95.2	18.8
Goods inventories	473.5	450.0	23.5
Trade receivables	143.7	135.9	7.8
Cash and cash equivalents	10.7	11.5	-0.8
Equity	366.8	341.0	25.8
Liabilities to banks	191.1	182.3	8.8
Trade payables	116.3	137.5	-21.2

Total assets increased by EUR 10.8 million or 1.3% to EUR 842.7 million.

5.1 Investments and non-current assets

Investments amounted to EUR 8.8 million in financial year 2022 (previous year: EUR 17.5 million), not including acquired goodwill or right-of-use assets from the adoption of IFRS 16. Most of the investments pertain to land and buildings in company assets, plant and office equipment and assets under construction.

Several intangible assets were capitalised in connection with the acquisition of the Canadian company Outillages King Canada Inc. This refers to the customer base in the amount of EUR 6.2 million, brands worth EUR 6.3 million and goodwill of EUR 2.7 million at the time of acquisition. Goodwill of EUR 1.8 million was capitalised in connection with the acquisition of Einhell Finland Oy.

Depreciation amounted to EUR 14,705 thousand in 2022 (previous year: EUR 12,041 thousand). This includes depreciation amounting to EUR 6,445 thousand (previous year: EUR 5,497 thousand) from the adoption of IFRS 16.

5.2 Current assets

Inventories increased from EUR 449,976 thousand to EUR 473,473 thousand as at the reporting date. This was driven by the Board's decision to meet the problems in the supply chain with higher inventories. Fortunately, no major problems were encountered on the Asian procurement markets in financial year 2022.

Trade receivables increased to EUR 143,700 thousand on the reporting date (previous year: EUR 135,859 thousand).

5.3 Financing

The financial requirements of the Einhell Group, which also vary greatly depending on the season, are driven in particular by the level of inventories and trade receivables. Stock turnover rates of inventories and the maturities of trade receivables play a major role here and have a significant impact on the financial requirements.

The Einhell Group's funding derives, on the one hand, from the equity that was provided by its shareholders when the Company was founded and the subsequent capital increases and retained earnings that are set aside in reserves. In addition, the Einhell Group procures debt capital in the form of loans and short-term borrowings as well as, to some extent, supplier loans. Loans are predominantly denominated in EUR. Supplier loans are mainly in CNY or USD. Anticipated cash flows from the payment of supplier liabilities in foreign currencies are largely hedged with the corresponding hedge transactions.

Owing to the very healthy and solid financing structure of the Einhell Group – the Einhell Group traditionally has an excellent equity ratio that currently stands at 43.5% – the Board of Directors does not anticipate any problems with current business operations, nor does it foresee any financing problems for future business volume in connection with the further expansion of the Group.

In financial year 2018, Einhell Germany AG took out long-term loans of EUR 25.0 million from three different banks. The loans are subject to a subsidy programme provided by the German development bank KfW and have a term of ten years. The first repayments were made in June 2020, the last are to be made at the end of March 2028. The loan agreements also contain a financial covenant. This covenant refers to the interest cover ratio. The interest rates are fixed and do not include any variable components. Einhell Germany AG complied with this covenant in financial year 2022.

Einhell Germany AG took out promissory note loans totalling EUR 75.0 million in financial year 2021. The maturities are five years for a tranche of EUR 50.0 million and seven years for a tranche of EUR 25.0 million. The promissory note loans do not require any collateral or covenants and are due upon maturity. The interest rates are fixed and do not include any variable components.

5.4 Liquidity

As at the reporting date, the Group had approx. EUR 308.6 million in credit lines including the public KfW loans at its disposal for the operating business. Overall, the Einhell Group had credit balances of EUR 10,662 thousand with banks and liabilities from debt capital to banks in the amount of EUR 191,147 thousand on the reporting date.

The Group uses effective cash pooling and a cash concentration system to optimise cash management and reduce debt capital to the greatest possible extent. This means that the balances of the different Group companies' bank accounts are transferred to a master account of Einhell Germany AG. As a consequence, only the balance of the master account has to be covered by borrowings on the capital market.

The subsidiaries participating in the cash pooling scheme therefore do not need to make investment or borrowing transactions on the capital markets, but simply have receivables or liabilities with Einhell Germany AG. This procedure serves to protect credit lines provided by banks and op-

timises the interest result. All Einhell Group companies are currently included in the cash pooling, as far as this is legally possible and feasible.

The summarised cash flow statement shows the development of the financial position in financial year 2022:

(in EUR million)	2022	2021	Change
Cash flow from operating activities	40.8	-151.4	192.2
Cash flow from investing activities	-26.9	-18.0	-8.9
Cash flow from financing activities	-14.5	147.1	-161.6
	-0.6	-22.3	21.7
Changes from currency translation	-0.2	1.7	-1.9
Net decrease in cash and cash equivalents	-0.8	-20.6	19.8
Cash and cash equivalents at beginning of period	11.5	32.1	-20.6
Cash and cash equivalents at end of period	10.7	11.5	-0.8

Cash flow from operating activities improved significantly year-on-year. In the previous year, the massive expansion of inventories had a negative impact on the operating cash flow.

The cash flow from investing activities mainly refers to capital expenditure for property, plant and equipment (EUR 8,618 thousand) and for the acquisition of newly consolidated companies (EUR 18,954 thousand).

In addition to the repayment of loans (EUR 3,125 thousand) and new loans (EUR 5,265 thousand) cash flow from financing activities includes the dividend distribution and the payment of lease liabilities (EUR 6,052 thousand).

Adjusted for changes from currency translation, cash and cash equivalents declined by EUR 0.8 million to EUR 10.7 million. Their share in total assets amounts to 1.3% (previous year: 1.4%).

5.5 Equity/debt capital

The Einhell Group has a good equity ratio of 43.5% (previous year: 41.0%). Net debt in financial year 2022 amounts to EUR 180,485 thousand (previous year: EUR 170,768 thousand).

The Einhell Group's debt capital decreased to EUR 475.9 million (previous year: EUR 490.9 million).

6. OVERALL ECONOMIC SITUATION

The Einhell Group's revenue growth was primarily driven by its consistent product range policy and strong innovative products. The strong market penetration of the Power X-Change battery products in some areas had a highly positive effect here. High capital expenditure in the fields of product development and marketing and for intensifying customer relationships incurred higher costs, but is considered an investment in the further strategic development of Einhell. Moreover, the subsidiaries in politically or economically unstable countries, such as Turkey, also performed very well in the last few years and in 2022.

As such, the Einhell Group's revenue and earnings improved once again, with both figures reaching new historic record levels.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The European Parliament and the EU member states adopted a directive in 2014 to expand the reporting of large, publicly traded companies, banks, financial services providers and insurance companies (CSR Directive). The directive's objective is, in particular, to increase transparency with regard to ecological and social aspects of companies in the EU. This concerns disclosures of environmental, social and employee matters as well as with regard to the respect of human rights and

combating corruption and bribery for both the Einhell Group and the Einhell Germany AG.

Non-financial group statement

The non-financial group statement, which must be submitted in accordance with Sections 315b, 315c German Commercial Code (HGB) as well as Sections 289 b-e German Commercial Code (HGB) is made available in the form of a CSR Report on the Einhell website at <https://www.einhell.com/investor-relations/>. It includes information on the business model and disclosures on environmental, social and employee matters, on the respect of human rights and on combating corruption and bribery. The non-financial report is not included in the combined management report.

8. OPPORTUNITIES AND RISKS REPORT

The risk management system of the Einhell Group seeks to identify and evaluate opportunities and risks at an early stage to be able to apply the required measures to exploit opportunities and limit any negative consequences on the business performance. This is aimed at ensuring the existence of the Group as a going concern and creating long-term value by improving business decisions. The Einhell Group defines risk as any event that could negatively impact the achievement of operating or strategic objectives. The management decides on a case-by-case basis whether the risk is transferred (e.g. via insurances), recognised in the statement of financial position (e.g. via provisions, impairments) or deliberately accepted.

8.1 Description of the risk management and significant characteristics of the internal monitoring and risk management system for Group accounting processes as per Section 315 (4) German Commercial Code (HGB)

a) Description of risk management process

The risk management process in the Einhell Group is split into two stages. The first stage is the decentralised recognition of risks in subsidiaries and the various departments of Einhell Germany AG by the risk officers appointed by the Board of Directors. They are responsible for risk identification and assessment. The critical aspect here for the Einhell Group is identification, since no risk planning can be undertaken for risks that have not yet been identified. In the Einhell Group, risks

are identified by linking a bottom-up and a top-down approach. This means that centrally determined risks must be assessed. In addition, the Einhell subsidiaries and the heads of department in the Group are called upon to identify and assess specific risks for their relevant functional areas and departments. The identified risks are evaluated by multiplying the probability of the damage occurring and the maximum amount of damage. The evaluation focuses on net risk, i.e. the risk that remains after various preventative measures have been taken. The second step comprises risk consolidation, analysis and control by risk managers and corporate management.

Einhell uses various methods of risk management. Risk avoidance means that risks, and associated opportunities, will not be taken. Another management method minimises risks, for instance by using organisational methods, and is therefore also referred to as risk reduction. A further method is transferring risk by means of insurance, contracts with suppliers etc. Remaining risks are deliberately taken by the Einhell Group, depending on whether the risk/opportunity ratio is reasonable.

Risks are constantly monitored and reported on a quarterly basis. The most important risks are also discussed at meetings of the Board of Directors. Opportunities are not recorded separately in the risk management system.

b) Elements of the internal control and risk management system

The internal control system of the Einhell Group includes all principles, processes and measures to ensure the effectiveness, economy and validity of its accounting, and ensure compliance with applicable legal regulations.

The internal control system comprises integrated process controls and internal control systems.

The domestic controlling, investment controlling, finance, internal audit, Group accounting and legal departments constitute the internal control system of the Einhell Group. The Einhell Group companies make a forecast in the relevant financial year to budget the following financial year. Based on differentiated revenue planning, the corresponding items in the statement of financial position, the statement of income and cash flows

are budgeted. These projected figures are collated for the Group into a budgetary statement of income.

The actual figures from the individual companies are processed on a monthly basis. As a result, a complete consolidated statement of income is devised that compares the budgeted and actual figures and allows for their analysis. The development of inventories, margins etc. is also reported for all companies on a monthly basis. The comparison is discussed with the members of the Board of Directors and with the managers of the separate divisions and companies. The analysis of the budgeted and actual figures permits relevant measures to be developed and implemented.

The internal monitoring system is comprised of measures that are integrated into the processes and measures that are independent of the processes. In addition to automated IT process controls, manual controls also form an important part of integrated process measures which are, for example, also carried out by the internal audit department. The Supervisory Board, the Group auditors and other audit bodies are involved in carrying out process-independent controls within the Einhell Group.

The audit of the consolidated financial statements by the Group auditors is the main process-independent control measure with respect to Group accounting processes.

c) Important regulatory and control activities to ensure propriety and reliability of Group accounting

The internal control measures aimed at propriety and reliability of Group accounting ensure that transactions are fully recorded in compliance with statutory requirements and the stipulations of Einhell's articles of association as well as in a timely manner.

They also ensure that inventory-taking is carried out in a proper manner, and that assets and liabilities are properly recognised, measured and shown in the consolidated financial statements. The rules also ensure that the accounting documentation provides reliable and transparent information.

The control activities to ensure propriety and reliability of Group accounting comprise example analyses of circumstances and developments on the basis of specific key figure analysis. The separation of administration, implementation, invoicing and authorisation functions and the fact that they are performed by different persons reduces the likelihood of wilful contravention. It also ensures, for instance, that changes to the IT systems used for the underlying bookkeeping in Group companies are subject to full and timely logging of bookkeeping transactions in the relevant reporting period. The internal control system also guarantees that changes in the economic or legal circumstances of the Einhell Group are recognised and that new or amended statutory regulations for Group accounting are applied.

The International Financial Reporting Standards (IFRS) provide standardised accounting and valuation principles for the companies in Germany and other countries that are included in the Einhell consolidated financial statements. In addition to general accounting principles and methods, there are also regulations regarding the statement of financial position, statement of income, notes, management report, cash flow statement and segment reporting in place that comply with the legal requirements in the EU.

The Einhell accounting policies also stipulate concrete formal requirements regarding the consolidated financial statements. As well as determining the companies included in the consolidation, they also include detailed rules about the elements of reporting packages to be prepared by Group companies. The formal requirements also cover the mandatory application of standardised and complete sets of templates. The Einhell accounting principles also contain concrete rules about presentation and handling of Group billing transactions and any resulting reconciliation.

At Group level, specific control activities to ensure propriety and reliability of Group accounting comprise the analysis and correction (where necessary) of the individual financial statements prepared by Group companies. Central implementation of impairment tests for the cash-generating units identified by the Group allows for the application of uniform and standardised measurement criteria. The preparation and aggregation of fur-

ther data for the preparation of external information in the notes and management report, including significant events after reporting date, is also carried out at Group level.

8.2 Description of risks

To be able to effectively measure and control the identified risks, we evaluate them on the basis of the parameters "incidence rate" and the "effect on EBT" in the case of occurrence. Here, we rely on empirical data and forward-looking assumptions.

The following table shows all the risk categories we have identified with their potential effects on EBT and the incidence rate. This enables us to take suitable risk mitigation measures at the level of individual risks.

The Einhell Group does not expect any major changes in risks in 2023. Some risks were adjusted compared with the previous year in line with current trends and expectations.

Possible current effects on earnings of risks after taking measures

Possible effects concerning:	effects on earnings		incidence rate	
	-	+	2023	
Environment & Industry				
Political risks	□□■		rare	29%
Industry risks	□□□□■		rare	12%
Company-specific risks				
Procurement risks	□□■		rare	31%
Sales market risks	□□■		rare	16%
Strategic and expansion risks	□□□□■		rare	11%
Liability risks, Legal risks	□□□■		improbable	9%
IT risks	□□■		rare	15%
Human resources risks	□□■		rare	14%
Other risks	□□□□■		rare	14%
Finance				
Financial, interest and currency risks	□□■		rare	48%
Default risks	□□□■		rare	20%
Liquidity risks	□□□□■		rare	12%
Tax risks	□□□■		rare	10%

Effects on earnings:

□□□□■	< 1.5 million €
□□□■	≥ 1.5 million € < 3.0 million €
□□■	≥ 3.0 million € < 6.0 million €
□■	≥ 6.0 million € < 12.0 million €
■	≥ 12.0 million € < 21.0 million €
■	≥ 21.0 million €

Incidence rate:

≥ 0 % < 10 %	improbable
≥ 10 % < 50 %	rare
≥ 50 % < 70 %	probable
≥ 70 %	very probable

Possible current effects on earnings of risks after taking measures

Possible effects concerning:	effects on earnings		incidence rate	
	-	2022 +		2022
Environment & Industry				
Political risks	□□■	■	rare	46%
Industry risks	□□□□■	■	rare	12%
Company-specific risks				
Procurement risks	□□■	■	rare	32%
Sales market risks	□□■	■	improbable	9%
Strategic and expansion risks	□□□□■	■	rare	11%
Liability risks, Legal risks	□□□■	■	improbable	9%
IT risks	□□■	■	rare	15%
Human resources risks	□□□■	■	rare	13%
Other risks	□□□■	■	rare	13%
Finance				
Financial, interest and currency risks	□□■	■	rare	44%
Default risks	□□□■	■	rare	20%
Liquidity risks	□□□□■	■	rare	12%
Tax risks	□□■	■	improbable	8%

Effects on earnings:

□□□□■	< 1.5 million €
□□□■	≥ 1.5 million € < 3.0 million €
□□□■	≥ 3.0 million € < 6.0 million €
□□■	≥ 6.0 million € < 12.0 million €
□■	≥ 12.0 million € < 21.0 million €
■	≥ 21.0 million €

Incidence rate:

≥ 0 % < 10 %	improbable
≥ 10 % < 50 %	rare
≥ 50 % < 70 %	probable
≥ 70 %	very probable

The global COVID-19 pandemic starting from 2020 and the political uncertainty since the beginning of 2022 have led to imbalances on the global markets for many commodities and supply chain processes, which, in turn, have caused massive price fluctuation and soaring inflation in many countries.

Sales market risks

The Einhell Group sees sales market risks arising mainly from the general development of demand in the sector, its own unit sales and revenue volumes and bad debt losses. Where possible, the Einhell Group uses trade credit insurance to counter credit risk. Innovative products that meet customer requirements in terms of design, functionality and value for money diminish the risk of a reduction in sales volume. This risk is being countered with the incremental introduction of two

clearly defined product lines. One customer accounted for more than 10% of the Einhell Group's revenue in the past financial years. Nevertheless, the management has not identified any risk of dependency on this customer. The sales market risk has increased moderately over the previous year.

Procurement risks

Procurement is a primary process in the Einhell business model and plays an important role for risk management within the Einhell Group. The objective of procurement is to ensure that products are acquired on time, are of sufficient quality and are reasonably priced.

One important factor is the suppliers. As the Einhell Group maintains long-term relationships with its suppliers, price and sourcing risks are minimised. With constant quality checks, suppliers are

integrated into the quality control system of the Einhell Group. The Einhell Group is not dependent on individual suppliers. Einhell started to implement a second source strategy several years ago, which is still being optimised.

In order to optimise procurement planning, purchase quantities are regularly coordinated with the sales departments, reconciled and planned via an online order system. We also use a new disposition software that improves the coordination between procurement and sales in determining quantities and further consolidates orders. In order to enhance the transparency of order processing over the entire supply chain from the supplier to the national warehouses, we work with a newly implemented transport management system.

Where possible, the Einhell Group counters risk of price increases, such as from changes in commodity prices, by concluding the corresponding procurement and sales agreements, i.e. by reflecting changes in procurement prices on the sales side with a minimal time lag. A corresponding product mix, a broad customer base and a strong procurement structure support this process.

To minimise the supplier default risk, both the procurement and project management teams work with the finance department to develop joint hedging concepts.

The Einhell Group believes that the procurement risk for financial year 2023 is similar to the previous year.

IT risks

Information and communications systems are the basis for many business processes of the Einhell Group. The subsidiary iSC GmbH operates a centralised IT service centre that is responsible for the implementation of the Group's international strategy. Given the rising speed and complexity of digitalisation, the dependency on IT systems also continues to increase. Resulting risks, such as the non-availability of systems or data, or unauthorised access, can never be fully eliminated and have a tremendous impact on business operations if an incident occurs. The Group takes diverse and innovative measures to minimise the likelihood of such risks occurring (incidence rate) to the greatest possible degree. Great importance

is attached to the realisation of uniform international IT standards that are designed to ensure the effectiveness, efficiency and continuity of IT processes within a framework of corporate and statutory requirements.

A fixed part of these standards is the implementation of suitable measures within the area of physical security, use of high-performance and reliable hardware components, operation of carefully selected infrastructure and business applications, and provision of high-quality services and processes for the operation and further development of the entire information and communications structure. The organisation of IT processes is designed around an ITIL process framework.

Required specialist expertise, such as in the area of local compliance requirements, is provided by qualified service partners, for whom the scope and extent of performance is contractually defined and who work closely with the IT organisation. Applications are operated in line with their criticality for business operations in highly dependable system environments and are subject to adequate business continuity mechanisms. IT-based precautions that are regularly checked and updated, in conjunction with the use of qualified staff and corresponding roles and legal concepts, ensure the best possible protection for confidential data.

The Einhell Group's IT strategy is closely linked to the business strategy and is subject to regular controls and adjustments to take account of the business environment. In order to protect itself as much as possible against cyberattacks, the Einhell Group continuously invests in the security of its IT systems.

Liability risks, legal risks

Liability risks arise for the Einhell Group mainly in connection with product liability. The main procurement market for Einhell products is the People's Republic of China. In order to ensure quality locally, a quality management system has been set up in China, which directly monitors supplier production and implements process controls. Our own quality control officers monitor rules and regulations on an ongoing basis. The remaining risk for product liability claims is covered by economically sensible and appropriate insurance. Product

liability claims are classified and efficiently processed on the basis of a clear organisation and procedural structure. In addition, liability risks also include risk in connection with corruption. This risk is determined for each company based on the international corruption index.

This creates clear lines of responsibility and communication that are supported by written documentation of recall plans and checklists. This system also involves external specialist offices and experts.

The Einhell Group is exposed to legal risks. These may arise from conclusion of inter-company agreements with suppliers, customers and other business partners. Einhell is further exposed to various different international legal systems during the negotiation and conclusion of contracts. This applies in particular to the conclusion of corporate contracts, for example in the event of business incorporation, and patent agreements and similar contracts that are designed to protect the intellectual property of Einhell.

Einhell tries to minimise such risks by having its own legal department in Germany and by constantly checking and monitoring legal circumstances in China. Our own staff carries out coordination and checks, and seeks advice from external specialists from the relevant jurisdiction or legal system on a case-by-case basis.

Human resource risks

The Group has a number of instruments in place to counter economic risks, such as changes in the market or competitive environment, which help us to react flexibly to fluctuations in the order situation, particularly seasonal fluctuations. This includes working time accounts that are filled by working overtime and reduced by taking the corresponding leave. Another instrument for reacting more flexibly to fluctuations are temporary workers. All these measures help the Einhell Group to maintain a stable permanent workforce while reacting to changes in the order situation.

The professional expertise and individual commitment of our employees are important prerequisites for the success of the Einhell Group. Our strategic and holistic personnel development approach offers employees attractive opportunities for further training and career development.

In addition to offering vocational training on the basis of a dual system (part school, part practical work), we also offer dual university courses to ensure we have young talent to source from. We provide extensive and highly specific qualification measures to address risks resulting from fluctuation and loss of experience when older employees retire.

We see a moderate increase in the area of human resource risks for the 2023 financial year compared to the previous year. Around the world, we see that our sites are encountering more and more difficulties in finding suitable staff. Depending on the countries, the Einhell Group will introduce various measures to raise our attractiveness as an employer. Furthermore, the general inflation will lead to rising personnel costs.

Financial, interest and currency risks

The continuing growth of the Einhell Group is also associated with financing risks. The Einhell Group manages financing risks by combining short-term and long-term financing strategies.

In financial year 2018, Einhell Germany AG took out long-term loans of EUR 25.0 million from three different banks. The loans are subject to a subsidy programme provided by the German development bank KfW and have a term of ten years. The first repayments were made in June 2020, the last are to be made at the end of March 2028. The loan agreements also contain a financial covenant. This covenant refers to the interest cover ratio. The interest rates are fixed and do not include any variable components. Einhell Germany AG complied with this covenant in financial year 2022.

Einhell Germany AG took out promissory note loans totalling EUR 75.0 million in financial year 2021. The maturities are five years for a tranche of EUR 50.0 million and seven years for a tranche of EUR 25.0 million. The promissory note loans do not require any collateral or covenants and are due upon maturity. The interest rates are fixed and do not include any variable components.

The Einhell Group has mainly conventional lines of credit that were only partially utilised in financial year 2022. Cash and cash equivalents, as well as equity, stood at very good levels in the reporting year.

The financial planning of the Einhell Group for the next five years is continuously adjusted to the current planning budget. This ensures that the further growth of the Group is financially secured.

The Einhell Group is also expanding its netting system and cash pool that was set up jointly by the parent company and its subsidiaries. Subsidiaries are financed almost exclusively by inter-Group loans. This reduces the risk of non-transparent and inefficient loan structures in the Group. The parent company has set up internal credit lines for the subsidiaries, the amount of which is determined by the budget and the expected business volume of the corresponding subsidiaries.

