



FINANCIAL REPORT

30th June 2021

Dear shareholder,

The financial report of the Einhell Group as at 30 June 2021 meets the requirements under the Securities Trading Act (WpHG) for preparing interim reports. It includes abbreviated Group interim statements, a condensed Group management report and a statement of responsibility by the legal representatives. The financial statements are consistent with the International Financial Reporting Standards (IFRS) and their interpretations, as published by the International Accounting Standards Board (IASB) and applicable in the European Union.

There may be minor deviations in this report and in other reports due to rounding of totals and the calculation of percentage figures.

Key data for January to June 2021

Revenue		
Q2 2021	463.418	
Q2 2020	341.563	+35,7%
Profit before income taxes		
Q2 2021	37.684	
Q2 2020	23.294	+61,8%
EBIT		
Q2 2021	39.108	
Q2 2020	24.550	+59,3%
Equity ratio		
Q2 2021	50,4%	
Q2 2020	55,4%	-9,0%
Profit per share (EUR)		
Q2 2021	6,8	
Q2 2020	4,3	+58,1%
Net debt (bank deposits / liabilities)		
Q2 2021	47.869	
Q2 2020	9.095	+426,3%
Staff		
Q2 2021	1.786	
Q2 2020	1.598	+11,8%

Condensed Group Management Report of Einhell Germany AG

OVERVIEW OF JANUARY - JUNE 2021

In the first half of 2021, the Einhell Group generated revenue amounting to EUR 463.4 million. This figure clearly exceeds the revenue level generated in the first half of 2020.

Profit before income taxes amounts to EUR 37.7 million. This is equivalent to a pre-tax yield of about 8.1% (previous year: 6.8%), which is higher than Einhell's long-term average profit margin in the range of 5% to 6%. The Einhell Group was able to further increase revenue in the Power X-Change products segment. Revenue growth was recorded in all markets.

General economic conditions

D/A/CH

Sentiment in Germany's board rooms has once again brightened further. The Ifo business climate index increased from 99.2 to 101.8 points in June, while the sentiment regarding the second half of the year has also improved.

The inflation rate in Germany rose by 2.3% between June 2020 and June 2021. Following the continuous rise since the beginning of the year, the inflation rate has thus flattened again. According to the Federal Statistical Office, consumer prices increased by 0.4% compared to May 2021.

The Federal Statistical Office further reports that the gross domestic product in Germany rose by 1.5% on the previous quarter in the second quarter of 2021. There are concerns, however, regarding the spread of the COVID-19 Delta variant and the shortage of materials for industrial production, which already dampened economic development in the spring.

Incoming orders for the German industry increased dynamically in June 2021. Compared to the previous month, the order intake increased by 4.1% according to the Federal Statistical Office.

In June 2021, Germany exported goods worth EUR 118.7 billion and imported goods in the amount of EUR 102.4 billion. According to the Federal Statistical Office, German exports were thus 23.6% and imports 27.0% higher in June 2021 than in June 2020.

The foreign trade balance, i.e. the balance of exports to imports, adjusted for calendar and seasonal effects, closed with a surplus of EUR 16.3 billion in June 2021.

With the easing of restrictions, the number of unemployed persons dropped considerably by 73,000 month-on-month to 2,614,000 in June 2021. Adjusted for seasonal effects, the number of unemployed persons decreased by 38,000. The unemployment rate declined by 0.2% to 5.7%. Compared to June 2020, the number of unemployed persons was down 239,000, while the unemployment rate decreased by 0.5% year-on-year.

In 2020, German DIY and home improvement stores generated revenue in the amount of EUR 22.14 billion, corresponding to revenue growth of 13.8%. Given the uncertainty due to the pandemic, there is no concrete revenue forecast for 2021.

WESTERN AND EASTERN EUROPE

The economy in the eurozone has rebound much faster than expected this spring. According to the European statistical authority Eurostat, the gross domestic product (GDP) rose 2.0% quarter-on-quarter in the time period April to June 2021. A comparison with the previous year shows how strongly the economy has caught up since the outbreak of the pandemic in 2020: the GDP was up 13.7% on the second quarter of 2020.

Industrial production in the eurozone decreased more strongly than anticipated in June 2021. The European statistical authority Eurostat reports a 0.3% decline compared to the previous month. Compared to the same month in the previous year, which was heavily burdened by the pandemic, production increased significantly by 9.7%.

