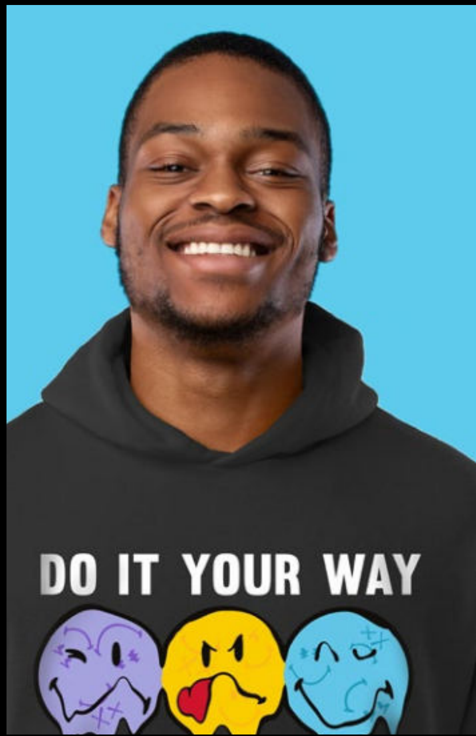
UNITEDLABELS AG

UNITED LABELS

Annual Report 2023



„WIR MACHEN AUS MILLIONEN FANS MILLIONEN KUNDEN“

“WE TURN MILLIONS OF FANS INTO MILLIONS OF CUSTOMERS”

MISSION STATEMENT

"**UNITED**LABELS AG is the link between the media industry and the retail sector.

We design, market, and sell consumer products that are based on successful international Media & Entertainment brands, with the aim of generating value and growth for our customers and shareholders.

That is what our company is all about – now and in future."

Key Figures (k€)	**2023**	**2022**	**2021**
Revenue	**24,819**	22,343	17,973
EBITDA*	**1,325**	1,099	314
EBIT	**1,014**	812	54
Consolidted profit/loss for the year	**632**	445	-213
Operating Cash flow	**800**	1,721	1,589
Net income per share (€)	**0.09**	0.06	-0.03
Equity	**2,699**	2,218	984
Equity ratio (%)	**13%**	9%	5%
Net debt	**6,849**	7,025	7,599
Total assets	**20,953**	24,597	18,434
Bookvalue per share (€)	**0.39**	0.32	0.14
Shareprice per year end (€)	**2.24**	3.60	2.44
Market capitalization	**15,523**	24,948	16,909
Staff member (average)	**59**	69	45
Employees converted to full-time equivalents (on average)	**42**	43	35
Revenue per full-time equivalents	**590**	520	514

* Including amortisation of usage rights.

PEANUTS™

THE COMPANY

UNITEDLABELS AG ...

… is one of the leading specialists in Europe for branded products in the area of Media/Entertainment. Committed to turning screen stars into real-life celebrities "you can touch", **UNITED**LABELS AG focuses on the development, production and marketing of licensed consumer goods featuring well-known cartoon characters. The independent media company works with licensors that include world-leading media and entertainment enterprises such as Peanuts, Warner Bros., Hasbro, Mattel, Z.A.G., Paramount and many more.

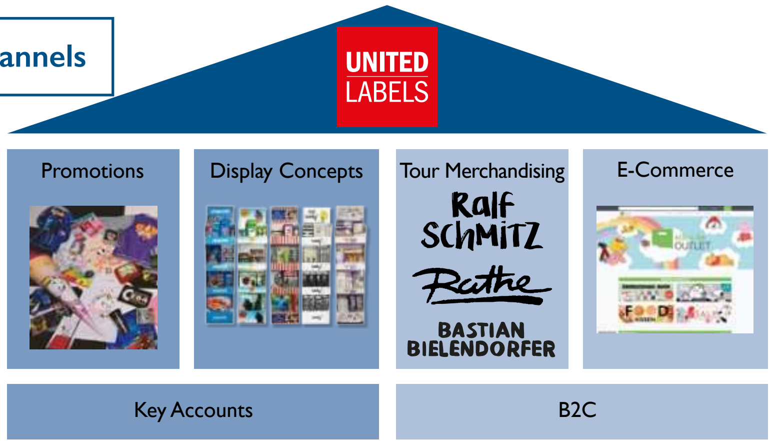
The corporate group

- Over 1,000 customers
- Over 20,000 sales outlets
- Over 20 million items sold annually
- Over 30 brands covering more than 150 characters
- Over 20 sales regions in Europe
- Over 30 years of brand expertise

Established across Europe

Going public in 2000 established **UNITED**LABELS AG to offer a broad product portfolio based on major brands in the area of Media/Entertainment across all key distribution channels. Based in Germany, the company has subsidiaries in Belgium, United Kingdom and Hong Kong.

Our distribution channels



Animation you can touch

UNITEDLABELS has a high distribution density for comicware in Europe, selling branded products through more than 20,000 outlets operated by around 1,000 clients in various distribution channels. The Company's key clients include specialist retailers, wholesalers, discounters and purchasing associations as well as some of the biggest mass-market retailers in Europe.

Some of our key customers

kik
WOOLWORTH
TAKKO FASHION
Ernsting's family
Kaufland
NETTO
amazon.com
Müller
OTTO
PENNY
REWE
ALDI
EDEKA
ROSSMANN
TEDi
NORMA
TK maxx
ROFU
and many more

Some of our licensed brands

and many more

Extensive brand portfolio

UNITEDLABELS AG benefits from long-standing partnerships with major licensors of the Media/Entertainment Industry. These licensors ensure the long-term popularity of their licensed brands around the globe – and thus also the popularity of **UNITED**LABELS AG produced merchandise – through marketing campaigns, movies, TV series, theme parks and DVD releases. The portfolio spans not just current movie-based collections but also all-time classics like Snoopy and Hello Kitty; it caters to all age groups, from baby to adult. For this reason, **UNITED**LABELS AG can promise its retail partners precisely tailored cross-product and cross-licence campaigns that ensure strong sales.

Our product range

UNITEDLABELS creates merchandise ranges for the key product categories with more than 1,000 items.

Clothing

nightwear, underwear, hosiery, boxer shorts, trousers, shorts, swimwear, sweatshirts, pullovers, t-shirts, jackets

Gift items

mugs, cereal bowls, eggcups, crockery, glassware, eyeglass cases, money boxes, cookie jars, figurines, candles, alarm clocks, clocks

Plush

plush toys, beanbags, cushions, slippers

Stationery

paper, writing pads, pen boxes, desk pads, pencil cases, bookends, pens, stationery boxes, storgae boxes

Home textiles

towels, flannels, tea towels, bathrobes, slippers, bed linen, pillows, aprons, serviettes

Bags and Accessories

travel bags, sports bags, handbags, backpacks, wallets, belts, hair accessories, caps, scarves, gloves, keyrings

THE COMPANY

Quality Assurance Partners

Some of the standards we comply with:

- Production tests
- Production supervision
- Supplier checks (audits)
- Observance of fundamental social and ethical standards
- Shipment controls (inspections)
- Quality controls and product tests

Quality and legal regulations

UNITEDLABELS conforms to all product requirements in accordance with EEC guidelines and standards. In addition, the Company applies its own stringent quality controls and carries out regular checks and inspections of factories in order to ensure maximum product safety, efficient order processing and business relationships based on trust.

Trade fair appearance

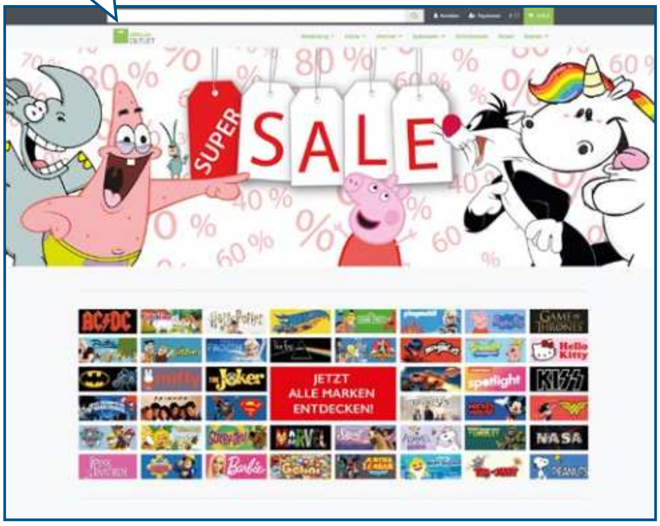
UNITEDLABELS exhibits at important trade fairs (including Nuremberg's International Toy Fair and the InsightsX in Nuremberg). **UNITED**LABELS uses these events to showcase entire licensed product ranges for retailers and thereby inspire fresh ideas for sales campaigns.

Nuremberg's International Toy Fair

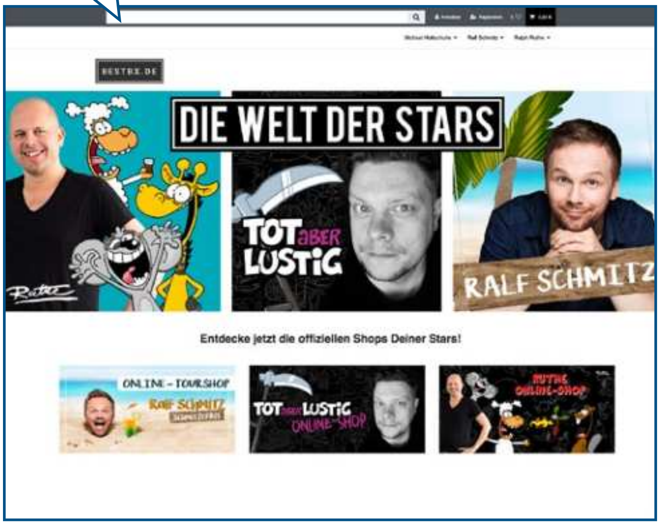
Our awards

Frequently **UNITED**LABELS has been awarded. The Company received on the Las Vegas Licensing Show the "Krusty Seal of Approval Award" from "Twentieth Century Fox". On the international "Disney Day" in Warsaw **UNITED**LABELS received the "Disney Dyplom". In previous years, the Company has already received numerous international awards – including the "Homey International Award" in gold, silver and bronze, the "Golden Pencil" and also multiply the "Licensing Award" of the Licensing International Inc., the world largest association in the licensing industry.

elfen.de



bestbx.de



E-Commerce

With the Elfen Service GmbH, the Company is expanding its end-customer business (B2C) by selling it in the e-commerce sector. The entire brand assortment is marketed here in various own internet shops as well as various platforms.

By selling to end customers, the Company benefits from the entire value chain; from the production price from the factory to the sales price to the end consumer. With the expansion of the product range and the gradual expansion of the supplier countries, further growth potential will be used.

Partner platforms

amazon.com ebay

Kaufland.de Ihr Marktplatz OTTO

zalando and many more

Tour merchandising

Peter Boder
CEO

Dear shareholders,

die **UNITED**LABELS AG can look back on another successful financial year:
In the 2023 financial year, **UNITED**LABELS AG was able to significantly increase consolidated sales by 11% to € 24.8 million. Following an increase of 24% last year, this is a continuously high growth rate. In the b2b area, we have focussed on food retailing but have also expanded our business with large chain stores in the textile sector. In addition, we have driven forward our b2c business by expanding our e-commerce activities, our outlet store and tour merchandising.

Sales increased by 9% to € 21.4 million in the Key Account segment and by 31% to € 3.4 million in the Special Retail segment.
In the Key Account segment, we were not only able to increase sales with existing customers, but also acquired additional well-known chain stores.
In the Special Retail segment, we recorded an increase of 57% in e-commerce alone, which resulted from a massive expansion of the connected sales platforms and an extended product range. This area has therefore developed the greatest growth potential for the company.

Due to slightly higher freight costs for the procurement of goods, the gross profit margin totalled 27.3% (previous year: 28.6%). The delivery ratio remained high and totalled around 99%.

Overall, consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) rose to € 1.3 million, EBIT increased by 25% to € 1.0 million and net profit for the year rose by 50% to € 0.6 million, while the equity ratio improved to 12.9%. In the separate financial statements of **UNITED**LABELS AG, the equity ratio rose to 24.3%.

As in the previous year, all of the Group's operating subsidiaries closed the 2023 financial year with a positive net profit. This applies to "Elfen Service GmbH", which operates the Group's e-commerce business directly to end consumers, the Belgian company "Colombine bvba" and "House of Trends europe GmbH".

We also recorded a positive trend in orders on hand. Our good delivery performance, even under the most difficult conditions, continued to result in good incoming orders. Orders on hand totalled € 10.7 million as at the reporting date, and we also recorded good incoming orders in the first quarter of 2024.

In the first few months of the current 2024 financial year, business development is expected to remain solid. However, we are keeping a very close eye on geopolitical developments and their potential impact on our production countries, among other things, and have therefore continued to develop appropriate measures in the various divisions.

Our focus for the coming years will be on further increasing sales and profitability. **UNITED**LABELS AG is focussing primarily on expanding its key account business and direct sales to end consumers via e-commerce. With regard to the development and results of the past financial year, the company considers itself to be well positioned in organisational and market terms. This assessment is supported by the good delivery performance, the focus on food retail customers, the increase in e-commerce business, the expansion of the company's own outlet store and the good order situation for the current financial year 2024.

We have prioritised our sales activities for the coming year on the e-commerce business, where we want to further accelerate growth. To this end, we will expand the sales platforms in all European countries and massively expand the special product range for e-commerce.

UNITEDLABELS AG will remain a pan-European company in the future. In order to generate further international growth, we will be focussing on Eastern Europe and the UK in the coming year. Our market potential is the demand for branded products from the media/entertainment sector in all member states of the European Union and still offers us great opportunities for growth.

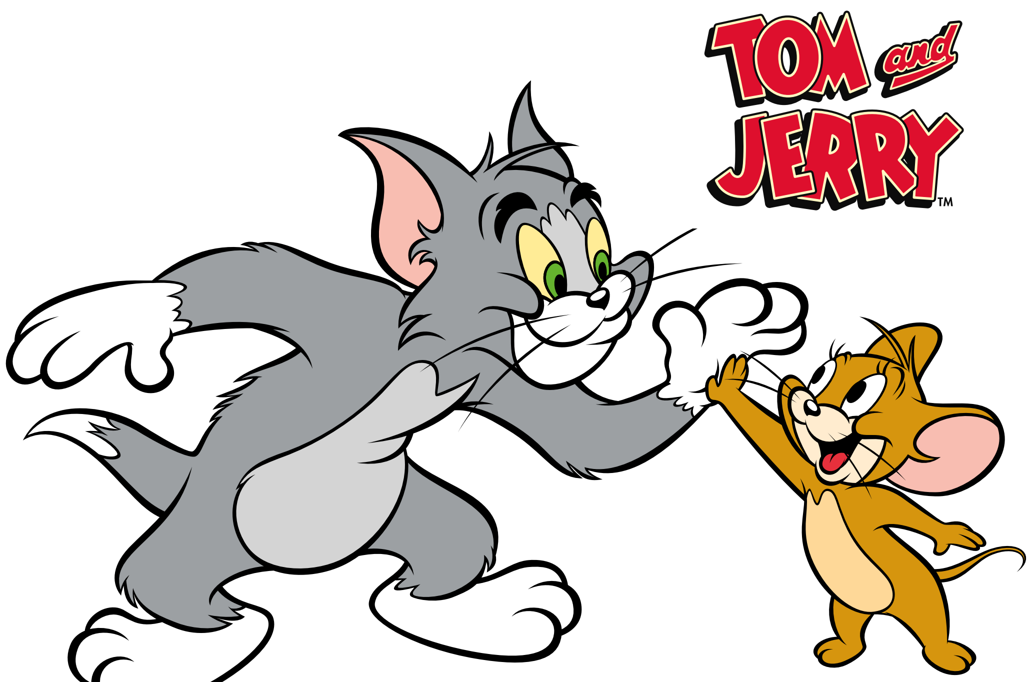
Further new themes and an expansion of existing brand ranges are planned for 2024. In the first half of the year, numerous food retail (LEH) campaigns with major advertising support will be delivered. A broad product range on the themes of "Lilo & Stitch", "The Grinch" and tour merchandising with other artists is planned for the second half of the year. "Disney", "Snoopy", "Paw Patrol" and "Peppa Pig" remain attractive brands in sales.

Due to the geopolitical impact on customers and procurement, which is currently very difficult to predict, it is not possible to make a valid forecast at present. While the demand and ordering behaviour of textile chains, chain stores and food retailers is good, consumer behaviour and the procurement side are subject to uncertainty. Overall, however, we anticipate a further increase in sales and earnings.

I would particularly like to thank our employees for their great commitment and high level of motivation.

I would also like to thank all our business partners, the members of the Supervisory Board and above all you, our shareholders, for your trust and support.

Peter Boder
CEO



Dr. David Strack
Chairman

Report of the Supervisory Board of **UNITED**LABELS Aktiengesellschaft on the 2023 financial year

In the 2023 financial year, the Supervisory Board regularly informed itself about the business and strategic development of the company, advised the Management Board and monitored its management in accordance with the duties and responsibilities imposed on it by law and the Articles of Association as well as the provisions of the German Corporate Governance Code. The Supervisory Board therefore had sufficient knowledge of the strategy, business policy, planning, risk situation, compliance and the net assets, financial position and results of operations of both **UNITED**LABELS Aktiengesellschaft and the **UNITED**LABELS Group.

This took place in personal discussions between the Chairman of the Supervisory Board or an individual member of the Supervisory Board and the Executive Board, through regular written and verbal information and telephone conferences between the Executive Board and the Supervisory Board on the course of business, as well as at five Supervisory Board meetings (2 March, 17 April, 5 July, 10 October and 13 December).

Meetings of the Supervisory Board 2023

Member of the Supervisory Board	Number of participations / number of meetings
Dr. David Strack (Chairman of the Supervisory Board)	5 / 5
Volker Deck	2 / 2
Albert Hirsch	4 / 5
Silvia Lubitz	3 / 3

The withdrawal of Volker Deck from the Supervisory Board of **UNITED**LABELS Aktiengesellschaft at the Annual General Meeting on 5 July 2023 and his decision to become operationally active in the company resulted in structural changes. Following a careful selection process, Ms Silvia Lubitz was elected as a member of the Supervisory Board by the Annual General Meeting on 5 July 2023.

At the Supervisory Board meetings, both together with the Executive Board and without its presence in accordance with the recommendation of the German Corporate Governance Code, the current business development was analysed and the strategic direction discussed. The meetings without the participation of the Executive Board focused in particular on topics such as the structure of the Executive Board, remuneration issues, internal matters and the organisation of the Supervisory Board.

The reorganisation and the new appointments to the Supervisory Board underline the company‘s commitment to transparent and responsible corporate management in accordance with corporate governance standards.

In the 2023 financial year, the Supervisory Board dealt intensively with various aspects of business policy with a particular focus on securing the company‘s future viability. These included the end customer structure in wholesale and specialist retail, the current and future development of product ranges with own and licensed products and, above all, the further organisation and expansion of the e-commerce business. The need for profit-oriented e-commerce development for B2B and B2C customers was particularly emphasised, as this is crucial to ensuring competitiveness and meeting changing market conditions.

In addition, the earnings and liquidity situation and the associated overall planning and management of the Group were analysed in detail, with a particular focus on cost flexibility. The results of these analyses were discussed in collaboration with the Executive Board in order to make well-considered decisions regarding the company‘s future strategic direction. This comprehensive review emphasises the company‘s efforts to actively meet the challenges of the market and ensure sustainable future viability.

The sales, distribution and logistics situation of **UNITED**LABELS AG was another focus of the exchange of information between the Supervisory Board and the Management Board.

Numerous political developments continue to impact international supply chains around the world and can lead to delays in delivery. In addition to delivery reliability, these crises can also have a significant impact on consumer demand.

Where individual transactions required the approval of the Supervisory Board in accordance with the Articles of Association or statutory provisions, the Supervisory Board examined these and decided on their approval.

The Supervisory Board also dealt intensively with the principles of good corporate governance, which are essentially based on recognising the requirements of the German Corporate Governance Code in its current version. Any deviations from the recommendations are listed and explained in the declaration of compliance issued in accordance with Section 161 AktG. This declaration can be found in the annual report and on the company's website at www.unitedlabels.com published.

In order to assess the efficiency of its tasks, the Supervisory Board of **UNITED**LABELS Aktiengesellschaft conducted an efficiency audit in the 2023 reporting year. In particular, the internal organisation of the Supervisory Board, meeting procedures and the provision of information were evaluated using a comprehensive questionnaire as part of a self-assessment.

Overall, the work of the Supervisory Board is characterised by an atmosphere of mutual trust, respect and appreciation.

The Supervisory Board consists of a total of three members. In the opinion of the Supervisory Board, this number of Supervisory Board members is appropriate for the size of the company; the formation of committees is therefore not expedient and for this reason was not undertaken by the Supervisory Board in the 2023 financial year. The full Supervisory Board therefore also performed the duties of the Audit Committee in accordance with Section 107 para. 4 sentence 2 AktG.

There was a change in the composition of the Supervisory Board in the 2023 reporting year. Ms Silvi a Lubitz was appointed to the company's Supervisory Board. With effect from the end of the Annual General Meeting on 5 July 2023, Ms Lubitz replaced Mr Volker Deck, who decided in spring 2023 to become operationally active in the company.

Conflicts of interest of members of the Management Board and Supervisory Board, which are to be disclosed to the Supervisory Board without delay and about which the Annual General Meeting is to be informed, did not arise in the reporting period.

In accordance with the recommendation of the GCGC, the company generally supports the members of the Supervisory Board in training and further education programmes. An external training programme was held on legal topics relating to Supervisory Board activities. The workshop organised by a lawyer specialising in capital market law covered, among other things, significant changes to the German Stock Corporation Act, in particular insights into the new regulations relating to the Annual General Meeting and an outlook on planned legislative changes relevant to Supervisory Board members. In addition, the Supervisory Board generally dealt with new legal provisions or other regulations that are important from the company's perspective at Supervisory Board meetings.

The Supervisory Board duly commissioned the auditing firm FRTG AG Wirtschaftsprüfungsgesellschaft, Duesseldorf, which was elected as auditor by the Annual General Meeting, to audit the annual financial statements and the consolidated financial statements for the 2023 financial year.

The annual financial statements of **UNITED**LABELS Aktiengesellschaft as at 31 December 2023 and the management report for **UNITED**LABELS Aktiengesellschaft and the **UNITED**LABELS Group were prepared in accordance with HGB principles, while the consolidated financial statements as at 31 December 2023 were prepared in accordance with International Financial Reporting Standards (IFRS) and audited by the auditor elected by the Annual General Meeting, FRTG AG Wirtschaftsprüfungsgesellschaft, Duesseldorf, and issued with an unqualified audit opinion dated 26 April 2024.

The Supervisory Board examined the annual financial statements prepared by the Management Board, the management report for **UNITED**LABELS Aktiengesellschaft and the **UNITED**LABELS Group as well as the consolidated financial statements and discussed them with the auditor at the meeting on 16 April 2024. At this meeting, the Supervisory Board dealt in particular with the key audit matters described in the respective auditor's report. All of the Supervisory Board's questions were answered by the auditor. The Supervisory Board received the auditor's report in good time before the balance sheet meeting. Following the final result of the Supervisory Board's review, there were no objections to the annual financial statements, the management report for **UNITED**LABELS Aktiengesellschaft and the **UNITED**LABELS Group and the consolidated financial statements, and the auditor's findings on the aforementioned documents were approved.