Risks from interest rate changes and fluctuations are managed, if required, with derivative financial instruments such as non-current interest swaps and interest caps. No need was identified in financial year 2022 to enter into interest rate derivatives. Risks from currency fluctuation are mainly managed by using standard currency futures. The risk of currency fluctuation in procurement is covered where possible by hedging transactions in the form of currency futures and options. Currency hedging is carried out pursuant to IFRS regulations regarding hedge accounting for the individual hedge periods.

Please see the notes to the consolidated financial statements, Note 6. RISK REPORT AND FINANCIAL INSTRUMENTS for more information on interest, financial and currency risks.

Default risk

Einhell's corporate policy is to minimise default risk both from customers and suppliers by using instruments that are customary in international practice. This helps Einhell to evaluate default risks of the ordering company for each order based on the relevant economic situation. To counter the risks associated with new customers and high-risk countries in particular, Einhell sometimes uses letters of credit. In the offer phase, the sales and finance departments jointly decide on what collateral is required and adjust these requirements when the orders are placed. Einhell also uses external information from banks and credit agencies to support the assessment of risk. To minimise the supplier default risk, both the procurement and project management teams

work with the finance department to develop joint security concepts.

The maximum default risk corresponds to the carrying amount of the receivables. Trade receivables pertain to DIY chains, specialist retailers and discounters and amount to EUR 143,700 thousand (previous year: EUR 135,859 thousand).

Where possible, the Einhell Group uses trade credit insurance to counter credit risk. While the sector trend is positive, we see a slightly increased risk of default due to the highly uncertain economic situation in some sales markets.

As the derivatives are acquired from well-known financial institutions, the Group expects that the maximum default risk from derivatives is limited to the derivatives' positive market value.

Bank balances amounted to EUR 10,662 thousand on the reporting date (previous year: EUR 11,513 thousand). These assets are held at first-rate, well-known banks.

The Einhell Group counters price and supply risks in supply markets by maintaining long-term supply relationships, which are constantly subjected to quality management.

Liquidity risk

Liquidity risk is the possibility that a company will no longer be in a position to meet its financial obligations (such as repayment of financial liabilities or payment of orders). The Einhell Group limits this risk by using effective management of net working capital and cash and traditional credit lines from well-known banks. At the reporting date, the Group had approx. EUR 308.6 million in credit lines at its disposal for the operating business. The Group also keeps a constant eye on the financial markets for financing opportunities in order to secure the financial flexibility of the Einhell Group and limit excessive refinancing risks.

Tax risks

In many countries, the Group is subject to the respective national tax provisions. Risks may arise from changes to local tax law or legal rulings and disparate interpretations of existing provisions. These risks can thus affect our tax expenses and income as well as tax receivables and liabilities. As

a result of the complex transfer price guidelines of individual countries, which are sometimes interpreted from a one-sided perspective, we feel obliged to implement a margin policy in the Group that addresses this problem in order to counteract the risk of unjustified additional tax payments.

General economic and sector risks

The Einhell Group is subject to general risks from the global economy and specific risks for the building supplies, specialist retail and DIY store sector.

Political risks

The Einhell Group is subject to global economic risks from its international operations. These can take the form of political and economic risks. Political decisions in the countries in which the Einhell Group operates today can affect the stability and economies of these countries. This currently concerns in particular the two countries affected by war, Russia and Ukraine. Einhell has recognised adequate impairment losses for its assets in these countries. Also, policies in the countries in which the Einhell Group hopes to expand its operations can affect its business strategy. The risk also extends, for example, to the currency policies of countries, import and customs duties regulations or armed conflicts. The same also applies to procurement countries where Einhell sources its products. The Einhell Group seeks to keep abreast of general political risks by way of Group management maintaining close contacts with responsible local managers in order to constantly keep up to date with current developments. The Einhell Group also pursues a strategy of limiting investment in non-current assets, such as real estate, in such countries. This gives the Group maximum flexibility to react to unfavourable developments and to be able to have current assets available to take appropriate action in any country at any given time.

Sector risks

With respect to sector risks, the Einhell Group is subject to developments in the DIY sector and specialist stores as well as e-commerce in the relevant countries. It is also subject to the effects of behaviour and growth of competitors.

Changes in the sector, such as market concentration of customers, may therefore affect Einhell's business. Einhell seeks to minimise dependence on such factors by expanding its strong international market position. The establishment of a strong product range and customer-friendly service allows Einhell to strengthen its position with customers, even during changes in market concentration. Strategy changes by competitors may also affect the Einhell Group. New competitors may be in a position to take over market shares from Einhell, or existing competitors may affect the Group's market position. Einhell seeks to counter such changes by establishing a relatively wide product range, extending from Tools to Garden & Leisure, and also driving its international expansion. It is very hard to find a competitor in the market that offers a comparable product range while maintaining an international presence comparable to Einhell's.⁷

Strategic and expansion risks

Risks are also associated with implementing the Einhell Group strategy. They can result, for instance, from the fact that resources or elements required to implement the strategy are not available at a particular time or run up against realisation problems. The reasons for this could be related to personnel or technology issues.

The establishment and acquisition of subsidiaries also carries fundamental risks. Einhell seeks to counter these risks by conducting an extensive investigation of the target country before it begins to identify new sales areas. This includes an assessment of sales environment and market potential. The Group also begins to search for suitable managing directors and specialised staff at an early stage. With respect to infrastructure, Einhell selects a standard approach for each new sales subsidiary that is compatible with the internal processes and IT infrastructure. This reduces the risks associated with setting up a new subsidiary.

Risks also result from acquisitions of the Einhell Group. Einhell seeks to reduce these risks in that the takeover candidates are usually long-term partners of the Group. This ensures that new Group companies are integrated into Group structures and strategies from the beginning. Due diligence is also carried out at the companies to

⁷ Unverified statement

be acquired; these investigations are carried out by internal staff from our investment control department, the legal department and, in individual cases, other Einhell Group departments, supported by external advisors.

Other risks

In addition to the risks described above, some external factors are unforeseeable and may have consequences that are very difficult to control. Such factors may, if they actually occur, impact the further development of the Einhell Group. These risks include natural hazards, epidemics and terrorist attacks.

9. FORECAST REPORT

While our lives and business activities were dominated by the COVID-19 pandemic in 2020 to 2022, this has meanwhile almost become an everyday phenomenon. With most of the world's population vaccinated, we have been able to return to some form of normality.

Under other circumstances, this would have led to economic recovery in 2022 and 2023. However, the global crisis caused by the pandemic was exacerbated by another profound shock in 2022. Russia's invasion of Ukraine led to a war in which Ukraine is trying to defend its territorial rights and protect its population. The war brought great suffering to the Ukrainians and also had a massive negative impact on economic factors. It led to significant distortions in commodity flows and procurement processes, especially with regard to energy supply and the procurement of certain food products. The sharp increase in commodity prices, especially for energy, pushed up the prices of consumer goods, leading to extreme inflation.

This weighs on the overall economic development, and we assume that this will remain the case in 2023.

Inflation thus reached record levels worldwide. It led to the realisation of high wage and salary increases which in turn drive the wage-price spiral further upwards. However, real wages are set to decline globally because of the high inflation rates. This already starts to have an effect on consumer behaviour. High expenses for electricity,

gas, fuel and basic products for daily use mean end consumer do not have much left to spend in other areas. This may also affect purchasing decisions for DIY products in 2023.

DIY stores around the globe already felt some restraint on the part of end consumers in 2022. In general, the DIY market lagged far behind the strong sales of the COVID-19 years and inventories built up at some DIY retailers, specialist stores and e-commerce customers. Previously, inventories had already been systematically increased to counter disruptions in the supply chain. This had worked relatively well in the DIY sector. But then the higher inventories unexpectedly met with falling end-user demand caused by the war in Ukraine. Retailers are therefore now trying to reduce their stocks and bring them back to a lower level of inventory. As a consequence, suppliers in the entire DIY sector have started seeing restrained ordering activities at the beginning of 2023. We expect ordering behaviour to return to normal only after the spring and gardening season.

Because of the high brand awareness for Einhell products, sustained and stable customer relationships and long-term listings as well as a highly attractive product range, the Board of Directors is looking ahead with optimism.⁸ In our view, end consumer demand will stabilise in the course of the year and orders from retailers will pick up. Einhell's strong market presence and high visibility will continue to ensure dynamic revenues in markets where Einhell is well represented.

The GDP values, which are presented below, have partially been estimated and are based on data published by the Federal Statistical Office, the International Monetary Fund, the EU Commission and the Austrian Federal Economic Chamber.

9.1 Expected development in the D/A/CH region

(in %)	2023	2022
GDP Germany	-0.5	1.8

The **German** economy has grown by 1.8% year-on-year in 2022.

⁸ Unverified statement

The central bank (Bundesbank) expects a gross domestic product of -0.5% for the current year. This decline is driven amongst other factors by the persistent inflation, which is weighing on private consumption. The energy price brake introduced by the Federal Government has eased the tension on the energy market that had prevailed in 2022. However, 2023 is expected to see weaker industrial production and lower exports due a decline in demand from abroad.

According to the Bundesbank, inflation will remain high in 2023, but fall slightly from 8.6% to 7.2%.

The DIY sector in the D/A/CH region suffered from weak end consumer demand in 2022. This had been caused by the high inflation due to the war in Ukraine. In our view, this will continue to be the case in 2023. While the ECB has meanwhile gradually increased the interest rate in order to combat inflation, this has led to an increase in the general cost of living for end consumers, restricting their spending power.

As the retailers in the DIY sector have rather high inventories due to the weak demand in 2022, they will first try to reduce these in 2023 before placing larger new orders.

9.2 Expected development in the Western and Eastern Europe regions

The macroeconomic growth forecast for the European Union for the current year is 0.8%. The economy in the eurozone is expected to grow by 0.9% this year.

Since the last forecast in autumn, promising developments have brightened the growth outlook for the current year. Gas storage facilities are actually better filled than in previous years at this time of year (on average), which is driven by a more broadly-based energy supply and a significant drop in gas consumption. Moreover, wholesale prices for gas have fallen significantly below the level before the outbreak of the war in Ukraine. Not only that, the EU labour market continued its strong development, with the unemployment rate remaining at an all-time low of 6.1% until the end of 2022. However, there are still strong headwinds. Energy costs for consumers and businesses continue to be high and core inflation (i.e. inflation excluding prices for energy

and unprocessed food) rose again in January 2023, further weakening the purchasing power of consumers. In response to a persistent inflationary pressure, the central banks are expected to further tighten monetary policies. This is likely to dampen economic activity and put the brakes on investment activity.

As inflation has been falling for three months in a row, it has probably already peaked. The forecast for expected inflation was slightly lowered compared to autumn, mainly due to the development of the energy markets. All in all, inflation in the EU is expected to drop to 6.4% in 2023. In the eurozone, inflation is expected to decrease to 5.6%.

Inflation also dominates the DIY markets in Western Europe and Eastern Europe. In Eastern Europe in particular, interest rates in local currencies have risen even more sharply than in the eurozone. This has even more pronounced negative effects on consumer behaviour. While purchasing power is already weak in some countries, price inflation is making it worse. This will have an impact on sales in the DIY sector, where retailers still have high inventories from 2022.

9.3 Expected development in the Overseas region

The Australian economy has proven to be exceptionally resilient in 2022. The Organisation for Economic Co-operation and Development (OECD) expects the Australian gross domestic product to increase by 1.9% in 2023. While this represents a slowdown in momentum compared to 2022 (+4.0%), it would be a very strong development compared to the forecasts for the eurozone and the United States.

The Australian DIY market managed to successfully defy the global decline in 2022. Stationary retail in particular, which continues to shape the market here, benefited from a generally stable economic development in Australia. We therefore expect DIY sales in Australia to continue to show a healthy development in 2023.

The following economic growth rates are expected in South American countries where the Einhell Group is active and in Canada:

(in %)	2023	2022
GDP Argentina	2.0	4.0
GDP Canada	1.5	3.5
GDP Colombia	2.2	7.6
GDP Chile	-1.0	2.0

In South America, inflation leads to trends that resemble the situation in Europe. It is weakening the purchasing power of end consumers and weighing on the sales of market participants.

9.4 Expected performance in the Other countries region

In the Other countries where Einhell is active, similar effects will be seen in 2023 as in the other regions. Einhell has numerous FOB direct customers in other countries and regions around the world that take the products to the local markets. These markets are also confronted with the effects of high inflation, which may also affect the demand for DIY products in these countries.

9.5 Expected performance in the markets relevant to the Einhell Group

a) Expected general development in 2023

The expected development in 2023 is completely dependent on the war in Ukraine and the global inflation. The further development of inflation will be the crucial factor determining whether end consumer demand for products that are not essential recovers or remains rather weak. It is currently not possible to make a reliable estimate in this regard. Therefore, all forecasts are fraught with a high degree of uncertainty.

b) Expected development of the financial markets

Russia-Ukraine war, energy crisis, inflation. Rarely have the markets been threatened by so many risk factors as in recent months. Although inflation is only gradually going down, the Einhell Group expects the policy of lifting key interest rates followed by the US Federal Reserve (Fed) and the European Central Bank (ECB) to end in the coming year. The tightened monetary policy of the central banks is beginning to have an effect, and gas and electricity prices have fallen slightly lately. Continued mild weather and full storage facilities are expected to have a positive effect on prices.

However, the high commodity prices are expected to continue to have an impact. We therefore expect the central banks to remain restrictive for the time being. The Fed might still raise interest rates again before the spring. After that, declining inflation rates in the wake of a mild recession should end the rate hike cycle, according to experts at Deutsche Bank. The risk of further increases in interest rates continues in 2023.

The development of the exchange rates that are important for Einhell will strongly depend on the economic development in China. Due to the discontinuation of the zero-COVID policy and in expectation of a weaker USD over the course of the year, we expect the CNY to remain stable or appreciate slightly in the current year. The Chinese economy is expected to recover this year as the reopening after the termination of the COVID-19 measures will lead to an increase in demand and allow supply chains to normalise. In fact, consumer spending has already increased since Chinese New Year in January. Monetary and fiscal policies continue to support growth. The government wants to boost confidence and therefore introduced comprehensive measures to support the property sector. It can generally be assumed that the Chinese central bank PBoC will keep the CNY exchange rate at a stable level. However, great risks remain, threatening growth and the CNY. The extent to which consumption will recover depends on the corresponding improvement in employment and income prospects. The slump in the property market will continue to burden the economy for a while, as will headwinds from the global economic slowdown and tensions between the USA and China.

c) Expected development of the sales markets

The development of the sales markets will largely depend on the development of inflation rates in 2023. Costs faced by end consumers have significantly increased in almost all segments. It is difficult to foresee whether and how these current and future developments will affect the distribution channels in the individual regions, especially with regard to the demand behaviour of end consumers.

d) Expected development of the procurement markets

The situation on the procurement markets for DIY products is improving in 2023 compared to previous years. 2022 saw fewer supply bottlenecks and a significant improvement in the situation on the commodity markets as well as in the availability of production and freight capacities. The Chinese government's exit from the zero-COVID strategy also had a positive effect as the related partial closures of port terminals or entire ports in Asia had exacerbated the supply situation and delivery times.

The Board of Directors expects the improved situation to continue in the current financial year.

e) Expected development of the Einhell Group

The Einhell Group expects organic revenue growth of about 3% year-on-year in financial year 2023. With regard to earnings before taxes, the Einhell Group expects a pre-tax margin in the range of approx. 8.0% to 8.5%.

(in EUR million)	2023 (BUDGET)		2022 (ACTUAL)	
	REVENUE	EBT	REVENUE	EBT
D/A/CH	405	34	403.8	34.7
Western Europe	193	12	187.5	11.9
Eastern Europe	94	7	91.6	7.1
Overseas	290	26	271.4	21.9
Other countries	78	10	78.2	11.2
Reconciliation	0	-4	0	0.6
Total	1,060	85	1,032.5	87.4

In the D/A/CH region, the Einhell Group anticipates stagnating or slightly increasing revenue of EUR 405 million. Due to the drastic increase in costs, we expect a slight reduction in earnings before tax to approx. EUR 34.0 million. Because of the high inflation, we expect consumers to cut on their spending. Moreover, our customers in the D/A/CH region continue to have high inventories. We therefore expect restrained order behaviour.

In Western and Eastern Europe, we expect moderate revenue growth year-on-year of approx. 3 % with stable profit margins. The market environment will continue to be difficult in both regions

according to our expectations. Especially the subsidiary in the UK was unable to meet expectations thus far. In addition, the business performance in the Eastern Europe region will be influenced in particular by the sharp rise in interest rates.

In the Overseas region, we expect revenue in the 2023 financial year to be above the previous year's level. Revenue generated by Outillages King Canada Inc. will be consolidated into Group revenue for the first time for the entire financial year. We also expect earnings to exceed the previous year's amount.

For the Other countries, we expect stagnating revenues and slightly lower margins. We expect orders to also be restrained here due to the high inventory levels.

f) Expected investments

In line with its corporate strategy, Einhell continues to invest heavily in product development and brand building in 2023.

With the continued high investment in these areas, Einhell strives to further improve its product range, further expand its market-leading position with Power X-Change and further establish the Einhell brand all over the world. The Power X-Change platform will continue to grow in 2023. The TV campaign, which has been very successful so far, is planned to be extended to other countries in 2023.

The Einhell Group further intends to continue investing in the expansion and maintenance of the Group's entire infrastructure in the coming years. The Group is planning to build new work areas and office space in 2023 in order to meet the increased demand. The investment volume for a new office building and our Power X-Change competence centre is expected to amount to approx. EUR 10.5 million in 2023. The construction of the new office building is to be completed in 2024, while the Power X-Change competence centre will already be completed in 2023.

Einhell also continues to invest heavily in IT. The SAP project that has been started is now planned to be implemented in additional Asian group companies.

The potential acquisition of new subsidiaries would mean further major investments, depending on whether it is possible to acquire interests in new companies in the target markets.

g) Expected financial situation

Efficient liquidity management remains a top priority of the Einhell Group in financial year 2023. We concentrate on constantly forecasting cash flows from operating activities, as this is our main source of liquidity. Long-term financing of the Einhell Group is secured with a promissory note loan and a KfW loan of EUR 88.3 million. Short-term liquidity requirements are forecast by means of a liquidity plan that covers a period of twelve months. For the resulting short-term working capital financing, Einhell continues to draw from short-term credit lines provided by its principal banks, which are sufficiently available. Einhell has already started at the end of 2022 to set up a supply chain financing model in Asia on a CNY currency basis. We expect this to already have positive effects on working capital and the financing structure from 2023.

9.6 Summary of expected developments

Outlook for financial year 2023

Due to the war in Ukraine and high inflation worldwide, the globally positioned Einhell Group will continue to face very challenging developments in the markets in financial year 2023. Based on previous experience with global economic crises, e.g. during the pandemic, and due to its strong positioning across the various distribution channels, the Einhell Group expects a continued positive business development. Our objective is to continue to build the Einhell brand worldwide, to drive internationalisation and to increase our market shares in the target markets.

9.7 Forward-looking statements, assumptions, uncertainties and assessment methods

The management report and Group management report for Einhell Germany AG and the Einhell Group contain forward-looking statements and assumptions. These always bear an element of uncertainty and are based on estimates and assumptions made in order to draw up corporate planning. The Einhell Group hereby advises that the forward-looking assumptions and estimates may turn out to be incorrect.

Einhell exercises great care with respect to assumptions when making forecasts that are subject to uncertainty. However, the risk from incorrect estimations cannot be excluded.

Einhell proceeds as follows in order to control planning and forecast uncertainties during planning of budgetary figures. First, Einhell plans revenue. The revenue plans are drawn up in detail for each Group company based on product groups. Revenues are also budgeted at customer group level and checked against product groups for plausibility. In the same way, gross profit margins for each Group company are forecast at product group level and customer group level. Detailed costs are derived from revenue plans on the basis of type of cost and cost centre or reporting entity. Costs are checked for plausibility on the basis of the prior-year figures and checked for adequacy on the basis of relation to net revenues. Specific assumptions are made with respect to changes in costs, such as increases in salaries or changes in freight costs. General uncertainties related to market developments, price trends for important commodities or the development of other important cost categories are estimated and budgeted according to the principles of commercial prudence.

Supplementary provisions as per Section 289a and Section 315a German Commercial Code (HGB) for certain stock corporations are included in the notes to the consolidated financial statements under Note 2.9 Equity.

10. BUSINESS DEVELOPMENT OF EINHELL GERMANY AG

The annual financial statements of Einhell Germany AG were prepared in accordance with the provisions of the German Commercial Code (HGB). Einhell Germany AG acts as the parent company of the internationally positioned Einhell Group and is responsible for the strategic orientation. The management of Einhell Germany AG is integrated into Group management. Management is primarily based on the financial performance indicators of revenue and earnings before tax, income from investments and write-downs on financial assets.

In financial year 2022, Einhell Germany AG had an average headcount of 463 employees (previous year: 428).

10.1 Earnings

Einhell Germany AG generates its revenues with the sale of products for DIY end consumers and professional craftsmen for use in the home, garden and for leisure purposes. Einhell supplies DIY stores and other distribution channels with a wide range of DIY products. In addition, Einhell Germany AG receives payment from its subsidiaries for product processing and marketing. The charging-on of related costs resulted in revenue of

EUR 7.8 million (previous year: EUR 9.2 million) in financial year 2022.

Einhell Germany AG generated slightly higher revenue in financial year 2022 than forecast and exceeded the revenue level achieved in the previous year. Due to the increase in revenue as well as a stable cost situation, Einhell Germany AG generated impressive net income in 2022. It exceeded its earnings forecast announced at the beginning of the year.

Revenue above prior-year level

In the year under review, Einhell Germany AG generated revenue of EUR 384.1 million (previous year: EUR 361.5 million). Revenue was generated in the following regions:

REVENUE DEVELOPMENT BY REGION

(in EURk and %)	2022		2021		Change	
Domestic	322,242	83.9	305,296	84.5	16,946	5.6
Western Europe	30,342	7.9	25,040	6.9	5,302	21.2
Eastern Europe	16,899	4.4	14,531	4.0	2,368	16.3
Overseas	768	0.2	655	0.2	113	17.3
Other countries	13,827	3.6	15,936	4.4	-2,109	-13.2
Total	384,078	100.0	361,458	100.0	22,620	6.3

REVENUE DEVELOPMENT BY DIVISION

(in EURk and %)	2022		2021		Change	
Garden & Leisure	179,749	46.8	164,577	45.5	15,172	9.2
Tools	204,329	53.2	196,881	54.5	7,448	3.8
Total	384,078	100.0	361,458	100.0	22,620	6.3

The Tools division was slightly below the forecast. The Garden & Leisure division exceeded the forecast for financial year 2022.

Personnel expenses above prior-year level

Personnel expenses increased by EUR 1.5 million from EUR 41.3 million to EUR 42.8 million. This increase results mainly from the increase in the number of employees.

Other operating expenses exceed prior-year level

Other operating expenses rose by EUR 19.7 million from EUR 76.4 million to EUR 96.1 million. This increase was mainly due to exchange rate losses as well as marketing and logistics expenses.

Income from investments

Income from investments (including the relevant write-ups and write-downs on interests in affiliated companies) developed as follows compared to the previous year:

(in EUR million)	2022	2021	Change
Income from investments	23.2	7.1	16.1
Income from profit transfer agreements	6.0	6.3	-0.3
Expenses from the transfer of losses	-0.7	-2.1	1.4
	28.5	11.3	17.2
Write-ups on financial assets	11.5	3.4	8.1
Impairment of financial assets	-17.5	0.0	-17.5
	-6.0	3.4	-9.4
Income from the reduction of write-downs on receivables from affiliated companies	0.8	5.8	-5.0
	0.8	5.8	-5.0
Income from investments	23.3	20.5	2.8

Driven by positive developments and corporate planning, financial assets were written up by EUR 11.5 million and receivables from affiliated companies by EUR 0.8 million in financial year 2022. The write-ups on financial assets pertained to Einhell Turkey Dis Ticaret Anonim Sirketi, Einhell Nederland B.V. and Einhell Argentina S.A. In addition, write-ups were recognised on receivables from Einhell Argentina S.A. Impairment of financial assets amounting to EUR 17.5 million were recognised for Einhell LLC, ECommerce System GmbH and Hans Einhell Ukraine LLC.