The situation on the labour market has improved noticeably in the eurozone. According to Eurostat, the unemployment rate dropped by 0.3% since the previous month to 7.7% in June 2021. Currently, 12.52 million people are unemployed in the 19 eurozone countries. The figure dropped by 423,000 on the previous month and by 339,000 year-on-year. The development in the 27 EU countries was similar.

The inflation rate in the eurozone rose by 1.9% year-on-year. Compared to May 2021, prices increased by 0.3% in June 2021.

The Harmonised Index of Consumer Prices (HICP) for Germany, which is calculated for EU purposes, was 2.1% higher in June than in the same month last year and 0.4% higher than in May 2021.

OVERSEAS

The Australian economy recovered from the pandemic with surprising speed. The gross domestic product exceeded the pre-crisis level again in the first quarter of 2021. According to the Reserve Bank of Australia (RBA), the country has now entered a robust growth phase.

Performance report

EINHELL GROUP REVENUE

From January to June 2021, the Einhell Group generated revenue of EUR 463.4 million (previous year: EUR 341.6 million). This represents a substantial increase year-on-year.

The Einhell Group has been able to generate excellent revenues so far in the 2021 financial year. Demand for DIY products remains high in 2021. Revenue growth was mainly driven by an increase in market share as well as strong demand for Power X-Change products. As at 30 June 2021, the share of Power X-Change products sold in total revenue stands at 37.2%.

In the **D/A/CH region** (Germany, Austria, Switzerland), revenue increased significantly to EUR 203.5 million (previous year: EUR 155.7 million).

The region's share in total consolidated revenue amounts to 43.9% (previous year: 45.6%).

The continued increase in revenue is driven by a strong presence in the DIY stores, at the point of sale and in the e-commerce channels. This is where Einhell's high investments in listings and e-commerce in the past few years now pay off, as is also evident from the market share gains in the previous year. Germany as well as Switzerland and Austria were able to increase their revenue share in the total DIY markets considerably.

The growth in sales was achieved primarily through strong demand for the Power X-Change battery products, as well as through a continuous increase in market shares in the core regions. In Germany, Einhell is one of the three leading brands in the field of battery-operated power tools, alongside Bosch and Makita, based on the number of units sold. In the field of cordless gardening tools, Einhell is number one in terms of the units sold.

In **Western Europe**, revenue of EUR 88.8 million (previous year: EUR 66.6 million) has increased substantially over the previous year. The largest sales markets in the region are France, Italy and the UK.

The subsidiaries in the Western Europe region have performed well so far, with revenues significantly above the previous year's level. The market shares of the most important markets at Western Europe developed very well in the 2020 financial year. Market share figures for 2021 are not yet available for this region.

Revenue in **Eastern Europe** increased by EUR 10.5 million to EUR 44.7 million (previous year: EUR 34.2 million).

The distribution companies in the Eastern Europe region were also able to generate excellent revenue and earnings in the year to date.

The **Overseas** region also saw substantial revenue growth from EUR 66.9 million to EUR 96.5 million. Revenues in this region are mainly generated by Ozito Industries.

The subsidiaries in the **Overseas** region have performed well in financial year 2021. Ozito Industries Pty Ltd was able to significantly increase both revenue and earnings compared to the previous year, while the South American companies also performed well.

In the **Other Countries** including Asia, revenue also increased compared to the prior-year period to EUR 29.9 million (previous year: EUR 18.2 million).

The Other countries region, and here the Asian subsidiaries in particular, managed to increase their revenue figures compared to the prior-year period. This is attributable to more orders from direct customers in South and Central America who have increased their order volumes again.

Earnings development

From January to June 2021, the Einhell Group generated profit before income taxes of EUR 37.7 million (previous year: EUR 23.3 million). The pre-tax margin is 8.1% (previous year: 6.8%).

The gross profit margin is slightly higher due to the higher proportion of Power X-Change products sold.

This takes earnings above the long-term average of 5-6%.

Consolidated net profit after minority interest amounts to EUR 25.6 million in the period under review (previous year: EUR 16.4 million). Earnings per share amount to EUR 6.8 (previous year: EUR 4.3 per share).

Compared to the prior-year period, personnel expenses have increased and amount to EUR 50.1 million (previous year: EUR 39.7 million). The personnel expenses ratio stands at 10.8% (previous year: 11.6%).