The annual financial statements and the consolidated financial statements were approved by the Supervisory Board on 26 April 2024 in the version prepared by the Management Board, audited by the auditor and with the auditor's unqualified opinion. The annual financial statements of **UNITED**LABELS Aktiengesellschaft are thus adopted.

In accordance with Section 312 AktG, the Executive Board has also prepared a report on relationships with affiliated companies (dependent company report) for the reporting period from 1 January to 31 December 2023. The report contains the final declaration by the Executive Board that, according to the circumstances known to the Executive Board at the time of the legal transactions, the company received appropriate consideration for each legal transaction. No measures were undertaken or omitted at the instigation of or in the interests of the controlling person or a company affiliated with this person.

The Supervisory Board received and reviewed the dependent company report in good time. The auditor reported to the Supervisory Board on the key findings of its audit and was available to provide additional information.

In addition, the report of the Management Board of **UNITED**LABELS Aktiengesellschaft on relationships with affiliated companies in accordance with Section 312 AktG (dependent company report) was audited by FRTG AG Wirtschaftsprüfungsgesellschaft, Duesseldorf, and issued with an audit certificate in accordance with Section 313 (3) AktG on 26 April 2024.

As there are no objections to the report of the Management Board of **UNITED**LABELS Aktiengesellschaft, Muenster, on the company's relationships with affiliated companies in the 2023 financial year following the final result of the due audit, FRTG AG Wirtschaftsprüfungsgesellschaft, Duesseldorf, issues the following audit opinion in accordance with Section 313 (3) AktG:

"Following our examination and judgement in accordance with professional standards at , we confirm that

1. the actual information in the report is correct,
2. In the case of the legal transactions listed in the report, the company's performance was not unreasonably high under the circumstances known at the time they were carried out, insofar as it was, whether the disadvantages were compensated."

Even after the final result of the Supervisory Board's review, there are no objections to the declaration by the Management Board at the end of the dependent company report.

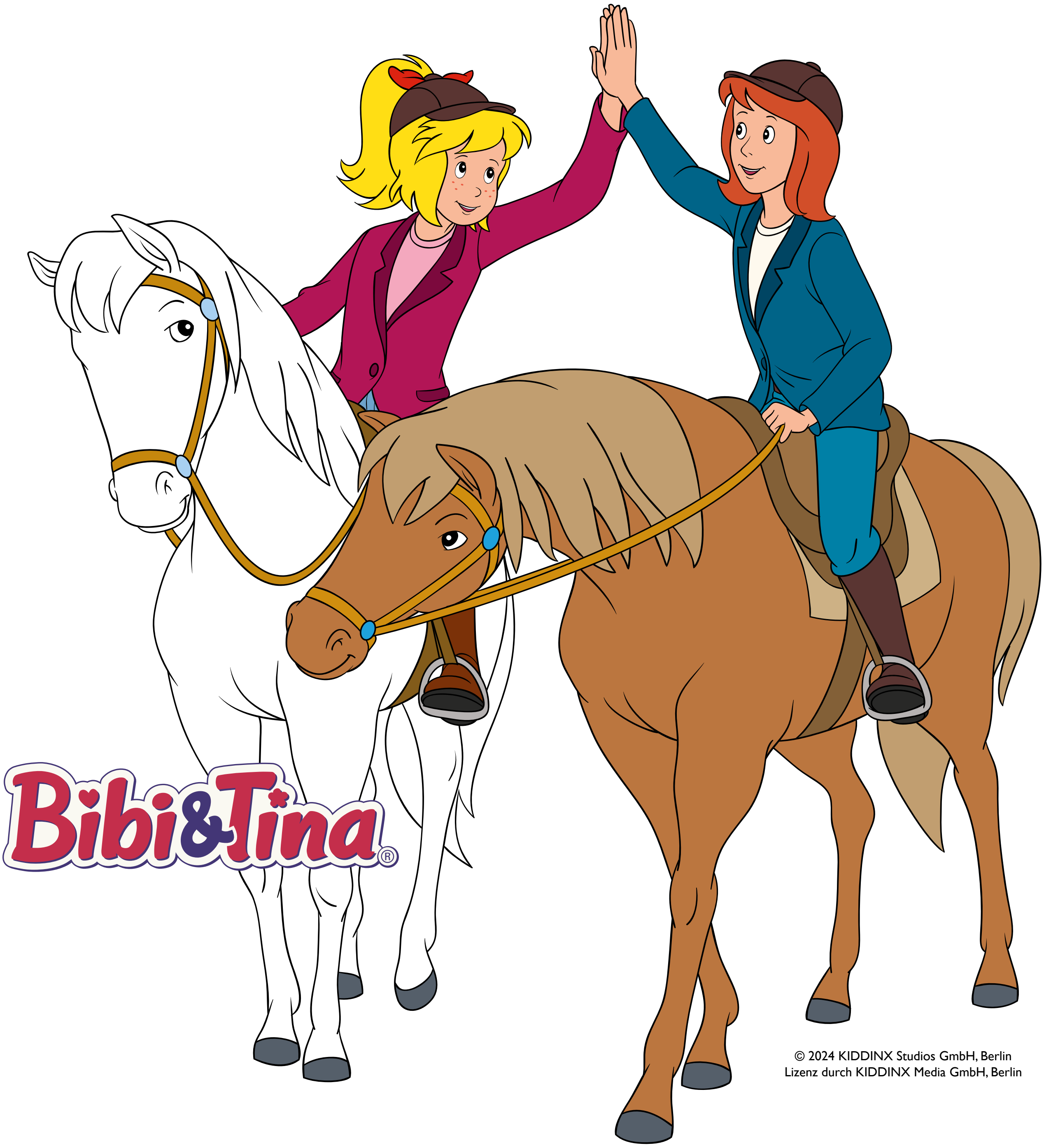
The Supervisory Board would like to thank the Executive Board and all employees of the **UNITED**LABELS Group for their tireless commitment in the face of the special challenges in the 2023 financial year.

Muenster, 26 April 2024
The Supervisory Board

D. Strack

Dr. David Strack
Chairman

"A good character pays off!"



Declaration on corporate governance (DCGK)

Declaration on Corporate Governance / German Corporate Governance Code

The following (Group) declaration on corporate governance in accordance with Sections 289f and 315d HGB is a key element of our corporate governance reporting and includes the report by the Management Board and Supervisory Board on corporate governance in accordance with Principle 23 of the German Corporate Governance Code in the version of the GCGC dated 28 April 2022, information on key corporate governance practices and on the working methods and composition of the Supervisory Board and Management Board, including information on the company's corporate governance, the diversity concept for the Supervisory Board and Management Board and the legal requirements for the equal participation of women and men in management positions.

1) Declaration of Conformity with the German Corporate Governance Code

With its internationally and nationally established standards of good and responsible corporate governance, the German Corporate Governance Code (GCGC) is intended to promote trust in the management and supervision of German listed stock corporations. **UNITED**LABELS AG would like to maintain and build on the trust placed in its company by its shareholders, customers, suppliers, employees and the public through openness and transparency. For these reasons, **UNITED**LABELS AG largely complies with the recommendations of the German Corporate Governance Code.

The current declaration of compliance with the German Corporate Governance Code pursuant to Section 161 AktG is printed at the end of this chapter and published on the company's website at the following link: https://www.unitedlabels.com/investor-relations/corporate-governance

The current declarations of compliance with the German Corporate Governance Code and those of previous years are permanently available to the public on the company's website at www.unitedlabels.com/investor-relations/corporate-governance.

2) Shareholders and Annual General Meeting

Our shareholders exercise their rights at the company's Annual General Meeting. The Annual General Meeting takes place in the first eight months of the financial year. The Annual General Meeting is chaired by the Chairman of the Supervisory Board. The Annual General Meeting decides on all tasks assigned to it by law. These include resolutions on the appropriation of the net profit reported in the annual financial statements, the discharge of the Supervisory Board and the Executive Board, the election of the auditor, the election of the members of the Supervisory Board, the approval of the remuneration system and the remuneration report for members of the Executive Board and Supervisory Board of the listed company as well as decisions on amendments to the Articles of Association or measures to raise or reduce capital. The Annual General Meeting also serves as a platform for shareholders to engage in dialogue with the Executive Board and Supervisory Board.

Our aim is to make it as easy as possible for shareholders to participate in the Annual General Meeting. All documents required for participation are published on the Internet in advance. In addition to the option of authorising a bank, a shareholders' association or another person, shareholders are appointed a proxy for the Annual General Meeting, whom they can instruct to exercise their voting rights in accordance with their instructions. Immediately after the Annual General Meeting, we publish the attendance and voting results on the Internet.

3) Disclosures on corporate governance practices

Code of conduct for manufacturers
In order to promote compliance with ethical standards in the age of global production, the **UNITED**LABELS Group has developed a Code of Conduct for manufacturers. The **UNITED**LABELS Group comprises the headquarters **UNITED**LABELS AG (Germany), **UNITED**LABELS Belgium, N.V. (Belgium), **UNITED**LABELS Comicware Ltd (Hong Kong), **UNITED**LABELS Ltd (England), House of Trends europe GmbH (Germany), Open Mark United Labels GmbH (Germany) and Elfen-Service GmbH (Germany). The Code of Conduct is based on the conventions of the International Labour Organisation (ILO) and the United Nations as well as on the national legislation of the respective country of production. The full text of the Code of Conduct is published on the company's website at www.unitedlabels.com/unternehmen/code-of-conducts.

4) Working methods of the Management Board and Supervisory Board as well as the composition and working methods of their committees

The German Stock Corporation Act stipulates a two-tier board structure for **UNITED**LABELS AG, consisting of a Management Board and a Supervisory Board. In the dual management system, management and control are strictly separated. The **UNITED**LABELS Group is managed by the Management Board on the basis of statutory provisions and the rules of procedure adopted by the Supervisory Board. The Supervisory Board advises and monitors the Management Board in its management activities. The Supervisory Board appoints the members of the Management Board; significant transactions by the Management Board require its approval. The Executive Board and Supervisory Board observe the rules of proper corporate governance.

The Executive Board

The company's Management Board is the Group's management body and consists of one person. The Executive Board is bound by the interests of the company and is committed to increasing the sustainable value of the company. It develops the corporate strategy, including for the subsidiaries. The Executive Board ensures compliance with legal provisions and works towards ensuring that these are observed by the Group companies.

The Management Board works closely with the Supervisory Board for the benefit of the company. It coordinates the strategic direction of the company with the Supervisory Board and discusses the status of strategy implementation with it at regular intervals.

The Management Board informs the Supervisory Board regularly, promptly and comprehensively about all issues relevant to the company relating to planning, business development, the risk situation, risk management and compliance. In doing so, it addresses any deviations in the course of business from the established plans and targets, stating the reasons.

Executive Board reports and documents required for decision-making, in particular the annual financial statements, the management report, the consolidated financial statements, the Group management report and the audit report, are forwarded to the members of the Supervisory Board as far as possible in good time before the meeting, usually eight days before the meeting. In addition, the Chairman of the Supervisory Board and the Executive Board are also in regular contact outside of Supervisory Board meetings. If necessary, the members of the Supervisory Board are also informed verbally or in writing at short notice outside of meetings or can be called to extraordinary meetings.

The Supervisory Board

The Supervisory Board of **UNITED**LABELS AG consists of three members who were elected by the Annual General Meeting.

The Supervisory Board appoints the members of the Executive Board and represents the company in dealings with them. It monitors and advises the Executive Board on the management of the company and decides on all significant transactions of the company for which approval is required. It regularly discusses business development, planning and strategy. At its regular meetings, the Supervisory Board discusses the monthly information and quarterly reports. It examines the annual financial statements of **UNITED**LABELS AG, the consolidated financial statements and the management report of the company and the Group with the assistance of the auditor, who reports directly to the Supervisory Board, and decides on their adoption or approval.

The Supervisory Board has adopted rules of procedure for its work, which can be viewed at https://www.unitedlabels.com/investor-relations/geschaeftsordnung-aufsichtsrat/ and whose main content consists of the rules governing the composition and responsibilities of the Supervisory Board, its convening, preparation and chairing of meetings as well as the rules governing committees and quorums.

As the Supervisory Board consists of only three members, the Supervisory Board assumes the tasks of an audit committee and records these under separate agenda items.

In accordance with the recommendation in section C.1 of the German Corporate Governance Code, **UNITED**LABELS AG believes that the Supervisory Board has an appropriate number of independent members. This is because the Supervisory Board considers two members to be independent.

Dr David Strack, Mr Volker Deck and Mr Albert Hirsch were elected to the Supervisory Board at the Annual General Meeting on 11 June 2021. The election of the Supervisory Board members took place with effect from 15 June 2021 until the end of the Annual General Meeting that resolves on the discharge for the second financial year after the start of the term of office, i.e. the discharge for the 2023 financial year. The financial year in which the term of office begins is not counted.

Supervisory Board member Volker Deck resigned from the Supervisory Board with effect from the end of the Annual General Meeting on 5 July 2023. At the Annual General Meeting on 5 July 2023, Ms Silvia Lubitz was therefore elected as a member of the Supervisory Board with effect from the end of the Annual General Meeting on 5 July 2023 for the period until the end of the Annual General Meeting that resolves on the discharge for the 2023 financial year.

The Supervisory Board does not see the need for professionally qualified committees in relation to the company and its specific circumstances in view of the fact that it only consists of three people.

The Supervisory Board has neither specified concrete objectives for the composition of the Supervisory Board nor drawn up a profile of skills and expertise for the entire Board. It has also refrained from reporting in the form of a skills matrix.

Detailed information on the Supervisory Board‘s main areas of work and consultation in the 2023 financial year is explained in the Report of the Supervisory Board, which is included in the 2023 Annual Report. The Chairman of the Supervisory Board is prepared to hold discussions with investors on Supervisory Board-specific topics to an appropriate extent.

Self-assessment of the effectiveness of the Supervisory Board‘s work

The Supervisory Board has carried out the regular self-assessment of the effectiveness of the Supervisory Board‘s work as required by the Code. The self-assessment was last carried out in February 2024 by means of a catalogue of questions by the members of the Supervisory Board and a subsequent discussion within the Supervisory Board.

5) Specifications for the promotion of equal participation of women and men in management positions

The "Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector" (FüPoG), which came into force on 1 May 2015, obliged the Executive and Supervisory Boards of certain companies in Germany to set targets for the proportion of women on the Supervisory Board, Executive Board and the two management levels below and to determine by when the respective proportion of women should be achieved. The companies had to decide on their targets and implementation deadlines by 30 September 2015. When the targets were set for the first time, the implementation deadline for the targets was not permitted by law to extend beyond 30 June 2017. The "Act to Supplement and Amend the Regulations for the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector (Second Leadership Positions Act - FüPoG II)", which came into force on 12 August 2021, further developed the FüPoG, which came into force in 2015. Companies must now justify why they have set themselves the goal of not appointing women to the Management Board.

On 15 June 2021, the Supervisory Board of **UNITED**LABELS AG resolved that it would adhere to the previous target of 0% for the proportion of women on the Supervisory Board and 0% for the composition of the Management Board until 30 June 2026 with regard to the equal participation of women and men. Nevertheless, the aim is to pay greater attention to the fulfilment of the quota regulation when making new appointments to the executive bodies. The composition of the Supervisory Board and Executive Board reflects the target.

On 15 June 2021, the Management Board of **UNITED**LABELS AG resolved to increase the proportion of women at the first management level to 50% and to maintain this target until 30 June 2026. As at 31 December 2023, the management level (management circle) consisted of four women and one man. The target was therefore achieved.

6) Description of the diversity concept for the composition of the Management Board and Supervisory Board

UNITEDLABELS AG does not currently pursue a diversity concept with regard to the composition of the authorised representative body and the Supervisory Board beyond the objectives for the composition of the Management Board and Supervisory Board described in this declaration.

7) Remuneration of board members

The remuneration system submitted to and approved by the Annual General Meeting in accordance with Section 87a (1) and (2) sentence 1 AktG, the remuneration reports for the past financial years with the auditor's report and the most recent remuneration resolution in accordance with Section 113 (3) AktG are published in the Investor Relations section at the following link: https://www.unitedlabels.com/investor-relations/verguetungssysteme-und-verguetungsberichte/

8) Transparency

UNITEDLABELS AG attaches great importance to providing standardised, comprehensive and timely information. Reporting on the business situation and results of **UNITED**LABELS AG takes place within the specified deadlines in the annual report, the quarterly reports and the 6-month report. **UNITED**LABELS AG also participates in press and analyst conferences.

Information is also provided in the form of press releases and ad hoc announcements where required by law. All announcements and notifications can be viewed on the Internet at www.unitedlabels.com/investor-relations. The planned dates of the main recurring events and publications - such as the Annual General Meeting, annual report and financial reports during the year - are summarised in a financial calendar, which is published sufficiently in advance and can be accessed on the company's website at http://www.unitedlabels.com/investor-relations/finanzkalender.

UNITEDLABELS AG has established compliance structures for its current company size and will continue to develop these in view of the growing requirements from the regulatory environment and with a view to the company's development.

Violations of applicable law and internal guidelines are sanctioned appropriately.

Declaration of Conformity by the Management Board and Supervisory Board of **UNITED**LABELS Aktiengesellschaft pursuant to § 161 AktG on the German Corporate Governance Code

The Management Board and Supervisory Board of **UNITED**LABELS Aktiengesellschaft declare that the recommendations of the "Government Commission on the German Corporate Governance Code" published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette have generally been complied with in the past and will be complied with in the future. The following declaration refers to the recommendations of the, Government Commission on the German Corporate Governance Code' in the version dated 28 April 2022, published in the Federal Gazette on 27 June 2022 (,Code 2022' or ,Code').

Furthermore, the Management Board and Supervisory Board declare that the recommendations of the "Government Commission on the German Corporate Governance Code" were only deviated from as follows and will probably be deviated from in future:

A. Management and monitoring

Recommendation A.1
According to the new recommendation A.1, the Executive Board should identify and assess the risks and opportunities associated with social and environmental factors for the company as well as the environmental impact of the company's activities. Furthermore, environmental and social objectives should also be appropriately considered in the corporate strategy. Corporate planning should include corresponding financial and sustainability-related targets.

The Executive Board and Supervisory Board recognise that sustainability aspects are fundamentally important and take them into account appropriately in their activities for the company. However, the aforementioned recommendations are vague and any statement regarding compliance with them is therefore subject to considerable uncertainty. The Executive Board and Supervisory Board therefore declare a deviation in this respect as a precautionary measure.

Recommendation A.3
According to the newly introduced recommendation A.3, the internal control system and the risk management system should also cover sustainability-related objectives, unless already required by law. This should include the processes and systems for recording and processing sustainability-related data.

The design of the internal control system and the risk management system is currently based on the legal requirements. Sustainability-related objectives that go beyond these legal requirements are not yet covered by the internal control system and the risk management system due to the size of the company.

Recommendation A.4
There is no whistleblowing system for employees or third parties. Due to the size of the company and an open corporate culture, the formal establishment of a whistleblower system is not considered necessary.

Recommendation A.5
In accordance with the newly introduced recommendation A.5, the management report should describe the key features of the internal control system and the risk management system and comment on the appropriateness and effectiveness of these systems.

The company has an internal control system and risk management system. However, the recommendations regarding the disclosures in the management report go well beyond the statutory requirements. With regard to the management report, the company is currently guided by the statutory requirements and considers these to be sufficient.

B. Composition of the Executive Board

Recommendation B.1
The Code recommends paying attention to diversity in the composition of the Management Board. As the Executive Board consists of only one member, diversity cannot be achieved. The Supervisory Board will also include the aspect of diversity in its considerations when expanding the composition of the Management Board.

Recommendation B.2 **UNITED**LABELS AG deviates from this recommendation. As the Supervisory Board believes that the Management Board is still well staffed, there is currently no need to ensure long-term succession planning.

Recommendation B.5 **UNITED**LABELS AG deviates from this recommendation. There is no maximum age limit for the Management Board. The assessment of suitability should continue to take place regardless of age. An age limit is also not considered appropriate in view of the prohibition of discrimination.

C. Composition of the Supervisory Board

Recommendations C.1/C.2:
In addition, the Supervisory Board should specify concrete objectives for its composition and draw up a profile of skills and expertise for the entire Board. The status of implementation should be disclosed in the form of a skills matrix in the corporate governance statement. This should also provide information on what the shareholder representatives consider to be an appropriate number of independent shareholder representatives on the Supervisory Board and the names of these members.

In the opinion of the Executive Board and Supervisory Board, the composition of the Supervisory Board must be aligned with the interests of the company and must ensure that the Executive Board is effectively monitored and advised. The Supervisory Board therefore selects candidates for nomination to the Annual General Meeting solely on the basis of their professional and personal expertise and experience; other characteristics such as gender, nationality and age were and are irrelevant for these nominations for reasons of equal opportunity. In addition to these selection criteria, the company considers the aspects listed in the Code to be worthy of consideration and the Supervisory Board will include them in its decision at the time of the respective election proposals, taking into account the specific situation of the company at that time. However, for the reasons stated, it is not possible to commit to this, even taking into account the small number of Supervisory Board mandates to be filled.

For these reasons, no specific objectives are set for the composition of the Supervisory Board, nor is a skills profile drawn up for the entire Board. For the same reasons, reporting in the form of a skills matrix is also omitted.

The Code recommends setting age limits for members of the Supervisory Board and disclosing these in the corporate governance declaration. The assessment of suitability should continue to be carried out regardless of age. An age limit is also not considered appropriate in view of the prohibition of discrimination.

Recommendation C.14
With regard to the inclusion of a CV with the Supervisory Board‘s candidate proposal and the publication of CVs of all Supervisory Board members together with an overview of the main activities in addition to the Supervisory Board mandate, the Management Board and Supervisory Board are of the opinion that a comprehensive picture of the Supervisory Board candidates and members is already provided by the fulfilment of the statutory disclosure requirements in the invitation to the Annual General Meeting and in the notes to the annual and consolidated financial statements. The publication of CVs would also unreasonably interfere with the right to informational self-determination of Supervisory Board candidates and members.

D. Working methods of the Supervisory Board

Recommendation D.2/D.3:
The Code recommends forming professionally qualified committees depending on the specific circumstances of the company and the number of its members. The Supervisory Board consists of only three members. It has therefore not formed any committees. The Supervisory Board does not see the need for professionally qualified committees to increase the efficiency of the Supervisory Board's work in relation to the company and its specific circumstances in view of the fact that it only consists of three members.

Recommendation D.4:
The Supervisory Board consists of only three members. These are elected exclusively by the shareholders. The Supervisory Board therefore sees no need to set up a nomination committee.

F. Transparency and external reporting

Recommendation F.2
The Code's recommendation stipulates that the consolidated financial statements should be publicly accessible within 90 days of the end of the financial year and interim reports within 45 days of the end of the reporting period. As the company prioritises the quality of the financial reports over compliance with the aforementioned deadlines, this may mean that the company is unable to comply with the publication deadlines recommended by the German Corporate Governance Code. Instead, the consolidated financial statements and interim reports are published within the statutory deadlines set by Deutsche Börse for the Prime Standard.

G. Remuneration of the Executive Board and Supervisory Board

Recommendation G1
With regard to remuneration in section G.I., the Code contains a large number of recommendations on the remuneration of the Executive Board. The current remuneration system with regard to the sole member of the Executive Board, Peter Boder, does not fully comply with the new regulations and the company therefore declares a deviation in section G.I. as a precautionary measure, even if the existing Executive Board contract is protected.