Earnings and net income exceed prior-year level

The Company generated earnings after tax of EUR 36.1 million (previous year: EUR 30.0 million) in 2022. Net income for the year also increased from EUR 29.9 million to EUR 36.0 million. Earnings before tax, income from investments and impairment of financial assets rose from EUR 16.0 million to EUR 23.3 million. This means that the forecast for the financial year of EUR 21.5 to 22.5 million was slightly exceeded.

PROFIT AND LOSS STATEMENT

1 January to 31 December

(in EUR million)	2022	2021	Change	%
Revenue	384.1	361.5	22.6	6.3
Other income	28.4	12.0	16.4	136.7
Cost of materials	-240.5	-231.8	-8.7	-3.8
Personnel expenses	-42.8	-41.3	-1.5	-3.6
Scheduled depreciation	-3.1	-2.0	-1.1	-55.0
Other operating expenses	-96.1	-76.4	-19.7	-25.8
Operating profit	30.0	22.0	8.0	36.4
Financial result	16.4	14.5	1.9	13.1
Earnings before tax (EBT)	46.4	36.5	9.9	27.1
Income taxes	-10.3	-6.5	-3.8	-58.5
Earnings after tax	36.1	30.0	6.1	20.3
Other taxes	-0.1	-0.1	0.0	0.0
Net income	36.0	29.9	6.1	20.4

10.2 Financial performance and net assets

Investments

Investments amounted to EUR 34.6 million in financial year 2022. EUR 30.9 million of this amount relates to increases in share capital at subsidiaries and acquisitions. The remaining investments of EUR 3.7 million comprise investments of EUR 0.4 million in intangible assets including advance payments, EUR 0.4 million in land, land rights and buildings including buildings on third-party land, EUR 1.4 million in technical equipment and machinery, EUR 0.7 million in other equipment, operating and office equipment, and EUR 0.8 million in advance payments and assets under construction.

Increase in inventories

Inventories increased from EUR 164.1 million to EUR 174.2 million as at the reporting date. This was driven by the Board's decision to meet the problems in the supply chain with higher inventories.

Trade receivables

Trade receivables fell from EUR 22.2 million to EUR 19.4 million as at the reporting date.

Decrease in receivables from affiliated companies

Receivables from affiliated companies fell from EUR 166.1 million in the previous year to EUR 165.5 million. Receivables from affiliated companies include both trade receivables and receivables from loans granted.

Decrease in provisions

Other provisions fell by EUR 4.4 million from EUR 34.1 million to EUR 29.7 million. This decrease is mainly due to provisions for outstanding invoices.

Increase in liabilities

Trade payables fell by EUR 4.3 million from EUR 18.8 million to EUR 14.5 million. Liabilities to affiliated companies rose by EUR 9.6 million to EUR 68.8 million. This includes trade payables and also liabilities from borrowings.

Increase in equity

Equity increased by EUR 26.4 million or 12.3% to EUR 241.1 million (previous year: EUR 214.7 million) in financial year 2022. The change in equity resulted from the dividend payment of EUR 9.7 million approved on 24 June 2022 and the profit for the period of EUR 36.1 million. The equity ratio of Einhell Germany AG as at 31 December 2022 was 44.5% (previous year: 41.7%).

Financial management principles and objectives

Einhell Germany AG's funding derives, on the one hand, from the equity that was provided by its shareholders when the Company was founded and the subsequent capital increases and retained earnings that are set aside in reserves. In addition, Einhell Germany AG procures debt capital in the form of loans and short-term borrowings as well as, to some extent, supplier loans. Loans are predominantly denominated in EUR. Supplier loans are mainly in CNY or USD. Anticipated cash flows from the payment of supplier liabilities in foreign currencies are largely hedged with the corresponding hedge transactions.

Owing to the very healthy and solid financing structure of Einhell Germany AG, the Board of Directors does not anticipate any problems with current business operations, nor does it foresee any financing problems for future business volume in connection with the further expansion.

In financial year 2018, Einhell Germany AG took out long-term loans of EUR 25.0 million from three different banks. The loans are subject to a subsidy programme provided by the German development bank KfW and have a term of 10 years. The first repayments were made in June 2020, the last are to be made at the end of March 2028. The loan agreements also contain a financial covenant. This covenant refers to the interest cover ratio. The interest rates are fixed and do not include any variable components. Einhell Germany AG complied with this covenant in financial year 2022.

Einhell Germany AG took out promissory note loans totalling EUR 75.0 million in financial year 2021. The maturities are five years for a tranche of EUR 50.0 million and seven years for a tranche of EUR 25.0 million. The promissory note loans do not require any collateral or covenants and are

due upon maturity. The interest rates are fixed and do not include any variable components.

The Group uses effective cash pooling and a cash concentration system to optimise cash management and reduce debt capital to the greatest possible extent. This means that the balances of the different Group companies' bank accounts are transferred to a master account of Einhell Germany AG. As a consequence, only the balance of the master account will have to be covered by borrowings on the capital market. The subsidiaries participating in the cash pooling scheme therefore do not need to make investment or borrowing transactions on the capital markets, but simply have receivables or liabilities with Einhell Germany AG. This procedure serves to protect credit

lines provided by banks and optimises the interest result. All Einhell Group companies are currently included in the cash pooling, as far as this is legally possible and feasible.

The Board of Directors declares that all land and buildings of Einhell Germany AG are free from third-party collateral. Transfers by way of security or comparable third-party rights do not exist. All inventories and receivables are also free from third-party collateral.

The summarised cash flow statement shows the development of the financial position in financial year 2022:

STATEMENT OF CASH FLOWS

(in EUR million)	2022	2021	Change
Cash flow from operating activities	0.7	-64.0	64.7
Cash flow from investing activities	1.8	0.4	1.4
Cash flow from financing activities	-5.2	45.4	-50.6
Net increase/decrease in cash and cash equivalents	-2.7	-18.2	15.5
Cash and cash equivalents at the beginning of the period	3.3	21.5	-18.2
Cash and cash equivalents at the end of the period	0.6	3.3	-2.7

As in the previous year, cash and cash equivalents comprise cash in hand and bank balances.

MATERIAL ITEMS IN THE STATEMENT OF FINANCIAL POSITION

as of 31 December 2022

(in EUR million)	2022	2021	Change	%
Fixed assets	170.9	145.6	25.3	17.4
Inventories	174.2	164.1	10.1	6.2
Trade receivables	19.4	22.2	-2.8	-12.6
Receivables from affiliated companies	165.5	166.1	-0.6	-0.4
Cash and cash equivalents	0.6	3.3	-2.7	-81.8
Equity	241.1	214.7	26.4	12.3
Other provisions	29.7	34.1	-4.4	-12.9
Liabilities to banks	180.6	180.2	0.4	0.2
Liabilities to affiliated companies	68.8	59.2	9.6	16.2

10.3 Headcount

In financial year 2022, Einhell Germany AG had an average headcount of 463 employees (previous year: 428).

10.4 Report on the relations with affiliated enterprises

The majority of the shares in Einhell Germany AG are held by Thannhuber AG. A report pursuant to Section 312 of the German Stock Corporation Act (AktG) was prepared on Einhell Germany AG's relationships with affiliated companies, which is concluded with the following statement: "During the period under review, Einhell Germany AG did not enter into any legal transactions with Thannhuber AG, or in the interest or at the request of Thannhuber AG, and did not take or refrain from taking any measures that would have disadvantaged Einhell Germany AG."

10.5 Events after the reporting date

For business transactions of particular importance that occurred after the end of the reporting year, please refer to the report on events after the reporting date in the notes to the consolidated financial statements and in the notes.

10.6 Risks and opportunities

The business development of Einhell Germany AG is generally subject to the same opportunities and risks as the business development of the Einhell Group. Einhell Germany AG generally participates in the risks and opportunities of its subsidiaries and investments in accordance with its respective interest.

In its capacity as the parent company of the Einhell Group, Einhell Germany AG is responsible for providing funding to its subsidiaries. The refinancing of Einhell Germany AG is ensured by borrowing from banks. Einhell Germany AG as well as its subsidiaries benefit from the favourable refinancing conditions.

The risk of a claim arising from contingent liabilities is considered to be low. This assessment is based on the fact that the subsidiaries of Einhell Germany AG have sufficient equity or credit lines

available to ensure that the obligations entered into can be met.

Einhell Germany AG has not issued any letters of comfort for the benefit of either subsidiaries or third parties.

As the parent company of the Einhell Group, Einhell Germany AG is integrated into the Group-wide risk management system. For more information, please refer to Section 8. OPPORTUNITIES AND RISK REPORT of the Einhell Group.

The description of the internal control system for Einhell Germany AG in accordance with the provisions of Section 289 (5) German Commercial Code (HGB) is provided under Section 8.1 Description of the risk management and significant characteristics of the internal monitoring and risk management system for Group accounting processes as per Section 315 (4) German Commercial Code (HGB) in the combined management report.

10.7 Outlook 2023

In financial year 2023, Einhell Germany AG expects revenue of approx. EUR 377 million to EUR 382 million. The Tools division is expected to account for 53% and the Garden & Leisure division for 47% of revenue. Earnings before tax, income from investments and impairment of financial assets are expected to be in a range of EUR 21 to 22 million in 2023.

In its function as the parent company of the Einhell Group, the future business development of Einhell Germany AG also depends on the development of the operating companies of the Einhell Group. For information on the macroeconomic and market development, please refer to the "FORECAST REPORT" of the Einhell Group.

Landau a. d. Isar, 31 March 2023

Einhell Germany AG
The Board of Directors

Andreas Kroiss

Jan Teichert

Dr Markus Thannhuber

Dr Christoph Urban

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS

The Responsibility Statement of the Board of Directors pursuant to Section 289f and Section 315d of the German Commercial Code (HGB) is available on the website of Einhell Germany AG (<https://www.einhell.com/investor-relations/corporate-governance/>).

Einhell Germany AG applies corporate governance practices to ensure compliance with legal regulations that go beyond statutory requirements. In particular, Einhell Germany AG observes various policies and procedural rules that are aimed at all Group employees and are designed to avoid risks resulting from non-compliance with legal provisions.

For example, compliance with legal requirements preventing insider trading is ensured by publication of insider trading rules governing trading with securities for executive body members and employees who have access to insider information. Corporate governance practices with regard to compliance are constantly monitored and amended.

The provisions of the new European Market Abuse Directive, which came into force in 2016, were implemented consistently in the Group

II CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(in EURk)	Note	31.12.2022	31.12.2021
Intangible assets	(2.2)	38,552	19,627
Property, plant and equipment	(2.1)	57,589	57,173
Right-of-use assets	(2.1)	17,850	18,401
Non-derivative financial assets	(2.3)	1,656	915
Derivative financial assets	(2.7)	5,553	14,596
Other non-financial assets	(2.8)	3,410	1,963
Deferred tax assets	(2.4)	17,575	17,430
Non-current assets		142,185	130,107
Inventories	(2.5)	473,473	449,976
Trade receivables	(2.6)	143,700	135,859
Non-derivative financial assets	(2.3)	1,974	1,174
Derivative financial assets	(2.7)	37,389	54,332
Income tax receivables		4,783	2,736
Other non-financial assets	(2.8)	27,979	45,667
Contract assets		558	542
Cash and cash equivalents		10,662	11,513
Current assets		700,518	701,799
Total assets		842,703	831,906

EQUITY AND LIABILITIES

(in EURk)	Note	31.12.2022	31.12.2021
Subscribed capital	(2.9)	9,662	9,662
Capital reserve	(2.9)	26,677	26,677
Retained earnings	(2.9)	311,226	274,619
Other reserves		7,966	26,600
Equity of shareholders of Einhell Germany AG		355,531	337,559
Non-controlling interest	(2.10)	11,305	3,413
Equity		366,836	340,972
Employee benefits	(2.11)	7,192	8,956
Provisions for other risks	(2.12)	516	686
Liabilities from debt capital	(2.13)	88,281	91,406
Non-derivative financial liabilities	(2.14)	16,297	2,329
Derivative financial liabilities	(2.16)	5,053	120
Lease liabilities	(2.17)	11,923	13,492
Other non-financial liabilities	(2.18)	3	0
Deferred tax liabilities	(2.4)	15,282	20,494
Non-current liabilities		144,547	137,484
Employee benefits	(2.11)	25,841	28,010
Provisions for other risks	(2.12)	21,100	28,400
Income tax liabilities		5,411	8,823
Liabilities from debt capital	(2.13)	102,866	90,875
Non-derivative financial liabilities	(2.14)	38,130	38,926
Derivative financial liabilities	(2.16)	5,657	1,359
Trade payables		116,281	137,500
Lease liabilities	(2.17)	6,171	5,155
Other non-financial liabilities	(2.18)	9,195	13,745
Contract liabilities	(2.15)	668	657
Current liabilities		331,320	353,450
Total equity and liabilities		842,703	831,906

III CONSOLIDATED INCOME STATEMENT

(in EURk)	Note	31.12.2022	31.12.2021
Revenue	(3.1)	1,032,515	927,418
Other own work capitalised	(3.2)	396	421
Other operating income	(3.3)	17,849	9,259
Cost of materials	(3.4)	-659,101	-594,161
Personnel expenses	(3.5)	-118,738	-107,768
Depreciation and amortisation	(3.6)	-14,705	-12,041
Other operating expenses	(3.7)	-165,182	-137,442
Impairment losses pursuant to IFRS 9		-517	-3,303
Financial income	(3.8)	10,324	6,017
Financial costs	(3.8)	-15,405	-6,565
Financial result	(3.8)	-5,081	-548
Profit before income taxes		87,436	81,836
Income taxes	(3.9)	-26,636	-21,682
Earnings after tax		60,800	60,154
Non-controlling interest		1,046	1,528
Earnings after tax and non-controlling interests		59,754	58,626
Earnings per ordinary share	(3.10)	15.80	15.50
Earnings per preference share	(3.10)	15.86	15.56

IV CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in EURk)	Note	31.12.2022	31.12.2021
Consolidated net profit		60,800	60,154
Items of other comprehensive income that were or can be reclassified to profit or loss			
Unrealised gains from currency translation		151	2,307
Unrealised losses (previous year: gains) from derivative financial instruments used for hedging purposes		-20,407	41,668
		-20,256	43,975
Items of other comprehensive income that will not be reclassified to profit or loss in future periods			
Unrealised losses from financial instruments at fair value through other comprehensive income		-2	-3
Remeasurement of employee benefits		1,490	445
		-18,768	44,417
Other comprehensive income, after tax		-18,768	44,417
thereof share of other comprehensive income attributable to non-controlling interests, after tax	(2.10)	-133	-5
thereof share of other comprehensive income attributable to shareholders of Einhell Germany AG, after tax		-18,635	44,422
		42,032	104,571
Consolidated comprehensive income		42,032	104,571
thereof share of consolidated comprehensive income attributable to non-controlling interest		913	1,523
thereof share of consolidated comprehensive income attributable to shareholders of Einhell Germany AG		41,119	103,048

V CONSOLIDATED STATEMENT OF CASH FLOWS

(in EURk)	Note	31.12.2022	31.12.2021
Cash flows from/used in operating activities			
Profit before income taxes		87,436	81,836
+ Depreciation and amortisation of intangible assets and property, plant and equipment	(3.6)	14,705	12,041
- Interest income	(3.8)	-356	-113
+ Interest expenses	(3.8)	5,168	1,635
+/- Other non-cash expenses and income		610	-1,158
Operating profit before changes in net working capital		107,563	94,241
+/- Decrease/increase in trade receivables		-1,826	-18,544
+/- Decrease/increase in inventories		-4,547	-255,376
+/- Decrease/increase in other assets		18,737	-17,169
+/- Increase/decrease in non-current liabilities		-1,990	696
+/- Increase/decrease in current liabilities		-17,812	34,430
+/- Increase/decrease in trade payables		-24,566	33,567
Cash flows generated from operating activities		75,559	-128,155
- Taxes paid		-29,741	-21,914
+ Interest received		183	115
- Interest paid		-5,229	-1,485
Net cash from/used in operating activities		40,772	-151,439
Cash flows from/used in investing activities			
- Payments to acquire fixed assets		-8,618	-17,483
- Payments for acquisition of consolidated companies		-18,954	-655
+ Proceeds from disposal of fixed assets		57	103
+ Proceeds from disposal of consolidated companies		600	0
Net cash used in investing activities		-26,915	-18,035
Cash flows from/used in financing activities			
+ Proceeds from taking out loans		5,265	164,080
- Payments for repayment of loans		-3,125	-3,132
+ Proceeds from non-controlling interest		0	50
- Dividend payments to shareholders of Einhell Germany AG		-9,688	-8,178
- Dividend payments to non-controlling interests		-857	-379
- Payments for redemption portion of lease liabilities		-6,052	-5,251
Net cash used in (previous year from) financing activities		-14,457	147,190
Changes to cash and cash equivalents due to currency exchange		-251	1,710
Net decrease/increase in cash and cash equivalents		-851	-20,574
Cash and cash equivalents at beginning of reporting period		11,513	32,087
Cash and cash equivalents at end of reporting period		10,662	11,513

Additional details are shown in the notes under Note 5.

VI CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EURk	Other reserves										
	Note	Subscribed capital	Capital reserve	Retained earnings	Currency translation reserve	Reserve for financial instruments FVOCI	Remeasurement reserve pursuant to IAS 19	Derivative financial instruments	Equity of shareholders of Einhell Germany AG	Share of non-controlling interests	Total equity
1 January 2021		9,662	26,677	224,398	-16,214	27	-2,214	579	242,915	2,431	245,346
Consolidated net profit		-	-	58,626	-	-	-	-	58,626	1,528	60,154
Unrealised gains/losses		-	-	-	2,312	-3	601	59,488	62,398	-5	62,394
Deferred taxes on unrealised gains/losses		-	-	-	-	-	-156	-17,820	-17,976	-	-17,976
Comprehensive income		-	-	58,626	2,312	-3	445	41,668	103,048	1,523	104,571
Dividends	(2.9)	-	-	-8,178	-	-	-	-	-8,178	-591	-8,769
Other changes		-	-	-227	-	-	-	-	-227	50	-177
31 December 2021		9,662	26,677	274,619	-13,902	24	-1,769	42,247	337,559	3,413	340,972
Consolidated net profit		-	-	59,754	-	-	-	-	59,754	1,046	60,800
Unrealised gains/losses		-	-	-	284	-2	2,080	-27,965	-25,603	-133	-25,736
Deferred taxes on unrealised gains/losses		-	-	-	-	-	-590	7,558	6,968	-	6,968
Comprehensive income		-	-	59,754	284	-2	1,490	-20,407	41,119	913	42,032
Dividends	(2.9)	-	-	-9,688	-	-	-	-	-9,688	-643	-10,331
Other changes		-	-	-13,459	-	-	-	-	-13,459	7,622	-5,837
31 December 2022		9,662	26,677	311,226	-13,618	22	-278	21,840	355,531	11,305	366,836

VII NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRINCIPLES AND METHODS

1.1 Reporting company

Einhell Germany AG is a public limited company (Aktiengesellschaft) pursuant to the laws of the Federal Republic of Germany. The Company is registered in the Commercial Register of the Local Court (Amtsgericht) in Landshut under number HRB 2171; its registered office is at Wiesenweg 22, 94405 Landau an der Isar, Germany.

Einhell Germany AG and its subsidiaries manufacture and sell manually operated, petrol powered and electronic tools, electrical tool accessories, metal and plastic products for DIY, garden and leisure activities, and air-conditioning and heating products.

On 31 March 2023, the Board of Directors released the consolidated financial statements to be passed on to the Supervisory Board and approved them for publication.

1.2 Basis of preparation

The consolidated financial statements of Einhell Germany AG and its subsidiaries (the Einhell Group) were drawn up in accordance with Section 315e of the German Commercial Code (HGB) (consolidated financial statements in accordance with international accounting standards). They are also consistent with International Financial Reporting Standards (IFRS) and their interpretations, as applicable in the European Union.

a) Standards applied

The accounting and valuation methods used in the consolidated financial statements are in accordance with the IFRSs applicable in the EU as at 31 December 2022. The Group applied the following standards and amendments to standards to be adopted for the first time from 1 January 2022.

- Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 "Annual Improvements – 2018-2020 IFRS cycle"; effective for annual periods beginning on or after 1 January 2022.

- Amendments to IAS 16 "Proceeds before Intended Use"; effective for annual periods beginning on or after 1 January 2022.
- Amendments to IAS 37 "Onerous Contracts – Cost of Fulfilling a Contract"; effective for annual periods beginning on or after 1 January 2022.
- Amendments to IFRS 3 "Reference to the Conceptual Framework 2018"; effective for annual periods beginning on or after 1 January 2022.

The amendments have no material effects on these consolidated financial statements.

b) Standards and interpretations not applied earlier than mandatory

The IASB has issued the following standards, interpretations and amendments to existing standards, for which the application was not mandatory as at 31 December 2022 and which have not been applied prematurely by the Einhell Group. The Einhell Group does not currently plan a premature adoption of standards, interpretations and amendments.

The following standards, interpretations and amendments to existing standards are not applicable within the EU until they have been adopted under the prescribed EU procedures (endorsement process).

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current" (incl. delay of effective date); effective for annual periods beginning on or after 1 January 2024. We do not expect any material effects on net assets, financial position and results of operations as presented in the consolidated financial statements.
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"; effective for annual periods beginning on or after 1 January 2024. We do not expect any effects on net assets, finan-

cial position and results of operations as presented in the consolidated financial statements.

The following provisions have already been endorsed in EU law in compliance with the standard EU process.

- IFRS 17 including amendments to IAS 17 “Insurance Contracts”; effective for annual periods beginning on or after 1 January 2023. We do not expect any effects on net assets, financial position and results of operations as presented in the consolidated financial statements.
- Amendments to IAS 1 and IFRS Practice Statement 2 “Disclosure of Accounting Policies”; effective for annual periods beginning on or after 1 January 2023. We do not expect any effects on net assets, financial position and results of operations as presented in the consolidated financial statements.
- Amendments to IAS 8 “Definition of Accounting Estimates”; effective for annual periods beginning on or after 1 January 2023. We do not expect any effects on net assets, financial position and results of operations as presented in the consolidated financial statements.
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”; effective for annual periods beginning on or after 1 January 2023. We do not expect any effects on net assets, financial position and results of operations as presented in the consolidated financial statements.

c) Presentation

The presentation in the statement of financial position differentiates between current and non-current assets and liabilities. Assets and liabilities are classified as current if they are due within one year. Deferred tax assets and liabilities are recognised as non-current line items.

The consolidated statement of income is prepared using the total cost method. For clarity and comprehensibility of the consolidated financial statements, individual items in the statement of

financial position and the statement of income have been summarised. These line items are listed separately in the notes to the consolidated financial statement.

1.3 Functional currency and reporting currency

The consolidated financial statements of Einhell Germany AG are presented in euro (EUR). Unless otherwise stated, figures are given in EUR thousands (EURk). Amounts are rounded up or down where applicable. Unless otherwise stipulated, all amounts are stated in thousands of euros (EURk). There may be minor deviations due to rounding of totals and the calculation of percentage figures.