Depreciation increased by EUR 0.6 million in financial year 2021, from EUR 4.7 million to EUR 5.3 million.

Other expenses also increased significantly year-on-year from EUR 52.2 million to EUR 72.2 million.

The increase was mainly due to higher revenues. Furthermore, higher logistics costs and marketing expenses led to higher other operating expenses. The share in revenue that was expended on marketing measures amounts to 4.0% in the Einhell Group (previous year: 3.4%).

The financial result of EUR -1.4 million (previous year: EUR -1.3 million) is slightly below the prior-year level. It includes financial income of EUR 5.2 million and financial costs of EUR 6.6 million. Financial costs also include the high refinancing costs in some high-interest countries and the cost of currency hedging.

Personnel and HR services

On 30 June 2021, the Einhell Group had 1,786 employees worldwide (previous year: 1,598).

Financial performance and net assets

The material items in the statement of financial position as at 30 June 2021 and 30 June 2020 are as follows:

	06/2021	06/2020
	in EUR million	in EUR million
Non-current assets incl. deferred tax assets	105.5	81.1
Inventories	214.3	128.6
Trade receivables	177.1	143.1
Cash and cash equivalents	11.5	22.0
Equity	282.1	220.9
Liabilities to banks	59.3	31.1

Investments

In the period under review, the Einhell Group made investments amounting to EUR 8.5 million (previous year: EUR 5.1 million). The majority of this was spent on operating and office equipment as well as advance payments and assets under construction. As in previous years, investments in product development were shown in the income statement under other operating expenses and personnel expenses.

Current assets

Goods inventories increased significantly as against the prior-year period to EUR 214.3 million (previous year: EUR 128.6 million). The tense sea freight market caused the Einhell Group to stock more goods, leading to higher inventories as at 30 June 2021. As the difficult supply chain management situation continues, the Board of Directors has decided to generally increase stocks in order to maintain the Group's good delivery performance.

Trade receivables are stated net of allowances for bad debts. Mainly driven by the revenue increase, trade receivables climbed by EUR 34.0 million year-on-year to EUR 177.1 million in the period under review (previous year: EUR 143.1 million).

The COVID-19 crisis could in principle result in an increased risk of default for trade receivables. For this reason, impairment valuation allowances corresponding to the expected default rate were formed as at 30 June 2021.

Derivative financial assets have increased substantially over the previous year to EUR 26.8 million (previous year: EUR 4.0 million). This is due to the significantly higher market values from derivatives used for currency hedging.

At EUR 28.9 million, other non-financial assets were above the previous year's level (previous year: EUR 18.5 million). The increase is nearly entirely attributable to VAT receivables at our procurement companies in China, which have risen by EUR 12.2 million compared to the previous year.

Cash and cash equivalents amount to EUR 11.5 million on the reporting date (previous year: EUR 22.0 million). Compared to the prior-year period, liabilities to banks increased from EUR 31.1 million to EUR 59.3 million due to the higher stocking levels.

The increase in non-derivative current and non-current financial liabilities is mainly owed to higher liabilities for customer bonuses and invoices outstanding.

Group structure

Einhell Germany set up a wholly-owned subsidiary in Uruguay in the period under review. The company was established in a Montevideo Free Trade Zone, where Einhell will maintain a central supply warehouse for South American customers in order to optimise the complex import handling in some of the South American countries.

Investor Relations

On 4 May 2021, Einhell Germany AG participated in the Capital Market Conference in Munich in order to talk to analysts and investors. In addition, the M.M. Warburg & Co. Roadshow was held at the beginning of 2021 and the Warburg Highlights Conference at the beginning of June 2021.

Financing

The financial requirements of the Einhell Group 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 strategy to increase inventories in order to guarantee the availability of goods can be financed with the existing credit lines.

In the shorter term, the Group also has access to sufficient credit facilities to finance further revenue growth.

Note to the financial report

The financial report was subjected to neither a review pursuant to Section 317 of the German Commercial Code (HGB) nor an audit.

Corporate Governance Code

The current Declaration of the Board of Directors and the Supervisory Board of Einhell Germany AG on the German Corporate Governance Code pursuant to section 161 of the German Stock Corporation Act (AktG) is permanently available on the company's website at www.einhell.com.

Risk report

As part of its international operations, Einhell is exposed to a variety of risks that are inherent in all entrepreneurial activities.

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.