In particular, the current remuneration system does not fully comply with the following recommendations: G.3 (peer group comparison of Executive Board salaries), G.4 (comparison of Executive Board salaries with top management), G.8 (exclusion of subsequent changes to targets), G.11 sentence 2 (possibility of the Supervisory Board reclaiming or withholding variable remuneration), G.16 (offsetting of remuneration for external Supervisory Board mandates).

In accordance with its legal obligation, the Supervisory Board of **UNITED**LABELS Aktiengesellschaft has resolved a new remuneration system for the Management Board, which was approved by the 2021 Annual General Meeting and is to be taken into account in particular for future Management Board contracts. The remuneration system submitted to the 2021 Annual General Meeting for approval and the resolution are published at https://www.unitedlabels.com/investor-relations/hauptversammlung/.

Recommendation G.17
The recommendation of the Code stipulates that the remuneration of the Supervisory Board should also take into account, among other things, the chairmanship and membership of committees. The amount of remuneration for Supervisory Board members is regulated conclusively in Article 10 of the Articles of Association. As there are still no committees, the chairmanship and membership of committees are not taken into account in the remuneration of the Supervisory Board.

Muenster, March 2024

The Executive Board

The Supervisory Board

nickelodeon

SpongeBob SCHWAMMKOPF

UNITEDLABELS **Aktiengesellschaft, Muenster**
Group management report for the 2023 financial year

Outline

1. Fundamentals of the Group

Business model of the Group

UNITEDLABELS Aktiengesellschaft, hereinafter also referred to as **UNITED**LABELS AG, is a manufacturer and marketer of branded media/entertainment products in Europe with a focus on Germany, Benelux, the UK and Eastern Europe. The company is headquartered in Muenster. The Group has three operating subsidiaries. The company occupies a key position between brand owners and retailers, as its extensive product range and attractive portfolio of more than 30 well-known brands make it a competent partner for both sides.
On the one hand, **UNITED**LABELS AG offers retailers strong and successful brands in the product areas of clothing, gifts, plush, stationery, bags, bathroom and household goods from a single source. On the other hand, the company is characterised by its many years of experience in the brand business and its distribution density as a preferred partner for brand owners who benefit directly from the sales success of the brand products.
UNITEDLABELS AG reaches end customers via various sales channels, on the one hand through the e-commerce shops of its own subsidiary Elfen Service GmbH, and on the other through chain stores, discounters and specialist retailers throughout Europe. **UNITED**LABELS AG's key customers include well-known purchasing organisations and major European retailers.

UNITEDLABELS AG is listed in the Prime Standard of the German Stock Exchange. The Group is managed by the Management Board, consisting of Mr Peter Boder. The Management Board is monitored by the Supervisory Board.

Goals and strategies

UNITEDLABELS AG and its subsidiaries aim to be one of the leading manufacturers and marketers of branded media/entertainment products in Europe. For this reason, the company has been focussing on a multi-channel approach for several years, i.e. sales via specialist retailers and chain stores as well as direct sales to end customers via its own and external Internet shops. In this way, **UNITED**LABELS AG has established a wide reach throughout Europe through which its various products are distributed. The declared aim is to further consolidate, maintain and expand this strategy on the market.

Control system

In addition to sales, the key performance indicator for the **UNITED**LABELS Group is earnings before interest and taxes (EBIT). Liquidity plans are also drawn up, which are taken into account when making decisions. Every order in the Group is assessed in terms of its contribution to earnings and only if the company's targets are met or if the order is classified as strategically important is the order accepted.

Research and development

Due to its business model, the **UNITED**LABELS Group does not conduct research and development, as is customary in the industry.

2. Economic report

General conditions

The International Monetary Fund expects global growth of 3.1 per cent in 2024 and 3.2 per cent in 2025. Central banks are raising interest rates to combat inflation and the withdrawal of fiscal support due to high levels of debt is weighing on the economy. At 0.5 per cent, the growth forecast for Germany is well below the global average. Interest rates, which are being kept high by the central banks to combat inflation, and Russia's war in Ukraine continue to weigh on economic activity. Inflation is falling faster than expected in most regions. The problems on the supply side are easing and monetary policy is restrictive. Global headline inflation is expected to fall to 5.8 per cent in 2024 and 4.4 per cent in 2025. The forecast for 2025 has been revised downwards. Other challenges for the global economy relate in particular to the recovery of private consumer spending, climate change and continued geopolitical tensions, including in Eastern Europe and East Asia. These had a massive impact on energy supply, international trade and foreign policy cooperation in 2023 and will continue to do so due to the sanctions against Russia. [1]

In 2023, the German economy was also hit hard by the effects of the war in Ukraine and other geopolitical tensions. According to the German government's annual economic report for 2024, price-adjusted gross domestic product (GDP) fell by -0.3% in 2023 compared to the previous year and will only recover slightly to 0.2% in 2024. [2]

Price-adjusted private consumer spending fell by -0.8% in 2023. For 2024, the German government expects a price-adjusted increase in private consumer spending of 1.1% compared to the previous year. Real government consumer spending fell by -1.7% compared to the previous year and gross investment fell by -0.3%. Inventories in the economy remained unchanged in 2023.

According to the German E-Commerce and Distance Selling Trade Association (bevh), consumers' lower willingness to spend in 2023 was once again reflected in significantly lower overall sales in German e-commerce. Gross sales of goods fell by a double-digit 11.8 per cent for the first time in 2023 as a whole to €79.7 billion, compared to €90.4 billion in the previous year. The share of e-commerce with goods in total retail in the narrower sense (including food, but excluding pharmacy sales) is expected to have fallen to 10.2 per cent last year (2022: 11.8 per cent). A more differentiated look at the trend shows that, depending on the product groups and mail-order types, the sales trend was down significantly almost without exception. Only digital services ended the year with an increase of 12.7%. Books, e-books and audio books (-17.6%) and computers, accessories, games and software (-16.2%) lost the most ground. [3]
The German Toy Trade Association (BVS) expects domestic demand for toys to amount to € 4.5 billion (at retail prices) in 2023, which corresponds to a decline of € 0.2 billion compared to 2022.
Even though the licence business is currently suffering somewhat from the crisis, the decline of -2% is significantly less pronounced than for non-licensed toys. As a result, the proportion of sales accounted for by licences in Germany has continued to grow: at 26%, we have reached an all-time high that nobody would have expected years ago.

1 https://www.imf.org/en/publications/weo
2 https://www.bmwk.de/Redaktion/DE/Artikel/Wirtschaft/Projektionen-der-Bundesregierung/projektionen-der-bundesregierung-jahresprojektion-2024.html
3 https://bevh.org/detail/umsaetze-im-e-commerce-erreichen-talsohle

The trendy Disney licence themes alone, the numerous additional products to complement the Pokémon trading cards, the preschool theme Gabby's Dollhouse, Minecraft and the Avatar game worlds can each generate several million euros in additional sales. [1]

With the planned expansion of sales via key accounts, chain stores and online retail, the introduction of new brands and the existing portfolio of classic brands, the **UNITED**LABELS Group is well equipped to meet these challenges.

After subdued growth last year, the EU economy started 2024 weaker than expected. In the European Commission's winter forecast, growth in both the EU and the euro area is revised from 0.6% (figure from the autumn forecast) to 0.5% for 2023 and to 0.9% (from 1.3%) in the EU and 0.8% (from 1.2%) in the euro area for 2024. Growth rates of 1.7% (EU) and 1.5% (euro area) are still expected for 2025.

Inflation is likely to slow more quickly than projected in the autumn. In the EU as a whole, the harmonised index of consumer prices is likely to fall from 6.3% in 2023 to 3.0% in 2024 and 2.5% in 2025. In the eurozone, it is likely to weaken from 5.4% in 2023 to 2.7% in 2024 and 2.2% in 2024. [2]

Changes in consumer demand in the EU economic area and developments in the sourcing countries are of relevance to the **UNITED**LABELS Group.

The quality requirements that the **UNITED**LABELS Group places on itself, but also the demands that customers place on its products, are an important factor that affects the company's purchasing, as is the exchange rate between the euro and the dollar. The company procures a large proportion of its goods in Asian countries, where purchases are predominantly made on a US dollar basis. The average euro/dollar exchange rate for the year was 1.08 dollars per euro. The closing rate at the end of the year was 1.11 dollars per euro.

The textile business continues to be the **UNITED**LABELS Group's strongest product line in terms of sales. New collections were developed and marketed via retail partners and in the direct end customer business.

Business performance and position of the Group and non-financial performance indicators

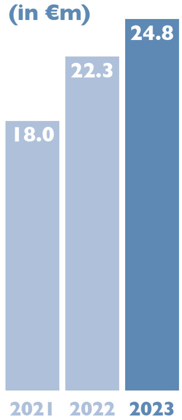
In the 2023 financial year, sales increased by 11.2% to € 24.8 million. At € 1.0 million, EBIT was € 0.2 million higher than in the previous year. Due to the Russian war of aggression in Ukraine and global geopolitical tensions, it was not possible to provide a valid forecast. In view of the net profit for the year and taking into account the order backlog of € 10.7 million as at 31 December 2023 for 2024, we consider the Group's performance in the past year to have been positive in the face of difficult macroeconomic conditions. The Group's sales growth was above and EBIT was within expectations for 2023.

Overall, the Group has thus achieved double-digit sales growth for the third year in a row with a continued very good delivery performance.

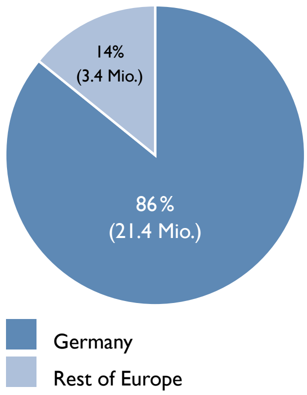
The diversified customer structure with a focus on food retail (LEH) led to a continuous and stable sales trend.

The portfolio currently includes more than 30 brand rights. As in previous years, individual contracts that are no longer profitable from the Group's perspective were not renewed. The most successful brands in terms of sales in the past year include "Paw Patrol", "Disney", "Peanuts" and "Peppa Pig". In 2024, the Group will continue to review the commercial viability of each new brand and decide accordingly.

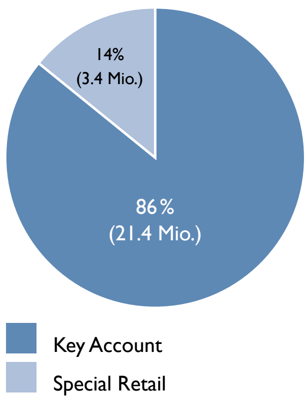
Sales Performance (in €m)



Breakdown of sales in 2023 in Europe in % (€m)



Breakdown of sales in 2023 for Key Account and Special Retail in % (€m)



1 https://www.bvspielwaren.de/News/Pressemitteilung/Weihnachten-148-Euro-f%C3%BCr-Spielzeug
2 https://ec.europa.eu/commission/presscorner/detail/de/ip_24_730

Earnings situation

In the past financial year, **sales** increased by 11.2% to € 24.8 million (previous year: € 22.3 million). Sales in the Key Account segment grew by € 1.7 million (+8.6%) from € 19.7 million to € 21.4 million. The Key Account segment primarily includes large discounters and chain stores in the food and textile retail sectors.

In the Special Retail segment (including e-commerce), sales increased by 30.8% from € 2.6 million to € 3.4 million. Of total sales, the Group generated € 21.4 million in Germany and € 3.4 million in other European countries.

For the 2024 financial year, the Group expects lower returns on goods already delivered compared to the previous year. As part of a risk provision, this estimate led to a reduction in sales of € -1.0 million and a reduction in gross profit of € -0.1 million. Receivables from expected returns of € 0.9 million and provisions for repayment obligations from returns of € 1.2 million are recognised in the balance sheet. In the previous year, provisions for returns totalling € 4.6 million were recognised.

The **cost of goods sold in the Group** is made up of the cost of materials and amortisation of right-of-use assets. A total of € 18.1 million (previous year: € 16.0 million) was recognised for the financial year. In relation to consolidated sales, this results in a cost of goods sold ratio that has risen from 71.4% to 72.7%. The following factors have a fundamental impact on the margin: the development of the dollar/euro exchange rate, freight costs for goods purchased from overseas, the quality requirements for goods and the ratio of sales between the two segments (Key Account and Special Retail). Despite an increase in the cost of goods sold ratio and a significant rise in sales in the financial year, gross profit increased by € 0.4 million to € 6.8 million.

Other operating income totalled € 0.7 million and mainly resulted from the derecognition of liabilities, the reversal of provisions and exchange rate differences.

Personnel expenses fell to € 2.6 million after € 2.9 million in the previous year. On average, the company employed 42 people on a full-time equivalent basis (previous year: 43 employees). Revenue per employee in relation to full-time employees increased from € 520 thousand to € 590 thousand.
As at the balance sheet date, the company had 59 employees (40 employees converted into full-time equivalents), 19% of whom worked in sales, purchasing and design. The decrease was mainly due to the number of temporary staff in logistics.

Other operating expenses rose from € 2.9 million to € 3.5 million. The increase in costs compared to the previous year is primarily due to the sharp rise in e-commerce sales and the related linear sales fees of the sales portals.

EBITDA rose to € 1.3 million (previous year: € 1.1 million), which corresponds to an EBITDA margin of 5.3%. The year-on-year increase of € 0.2 million is due to the increase in sales despite a higher cost of sales ratio.

As in the previous year, **amortisation** of intangible assets (excluding amortisation of rights of use) and depreciation of property, plant and equipment amounted to € 0.3 million. Amortisation of rights of use (licence fees) fell from € 0.6 million to € 0.4 million and is reported separately before gross profit.

Earnings before interest and taxes (EBIT) rose to € 1.0 million (previous year: € 0.8 million), which corresponds to an EBIT margin of 4.1%. The main reason for the increase was the rise in sales.

The **financial result** of € -0.5 million (previous year: € -0.3 million) includes financing income and expenses. Expenses are recognised.

Tax income of € 0.1 million (previous year: € 0.1 million) was recognised under income taxes, which was attributable to deferred tax assets.

Consolidated net income rose to € 0.6 million (previous year: € 0.4 million), which corresponds to a return on sales of 2.5%. **Earnings per share** thus totalled € 0.09 (previous year: € 0.06).

The **segment result** based on gross profit in the Key Account business again totalled € 4.5 million (previous year: € 4.5 million). In the Special Retail segment, the result based on gross profit was € 0.4 million higher than in the previous year at € 2.3 million.

Development in the subsidiaries

Results of the most important subsidiaries:

	Colombine b.v.b.a., Belgium		Elfen Service GmbH, Germany		House of Trends europe GmbH, Germany	
	k€	k€	k€	k€	k€	k€
	2023	2022	2023	2022	2023	2022
Revenue	2.677	4.089	2.212	1.354	113	177
EBITDA	122	132	150	151	189	40
EBIT	122	132	117	126	189	35
Profit for the year	45	61	116	124	193	36
Inventories	0	0	131	55	0	0
Cash and cash equivalents	0	0	90	3	8	4
Payables to banks	0	0	0	0	0	0

Financial position

The **consolidated cash flow** statement shows a **cash flow from operating activities** of € 0.8 million (previous year: € 1.7 million) for the financial year. Payments were made for investments totalling € -0.2 million (previous year: € -0.7 million), in particular for the acquisition and extension of trademark rights. **Cash flow from financing activities** totalled € -0.1 million (previous year: € -0.9 million).
As a result, **cash and cash equivalents** increased by € 0.5 million to € 0.8 million at the end of the financial year. As at the reporting date of 31 December 2023, a total of € 2.6 million (previous year: € 2.0 million) in receivables had been sold to a factoring company. Of this amount, € 0.7 million was attributable to **UNITED**LABELS AG and € 1.9 million to the Belgian subsidiary Colombine BVBA.

The Group finances itself mainly through loans, credit lines and letters of credit provided to the Group companies by banks. As at the balance sheet date, short-term bank loans totalled € 0.4 million (previous year: € 0.6 million), long-term bank loans amounted to € 0.7 million (previous year: € 0.7 million) and letter of credit lines remained unchanged at € 750 thousand. In addition, there is another long-term loan of € 2.6 million, to be repaid by 2028, three policy loans (€ 1.4 million), a long-term loan from the Executive Board and a related party (€ 0.9 million, previous year € 0.2 million). The loans from the Executive Board and the related party are available until 31 March 2025 up to an amount of € 0.9 million. Liabilities from leases account for € 1.6 million, which are recognised as liabilities in accordance with IFRS 16. The parent company's unsecured receivables serve as collateral for the short-term bank credit lines provided. Real estate liens on the logistics centre in Muenster serve as collateral for the long-term loans from a bank and an investor. Of the short-term credit lines totalling € 0.5 million, € 0.1 million had not been utilised as at the balance sheet date.

Net worth

Non-current assets totalled € 11.4 million (previous year: € 11.5 million). Intangible assets decreased by € 0.1 million to € 4.2 million. This still includes goodwill totalling € 3.1 million, which corresponds to 14.8% of the balance sheet total. Brand rights account for € 1.1 million. € 3.7 million (previous year: € 4.0 million) is attributable to property, plant and equipment. Deferred taxes increased slightly to € 1.3 million (previous year: € 1.1 million).

Current assets decreased by € 3.5 million to € 9.6 million. Inventories (including floating stock) fell to € 5.0 million compared to € 5.2 million in the previous year. Other assets fell to € 2.3 million compared to € 5.0 million in the previous year. The € -3.0 million decrease in other assets is due to the reduction in estimated goods returns.

Trade receivables decreased to € 1.6 million as at the reporting date compared to € 2.6 million in the previous year.

Bank balances increased from € 0.3 million to € 0.8 million.
Overall, the **balance sheet** total decreased to € 20.9 million (previous year: € 24.6 million).

On the liabilities side, **equity** increased by € 0.5 million to € 2.7 million. The total number of shares issued amounts to 6,930,000. The equity ratio rose to 12.9% (previous year: 9.0%). In the separate financial statements of **UNITED**LABELS AG, equity rose to € 5.7 million (previous year: € 5.2 million), which corresponds to an equity ratio of 24.3% (previous year: 19.3%).

Non-current liabilities increased by € 0.6 million to € 8.4 million (previous year: € 7.7 million), while **current liabilities** fell by a total of € 4.7 million to € 9.9 million.

Non-current assets totalling € 11.4 million account for 54% (previous year: 47%) of the balance sheet total. Current assets totalled € 9.6 million and accounted for 46% (previous year: 53%) of the balance sheet total. Current liabilities exceed current assets by € 0.3 million. It should be noted that current liabilities include overdraft facilities from the financing banks totalling € 0.5 million, which are assumed to be available on a long-term basis.

Overall, Group debt as at 31 December 2023 was € 18.3 million, € 4.1 million lower than in the previous year.

Non-financial performance indicators

Employees
As at 31 December 2023, 56 employees were employed (previous year: 67). The average number of employees was 59 (previous year: 69). Converted into full-time equivalents, there were 40 employees at the end of the financial year (previous year: 43). The converted average headcount was 42 employees (previous year: 43).

The Group is not affiliated or bound by any collective labour agreement. Remuneration is based on performance and position.

The **UNITED**LABELS Group is particularly keen to continuously develop its employees and improve the service it provides to its customers. To this end, the Group organised internal training courses in the past financial year.
The Group has also established a personnel development programme in Germany to support and motivate each employee individually. In Germany, this includes regular information events for all employees, at which current topics are presented and employees have the opportunity to enter into discussions with the management.
Diversity in human resources is a prioritised topic and a core element of the HR strategy. The **UNITED**LABELS Group wants to further expand its internationality and also promote the inclusion of women in management positions.
The proportion of women at the second management level is currently over 50%. The Group continues to endeavour to promote the increased presence of women in management positions. In this context, we also refer to our homepage (http://www.unitedlabels.com/investor-relations/corporate-governance).

3. Forecast, opportunity and risk report

Outlook, opportunities and risks of future development

The **UNITED**LABELS Group always endeavours to systematically identify and seize opportunities at an early stage in order to sustainably improve its results. Certain risks must be taken in order to make the best possible use of opportunities. The principles of risk and opportunity management ensure that business activities can be carried out in a well-controlled corporate environment.
The **UNITED**LABELS Group is regularly confronted with risks and opportunities that can have both positive and negative effects on the Group's assets, profit and cash flow, as well as on intangible assets such as brand rights. Risks are understood as the potential occurrence of internal and external events that could have a negative impact on the achievement of short-term goals or the realisation of the long-term strategy. Risks can also be missed or poorly utilised opportunities. Opportunities can generally be defined as internal and external, strategic and operational developments which, if utilised correctly, can have a positive impact on the Group. The Group utilises various information channels to identify risks and opportunities. For example, assessments of the relevant markets result from discussions with our customers and suppliers, information from the internet and other media, trade fairs and analyses of our competitors. This information flows into the Group's risk management system via quarterly enquiries. The risks are assessed according to the probability of occurrence and the amount of potential damage. With regard to the probability of occurrence, risks are categorised into the following four categories: unlikely (< 10%), possible (10% to <50%), probable (50% to <75%), highly probable (> 75%). In addition, the loss categories (C (< €50 thousand), B (€50 thousand to €300 thousand) and A (> €300 thousand)) are defined, which quantify the range of expected losses. In some cases, there are also risks whose losses cannot be quantified. On this basis, the Executive Board decides which of the respective risks to accept or avoid and which opportunities to pursue. In some cases, certain risks and the responsibility for utilising opportunities are transferred to third parties (e.g. through insurance, outsourcing, sales and purchasing agreements).

The Group sees significant risks in the following areas in particular:

Market risks
- Deterioration in consumer behaviour in the Group's markets due to events such as the Russian war of aggression in Ukraine
- Intensification of competition with key customers

Business risks
- Impairment of supply chains
- Increasing prices and freight costs as well as longer delivery times from suppliers
- Damage to suppliers, customers and the Group due to cybercrime
- Loss of key customers
- Loss of important trademark rights
- Loss of important employees in key positions and the recruitment of sufficiently qualified employees
- Reputational risks as a result of violations by suppliers of minimum standards for working time regulations, minimum wages, occupational safety and the prohibition of child labour, for which **UNITED**LABELS has agreed a "Code of Conduct" with suppliers
- Impairment of goodwill in the event of a permanent decline in business activities

Legal risks
- Infringement of industrial property rights by third parties or by the Group
- Violation of complex tax issues

Financial risks
- Outstanding receivables could be settled late
- Cash and cash equivalents may not be sufficient to meet financial obligations at a specific point in time cancellation, rescission or claims for damages due to non-compliant delivery by the Group or the supplier
- Exchange rate fluctuations that cannot be allocated promptly

In addition to the risks outlined above, other normal business risks such as price change, default and interest rate risks are recorded and continuously updated by our own risk management system. Our main risk management objectives are to secure and monitor the margin situation by means of calculation targets and dollar hedging, to strictly monitor costs by means of budget controls and to secure liquidity by means of planning and control. Essentially, the risk management system involves recognising risks at an early stage, assessing the extent and probability of occurrence and initiating suitable countermeasures.

The **UNITED**LABELS Group sees risk aggregations in the areas of purchasing and sales, where disruptions in the supply chain can have a negative impact on both procurement and sales. There are further aggregations in the inventory area, as customer returns can have an impact on earnings in addition to the negative liquidity effect due to increased capital commitment.