1.4 Principles of consolidation

The consolidated financial statements comprise Einhell Germany AG and its subsidiaries for which Einhell Germany AG fulfils the respective criteria pursuant to IFRS 10. These companies are included in the consolidated financial statements from the time when control is gained. In turn, subsidiaries are no longer included in the consolidated financial statements if the criteria for control are no longer met.

The financial statements of the subsidiaries included in the consolidation were prepared using standard accounting and valuation policies pursuant to IFRS 10. The cut-off date for almost all of the companies included in the consolidated financial statements is 31 December. 31 December is also the reporting date of the parent company. The reporting date of Mould Star (Pty) Ltd and Lawn Star (Pty) Ltd is 30 June.

Capital consolidation is carried out using the purchase method by offsetting investment book values with the pro rata newly valued equity of the subsidiary at the time of gaining control (IFRS 10). Remaining asset-side balances are recognised as goodwill.

Within the consolidated group of companies, intra-group profits and losses, revenues, other expenses and income, all receivables and liabilities and provisions are eliminated. The income tax effects of consolidation transactions are recognised through profit or loss and appropriate deferred taxes are recognised.

1.5 Basis of consolidation

The companies included in the consolidation are Einhell Germany AG and a further 46 (previous year: 42) fully consolidated companies.

Einhell Germany AG, Landau a. d. Isar, prepares the consolidated financial statements for the smallest and for the largest group of companies. The financial statements are published in the Bundesanzeiger (German Federal Gazette).

Acquisition of Outillages King Canada Inc.

On 11 February 2022, Einhell Germany AG founded Einhell Canada Holding Ltd. in Canada, which then acquired 66.67% of the shares in the Canadian company Outillages King Canada Inc. based in Dorval/Canada. Outillages King Canada Inc. is a well-established distributor of electronic tools, industrial equipment and other equipment in the Canadian market.

The purchase price and the amount of goodwill realised at the time of acquisition are as follows:

in CAD million	01.03.2022
Total amount of the transferred consideration (cash)	25.5
Goodwill acquired	3.9
in EUR million	
Total amount of the transferred consideration (cash)	18.0
Goodwill acquired	2.7

The value of goodwill in EUR has changed compared to the value communicated during the year due to the updated calculation of the purchase price as well as due to currency translation effects. It represents the value of the workforce and the following expected synergy effects, which the Einhell Group considered in the purchase price:

- an already established penetration of the Canadian market and
- an established distribution base for Einhell products.

The most important items included in the consolidated financial statements as at the time of acquisition are as follows:

in EUR million	01.03.2022
Customer base and trademark rights	12.5
Goodwill	2.7
Right-of-use assets pursuant to IFRS 16	2.1
Deferred tax assets	2.3
Inventories	17.4
Trade receivables before impairment	7.1
Impairment on trade receivables	0.0
Other assets	0.9
Non-controlling interest	7.6
Deferred tax liabilities	3.8
Liabilities to banks	4.2
Income tax liabilities	1.9
Lease liabilities	2.1
Trade payables	4.9
Other liabilities	2.4

Compared to the quarterly report as at 31 March 2022, certain items have been reclassified.

Non-controlling interests are not measured at fair value.

As at 31 December 2022, the following items were included in the consolidated income statement:

in EUR million	01.03.2022 - 31.12.2022
Revenue	34.5
EBT	3.1

If the subsidiary Outillages King Canada Inc. had already been included in the consolidated financial statements since 1 January 2022, the revenue for the company in the period 1 January to 31 December 2022 would have amounted to EUR 42.4 million and the EBT to EUR 3.2 million. The revenue is allocated to the Overseas region. Purchase Price Allocation (PPA) Canada has an effect of EUR 2.9 million and includes amortisation of intangible assets and the realisation of hidden reserves.

Einhell Germany AG and the seller have agreed on a put option for the remaining shares. According

to this option that applies to both contracting parties, Einhell Germany AG can legally take over the remaining shares from 2027, or the seller can tender the shares to Einhell Germany AG, if certain criteria are met. The amount of the obligation depends on the future EBIT performance. A purchase price liability of EUR 8.9 million for 33.33% of the shares was recognised at the time of acquisition.

The put liability was recognised in accordance with the present access method, according to which the companies are still recognised as non-controlling interests, while the payment obligation and any changes thereof are recognised directly in retained earnings without any impact on profit or loss. The present ownership of the non-controlling interest remains with the minority shareholder.

Acquisition of Einhell Finland Oy

On 1 November 2022, Einhell Germany AG acquired 100% of the shares in Einhell Finland Oy, headquartered in Tampere, Finland, by way of a share deal. Einhell Finland Oy is a distribution company. The share deal included the entire Einhell business of our former Finnish partner as well as the Einhell-related assets, contracts and employees. Einhell Finland Oy holds 100% of the shares in Suomen Finland Oy, a company that has no business operations of its own.

Purchase price and the amount of goodwill realised at the time of acquisition are as follows:

in EUR million	01.11.2022
Total amount of the transferred consideration including earn-out	2.1
Goodwill acquired	1.8

In addition to the employee base, goodwill is mainly determined by the opportunity to market the Einhell products, which have already been introduced on the Finnish market, through our own company, and to push brand awareness in line with our Group strategy. The acquisition will enable us to position ourselves successfully on the Finnish market.

The purchase price for Einhell Finland Oy includes an earn-out component of EUR 736 thousand at the time of acquisition, which will be paid out over

a period of four years and is determined based on the annual EBT. The remaining consideration was paid in cash.

The most important items included in the consolidated financial statements as at the time of acquisition are as follows:

in EUR million	01.11.2022
Goodwill	1.8
Inventories	3.3
Trade receivables before impairment	1.1
Impairment on trade receivables	0.0
Bank deposits and cash and cash equivalents	0.3
Liabilities to banks	1.0
Liabilities from operational splitting	3.0
Other liabilities and provisions	0.7

As at 31 December 2022, the following items were included in the consolidated income statement:

in EURk	01.11.2022 - 31.12.2022
Revenue	440
EBT	6

The company Einhell Finland Oy was founded on 1 June 2022, in preparation of the share deal. If the subsidiary Einhell Finland Oy had already been included in the consolidated financial statements since 1 June 2022, the revenue for the company in the period 1 June to 1 December 2022 would have amounted to EUR 1.8 million and the EBT to EUR -1.2 million. The revenue is allocated to the Western Europe region.

The subsidiaries included in the consolidated financial statements are listed in the notes to the consolidated financial statement, Section 8. LIST OF SHAREHOLDINGS. The subsidiaries iSC GmbH, Landau a. d. Isar and ECommerce System GmbH, Landau a. d. Isar use the exemptions pursuant to Section 264 (3) German Commercial Code (HGB).

1.6 Currency translation

The foreign investments within the consolidation group are financially, economically and organisationally autonomous. They are therefore regarded as economically independent foreign entities. Their functional currency is their relevant local currency.

In the individual financial statements of the companies in the Einhell Group, all foreign currency transactions are converted from the local currency into the reporting currency at the rate of exchange applicable at the time of the transaction. Monetary foreign currency holdings as at the reporting date are valued at the daily exchange rate on the reporting date. Currency translation differences resulting from the settlement of monetary transactions or the measurement of monetary line items of a company at exchange rates that vary from the exchange rates during the period or in financial statements in which they were originally valued, are recognised through profit or loss in the period in which they arose.

Financial statements of foreign subsidiaries are converted at the exchange rates applicable at the end of the year for the assets and liabilities in the statement of financial position, and at average rates of exchange during the reporting year for the statement of income. Equity is converted at the exchange rates valid at the time of the transaction. All resulting currency translation differences are recognised in other comprehensive income and shown in the adjustment from currency translation item (part of other reserves).

Since Argentina meets the criteria of a hyperinflationary economy under IAS 29, the financial statements of Einhell Argentina and the comparative figures for earlier periods were adjusted due to changes in the general purchasing power of the functional currency. The historical cost method was used for the financial statements. The overview below shows the price indices valid at the reporting date as well as changes in the index ("IPC Nacional Empalme IPIM") during the current and the previous period:

(in %)	2022	2021
January	605.0317	401.5071
February	633.4341	415.8595
March	676.0566	435.8657
April	716.9399	453.6503
May	753.1470	468.7250
June	793.0278	483.6049
July	851.7610	498.0987
August	911.1316	510.3942
September	967.3076	528.4968
October	1,028.7060	547.0802
November	1,079.2787	560.9184
December	1,134.5875	582.4575

The effect of the application of IAS 29 on profit or loss amounts to EUR -2,335 thousand in the 2022 financial year (previous year: EUR -1,053.2 thousand).

In financial year 2022, the criteria according to IAS 29 also apply to the subsidiary in Turkey. The historical cost method was used for the financial statements. The overview below shows the price indices valid at the reporting date as well as changes in the index (Tüketici fiyat endeksi "TÜFE") during the current and the previous period:

(in %)	2022	2021
January	763.2300	513.3000
February	799.9300	517.9600
March	843.6400	523.5300
April	904.7900	532.3200
May	931.7600	537.0500
June	977.9000	547.4800
July	1,001.0300	557.3600
August	1,015.6500	563.6000
September	1,046.8900	570.6600
October	1,084.0000	584.3200
November	1,115.2600	604.8400
December	1,128.4500	686.9500

The effect of the application of IAS 29 on profit or loss amounts to EUR -956 thousand in the 2022 financial year.

The following exchange rates apply to the most important currencies for the Einhell Group:

		Reporting date rate		Average rate	
		31.12.2022	31.12.2021	2022	2021
Australia	AUD	1.5714	1.5653	1.5174	1.5747
China	CNY	7.4224	7.2499	7.0801	7.6340
Hong Kong	HKD	8.3283	8.8660	8.2512	9.1988
UK	GBP	0.8867	0.8402	0.8526	0.8600
Switzerland	CHF	0.9877	1.0364	1.0052	1.0814
Canada	CAD	1.4451	-	1.3574	-
USA	USD	1.0674	1.1372	1.0539	1.1835

1.7 Accounting and valuation principles

Purchased and self-developed intangible assets are capitalised pursuant to IAS 38 if there is an associated future economic benefit from these assets and the costs of the assets can be determined with certainty. The assets are recognised at acquisition or manufacturing cost and amortised over their expected useful life. The period of use is usually three to five years.

Development expenses and product processing costs are recognised in the period in which they arise. This does not include project development costs that fully meet the following criteria:

- The product or process is clearly defined, and relevant costs can be clearly allocated and determined with reliability.
- The technical feasibility of the product can be proven.
- The Group intends and is able to either market the product or process, or to use it for its own purposes.
- The assets will generate a future economic benefit (i.e. existence of a market for the product or evidence of product use by the company for internal purposes).
- There are sufficient technical, financial and other resources available to complete the project.

The costs are capitalised as soon as the above criteria are fulfilled for the first time.

Costs recognised as expenses in prior financial years may not be capitalised retrospectively. Other than development costs, there are no self-developed intangible assets. Capitalised development costs are amortised by the straight-line method over the estimated useful life of the asset. Usually, the depreciation period does not amount to more than five years. The realisable amount of capitalised intangible assets is estimated whenever there are indications of impairment of the asset or indications that impairment losses recognised in previous financial years no longer exist.

Goodwill from company acquisitions is the difference between the purchase price and the pro-rated equity (measured at fair value) at the time of the purchase. Goodwill is not systematically depreciated, but is allocated to cash generating units and tested annually for impairment. When the carrying amount of the net assets of a cash generating unit exceeds the realisable value, an impairment is recognised in accordance with the provisions of IAS 36. The cash generating units are the individual companies.

Property, plant and equipment is measured at cost less scheduled depreciation and extraordinary depreciation whenever required. Depreciation is normally made on a straight-line basis in line with the expected useful life. Depreciation is made on the basis of the following ranges of expected useful life:

	Useful life
Buildings	10 - 33 years
Technical equipment and machinery	3 - 20 years
Other equipment, operating and office equipment	1 - 15 years

Lease

Lease liabilities for lease contracts are measured at the present value of the remaining lease payments in accordance with IFRS 16 and discounted using the incremental borrowing rate. Payments for any non-lease components that might be included in lease contracts are included in the calculation of the lease liability unless they refer to real estate leases. The subsequent measurement of lease liabilities is based on the effective interest rate method. Right-of-use assets are recognised

in line with the lease liability at the commencement date and adjusted for special payments such as initial direct costs; subsequently, they are depreciated over their useful lives on a straight-line basis and, whenever required, written down. Usually, the useful life equals the term of the lease contract. Lease modifications and reassessments of lease liabilities are recognised by adjusting the corresponding right-of-use asset without any impact on profit or loss.

The Group uses a number of practical expedients when applying IFRS 16 to leases. Specifically, the Group:

- recognises neither right-of-use assets nor lease liabilities for leases, the term of which ends within 12 months of their commencement date,
- recognises neither right-of-use assets nor lease liabilities for leases, the underlying asset of which is of low value (e.g. IT equipment),
- does not recognise leases for intangible assets in accordance with IFRS 16; these are classified in accordance with IAS 38.

For further details about lease obligations, see Section 7.1 Leases.

Inventories comprise raw materials and supplies and goods. Inventories are valued at acquisition cost determined in accordance with the weighted average method. Inventory and sales risks resulting from reduced merchantability are taken into account by recognising impairments. Impairments are recognised for the net realisable value of inventories whenever this value falls below acquisition costs.

Financial assets

When a financial asset is recognised for the first time, it is classified and measured as follows:

- at amortised cost
- FVOCI debt instruments (investments in debt instruments that are measured at fair value with changes recognised through other comprehensive income)

- FVOCI equity investments (equity investments that are measured at fair value with changes recognised through other comprehensive income)
- FVTPL (at fair value with changes in value recognised through profit or loss)

A financial asset is measured at amortised cost if both of the following conditions are met:

- it is held within a business model whose objective is to hold financial assets to collect their contractual cash flows, and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is designated at FVOCI if both of the following conditions are met:

- it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and sell financial assets, and
- the contractual terms of the debt instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of equity instruments that are not held for trading, the Group has the irrevocable option to recognise subsequent changes in the fair value of the investment through other comprehensive income. This choice must be made for each investment.

All financial assets that are not measured at amortised cost or FVOCI are measured at FVTPL.

Financial assets that are held or managed for trading and whose changes in value are assessed by means of their fair value are measured at FVTPL.

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. Please refer to Section 6.5 Foreign currency risks for derivatives that were designated as hedging instruments.

Financial assets at amortised cost

These financial assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is adjusted for impairment losses. Interest income, foreign exchange gains and losses and impairments are recognised in profit or loss. Gains and losses resulting from derecognition are recognised in profit or loss.

Debt instruments at FVOCI

These assets are subsequently measured at fair value. Interest income that is calculated using the effective interest rate method, foreign exchange gains and losses and impairments are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, the cumulated other comprehensive income is reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend is clearly covering some of the costs of the investment. Other net gains or losses are recognised in other comprehensive income and are never reclassified to profit or loss.

The Group derecognises a financial asset when the contractual rights to collect the cash flows from the financial asset expire or when the Group transfers the rights to collect the cash flows in a transaction that also transfers substantially all the risks and rewards of ownership of the financial asset. A financial asset is also derecognised when the Group neither transfers nor retains substantially all the risks and rewards of ownership but transfers control of the asset.

Cash and cash equivalents includes in particular cash in hand, cheques and bank deposits with an original maturity of up to three months. The cash and cash equivalents item corresponds with the corresponding item in the consolidated statement of cash flows.

Deferred tax assets and liabilities are set aside pursuant to IAS 12 “Income Taxes” for temporary differences between the carrying amounts shown in the consolidated statement of financial position and the tax values of assets and liabilities. This also applies to tax losses carried forward and tax credits if such can be determined with reasonable certainty. Deferred tax assets and liabilities are recognised in the amount of the probable tax burden or relief in future financial years. The basis is the tax rate at the time of realisation. Tax consequences of profit distributions are normally not taken into account until the resolution for disbursement of profits is passed. If the realisation of deferred tax assets is no longer probable, an adequate value adjustment is made. Actual taxes and deferred taxes must be directly taken to equity or credited if the tax refers to line items that are credited or charged directly to equity in the same or another reporting period. Deferred tax liabilities and assets are only offset if they relate to taxes levied by the same taxation authority.

The **adjustment from currency translation** results from the conversion of annual financial statements of consolidated companies whose functional currency varies from the reporting currency of the Group. The consolidated companies are economically independent foreign entities. Currency translation differences from monetary line items that are essentially net investments of the company in an economically independent foreign entity are recognised in the consolidated financial statements as equity until the corresponding net investment is sold. Upon sale of the corresponding assets, the pro rata adjustment from currency translation is recognised as income or expense in the same period in which the gain or loss from the disposal of the asset is recognised.

The percentage of equity allocated to **non-controlling interests** (minority shareholders) is recognised under equity in the statement of financial position. The allocable consolidated net profit and

allocable other comprehensive income is recognised separately in the consolidated statement of income or in the consolidated statement of comprehensive income. Non-controlling interests include the share of minority shareholders in the fair value of identifiable assets and liabilities at the time the affiliated company is acquired. Changes result from capital increases in which minority shareholders participate, distributions and shares of minority shareholders in profits, and from changes in exchange rates.

Employee benefits are set aside in accordance with IAS 19 using the Projected Unit Credit Method for defined benefit plans based on pension obligations for retirement, invalidity and surviving dependants.

The pension provisions shown in the statement of financial position on the reporting date equal the defined benefit obligations offset against the fair value of plan assets. Pursuant to IAS 19.8, plan assets include assets of long-term funds independent of the reporting company that have been set up to settle employee benefits. Actuarial gains or losses are recognised in other comprehensive income in the year they occur.

Provisions for other risks are set aside if there is an obligation to a third party and when the outflow of resources is probable and may be reliably estimated. The amount set aside as a provision is the best possible estimate of the potential liability at the reporting date. Provisions with an original term of more than one year are recognised at their settlement amount discounted to the reporting date. Provisions are checked on a regular basis and amended where there is new information or circumstances have changed.

Provisions for warranties and guarantees are set up at the time the products are sold. The measurement of warranty expenses recognised as a liability is based largely on historical values.

If there is an expectation that expenses necessary to meet an obligation for which a provision has been set aside will be reimbursed either in part or in full by a third party, the reimbursement will be recognised when it is as good as certain that the company will receive the reimbursement.

Financial liabilities are designated and measured at amortised cost or at fair value through profit or loss (FVTPL). A financial liability is designated at FVTPL if it is classified as held for trading.

Financial liabilities at FVTPL are measured at fair value, and net gains or losses, including interest expenses, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expenses and currency translation differences are recognised in profit or loss. Gains and losses resulting from derecognition are also recognised in profit or loss.

The Group derecognises financial liabilities when the contractual obligations have been fulfilled, cancelled or have expired. The Group further derecognises financial liabilities when their contractual provisions are changed, and the cash flows of the amended liability have changed significantly. In this case, a new financial liability is recognised at fair value on the basis of the amended provisions. On derecognition of a financial liability, the difference between the carrying amount of the repaid liability and the compensation paid is recognised in profit or loss.

Financial assets and liabilities are offset and recognised in the statement of financial position as a net amount if the Group currently has a legally enforceable right of set-off in this respect and the Group intends either to settle on a net basis or to realise the financial asset and settle the financial liability simultaneously.

Derivative financial instruments and hedge accounting

In the Einhell Group, derivative financial instruments are used only for hedging transactions as part of currency risk management arising from normal operations. They hedge against risks from fluctuations in cash flows, and are allocated to the risk associated with a specific asset or liability or with the risk of a planned transaction.

Upon initial recognition and at each subsequent reporting date, derivative financial instruments are measured at fair value. The fair value of tradeable derivatives corresponds to the positive or negative market value. If there is no market value

available, they are calculated on the basis of generally accepted actuarial methods, such as discounted cash flow models or option pricing models. Derivatives are recognised as assets if their fair value is positive and as a liability if the fair value is negative. Derivative financial instruments are recorded in the Treasury system on the day of trading.

The fair value of currency futures is determined on the basis of the exchange rates applicable on the currency futures market at reporting date. For all the above instruments, the Einhell Group's fair values are additionally validated by financial institutions that have provided the Group with the relevant contracts.

If the provisions of IAS 39 on hedge accounting are met, the Einhell Group designates and documents the hedge as a cash flow hedge from this point on. A cash flow hedge secures highly probable future payment flows or fluctuating payment inflows or outflows in connection with a hedged asset or liability as recognised in the statement of financial position. Documentation of the hedge accounting includes the aims and strategy of risk management, the type of hedge relationship, hedged risk, designation of the hedge instrument and the underlying transaction as well as a description of the method of measuring efficacy. Hedge accounting allows for effective estimation of risk compensation for changes in the fair value or payment flows in relation to the hedged risk and regularly checks that the hedge remains effective throughout the reporting period for which the hedge is designated.

The after-tax effective portion of changes in the fair value of derivative financial instruments that are allocated to a cash flow hedge are initially recognised in other comprehensive income. Upon receipt of the goods, they are reclassified to acquisition costs. The goods are therefore effectively recognised at their hedging rate. The hedge-ineffective portions of fair value changes are recognised directly in consolidated net profit.

For reasons of simplification and in accordance with the IFRS Standards, the Einhell Group continues to apply the provisions of IAS 39 to derivative financial instruments.

Revenue recognition

Revenue is recognised from the point in time when the goods are delivered to and accepted by the customer at the customer's premises (transfer of control). For contracts with customers that allow returns, revenue is recognised to the extent that it is highly probable that no material adjustment will have to be made to the cumulative revenue recognised. The amount of revenue recognised is therefore adjusted for expected returns estimated on the basis of historical data. In these cases, a reimbursement liability and an asset for the right to retrieve the products are recognised. The asset for the right to retrieve the products is measured at the previous carrying amount of the product less expected costs of retrieval. The Group reviews its estimates of expected returns at each reporting date and updates the amounts of assets and liabilities accordingly.

Interest income and expenses

Interest income and expenses includes interest income from cash and cash equivalents and interest expenses from liabilities. Interest income and expenses are recognised pro rata in accordance with contractual arrangements where applicable.

Income taxes

Current income taxes are calculated on the basis of the relevant national taxable result for the year and national tax regulations. They also include current taxes for the year and any adjustments for tax payments or credits for other years that have not yet been assessed. The change of deferred tax assets and liabilities is reflected in income taxes. Changes to be recognised in other comprehensive income are an exception to this rule.

1.8 Estimates and assessments in accounting

The consolidated financial statements contain a certain amount of estimations, assessments and assumptions. These may have an impact on the amount and recognition of carrying amounts of assets and liabilities, disclosure of contingent receivables and liabilities at reporting date and the disclosed income and expenses for the reporting period. Important circumstances affected by such estimations, assessments and assumptions are explained below. Actual results may differ from these estimations, assessments and assumptions;

any changes may have a significant effect on the consolidated financial statements.

Fair value measurement

Several accounting methods and disclosures of the Group require that the fair values of financial and non-financial assets and liabilities are measured.

The fair value measurement of an asset or a liability is, to the extent possible, based on observable market data. Depending on the input factors used in the valuation models, the fair values are classified to different levels of the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) on active markets for identical assets and liabilities;
- Level 2: Input other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as price) or indirectly (i.e. based on price);
- Level 3: Valuation parameters for assets or liabilities that are not based on observable market data.

With regard to the fair value measurement with non-observable input factors (Level 3), the Group monitors the key input factors on a regular basis and performs valuation adjustments. If information provided by third parties, such as price quotes provided by service agencies, is used to measure fair values, the Group checks the data provided by the third party in terms of whether it meets the requirements under IFRS, including the level in the fair value hierarchy to which this information is to be classified.