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

The domestic controlling, investment controlling, finance, Group accounting and legal departments constitute the internal management 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 cost of goods sold and other costs 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 order intake, 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 comprises measures that are integrated into the processes as well as 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 in particular is the main process-independent control measure with respect to Group accounting processes.

The Einhell Group operates internationally and is thus exposed to market risks from changes to interest rates and exchange rates.

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.

In conclusion, there are no risks that endanger the future of the Group as a going concern according to the Board of Directors' assessment.

Forecast

DEVELOPMENT IN THE D/A/CH REGION

Expected development in %	2020	2021
GDP Germany	-5.0	3.5

The German federal government expects an increase in gross domestic product (price-adjusted) of 3.5% in 2021. Government spending will continue to support demand in 2021.

DEVELOPMENT IN THE WESTERN AND EASTERN EUROPE REGIONS

According to the EU Commission, the European economy will grow more strongly this year than initially expected. The Commission raised the growth forecast for all 27 EU countries to 4.2%. For the eurozone, the International Monetary Fund (IMF) predicts GDP growth of 4.4%.

The strongest economic growth is expected in Spain, which is – according to the EU Commission – to amount to nearly 6% in 2021. Furthermore, France is also expected to experience an upswing with 5.7% growth.

DEVELOPMENT IN THE OVERSEAS REGION

According to economists from the UOB Group, the Australian economy is transitioning from the recovery phase to a more normalised growth rate, keeping in mind that fiscal and monetary policies are still supporting the economy. Based on these trends, the experts lifted the GDP forecast for the full year 2021 to 4.8%.

The following economic growth rates are expected in the South American countries, in which the Einhell Group is active:

GDP in %	2020	2021
Argentina	-11.8	4.9
Colombia	-8.2	4.0
Chile	-6.0	4.5

OUTLOOK AND STRATEGY

The further development in 2021 continues to depend on the development of the COVID-19 pandemic, the increase in freight rates and prices for sea freight as well as the hike in commodity prices.

In addition, the further business development of the Einhell Group may be influenced by the general market and economic developments as well as developments in the crisis regions and developments on the foreign exchange markets.

The worldwide increase in demand for DIY products on the part of end customers continues to have a positive effect. As people's scope of movement is restricted because of the measures taken to tackle COVID-19, the number of DIY projects to be realised at home and in the garden rises. And to accomplish this, they need the products Einhell has to offer.

The strong demand on the global consumer markets has furthermore led to an imbalance in the global allocation of available sea freight containers. This has caused an extreme shortage of available freight equipment in Asia, which in turn has made the cost of freight from Asia to Europe and all other countries in the world extremely expensive. The Board of Directors recognised this at an early stage and is able to adequately address these challenges on the basis of existing agreements. This situation is expected to carry on in the second half of 2021.

In summary, it can be concluded that the Einhell Group is on track for success. Based on previous experience during the pandemic and due to its strong positioning in the various distribution channels, the

Einhell Group expects a continued positive business development.

In financial year 2021, the Einhell Group expects revenue of approx. EUR 830 - 850 million, because the business development was much stronger than expected, especially in July and August. The pre-tax operating margin is expected to reach approx. 8.0%.

The Einhell brand will benefit from a recent agreement with FC Bayern that makes Einhell gold partner of the club. The Board of Directors expects this to boost the awareness of the Einhell brand.

FORWARD-LOOKING STATEMENTS, ASSUMPTIONS, UNCERTAINTIES AND ASSESSMENT METHODS

The Board of Directors' assumptions and forecasts are based on the information currently available. 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.

Landau a. d. Isar, 23 August 2021

Einhell Germany AG
The Board of Directors

Andreas Kroiss
Jan Teichert
Dr Markus Thannhuber
Dr Christoph Urban

Consolidated statement of financial position (IFRS) as at 30 June 2021 (abbreviated)

Assets (in EURk)	30.06.2021	30.06.2020
Intangible assets	20,608	17,461
Property, plant and equipment	51,124	38,495
Right-of-use assets	12,464	12,285
Non-derivative financial assets	781	865
Derivative financial assets	4,990	45
Other non-financial assets	1,264	1,565
Deferred tax assets	14,248	10,410
Non-current assets	105,479	81,126
Inventories	214,322	128,551
Trade receivables	177,056	143,093
Non-derivative financial assets	868	301
Derivative financial assets	21,812	3,997
Income tax receivables	761	2,843
Other non-financial assets	27,587	16,957
Contract assets	442	0
Cash and cash equivalents	11,470	22,041
Current assets	454,318	317,783
	559,797	398,909