The **UNITED**LABELS Group assesses the Group's ability to bear the aforementioned risks on the basis of their impact on liquidity and earnings. All liquidity-related risks up to € 0.5 million are assessed as non-critical for risk-bearing capacity, even if the risks accumulate. Earnings-related risks of up to € 3.0 million are also not considered critical for the risk-bearing capacity. Critical risks include liquidity risk, the loss of a key customer and other serious effects on the market that jeopardise the **UNITED**LABELS Group's business model as a whole.

Ability of the company to continue as a going concern

The consolidated financial statements have been prepared on a going concern basis. Due to possible geopolitical effects on the supply chains, such as the conflict in Ukraine, there is uncertainty that existing orders may not be fulfilled or not fulfilled on time and, as a result, existing debts may not be paid on time. The **UNITED**LABELS Group does not maintain any business relationships with companies from Ukraine, Belarus or the Russian Federation. The **UNITED**LABELS Group will closely monitor the further development of the war and its impact on the global economy and take appropriate countermeasures.
The **UNITED**LABELS Group covers part of its liquidity requirements via short-term bank overdraft and letter of credit facilities and the utilisation of a loan from the Management Board and Financial Management Muenster GmbH. The bank credit lines totalled € 0.5 million as at 31 December 2023 and were utilised in the amount of € 0.4 million as at the balance sheet date. The letter of credit lines remained unchanged at € 0.8 million and were utilised in the amount of € 0.4 million as at the balance sheet date. The loan from the Management Board and Financial Management Muenster GmbH comprises an agreed framework of up to € 0.9 million, of which € 0.9 million had been utilised as at the balance sheet date. The Management Board subjected the corporate and liquidity planning to a stress test in order to analyse any negative effects on the Group's liquidity. Based on the updated liquidity planning, the Group's ability to continue as a going concern assumes that the financing banks maintain their current account and letter of credit lines in full, that the loan from the Executive Board and the related party is provided within the agreed framework if necessary and that the customer orders already received for the 2024 financial year are processed without significant impairment until payment is received.

Developments in the past financial year 2023 have shown that the company is in a position to master the challenges as far as possible.

In the previous sections, we present risks that, from today's perspective, could have a significant negative impact on our earnings, financial and asset situation. These are not necessarily the only risks to which the Group is exposed. Other influences that are not yet known to us or that we do not yet consider to be significant could also affect our business activities.

Overall statement on risks and opportunities

The risk situation of the **UNITED**LABELS Group and its change compared to the previous year can be summarised as follows:

There are generally increased risks due to the current geopolitical situation, which may result in customers reducing, postponing or cancelling their orders or suppliers not being able to deliver ordered goods on time. There is also a risk that some customers may exercise any contractually agreed rights to return goods for orders that have already been delivered due to the reluctance of end consumers to make purchases. Further risks arise from cyberattacks on the Group's IT systems.

However, based on the current order backlog and the current liquidity planning, the Management Board assumes that the liquidity required for the 2024 financial year will be available to a sufficient extent on the basis of the existing loan commitments. The higher e-commerce revenue included in the planning, which is accompanied by significantly higher margins and much shorter payment terms and from which the **UNITED**LABELS Group will benefit indirectly via Elfen Service GmbH, is expected to have a positive impact on liquidity. New brand rights for 2024 have primarily created opportunities to improve gross profit as well as new sales opportunities for these products abroad.
With regard to the development and results of the past financial year, the Group considers itself to be well positioned in terms of organisation and market technology. This assessment is supported by the good delivery performance in the 2023 financial year, the focus on food retail customers, the increase in e-commerce business and the high order backlog for the following year 2024.

Forecast report

The Group's performance is influenced by the overall economic development in Germany and the rest of Europe. It can currently be assumed that the global economy, the economy in Germany and in Europe will continue to suffer from the consequences of the Ukraine conflict. In the European Commission's winter forecast, growth in both the EU and the eurozone is revised from 0.6% (figure from the autumn forecast) to 0.5% for 2023 and to 0.9% (from 1.3%) in the EU and 0.8% (from 1.2%) in the eurozone for 2024. Growth rates of 1.7 % (EU) and 1.5 % (euro area) are still expected for 2025. [1]
Good order behaviour can be observed in the textile retail sector at the start of 2024, and the company even expects sales to increase significantly year-on-year in the second half of the year. Non-food sales by customers in the food retail sector are also good. The extent to which this is also reflected in the Group's articles will have to be assessed in the coming months. There are currently no recognisable disruptions in the supply chain, as the majority of goods are manufactured in India, Bangladesh and China. The longer throughput times due to the avoidance of travelling through the Suez Canal have already been taken into account in the planning.
Under these conditions, the company believes it is well positioned strategically and operationally for the current 2024 financial year.
This estimate is also based on the order backlog for 2024, which totalled € 10.7 million as at the reporting date.

Business in the German Key Account segment will continue to account for the majority of the **UNITED**LABELS Group's sales in the 2024 financial year. The Group continues to see great potential for growth and earnings here. However, the sale of products directly to end customers via the online platforms of Elfen Service GmbH will increase in importance to a much greater extent than before. The significant increases in revenue in the final months of the past financial year and in the first months of the current financial year 2024 show immense growth potential, which the company will utilise immediately and consistently.

In order for the **UNITED**LABELS Group to position itself on the German and European market and expand its market share, the focus will continue to be on high-quality and safe branded media/entertainment products that are in demand on the market. In particular, the e-commerce business via Elfen Service GmbH and the key account business are to be expanded and intensified.

1 https://ec.europa.eu/commission/presscorner/detail/de/ip_24_730

To this end, the **UNITED**LABELS Group and its subsidiary Elfen Service GmbH plan to further expand the end customer-oriented (B2C) e-commerce business area by offering its own brand portfolio products and targeted marketing measures. Overall, the brand range for the Group's own end customer presence is to be supplemented by the parent company's complete range of textiles and, in particular, branded articles developed for e-commerce. The Group anticipates a moderate increase in sales in the end customer business. This assumption is supported by the increase in sales in the past financial year, a comparatively high gross profit margin in the e-commerce business and numerous new marketing measures.

In order to spread the risk as far as possible and utilise any opportunities that arise, the **UNITED**LABELS Group is focusing on acquiring additional trading partners with strong sales and earnings as well as securing and expanding existing customer relationships. The geographical focus is on Germany, Benelux, the UK and Eastern Europe. However, the **UNITED**LABELS Group continues to focus on improving its business in Germany. To this end, new brand rights have been acquired and key account sales have been intensified. Stable sales in Germany remain crucial for a further increase in the Group's earnings. For the 2024 financial year, the Group anticipates a slight increase in sales with a moderate increase in EBIT. Depending on the duration and extent, the economic consequences of the Russian war of aggression in Ukraine may have an impact on planned sales and earnings. Due to the current uncertainty, it is not possible to make a valid forecast of any effects.

The aim of this overall plan is to utilise growth opportunities in all of the Group's business areas while spreading the risk in the customer, country and brand portfolio.

This management report contains estimates, judgements and forward-looking statements that reflect the current views of the management of **UNITED**LABELS AG and its subsidiaries with regard to future events and expectations. Even if these statements, estimates and expectations are based on valid plans, such statements are subject to risks and uncertainties that are usually difficult to assess and are generally beyond the control of the **UNITED**LABELS Group. If these or other risks and uncertainties materialise, or if the assumptions underlying any of these statements prove incorrect, the actual results of the **UNITED**LABELS Group may be materially different from those expressed or implied by such statements, expectations, estimates and projections. The **UNITED**LABELS Group does not intend to update such statements about future events and developments as well as expectations and estimates, unless there is an obligation to do so. The **UNITED**LABELS Group disclaims any responsibility and, to the extent permitted by law, any liability for such statements, expectations or estimates and plans.

The above applies accordingly to key figures that are mentioned in this annual report but are not part of commercial accounting standards. Such key figures can only be compared with the corresponding key figures of other companies to a limited extent.

4. Risk report in relation to financial instruments

When using financial instruments, the Group is exposed to the usual risks, such as default risks, market price risks and liquidity risks. If necessary and depending on the situation, the Group enters into forward exchange transactions and currency option transactions to hedge existing orders, which result in exchange rate gains or losses at the respective spot rate. As in the previous year, no forward exchange transactions or currency options were concluded in 2023. The Group's aim is to minimise risks without compromising operational opportunities. Please refer to section 3 of this Group management report for information on the nature of the risks and the precautions taken by the Group.

5. Disclosures pursuant to Section 315a HGB, 315d HGB and remuneration report

Disclosures in accordance with § 315a HGB

As at 31 December 2023, the subscribed capital remained unchanged at € 6,930 thousand and consists of 6.93 million no-par value bearer shares. Each share grants one vote at the Annual General Meeting. All shares carry the same rights and obligations. There are no restrictions on voting rights or the transfer of shares. However, due to insider knowledge, there are blocking periods for the Group's executive bodies and corresponding employees in connection with the publication of quarterly and annual results. Restrictions on voting rights may also exist due to provisions of the German Stock Corporation Act (AktG), for example in accordance with Section 136 AktG or for treasury shares in accordance with Section 71b AktG.

On 14 February 2024, the Executive Board member Peter Boder announced in accordance with Section 160 (1) no. 8 AktG that he holds 2,445,951 shares in **UNITED**LABELS AG (35.3%). No shares were sold by Mr Boder in the 2023 financial year. The Group is not aware of any other shareholdings in the share capital that exceed 10% of the voting rights. The Management Board of **UNITED**LABELS AG currently consists of one person. The number of Management Board members and their appointment and dismissal is determined by the Supervisory Board in accordance with Section 5 of the Articles of Association and Section 84 AktG. According to the Articles of Association, the Supervisory Board is also authorised to resolve amendments to the Articles of Association that only affect their wording. In all other cases, the Annual General Meeting decides on amendments to the Articles of Association.

The main agreements of **UNITED**LABELS AG that could be subject to a change of control relate to credit, licence and customer agreements. However, no explicit agreements have been made for credit and customer contracts. Some licence agreements contain a consent clause. There are also no agreements with employees regarding compensation payments in the event of a takeover bid. It has been agreed with the Executive Board that the severance payment may not exceed 150% of two years' remuneration in the event of termination of Executive Board activity due to a change of control.

Corporate governance declaration in accordance with Section 315d HGB

The Group declaration on corporate governance in accordance with Section 315d of the German Commercial Code (HGB) has been made publicly available on the **UNITED**LABELS AG website at http://www.unitedlabels.com/investorrelations/corporate-governance.

Remuneration systems for company bodies

For the 2023 financial year, the Group will prepare a separate remuneration report for the Executive Board and Supervisory Board in accordance with Section 162 AktG. The report will be presented to the Annual General Meeting in the 2024 financial year for discussion. It provides detailed information on the structure of the remuneration system for the Executive Board approved by the Annual General Meeting in June 2021 in accordance with Section 87a AktG and contains all the necessary information on the remuneration of the Supervisory Board. The remuneration report for the 2023 financial year, the auditor's report on the formal audit of the remuneration report, the applicable remuneration system for the members of the Management Board and Supervisory Board and the most recent resolutions of the Annual General Meeting on the remuneration system are available on the **UNITED**LABELS AG website at https://www.unitedlabels.com/investor-relations/verguetungssysteme-und-verguetungsberichte/.

Internal control and risk management system

The **UNITED**LABELS Group has an internal control and risk management system with regard to the (Group) accounting process, in which suitable and appropriate structures and processes are defined and implemented in the organisation. This is designed to ensure that all business processes and transactions are recorded promptly, uniformly and correctly in the accounts. It ensures compliance with legal standards and accounting regulations for financial reporting, which is binding for all companies included in the consolidated financial statements. Changes to laws, accounting standards and other pronouncements are continuously analysed with regard to their relevance and impact on the consolidated financial statements and the resulting changes are incorporated into the Group's internal guidelines and systems. The internal control system is based on defined control mechanisms, e.g. systematic and manual reconciliation processes, the separation of functions and compliance with guidelines and work instructions. The **UNITED**LABELS Group's accounting process is managed by the Treasury and Controlling department. Treasury and Controlling also check and monitor the reliability of the accounting systems of the domestic and foreign companies. The following aspects in particular are taken into account:

- Compliance with legal requirements as well as Management Board directives, other guidelines and internal instructions,
- Formal and material compliance of the accounting and the reporting based on it,
- Functionality and effectiveness of internal control systems to prevent asset losses,
- Proper fulfilment of tasks and compliance with economic principles.

However, it should be noted that an internal control system, regardless of its design, does not provide absolute certainty that material accounting misstatements will be avoided or detected.

6. Declaration pursuant to § 312 AktG

In addition to his 35.3% stake in **UNITED**LABELS AG, the Management Board member of **UNITED**LABELS AG, Mr Peter Boder, holds 100% of the shares in Facility Management Muenster GmbH. Facility Management Muenster GmbH has a business relationship with **UNITED**LABELS AG. There are also direct business relationships between Mr Boder and **UNITED**LABELS AG.

In accordance with Section 312 of the German Stock Corporation Act (AktG), the Management Board submits a report on the relationship between **UNITED**LABELS AG and affiliated companies, which concludes with the following declaration:

"The Management Board declares that **UNITED**LABELS AG received appropriate consideration for each legal transaction in accordance with the circumstances known to it at the time the legal transaction was carried out. There were no reportable measures in the reporting year."

Muenster, 23 April 2024

UNITEDLABELS AG
Management Board

signed. Peter Boder

UNITEDLABELS **Aktiengesellschaft, Muenster**
Consolidated Statement of Financial Positions (IFRS) as at 31 December 2023

ASSETS

	Notes	31.12.2023 €	31.12.2022 €
Assets			
Non-current assets			
Property, plant and equipment	C.1.	3,713,794.39	3,956,534.99
Intangible assets	C.1.	4,153,212.01	4,341,213.59
Other assets	C.5.	2,265,152.43	2,136,068.13
Deferred taxes	C.2.	1,253,183.88	1,058,107.66
		11,385,342.71	**11,491,924.37**
Current Assets			
Inventories	C.3.	4,981,348.64	5,159,979.93
Trade receivables	C.4. / C.7	1,553,094.17	2,637,520.06
Other current assets	C.5. / C.7	2,271,212.10	5,043,814.57
Cash and cash equivalents	C.6.	762,475.54	263,526.15
		9,568,130.45	**13,104,840.71**
Total Assets		**20,953,473.16**	**24,596,765.08**

EQUITY

	Notes	31.12.2023 €	31.12.2022 €
Equity			
Capital and reserves attributable to the shareholders of the parent company			
Issued capital	C.8.	6,930,000.00	6,930,000.00
Capital reserves	C.8.	2,058,267.41	2,058,267.41
Retained Earnings	C.8.	1,461,901.49	1,543,067.48
Currency translation	C.8.	-582,496.35	-513,252.34
Consolidated unappropriated result	C.8.	-7,185,895.10	-7,818,141.67
Shareholders' equity		**2,681,777.45**	**2,199,940.88**
Non-contolling interests	C.8.	17,714.63	17,854.96
Total Equity		**2,699,492.08**	**2,217,795.84**
Non-Current liabilities			
Provision for pensions	C.9.	1,644,366.00	1,419,784.20
Financial liabilities	C.11.	6,701,717.34	6,300,096.34
Deferred tax liabilities	C.2.	7,870.16	13,050.99
		8,353,953.50	**7,732,931.53**
Current liabilities			
Other provisions	C.10.	1,235,815.74	4,733,651.97
Current tax payable	C.11.	34,761.82	37,761.82
Financial liabilities	C.11.	909,264.87	987,931.18
Trade and other payables	C.11.	7,720,185.15	8,886,692.74
		9,900,027.58	**14,646,037.71**
Total Liabilities		**18,253,981.08**	**22,378,969.24**
Total Equity and liabilities		**20,953,473.16**	**24,596,765.08**

UNITEDLABELS Aktiengesellschaft, Muenster
Consolidated Statement of Comprehensive Income (IFRS)

for the period from 1 January to 31 December 2023

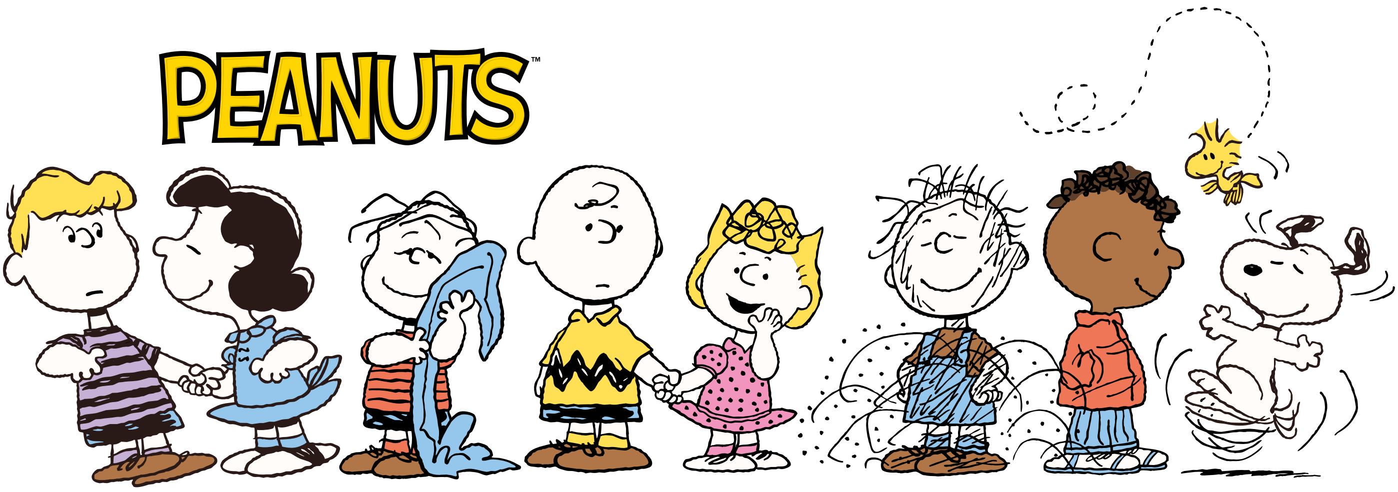
	Notes	2023	2022
		€	€
Revenue	**D.1.**	**24,818,982.85**	**22,342,535.69**
Cost of materials		-17,702,250.98	-15,404,490.97
Amortization/write-down of usage rights	D.2.	-351,816.21	-553,317.24
		6,764,915.66	**6,384,727.48**
Other operating income		676,668.45	476,241.19
Staff costs		-2,600,331.68	-2,908,155.51
Depreciation of property, plant and equipment, and amortisation of assets (excl. amortisation/ writedown of usage rights)	D.3.	-310,942.20	-286,981.01
Other operating expenses		-3,516,605.69	-2,853,910.77
Result of the operating business activity		**1,013,704.54**	**811,921.38**
Financial income	D.4.	77,764.30	70,863.37
Finance costs	D.4.	-592,193.54	-401,199.92
Net finance costs		**-514,429.24**	**-330,336.55**
Result before tax		**499,275.30**	**481,584.83**
Taxes on income	D.5.	132,830.94	-36,518.98
Consolidated result of the year		**632,106.24**	**445,065.85**
Result attributable to the shareholders		632,246.57	444,682.04
Result attributable to non-controlling interests	C.8.	-140.33	383.81
Other comprehensive income („OCI“):			
Not to reclassify result:			
Actuarial gains and losses		-119,239.00	1,131,162.00
Deferred taxes on actuarial gains and losses		38,073.01	-361,180.03
To reclassify result:			
Exchange difference on translating foreign operations		-69,244.01	18,673.90
Total other comprehensive income		-150,410.00	788,655.87
Total comprehensive result		**481,696.24**	**1,233,721.72**
Result attributable to the shareholders		481,836.57	1,233,337.91
Result attributable to non-controlling interests	C.8.	-140.33	383.81
Consolidated loss (according to P&L) per share			
basic	C.8.	0.09	0.06
diluted	C.8.	0.09	0.06
Weighted average shares outstanding			
basic	C.8.	6,930,000 pcs	6,930,000 pcs
diluted	C.8.	6,930,000 pcs	6,930,000 pcs

UNITEDLABELS Aktiengesellschaft, Muenster - Cash Flow Statement

Notes to the Consolidated Statement of Cash Flows. cf. C.14.	Notes	2023 T€	2022 T€
Consolidated annual result		632	445
Interest income from financing activities		514	330
Amortisation/write-down of usage rights	C.1.D. 2/3	352	426
Amortisation of intangible assets	C.1.D. 2/3	40	138
Depreciation of property, plant and equipment	C.1.D. 2/3	256	149
Change in provisions		-3,498	4,696
Other non cash income		-150	-43
Change in deferred taxes		-190	0
Change in inventories, trade receivables and other assets not attributable to investing or financing activities	C.3-5	4,036	-6,033
Change in trade payables and other liabilities not attributable to investing or financing activities	C.10-11	-1,178	1,653
Payments for tax on profit		-14	-40
Cash flows from operating activities		**800**	**1,721**
Payments for investments in property, plant and equipment	C.1	-13	-717
Payments for investments in intangible assets		-204	0
Cash flows from investing activities		**-217**	**-717**
Deposits from major shareholder		724	0
Repayment of financial and other loans		-285	-330
Repayment of Leasing liabilities		-226	-223
Interests paid		-298	-315
Cash flows from financing activities		**-85**	**-868**
Net change in cash and cash equivalents		498	136
Cash and cash equivalents at the beginning of the period		264	128
Cash and cash equivalents at the end of the period	**C.6.**	**762**	**264**
Gross debt financial liabilities		7,611	7,288
Gross debt financial liabilities		**6,849**	**7,024**
Composition of cash and cash equivalents:			
Cash and cash equivalents		**762**	**264**

UNITEDLABELS Aktiengesellschaft, Muenster
Consolidated Statement of Changes in Equity

	Issued capital €	Capital reserves €	Retained earnings €	Consolidated unappropriated result €	Balance Item for currency translation €	Equity €	Minority Interest €	Total (Group Equity) €
As at 01.01.2022	**6,930,000.00**	**2,058,267.41**	**773,085.51**	**-8,262,823.71**	**-531,926.24**	**966,602.97**	**17,471.15**	**984,074.12**
Consolidated result 2022	0.00	0.00	0.00	444,682.04	0.00	444,682.04	383.81	445,065.85
Other gains and losses								
Currency translation	0.00	0.00	0.00	0.00	18,673.90	18,673.90	0.00	18,673.90
Actuarial gains and losses	0.00	0.00	1,131,162.00	0.00	0.00	1,131,162.00	0.00	1,131,162.00
Deferred taxes	0.00	0.00	-361,180.03	0.00	0.00	-361,180.03	0.00	-361,180.03
Total results 2022	**0.00**	**0.00**	**769,981.97**	**444,682.04**	**18,673.90**	**1,233,337.91**	**383.81**	**1,233,721.72**
As at 31.12.2022	**6,930,000.00**	**2,058,267.41**	**1,543,067.48**	**-7,818,141.67**	**-513,252.34**	**2,199,940.88**	**17,854.96**	**2,217,795.84**
As at 01.01.2023	**6,930,000.00**	**2,058,267.41**	**1,543,067.48**	**-7,818,141.67**	**-513,252.34**	**2,199,940.88**	**17,854.96**	**2,217,795.84**
Consolidated result 2023	0.00	0.00	0.00	632,246.57	0.00	632,246.57	-140.33	632,106.24
Other gains and losses								
Currency translation	0.00	0.00	0.00	0.00	-69,244.01	-69,244.01	0.00	-69,244.01
Actuarial gains and losses	0.00	0.00	-119,239.00	0.00	0.00	-119,239.00	0.00	-119,239.00
Deferred taxes	0.00	0.00	38,073.01	0.00	0.00	38,073.01	0.00	38,073.01
Total results 2023	**0.00**	**0.00**	**-81,165.99**	**632,246.57**	**-69,244.01**	**481,836.57**	**-140.33**	**481,696.24**
As at 31.12.2023	**6,930,000.00**	**2,058,267.41**	**1,461,901.49**	**-7,185,895.10**	**-582,496.35**	**2,681,777.45**	**17,714.63**	**2,699,492.08**



UNITEDLABELS **Aktiengesellschaft, Muenster**

Notes to the consolidated financial statements for the 2023 financial year

A. General Information

1. General information about the company

UNITEDLABELS Aktiengesellschaft has its registered office at Gildenstraße 6, 48157 Muenster, Germany. It is registered at Muenster Local Court under the number HRB 2739. The company manufactures and distributes branded media/ entertainment products in Europe, with a focus on Germany, Benelux, the UK and Eastern Europe.
UNITEDLABELS Aktiengesellschaft is listed in the Prime Standard segment of the regulated market in Frankfurt and in over-the-counter trading on the stock exchanges in Berlin, Bremen, Stuttgart, Munich, Hamburg and Duesseldorf.
The consolidated financial statements as at 31 December 2023 were approved by the Supervisory Board on 26 April 2024 and thus adopted and released for publication.