If the input factors used to measure the fair value of an asset or a liability can be allocated to different levels of the fair value hierarchy, the measurement of all fair values is classified at the lowest input factor level on which the valuation is based.

The Group records possible reclassification between different levels of the fair value hierarchy at the end of the reporting period in which the changes have occurred.

More information on the assumptions underlying the measurement of fair values is provided in Section 6. RISK REPORT AND FINANCIAL INSTRUMENTS.

The measurement of the put liabilities recognised in connection with the acquisition of the two companies in South Africa and the company in Canada is based on estimates. Specifically, the measurement depends on the future EBT performance of the companies. These changes in value, however, do not affect the future consolidated net profit as they are recognised directly in retained earnings without any effect on profit or loss.

Impairment of cash generating units

Estimates are made as part of impairment tests for non-financial assets in order to determine the realisable amount of a cash-generating unit. The main assumptions refer to future cash inflows and outflows for the planning period and for subsequent periods. The estimations refer mainly to future market shares and growth in the respective markets. Impairment tests were conducted for all companies with goodwill in 2022. The realisable values of nearly all companies that were tested significantly exceed net asset values of the Group's cash generating units. The only impairment needed was for our subsidiary in Russia. No other impairment tests were conducted in addition to the aforementioned tests, as there was no specific need.

Pension obligations

Discount factors are also to be taken into account in determining the present value of defined benefit pension obligations. Discount factors are determined on the basis of returns that can be generated in the relevant markets at the reporting date on first-rank fixed interest corporate bonds. The amount of the discount factors has a significant influence on the financing status of pension plans. Further material assumptions and the corresponding sensitivity analyses are listed in Section 2.11 Employee benefits.

Income taxes

Estimates of future taxable income and the time at which deferred tax assets are to be realised are used as a basis for calculating deferred tax assets. This includes taking into account planned profits from operating activities, effects on income from

the reversal of taxable temporary differences and realisable tax strategies. As future business developments are uncertain and the Group has limited control over these developments, the assumptions made in connection with the recognition of deferred tax assets are made with a significant degree of uncertainty. On every reporting date, the Einhell Group evaluates the recoverability of deferred tax assets on the basis of planned taxable income in financial years to come. If it is unlikely that taxable income will be available against which the deductible temporary difference can in fact be offset, the value of the deferred tax assets is adjusted accordingly.

Claims and risks from legal action

Einhell Germany AG and its subsidiaries face risks from several legal proceedings and claims. In our opinion, potential liabilities that may result from these will not have a sustained effect on the Group's net assets, financial position and results of operations.

Accounting for leases

In order to determine the term of a lease when accounting for leases in accordance with IFRS 16, it may be required to exercise discretion when assessing whether or not unilateral termination or extension options will be exercised. The Group takes all factors into account that may create an economic incentive for the lessee to exercise, or not to exercise, the respective option.

Discretion is also used to determine the discount rate that, in addition to the base rate, also includes a credit margin that depends on the creditworthiness.

2. NOTES TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

2.1 Changes in non-current assets

Changes in non-current assets (not including other non-current assets and deferred tax assets) are shown in the table on the next page.

2.2 Intangible assets

Acquired and self-developed intangible assets

Acquired intangible assets mainly include intangible assets acquired in the course of company acquisitions.

When Ozito Industries Pty Ltd. was acquired, the Ozito brand was capitalised at EUR 3.3 million. This acquired brand is not depreciated on a straight-line basis as its useful life is unlimited. There is no foreseeable limit to the time period, in which the brand will bring the Company economic benefits. The brand is allocated to the same cash generating unit as the goodwill of the acquired Australian company and is tested for impairment annually together with the goodwill.

Along with the acquisition of Outillages King Canada Inc., the customer base as well as several trademark rights were capitalised. The customer base was valued at EUR 6.2 million and is amortised over seven years. In addition, several trademark rights totalling EUR 6.3 million were capitalised. The highest value in proportion to the rest is attributable to the King Industrial brand worth EUR 5.0 million with an unlimited useful life, i.e. this trademark is not subject to scheduled amortisation. There is no foreseeable limit to the time period, in which this brand will bring the Company economic benefits. The remaining trademark rights acquired in this transaction have a value of EUR 1.3 million and will be amortised over three to five years. The customer base and trademark rights are allocated to the same cash generating unit as the goodwill of the acquired Canadian company and are tested for impairment annually together with the goodwill.

Self-developed intangible assets mainly comprise expenses arising from the development of self-developed software and new products that are amortised over the expected life cycle of the product. Expenses for product processing amounted to EUR 9,593 thousand (previous year: EUR 10,590 thousand) in financial year 2022, EUR 0 thousand of which were capitalised (previous year: EUR 170 thousand).

in EURk	I. Intangible assets			II. Property, plant and equipment				III. Right-of-use assets			Total
	Acquired intangible assets	Self-developed intangible assets	Acquired goodwill	Land and buildings in company assets	Technical equipment and machinery	Other equipment, operating and office equipment	Assets under construction	Right-of-use assets for land and buildings in company assets	Right-of-use assets for technical equipment and machinery	Right-of-use assets for other equipment, operating and office equipment	
Acquisition and manufacturing cost											
As at 01.01.2022	26,097	7,416	13,976	51,896	28,092	33,002	324	24,159	529	4,148	189,639
Additions	2,311	351	4,535	891	1,979	2,409	862	1,605	-	2,049	16,990
Changes in basis of consolidation	12,807	-	-	-	518	1,100	-	2,138	-	-	16,563
Disposals	-331	-	-	-	-11	-406	-16	-2,029	-47	-1,112	-3,951
Reclassifications	-	-	-	95	181	31	-307	-	-	-	-
Currency translation difference	-213	-	1,878	-177	-119	352	-5	-106	-3	-2	1,606
As at 31.12.2022	40,671	7,767	20,389	52,705	30,639	36,488	858	25,767	479	5,083	220,846
Depreciation and amortisation											
As at 01.01.2022	18,430	7,051	2,381	23,690	6,275	26,176	-	7,502	345	2,587	94,438
Additions	1,856	278	218	1,258	2,201	2,448	-	4,974	89	1,382	14,705
Changes in basis of consolidation	188	-	-	-	401	951	-	-	-	-	1,540
Disposals	-114	-	-	-	13	-359	-	-1,669	-25	-1,494	-3,648
Reclassifications	-	-	-	-	-	-	-	-	-	-	-
Currency translation difference	5	-	-20	-100	-101	248	-	-197	-2	-15	-180
As at 31.12.2022	20,366	7,330	2,579	24,849	8,790	29,463	-	10,610	408	2,460	106,855
Net carrying amount as at 31.12.2022	20,305	437	17,810	27,857	21,850	7,024	858	15,157	71	2,622	113,991
Acquisition and manufacturing cost											
As at 01.01.2021	24,843	7,090	14,014	49,533	9,967	30,254	8,524	15,546	504	3,887	164,162
Additions	1,583	395	-	1,510	527	3,668	9,800	10,734	26	953	29,196
Changes in basis of consolidation	-	-	-	-	-	-	-	-	-	-	-
Disposals	-392	-117	-	-7	-36	-1,529	-148	-2,343	-7	-607	-5,184
Reclassifications	2	-	-	646	17,230	47	-17,891	-	-	-34	-
Currency translation difference	61	47	-38	214	403	563	38	222	6	-52	1,465
As at 31.12.2021	26,097	7,416	13,976	51,896	28,092	33,002	324	24,159	529	4,148	189,639
Depreciation and amortisation											
As at 01.01.2021	17,893	5,845	2,381	22,203	4,950	24,967	-	5,561	215	1,628	85,643
Additions	860	1,182	-	1,267	1,118	2,117	-	4,114	129	1,254	12,041
Changes in basis of consolidation	-	-	-	-	-	-	-	-	-	-	-
Disposals	-377	-4	-	-	-19	-1,407	-	-2,299	-2	-250	-4,358
Reclassifications	-	-	-	-	-	18	-	-	-	-18	-
Currency translation difference	54	29	-	221	226	481	-	126	3	-27	1,113
As at 31.12.2021	18,430	7,051	2,381	23,690	6,275	26,176	-	7,502	345	2,587	94,438
Net carrying amount as at 31.12.2021	7,667	365	11,595	28,206	21,817	6,826	324	16,657	184	1,560	95,201

Furthermore, development costs amounting to EUR 351 thousand (previous year: EUR 395 thousand) were incurred for self-developed software that is to support the optimisation of service procedures within the Einhell Group. These development costs were fully capitalised.

65 people were employed in the field of product processing in financial year 2022 (previous year: 60).

Goodwill and impairment

Goodwill pertains to the following companies:

(in EURk)	2022	2021
Ozito Industries Pty Ltd., Melbourne/Australia	5,402	5,423
Einhell Turkey Dis Ticaret Anonim Sirketi, Istanbul/Turkey	2,221	354
Einhell Holding Gesellschaft m.b.H., Wels/Austria	2,181	2,186
Einhell-Unicore s.r.o., Karlovy Vary/Czech Republic	2,432	2,360
Einhell Romania SRL, Bucharest/Romania	860	860
Einhell LLC, St. Petersburg/Russia	-	181
Lawn Star (Pty) Ltd, Cape Town/South Africa	171	171
Mould Star (Pty) Ltd, Cape Town/South Africa	60	60
Outillages King Canada Inc., Dorval/Canada	2,673	-
Einhell Finland Oy, Tampere/Finland	1,810	-
	17,810	11,595

Goodwill refers to companies that directly helped the Group to enter new markets or gain market shares.

Goodwill of Einhell Holding Gesellschaft m.b.H. is derived from the takeover of Einhell Croatia d.o.o., which is a wholly-owned subsidiary of Einhell Holding Gesellschaft m.b.H.

The increase in goodwill of Einhell Turkey Dis Ticaret Anonim Sirketi results from the application of IAS 29 for hyperinflationary economies. This standard has been applicable to Turkey since 2022.

Goodwill of Einhell LLC was written off in full after the impairment test, as the updated planning for the coming financial years at the end of the year is not very optimistic for the subsidiary in Russia.

In accordance with IAS 21.47, goodwill in non-euro countries must be translated at the exchange rate on the reporting date, which results in changes in the goodwill in non-euro countries in financial year 2022.

The recoverability of goodwill is verified in the scope of an annual impairment test. An impairment is recognised if the realisable amount falls below the carrying amount of the respective cash generating unit. The realisable amount is derived from future cash flows as the value in use. Determination of the cash flows is based on economic planning with a planning horizon of five years. We analysed economic developments in the markets relevant for the Einhell Group and took these findings into account.

The cash flow forecasts contain specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined on the basis of the Board of Directors' estimates for the average long-term annual EBIT growth rate and amounts to 1.25% (previous year: 1.25%). The estimate is in line with the assumption that a market participant would make.

The planned EBIT was estimated on the basis of past experience. Revenue growth was forecast on the basis of the average growth rate over the last few years and the estimated revenue volume and price increases in the next five years.

The discount rate is determined on the basis of the weighted cost of equity and borrowed capital. The following discount rates were applied to calculate the impairment of goodwill for the companies listed below:

(in %)	2022	2021
Ozito Industries Pty Ltd., Melbourne/Australia	10.46	11.52
Einhell Turkey Dis Ticaret Anonim Sirketi, Istanbul/Turkey	15.26	16.14
Einhell Holding Gesellschaft m.b.H., Wels/Austria	11.36	11.36
Einhell-Unicore s.r.o. Karlovy Vary/Czech Republic	10.76	10.69
Outillages King Canada Inc., Dorval/Canada	10.46	-
Einhell Finland Oy, Tampere/Finland	10.36	-

The following parameters were used to determine the cost of equity:

(in %)	2022	2021
Base rate	2.00	0.10
Market risk premium	7.50	7.75

The base rate was adjusted to the current interest rate level. The market risk premium is multiplied with the beta factor derived from a peer group analysis.

A country-specific risk premium is additionally considered in the calculation of the discount rate for each individual cash generating unit (CGU), meaning that an individual discount rate is calculated for every CGU.

When impairment was recognised for our CGU in Russia, a shortfall in the carrying amount of the CGU was identified, which led to an impairment of both goodwill and non-current assets at the company Einhell LLC. In total, EUR 228 thousand were written off.

(in EURk)

	Deferred tax assets		Deferred tax liabilities		Net amount	
	2022	2021	2022	2021	2022	2021
Self-developed intangible assets and property, plant and equipment	-80	41	-4,145	-1,054	-4,226	-1,013
Current assets	8,523	8,053	-1,717	-960	6,806	7,093
Other financial assets at fair value	8	373	-10,234	-18,156	-10,226	-17,784
Provisions for pensions	-6	299	-284	0	-290	299
Provisions for other risks	4,924	4,400	442	-55	5,366	4,345
Other liabilities	336	714	656	-269	992	445
Tax losses carried forward	3,870	3,551	0	0	3,870	3,551
	17,575	17,430	-15,282	-20,494	2,293	-3,064

The deferred taxes on hedge accounting, securities measured at fair value through other comprehensive income and the remeasurement of pensions – which are shown under deferred taxes on other financial assets – are exclusively recorded in other comprehensive income.

Deferred taxes with respect to the above line items mainly result from the following circumstances:

- Capitalisation and amortisation of development costs.

2.3 Non-derivative financial assets

(in EURk)	2022	2021
Non-current	1,656	915
Current	1,974	1,174
	3,630	2,089

The non-current non-derivative financial assets consist of shares in a money market fund that serves to hedge pensions, holiday and flexible time entitlements recognised at fair value. Income from the fund amounts to EUR -2 thousand (previous year: EUR -3 thousand). The expected yield on securities is 1 - 2% p.a.

The current non-derivative financial assets include commission receivables, supplier debits and advance payments on travel expenses.

2.4 Deferred taxes

Deferred tax assets and liabilities of the company are as follows:

- Higher tax depreciation of property, plant and equipment leads to tax valuations falling under the carrying amounts.
- The measurement of trade receivables is different from the measurement for the tax base.
- Financial assets accounted for at fair value have different tax values and carrying amounts, because remeasurements are only

carried out for accounting purposes and not for tax purposes.

- The measurement of pension provisions is different from the measurement for the tax base.
- In some local financial statements of foreign subsidiaries, deferred expenses may not be deducted for tax purposes until they occur, whereas they can be recognised in profit or loss in the financial statements over a longer period of time.
- Capitalisation of deferred taxes from tax losses carried forward of subsidiaries.

2.5 Inventories

(in EURk)	2022	2021
Raw materials and supplies (at acquisition cost)	3,964	2,591
Finished goods (at acquisition cost less impairment)	468,250	446,651
Advance payments	1,260	735
	473,473	449,976

The inventories recognised in the financial year as expenses correspond to the expenses for raw materials and supplies and purchased goods shown in cost of materials (see Section 3.4 Cost of materials).

As at the reporting date, impairment losses of EUR 12,400 thousand (previous year: EUR 11,686 thousand) were recognised on inventories. The Group's inventories in Canada are assigned as collateral up to a value of EUR 10,380 thousand as at the reporting date. In financial year 2022, inventory write-downs of EUR 17,821 thousand (previous year: EUR 7,979 thousand) in total were recognised through profit or loss in the statement of income.

2.6 Trade receivables

Trade receivables refers to amounts owed by customers for goods sold or services rendered in the usual course of business. Usually, they must be paid within one year and are therefore classified

as "current". At initial recognition, trade receivables are recorded at the amount of the unconditional consideration. If they contain significant financing components, however, they must be recognised at fair value. The Group holds trade receivables in order to collect contractual cash flows and subsequently measures them at amortised cost by applying the effective interest rate method.

CHANGES IN IMPAIRMENTS

(in EURk)	2022	2021
1 January	3,303	4,401
Reversal of value-adjustments	-2,470	-1,446
Impairments for bad debts	517	1,361
Amounts received for receivables written off	-193	-767
Currency translation difference	376	-246
31 December	1,533	3,303

The Group's methods for recognising and calculating impairments are described in more detail in Note 6.2 Default risk.

2.7 Derivative financial assets

(in EURk)	2022	2021
Non-current derivative financial instruments included in hedge accounting	5,553	14,596
Non-current financial assets measured at fair value through profit or loss	0	0
	5,553	14,596

(in EURk)	2022	2021
Current derivative financial instruments included in hedge accounting	34,176	46,404
Current financial assets measured at fair value through profit or loss	3,213	7,928
	37,389	54,332

Unrealised gains/losses from derivative financial instruments included in hedge accounting are taken directly to equity after deduction of deferred taxes.

2.8 Other non-financial assets

(in EURk)	2022	2021
Non-current	3,410	1,963
Current	27,979	45,667
	31,389	47,630

The other non-current assets item consists mainly of VAT receivables amounting to EUR 22,677 thousand (previous year: EUR 40,785 thousand). The highest VAT receivables are recognised at our procurement companies in China and at Einhell Germany AG.

2.9 Equity

SUBSCRIBED CAPITAL

The share capital of Einhell Germany AG is unchanged from the previous year and divided as follows:

	2022	2022
	Number	EUR
Ordinary shares		
Ordinary bearer shares (no-par), each with an arithmetic interest in share capital of EUR 2.56	2,094,400	5,361,664.00
Preference shares		
Non-voting preference bearer shares (no-par), each with an arithmetic interest in share capital of EUR 2.56	1,680,000	4,300,800.00
Total share capital	3,774,400	9,662,464.00

All shares are fully paid up. The dividend proposal for Einhell Germany AG amounts to EUR 10,820,096.00 for financial year 2022 (previous year: EUR 9,687,776.00). The distribution amount corresponds to a dividend of EUR 2.90 per preference share (previous year: EUR 2.60) and EUR 2.84 per ordinary share (previous year: EUR 2.54).

A minimum of EUR 0.15 per share must be paid out to the holders of preference shares and has preference over the dividend to ordinary shareholders. The dividend per preference share is EUR 0.06 higher than the dividend per ordinary share. If the net profit in one or several financial years does not suffice to pay a dividend of

EUR 0.15 per preference share, the missing amounts will be paid without interest from the net profit of subsequent financial years after the minimum preference share dividend for these financial years has been paid and before distribution of a dividend for ordinary shares. There are no distributions from minimum dividends outstanding. The preference shares do not carry any voting rights. All shares are of equal rank with regard to residual assets of the Company. The ordinary shares hold voting rights in the Annual General Meeting.

CAPITAL RESERVE

The capital reserve consists of premiums on the issue of shares.

RETAINED EARNINGS AND CONSOLIDATED NET PROFIT

This item includes the Group's accumulated net profit from previous years less dividend payments. The Annual General Meeting on 24 June 2022 resolved to pay a dividend in the total amount of EUR 9,687,776.00. Dividend payouts are based on the equity that is available pursuant to German commercial law provisions.

CAPITAL MANAGEMENT

The capital management of the Group has the objective to safeguard the going concern of the Group in the long term and generate attractive returns for the shareholders. Capital management instruments include the distribution of dividends. In its capital management activities, the Group complies with the statutory regulations on capital maintenance. The articles of association state no capital requirements.

Equity in the statement of financial position amounts to EUR 366,836 thousand on 31 December 2022 (previous year: EUR 340,972 thousand), while the equity ratio amounts to 43.5% as at 31 December 2022 (previous year: 41.0%). The Einhell Group is working towards an equity ratio of around 50% in the long term.

For short-term financing, the Einhell Group relies on its credit lines with banks, whereas a KfW loan was taken out for medium to long-term financing.

Einhell Germany AG furthermore took out promissory note loans totalling EUR 75.0 million in financial year 2021. The maturities are five years for

a tranche of EUR 50.0 million and seven years for a tranche of EUR 25.0 million. The promissory note loans do not require any collateral or covenants and are due upon maturity. The interest rates are fixed and do not include any variable components.

The aim is to achieve a balanced maturity profile and to optimise debt financing conditions.

2.10 Non-controlling interest

in EURk	2022	2021
1 January	3,413	2,431
Capital contributions	7,622	50
Disposals	0	0
Dividends	-643	-591
Unrealised gains/losses from currency translation (= share in other comprehensive income)	-133	-5
Share in consolidated net profit	1,046	1,528
31 December	11,305	3,413

The share of non-controlling interest in total assets is relatively small and amounts to approx. 3 % (previous year: 1%) of equity. Non-controlling interests are not measured at fair value.

2.11 Employee benefits

Benefits resulting from pension obligations are based on the length of employment. The obligations comprise both benefits from pensions that are already being paid and rights to future pension payments.

Current and former members of the Board of Directors as well as a small number of employees of Einhell Germany AG and iSC GmbH, who entered the companies prior to 1993, have vested pension rights in the form of a direct benefit commitment. The benefit commitments are based on individual contractual stipulations. No entitlement to a universal benefit plan can be derived based on the entry date. The individual pension entitlement is defined based on a fixed pension amount in euro per year of employment. The Company took out reinsurance to cover the basic entitlements. The ultimate responsibility for the pension obligations lies with the Company. Einhell Schweiz AG is required to enter an affiliation contract with a pension fund to comply with statutory requirements. By law, the pension fund has to cover at least the occupational pension.

The discount factor for the obligations of the German companies used for future beneficiaries is 3.90% (previous year: 1.25%) while the interest rate used for pensioners is 3.80% (previous year: 1.00%). A discount rate of 2.30% (previous year: 0.20%) was used for Switzerland. As in the previous year, the rate for pension progression for commitments with adjustment guarantee was 3.00%. No rate of compensation increase was available for non-salary based obligations and for commitments without adjustment guarantee. The salary trend assumed for Switzerland is 1.00% (previous year: 1.00%). The mortality in connection with the obligations in Germany was determined on the basis of the Heubeck mortality tables (Heubeck-Richttafeln RT 2018 G), while the mortality in Switzerland is based on the BVG 2020 Generationentafeln.

The defined benefit obligations (DBO) developed as follows in financial year 2022:

DEFINED BENEFIT OBLIGATIONS (DBO)

(in EURk)	2022	2021	2020	2019	2018
1 January	6,948	7,234	6,180	5,620	4,996
Current service expense (personnel expenses)	259	277	246	121	181
Interest expense (personnel expenses)	56	36	53	82	72
Actuarial losses and gains from changes in financial assumptions	-2,213	-536	646	754	174
Pension payments	-31	-237	41	-82	69
Payments from employees	77	69	65	61	57
Other changes	-27	0	0	-451	0
Currency translation difference	83	105	3	75	71
31 December	5,152	6,948	7,234	6,180	5,620

Plan assets developed as follows in financial year 2022:

PLAN ASSETS

(in EURk)	2022	2021	2020	2019	2018
1 January	2,494	2,319	1,964	2,245	1,880
Interest income	0	0	0	0	0
Other changes	134	98	354	-333	310
Currency translation difference	55	77	1	52	55
31 December	2,683	2,494	2,319	1,964	2,245

(in EURk)	2022	2021	2020	2019	2018
Present value of defined benefit obligations	5,152	6,948	7,234	6,180	5,620
less fair value of plan assets	-2,683	-2,494	-2,319	-1,964	-2,245
Net obligations	2,469	4,454	4,915	4,216	3,375

Actuarial gains and losses refer primarily to changes in the discount rate. Expenses from obligations regarding employee benefits are shown in personnel expenses. The pension provisions shown in the statement of financial position on the reporting date equal the defined benefit obligations offset against the fair value of plan assets.

The expected return on plan assets is 1 - 2%.

Plan assets comprise

(in EURk)	2022	2021
Pension funds	665	665
Qualified insurances	2,018	1,829
	2,683	2,494

The fair value was determined on the basis of observable market prices (level 1).

Future payments

Benefits to be paid in the future are estimated as follows:

(in EURk)	Payments from plan assets
2023	182
2024	186
2025	190
2026	195
2027	199
	952

There were no significant changes compared to the previous year.