Equity and liabilities (in EURk)	30.06.2021	30.06.2020
Subscribed capital	9,662	9,662
Capital reserve	26,677	26,677
Retained earnings	241,944	200,784
Other reserves	632	-18,315
Equity of shareholders of Einhell Germany AG	278,915	218,808
Non-controlling interest	3,204	2,072
Equity	282,119	220,880
Provisions for other risks	1,311	1,158
Liabilities from debt capital	17,976	21,113
Deferred tax liabilities	9,545	3,396
Employee benefits	7,916	4,262
Lease liabilities	8,252	9,927
Derivative financial liabilities	0	1,485
Non-derivative financial liabilities	1,651	0
Other non-financial liabilities	313	0
Non-current liabilities	46,964	41,341
Trade payables	75,713	50,495
Income tax liabilities	8,046	4,190
Provisions for other risks	50,596	30,285
Liabilities from debt capital	41,363	10,023
Employee benefits	13,600	12,936
Lease liabilities	4,318	2,635
Derivative financial liabilities	1,268	3,297
Non-derivative financial liabilities	18,607	6,987
Other non-financial liabilities	16,638	15,840
Contract liabilities	565	0
Current liabilities	230,714	136,688
	559,797	398,909

Consolidated income statement (IFRS) for the period from 1 January to 30 June 2021

(in EURk)	30.06.2021	30.06.2020
Revenue	463,418	341,563
Own work capitalised	140	110
Other operating income	2,514	2,865
Cost of materials	299,408	223,336
Personnel expenses	50,067	39,695
Depreciation and amortisation	5,274	4,726
Other operating expenses	72,215	52,231
Financial result	-1,424	-1,256
Profit before income taxes	37,684	23,294
Income taxes	-11,111	-6,667
Consolidated net profit	26,573	16,627
Thereof share of minority shareholders in consolidated net profit/loss	986	249
Thereof share of shareholders of EINHELL Germany AG in consolidated net profit/loss	25,587	16,378

Consolidated statement of cash flows (IFRS) for the period from 1 January to 30 June 2021

in kTEU	01.01. – 30.06.2021	01.01. – 30.06.2020
Cash flows from/used in operating activities		
Earnings before tax (EBT)	37.684	23.294
+ Depreciation and amortisation of intangible assets and property, plant and equipment	5.274	4.726
- Interest income	-97	-49
+ Interest expenses	648	481
+/- Other non-cash expenses and income	508	944
Operating profit before changes in net working capital	44.017	29.396
+/- Decrease/increase in trade receivables	-58.051	-52.164
+/- Decrease/increase in inventories	-18.783	43.061
+/- Decrease/increase in other assets	1.715	-769
+/- Decrease/increase in assets held for sale	0	2.256
+/- Increase/decrease in non-current liabilities	452	302
+/- Increase/decrease in current liabilities	24.294	11.742
+/- Increase/decrease in trade payables	-23.127	-27.066
+/- Increase/decrease in liabilities in connection with assets held for sale	0	-79
Cash flows generated from operating activities	-29.483	6.679
- Taxes paid	-9.133	-4.201
+ Interest received	98	48
- Interest paid	-366	-337
Net cash from/used in operating activities	-38.884	2.189
Cash flows from/used in investing activities		
- Payments to acquire assets	-8.482	-4.989
+ Proceeds from disposal of assets	77	19
Net cash used in investing activities	-8.405	-4.970
Cash flows from/used in financing activities		
+ Proceeds from taking out financial liabilities	38.529	8.239
- Payments for repayment of financial liabilities	-1.563	-781
+ Proceeds from non-controlling interest	25	0
- Dividend payments to shareholders of EINHELL Germany AG	-8.178	-5.158
- Dividend payments to non-controlling interest	-274	0
- Payments for redemption portion of lease liabilities	-2.553	-2.463
Net cash used in financing activities	25.986	-163
Changes to cash and cash equivalents due to currency exchange	686	-744
Net decrease/increase in cash and cash equivalents	-20.617	-3.688
Cash and cash equivalents at beginning of reporting period	32.087	25.729
Cash and cash equivalents at end of reporting period	11.470	22.041