2. Application of IFRS regulations, accounting principles

The consolidated financial statements of **UNITED**LABELS Aktiengesellschaft as at 31 December 2023 were prepared in accordance with internationally recognised accounting standards on the basis of the International Financial Reporting Standards (IFRS) adopted by the European Union and the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB). The notes to the financial statements comply with the IFRS that had become mandatory by the balance sheet date. The previous year's figures have been calculated according to the same principles.
The components of the financial statements are the balance sheet, the statement of comprehensive income, the cash flow statement, the statement of changes in equity and the notes. The consolidated financial statements are prepared on the basis of historical cost.

The financial year of all companies included in the consolidated financial statements corresponds to the period from 1 January to 31 December 2023. The individual annual financial statements are prepared using uniform accounting policies. The reporting currency is the euro. As a general rounding level, figures in these notes are rounded to the nearest thousand; other rounding levels are indicated accordingly.

The preparation of the consolidated financial statements requires the Executive Board to make estimates and assumptions that affect the amounts recognised under assets and liabilities, in the statement of comprehensive income and in the notes. The actual results may differ from the estimates. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are of crucial importance for the consolidated financial statements, are listed in the notes on goodwill, provisions, deferred taxes and trademark rights. Deviations from planning may result from changes in consumer behaviour, changes in the behaviour of brand owners or trading partners (customers, suppliers).

Due to the payment terms in Asia (letter of credit business) and the long payment terms of selected major customers, a corresponding financing framework is necessary. There can be a period of up to ten months between the placement of orders with the supplier and thus the utilisation of letter of credit lines and final payment by the customer, which must be financed with equity or borrowed funds. The Group has therefore introduced adequate liquidity monitoring to ensure that order financing runs smoothly. The Group operates factoring at the German parent company and Colombine in Belgium. Liquidity risks cannot be ruled out for customers not included in factoring if high payment amounts are settled unusually late by the customer or if supplier payments have to be made unusually early.

The Group has prepared the consolidated financial statements on a going concern basis. This is based on comprehensive liquidity planning, which requires the Group to be provided with sufficient financial resources by utilising existing credit lines and loans throughout the year. In this context, we also refer to the comments on liquidity in section C.17 of the notes to the consolidated financial statements.

New International Financial Reporting Standards (IFRS) and Interpretations (IFRIC)

The company has applied the following new or amended standards and interpretations for the first time in the current financial year.

IFRS 17 Insurance Contracts (including the amendments from June 2020 and December 2021)

The new standard sets out the principles for the recognition, measurement, presentation and disclosure of insurance contracts and replaces IFRS 4 Insurance Contracts.

IFRS 17 describes a general model that is modified for insurance contracts with direct participation features ("variable fee approach"). If certain criteria are met, the general model is simplified by measuring the liability for the remaining insurance cover using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and makes an explicit assessment of the cost of this uncertainty. It takes into account market interest rates and the effects of options and market interest rates and the effects of options and policyholder guarantees.

The first-time application of the standard had no impact on the financial statements, as no corresponding insurance contracts are held.

Amendments to IAS 1 and IFRS guidance document 2 Disclosure of accounting policies

The amendments change the requirements in IAS 1 with regard to the disclosure of accounting policies. The amendments replace all places where the term "significant accounting policies" was used with "material information about accounting policies". Information about accounting policies is material if, together with other information obtained in the entity's financial statements, it could reasonably be expected to influence decisions that the primary users of IFRS financial statements make on the basis of those financial statements.

It also clarifies that information about accounting policies relating to immaterial transactions, other events or conditions is immaterial and therefore not required to be disclosed. Information about accounting policies may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all information about accounting policies that relates to significant transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain the application of the four-step process model contained in IFRS Practice Statement 2.

The application of the amendments had no material impact on the financial statements.

Amendments to IAS 12 Deferred taxes relating to assets and liabilities arising from a single transaction

The amendments further restrict the scope of the initial recognition exemption for deferred taxes. Accordingly, a company does not apply the exemption to transactions that simultaneously result in taxable and deductible temporary differences in the same amount.

Depending on the applicable tax law, the same taxable and deductible temporary differences may arise on initial recognition of an asset and a liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss. This may be the case, for example, when recognising a lease liability and the corresponding right-of-use asset when applying IFRS 16 Leases at the inception of the lease.

Following the amendments, an entity is now required to recognise the corresponding deferred tax assets and liabilities, whereby the recognition of a deferred tax asset is subject to the impairment criteria in IAS 12 Income Taxes.

The amendments had no impact on the financial statements as there are no material contracts that qualify as finance leases. .

IAS 12 International Tax Reform - Pillar 2 modelling rules

The amendments introduce a temporary exemption from recognising deferred taxes in IAS 12, so that the recognition of deferred taxes is excluded from the scope of the standard due to the structure of supplementary taxes under the Pillar 2 minimum taxation regime. Additional disclosures in the notes are also required, depending on the status of implementation of the minimum taxation requirements in the respective national tax law.

As a result of the amendments, the company must disclose that it has applied the exemption and separately recognise the actual tax expense (income) relating to income taxes under the Pillar 2 rules.

The change has no impact on the financial statements due to the loss situation.

IAS 8 Definition of accounting estimates

Previously, IAS 8 only contained a definition of a change in accounting estimates, but not a definition of an accounting estimate itself. According to the new definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainties.

The previous definition of a change in accounting estimates has been deleted. However, the IASB has retained the concept of changes in accounting estimates in the standard with the following clarifications:

- A change in an accounting estimate resulting from new information or new developments is not an error correction.
- The effects on an accounting estimate due to a change in an input or a measurement method represent a change in an accounting estimate, unless they result from the correction of errors from previous periods.

The changes had no material impact on the financial statements.

Future requirements and new standards that are not yet applied

The following new or amended standards and interpretations have already been adopted by the IASB, but are not yet mandatory or have not yet been adopted into European law. The company has not applied the regulations early.

• IFRS 10 and IAS 28	Sale or contribution of assets between an investor and an associate or joint venture	Date of initial application postponed indefinitely*)
• IAS 1	Classification of debt as current or non-current and non-current debt with ancillary conditions	from 01.01.2024*)
• IFRS 16	Lease liability in a sale and leaseback transaction	from 01.01.2024
• IAS 7 and IFRS 7	Supplier Finance Arrangements	from 01.01.2024*)
• IAS 21	Lack of exchangeability of a currency	from 01.01.2025 *)

*) EU endorsement is still pending

IFRS 10 and IAS 28 Sale or contribution of assets between an investor and an associate or joint venture

The amendments address a conflict between the requirements of IAS 28 Investments in Associates and Joint Ventures and IFRS 10 Consolidated Financial Statements. They clarify that in the case of transactions with an associate or joint venture, the extent to which profit or loss is recognised depends on whether the assets sold or contributed constitute a business in accordance with IFRS 3. The IASB has since postponed the date of initial application of the amendments indefinitely.

To date, transactions with associates or joint ventures in the Group have not included business operations within the meaning of IFRS 3, but only individual assets. The management therefore assumes that the amendments to IFRS 10 and IAS 28 will have no impact on the consolidated result.

Amendments to IAS 1 Classification of liabilities as current or non-current and non-current liabilities with ancillary conditions

The amendments to IAS 1 only affect the recognition of liabilities as current or non-current in the balance sheet and not the amount or timing of the recognition of assets, liabilities, income or expenses or the information to be disclosed about these items.

The amendments published in January 2020 clarify that the classification of liabilities as current or non-current is based exclusively on existing substantive rights at the reporting date to defer settlement for at least twelve months. The classification is made irrespective of the probability of whether an entity will exercise its right to defer settlement or not. If this right is linked to compliance with certain conditions, the existence of such a right is only assumed if these conditions have actually been met as at the reporting date. The amendments also include an explanation of the "fulfilment" criterion. "Settlement" refers to the transfer of cash, equity instruments and other assets or services to the counterparty.

Further amendments to IAS 1 were published in October 2022. These amendments clarify that, with regard to the classification of liabilities as current or non-current, only those ancillary conditions that an entity must fulfil on or before the reporting date affect this classification. However, an entity must disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with ancillary conditions could become repayable within twelve months.

The amendments are to be applied for the first time to financial years beginning on or after 1 January 2024 (retrospective application).

The management does not expect the amendments to have a material impact on the financial statements.

Amendments to IFRS 16 Lease Liability in a Sale and Leaseback Transaction

The amendments include requirements for the subsequent measurement of leases in the context of a sale and leaseback (SLB) for seller-lessees.

Accordingly, in the subsequent measurement of lease liabilities under an SLB, the payments expected at the beginning of the term must be determined in such a way that profit realisation in relation to the retained right of use is excluded. In each period, the lease liability is reduced by the underlying expected payments and the difference to the actual payments is recognised in profit or loss.

The amendments are mandatory for the first time for financial years beginning on or after 1 January 2024.

The management does not expect the amendments to have a material impact on the financial statements, as the company does not generally enter into sale and leaseback agreements.

Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements

The amendments add a further disclosure objective to IAS 7 Statement of Cash Flows, which requires an entity to disclose information about its supplier finance arrangements that enables users of financial statements to evaluate the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 Financial Instruments: Disclosures was amended to include financing arrangements with suppliers as an example in the requirements to disclose information regarding an entity's liquidity risk.

The term "supplier finance arrangements" is not defined. Instead, the features that characterise such agreements are described.

To meet the disclosure objective, an entity shall disclose the following information in aggregate for its supplier financing arrangements:

- the terms of the agreements
- for liabilities that are part of such an agreement, their carrying amount and the balance sheet item in which they are recognised
- the carrying amount and balance sheet items of the liabilities for which the suppliers have already received payments from the financial service provider the range of due dates both for financial liabilities that are part of these agreements and for comparable trade payables that are not part of such agreements
- Information on liquidity risk

The amendments, which contain specific transitional relief for first-time application, must be applied for the first time for financial years beginning on or after 1 January 2024.

The management does not expect the amendments to lead to additional disclosures in the notes.

Amendments to IAS 21 Lack of exchangeability of a currency

The amendments require an entity to apply a consistent approach in assessing whether a currency is not exchangeable and, if so, in determining the exchange rate to be used and the disclosures required in the notes.

The amendments are mandatory for the first time for financial years beginning on or after 1 January 2025.

The management does not expect the application of the amendments to have a material impact on the financial statements, as no transactions are generally conducted in non-exchangeable currencies.

3. Information on consolidation

Companies included

Included companies are all investees over which the Group can exercise control. This is the case if the Group is exposed, or has rights, to variable returns from its involvement and has the ability to affect those returns through its power over the investee. When assessing whether control exists, the existence and effect of potential voting rights that are currently exercisable or convertible are taken into account.

Subsidiaries and associated companies are included in the consolidated financial statements from the date on which control is transferred to the Group. They are deconsolidated at the date on which control ends. Acquired subsidiaries and associated companies are recognised using the purchase method. The cost of the acquisition corresponds to the fair value of the assets given or equity instruments issued at the time of the transaction. Assets and liabilities identifiable as part of a business combination are initially recognised at their fair value at the acquisition date. The excess of the cost of the acquisition over the fair value of the net assets acquired is recognised as goodwill. If the acquisition costs are lower than the net assets of the acquired subsidiary measured at fair value, the difference is recognised directly in the statement of comprehensive income.

In addition to **UNITED**LABELS Aktiengesellschaft as the parent company, the following affiliated companies under the control of **UNITED**LABELS Aktiengesellschaft were included in the consolidated financial statements as at 31 December 2023 in accordance with the provisions of full consolidation:

	Share in capital	Period included in the consolidated financial statements
UNITEDLABELS Belgium N.V., Bruges, Belgium	99.999 %	01.01.-31.12.2023
as its wholly owned subsidiary		
Colombine b.v.b.a., Bruges, Belgium	100.000 %	01.01.-31.12.2023
as its wholly owned subsidiary		
UNITEDLABELS Ltd., Nottinghamshire, Great Britain	100.000 %	01.01.-31.12.2023
UNITEDLABELS Comicware Ltd., Hong Kong	100.000 %	01.01.-31.12.2023
Open Mark United Labels GmbH, Muenster	90.000 %	01.01.-31.12.2023
Elfen Service GmbH, Muenster	100.000 %	01.01.-31.12.2023
House of Trends europe GmbH, Muenster	100.000 %	01.01.-31.12.2023

All subsidiaries follow the same business model, which was explained in section A.1. In addition to this business model, Elfen Service GmbH is also responsible for the B2C distribution of **UNITED**LABELS Aktiengesellschaft branded products.

Intragroup transactions, balances and unrealised gains and losses from transactions between Group companies are eliminated. The accounting and valuation methods of subsidiaries were changed where necessary to ensure uniform Group accounting in accordance with IFRS.
The annual financial statements and consolidated financial statements of **UNITED**LABELS Aktiengesellschaft are published in the company register.

4. Composition of non-controlling interests

The Italian company Open Mark Srl. holds 10% of the shares in Open Mark United Labels GmbH. The key figures of Open Mark United Labels GmbH that must be disclosed are as follows:

	Open Mark United Labels GmbH	
	2023	2022
	k€	k€
Revenue	0	6
Result for the year	-1	4
Profit/loss for the period attributable to non-controlling interests	0	0
Effects of consolidation	0	0
Total comprehensive income	-1	4
Comprehensive income attributable to non-controlling interests	0	0
Current assets	122	122
Non-current assets	0	0
Current liabilities	0	0
Non-current liabilities	0	0
Equity	120	120
Equity attributable to non-controlling interests	12	12
Effects of consolidation	6	6
Equity attributable to non-controlling interests after the effects of consolidation	18	18

B. Accounting and valuation methods

1. Property, plant and equipment

Property, plant and equipment were valued at acquisition or production cost less scheduled depreciation based on use. Land is not depreciated. Borrowing costs are not included in the acquisition costs, as the requirements for qualifying assets are not generally met. All other property, plant and equipment is depreciated on a straight-line basis, whereby the acquisition costs are amortised to the residual carrying amount over the expected useful life of the assets as follows:

• Building	10 - 33 years
• Technical equipment and machinery	3 - 13 years
• Office equipment	3 - 14 years

Gains and losses from the disposal of property, plant and equipment are calculated as the difference between the proceeds from the sale and the carrying amounts of the property, plant and equipment and recognised in profit or loss. The residual carrying amounts and economic useful lives are reviewed at each balance sheet date and adjusted if necessary. If the carrying amount of an item of property, plant and equipment exceeds its estimated recoverable amount, it is immediately written down to the latter.

2. Identifiable intangible assets

a) Goodwill

Goodwill represents the excess of the cost of the business combination over the fair value of the Group's share of the net assets of the acquired company at the acquisition date. Goodwill arising from the acquisition of a company is allocated to intangible assets.
Goodwill is tested for impairment at least once a year or in the event of triggering events. The impairment test is carried out at CGU (cash-generating unit) level. The Group's cash-generating units are identified in accordance with the management's internal reporting. Accordingly, the **UNITED**LABELS Group has identified the company in the respective country as a cash-generating unit (see also section 3.). Gains and losses from the disposal of a company include the carrying amount of the goodwill allocated to the company being disposed of.

b) Concessions, industrial property rights

Trademarks, licences and brand rights are recognised at historical cost. Trademarks and licences (not brand rights from the Media / Entertainment segment) have specific useful lives and are measured at cost less accumulated amortisation. They are amortised on a straight-line basis over an estimated useful life of 3 to 10 years. Domains with a carrying amount of € 31 thousand are capitalised as intangible assets at cost and are not amortised as they have an indefinite useful life.

Acquired computer software licences are capitalised at cost plus the costs of bringing them to a usable condition. These costs are amortised over the estimated useful life (3 to 5 years).

The trademark rights from the Media/Entertainment segment for commercial use are also recognised in this item and are capitalised with the guarantee purchase prices incurred from the licence agreements and recognised accordingly in trade payables. A related trademark right is characterised by a specific period, a defined geographical sales area, the product and the trademark usage fee. Trademark rights from the Media / Entertainment segment are amortised in accordance with their economic utilisation. This is determined by a contractually agreed percentage of the sales generated with the respective branded products. **UNITED**LABELS adheres to this accounting method against the background of the regulations in IAS 16/IAS 38 on acceptable amortisation methods, as there is a strong correlation between the wear and tear of the brand rights and the sales revenue generated from them.

3. Impairment and reversal of impairment of intangible assets, goodwill and property, plant and equipment

Assets with an indefinite useful life are not amortised; they are tested annually for impairment. Assets that are subject to amortisation are tested for impairment if corresponding events or changes in circumstances indicate that the carrying amount may no longer be recoverable. An impairment loss is recognised in the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of the fair value of the asset less costs to sell and the value in use. For the impairment test, assets are summarised at the lowest level for which cash flows can be identified separately (cash-generating units). The level of the CGUs are the respective legally independent Group companies. In the event of impairment, the goodwill allocated to the CGU is written down first and any remaining amount is allocated to the other assets of the CGU in proportion to their carrying amounts. In the case of goodwill, impairment losses are reversed in proportion to the carrying amounts of the assets. The carrying amount of the individual asset may not exceed its recoverable amount.

4. Deferred taxes

Deferred taxes are recognised using the liability method for all temporary differences between the tax base of the assets/liabilities and their carrying amounts in the IFRS financial statements. However, if a deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss, the deferred tax is not recognised. Deferred taxes are measured using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are only recognised to the extent that it is probable that taxable profit will be available against which the temporary difference can be utilised.

Deferred tax liabilities arising from temporary differences in connection with investments in subsidiaries are recognised unless the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

5. Inventories

Inventories are recognised at the lower of cost and net realisable value. Acquisition costs are determined using a standard valuation method that corresponds to the average cost method. Incidental acquisition costs are also capitalised in addition to direct acquisition costs. The lower realisable value is estimated uniformly throughout the Group on the basis of indicators such as age or expected storage period. Borrowing costs are not included in the acquisition costs, as the requirements for qualifying assets are not generally met.

6. Trade receivables and other assets

Trade receivables and other assets are generally recognised at amortised cost. All trade receivables sold and transferred to a factor are derecognised upon transfer to the factor. All trade receivables that are not transferred to a factor are of a current nature.

Impairment losses are recognised on the basis of IFRS 9 using the expected credit loss model. The majority of trade receivables in the **UNITED**LABELS Group are either assigned as part of factoring or secured against payment defaults through trade credit insurance. As there is no default risk for these receivables, they are not taken into account when calculating the value adjustment. For the remaining receivables, which are all due in less than one year, the default risk is assessed on the basis of past experience and overdue receivables as at the balance sheet date. The amount of the impairment is measured as the difference between the carrying amount of the receivable and the present value of the estimated future cash flows from this receivable. The impairment is recognised in profit or loss.

7. IFRS 9 measurement categories

The financial instruments used by **UNITED**LABELS are divided into the following measurement categories: These are financial assets measured at amortised cost (FAK) for trade receivables and other contractual financial assets held to maturity and financial liabilities measured at amortised cost (FLAC). The Group measures financial liabilities using the effective interest method. Please refer to section C.11 for more information. In addition, the Group utilises derivative financial instruments in the form of forward exchange contracts as required, which are recognised in the at fair value through profit or loss (FVPL) category. However, as at 31 December 2023 and in the 2023 financial year, only financial assets in the FAK category and financial liabilities in the FLAC category were held.

8. Equity capital

Equity is made up of subscribed capital, valued at the nominal value of the shares, the capital reserve, the revenue reserve, exchange differences and the consolidated balance sheet loss. When treasury shares are acquired, they are deducted from equity at cost using the cost method. Costs directly related to the issue of new shares are recognised directly in equity in the capital reserve.

9. Provisions

Provisions for pensions are measured in accordance with IAS 19. The Group has a pension obligation for the Executive Board member Peter Boder. The resulting obligation is determined by means of an actuarial report. The pension provision was calculated using the projected unit credit method. Actuarial gains and losses are recognised directly in equity.

Tax and other provisions take into account all recognisable external risks and obligations of the Group and were recognised in the amount of their expected utilisation. They are recognised at the present value of future expenses as soon as the discounting effect is material. Provisions are generally recognised when the Group has a present legal or constructive obligation as a result of a past event and it is more likely than not that the settlement of the obligation will lead to a charge on assets and the amount of the provision can be measured reliably. If a number of similar obligations exist, the probability of a charge on assets is determined on the basis of the group of these obligations.

10. Financial liabilities and other liabilities

Financial liabilities are initially recognised at fair value, net of transaction costs. In subsequent periods, they are measured at amortised cost; any difference between the disbursement amount (after deduction of transaction costs) and the repayment amount is distributed over the term of the loan using the effective interest method and recognised in the statement of comprehensive income. Loan liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities to a date at least 12 months after the balance sheet date. Non-current loans are also measured using the effective interest method.

11. Leasing

For rented and leased property, plant and equipment, a right-of-use asset and a liability for the outstanding lease payments are recognised from the date on which the leased asset is available for use by **UNITED**LABELS. The cost of the right-of-use asset is calculated as the present value of the future lease payments plus the lease payments made at or before the beginning of the lease term and the initial direct contract costs. Any incentive payments received from the lessor are deducted. The right-of-use asset is amortised on a straight-line basis over the shorter of the useful life of the leased asset and the expected term of the lease. The right-of-use assets are recognised in the balance sheet under the respective items of property, plant and equipment. Depreciation of right-of-use assets is recognised in the income statement under depreciation and amortisation.

The lease liability is initially recognised at the present value of the future lease payments. In subsequent measurement, the carrying amount of the lease liability is compounded and reduced by the lease payments made with no effect on income. Lease liabilities are recognised as part of financial liabilities, while the interest expense is recognised in net interest income. In the cash flow statement, the repayment portion of the lease payments is recognised as an outflow of funds from financing activities.