Employer payments for plan assets will amount to around EUR 217 thousand in the next year (previous year: EUR 69 thousand).

In Germany, the weighted average term of defined benefit obligations is 14.8 years (previous year: 18.9 years) or 14.6 years (previous year: 18.0 years), respectively, while in Switzerland it is 14.2 years (previous year: 18.8 years).

Sensitivity analysis for benefit obligations

Sensitivity analyses are usually performed using the following parameters:

- Actuarial interest rate
- Salary trend
- Rate for pension progression
- Life expectancy

The existing benefit obligations of Einhell Germany AG are not linked to salary, making a calculation on the basis of the salary trend obsolete, as the defined benefit obligations remain unchanged if the salary trend rises or falls by 0.25%. The guaranteed adjustment of current benefits for existing pension obligations by 3% is fixed and not linked to the inflation rate. Therefore, a change in the rate for pension progression by +/-0.25% has no effect on the obligation, likewise rendering a sensitivity analysis obsolete, as the DBO remains unchanged.

Therefore, the sensitivity analysis only refers to the actuarial interest rate and life expectancy, whereby the latter only applies to obligations regarding future pension payments as a longer life expectancy has no effect on capital commitments.

(in EURk)		2022
Einhell Germany AG		
Actuarial interest rate +0.5%	4.40% future beneficiaries, 4.30% pensioners	2,649
Actuarial interest rate -0.5%	3.40% future beneficiaries, 3.30% pensioners	3,059
Life expectancy +1		2,967
iSC GmbH		
Actuarial interest rate +0.5%	4.40% future beneficiaries, 4.30% pensioners	50
Actuarial interest rate -0.5%	3.40% future beneficiaries, 3.30% pensioners	58
Life expectancy +1		56
Einhell Schweiz AG		
Actuarial interest rate +0.25		2,180
Actuarial interest rate -0.25		2,337
Salary trend +0.25		2,268
Salary trend -0.25		2,244
Life expectancy +1 year		2,282
Life expectancy -1 year		2,230

(in EURk)		2021
Einhell Germany AG		
Actuarial interest rate +0.5%	1.75% future beneficiaries, 1.50% pensioners	3,991
Actuarial interest rate -0.5%	0.75% future beneficiaries, 0.50% pensioners	4,821
Life expectancy +1		4,615
iSC GmbH		
Actuarial interest rate +0.5%	1.75% future beneficiaries, 1.50% pensioners	72
Actuarial interest rate -0.5%	0.75% future beneficiaries, 0.50% pensioners	86
Life expectancy +1		82
Einhell Schweiz AG		
Actuarial interest rate +0.25		2,381
Actuarial interest rate -0.25		2,616
Salary trend +0.25		2,515
Salary trend -0.25		2,473
Life expectancy +1 year		2,540
Life expectancy -1 year		2,448

The sensitivity analyses are isolated analyses of the respective effects, while all other assumptions remain constant.

Risks

Risks from benefit obligations arise from the investment in plan assets. These risks might entail the requirement to pay additional capital into the

plan assets to be able to meet current and future pension obligations.

Demographic/biometric risks

A large share of the benefit obligations pertains to life-long benefits and pensions for surviving dependants. Early retirement or longer benefit payments may lead to higher pension expenses and higher pension payments than previously anticipated.

The Einhell Group does not take any specific measures to balance out any potential risks that might arise. Given the overall amount of commitments, pension obligations are no major risk for the Einhell Group, and therefore no further reinsurance is needed.

In addition to pension obligations, the following employee benefits exist:

(in EURk)	2022	2021
Long-term employee benefits	4,723	4,502
Short-term employee benefits	25,841	28,010

The long-term employee benefits include commitments by Einhell Germany AG towards some members of the Board of Directors, whose entitlements accrue on a pro-rata basis over the term of their office. The entitlements each become fully vested after a maximum period of 12 years. The amount of the entitlement is based on the annual salary plus the average bonus of the last three years. Payment is expected as from the date the employee leaves the company. The obligation is measured on the basis of the current business planning.

2.12 Provisions for other risks

(in EURk)	Warranty and guarantees	Others	Total
1 January 22	10,525	18,562	29,086
Utilisation	7,868	6,781	14,649
Reversals	201	5,294	5,495
Additions	10,538	1,937	12,475
Currency translation effects and other changes	-1	199	199
31 December 22	12,993	8,623	21,616

(in EURk)	Warranty and guarantees	Others	Total
31 December 22			
Non-current	0	516	516
Current	12,993	8,107	21,100
31 December 21			
Non-current	0	686	686
Current	10,525	17,876	28,400

Miscellaneous other provisions mainly comprise provisions for agreements with customers. The interest effect from discounting non-current provisions with a remaining term of more than one year is immaterial.

The non-current provisions also include provisions of Einhell Italia for compensation payments for free sales agents.

2.13 Liabilities from debt capital

(in EURk)	2022	2021
Non-current		
Loans, secured	0	0
Loans, unsecured	88,281	91,406
	88,281	91,406

(in EURk)	2022	2021
Current		
Loans and overdrafts, secured	6,977	1,425
Loans and overdrafts, unsecured	95,889	89,450
	102,866	90,875
thereof non-current loans maturing in the short term	3,125	3,131
thereof loans and overdrafts maturing in the short term	99,741	87,744

Liabilities from debt capital are secured by collateral totalling EUR 11,807 thousand (previous year: EUR 1,854 thousand). This refers mainly to assets of the Canadian subsidiary that were furnished as security.

The Einhell Group has conventional lines of credit that were only partially utilised in financial year

2022. Cash and cash equivalents, as well as equity, stood at very good levels in the reporting year.

In financial year 2018, Einhell Germany AG took out long-term loans of EUR 25 million from three different banks. The loans are subject to a subsidy programme provided by the German development bank KfW and have a term of 10 years. The first repayments were made in June 2020, the last are to be made at the end of March 2028. The loan agreements also contain a financial covenant. This covenant refers to the interest cover ratio. The interest rates are fixed and do not include any variable components. Einhell Germany AG complied with this covenant in financial year 2022.

Einhell Germany AG took out promissory note loans totalling EUR 75 million in financial year 2021. The maturities are five years for a tranche of EUR 50 million and seven years for a tranche of EUR 25 million. The promissory note loans do not require any collateral or covenants and are due upon maturity. The interest rates are fixed and do not include any variable components.

2.14 Non-derivative financial liabilities

(in EURk)	2022	2021
Non-current	16,297	2,329
Current	38,130	38,926
	54,427	41,255

Non-derivative financial liabilities include the purchase price liability (conditional consideration and put liability) for the acquisition of Lawn Star and Mould Star totalling EUR 2,075 thousand (previous year: EUR 2,327 thousand). In 2022, besides the purchase price liabilities in South Africa, this items also includes purchase price liabilities for King Canada of EUR 13,481 thousand and EUR 688 thousand for Einhell Finland. The measurement of the put liability of the Canadian company as at 31 December 2022 led to an adjustment of the liability amounting to EUR 4,641 thousand, resulting primarily from the improved planning figures on the cut-off date.

2.15 Contract liabilities

Contract liabilities include repayment obligations from customer contracts amounting to EUR 668 thousand (previous year: EUR 657 thou-

sand). These liabilities refer to the Group's obligation to take back delivered goods in the following year. The Group's right to reclaim goods, in turn, was recognised under "contract assets".

2.16 Derivative financial liabilities

(in EURk)	2022	2021
Non-current derivative financial instruments included in hedge accounting	5,053	120
Non-current financial liabilities measured at fair value through profit or loss	0	0
	5,053	120

(in EURk)	2022	2021
Current derivative financial instruments included in hedge accounting	2,969	1,025
Current financial liabilities measured at fair value through profit or loss	2,688	334
	5,657	1,359

Unrealised gains/losses from derivative financial instruments included in hedge accounting are taken directly to equity after deduction of deferred taxes.

2.17 Lease liabilities

The adoption of IFRS 16 results in lease liabilities in the following amounts as at 31 December 2022:

(in EURk)	2022	2021
Non-current	11,923	13,492
Current	6,171	5,155
	18,094	18,647

2.18 Other non-financial liabilities

(in EURk)	2022	2021
Non-current	3	0
Current	9,195	13,745
	9,198	13,745

Other non-financial liabilities mainly include other tax liabilities.

3. NOTES TO THE CONSOLIDATED STATEMENT OF INCOME

3.1 Revenue

The Einhell Group mainly generates revenue from selling manually operated, petrol-powered and electronic tools, electrical tool accessories, metal and plastic products for DIY, garden and leisure activities, and air-conditioning and heating products.

The Einhell Group only generates revenue from contracts with customers in accordance with IFRS 15. The customer contracts within the meaning of IFRS 15 all have a maximum term of one year.

For the Einhell Group, revenue is always recognised at a point in time. There are no products and

services, for which revenue is recognised over a period of time.

65% of revenue (previous year: 65%) was contributed by the Tools segment, while the Garden & Leisure segment contributed 35% (previous year: 35%).

The geographic allocation of the below-stated revenue to regions is based on the registered office of the invoicing party. Business activities of the Einhell Group focus exclusively on the distribution of goods.

REVENUE BY REGION

(in EURk and %)	2022		2021		Change	
D/A/CH	403,792	39.1	374,565	40.4	29,227	7.8
Western Europe	187,433	18.1	169,437	18.3	17,996	10.6
Eastern Europe	91,646	8.9	84,953	9.1	6,693	7.9
Overseas	271,432	26.3	214,936	23.2	56,496	26.3
Other countries	78,212	7.6	83,527	9.0	-5,315	-6.4
Total	1,032,515	100.0	927,418	100.0	105,097	11.3

3.2 Other own work capitalised

Own work capitalised amounts to EUR 396 thousand in the financial year (previous year EUR 421 thousand) and mainly refers to the development of own software solutions.

3.3 Other operating income

(in EURk)	2022	2021
Income from the reversal of provisions	5,495	2,616
Commission income	1,819	1,989
Income from costs charged to suppliers (waste disposal, freight)	248	274
Income from the receipt of receivables that had been written off and from the reversal of the allowance for doubtful receivables	2,470	767
Proceeds from disposal of fixed assets	64	132
Income from damage compensation	255	152
Income from PV plant	665	576
Benefits in kind	479	462
Release of advertising subsidies	6,082	652
Other income	272	1,639
Total	17,849	9,259

3.4 Cost of materials

(in EURk)	2022	2021
Expenses for raw materials and supplies and purchased goods	658,881	594,056
Expenses for purchased services	220	104
Total	659,101	594,161

3.5 Personnel expenses

(in EURk)	2022	2021
Wages and salaries	101,268	92,999
Social security contributions	10,989	9,085
Employer contribution to pension insurance	5,692	4,965
Expenses for old-age pensions	789	719
Total	118,738	107,768

NUMBER OF EMPLOYEES (ANNUAL AVERAGE)

	2022	2021
D/A/CH	777	732
Western Europe	222	194
Eastern Europe	242	245
Overseas	326	241
Other countries	396	384
Total	1,963	1,796

3.6 Depreciation and amortisation

(in EURk)	2022	2021
Amortisation of intangible assets (without goodwill)	2,134	2,042
Goodwill impairment	218	0
Depreciation of property, plant and equipment	5,907	4,502
Depreciation of right-of-use assets according to IFRS 16	6,445	5,497
Total	14,705	12,041

3.7 Other operating expenses

(in EURk)	2022	2021
Expenses for buildings including maintenance of fixed assets	3,488	3,230
Legal and consulting expenses	5,588	3,432
Expenses for external stock keeping	20,050	14,064
Expenses on freight outward	33,920	29,936
Advertising expenses	56,303	44,378
Logistics expenses	3,407	2,494
Commission expenses	4,162	3,568
Fleet expenses	2,185	1,406
Product-related technical expenses/service expenses	582	3,307
Additions to warranty and guarantee provisions/other provisions	1,937	5,756
Expenses for hardware and software as well as office equipment	5,124	4,699
Insurance expenses	2,524	2,263
Travel costs	3,115	1,623
Communication expenses	921	944
Fees and contributions	1,693	1,517
Waste disposal costs	3,465	3,217
Expenses for hyperinflation	3,291	1,062
Miscellaneous other operating expenses	13,427	10,546
Total	165,182	137,442

3.8 Financial result

(in EURk)	2022	2021
Interest income	356	113
Interest expenses	-5,168	-1,635
Expenses/income from currency translation/hedging	-269	974
Financial result	-5,081	-548
thereof expenses/income from derivatives not subject to hedge accounting	-4,388	-532

3.9 Income taxes

(in EURk)	2022	2021
Actual tax expenses	24,436	27,351
Deferred taxes	2,200	-5,669
Total	26,636	21,682

In measuring a capitalised asset for future tax relief, the probability of recovery of the anticipated tax relief is also taken into account. Deferred taxes for hedge accounting and securities that are measured at fair value through other comprehensive income are only recognised in other comprehensive income. Deferred tax assets on such changes in the fair value amount to EUR 8 thousand (previous year: EUR 373 thousand), while the corresponding deferred tax liabilities come out to EUR 10,234 thousand (previous year: EUR 18,156 thousand).

The subsidiaries capitalised deferred taxes from loss carryforwards of EUR 3,870 thousand (previous year: EUR 3,551 thousand). Loss carryforwards that are classified as non-recoverable, because either no profit is expected or they cannot be carried forward, are not included in the calculation of deferred tax assets. In 2022, no deferred taxes were recognised for loss carryforwards of EUR 2,668 thousand (previous year: EUR 2,467 thousand).

The temporary differences between the IFRS carrying amounts of interests in subsidiaries and the tax-related values of such interests (so-called outside basis differences) amount to EUR 6,609 thousand as at the reporting date (previous year: EUR 5,549 thousand) and did not give rise to the recognition of deferred taxes as the Einhell Group is able to control their reversal and they will not reverse in the foreseeable future.

The reconciliation of the income tax amount with the theoretical amount that would have been applicable if the relevant tax rate in the Company's country of domicile had applied, is as follows:

(in EURk)	2022	2021
Expected tax expenses	26,231	24,551
Tax expenses/income from intra-Group income/expenses	378	745
Goodwill impairment	65	0
Other non-tax-deductible expenses	3,588	1,230
Differing foreign tax rates	-4,011	-3,537
Tax-free income	-648	-166
Current losses without deferred taxes/utilisation of loss carryforwards without deferred taxes	875	14
Changes in loss carryforwards	-785	-1,590
Taxes of previous years	943	435
Reported tax expenses	26,636	21,682

The table shows the reconciliation of tax expenses anticipated in the financial year with the respective reported tax expenses. The anticipated tax expense is calculated by multiplying earnings before taxes with the domestic total tax rate applicable in that financial year of 30.0% (2021: 30.0%).

3.10 Earnings per share

(Number of shares or in EURk)	2022	2021
Ordinary shares basic/diluted	2,094,400	2,094,400
Preference shares basic/diluted	1,680,000	1,680,000
Earnings after tax	60,800	60,154
Non-controlling interest	1,046	1,528
Earnings after tax and non-controlling interests	59,754	58,626
thereof earnings attributable to ordinary shares basic/diluted	33,101	32,475
thereof earnings attributable to preference shares basic/diluted	26,653	26,151
Earnings per ordinary share basic/diluted	15.80	15.50
Earnings per preference share basic/diluted	15.86	15.56

Earnings per share are calculated by dividing the earnings share of Einhell Germany AG's shareholders by the weighted average number of ordinary and preference shares outstanding in the financial year.

2022

(in EURk)	Revenue by invoicing party	Revenue by invoice recipient	EBT	Depreciation and amortisation
D/A/CH	403,792	433,032	34,661	5,801
Western Europe	187,433	203,161	11,941	1,494
Eastern Europe	91,646	99,156	7,103	1,179
Overseas	271,432	286,491	21,872	3,689
Other countries	78,212	10,675	11,197	2,542
Reconciliation	0	0	662	0
Einhell Group	1,032,515	1,032,515	87,436	14,705

The German companies generated revenue of EUR 372.1 million. The companies with the strongest revenue in Western and Eastern Europe are Einhell France with EUR 63.7 million, Einhell Italy with EUR 39.2 million and Einhell Commercial (Spain) with EUR 34.3 million.

Revenue in the Overseas region was generated by the subsidiaries in South America, Australia and the new subsidiary in Canada.

In 2022 and 2021, there were no dilution effects on the number of shares. Therefore, diluted earnings per share equal the basic earnings per share.

The articles of association of Einhell Germany AG stipulate that preference shareholders are entitled to a dividend that is EUR 0.06 higher than the dividend paid out to the holders of ordinary shares.

4. SEGMENT REPORTING BY REGION

The allocation to the individual regions is based on the relevant Group company's registered office. Companies regarded as homogenous based on their company structure, sales market and customer structure were bundled in regions. Internal reporting reflects these structures and is presented to the Board of Directors and the Supervisory Board on a regular basis.

The reconciliation item almost exclusively reflects consolidation effects like, for instance, effects from intra-group elimination and debt consolidation.

The largest contribution to revenue and earnings was made by Ozito Industries Pty Ltd, Australia, with revenue of EUR 186.3 million, mostly in Australia. Revenue in the Other countries is largely generated by the procurement companies in Hong Kong.

In the past financial year 2022, EUR 176.4 million were generated with one customer, corresponding to more than 10% of the Einhell Group's revenue. This revenue was generated in the Overseas region.

2022

(in EURk)	Financial result	Interest income	Interest expenses	Non-current assets excl. deferred tax assets
D/A/CH	5,549	8,396	-3,250	62,407
Western Europe	-2,994	1	-2,995	7,771
Eastern Europe	-2,339	82	-3,449	10,829
Overseas	-3,263	336	-3,125	33,494
Other countries	-1,745	394	-1,266	10,109
Reconciliation	-289	-8,853	8,917	0
Einhell Group	-5,081	356	-5,168	124,610

The share of non-current assets pertaining to Germany is EUR 59,942 thousand. The countries with the highest other assets are Canada with

EUR 16,310 thousand, China with EUR 9,338 thousand and Australia with EUR 14,948 thousand.

2022

(in EURk)	Inventories	Depreciation of inventories
D/A/CH	207,739	7,147
Western Europe	104,873	2,170
Eastern Europe	59,173	5,914
Overseas	104,552	2,569
Other countries	18,298	21
Reconciliation	-21,162	0
Einhell Group	473,473	17,821

2021

(in EURk)	Revenue by invoicing party	Revenue by invoice recipient	EBT	Depreciation and amortisation
D/A/CH	374,565	402,246	24,892	4,398
Western Europe	169,437	189,384	17,917	1,566
Eastern Europe	84,953	91,157	12,911	1,907
Overseas	214,936	234,775	27,849	1,797
Other countries	83,527	9,856	9,332	2,373
Reconciliation	0	0	-11,065	0
Einhell Group	927,418	927,418	81,836	12,041

The German companies generated revenue of EUR 345.3 million. The companies with the strongest revenue in Western and Eastern Europe

are Einhell France with EUR 53.4 million, Einhell Italy with EUR 42.2 million and Einhell Commercial (Spain) with EUR 28.9 million.

Revenue in the Overseas region was generated by the subsidiaries in South America and Australia. The largest contribution to revenue and earnings was made by Ozito Industries Pty Ltd, Australia, with revenue of EUR 162.0 million, mostly in Australia. Revenue in the Other countries is largely generated by the procurement companies in Hong Kong.

In financial year 2021, EUR 152,942 thousand had been generated with one customer, corresponding to more than 10% of the Einhell Group's revenue. This revenue was generated in the Overseas region.

2021

(in EURk)	Financial result	Interest income	Interest expenses	Non-current assets excl. deferred tax assets
D/A/CH	1,790	3,744	-726	68,992
Western Europe	-772	0	-773	6,975
Eastern Europe	-1,242	73	-1,363	9,357
Overseas	-978	244	-1,277	17,489
Other countries	310	138	-1,547	9,864
Reconciliation	344	-4,086	4,051	0
Einhell Group	-548	113	-1,635	112,677

The share of non-current assets pertaining to Germany is EUR 66,412 thousand. The countries with the highest other assets are Australia with

EUR 15,523 thousand, China with EUR 8,941 thousand and France with EUR 3,284 thousand.

2021

(in EURk)	Inventories	Depreciation of inventories
D/A/CH	192,570	3,974
Western Europe	112,165	1,971
Eastern Europe	59,738	940
Overseas	87,609	963
Other countries	19,583	131
Reconciliation	-21,689	0
Einhell Group	449,976	7,979

5. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows shows the development of cash flows by inflows and outflows in connection with operating, investing and financing activities.

CASH AND NON-CASH CHANGES IN LIABILITIES FROM DEBT CAPITAL:

2022

(in EURk)	Liabilities to banks	Lease obligations	Liabilities from debt capital
1 January	182,281	18,647	200,928
Cash changes	2,140	-6,052	-3,912
Non-cash changes	0	3,654	3,654
Changes from currency translation	1,560	-293	1,267
Changes in basis of consolidation	5,166	2,138	7,304
31 December	191,147	18,094	209,241

2021

(in EURk)	Liabilities to banks	Lease obligations	Liabilities from debt capital
1 January	22,913	12,815	35,728
Cash changes	160,948	-5,251	155,697
Non-cash changes	0	11,713	11,713
Changes from currency translation	-1,580	-630	-2,210
Changes in basis of consolidation	0	0	0
31 December	182,281	18,647	200,928

6. RISK REPORT AND FINANCIAL INSTRUMENTS

6.1 Financial risk management

The Einhell Group operates internationally and is thus exposed to market risks from changes to interest rates (Section 6.3 Interest risks) and exchange rates (Section 6.5 Foreign currency risks). The Group uses derivative financial instruments to manage these risks. The guidelines used for managing the associated risks are implemented with the approval of the Board of Directors by a central treasury department working in close cooperation with the Group companies. The Einhell Group monitors the current market environment to assess these risks. Further information on risk management is available in the management report.

6.2 Default risk

Default risks arise from cash and cash equivalents and contractual cash flows from debt instruments that are recognised at amortised cost or at fair value through other comprehensive income. We do not expect any material default risks from these items in the statement of financial position. The carrying amount is the maximum default risk.

Derivatives are acquired from well-known financial institutions; therefore, the Group expects that the maximum default risk from derivatives is covered by their positive market value.

The Einhell Group's most significant exposure to default risks refers to its creditor relationships with wholesale and retail customers (outstanding trade receivables).

RISK MANAGEMENT

To minimise the supplier default risk, both the procurement and project management teams work with the finance department to develop joint security concepts that are permanently validated and improved whenever required.

Einhell's corporate policy is to minimise default risk from customer receivables by using instruments that are customary in international practice. These help Einhell evaluate the default risks of the ordering company for each order based on the relevant economic situation. To counter the risks associated with new customers and high-risk countries in particular, Einhell sometimes uses letters of credit. In the offer phase, the sales and finance departments jointly decide on what collateral is required and adjust these requirements when the orders are placed. Einhell also uses external information from banks and credit agencies to support the risk assessment process whenever this is expedient.

The maximum default risk corresponds to the carrying amount of the receivables. Trade receivables pertain to DIY chains, specialist retailers and discounters and amount to EUR 143,700 thousand (previous year: EUR 135,859 thousand). In financial year 2022, there were no significant receivables for which new terms of payment were agreed. The payment terms vary from country to country and range from 30 to 180 days.

COLLATERAL

For some trade receivables, the Group may request securities in the form of sureties or letters of credit, which the Group can rely on under the terms of the contract if the contracting party defaults on its payment.