**Consolidated statement of changes in equity (IFRS)
for the period from 1 January 2020 to 30 June 2021**

				Other reserves						
	Subscribed capital	Capital reserve	Retained earnings	Adjustment from currency translation	Reverse for financial instruments FVOCI	Remeasurement reserve pursuant to IAS 19	Derivative financial instruments	Equity of shareholders of Einhell Germany AG	Share of noncontrolling interest	Total equity
	EURk	EURk	EURk	EURk	EURk	EURk	EURk	EURk	EURk	EURk
1 January 2020	9.662	26.677	189.565	-12.732	31	-1.803	1.620	213.020	1.852	214.872
Consolidated net profit	-	-	16.378	-	-	-	-	16.378	249	16.627
Unrealised gains/losses	-	-	-	-2.864	-	-	-2.567	-5.431	-29	-5.460
Dividends	-	-	-5.158	-	-	-	-	-5.158	-	-5.158
Other changes	-	-	-1	-	-	-	-	-1	-	-1
30 June 2020	9.662	26.677	200.784	-15.596	31	-1.803	-947	218.808	2.072	220.880
Consolidated net profit	-	-	24.823	-	-	-	-	24.823	355	25.178
Unrealised gains/losses	-	-	-	-618	-4	-411	1.526	493	18	511
Dividends	-	-	-	-	-	-	-	-	-373	-373
Other changes	-	-	-1.209	-	-	-	-	-1.209	359	-850
31 December 2020	9.662	26.677	224.398	-16.214	27	-2.214	579	242.915	2.431	245.346
Consolidated net profit	-	-	25.587	-	-	-	-	25.587	986	26.573
Unrealised gains/losses	-	-	-	1.723	-	-	16.730	18.453	36	18.489
Dividends	-	-	-8.178	-	-	-	-	-8.178	-274	-8.451
Other changes	-	-	138	-	-	-	-	138	25	163
30 June 2021	9.662	26.677	241.944	-14.491	27	-2.214	17.310	278.915	3.204	282.119

Selected IFRS consolidated notes of Einhell Germany AG, Landau/Isar, for the period from 1 January to 30 June 2021

1. Principles and methods used in preparing the consolidated financial statements

1.1 Basis of consolidation

The consolidated financial statements comprise Einhell Germany AG and the companies it controls. IAS 27 defines control as the power to govern the financial and operating policies so as to obtain benefits from a company's activities. If the Group holds more than 50% of the voting rights of a company, either directly or indirectly, it is deemed to control such company, unless such assumption is refuted. Companies that are acquired or sold during the course of a financial year are included in the consolidated financial statements as from the date of acquisition until the date of sale.

Einhell Germany founded a wholly-owned subsidiary in Uruguay in the period under review. The company was established in a Montevideo Free Trade Zone, where Einhell will maintain a central supply warehouse for South American customers in order to optimise the complex import handling in some of the South American countries.

1.2 Accounting and valuation principles

The report as at 30 June 2021 applies the same accounting and valuation principles as were used in the annual financial statements 2020. The IFRS standards that have become mandatory as from 1 January 2021 are applied accordingly by the Einhell Group.

2. Notes to statement of financial position

2.1 Non-current assets

Intangible assets and property, plant and equipment are valued at acquisition or manufacturing cost. Intangible assets amount to EUR 20.6 million as at 30 June 2021, while property, plant and equipment amount to EUR 51.1 million and are recognised in the

statement of financial position less accumulated depreciation. Scheduled depreciation and amortisation of intangible assets and property, plant and equipment amounted to EUR 5.3 million as at 30 June 2021.

2.2 Inventories

	June 2021	June 2020
	EURk	EURk
Raw materials and supplies (at acquisition cost)	1,101	370
Finished goods	212,664	127,778
Advance payments	557	403
Total	214,322	128,551

Inventories are valued at the lower of acquisition or manufacturing cost or net realisable value. Impairments amounted to EUR 1.8 million in total (previous year: EUR 1.1 million).

2.3 Cash and cash equivalents

Cash and cash equivalents include bank balances, cheques and cash in hand.

2.4. Dividend

A resolution was passed to pay a dividend of EUR 8,178,016.00 for financial year 2020. The distribution amount corresponds to a dividend of EUR 2.20 per preference share (previous year: EUR 1.40) and EUR 2.14 per ordinary share (previous year: EUR 1.34). The dividend was distributed in June 2021.