The lease payments on which the measurement of the right-of-use asset and the lease liability are based consist exclusively of fixed lease payments. There are no indexations, expected payments from residual value guarantees or purchase options. If the exercise of a contract extension option is sufficiently certain, the corresponding payments are recognised in the lease payments. Payments for periods for which the lessee has a unilateral cancellation option are only included in the lease payments if it is reasonably certain that the cancellation option will not be exercised. When assessing options, all facts and circumstances that provide an economic incentive to exercise or not exercise the option are taken into account.

In accordance with IFRS 16, the lease payments must be discounted using the interest rate on which the lease is based. As this cannot usually be determined for the leases concluded by **UNITED**LABELS, discounting is carried out using the incremental borrowing rate. The incremental borrowing rate of a lease corresponds to the risk-free interest rate with the same term in the relevant currency plus a premium for the credit risk.

The determination of lease payments, including the lease term underlying the lease payments and the discount rate, is subject to estimates and assumptions that may differ from actual developments.

UNITEDLABELS utilises the practical expedients for short-term leases and leases of low-value assets.

12. Principles of revenue recognition

Revenue is recognised as follows:
All sales of the **UNITED**LABELS Group are recognised at a point in time; sales are not recognised over time. The performance obligation of **UNITED**LABELS consists primarily of the delivery of goods. The related sales revenues are recognised at the point in time at which the contractually agreed transfer of risk occurs upon delivery of goods to a customer and if the collectability of the resulting receivable can be considered sufficiently certain at this point in time. The time of transfer of risk is generally determined by the Incoterms concluded with the customer. For deliveries ex warehouse of **UNITED**LABELS Aktiengesellschaft this is the case when the goods have been handed over to the forwarding agent. As a rule, the goods are delivered to the customer by the carrier on the same day. In the case of drop shipments, where the goods are sent directly from the supplier to the customer, revenue is recognised as soon as the goods have been received by the customer and are available for disposal. **UNITED**LABELS also provides services to a small extent (around 1.3% of Group sales). In this case, sales are recognised as soon as the service has been provided.
The contracts concluded with customers do not contain any variable remuneration components.

There are no options for the customer to acquire additional goods or services free of charge or at a reduced price. The contracts also do not provide for repurchase agreements, commission agreements or bill-and-hold agreements.

UNITEDLABELS has granted individual customers the right to return goods sold. If there are no individual indications of the level of the return rate as at the balance sheet date, past experience is used as the basis for estimating the return rate. Sales are reduced by the amount of the expected returns and a corresponding liability is recognised. The cost of materials is also reduced in the amount of the expected return of goods and an other asset is capitalised in this regard. As at 31 December 2023, provisions from expected returns amounted to € 1.2 million (previous year: € 4.6 million) and the corresponding asset to € 0.9 million (previous year: € 3.9 million). Sales were reduced by € -1.0 million and gross profit by € -0.1 million.

13. Interest

Interest is recognised as income or expense at the time it is incurred and is not capitalised.

14. Currency conversion

The balance sheets of the foreign Group companies were prepared in the respective local currency or in euros. Assets and liabilities were translated into euros at the respective closing rate, equity at the historical rate. Income and expenses were translated at the weighted average exchange rates for the year. The difference resulting from the currency translation was recognised directly in equity.

The balance sheet of the subsidiary in Hong Kong, as an integrated foreign entity, was prepared in Hong Kong dollars. The average exchange rate for the financial year was € 0.12 / HK$ (previous year: € 0.12 / HK$) and the closing rate as at 31 December 2023 was € 0.12 / HK$ (previous year: € 0.12 / HK$). The balance sheet of **UNITED**LABELS Ltd. in the UK was prepared in pounds sterling. This resulted in an average exchange rate for the 2023 financial year of € 1.15 / £ (previous year: € 1.17 / £) and a closing rate as at 31 December 2023 of € 1.15 / £ (previous year: € 1.13 / £). Foreign currency receivables and liabilities were translated at the closing rate. Currency-related differences from the consolidation of liabilities were recognised in profit or loss.

15. Derivative financial instruments

The Group uses derivative financial instruments such as forward exchange contracts to hedge its exchange rate risks. During the 2023 financial year and as at 31 December 2023, however, the Group had no such derivative financial instruments in its portfolio. In accordance with its treasury principles, the Group does not hold any derivative financial instruments for trading purposes.

If derivative financial instruments are used, they are initially recognised at the fair value attributable to them on the date the contract is concluded. Subsequent measurement also takes place at the fair value applicable on the respective balance sheet date. In accordance with IFRS 9, the Group recognises changes in the fair value of forward exchange contracts attributable to the forward component in equity in the reserve for hedging instruments. The deferred hedging costs are recognised in the original cost of the related hedged item when it is recognised. In the case of forward exchange contracts, this is measured using externally observable market parameters ("Level II").

16. Estimation uncertainties

The preparation of financial statements in accordance with IFRS requires management to make assumptions and estimates that affect the amounts recognised and related disclosures. Although these estimates are made to the best of management's knowledge based on current events and measures, subsequent actual results may differ from these estimates.

These assumptions and estimates relate, among other things, to the recognition and measurement of provisions. In the case of provisions for pensions, the discount factor is an important estimation parameter.

In the case of long-term contracts for the use of trademark rights, it must be estimated whether the guarantee amounts can be amortised through future sales.

The impairment test for goodwill is based on forward-looking assumptions regarding sales, costs and interest rates. From today's perspective, changes to these assumptions will not result in the carrying amounts of the cash-generating units exceeding their recoverable amount and will therefore have to be adjusted in the next financial year.

In the case of contracts with major customers who have been granted a right of return, an estimate of the actual amount of returns must be made in order to recognise appropriate provisions for this.

Deferred tax assets based on tax loss carryforwards are recognised to the extent that the realisation of future tax benefits is probable. The actual taxable income situation in future periods and thus the actual usability of deferred tax assets may differ from the estimate at the time the deferred taxes are capitalised.

All assumptions and estimates are based on the circumstances and judgements on the balance sheet date. The future economic environment in the sectors and countries in which the Group operates, which was assumed to be realistic at that time, was also taken into account when estimating future business development. Actual amounts may differ from the estimates due to developments in these general conditions that deviate from the assumptions. In such cases, the assumptions and, if necessary, the carrying amounts of the assets and liabilities concerned are adjusted.

At the time of preparing the consolidated financial statements, no significant changes to the underlying assumptions and estimates are expected. From the current perspective, no material adjustment to the carrying amounts of the recognised assets and liabilities is therefore expected in the 2024 financial year.

C. Notes to individual items in the consolidated balance sheet

1. Property, plant and equipment and intangible assets

The breakdown and development of fixed assets is shown in the following statement of changes in fixed assets. The rights of use from brand agreements in the Media/Entertainment segment are recognised under intangible assets at € 1,063 thousand (previous year: € 1,163 thousand). Land charges for loans totalling € 2,838 thousand (previous year: € 2,838 thousand) are registered on land and buildings with a carrying amount of € 2,051 thousand (previous year: € 2,150 thousand).

Fixed Assets Schedule

Development of Group fixed assets 2023

	Cost of purchase or conversion				
	Balance at 01.01.2023	Acquisition	Reclassifications	Disposals	Balance at 31.12.2023
	€	€	€	€	€
I. Property and equipment					
1. Property and equipment Land and leasehold rights and buildings, as well as buildings on third-party land	5,912,215.88			0.00	5,912,215.88
2. Technical equipment and machinery	138,368.93	3,860.00		0.00	142,228.93
3. Other plant, operating and office equipment, furniture and fixtures	2,506,483.68	8,986.55		0.00	2,515,470.23
	8,557,068.49	**12,846.55**	**0.00**	**0.00**	**8,569,915.04**
II. Intangible assets					
1. Concessions, industrial property rights, and similar rights and assets, as well as licences in such rights and assets	6,340,615.28	204,390.43		10,787.40	6,534,218.31
2. Goodwill	7,234,876.08			0.00	7,234,876.08
	13,575,491.36	**204,390.43**	**0.00**	**10,787.40**	**13,769,094.39**
	22,132,559.85	**217,236.98**	**0.00**	**10,787.40**	**22,339,009.43**

As at 31 December 2023, land and buildings and operating and office equipment include amounts in which the Group was the lessee in a finance lease within the meaning of IFRS 16.
The right-of-use assets from leasing transactions as defined by IFRS 16 comprise land and buildings in the amount of € 1,543 thousand (previous year: € 1,660 thousand) and operating and office equipment in the amount of € 50 thousand (previous year: € 61 thousand).

Accumulated depreciation/amortisation				Net Amounts	
Balance at 01.01.2023	Acquisition	Disposals	Balance at 31.12.2023	Balance at 31.12.2023	Balance at 31.12.2022
€	€	€	€	€	€
2,102,948.61	215,316.77	0.00	2,318,265.38	3,593,950.50	3,809,267.27
123,585.38	7,162.23	0.00	130,747.61	11,481.32	14,787.59
2,351,014.58	56,093.08	0.00	2,407,107.66	108,362.57	132,480.13
4,577,548.57	**278,572.08**		**4,856,120.65**	**3,713,794.39**	**3,956,534.99**
5,098,077.84	384,186.33*	10,787.40	5,471,476.77	1,062,741.54	1,250,743.12
4,144,405.61	0.00	0.00	4,144,405.61	3,090,470.47	3,090,470.47
9,242,483.45	**384,186.33**	**10,787.40**	**9,615,882.38**	**4,153,212.01**	**4,341,213.59**
13,820,032.02	**662,758.41**	**10,787.40**	**14,472,003.03**	**7,867,006.40**	**8,297,748.58**

* of which € 351,816.21 is attributable to amortisation of right-of-use assets, which is reported separately in the statement of comprehensive income after the cost of materials. € 32,370.12 is attributable to amortisation of other intangible assets (mainly software), which is reported in the statement of comprehensive income together with depreciation of property, plant and equipment (€ 310,942.20 in total).

Fixed Assets Schedule

Development of Group fixed assets 2021

Cost of purchase or conversion

	Balance at 01.01.2022	Acquisition	Reclassifications	Disposals	Balance at 31.12.2022
	€	€	€	€	€
I. Property and equipment					
1. Property and equipment Land and leasehold rights and buildings, as well as buildings on third-party land	5,910,836.07	1,379.81		0.00	5,912,215.88
2. Technical equipment and machinery	123,622.97	14,750.00		0.00	138,372.97
3. Other plant, operating and office equipment, furniture and fixtures	2,377,668.47	105,826.24		0.00	2,483,494.71
	8,412,127.51	**121,956.05**	**0.00**	**0.00**	**8,534,083.56**
II. Intangible assets					
1. Concessions, industrial property rights, and similar rights and assets, as well as licences in such rights and assets	5,593,618.52	595,475.04		159,727.40	6,348,820.96
2. Goodwill	7,234,876.08	0.00		0.00	7,234,876.08
	12,828,494.60	**595,475.04**	**0.00**	**159,727.40**	**13,583,697.04**
	21,240,622.11	**717,431.09**	**0.00**	**159,727.40**	**22,117,780.60**

Accumulated depreciation/amortisation				Net Amounts	
Balance at 01.01.2022	Acquisition	Disposals	Balance at 31.12.2022	Balance at 31.12.2022	Balance at 31.12.2021
€	€	€	€	€	€
1,893,140.74	209,807.87	0.00	2,102,948.61	3,809,267.27	4,017,695.33
121,661.07	1,924.31	0.00	123,585.38	14,787.59	1,961.90
2,295,241.40	55,773.18	0.00	2,351,014.58	132,480.13	82,427.07
4,310,043.21	**267,505.36**	**0.00**	**4,577,548.57**	**3,956,534.99**	**4,102,084.30**
4,511,872.88	426,477.56*	159,727.40	5,098,077.84	1,250,743.12	1,081,745.64
4,144,405.61	0.00	0.00	4,144,405.61	3,090,470.47	3,090,470.47
8,656,278.49	**426,477.56**	**159,727.40**	**9,242,483.45**	**4,341,213.59**	**4,172,216.11**
12,966,321.70	**693,982.92**	**159,727.40**	**13,820,032.02**	**8,297,748.58**	**8,274,300.41**

* of which € 407,001.91 is attributable to amortisation of right-of-use assets, which is reported separately in the statement of comprehensive income after the cost of materials. € 19,475.65 is attributable to amortisation of other intangible assets (mainly software), which is reported in the statement of comprehensive income together with depreciation of property, plant and equipment (€ 286,981.01 in total).

Goodwill totals € 3,090 thousand, of which € 3,058 thousand is almost entirely attributable to the Belgian subsidiary Colombine bvba.

Any need for impairment was tested on the basis of the value in use, applying a pre-tax interest rate of 7.0% (previous year: 9.0%) and a growth rate of 1.0% (previous year: 1.0%). Please refer to sections B.2 and B.3 for the general procedure.

Impairment tests are carried out for the defined cash-generating units on the basis of the provisions of IAS 36. The individual national companies are defined as CGUs. The recoverable amount of the cash-generating units is determined by the value in use. The value in use is determined on the basis of the discounted cash flow method. The calculation is based on corporate planning data with a planning horizon of three years. These plans are based on past experience and expectations of future market developments. The key parameters used for this are the order backlog as at the reporting date and the cost planning derived from the business model. The planning for Colombine bvba envisages sales of € 4.2 million for the last planning year. The gross profit margin is expected to rise to 14% and the EBITDA margin to 12.8%. An inflation-related growth rate of 1.0% (previous year: 1.0%) was assumed after the end of the planning period. The impairment tests have confirmed the recoverability of goodwill.

If the planned sales revenues of the Belgian subsidiaries were to fall short by 10%, there would be no need for impairment.

If the EBITDA margin of the Belgian company Colombine bvba, which was used as the basis for the impairment test, were to fall by 5.0 percentage points in each planning year, this would result in an impairment requirement of € 1.3 million.

If the pre-tax discount rate used for the impairment test were to increase by 2.0 percentage points, this would result in an impairment requirement of € 0.5 million.

2. Deferred tax assets

Deferred tax assets of € 1,253 thousand (previous year: € 1,058 thousand) were recognised for future realisable loss carryforwards of € 947 thousand (previous year: € 816 thousand) and € 306 thousand (previous year: € 242 thousand) for temporary differences between the tax base and the IFRS carrying amounts. Deferred tax liabilities from temporary balance sheet differences amount to € 8 thousand (previous year: € 13 thousand). Current deferred tax assets amount to € 306 thousand (previous year: € 277 thousand) and current deferred tax liabilities to € 8 thousand (previous year: € 13 thousand). The development and composition of deferred tax assets and liabilities are as follows:

	31.12.2023		31.12.2022		2023	2023	2022	2022
	Deferred Tax assets k€	Deferred Tax Liabilities k€	Deferred Tax assets k€	Deferred Tax Liabilities k€	Expense (-) Income (+) k€	Not affecting net Income k€	Expense (-) Income (+) k€	Not affecting net Income k€
Loss carryforwards	947	0	816	0	131	0	74	0
Intangible assets	0	0	0	0	0	0	0	0
Receivables from deliveries and services	2	0	2	0	0	0	0	0
Inventories	16	0	4	0	12	0	-4	0
Receivables affiliated companies	0	0	0	0	0	0	0	0
Other Assets	66	0	0	0	66	0	0	0
Pension provisions	222	0	236	0	52	38	18	-361
Liabilities affiliated companies	0	3	0	3	0	0	0	0
Other liabilities	0	5	0	10	5	0	-13	0
	1,253	**8**	**1,058**	**13**	**162**	**38**	**75**	**-361**

Deferred taxes for domestic companies and domestic permanent establishments of foreign companies are measured at a tax rate of 31.93% (previous year: 31.93%).

The domestic tax rate results from trade tax with a future assessment rate of 460% (previous year: 460%), corporation tax of 15% (previous year: 15%) and a solidarity surcharge on corporation tax of 5.5% (previous year: 5.5%). The loss carryforwards result from both corporation tax and trade tax and are not time-limited. The recoverability was determined using a planning calculation based on a detailed planning period of three years.

Deferred taxes for foreign companies are measured at the respective national rate. Deferred taxes for accounting in accordance with IFRS 16 for the balance sheet items property, plant and equipment and financial liabilities are recognised on a net basis. On an unnetted basis, these amount to € 503 thousand and € 508 thousand respectively (previous year: € 539 thousand and € 549 thousand). Netted, deferred tax assets for the balance sheet item financial liabilities amount to € 5 thousand (previous year: deferred tax assets of € 10 thousand).
Deferred tax assets are only recognised for tax loss carryforwards if they are likely to be realised in the future. The deferred tax assets on loss carryforwards relate to Elfen Service GmbH, House of Trends Europe GmbH and **UNITED**LABELS AG.
Deferred tax assets of € 7,779 thousand (previous year: € 8,023 thousand) were not recognised at **UNITED**LABELS Aktiengesellschaft for corporation and trade tax loss carryforwards of € 26,078 thousand (previous year: € 26,790 thousand) and € 22,679 thousand (previous year: € 23,491 thousand). In addition, no deferred taxes were recognised for corporation tax loss carryforwards of subsidiaries in the amount of € 2,190 thousand (previous year: € 2,181 thousand). Of this amount, € 2,171 thousand (previous year: € 2,168 thousand) is attributable to foreign countries. Temporary differences in connection with subsidiaries totalled € 2 thousand in the 2023 financial year (previous year: € 2 thousand).

3. Inventories

Inventories totalling € 4,981 thousand (previous year: € 5,160 thousand) are attributable to **UNITED**LABELS AG in the amount of € 4,900 thousand (previous year: € 5,119 thousand). The remainder is attributable to Elfen Service GmbH.
The inventories of the German parent company have been assigned as collateral for a long-term loan.

4. Receivables from goods and services

Trade receivables decreased to € 1,553 thousand compared to the previous year. It is **UNITED**LABELS' policy to insure all receivables with a balance above a certain limit against the risk of default. Exceptions can only be made in writing and for a limited period of time.
As at the balance sheet date, trade receivables that were not impaired had the following age structure:

Aging of Receivables	**2023 k€**	**2022 k€**
Not due	834	62
Due		
due for 0 - 30 days	191	1,650
due for 31 - 60 days	520	63
due for 61 - 90 days	3	0
due for more than 90 days	6	863
Total	**1,553**	**2,638**

The maximum default risk, without taking into account the existing credit insurance policies, thus amounted to € 1,553 thousand. **UNITED**LABELS assumes that the credit insurer itself has no default risk. As 70% of the receivables recognised are covered by credit insurance, 30% of the receivables would not be covered by credit insurance in the event of a maximum default.
Accumulated value adjustments on receivables totalled € 0 thousand as at the reporting date (previous year: € 0 thousand). The valuation allowances are measured on the basis of the expected credit loss model. As a matter of principle, **UNITED**LABELS analyses each individual receivable that has not been assigned as part of factoring or secured against the risk of default by credit insurance. Receivables that are more than 60 days due are collected by means of external or internal debt collection. In the 2023 financial year, receivables totalling € 0 thousand (previous year: € 0 thousand) were written down and recognised in profit or loss.
The parent company and the Belgian company Colombine bvba. sell receivables to a factoring company for selected major customers. On average, this involves around a quarter of the total receivables of these two companies. As at the balance sheet date, receivables totalling € 2,612 thousand had been sold to the factoring company.

Although the receivables from these major customers are sold in full and irrevocably, the factor retains a retention of 15% of the respective invoice amount, which is only transferred to the parent company upon payment by the customer or if the customer is proven to be insolvent. As the factor retains 15% of the receivable amount until the receivable is paid, a receivable from the factor is capitalised under other assets. This is a security for the factor, which is retained for payment terms (cash discount, etc.) and any credit notes from the parent company until payment by the customer. When the receivable is sold to the factor, the main opportunities and risks are transferred to the factor, so that the prerequisite for derecognising the receivables is met. Risks that remain in the companies are a late payment risk on the part of the customer and thus increased interest payments to the factor and, as the companies retain the accounts receivable management for the customers (silent factoring), an accounting expense in the following financial year for receivables from 2023 that were actually sold.
The receivables of the German parent company (€ 1,146 thousand; previous year: € 2,612 thousand) have been assigned to the financing banks as collateral.

5. Other assets

Receivables from reinsurance policies totalling € 2,265 thousand (previous year: € 2,136 thousand) are reported under other non-current assets.
The current item includes receivables from returns totalling € 859 thousand (previous year: € 3,850 thousand) and creditors with debit balances of € 94 thousand (previous year: € 203 thousand).
In addition, prepaid expenses of € 110 thousand (previous year: € 66 thousand) were recognised as non-financial assets in this item.

The breakdown of non-impaired assets is as follows:

Aging of Receivables	**2023 k€**	**2022 k€**
Not due	4,442	6,977
Due		
due for 0 - 30 days	0	0
due for 61 - 90 days	0	0
due for more than 90 days	94	203
Total	**4,536**	**7,180**

The maximum default risk amounts to € 2,271 thousand (previous year: € 5,044 thousand).

6. Cash and cash equivalents

Cash and cash equivalents totalled € 762 thousand (previous year: € 264 thousand) as at the balance sheet date.

7. Amortisation expense from impairment of financial assets

In total, receivables were impaired as follows as at the balance sheet date:

	31.12.2023			**31.12.2022**		
k€	**Gross value**	**less value adjustment**	**Net value**	**Gross value**	**less value adjustment**	**Net value**
Trade receivables	1,553	0	1,553	2,645	7	2,638
Other assets	4,536	0	4,536	7,180	0	7,180

8. Equity capital

The subscribed capital amounts to € 6,930 thousand as at 31 December 2023 and is divided into 6.93 million no-par value ordinary bearer shares.
Earnings per share are calculated as follows:

Consolidated earnings per share	**2023**	**2022**
basic diluted	0.09 € 0.09 €	0.06 € 0.06 €
weighted average shares outstanding		
basic diluted	6,930,000 pcs 6,930,000 pcs	6,930,000 pcs 6,930,000 pcs

Consolidated earnings per share totalled € 0.09 (previous year: € 0.06). The value is calculated by dividing the consolidated net profit for the year attributable to shareholders of € 632 thousand by the average number of shares of 6,930,000. There is no difference between diluted and undiluted holdings.

9. Pension provisions

There is a pension obligation to the Executive Board based on a defined benefit pension commitment; this commitment is dependent on final salary.
Reinsurance policies have been concluded for the pension liability of € 1,644 thousand (previous year: € 1,420 thousand), most of which were pledged for other purposes as at 31 December 2023.
The pension obligation and the expenses required to cover this obligation are measured and recognised using the projected unit credit method by an actuarial expert. The valuation takes into account not only the pensions and acquired entitlements known on the reporting date, but also expected future increases in these measurement parameters.
The assumptions used in the actuarial valuation of the obligation and the costs are shown in the following table:

Actuarial assumptions	**2023**	**2022**
Interest rate	3.45%	3.90%
Rate of salary increase	1.50%	1.50%
Pension trend	2.00%	2.00%
Underlying biometric data	RT 2018 G	RT 2018 G

Actuarial gains and losses based on experience adjustments and changes in actuarial assumptions are recognised directly in equity.
The following table shows the development of the present value of the defined benefit obligation calculated in accordance with IAS 19, taking into account future salary and pension increases:

Changed in defined benefit obligation	**2023 €**	**2022 €**
DBO at 01.01.	1,625,457	2,641,775
Service cost	48,095	80,812
Past service cost and curtails	0	0
Interest cost	65,269	34,032
Actuarial gains and losses	113,703	-1,131,162
- of which from experience adjustments - of which from changes in actuarial assumptions	-34,691 148,394	-50,850 -1,080,312
DBO at 31.12.	**1,852,524**	**1,625,457**
Fair valve of plan assets at 31.12.	-208,158	-205,673
Pension provision at 31.12.	**1,644,366**	**1,419,784**

The following table shows the change in pension provisions:

Change in provisions for pensions	2023 €	2022 €
Provision for pension at 01.01.	1,419,784	2,641,775
Net pension cost	105,343	114,844
Past service cost and curtailment	0	0
Remeasurement	119,239	-1,131,162
Reclassification plan assets	0	-205,673
Pension provision at 31.12.	**1,644,366**	**1,419,784**

All pension expenses other than interest expenses are recognised under personnel expenses. The interest expense is recognised in the financial result.