The default risk for trade receivables as at 31 December 2022, broken down by insured and uninsured trade receivables, is as follows:

(in EURk)	2022	2021
insured	61,935	62,631
uninsured	81,765	73,228
	143,700	135,859

IMPAIRMENT OF FINANCIAL ASSETS

The Group classifies each receivable in terms of its default risk.

(in EURk)	Default risk categories	2022	2021
Trade receivables	1	143,717	137,782
Trade receivables with impaired creditworthiness	2	1,517	1,380

Impairments of trade receivables are always measured at the amount of the expected credit loss over the term of the contract. In order to determine the expected credit loss, the receivables are allocated to different bands that reflect the time they have been past due.

Furthermore, they are allocated to geographical segments. A specific credit default rate representing the expected credit loss is calculated for each region based on the default status and actual credit losses over the last five years.

Country risks (in %)	2022	2021
Australia	0.10	0.00
Chile	1.40	1.10
Canada	0.10	-
China	0.80	0.70
France	0.10	0.20
Germany	0.00	0.00
Italy	1.60	1.10
Spain	0.50	0.40
Turkey	4.90	4.20
UK	0.10	0.00

Whenever this is required, the rates thus determined are multiplied by scaling factors in order to account for the differences between economic conditions.

The Einhell Group no longer expects any increased default risk due to the COVID-19 pandemic. Based on the payment track record, we no longer consider the default risk of our Ukrainian subsidiary's customers to be excessively high.

When estimating expected credit losses, the Group takes into account appropriate and reliable information that is relevant and available without any unreasonable effort or cost. This includes both quantitative and qualitative information and analyses based on the Group's past experience and well-founded assessment, including forward-looking information.

The following table contains information on the default risk and the expected credit losses for trade receivables as at 31 December 2022.

2022 (in EURk)	Loss rate	Gross carrying amount	Value adjustment	Creditworthiness impaired
Low risk	0.01%	143,108	10	No
Medium risk	0.91%	454	4	No
Below average	1.51%	154	2	No
Doubtful	100.00%	202	202	Yes
Loss	100.00%	1,315	1,315	Yes
		145,233	1,533	

2021 (in EURk)	Loss rate	Gross carrying amount	Value adjustment	Creditworthiness impaired
Low risk	1.23%	136,685	1,676	No
Medium risk	17.66%	866	153	No
Below average	40.84%	231	94	No
Doubtful	100.00%	101	101	Yes
Loss	100.00%	1,279	1,279	Yes
		139,162	3,303	

The maximum default risk corresponds to the carrying amount of the receivables. 87% (previous year: 89%) of total gross receivables are not yet due as at the reporting date.

The creditworthiness of trade receivables is deemed impaired if there are indications that they cannot be expected to be paid beyond any doubt. This is the case, for instance, if there are concrete signs of non-payment, such as insolvency.

The Group considers financial assets, save for trade receivables, to be in default if

- it is unlikely that the debtor will be able to pay its credit obligation in full to the Group without the Group having recourse to measures such as the realisation of collateral (if any); or

- the financial asset is more than 360 days past due as, based on past experience, it is highly unlikely that the payment will be made.

6.3 Interest risks

The interest risk of the Einhell Group stems mainly from interest-bearing financial liabilities.

The existing KfW loan and the promissory note loan of about EUR 90 million bear fixed interest rates. Group management therefore decided not to hedge the interest risks of the short-term financing.

The Group is exposed to a cash flow risk from balance sheet items (cash and cash equivalents and liabilities from debt capital) that are subject to variable interest rates. A change in the market interest rate of 1% would have an effect on interests at the reporting date of EUR 891 thousand (previous year: EUR 762 thousand).

6.4 Liquidity risk

Liquidity risk is the possibility that a company will no longer be in a position to meet its financial obligations (such as repayment of financial liabilities or payment of orders). The Einhell Group limits this risk by using effective management of net working capital and cash and traditional credit lines from well-known banks. As at the reporting date, the Group has approx. EUR 308.6 million (previous year: EUR 238.0 million) in credit lines including KfW loans to finance its operating business. The Group also keeps a constant eye on the financial markets for financing opportunities in order to secure the financial flexibility of the Einhell Group and limit excessive refinancing risks.

The following table shows all contractual payments as at 31 December 2022 for amortisation, repayments and interest for non-current financial liabilities in the statement of financial position.

2022 (in EURk)	2024	2025 - 2027	2028 ff.
Non-current liabilities to banks	3,671	60,609	25,970
Purchase price and other liabilities	306	18,375	0
Lease liabilities	4,054	7,107	762

2021 (in EURk)	2023	2024 - 2026	2027 ff.
Non-current liabilities to banks	3,693	60,949	29,302
Purchase price liabilities	188	1,803	0
Lease liabilities	4,432	8,385	675

The risk associated with the cash flows shown in the table is limited to cash outflows. Trade payables and other financial liabilities result mainly from financing operating assets (such as property, plant and equipment) and from investments in working capital (such as inventories and trade receivables). These asset values are taken into account in the effective management of the total liquidity risk. Risk management was extended and strengthened by implementing a Group-wide, Excel-based risk management information system.

Current liabilities are not shown separately as they will all be paid in 2023 and the effect of discounting is immaterial. The payment obligations thus basically equal their carrying amounts.

CASH INFLOWS AND OUTFLOWS FROM FOREIGN EXCHANGE CONTRACTS

2022 (in EURk)	Total	of which non-current
Cash inflows with positive market values	822,546	192,660
Cash outflows with positive market values	774,360	183,155
Cash inflows with negative market values	522,727	181,440
Cash outflows with negative market values	524,395	178,953
Total cash inflows	1,345,273	374,100
Total cash outflows	1,298,755	362,108

2021 (in EURk)	Total	of which non-current
Cash inflows with positive market values	982,277	268,280
Cash outflows with positive market values	892,492	238,268
Cash inflows with negative market values	162,678	33,104
Cash outflows with negative market values	160,555	29,283
Total cash inflows	1,144,955	301,384
Total cash outflows	1,053,047	267,551

Sensitivities are specified in Section 6.5 Foreign currency risks.

6.5 Foreign currency risks

Due to the international nature of its operations, the Einhell Group is exposed to currency risks. To manage and minimise these risks, the Einhell Group uses derivative financial instruments with a maximum maturity of four years. In the year under review and in the previous year, the remaining terms did not exceed four years as at the reporting date. The foreign currency risk management system of the Einhell Group has been successfully operated for several years.

Fluctuations in exchange rates can lead to undesirable and unpredictable earnings and cash flow volatility. This affects each company in the Einhell Group that trades with international partners in a currency that is not the functional currency (the relevant national currency). Within the Group, this applies in particular to procurement, which is usually denominated in USD and CNY. Einhell products, in contrast, are mainly sold in the relevant national currency. Planned purchases in USD and CNY are mostly hedged, so there is no concentration of risk here.

Companies in the Einhell Group are forbidden to buy or sell foreign currencies for speculative purposes. Intra-Group financing or investments are, where possible, made in the relevant national currencies or using currency hedges via the parent company. The currency futures that are recognised at fair value through profit or loss mainly pertain to such currency hedges taken out by Einhell Germany AG to hedge internal loans.

The Group designates currency futures to hedge currency risks from procurement transactions and applies a hedging ratio of 1:1.

Given the short-term nature of the USD and CNY payment terms, the USD and CNY exposure from financial instruments pertains mainly to derivative financial instruments. An exchange rate fluctuation of 10% would lead to a currency translation gain or loss before tax of EUR 105,230 thousand or EUR -99,589 thousand, respectively, which, under cash flow hedge accounting, would be recognised in other comprehensive income.

Currency translation gains and losses are calculated on the basis of the exchange rates and the interest rates for the respective currency on the reporting date. These data are used to determine fictitious market values, which are then compared with the market values on the reporting date.

2022 (in EURk)	Currency	Change in exchange rate +10%	Change in exchange rate - 10%
	CNY	-95,512	100,173
	USD	-4,398	5,404
	Other	321	-347
	Total effect	-99,589	105,230

2021 (in EURk)	Currency	Change in exchange rate +10%	Change in exchange rate - 10%
	CNY	-75,846	81,950
	USD	-8,604	8,961
	Other	367	-442
	Total effect	-84,083	90,469

The derivative financial instruments are only used to hedge the procurement of goods. A 10% change in exchange rates for derivative financial instruments that are not shown under hedge accounting would result in pre-tax exchange rate gains or losses of EUR 734 thousand or EUR -759 thousand, respectively.

2022 (in EURk)	Currency	Change in exchange rate +10%	Change in exchange rate - 10%
	CNY	-6,459	7,732
	USD	1,561	-1,934
	GBP	1,949	-2,384
	AUD	890	-1,088
	Other	1,300	-1,592
	Total effect	-759	734

2021 (in EURk)	Currency	Change in exchange rate +10%	Change in exchange rate - 10%
	CNY	-6,845	9,082
	USD	1,759	-2,200
	GBP	2,423	-2,962
	AUD	2,184	-2,669
	Other	1,555	-1,897
	Total effect	1,076	-646

The nominal volume of derivative financial instruments is equivalent to the total of gross purchase price and sales price amounts (not offset against each other) agreed between the parties and is therefore not a reliable indicator for Group risk from the use of derivative financial instruments. Risks and opportunities are reflected in the market value, which is equivalent to the cash value of the derivative financial instruments at the reporting date.

POSITIVE AND NEGATIVE MARKET VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS IN 2022

2022 (in EURk)	Gross amount shown	Offsetting amount	Net amount shown
Derivatives with positive market values	42,942	0	42,942
Derivatives with negative market values	10,710	0	10,710

2021 (in EURk)	Gross amount shown	Offsetting amount	Net amount shown
Derivatives with positive market values	68,928	0	68,928
Derivatives with negative market values	1,479	0	1,479

The table shows the potential effects of the offsetting of financial assets and financial liabilities that are based on legally enforceable master netting arrangements or similar contracts. Einhell may only offset financial assets and financial liabilities as per IAS 32 if it has a legal right of set-off and Einhell actually intends to settle on a net basis.

FINANCIAL INSTRUMENTS WITH A POSITIVE MARKET VALUE FROM CASH FLOW HEDGE

(in EURk)	Nominal volume		Market value	
	2022	2021	2022	2021
Long-term currency futures	192,660	268,280	5,553	14,596
Short-term currency futures	515,305	578,077	34,176	46,404
	707,966	846,357	39,729	61,000

FINANCIAL INSTRUMENTS WITH A NEGATIVE MARKET VALUE FROM CASH FLOW HEDGE

(in EURk)	Nominal volume		Market value	
	2022	2021	2022	2021
Long-term currency futures	181,440	33,104	5,053	120
Short-term currency futures	239,341	36,808	2,969	1,025
	420,781	69,912	8,022	1,145

The underlying transactions refer to contracted and planned purchases. Most of the cash flows are expected within a period of twelve months and are recognised in the acquisition cost of inventories. Ineffectiveness resulting from cash flow hedges is immaterial to hedge accounting due to the short-term nature of the hedge transactions. The main reasons for ineffectiveness of these hedging relationships are:

- the effect of counterparty and Group credit risk on the fair value of forward foreign exchange contracts, which is not reflected in the change in fair value of the hedged cash flows attributable to changes in foreign exchange rates;
- changes in the timing of hedged transactions.

The nominal volume of derivatives that have a maturity of more than twelve months on the reporting date amounts to EUR 374,100 thousand. The market value of the derivatives amounts to EUR 499 thousand.

The changes in the reserve for cash flow hedges is illustrated in the statement of changes in equity.

Cash flow hedging

The Group mainly controls and monitors market risks through its operating business activities and uses derivative financial instruments whenever required. The Einhell Group only uses these instruments to hedge procurement risks.

The Group held the following instruments to hedge against currency translation risks as at 31 December 2022.

2022	Maturity	
Hedge against material currency translation risks	up to one year	more than one year
Currency futures		
Net risk in EURk	686,467	374,100
Hedge against material currency translation risks	Delta reporting date rate vs. hedging rate in %	
CNY	-13% to 6%	-4% to 18%
USD	-29% to 5%	-5%
GBP	-2% to 4%	
AUD	-1% to 0%	

2021	Maturity	
Hedge against material currency translation risks	up to one year	more than one year
Currency futures		
Net risk in EURk	901,627	301,383

Hedge against material currency translation risks	Delta reporting date rate vs. hedging rate in %	
CNY	-16% to 15%	-15% to -5%
USD	-15% to 12%	
GBP	-2% to 0%	
AUD	0%	

6.6 Market values and carrying amounts of financial instruments

Pursuant to IFRS 9, financial instruments (assets and liabilities) are allocated to different measurement categories. The allocation to a particular measurement category determines whether the financial instrument is measured at its fair value. The following table shows the carrying amount and fair value for the individual categories and the

measurement category in the statement of financial position. The fair values are provided by banks or determined on the basis of generally accepted measurement models. The initial recognition parameters used in these models are the relevant observable market prices at the reporting date, such as volatilities and forward rates, and interest rates. For current assets and liabilities, the carrying amounts provide a good indication of the fair value. In the previous year, there were no material deviations between the carrying amounts and the fair values of non-current liabilities from debt capital as the discount rate saw no significant changes.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy. It does not include any information on the fair values of financial assets and financial liabilities that were not measured at fair value if the carrying amount provides an appropriate approximation to the fair value.

2022 (in EURk)	CARRYING AMOUNT							FAIR VALUE			
	Measurement at FVTPL is mandatory – others	Conditional consideration at fair value	Fair value – hedging instruments	Financial assets at amortised cost	FVOCI – equity instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value											
Currency futures for hedging purposes			39,729				39,729	39,729			39,729
Hedging derivatives not subject to hedge accounting	3,213						3,213	3,213			3,213
Non-derivative financial assets					330		330	330			330
	3,213	0	39,729	0	330	0	43,272	0	43,272	0	43,272
Financial assets not measured at fair value											
Trade receivables				143,700			143,700				
Non-derivative financial assets				3,300			3,300				
Cash and cash equivalents				10,662			10,662				
	0	0	0	157,662	0	0	157,662	0	0	0	0
Financial liabilities measured at fair value											
Currency futures for hedging purposes			8,022				8,022	8,022			8,022
Hedging derivatives not subject to hedge accounting	2,688						2,688	2,688			2,688
Contingent consideration		1,183					1,183			1,183	1,183
	2,688	1,183	8,022	0	0	0	11,893	0	10,710	1,183	11,893
Financial liabilities not measured at fair value											
Loans and overdrafts (secured, unsecured)						191,147	191,147		177,921		177,921
Trade payables						116,281	116,281				
Non-derivative financial liabilities (without contingent consideration)						53,244	53,244		49,685		49,685
	0	0	0	0	0	360,672	360,672	0	227,606	0	227,606

2021 (in EURk)	CARRYING AMOUNT							FAIR VALUE			
	Measurement at FVTPL is mandatory – others	Conditional consideration at fair value	Fair value – hedging instruments	Financial assets at amortised cost	FVOCI – equity instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value											
Currency futures for hedging purposes			60,999				60,999		60,999		60,999
Hedging derivatives not subject to hedge accounting	7,928						7,928		7,928		7,928
Non-derivative financial assets					332		332		332		332
	7,928	0	60,999	0	332	0	69,259	0	69,259	0	69,259
Financial assets not measured at fair value											
Trade receivables				135,859			135,859				
Non-derivative financial assets				1,757			1,757				
Cash and cash equivalents				11,513			11,513				
	0	0	0	149,129	0	0	149,129	0	0	0	0
Financial liabilities measured at fair value											
Currency futures for hedging purposes			1,145				1,145		1,145		1,145
Hedging derivatives not subject to hedge accounting	334						334		334		334
Contingent consideration		725					725			725	725
	334	725	1,145	0	0	0	2,204	0	1,479	725	2,204
Financial liabilities not measured at fair value											
Loans and overdrafts (secured, unsecured)						182,281	182,281				
Trade payables						137,500	137,500				
Non-derivative financial liabilities (without contingent consideration)						40,530	40,530				
	0	0	0	0	0	360,311	360,311	0	0	0	0

NET GAINS AND NET LOSSES FROM FINANCIAL INSTRUMENTS

(in EURk)	2022	2021
Financial assets and liabilities for which measurement at FVTPL is mandatory	-4,388	-532
of which interest result	0	0
at amortised cost	2,032	784
Financial assets	1,875	898
of which interest result	356	113
Financial liabilities	157	-114
of which interest result	-4,589	-1,620
Contingent consideration recognised at FVTPL	213	725
of which interest result	-39	-15

Net gains and net losses from financial instruments include measurement results, the recognition of impairment losses, results from currency translation and interest, and any other effects on

profit or loss in connection with financial instruments. The line item contingent consideration measured at fair value through profit or loss in the statement of financial position refers to earnings effects from the earn-out liabilities of Lawn Star, Mould Star and Einhell Finland Oy.

FAIR VALUE MEASUREMENT

a) Valuation techniques and material, unobservable input factors

The following table shows the valuation techniques that were used to measure level 2 and level 3 fair values as well as the material, unobservable input factors that were applied:

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE			
Type	Valuation technique	Material, unobservable input factors	Relation between material, unobservable input factors and measurement at fair value
Contingent consideration	Discounted cash flows: the valuation model considers the present value of expected payments, discounted for a risk-adjusted discount rate.	Forecast annual EBT as per the most recent adopted business planning (up to about EUR 1,605 thousand p.a.; previous year: EUR 730 thousand p.a.) multiplied by a contractually defined factor.	The estimated fair value would rise/fall if: <ul style="list-style-type: none"> the annual average revenue growth rate were higher/lower. the EBIT margin were higher/lower. the risk-related discount rate were lower/higher. A change in the annual revenue growth rate automatically entails a change in EBIT in the same direction.
Equity investments	Market comparison method: The valuation model is based on price quotes by brokers. Similar contracts are traded on an active market, and the price quotes reflect actual transactions for similar instruments.	N/A	N/A
Currency futures	Forward rate pricing: the fair value is determined by using forward rates quoted on the reporting date and net cash value calculations that are based on yield curves with strong creditworthiness in the corresponding currencies.	N/A	N/A

FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE			
Type	Valuation technique	Material, unobservable input factors	Relation between material, unobservable input factors and measurement at fair value
Loans and overdrafts (secured, unsecured)	Discounted cash flows	N/A	N/A
Non-derivative financial liabilities (without contingent consideration)	Discounted cash flows: the valuation model considers the present value of expected payments, discounted for a risk-adjusted discount rate.	Forecast annual EBT as per the most recent adopted business planning multiplied by a contractually defined factor.	<p>The estimated fair value would rise/fall if:</p> <ul style="list-style-type: none"> the annual average revenue growth rate were higher/lower. the EBIT margin were higher/lower. the risk-related discount rate were lower/higher. <p>A change in the annual revenue growth rate automatically entails a change in EBIT in the same direction.</p>

b) Reclassifications between level 1 and level 2

In 2021 and 2022, no reclassifications were performed in either direction.

c) Fair values in level 3

Reconciliation of fair values in level 3:

Contingent consideration (in EURk)	2022	2021
1. January	725	319
Earnout payment Lawn Star (Pty) Ltd	-13	-383
Adjustment of earn-out liability Lawn Star (Pty) Ltd	-266	797
Loss of Lawn Star (Pty) Ltd recognised in borrowing expenses	33	12
FX effects recognised in adjustment from currency translation item Lawn Star (Pty) Ltd	0	-3
Earnout payment Mould Star (Pty) Ltd	0	-96
Adjustment of earn-out liability Mould Star (Pty) Ltd	14	77
Loss recognised in borrowing expenses Mould Star (Pty) Ltd	2	3
FX effects recognised in adjustment from currency translation item Mould Star (Pty) Ltd	0	-1
Addition of earn-out liabilities Einhell Finland Oy	736	0
Adjustment of earn-out liabilities Einhell Finland Oy	-52	0
Loss of Einhell Finland Oy recognised in borrowing expenses	4	0
31 December	1,183	725

There were no reclassifications from or to level 3.

7. OTHER NOTES

7.1 Lease contracts

The Einhell Group has only entered into lease contracts in which it is the lessee.

The Group rents primarily warehouses and office buildings. The term of the leases is based on the agreements in the lease contract. Depending on the contract, lease payments are renegotiated after expiration of definite terms in order to reflect market rents. Some lease contracts provide for additional rental payments based on changes in local price indices. Certain lease agreements prohibit the Group from entering into subleases.

The warehouse and office leases were concluded many years ago as combined leases of land and buildings.

In addition, the Group leases vehicles and IT hardware with contractual terms of between one and five years.

For lease contracts that are either short-term and/or refer to leases of low-value assets, the Group has not recognised any right-of-use assets or lease liabilities.

Additional information on the right-of-use assets recognised in the statement of financial position is provided in the statement of assets (see Section 2.1 Changes in non-current assets). A maturity analysis of lease liabilities is provided in Section 6.4 Liquidity risk.

AMOUNTS RECOGNISED IN THE STATEMENT OF INCOME

(in EURk)	2022	2021
Lease contracts according to IFRS 16		
Interest expenses	483	357
Expenses for short-term leases	72	18
Expenses for leases of low-value assets	16	45

AMOUNTS RECOGNISED IN THE CASH FLOW STATEMENT

(in EURk)	2022	2021
Total cash outflow for lease contracts	6,623	5,672

EXTENSION OPTIONS

Some leases contain extension options that can be exercised by the Group up to one year before the end of the non-cancellable lease term. Wherever possible, the Group aims to include extension options when concluding new leases in order to ensure operational flexibility. The extension options are usually only exercisable by the Group and not by the lessor. The Group assesses on the commencement date whether the exercise of extension options is reasonably certain. The Group reassesses whether it is reasonably certain that an extension option will be exercised if a significant event or significant change in circumstances occurs.

The Group has recognised potential future lease payments as lease liabilities, provided that the extension options are likely to be exercised.

7.2 Other financial obligations

The other financial obligations from orders outstanding amounted to EUR 144,421 thousand on the reporting date (previous year: EUR 369,699 thousand).

7.3 Corporate Governance Code

The Board of Directors and the Supervisory Board of Einhell Germany AG have made the declaration of compliance prescribed by Section 161 of the German Stock Corporation Act (AktG) and made this permanently available to shareholders on the Group's website at www.einhell.com.

7.4 Related party disclosures

On 24 October 2002, Thannhuber AG, Landau a. d. Isar, submitted a notification pursuant to Section 21 (1) of the Securities Trading Act (WpHG) that its share of voting rights in Einhell Germany AG had exceeded the 75% threshold on 13 October 2002. Thannhuber AG is therefore the controlling shareholder of Einhell Germany AG.

The following shareholdings and interlocking directorships exist between Thannhuber AG and Einhell Germany AG:

- Philipp Thannhuber (Deputy Chairman of the Supervisory Board of Einhell Germany AG) is a shareholder and member of the board of Thannhuber AG.
- Dr Markus Thannhuber (member of the Board of Directors of Einhell Germany AG) is a shareholder and deputy chairman of the supervisory board of Thannhuber AG.

In financial year 2022, Philipp Thannhuber and Dr Markus Thannhuber received remuneration for their activities in the corporate bodies of Einhell Germany AG.

The value of transactions and balances outstanding in connection with Thannhuber AG and its related parties break down as follows:

(in EURk)	Value of transactions		Outstanding balances as at 31 December	
	2022	2021	2022	2021
Consulting (*)	0	26	0	13

(*) The Group used consulting services provided by Josef Thannhuber, Chairman of the Supervisory Board of Thannhuber AG, for project planning and implementation of construction and property projects. The fee invoiced for these services corresponded to normal market rates. The invoice amounts were due in line with normal payment terms.