2.5 Provisions

Provisions total EUR 51,907 thousand. This includes non-current provisions of EUR 1,311 thousand.

Provisions refer in particular to provisions for warranties.

2.6 Liabilities

Upon addition, liabilities are valued at fair value of the consideration received; subsequent valuation is performed at amortised cost. Liabilities in foreign currencies are recognised at the reporting date rate or hedging rate as at the reporting date.

3. Notes to the consolidated statement of income

Other operating expenses

Other operating expenses amount to EUR 72.2 million as at 30 June 2021. This pertains primarily to expenses for the transport of goods, warranties, customer services, impairment, advertising and product design.

4. Segment reporting

The identification of reportable operating segments pursuant to IFRS 8 is based on the so-called management approach concept. The division of the Einhell Group into regions reflects the Group's internal management and reporting structures. The regions are: "D/A/CH region", "Western Europe", "Eastern Europe", "Overseas" and "Other countries".

Income and expenses that cannot be directly allocated to the individual regions and consolidation effects are shown in the reconciliation item.

4.1 Segment reporting by region

June 2021 in EURk	D/A/CH	Western Europe	Eastern Europe	Overseas	Other countries	Reconcil- iation	Group
Revenue by invoicing party	203,478	88,774	44,749	96,527	29,890	0	463,418
Revenue by invoice recipient	206,098	99,086	47,808	105,460	4,966	0	463,418
EBT	20,881	7,487	6,672	10,128	3,685	-11,169	37,684
Financial result	399	-332	-463	-461	-448	-119	-1,424
Interest income	1,687	0	42	51	65	-1,748	97
Interest expenses	-338	-333	-581	-348	-778	1,730	-648
Depreciation and amortisation	2,028	787	523	859	1,077	0	5,274
Non-cash income	-35	0	0	-3	0	-437	-475
Non-cash expenses	0	0	19	166	1	797	983
Non-current assets excl. deferred tax assets	53,972	7,509	10,419	10,994	8,337	0	91,231
Inventories	94,588	40,914	27,303	56,803	8,607	-13,893	214,322
Depreciation of inventories	853	199	289	392	105	0	1,838

June 2020 in EURk	D/A/CH	Western Europe	Eastern Europe	Overseas	Other countries	Reconcili- ation	Group
Revenue by invoicing party	155,671	66,577	34,158	66,914	18,243	0	341,563
Revenue by invoice recipient	157,392	75,809	36,086	71,067	1,209	0	341,563
EBT	11,130	3,269	2,658	5,863	1,598	-1,224	23,294
Financial result	503	-441	-527	-547	-423	179	-1,256
Interest income	1,454	1	22	63	132	-1,623	49
Interest expenses	-376	-441	-533	-479	-284	1,632	-481
Depreciation and amortisation	1,495	845	507	818	1,061	0	4,726
Non-cash income	0	0	-43	-1	0	-169	-213
Non-cash expenses	19	0	15	257	0	866	1,157
Non-current assets excl. deferred tax assets	34,651	7,436	10,608	11,345	6,676	0	70,716
Inventories	61,172	31,676	18,187	25,342	560	-8,386	128,551
Depreciation of inventories	600	211	225	110	0	0	1,146

5. Other notes

5.1. Related party disclosures

Thannhuber AG is the controlling shareholder of Einhell Germany AG. Philipp Thannhuber and Dr Markus Thannhuber (shareholders of Thannhuber AG) received remuneration for their activities as executive bodies of Einhell Germany AG in financial year 2021.

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 of 30 June	
	06/2021	06/2020	2021	2020
Consulting (*)	0	13	0	0

(*) 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.

iSC GmbH shipped a small amount of palletted 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.

Einhell Germany AG and its subsidiaries did not carry out any legal transactions with Thannhuber AG and its related parties during financial year 2021 that would have been to the disadvantage of Einhell Germany AG or its subsidiaries. Nor did Thannhuber AG take or fail to take any measures that would have negatively affected Einhell Germany AG or its subsidiaries.

6. Statement of responsibility

To the best of our knowledge, we assure that the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and that the interim Group management report accurately reflects the actual development and performance of the business and the position of the Group and describes the principal risks and opportunities associated with the Group's expected development in the remaining months of the financial year.

Landau a. d. Isar, 23 August 2021

Einhell Germany AG
The Board of Directors

Andreas Kroiss
Jan Teichert
Dr Markus Thannhuber
Dr Christoph Urban



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