The total expense for the defined benefit obligation to the Management Board is made up as follows:

Net pension cost	2023 €	2022 €
Service cost	48,095	80,812
Interest cost	57,248	34,032
Past service cost and curtialments	0	0
Net pension cost	**105,343**	**114,844**

The following table summarises the present values for the last five financial years as well as experience-related adjustments (experience gains/losses):

	31.12.2023 €	31.12.2022 €	31.12.2021 €	31.12.2020 €	31.12.2019 €
Present value of the obligations	1,852,524	1,625,457	2,641,775	2,776,532	2,576,561
Plan assets	-208,158	-205,673	0	0	0
Status of the funding	1,644,366	1,419,784	2,641,775	2,776,532	2,576,561
Experience adjustments	-34,691	-50,850	-195,557	-51,367	-42,891

The sensitivity analysis required by IAS 19 is shown in the following table:

Sensitivity analysis		DBO as at 31.12.2023
Valuation with interest rates	-0.50%	2,037,656
Valuation with interest rates	+0.5%	1,688,609
Valuation with pension trend	-0.50%	1,737,579
Valuation with pension trend	+0.5%	1,978,807
Valuation with rate of salary increase	-0.50%	1,801,830
Valuation with rate of salary increase	+0.5%	1,904,460
Valuation with underlying biometric data	- 1 year	1,801,705
Valuation with underlying biometric data	+ 1 year	1,901,223

The duration of the obligation is approximately 19 years. The expected service cost for 2024 amounts to € 53 thousand and the expected interest expense to € 59 thousand.

10. Other provisions

UNITEDLABELS has granted individual customers the right to return goods sold. If there are no individual indications of the level of returns as at the balance sheet date, past experience is used as the basis for estimating the return rate. Sales are reduced by the amount of the expected returns and a corresponding liability is recognised. The cost of materials is also reduced in the amount of the expected return of goods and an other asset is capitalised in this regard. As at 31 December 2023, provisions from expected returns amounted to € 1.2 million (previous year: € 4.6 million).

11. Trade payables, other liabilities and financial liabilities

The nature and extent of the liabilities are shown in the following schedule of liabilities:

2023	Total amount	Remaining term: up to 1 year	1 to 5 years	more than 5 years	of which secured	Type of collateral
	k€	k€	k€	k€	k€	
1. Financial liabilities	7,611	932	534	1,428	5,139	Land charges, receivables, inventories
2. Trade and other payables	7,720	4,350	3,371	0	0	
	15,331	**5,281**	**3,905**	**1,428**	**5,139**	

The following table shows the contractually agreed (undiscounted) interest and redemption payments of the primary financial liabilities as at 31 December 2023:

k€	Carrying amount 31.12.2023	Cash-Flows 2024			Cash-Flows 2025–2028			Cash-Flows 2029 ff.		
		Interest fixed	Interest floating	principal payment	Interest fixed	Interest floating	principal payment	Interest fixed	Interest floating	principal payment
Loans payable to banks	1,103.9	93.7	0	152.6	265.4	0	534.2	0.0	0	417.1
Loans payable	4,930.5	249.8	0	132.0	804.9	0	3,370.6	84.0	0	1,427.9
Trade Liabilities (long term)	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0
Leasing IFRS 16	1,576.5	81.0	0	230.2	226.8	0	703.6	104.3	0	642.8
Total	**7,611.0**	**424.6**	**0**	**514.8**	**1,297.1**	**0**	**4,608.4**	**188.3**	**0**	**2,487.7**

The effective interest rates for these non-current liabilities are between 7.27% and 7.5% (previous year: 5.22% to 7.5%).
There were no foreign exchange transactions as at the reporting date.
A small proportion of the trade payables are subject to the usual retention of title by suppliers.
Of the other liabilities, € 32 thousand (previous year: € 36 thousand) is attributable to social security liabilities and € 2,586 thousand (previous year: € 3,225 thousand) to tax liabilities.

12. Financial instruments

The following table lists the carrying amounts, amounts recognised and fair values by measurement category for the respective financial liabilities:

k€	Carrying amount 31.12.2023	Recognized in balance sheet IFRS 9			Fair Value 31.12.2023
		Amortized cost	Fair Value recognized in equity	Fair Value recognized in profit or loss	
Assets	FAK				FAK
Cash and cash equivalents	762	762	0	0	762
Trade receivables	1,553	1,553	0	0	1,553
Other assets	4,536	4,536	0	0	4,536
	FVPL				
Currency Swap	0	0	0	0	0
Liablilies	FLAC				FLAC
Trade Payables	4,799	4,799	0	0	4,799
Liablilies from loans	6,034	6,034	0	0	6,034
Liabilities from finance leases	1,577	1,577	0	0	1,577
of which aggregated by measurement category according to IFRS 9:					
Financial assets that					
- be measured at fair value (FVPL)	0	0	0	0	0
- are measured at amortized cost (FAK)	6,852	6,852	0	0	6,852
Financial assets that					
- are measured at amortized cost (FLAC)	10,833	10,833	0	0	10,833

Cash and cash equivalents, trade receivables and trade payables mainly have short remaining terms. Their carrying amounts as at the reporting date therefore correspond approximately to their fair value.

Forward exchange transactions are used to hedge currency risks if necessary. However, no forward exchange transactions were used in the 2023 financial year.

Carrying amount 31.12.2022	Recognized in balance sheet IFRS 9			Fair Value 31.12.2022
	Amortized cost	Fair Value recognized in equity	Fair Value recognized in profit or loss	
FAK				FAK
264	264	0	0	264
2,638	2,638	0	0	2,638
7,180	7,180	0	0	7,180
FVPL				
0	0	0	0	0
FLAC				FLAC
5,568	5,568	0	0	5,568
5,628	5,628	0	0	5,628
1,688	1,688	0	0	1,688
0	0	0	0	0
10,082	10,082	0	0	10,082
11,196	11,196	0	0	11,196

13. Other financial obligations and contingent liabilities

As at the balance sheet date, there were obligations from orders from suppliers totalling € 3,792 thousand (previous year: € 2,892 thousand), which are due within one year.
The company had not received any collateral as at the balance sheet date. Collateral in the form of a total land charge of € 2,838 thousand relating to the logistics centre has been provided to a lender.

14. Leasing

As at the balance sheet date, the Group had contractual obligations from rental and lease agreements totalling € 1,593 thousand. These include 7 company cars that were acquired as part of a KM lease without residual value risk. The contracts for 5 vehicles expire in 2025, another vehicle in 2026 and the last vehicle in 2028. There is also a rental agreement for an office building at the headquarters of the parent company that runs until 31 December 2027. This rental agreement includes an extension option for two 6-year periods in favour of the tenant. The extension of the rental agreement by simulating the exercise of an extension option from 1 January 2028 to 31 December 2033 was taken into account in the disclosure of the obligation as at the balance sheet date.

16.53j Right of use Carrying amount
„Contains the carrying amount of the rights of use of leased assets at the balance sheet date, broken down by type of lease (e.g. office buildings/company headquarters, motor vehicles).“

Rights of use (vehicles)	50 k€
Rights of use (office buildings/company headquarters)	1.543 k€
Total right of use	**1.593 k€**

16.53a Right of use Depreciation
Contains the depreciation amounts at the balance sheet date, broken down by type of lease (e.g. office buildings/company headquarters, motor vehicles.

Rights of Depreciation (vehicles)	31 k€
Rights of Depreciation (office buildings/company headquarters)	117 k€
Total right of use Depriciation	**148 k€**

16.53b Interest expense from leasing liabilities
Contains the interest expense from all leasing liabilities of the period.

Interest expense (vehicles)	3 k€
Interest expense (office buildings/company headquarters)	78 k€
Total interest expense	**81 k€**

16.53g Payments for leasing relationships
Contains the cash outflows from all leases of the period..

Cash outflows (vehicles)	31 k€
Cash outflows (office buildings/company headquarters)	195 k€
Total cash outflows	**226 k€**

16.53h Rights of use Accesses
Contains the positive book values of the rights of use of the period..

Rights of use Accesses (vehicles)	28 k€
Rights of use Accesses (office buildings/company headquarters)	0 k€
Total rights of use Additions	**28 k€**

15. Cash flow statement

The cash flow statement shows how the Group's cash and cash equivalents have changed over the course of the financial year as a result of cash inflows and outflows. The cash flows are broken down into operating, investing and financing activities (IAS 7). Payments for investments are shown in detail in the statement of changes in non-current assets. These mainly relate to investments in rights of use for trademark rights. Longer-term payment periods have been agreed for various trademark rights agreements.

Cash and cash equivalents correspond to the balance sheet item "Cash and cash equivalents".
Cash outflows for income taxes paid and refunded in the financial year totalled € 29 thousand (previous year: € 40 thousand) and € 592 thousand (previous year: € 315 thousand) for interest expenses. Interest income totalled € 0 thousand (previous year: € 0 thousand).

16. Segment reporting

Report format

At **UNITED**LABELS, segment reporting is based on customer groups, with sales being the primary management tool. A distinction is made between the Key Account and Special Retail segments. While the Key Account segment is characterised in particular by individual contract manufacturing, Special Retailers are served with new collections from the company's own warehouse. The Internet business of Elfen Service GmbH is allocated to the specialised trade, as are numerous smaller customers of **UNITED**LABELS AG. The business of Colombine bvba and House of Trends europe GmbH is allocated to the Key Account segment. The segment data from internal reporting is as follows:

2023

k€	Special Retail	Key Account	Unallocated Items	Group
Sales Revenue	3,423	21,396	0	24,819
Segment Expenses	-1,141	-16,913	0	-18,054
Segment Result	**2,282**	**4,483**	**0**	**6,765**
Depreciation/Amortisation				-311
Staff costs				-2,600
Other operating income				677
Other operating expenses				-3,517
Financial income				78
Finance cost				-592
Result before tax				**499**
Taxes on income				133
Consolidated result of the year				**632**

€m	Special Retail	Key Account	Unallocated Items	Group
Segment assets	2,4	13,5	5,1	21,0
Segment liabilities	2,0	12,4	3,8	18,3
Capital expenditure	0,0	0,2	0,0	0,2

In the past financial year, sales increased by 8.7% to € 21,396 thousand in the Key Account segment and by 29.1% to € 3,423 thousand in the Special Retail segment. The segment result increased by 0.4% to € 4,483 thousand in the Key Account segment and by 19.0% to € 2,282 thousand in the Special Retail segment.

No segment revenue or expenses were recognised between the segments in the financial year. In the 2023 financial year, 74.6% of Group sales were realised with the ten largest customers. The largest customer accounted for 33.4%.

2022

k€	Special Retail	Key Account	Unallocated Items	Group
Sales Revenue	2,652	19,690	0	22,343
Segment Expenses	-734	-15,224	0	-15,958
Segment Result	**1,918**	**4,466**	**0**	**6,385**
Depreciation/Amortisation				-287
Staff costs				-2,908
Other operating income				476
Other operating expenses				-2,854
Financial income				71
Finance cost				-401
Result before tax				**482**
Taxes on income				-37
Consolidated result of the year				**445**

€m	Special Retail	Key Account	Unallocated Items	Group
Segment assets	2,7	17,5	4,4	24,6
Segment liabilities	1,8	13,5	7,1	22,4
Capital expenditure	0,1	0,6	0,0	0,7

Geographical information

The Group's two business segments operate in two main geographical areas. The company's home country is Germany. Sales are allocated on the basis of the country in which the customer is based.

Revenue	**2023 k€**	**2022 k€**
Germay	21,372	17,946
Other countries	3,447	4,396
Group	**24,819**	**22,343**

As a result, domestic sales rose by 19% and fell by 22% abroad.
Non-current assets are allocated according to the registered office of the company to which they belong.

Total Assets	**2023 k€**	**2022 k€**
Germay	4,809	5,239
Other countries	3,058	3,058
Group	**7,867**	**8,297**

Investments totalling € 217 thousand (previous year: € 717 thousand) were made exclusively in Germany.

Capital expenditure	**2023 k€**	**2022 k€**
Germay	217	717
Other countries	0	0
Group	**217**	**717**

17. Capital management

Capital management is concerned with the needs-based management of cash and cash equivalents within the Group, including the selection and management of financing sources. The aim is to provide the necessary funds at the lowest possible cost. The main control criteria here are debit and credit interest rates. The volume of funds to be managed is in the order of € 6.0 million (previous year: € 6.1 million). To fulfil this task, capital management has access to daily and monthly reporting with target/actual comparisons.

18. Risks

Exchange rate fluctuations

Some goods are purchased in US dollars. In order to hedge currency risks that may arise from payment obligations in foreign currencies, customary forward exchange transactions are concluded on a case-by-case basis. They are not used for speculative purposes. Changes in the value of current forward transactions are recognised in profit or loss.
Although appropriate price hedging measures are taken depending on the situation, it cannot be ruled out that long-term price increases will increase the cost of goods sold.
The average euro/US dollar exchange rate in the 2023 financial year was € 1 = USD 1.08 (previous year: € 1 = USD 1.05).
UNITEDLABELS pays part of its cost of goods sold in US dollars, as a large proportion of the goods it purchases come from the Far East. If the average exchange rate had been € 1 = USD 1.02, the cost of goods would have been € 0.4 million higher; at an average exchange rate of € 1 = USD 1.14, the cost of goods would have been € 0.4 million lower. Any exchange rate hedges are not taken into account in this example calculation.

Trademark rights

As a trademark rights holder, **UNITED**LABELS generally utilises the trademark rights of third parties. Although there are long-term and intensive relationships with the most important trademark rights holders, it cannot be ruled out that individual trademark rights contracts will not be extended. This could have a negative impact on the Group's sales and earnings situation.
UNITEDLABELS owns trademark rights in the Media/Entertainment segment, which are recognised at a total value of € 1,016 thousand (previous year: € 1,163 thousand). There are individual contracts that are subject to particular scrutiny due to their guarantee amounts and remaining terms. There is a fundamental risk that the recognised values may have to be adjusted due to future changes in market assessments and/or changes in the attractiveness of individual brand rights.

Liquidity

The consolidated financial statements were prepared on a going concern basis. **UNITED**LABELS Aktiengesellschaft covers part of its liquidity requirements through short-term bank overdraft facilities and the utilisation of a loan granted by the Management Board. The bank overdraft facilities amounted to € 0.5 million as at the balance sheet date, of which € 0.4 million had been utilised as at the balance sheet date. The loan from the Management Board and Facility Management Muenster GmbH had an agreed framework of up to € 0.9 million as at 31 December 2023, of which € 0.9 million had been utilised as at the balance sheet date.
Due to possible geopolitical effects on the supply chains, there is uncertainty that existing orders may not be fulfilled or not fulfilled on time and, as a result, existing debts may not be paid on time. **UNITED**LABELS Aktiengesellschaft does not maintain any business relationships with companies from Ukraine, Belarus or the Russian Federation. **UNITED**LABELS Aktiengesellschaft will closely monitor the further development of the Russian war of aggression and its effects on the global economy and take appropriate countermeasures. The Management Board has subjected the planning for the 2024 financial year to a stress test in order to analyse any negative effects on the Group's liquidity. Based on the updated liquidity planning, the Group's ability to continue as a going concern assumes that the financing banks will maintain their current account and letter of credit facilities in full, that the loan from the Executive Board will also be provided within the agreed framework if necessary and that the customer orders already received for the 2024 financial year will be processed through to receipt of payment without significant impairment. The majority of customer receivables are currently credit-insured or factored. **UNITED**LABELS endeavours to keep its liquidity headroom as large as possible through liquidity planning, a high level of transparency vis-à-vis its principal banks and Group-wide optimisation of payment flows.
With regard to the development and results of the past financial year, the Group considers itself to be well positioned in terms of organisation and market technology. This assessment is supported by the good delivery performance in the 2023 financial year, the focus on food retail customers, the increase in e-commerce business, the expansion of tour merchandising, no additional utilisation of credit lines and the high order backlog for the following year 2024.

As at 31 December 2023, **UNITED**LABELS had the following credit lines within the Group:

k€	Available	Utilized	Credit line 2023	Credit line 2022
Current account	83	417	500	500
Letters of credit/Bills of exchange	327	423	750	750
Long-term loans	4	896	900	900

Further financial flexibility is guaranteed by factoring financing. **UNITED**LABELS Aktiengesellschaft and the Belgian company Colombine bvba. have a maximum possible credit line of € 3.5 million available until the end of August 2028.

Interest

UNITEDLABELS Aktiengesellschaft currently secures long-term loans with a fixed interest rate. This ranges between an effective interest rate of 7.27% and 7.50% (previous year: 5.22% and 7.50%) for the various loans. A change in the interest rate level would therefore only have an insignificant impact on the economic situation of the **UNITED**LABELS Group in the short and medium term.

Further risks

In addition to the risks already mentioned, other customary business risks, such as price change and default risks, are recorded and continuously monitored by a risk management system. Price changes for future transactions are possible on both the sales and purchasing side. Before accepting an offer, the **UNITED**LABELS Group calculates each order on the basis of a minimum return. If this requirement is not met, the order is only accepted after approval by the Management Board. Defaults on customer receivables are reduced by the fact that every customer is insured if a certain limit is exceeded. To this end, the **UNITED**LABELS Group obtains information about the creditworthiness of the respective customer in advance.
Another risk that the company is focussing on is the potential dependence on individual customers. In 2023, the ten largest customers accounted for almost 75% of total sales. The recoverability of deferred taxes recognised in the amount of € 1.3 million (previous year: € 1.1 million) and existing goodwill in the amount of € 3.1 million (previous year: € 3.1 million) are also constantly monitored.
The risk management system is thus essentially aimed at recognising risks at an early stage, assessing the extent and probability of occurrence and initiating suitable countermeasures. The Group is not aware of any other significant risks in accordance with IFRS 7.34 at the time of preparing the financial statements.

D. Notes to the individual items of the consolidated statement of comprehensive income

1. Revenues

The classification of sales revenue is based on revenue from the sale of goods (merchandise) and services.

	2023		2022	
	Revenue		Revenue	
	k€	in %	k€	in %
Sale of goods	24,602	99	22,028	99
Services	217	1	315	1
	24,819	100	22,343	100

2. Amortisation of rights of use

Amortisation of rights of use includes amortisation of product-related trademark rights. They fell from € 553 thousand in the previous year to € 351 thousand.

3. Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation and amortisation of property, plant and equipment and intangible assets amounted to € 311 thousand in 2023 (previous year: € 287 thousand) and was attributable to scheduled depreciation and amortisation.
The acquisition costs for the purchase of rights of use for trademark rights are capitalised under intangible assets. The corresponding amortisation is based on usage and is shown under amortisation of usage fees.

4. Financial result

Financing income includes interest income of € 78 thousand (previous year: € 71 thousand) resulting from the adjustment of asset values for reinsurance policies. Financing expenses include interest expenses totalling € 592 thousand (previous year: € 401 thousand) for long-term loans, the use of overdraft facilities and factoring.

5. Income taxes

The position is made up as follows:	2023 k€	2022 k€
Current tax expenses	14	111
Deferred tax expense/income	-162	-75
Total current & deferred taxes	**-148**	**37**

The following table shows the reconciliation from expected to actual income tax expense:

	2023 k€	2022 k€
Consolidated result before income taxes	483	482
Applicable tax rate %	31.93%	31.93%
Expected tax income/ tax expense	154	133
Difference to foreign tax on income	-3	1
Tax effect of non-deductible expenses	26	39
Tax effect of non-taxable income	0	0
Impairment loss for deferred tax assets	0	18
Reversal of impairment losses for deferred tax assets	-321	-205
Tax effect attributable to utilisation of tax loss carryforwards not previously recognised	-6	-29
Tax effect of loss carryforwards for which no deferred tax assets were recognized in the current period	2	4
Taxes attributable to other periods	0	76
Effects of changes to the tax rate	0	0
Current tax expense/income	**-148**	**37**

The domestic tax rate results from trade tax with an assessment rate of 460% (previous year: 460%), corporation tax of 15% (previous year: 15%) and a solidarity surcharge on corporation tax of 5.5% (previous year: 5.5%). The loss carryforwards result from corporation tax and trade tax (previous year: corporation tax and trade tax) and are not time-limited. The recoverability was determined using a planning calculation based on a detailed planning period of three years.

E. Other explanations and information

1. Company bodies

The company's Supervisory Board consisted of the following members in the 2023 financial year:

Dr David Strack, Managing Director Central Agency for Green Commerce GmbH
Co-Founder and CEO Fengda Factoring, Hamburg (Chairman of the Supervisory Board)

Albert Hirsch, Managing Partner of reccom GmbH & Co KG, Muenster (Deputy Chairman since 5 July 2023)

From 05.07.2023
Silvia Lubitz, Head of HR Headquarters, Talent Acquisition & Young Professionals at Thalia Bücher GmbH, Hagen

Until 05.07.2023
Volker Deck, COO and Managing Partner Matchoo GmbH
Freelance management consultant in the retail sector, Cologne (Deputy Chairman until 5 July 2023)

The remuneration of the Supervisory Board is regulated in the Articles of Association of **UNITED**LABELS Aktiengesellschaft. The fixed remuneration of the Supervisory Board amounts to €40 thousand per financial year. The Chairman of the Supervisory Board receives €20 thousand p.a. and the two other members of the Supervisory Board €10 thousand p.a. In addition, the members of the Supervisory Board receive variable remuneration calculated at 0.25% of the consolidated net profit for the year (before payment of this variable remuneration component), up to a maximum of € 10 thousand. In the 2023 financial year, this amounted to € 1.6 thousand (previous year: € 1 thousand) per Supervisory Board member. In addition, the members of the Supervisory Board and its committees receive an attendance fee of € 1 thousand for each meeting they attend. The Chairman of the Supervisory Board receives double the attendance fee. For the 2023 financial year, the total remuneration for the Supervisory Board amounts to € 64 thousand.
As at the balance sheet date, 31 December 2023, none of the Supervisory Board members in office held no-par value shares in the company.

The Management Board of the company was appointed:
Peter Boder, Diplom-Kaufmann, Muenster (sole director)

The fixed remuneration of the Management Board totalled € 229 thousand in the financial year, including insurance and fringe benefits. In addition, variable remuneration with a short-term or long-term incentive effect was paid out in the financial year, for which a provision was recognised in 2022, so that the total remuneration for the 2023 financial year amounted to € 303 thousand.
Mr Boder's Management Board contract contains an agreement on short-term and long-term variable remuneration. The short-term bonus agreement for the Executive Board amounts to 4% of the consolidated net profit for the year before taxes and bonuses. This is paid depending on a positive consolidated result, the annual plan achievement and the development of the share price. The long-term bonus agreement with the Management Board in accordance with the provisions of the remuneration system stipulates that the Management Board is paid a positive share price difference between the bonus year and the fourth financial year ending before the bonus year on the basis of 50,000 virtual shares. The bonus is forfeited if the share price difference is negative or if fulfilment would result in the company's net income or the consolidated net income for the bonus year being negative.
In the event of premature termination of Mr Boder's contract, the potential severance payment may not exceed the total remuneration for two financial years. Mr Boder was appointed to the Management Board for a further five years in December 2019 and his contract was extended on the same terms.