Einhell Germany AG sold small amounts of goods to Comedes GmbH (managing director Philipp Thannhuber). In the previous year, iSC GmbH started shipping small amounts of palleted goods on behalf of Comedes GmbH. The revenue from these shipping and sales services is immaterial and is based on the arm's length principle.

A report pursuant to Section 312 of the German Stock Corporation Act (AktG) was prepared on Einhell Germany AG's relationships with affiliated companies, which is concluded with the following

statement: "During the period under review, Einhell Germany AG did not enter into any legal transactions with Thannhuber AG, or in the interest or at the request of Thannhuber AG, and did not take or refrain from taking any measures that would have disadvantaged Einhell Germany AG."

Related parties further include key management personnel. This includes the Board of Directors and the Supervisory Board. Information on their remuneration is provided in the Section 7.5 Remuneration of the Board of Directors and the Supervisory Board. A list of all the individual members is included in Section 9. CORPORATE BODIES.

7.5 Remuneration of the Board of Directors and the Supervisory Board

Remuneration of key management personnel comprises:

(in EURk)	LONG-TERM	
	2022	2021
Non-performance based components	0	0
Performance-based components	0	0
Increase in other entitlements	397	756
	397	756

(in EURk)	SHORT-TERM	
	2022	2021
Non-performance based components	1,366	1,384
Performance-based components	10,469	9,691
Increase in other entitlements	0	0
	11,835	11,075

The additions to pension provisions amount to EUR 143 thousand (previous year: EUR 163 thousand). The final balance of the defined benefit obligations for active members of the Board of Directors amounts to EUR 1,159 thousand (previous year: EUR 2,072 thousand).

Members of the Board of Directors receive fixed and performance-based variable remuneration with short-term components. The performance-based components depend on consolidated net profit, segment earnings in the previous financial

year, growth of Group assets and personal targets. The members of the Board of Directors hold shares in Einhell Germany AG. There are no share option programmes or similar schemes.

Pension provisions for this group of persons totalling EUR 13,171 thousand (previous year: EUR 12,240 thousand) were recognised in liabilities. EUR 4,140 thousand thereof (previous year: EUR 3,743 thousand) refer to commitments by Einhell Germany AG towards some members of the Board of Directors, whose claims accrue on a pro-rata basis over the term of their office. The entitlements each become fully vested after a maximum period of 12 years.

Pension provisions of EUR 1,391 thousand (previous year: EUR 1,817 thousand) were set aside for former members of the Board of Directors. Pension benefits in the amount of EUR 125 thousand (previous year: EUR 121 thousand) were paid out to former members of the Board of Directors during the year under review.

The total remuneration of the Supervisory Board amounted to EUR 162 thousand (previous year: EUR 176 thousand) in the past financial year.

No loans or share options were granted to members of the Board of Directors or the Supervisory Board.

7.6 Auditor fees

Fees for the auditor Rödl & Partner GmbH entered as expense amount to EUR 265 thousand in the year under review (previous year: EUR 238 thousand). The fees pertain to the audits of the annual accounts and the consolidated financial statements. Fees of EUR 12 thousand (previous year: EUR 11 thousand) were recognised for other services related to the audit of the system for compliance with requirements resulting from Section 20 (1) of the Securities Trading Act (WpHG).

7.7 Events after the reporting date

No further events took place after the reporting date that could have a significant impact on net assets, financial position and results of operations.

8. LIST OF SHAREHOLDINGS

31 December 2022	Capital share in %	Equity in EURk	Net income in EURk
iSC GmbH, Landau a. d. Isar/Germany	100.0	1,150	-2
Hansi Anhai Far East Ltd., Hong Kong/China	100.0	1,218	626
HAFE Trading Ltd., Hong Kong/China	100.0	3,426	-320
Hans Einhell China (Chongqing) Co. Ltd., Chongqing/China	100.0	2,427	50
Hansi Anhai Youyang Import & Export Co. Ltd., Chongqing/China	100.0	3,023	4,759
Hans Einhell (Shanghai) Trading Co., Ltd., Shanghai/China	100.0	3,422	79
Einhell Österreich Gesellschaft m.b.H., Vienna/Austria	100.0	2,347	1,326
Einhell Portugal – Comércio Int., Lda., Arcozelo/Portugal	100.0	5,736	842
Einhell Nederland B.V., Breda/Netherlands	100.0	879	-180
Einhell Italia s.r.l., Milan/Italy	100.0	23,198	3,306
Comercial Einhell S.A., Madrid/Spain	100.0	11,532	2,501
Einhell Polska Sp.z o.o., Wroclaw/Poland	90.0	5,847	696
Einhell Hungaria Kft., Budapest/Hungary	100.0	3,856	805
Einhell Schweiz AG, Winterthur/Switzerland	100.0	6,359	1,637
Einhell UK Ltd., Merseyside/UK	100.0	2,573	-1,047
Einhell Bulgaria OOD., Varna/Bulgaria	67.0	868	452
Einhell Croatia d.o.o., Sveti Križ Začretje/Croatia	100.0	9,658	1,961
Einhell BiH d.o.o., Vitez/Bosnia	66.7	4,735	661
Einhell d.o.o. Beograd, Belgrade/Serbia	100.0	2,011	-60
Einhell Romania SRL, Bucharest/Romania	100.0	3,603	-221
Svenska Einhell AB, Malmö/Sweden	100.0	21	-2
Einhell Holding Gesellschaft m.b.H., Wels/Austria	100.0	10,307	1,779
Einhell-Unicore s.r.o., Carlsbad/Czech Republic	100.0	2,358	-156
Einhell Turkey Dis Ticaret Anonim Sirketi, Istanbul/Turkey	100.0	4,114	546
Anxall Hellas A.E., Athens/Greece	100.0	2,534	327
Einhell Chile S.A., Santiago/Chile	100.0	10,627	1,070
Einhell Nordic AS, Lystrup/Denmark	51.0	1,114	70
Einhell SAS, Villepinte/France	100.0	12,908	3,159
Einhell Argentina S.A., Buenos Aires/Argentina	100.0	6,840	448
kwb Germany GmbH, Stuhr/Germany	100.0	1,182	-1,464
Einhell LLC, St. Petersburg/Russia	100.0	10,866	1,329
Hans Einhell Ukraine LLC, Kiev/Ukraine	100.0	1,492	-1,214
Einhell Holding Australia Pty. Ltd., Melbourne/Australia	100.0	24,355	6,578
Einhell Colombia S.A.S., Bogota/Colombia	100.0	1,127	19
Ozito Industries Pty Ltd, Melbourne/Australia	100.0	38,340	12,212
ECOMMERCE System GmbH, Landau a. d. Isar/Germany	100.0	2,994	19
ECOMMERCE System s.r.o., Prague/Czech Republic	90.0	306	-143
Lawn Star (Pty) Ltd, Cape Town/South Africa	51.0	856	99
Mould Star (Pty) Ltd, Cape Town/South Africa	51.0	200	6
Einhell Electro Machinery Technology Co. Ltd., Kunshan City/China	100.0	14,499	2,808
Einhell Uruguay S.A., Montevideo/Uruguay	100.0	187	51
Einhell US Holding Inc., Dover/USA	100.0	102	-1
Einhell Canada Holding Ltd., Vancouver/Canada	100.0	17,523	-613
Outillages King Canada Inc., Dorval/Canada	66.7	13,916	2,021
Einhell Finland Oy, Tampere/Finland	100.0	250	-46
Suomen Einhell Oy, Tampere/ Finland	100.0	36	0

The figures for equity and earnings correspond to the figures shown in the annual financial statements that are all uniformly prepared in accordance with IFRS. Equity figures in foreign currency are converted at the exchange rate on the reporting date, while earnings figures are converted at the average rate.

9. CORPORATE BODIES

9.1 The Board of Directors

In financial year 2022, the Board of Directors of Einhell Germany AG comprised:

- **Andreas Kroiss, Linz/Austria (Chairman)**
Sales and distribution, procurement, marketing, product management and corporate strategy
- **Jan Teichert, Metten**
Finance and accounting, taxes, internal audit, legal, controlling, investor relations, HR and maintenance
- **Dr Markus Thannhuber, Landau a. d. Isar**
Technology, product development, quality control, supply chain management and production
- **Dr Christoph Urban, Dingolfing**
IT, digitalisation and services

Andreas Kroiss is Managing Director of KA-Invest GmbH, Linz.

Dr Markus Thannhuber is the Deputy Chairman of the Supervisory Board of Thannhuber AG, Landau an der Isar and Managing Director of MAPHITHA 2 GmbH, Landau a. d. Isar.

Dr Christoph Urban is the Chairman of the Supervisory Board of VR-Bank Ostbayern Mitte eG, Straubing.

9.2 Supervisory Board

In financial year 2022, the Supervisory Board of Einhell Germany AG comprised:

Univ.-Prof. Dr.-Ing. Dr.-Ing. E.h. Dr. h.c. Dieter Spath, Sasbachwalden,
Chairman

- President and Chairman of the Board of TÜV Rheinland Berlin Brandenburg Pfalz e.V., Cologne

Philipp Thannhuber, Wallersdorf,
Deputy Chairman

- Managing Director of Comedes GmbH, Wallersdorf
- Managing Director of WOTOX GmbH, Landau a. d. Isar
- Managing Director of MAPHITHA Verwaltungs GmbH, Landau a. d. Isar
- Managing Director of MAPHITHA 2 GmbH, Landau a. d. Isar
- Member of the Board of Directors Thannhuber AG, Landau a. d. Isar

Maximilian Fritz, Wallersdorf, Haidlfing,
Employee representative

- Chair of the works council
- Sales representative

Univ.-Prof. Dr.-Ing. Dr.-Ing. E.h. Dr. h.c. Dieter Spath is a member of the following Supervisory Boards and Administrative Boards:

- LIEBICH & PARTNER Management- und Personalberatung AG, Baden-Baden, Chairman of the Supervisory Board
- Bausch + Strobel SE & Co. KG, Ilshofen, Chairman of the Supervisory Board
- Zeppelin GmbH, Garching, member of the Supervisory Board
- TÜV Rheinland AG, Cologne, member of the Supervisory Board

Landau a. d. Isar, 31 March 2023

Einhell Germany AG

The Board of Directors

Andreas Kroiss

Jan Teichert

Dr Markus Thannhuber

Dr Christoph Urban

Unqualified Report by the Independent Auditor

to Einhell Germany AG, Landau an der Isar

Report on the audit of the consolidated financial statements and of the combined management report

Opinions

We have audited the consolidated financial statements prepared by Einhell Germany AG, Landau an der Isar, and its subsidiaries (the "Group") comprising the consolidated statement of financial position as at 31 December 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 January to 31 December 2022 as well as the notes to the consolidated financial statements and a summary of significant accounting policies. We further audited the combined management report of Einhell Germany AG, Landau an der Isar for the financial year from 1 January to 31 December 2022. In accordance with German legal requirements, we have not audited the contents of the combined management report mentioned in the section "Other information" of our audit opinion.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2022, and of its financial performance for the financial year from 1 January to 31 December 2022, and
- the combined management report as a whole provides an appropriate view of the Group's position. This combined management report is consistent in all material respects with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the contents of those parts of the combined management report that are included in the "Other information" section.

Pursuant to Section 322 (3) Sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 German Commercial Code (HGB) and the EU Audit Regulation (No 537/2014, hereinafter referred to as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key audit matters in the audit of the consolidated financial statements

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

In our opinion, the matters set out below were the most significant for our audit (key audit matters):

Recoverability of goods

Reasons for definition as a key audit matter

Goods in the amount of EUR 468.3 million are reported in the consolidated statement of financial position as at 31 December 2022. This item includes impairments in the amount of EUR 12.4 million. The value of goods, which are initially measured at acquisition cost (including ancillary costs of acquisition), must be adjusted if their expected net realisable value no longer meets the acquisition cost. Discretionary leeway must be exercised in order to determine the net realisable values that form the value ceiling. The net realisable value is based, in part, on forward-looking estimates regarding the amounts that are likely to be realised when selling the goods.

The risk in connection with the financial statements is that goods might be overvalued if the need to recognise impairments was not identified.

Our audit approach

Our audit activities comprised, as a first step, obtaining an understanding of the process steps and internal controls implemented for the calculation of the expected net realisable values. We selected the selling prices underlying the calculation of the net realisable value on the basis of sales prices prevailing directly after the reporting date. In addition to making a random selection, we also applied risk-based considerations in selecting the underlying selling prices. We also assessed the company's inventory coverage analyses and verified whether the value adjustments recognised are appropriate. We verified the arithmetical accuracy of the calculations for determining the net realisable value and for determining the impairment amounts for inventories based on a deliberately risk-oriented selection as well as a random selection.

Reference to related information

For the accounting and valuation methods applied in the financial year with regard to inventories, please refer to items "1.7 Accounting and valuation principles" and "2.5 Inventories" in the notes to the consolidated financial statements as well as section "2.3 b) Management system" in the combined management report.

Accrual of revenue

Reasons for definition as a key audit matter

In financial year 2022, revenue amounted to EUR 1,032.5 million. The Group recognises revenue upon transfer of control to the customer. For contracts with customers that allow returns, revenue is recognised to the extent that it is highly probable that no material adjustment will have to be made to the cumulative revenue recognised. The amount of revenue recognised is therefore adjusted for expected returns estimated on the basis of historical data. The key markets of the Group are in Europe and Australia. The group companies make different agreements with customers that govern international deliveries of products. As different contractual arrangements are made for different markets and discretionary decisions are made to determine and assess the time of transfer of control, there is a risk that revenues are not delimited correctly in the financial statements with regard to the cut-off date and thus revenue is recognised in the wrong period.

Our audit approach

Our audit activities comprised, as a first step, obtaining an understanding of the process steps and internal controls implemented with respect to order acceptance, outgoing goods and invoicing and, in particular, with respect to the

determination and verification of the correct or actual transfer of risk. In addition, we have assessed the timing and amount of revenue recognised by matching the booked outgoing invoices to the related purchase orders and external proofs of delivery and payments received. The revenue bookings in financial year 2022 to be assessed were selected on the basis of their amount to reflect risk considerations and on the basis of a random selection. Based on this deliberately risk-oriented selection of revenue bookings as well as the random selection, we then reviewed the corresponding revenue bookings over a fixed period before and after the reporting date with respect to correct accrual by comparing external delivery notes for these select revenue bookings with the time of revenue recognition. In addition, we analysed all revenue bookings broken down by users over a fixed period before the reporting date. The users were selected on the basis of risk considerations as well as by means of a random selection. Furthermore, we examined credits for and cancellations of revenue for a certain period after the reporting date to identify any unrealised revenue in financial year 2022.

Reference to related information

Please refer to items "1.7 Accounting and valuation principles" and "3.1 Revenue" in the notes to the consolidated financial statements for information on the methods used to recognise revenue.

Other information

The legal representatives are responsible for the other information. The other information section includes the following parts of the combined management report, the contents of which were not audited:

- the non-financial group statement referred to in section "7. Corporate Social Responsibility (CSR)" in the combined management report,
- the Group's combined corporate governance statement referred to in the section "Corporate Governance Statement" in the combined management report,
- non-mandatory information contained in the combined management report that is designated as unaudited, and
- the other parts of the annual report, with the exception of the audited consolidated financial statements and the components of the combined management report the contents of which were audited, and our audit opinion.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information referred to above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, the audited contents of the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there has been a material misstatement of such other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the legal representatives and the supervisory board for the consolidated financial statements and the combined management report

The legal representatives are responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional applicable requirements of German commercial law pursuant to Section 315e (1) German Commercial Code (HGB), and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of net assets, financial position and results of opera-

tions of the Group. Furthermore, the legal representatives are responsible for such internal controls as they determine necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud (e.g. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for the assessment of the Group's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to the continuation of the Group as a going concern. In addition, they have responsibility for accounting on the basis of the going concern principle, unless there is the intention to liquidate the Group or to discontinue operations or there is no realistic alternative.

The legal representatives are also responsible for preparing the combined management report, which as a whole provides an accurate picture of the Group's position, is consistent in all material respects with the consolidated financial statements, complies with German law and adequately depicts the opportunities and risks related to the future performance. Furthermore, the legal representatives are responsible for the precautions and measures (systems) which they have deemed necessary to enable the preparation of a combined management report in accordance with German statutory requirements and to provide sufficient suitable evidence for the statements in the combined management report.

The Supervisory Board is responsible for overseeing the Group's accounting process for the preparation of the consolidated financial statements and the combined management report.

Responsibility of the statutory auditor for the audit of the consolidated financial statements and the combined management report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the combined management report as a whole provides an accurate picture of the Group's position and, in all material respects, is in accordance with the consolidated financial statements and the findings of our audit and German statutory provisions, and accurately depicts the opportunities and risks related to the future performance, and to issue an audit report that includes our audit opinion on the consolidated financial statements and the combined management report.

Reasonable assurance represents a high degree of certainty, but no guarantee that an audit conducted in accordance with Section 317 German Commercial Code (HGB) and the EU Audit Regulation as well as the German Generally Accepted Standards for Financial Statement Audits promulgated by the German Institute of Public Auditors (IDW) will always reveal a material misstatement. Misstatements may result from fraud or error and are considered material if it could reasonably be expected that they will, individually or collectively, influence the economic decisions of addressees made on the basis of these consolidated financial statements and the combined management report.

During our audit we exercise professional judgement and due scepticism. Moreover,

- we identify and assess the risks of material misstatements arising from fraud or error in the consolidated financial statements and the combined management report, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to form the basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls;
- we obtain an understanding of the internal control system relevant to the audit of the consolidated financial statements and the arrangements and measures relevant to the audit of the combined management report that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems;
- we express an opinion on the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the accounting estimates and related disclosures made by the legal representatives;
- we draw conclusions about the appropriateness of the going concern principle applied by the legal representatives and assess, based on the audit evidence obtained, whether there is material uncertainty in connection

with events or circumstances that could raise significant doubts about the Group's ability to continue as a going concern. If we come to the conclusion that there is material uncertainty, we are obliged to draw attention to the relevant information in the consolidated financial statements and the combined management report in our audit report or, if this information is inadequate, to modify our auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may cause the Group to cease to continue as a going concern;

- we express an opinion on the presentation, structure and content of the consolidated financial statements as a whole, including the disclosures, and assess whether the consolidated financial statements present the underlying transactions and events such that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with the IFRS applicable within the EU and the additional requirements of German law in accordance with Section 315e (1) German Commercial Code (HGB);
- we obtain sufficient suitable audit evidence for the accounting information of the companies or business activities within the Group to enable us to express an opinion on the consolidated financial statements and the combined management report. We are responsible for guiding the audit of the consolidated financial statements, its supervision and execution. We have sole responsibility for our audit opinions;
- we assess the consistency of the combined management report with the consolidated financial statements, its compliance with the law and the picture it portrays of the Group's position;
- we carry out audit procedures on the forward-looking statements presented by the legal representatives in the combined management report. Based on sufficient, appropriate audit evidence, we retrace in particular the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the appropriate derivation of the forward-looking statements from these assumptions. We do not issue a separate audit opinion on the forward-looking statements and the underlying assumptions. There is significant unavoidable risk that future events could differ materially from the forward-looking statements.

We discuss with those charged with governance issues subjects such as the planned scope and timing of the audit and significant audit findings, including any material deficiencies in the internal control system that we identify during our audit.

We make a statement to those charged with governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that can reasonably be expected to affect our independence, and, where relevant, discuss the measures taken and safeguards applied to remedy any threats to auditor independence.

From the matters that we discussed with those charged with governance, we determine those matters that were most significant in the audit of the consolidated financial statements for the current period under review and are therefore considered key audit matters. We describe these matters in the auditor's report, unless laws or other statutory provisions prohibit a public disclosure of such information.

Other statutory and regulatory requirements

Assurance report on the electronic reproductions of the consolidated financial statements and the combined management report prepared for the purpose of disclosure in accordance with Section 317 (3a) German Commercial Code (HGB)

Assurance conclusion

We have performed an assurance engagement in accordance with Section 317 (3a) German Commercial Code (HGB) to obtain reasonable assurance about whether the electronic reproduction of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the file provided Einhell_Germany_AG_KAuKLB_ESEF_2022-12-31.zip (SHA256 hash value:

a71c529b40ac27bace5e5d8eac735b083a3d9eaded127377bf9272da7fd6c4a7) and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) German Commercial Code (HGB) for the electronic reporting format ("ESEF format").

In accordance with German legal requirements, this assurance engagement only extends to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) German Commercial Code (HGB) for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned file beyond this reasonable assurance conclusion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January to 31 December 2022 contained in the "Report on the audit of the consolidated financial statements and of the combined management report" above.

Basis for the assurance opinion

We conducted our assessment of the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file in accordance with Section 317 (3a) German Commercial Code (HGB) and the IDW Assurance Standard: Assurance in accordance with Section 317 (3a) German Commercial Code (HGB) on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (IDW PS 410 (06.2022)). Our responsibility in accordance with this standard is further described in the section "Auditor's responsibility for the audit of the ESEF documents". Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

Legal uncertainty regarding the conform interpretation of relevant EU law

Given the conversion process chosen by the company for the information in the notes to the consolidated financial statements (block tagging in iXBRL format), the consolidated financial statements in ESEF format are not fully machine-interpretable. The legal conformity of the company representatives' interpretation, which assumes that the delegated act (EU) 2019/815 does not explicitly require structured information in the notes to consolidated financial statements to be fully machine-interpretable when the notes are block tagged, is subject to considerable legal uncertainty that also constitutes an inherent uncertainty in our audit.

Responsibility of the legal representatives and the Supervisory Board for the ESEF documents

The legal representatives of the company are responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 German Commercial Code (HGB) and for the markup of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 German Commercial Code (HGB).

In addition, the legal representatives of the company are responsible for the internal controls they consider necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of Section 328 (1) German Commercial Code (HGB) for the electronic reporting format, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the preparation process of the ESEF documents as part of the financial reporting process.

Auditor's responsibility for the assessment of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of Section 328 (1) German Commercial Code (HGB), whether due to fraud or error. During our audit we exercise professional judgement and due scepticism. Moreover,

- we identify and assess the risks of material non-compliance with the requirements of Section 328 (1) German Commercial Code (HGB), whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to form the basis for our assurance conclusion.
- we obtain an understanding of the internal control system relevant to the assessment of the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of these controls.
- we evaluate the technical validity of the ESEF documents, i.e. we check whether the electronic file provided containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815 on the technical specification for this electronic file applicable on the reporting date.
- we evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited combined management report.
- we evaluate whether the markup of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 as amended on the reporting date provides an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Other disclosures in accordance with Article 10 of the EU Audit Regulation

We were appointed as statutory auditors of the consolidated financial statements by the Annual General Meeting on 24 June 2022. We received our mandate from the Supervisory Board on 12 January 2023. We have been continuously acting as statutory auditors of the consolidated financial statements of Einhell Germany AG, Landau an der Isar, since financial year 2020.

We state that the audit opinions contained in this auditor's report are consistent with the additional report to the Supervisory Board in accordance with Article 11 of the EU Audit Regulation (audit report).

Other matters – use of the auditor's report

Our audit report should always be read in conjunction with the audited consolidated financial statements and the audited combined management report as well as the audited ESEF documents. The consolidated financial statements and combined management report converted into ESEF format, including the versions to be published in the company register, are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report, and do not replace them. The ESEF note and our audit opinion contained therein in particular may only be used in conjunction with the audited ESEF documentation provided in electronic form.

Responsible statutory auditor

The statutory auditor responsible for the audit is Stefan Welsch.

Nuremberg, 31 March 2023

Rödl & Partner GmbH

Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Landgraf	Welsch
Auditor	Auditor
(Wirtschaftsprüfer)	(Wirtschaftsprüfer)



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