As at 31 December 2023, Mr Peter Boder held a total of 2,445,951 shares in the company, corresponding to 35.3% of the share capital. Mr Peter Boder notified **UNITED**LABELS Aktiengesellschaft of the following shareholding in a declaration dated 14 February 2024: "I hereby inform the company that I hold 2,445,951 shares in **UNITED**LABELS Aktiengesellschaft as at today's date." Since then, Mr Boder has not reported any sales of shares.

In the consolidated financial statements, the pension provision for pension commitments to the Chairman of the Executive Board increased by € 224 thousand in the reporting year. As a reinsurance policy is not accessible to all creditors (€ 208 thousand), it was netted against the pension provisions in accordance with IAS 19. Taking into account the netting with the reinsurance policy, the pension provision recognised as at the reporting date amounts to € 1,644 thousand (previous year: € 1,420 thousand). For the Executive Board member, Mr Peter Boder, this results in a retirement pension of € 9,450.00 per month from the age of 65 and a disability pension of the same amount. These increase or decrease in line with the basic salary of a federal civil servant in salary group A 14 BbesG, based on the index figure for the month of December of the previous year. The monthly retirement pension is calculated on the basis of the average salary of the last five years. There is also a surviving dependants' pension in the form of a widow's pension amounting to 60% of the retirement pension and an orphan's pension. Reinsurance policies have been taken out for the claims to retirement pensions and surviving dependants' benefits, which currently serve primarily as collateral for other purposes.

2. Number of employees

The following persons were employed at the end of the financial year:	2023	2022
Full-time employees	28	30
Part-time employees	16	12
Temporary staff	12	25
	56	**67**

On average, 59 people were employed in the financial year (previous year: 69).

Converted to full-time employees, the workforce breaks down as follows:	2023	2022
Full-time employees	28	30
Part-time employees	9	7
Temporary staff	3	6
	40	**43**

On average, 42 people were employed in the financial year (previous year: 43).

3. Corporate Governance

The declaration on the German Corporate Governance Code (GCGC) required by Section 161 of the German Stock Corporation Act (AktG) has been issued and is permanently available to shareholders on the company's website at http://www.unitedlabels.com/investor-relations/corporate-governance.

4. Employee share option programme

As at 31 December 2023, there were no option rights and no valid option rights programme.

5. Auditor's fee

The fee of € 93 thousand recognised as an expense in the financial year relates exclusively to auditing services.

6. Information on relationships with related parties and companies

Related parties within the meaning of IAS 24 are persons who can be influenced by the reporting company or who can influence the company.

Mr Peter Boder holds 35.3% of the shares in **UNITED**LABELS Aktiengesellschaft.
In addition to the remuneration paid to the Supervisory Board and the Management Board, there are business relationships with Facility Management Muenster GmbH (In 2023, expenses from a rental agreement for Gildenstrasse 2j in the amount of € 78 thousand (previous year: € 78 thousand) and income from the leasing of roof space on the buildings at Gildenstrasse 6 and 21 of **UNITED**LABELS AG for the installation and operation of a photovoltaic system. **UNITED**LABELS AG receives a net annual usage fee of € 4,980.00 for Gildenstr. 21 and € 450.00 net for Gildenstr. 6). Furthermore, Mr Boder is the owner of the office and warehouse building including the property at Gildenstr. 6 and leases it to the company. The rental agreement runs until 31 December 2027 and the net monthly rent amounts to € 18 thousand. 100% of Facility Management Muenster GmbH is owned by the Management Board member, Mr Peter Boder. As at the balance sheet date, there is also a loan to the company from Mr Boder for € 781 thousand and another loan from Facility Management Muenster GmbH for € 115 thousand. Both loans bear interest at a rate of 7.5% p.a.. Both loans together can be utilised up to an amount of € 900 thousand until 31 March 2025. At its peak, **UNITED**LABELS AG utilised € 1,291 thousand in the past financial year, with interest amounting to € 86 thousand (previous year: € 29 thousand). Furthermore, as at 31 December 2023, there was a net surplus of receivables from the Management Board of € 230 thousand from interest liabilities, receivables from loss absorption and receivables from advances.
The **UNITED**LABELS Group uses free liquidity to minimise interest payments across the Group. There are also internal supply relationships between the individual companies. As at the reporting date, there were current receivables from and liabilities to subsidiaries totalling € 2,678 thousand (previous year: € 1,391 thousand). These amounts were eliminated in the course of debt consolidation.

7. Events after the balance sheet date

There were no significant events after the end of the 2023 financial year.

Muenster, 23 April 2024

UNITEDLABELS Aktiengesellschaft
CEO

signed. Peter Boder

Responsibility Statement

On the best of my knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Groups management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Muenster, 23 April 2024

UNITEDLABELS Aktiengesellschaft
CEO

signed. Peter Boder

Independent auditor's opinion

To **UNITED**LABELS Aktiengesellschaft, Muenster:

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

Audit judgements

We have audited the consolidated financial statements of **UNITED**LABELS Aktiengesellschaft, Bonn, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 1 January 2023, the consolidated statement of comprehensive income, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January 2023 to 31 December 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of **UNITED**LABELS Aktiengesellschaft, Muenster, for the financial year from 1 January 2023 to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other information" section.

In our opinion, based on the findings of our 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) 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 1 January 2023 and of its financial performance for the financial year from 1 January 2023 to 31 December 2023, and

- the accompanying Group management report as a whole provides a suitable view of the Group's position. In all material respects, this Group management report is consistent 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 group management report does not cover the content of those parts of the group management report listed in the "Other information" section.

Pursuant to § 322 Abs. 3 Satz 1 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 group management report.

Basis for the audit judgements

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No 537/2014: referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report.

We are independent of the Group companies in accordance with European and German commercial and professional regulations and have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Material uncertainty in connection with the continuation of business activities

We refer to the disclosures in section C.18. of the notes to the consolidated financial statements and in section 3. of the Group management report, in which the Executive Board states the following:
The **UNITED**LABELS Aktiengesellschaft Group, Muenster, covers part of its liquidity requirements via short-term bank overdraft and letter of credit facilities and the utilisation of a loan from the Management Board.

Based on the updated liquidity planning, the company's ability to continue as a going concern assumes that the financing banks maintain their current account and letter of credit lines in full, that the loan from the Management Board is made available within the agreed framework if necessary and that the customer orders already received for the 2023 financial year are processed without significant impairment until payment is received.

With regard to the auditor's error, we refer to the comments under Key audit matters in the audit of the annual financial statements on "1. Assessment of the going concern assumption by the Executive Board".

This indicates the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and constitutes a going concern risk within the meaning of Section 322 (2) sentence 3 HGB.

Our audit opinions have not been modified with regard to this matter.

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 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In our opinion, the following matters were of most significance in our audit:

Assessment of the going-concern assumptions by the Executive Board

a. Risk for the consolidated financial statements

In preparing the consolidated financial statements, the Management Board of **UNITED**LABELS Aktiengesellschaft, Muenster, has assumed that the company will continue as a going concern. The assessment is based on the liquidity planning for **UNITED**LABELS Aktiengesellschaft, Muenster, until 31 December 2024. This liquidity planning is important for the assessment of the going concern assumption and is naturally characterised by uncertainty, as it is based on subjective assumptions by the Management Board. The liquidity planning is based on the assumption that the goods ordered can be delivered and that customer receivables will be paid in full and within the agreed terms. The fact that some of the receivables are pre-financed via factoring or insured against non-payment was taken into account. The liquidity planning for the 2024 financial year concludes that the liquidity requirement is covered on the basis of the existing financing framework.

b. Audit approach and findings

We have recalculated the earnings and liquidity planning prepared by the Executive Board for the 2024 financial year and checked the plausibility of the underlying assumptions. After discussing the plans and the underlying assumptions with the Executive Board, we conclude that the plans are mathematically correct and that the sub-plans are appropriately linked. Accordingly, taking into account the credit lines agreed with the banks and the Executive Board, the liquidity planning up to the end of the 2024 financial year does not show a shortfall on the basis of monthly balances. We are of the opinion that the assumptions made in the earnings and liquidity planning regarding sales development based on the current order backlog are appropriate. The cost planning is plausibly derived from the findings of the previous year and the expected sales. After assessing the earnings and liquidity planning and the current financial status, we conclude that the Executive Board has adequately reflected the existing liquidity risks and uncertainties in the liquidity planning.

The company's disclosures on the threat to its continued existence are contained in section C.18. of the notes to the consolidated financial statements and section 3. of the Group management report.

Recoverability of goodwill

a. Risk for the consolidated financial statements

An amount of € 3,090 thousand (14.75% of the balance sheet total) is recognised for goodwill under the balance sheet item "Intangible assets" in the consolidated financial statements. The Group allocates the goodwill to the acquired business units within the **UNITED**LABELS Group. An amount of € 3,058 thousand is attributable to Colombine BVBA, Bruges, which operates the business in Belgium. The carrying amounts of these business units are compared by the company with their respective recoverable amount in the regular impairment tests. The recoverable amount is determined on the basis of the value in use. The present value of expected future cash flows is calculated using discounted cash flow models, based on the three-year operating plans prepared by the legal representatives and extrapolated using assumptions about long-term growth rates. Discounting is performed using the weighted cost of capital determined for the **UNITED**LABELS Group. The result of this valuation is highly dependent on the assessment of the future cash inflows of the respective business units by the executive directors and the discount rate used and is therefore subject to considerable uncertainty.

b. Audit approach and findings

During our audit, we assessed, among other things, the methodology used to perform the impairment test and the calculation of the weighted average cost of capital. We satisfied ourselves of the appropriateness of the valuation of the estimated cash inflows by, among other things, comparing this information with the current budgets from the three-year plans prepared by the executive directors. With the knowledge that even relatively small changes in the discount rate used can have a material impact on the amount calculated in this way, we examined the parameters used to determine the discount rate applied and analysed the calculation method. Furthermore, due to the material significance of goodwill for the consolidated financial statements, we performed a sensitivity analysis for the business units and determined that the respective goodwill is sufficiently covered by the discounted future cash surpluses.

The company's disclosures on goodwill are contained in sections B.2., B.3., B.16. and C.1. of the notes to the consolidated financial statements.

Other information

The legal representatives or the Supervisory Board are responsible for the other information. The other information comprises the following components of the Group management report, the content of which has not been audited:

- the statement on corporate governance pursuant to Section 289f HGB and Section 315d HGB included in the "Corporate Governance Statement" section of the group management report,
- the statements on the diversity concept and the quota of women referred to in the group management report,
- the remuneration report pursuant to Section 162 AktG, to which reference is made in the Group management report,
- the responsibility statement pursuant to Section 297 (2) sentence 4 HGB and Section 315 (1) sentence 5 HGB,
- the report of the Supervisory Board and
- the remaining parts of the annual report – without further cross-references to external information – with the exception of the audited consolidated financial statements and the group management report and our auditor's report.

The legal representatives and the Supervisory Board are jointly responsible for the remuneration report. The Supervisory Board is responsible for the report of the Supervisory Board. Otherwise, the legal representatives are responsible for the other information.

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

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information:

- are materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appear to be materially misstated.

Responsibility of the legal representatives and the Supervisory Board for the consolidated financial statements and the Group management report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, management is responsible for such internal control as they, in accordance with German Generally Accepted Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. accounting fraud or error) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they are responsible for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

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

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and group management report.

During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of accounting estimates and related disclosures made by the executive directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the legal representatives in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other statutory and other legal requirements

Report on the audit of the electronic reproduction of the consolidated financial statements and the group management report prepared for publication purposes in accordance with Section 317 (3a) HGB

Audit judgement

We have performed an assurance engagement in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the group management report (hereinafter also referred to as "ESEF documents") contained in the attached file "5299000WCG41FM5SV917-2023-12-31-de.zip" (hash value: 429e17af5a53ed30e7770abc7736585dce4dd4c03578c5a7a5095617b73dbfb4) complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit only extends to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore does not extend to the information contained in these reproductions or any other information contained in the above-mentioned file.

In our opinion, the reproduction of the consolidated financial statements and the group management report contained in the above-mentioned file and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying group management report for the financial year from 1 January 2023 to 31 December 2023 contained in the "Report on the audit of the consolidated financial statements and of the group management report" above, we do not express any audit opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file.

Basis for the audit opinion

We conducted our audit of the reproduction of the consolidated financial statements and of the group management report contained in the above-mentioned file in accordance with Section 317 (3a) HGB and IDW Auditing Standard: Audit of the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibilities under those requirements are further described below. Our auditing practice has complied with the quality assurance system requirements of the IDW quality assurance standard: Requirements for Quality Assurance in the Auditing Practice (IDW QS 1) have been applied.

Responsibility of the legal representatives

The legal representatives of the Group are responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the Group management report in accordance with Section 328 (1) sentence 4 no. 1 HGB and for the labelling of the consolidated financial statements in accordance with Section 328 (1) sentence 4 no. 2 HGB.

Furthermore, the Group's management is responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material non-compliance, whether due to fraud or error, with the requirements of Section 328 (1) HGB for the electronic reporting format.

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

Auditor's responsibility for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material - intentional or unintentional - non-compliance with the requirements of Section 328 (1) HGB. During the audit, we exercise professional judgement and maintain professional scepticism. In addition

- Identify and assess the risks of material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit of the ESEF documentation in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these controls.
- We assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents fulfils the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable at the reporting date for the technical specification for this file.
- Evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited group management report.
- We assess whether the labelling of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 in the version applicable at the reporting date provides an adequate and complete machine-readable XBRL copy of the XHTML reproduction.

Other information pursuant to Article 10 EU-APrVO

We were elected as auditor by the annual general meeting of **UNITED**LABELS Aktiengesellschaft, Muenster, on 5 July 2023. We were engaged by the Supervisory Board on 22 December 2023. We are the auditor of **UNITED**LABELS Aktiengesellschaft, Muenster, for the first time for the financial year 2023.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (audit report).

OTHER MATTERS - UTILISATION OF THE AUDIT OPINION

The auditor's report must always be read in conjunction with the audited consolidated financial statements and the audited Group management report as well as the audited ESEF documents. The consolidated financial statements and the group management report converted into the ESEF format - including the versions to be published in the Federal Gazette - are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the ESEF report and our audit opinion contained therein can only be used in conjunction with the ESEF documents provided in electronic form.

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Mr Dirk Rohde.

Duesseldorf, 26 April 2024

FRTG AG
Auditing company

Wolfgang Hohl	Dirk Rohde
Certified Public Accountant	Certified Public Accountant


The GRINCH
Dr. Seuss

UNITEDLABELS **Aktiengesellschaft, Muenster**

Income statement for the period from
1 January to 31 December 2023

	2023	2022
	€	€
1. Sales Revenue	23,478,731.98	21,192,451.62
2. Cost of purchased goods	-18,063,806.51	-15,440,331.00
3. Amortisation of license rights	-351,816.21	-553,317.24
	5,063,109.26	**5,198,803.38**
4. Other operating income	306,543.33	247,492.23
5. Staff costs		
a) Wages and salaries	-2,135,999.37	-2,229,295.96
b) Social security, post-employment and other employee benefit costs	-422,681.31	-552,796.75
6. Amortization of intangible assets and tangible assets	-129,830.32	-128,453.09
7. Other operating expenses	-2,073,492.29	-2,139,274.38
	607,649.30	**396,475.43**
8. Income from participations	0.00	0.00
8. Other interest and similar income	77,764.30	70,863.37
10. Interest and other expenses	-434,124.51	-294,287.32
11. Taxes on income and profit	208,900.75	28,170.14
12. Result after taxes	**460,189.84**	**201,221.62**
13. Other taxes	-15,657.10	-67,345.88
14. Net result	**444,532.74**	**133,875.74**
15. Result carryforward from previous year	-1,698,334.03	-1,832,209.77
16. Net result	**-1,253,801.29**	**-1,698,334.03**

UNITEDLABELS Aktiengesellschaft, Muenster
Balance Sheet as at 31 December 2023

ASSETS	31.12.2023 €	31.12.2022 €
A. Non-Current		
I. Intangible Assets		
1. Concessions, industrial and similar rights and assets, as well as licences in such rights and assets	1,015,622.66	1,163,048.44
	1,015,622.66	**1,163,048.44**
II. Property, plant and equipment		
1. Land, land rights and buildings, including buildings on third-party land	2,051,129.14	2,149,583.56
2. Technical equipment and machinery	10,726.28	13,433.55
3. Other equipment, operating and office equipment	58,581.00	71,958.92
	2,120,436.42	**2,234,976.03**
III. Long-Term financial assets		
1. Investments in affiliated companies	7,731,180.47	7,731,180.47
	10,867,239.55	**11,129,204.94**
B. Current assets		
I. Inventories		
1. Finished goods and merchandise	4,888,486.18	5,050,417.53
2. Prepayment	12,009.79	68,374.67
	4,900,495.97	**5,118,792.20**
II. Receivables and other assets		
1. Trade receivables	1,145,639.67	2,612,383.65
2. Receivables from affiliated companies	930,220.51	477,792.51
3. Receivables from at-equity investments	3,871,824.89	6,785,411.76
	5,947,685.07	**9,875,587.92**
III. Cash, bank deposits, cheques	**663,931.08**	**256,649.60**
	11,512,112.12	**15,251,029.72**
C. Prepaid expenses	**109,716.68**	**93,940.05**
D. Deferred taxes	**865,501.60**	**656,600.85**
Total Assets	**23,354,569.95**	**27,130,775.56**

EQUITY AND LIABILITIES	31.12.2023 €	31.12.2022 €
A. Equity		
I. Issued capital	**6,930,000.00**	**6,930,000.00**
II. Balance sheet result	**-1,253,801.29**	**-1,698,334.03**
	5,676,198.71	**5,231,665.97**
B. Provisions		
1. Provisions for pensions and similar obligations	2,344,579.42	2,296,089.20
2. Other provisions	2,889,737.18	5,949,463.25
	5,234,316.60	**8,245,552.45**
C. Liabilities		
1. Bank liabilities	1,103,913.88	1,289,514.93
2. Trade payables	3,177,340.62	4,021,241.50
3. Amounts owed to affiliated companies	532,133.65	668,662.41
4. Other liabilities	7,630,666.49	7,674,138.30
	12,444,054.64	**13,653,557.14**
Total liabilities	**23,354,569.95**	**27,130,775.56**
Contigent liabilities:	0.00	0.00

Supervisory Board

Dr. David Strack
Chairman of the Supervisory Board
Managing Director Central Agency for Green Commerce GmbH

- several leading positions at MSH, Mediamarkt, Plus, Aldi
- 2014-2017 Board Member and Managing Director at EDEKA Nord
- since 2018 Senior Advisor at EY and EQT
- since 2022 Managing Director Central Agency for Green Commerce GmbH
- since 2021 Chairman of the Supervisory Board at **UNITED**LABELS AG

Albert Hirsch
Deputy Chairman of the Supervisory Board
Executive Partner reccom GmbH & Co KG

- 2000-2011 Board Member buch.de
- 2012-2016 Board Member **UNITED**LABELS AG
- 2017-2022 Board Member at SuperBioMarkt AG
- since 2022 Executive Partner reccom GmbH & Co KG
- since 2021 Member of the Supervisory Board at **UNITED**LABELS AG

Silvia Lubitz
Member of the Supervisory Board (since July 2023)
Head of HR Headquarters, Talent Acquisition & Young Professionals, Thalia Bücher GmbH

- 2005-2007 Personnel Officer in Management Development at Douglas Holding AG
- 2007-2014 Personnel management at buch.de internetstores AG
- since 2015 Head of HR Headquarters, Talent Acquisition & Young Professionals, Thalia Bücher GmbH
- since 2023 Member of the Supervisory Board at **UNITED**LABELS AG

Volker Deck
Member of the Supervisory Board (until July 2023)
Freelance management consultant in the retail sector

- 2006-2015 several leading positions at REWE Group
- 2015-2018 Head of Purchase nonfood at REWE Group
- since 2019 Freelance management consultant in the field of trade
- since 2022 COO and Executive Partner Matchoo GmbH
- 2021-2023 Deputy Chairman of the Supervisory Board at **UNITED**LABELS AG

Management Board

Peter Boder
CEO **UNITED**LABELS AG

Peter Boder (born 1965) began his studies in business administration at the Westfaelische Wilhelms-Universität in Muenster in 1986, majoring in distribution and retail management. During this time, he co-founded DUKE GmbH, Muenster, and assumed the responsibilities of Managing Partner. Having successfully completed his university studies (degree of Diplom-Kaufmann) in 1990, he established **UNITED**LABELS GmbH, where he held the position of Managing Partner. Peter Boder has been Chairman of the Management Board of **UNITED**LABELS AG since 2000.

Management

Marc Harenkamp
Head of Logistics

Christina Grimmelt
Head of Design

Carla Brandenburg
Head of Purchase
Non-Textile

Leona Braun
Head of Purchase
Textile

Tobias Greger
Head of Brand Management

Marija Bernhardt
Head of Finance

Armin Ettwig
Financial Advisor

Raphael Schwierz
E-Commerce

IMPRINT

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Legal Disclaimer

This report contains judgements and estimates as well as forward looking statements that reflect the current views of the management of **UNITED**LABELS AG and its subsidiaries with respect to future events and expectations. Although these forwardlooking statements, judgements and estimates are based on current plans, they may nevertheless be subject to risks and uncertainties that are often difficult to predict and are generally beyond the control of **UNITED**LABELS AG. If these or other risks or uncertainties materialise, or if the assumptions underlying any of these statements prove incorrect, the actual results pertaining to **UNITED**LABELS AG may differ materially from those expressed or implied by such statements, expectations or judgements. **UNITED**LABELS AG does not plan to provide updated information relating to its forward looking statements, expectations or judgements. Furthermore, to the extent that this is permissible under the law, **UNITED**LABELS AG disclaims any liability for such statements, expectations or judgements and forecasts.
The aforementioned shall also apply to any indicators disclosed in this report that do not fall within the requirements of financial accounting standards. Such indicators may not be entirely comparable with those applied by other entities.
The English version of this report is a translation of the original German report. Only the German version of this report is legally binding.

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Our annual reports, interim reports etc. are also availible at
www.unitedlabels.com/investor-relations/financial reports

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TEENAGE MUTANT NINJA TURTLES

1987
· Founding of Duke GmbH
today **UNITED**LABELS AG

1991
· **UNITED**LABELS GmbH
First license: Peanuts

2000
· Neuer Markt, Frankfurt - IPO
· Aquisition of Colombine
b.v.b.a. (Belgium)

2007
· Founding of House of
Trends europe GmbH

2011
· Founding of
Elfen Service GmbH (E-Com)

2017
· Expansion of Special Retail
with licenses of "Ralph Ruthe",
"Pummeleinhorn"

2018
· Sales launch of "Playmobil"
· Capital increase

2020
· Successful fiscal year in spite
of the corona pandemic

2021
· Continuous growth

2022
· Development
of tour merchandising

UNITED LABELS

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